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ABSTRACT
The study aims to identify factors that have impact on the financial performance (FP) of Jordanian shareholding industrial corporations (JSIC) for the years 2008-2012 measured by return on assets, return on equity. The community of the study represent all (JSIC) listed in Amman Stock Exchange, the number of which is 78 corporations; out of which, 8 have been excluded due to financial difficulties and suspended from dealing therein the Stock Market; therefore, the sample of this study consists of 70 corporations, out of which 20 corporations are listed in Stock Exchange market, and 50 corporations are listed in the second market. The study indicated that there is statistical significance correlation between corporation's financial performance and all independent variables: size of the company, the institutional investor, debt ratio, company age, liquidity ratio, customer satisfaction, productivity, degree of financial leverage. There is negative statistical significance correlation between financial performance and institutional investor. Based on such findings, the study is commending several recommendations, the most important ones; that (JSIC) should improve their (FP) through investing assets and increasing the productivity, the study also commends that the (JSIC) should take into consideration the affect of the loans and debts on the (FP) at the time of making a decision in the matter of increasing or reducing the debts. It is necessary to develop and follow the policies and strategies to maintain and keep the customers preserved accordingly, by which shall insure the availability of the product and for providing services with reasonable price in reasonable times. (FP) (JSIC)

Keywords: Performance, Financial performance, factors affecting performance.

1. Introduction
The Jordanian industry sector is important for the Jordanian economy in which the development of industries companies will affect positively Jordanian economy. Funding and human resources such as increasing the number of graduates lead to corporation's success. The (JSIC) achieved high profits and reached their peak in 2011. For instance, the percentage of operational profits was 28 %, the percentage of return on assists was 20 % and the percentage of return on equity was 26 %. These have shown the importance of this sector in which it contributes to GDP.
Since the industrial sector is important, the study will comment on the impact of independent variables on the (FP) of (JSIC) which in turn are significant part of the Jordanian economy. The independent variables are represented in company size, institutional investor, debt ratio, company age, liquidity ratio, customer's satisfaction, productivity and degree of financial leverage. These factors are analyzed through statistical analysis to know the factors which affect the (FP) of (JSIC).

1.1 Research Objectives
The financial performance is one of the significant financial points which express corporation's success of exploiting the available resources. Hence, this study aims to identify factors which
affect the (FP) of (JSIC) measured by return on assets and return on equity for the period from 2008 to 2012, these factors include (company size, the institutional investor, debt ratio, company age, liquidity ratio, customers satisfaction, productivity and degree of financial leverage). The study objectives can be interpreted through the following questions:
Q1: what is the effect of independent variables on (FP) of (JSIC) measured by return on assets?
Q2: what is the effect of independent variables on (FP) of (JSIC) measured by return on equity?
Each one of the previous questions has subordinated one:
1. What is the effect of corporation's size on its (FP)?
2. What is the effect of institutional investors on its (FP)?
3. What is the effect of debt ratio on its (FP)?
4. What is the effect of the degree of financial leverage on its (FP)?
5. What is the effect of liquidity ratio on its (FP)?
6. What is the effect of corporation's age on its (FP)?
7. What is the effect of customer's satisfaction on its (FP)?
8. What is the effect of productivity on its (FP)?

1.2. Significance of the Research

The study is useful for expected investors, corporation's management, creditors, official parties and Jordanian economy. For example, investors are interested in this study as to made successful decision ending in good profits, this study help management to know and detect failed and successful indicators to follow the right procedure to develop its performance. The official parties focus on corporation's performance in order to avoid financial crises. Finally, creditors seek the corporation's assurance commitment to fulfill the pledges and financial obligations. After all, if corporations succeed, the whole economy will grow up and will be reflected in welfare prosperity.

2. Literature Review

A necessary starting point in this study lies in providing the reader with a theoretical assessment of the major concept of factors that affect (FP) of (JSIC) by analyzing the information which referred to 70 companies listed in Amman Stock Exchange. Financial performance is the company’s ability and quality to manage its activities in marketing, productivity, technically, all other management aspects and using its skills to convert the inputs into outputs with good quality and quantity during a specific time (Al-krghi, 2010). While the importance of financial performance refer to watch company’s work, examine its actions and performance, so put it in the right way by identifying constraints and trying to solve it (Donald & Water, 2002).
(Mkamreh, 1986) investigated factors that affect performance of Jordanian companies by analyzing the information which referred to 55 companies listed in Amman Stock Exchange during the period from 1980 to 1982. The study found that Jordanian company's performance is influenced by the size of total assets, undisturbed profits, number of shareholders and company’s debt ratio.
(Salameh, 1994) interprets the relationship between size and return of industrial companies which listed in Amman Stock Exchange. The study concludes that the returns of large companies are much more than the small ones, while the risk of all companies are the same whether it’s standard deviation or Beta coefficient. This study revealed that there is a difference between earnings per share for large and small companies.
(Wang, 1997) shows the impact of ownership structure on performance of companies which listed in Chinese Exchange Market. It appears from the empirical Analysis that ownership
structure highly influences the company performance, in which there is positive relationship between profit and concentration of ownership, and its stronger if the company controlled by individuals than those controlled by the government. On the other hand, there is a negative relationship between profit and percentage of shares owned by government. So this study comments that good company's performance resulted when individuals manage the company.

(Ozkan, 2001) examined through his study which held on 2001 the constraint of ownership structure of British public shareholding companies. The study found two contradictory relationships. There is negative relationship between profits and liquidity ratio, and between averages of growth with debt. On the other hand there is the positive relation between company size and degree of financial leverage.

(Jean’s, 2004) showed the impact of Chinese capital structure on profits; the sample was taken from companies listed in China Stock Market. This study focused also on the industrial sector for the period from 1995 to 2000 The researcher found a negative relationship between profits and debt, and positive one between growth opportunities and debt. Also there is negative one between companies’ size and long-term debt financing.

(Al-khdash & Al-abady, 2005) focused on factors that influence return on shareholders’ equity as percentage based on the accrual basis and cash flaws to equity as a rate based on cash basis to test the financial position of industrial companies and financial performance. The sample consists of 26 shareholding industrial corporations listed in Amman Stock Exchange; models are used to test the relationship between the independent variable and dependent variable. It is concluded that there are two statistical significant relationships; the first there is positive correlation between revenue, shareholding equity and market value of the share, while the second occurs between cash flaws, shareholding equity and market value of shares. It is noticed from this study that the second correlation is much more important than the first one.

(Majali, et al, 2011) investigated factors that affect financial performance of all 25 Jordanian insurance companies that are listed in Amman Stock Exchange during the period from 2002 to 2007. Data was analyzed by multiple linear regression equation. The results of the study shows that the degree of financial leverage, liquidity ratio, company's size and good management had positive effects on insurance companies. The study recommended that companies to increase their assets and have a good management to develop the financial performance.

3. The Research Model
This formulation of the theoretical framework aimed to measure the impact of independent variables on financial performance of Jordanian shareholding corporations listed in Amman Stock Exchange for the period from 2008 to 2012. Figure 1 show our model. This figure shows independent variables are a function of financial performance of Jordanian shareholding corporations listed in Amman Stock Exchange.
3.1 Variables of the Study: Variables are divided into:

3.1.1 Dependent variables: There are two measurements used to measure Corporation’s financial performance; return on assets and return on equity. It is calculated as follows:

3.1.1.1 Return on Assets: measures management ability to achieve profits from each Dinar invested in assets. It is calculated by dividing net income by total assets as shown in the equation; return on assets = net income / total assets.

3.1.1.2 Return on Equity: this is a common measurement that measures the profit pertains to owner's equity, and it's calculated as shown in the equation:

Return on Equity = net income / owner's equity rights.

3.1.2 Independent variables: consist of the following:

3.1.2.1 Company size: There are many measurements for this variable as total sales and total fixed assets. Total sales are used in this study to achieve its objectives.

3.1.2.2 Institutional investors: This variable reflects the amount of funds invested in the company's capital which exceeds 5% for all Institutional investors.

3.1.2.3 Company's age: it means the number of years that have been passed since the founding of the company; this variable is calculated by subtracting company’s foundation from 2012.

3.1.2.4 Debt Ratio: calculated by dividing total liabilities on total assets.

3.1.2.5 Current ratio: A comprehensive ratio which captures the relationship between the level of current assets and current liabilities, calculated as; current assets / current liabilities. In this study, current ratio has been used as the indicator for firm liquidity.

3.1.2.6 Customer Satisfaction: It’s the company’s ability to produce good products and services which guarantee customers’ satisfaction. This variable calculated as (Sales - Sales in previous year) / Sales in previous year.
3.1.2.7 Productivity: It’s the company’s skills to produce variety of goods and services. Productivity is measured by calculating assets turnover by dividing total sales on total assets.

3.1.2.8 Degree of Financial Leverage: It means company’s ability to measure the impact of increasing debt to capital structure by using degree of financial leverage. (Gibson, 2007) stated this variable known as the percentage change in earning per share to the percentage change in operating profit, it is calculated as; EBIT / EBT.

3.2 Study Hypotheses

The study mainly tests the following hypotheses:

**H01**: There is statistical significant effect of company size, institutional investor, debt ratio, company age, liquidity ratio, customer’s satisfaction, productivity and degree of financial leverage on financial performance measured by return on assets.

**H02**: There is statistical significant effect of all variable mentioned above on the financial performance measured by return on equity. From these hypotheses the following sub-hypotheses have been derived:

1. There is a positive correlation between company's (FP) and its size.
2. There is positive correlation between companies’ (FP) and its institutional investors.
3. There is a positive correlation between company’s (FP) and its debt ratio.
4. There is a positive correlation between company’s (FP) and degree of financial leverage.
5. There is a positive correlation between company’s (FP) and current ratio.
6. There is a positive correlation between company’s (FP) and company age.
7. There is a positive correlation between company’s (FP) and customer's satisfaction.
8. There is a positive correlation between company’s (FP) and its productivity.

4. Research Design

The community of the study is represented by all (JSIC) listed in Amman Stock Exchange, the number of which is 78 corporations; out of which, 8 have been excluded due to financial difficulties and suspended from dealing therein the Stock Market; therefore, the sample of this study consists of 70 corporations, out of which 20 corporations are listed in the first market and 50 corporations are listed in the second market. The corporations have to meet the following conditions:

1. The corporation should have worked during the period (2008-2012).
2. The corporation shouldn’t have been merged during the study period.
3. The corporation shouldn’t be suspended for any reason.
4. The financial data should be available during the period (2008-2012).

The corporations that meet the above conditions were 65, in other word; they constitute 89% of the community.

4.1 Data Analysis

Data had been analyzed by using multiple linear regression of cross section and time series data using statistical analysis program (E-views) to test the relationship between both independent variables and dependent variable by using appropriate regression equation to analyze the data to achieve study's objectives at level (a ≤ 0.05).

4.2 Primary Statistical Tests

The primary statistical test has been done to insure that multicollinearity Correlation doesn’t exist between independent variables and to make sure that the dependent variables doesn’t have any
problem of muticollinearity Correlations, and to use Durbin-Watson test (D-W) to test the hypothesis. The following applications are examples on statistical test tools:

4.2.1 Multicollinearity Test

In general, if correlation coefficient becomes more than 0.80 (80%) it suggests problem of muticollinearity correlations matrix. Table 1 presents that the highest correlation between company size and productivity is (0.70), It is noticeable that the correlations between other independent variables is less than (0.70), this means that there isn’t muticollinearity Correlation between independent variables and the dependent variable doesn’t have any problem of muticollinearity Correlations.

Table (1)
Multicollinearity Tests: Correlations Matrix

| Covariance Analysis: Ordinary |
| Sample: 2008 - 2012 |
| Included observations: 452 |

<table>
<thead>
<tr>
<th>Correlation Probability</th>
<th>Comp size</th>
<th>Insit.inv</th>
<th>Debt R</th>
<th>Comp. age</th>
<th>Current R</th>
<th>C. Sat.</th>
<th>Prod.</th>
<th>DFL</th>
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<td>Comp. size</td>
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<td>Insit.inv</td>
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<td>Debt R</td>
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<td>0.67</td>
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<tr>
<td>Current R</td>
<td>0.07</td>
<td>0.04</td>
<td>0.37</td>
<td>0.08</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.68</td>
<td>0.49</td>
<td>0.00</td>
<td>0.17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Sat.</td>
<td>0.10</td>
<td>0.04</td>
<td>0.12</td>
<td>0.16</td>
<td>0.08</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.03</td>
<td>0.67</td>
<td>0.02</td>
<td>0.00</td>
<td>0.08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prod.</td>
<td>0.68</td>
<td>0.16</td>
<td>-0.08</td>
<td>0.35</td>
<td>0.04</td>
<td>0.15</td>
<td>1.00</td>
<td></td>
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<tr>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.14</td>
<td>0.00</td>
<td>0.92</td>
<td>0.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DFL</td>
<td>0.07</td>
<td>0.06</td>
<td>0.07</td>
<td>0.09</td>
<td>0.07</td>
<td>0.07</td>
<td>0.05</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>0.63</td>
<td>0.18</td>
<td>0.65</td>
<td>0.55</td>
<td>0.67</td>
<td>0.55</td>
<td>0.70</td>
<td></td>
</tr>
</tbody>
</table>
4.2.2 Autocorrelation

Autocorrelation illustrate the connection between random errors calculated from the regression model. Autocorrelation is done through Durbin-Watson test which is known as (D-W) in which its compared with two values taken from the table at level of significance (α), the numbers of observation (n) and the number of variables (k). The two values symbols as minimum value (d_l), and maximum value (d_u). If (D-W) is greater than (d_u) this means that there isn't problem of Autocorrelation, but if it’s less than that there is a problem of Autocorrelation and if (D-W) between (d_l) and (d_u) indifferent decision within this area (Montgomery et al, 2001).

Table 2 presents the result of this test. It is noticed that (D-W) values for the variables are greater than (d_u), therefore the study’s hypothesis doesn’t have any problem of Autocorrelation, and resulted in a healthy Autocorrelation.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>D-W</th>
<th>d_l</th>
<th>d_u</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H01</td>
<td>1.765</td>
<td>1.664</td>
<td>1.750</td>
<td>No autocorrelation</td>
</tr>
<tr>
<td>H02</td>
<td>1.777</td>
<td>1.656</td>
<td>1.741</td>
<td>No autocorrelation</td>
</tr>
</tbody>
</table>

4.3 Testing Hypothesis:

The study mainly tests the following hypotheses:

**H01:** There is statistical significance effect of all combined independent variables (company size, the institutional investors, debt ratio, company age, liquidity ratio, customer's satisfaction, productivity and degree of financial leverage) on financial performance of Jordanian shareholding industrial corporations at the level of (a<0.05) measured by return on assets. This hypothesis had been tested by multiple regressions equation illustrated below: I ran the panel regression to test the above hypotheses over the period 2008 to 2012. Cross-sectional and time series data can be conveniently analyzed through panel data analysis. The cross sectional firm data and time series data are pooled together under a single column. Specifically, the econometric model is defined as follows:

\[
\text{ROA} = a + \beta_1 \text{comp size} + \beta_2 \text{institutional inv} + \beta_3 \text{debt ratio} + \beta_4 \text{comp age} + \beta_5 \text{Current ratio} + \beta_6 \text{Customer Satisfaction} + \beta_7 \text{productivity} + \beta_8 \text{DFL} + e
\]
Table 3 presents the dependent variable, the independent variables and their contractions.

Table 3
Dependent variable, Independent variables and their contractions

<table>
<thead>
<tr>
<th>No.</th>
<th>Financial Performance measured by:</th>
<th>contractions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Return On Equity</td>
<td>ROE</td>
</tr>
<tr>
<td>2</td>
<td>Return On Assets</td>
<td>ROA</td>
</tr>
<tr>
<td></td>
<td><strong>Independent variables</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Company size</td>
<td>Comp. size</td>
</tr>
<tr>
<td>2</td>
<td>Institutional investor</td>
<td>Institutional inv.</td>
</tr>
<tr>
<td>3</td>
<td>Debt ratio</td>
<td>Debt ratio</td>
</tr>
<tr>
<td>4</td>
<td>Company age</td>
<td>Comp. age</td>
</tr>
<tr>
<td>5</td>
<td>Liquidity ratio</td>
<td>Liquidity ratio</td>
</tr>
<tr>
<td>6</td>
<td>Customer Satisfaction</td>
<td>Customer Satisfaction</td>
</tr>
<tr>
<td>7</td>
<td>productivity</td>
<td>productivity</td>
</tr>
<tr>
<td>8</td>
<td>Degree of Financial Leverage</td>
<td>DFL</td>
</tr>
</tbody>
</table>

Table 4 presents results of regression equation by using ROA as dependent variable and as a measurement of financial performance, the result shows:
1. All combined independent variables affect financial performance. For instance \( F = 65.5570 \) and statistical significance (prob. = 0.000) where p-value less than (0.05). The value of \( R^2 \) and adjusted \( R^2 \) are (70.61), (69.74) respectively. This approved that there is statistical significance impact of all combined independent variables mentioned above on financial performance
2. There is a positive correlation between company size and financial performance measured by ROA, but the correlation wasn't statistically significance, due to (prob. = 0.0685) where p-value greater than (0.05) and \( t \)-Statistic = 2.35828.
3. There is a negative correlation between institutional investor and financial performance measured by ROA, the correlation statistically significance, due to (prob. = 0.0341) where p-value less than (0.05) and \( t \)-Statistic = -3.50945)
Table 4
Results of multiple regressions equation

Dependent Variable: ROA
Method: Panel EGLS (Cross-section weights)
Periods included: 5
Cross-sections included: 70
Total panel (unbalanced) observations: 452
White cross-section standard errors & covariance (d.f. corrected)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp. size</td>
<td>3.71350</td>
<td>2.03507</td>
<td>2.35828</td>
<td>0.0685 c</td>
</tr>
<tr>
<td>Institutional inv.</td>
<td>-41.4193</td>
<td>18.8940</td>
<td>-3.50945</td>
<td>0.0341 b</td>
</tr>
<tr>
<td>Debt ratio</td>
<td>13.3442</td>
<td>17.4163</td>
<td>1.18955</td>
<td>0.0402 b</td>
</tr>
<tr>
<td>Comp. age</td>
<td>4.63055</td>
<td>2.69812</td>
<td>1.18955</td>
<td>0.0402 b</td>
</tr>
<tr>
<td>Current ratio</td>
<td>53.8722</td>
<td>15.5267</td>
<td>3.40396</td>
<td>0.0388 b</td>
</tr>
<tr>
<td>productivity</td>
<td>88.5730</td>
<td>9.2702</td>
<td>3.00936</td>
<td>0.0388 b</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>3.13880</td>
<td>6.13532</td>
<td>0.51764</td>
<td>0.0485 b</td>
</tr>
<tr>
<td>DFL</td>
<td>0.17379</td>
<td>1.07798</td>
<td>1.07287</td>
<td>0.0371 b</td>
</tr>
<tr>
<td>C</td>
<td>90.4710</td>
<td>12.7432</td>
<td>3.06082</td>
<td>0.0325 b</td>
</tr>
</tbody>
</table>

R-squared            | 0.70612
Adjusted R-squared  | 0.69743
F-statistic          | 65.5570
Prob. (F-statistic)  | 0.00000
Durbin-Watson stat   | 1.765825

4. There is a positive correlation between Debt Ratio and financial performance measured by ROA, the correlation statistically significance, due to (prob. = 0.0402) where p-value less than (0.05) and (t-Statistic =1.18955).
5. There is a positive correlation between Company age and (FP) measured by ROA, the correlation statistically significance, due to statistical significance (prob. = 0.0391) where p-value less than (0.05) and (t-Statistic =1.93296).
6. There is a positive correlation between current ratio and (FP) measured by ROA, the correlation statistically significance, due to statistical significance (prob. = 0.0388) where p-value less than (0.05) and (t-Statistic =3.00936).
7. There is a positive correlation between productivity and (FP) measured by ROA, the correlation statistically significance, due to statistical significance (prob. = 0.0435) where p-value less than (0.05) and (t-Statistic = 3.81379).
8. There is a positive correlation between customer satisfaction and (FP) measured by ROA, the correlation statistically significant, due to statistical significance (prob.= 0.0485) where p-value less than (0.05) and \( t \)-Statistic = 2.71764).

9. There is a positive correlation between Degree of Financial Leverage and (FP) measured by ROA, the correlation statistically significant, due to statistical significance (prob.= 0.0371) where p-value less than (0.05) and \( t \)-Statistic = 1.07287).

H02: There is statistical significance effect of all combined independent variables (company size, institutional investors, debt ratio, company age, liquidity ratio, customer's satisfaction, productivity and degree of financial leverage) on (FP) of (JSIC) at the level of \( \alpha \geq 0.05 \) measured by return on equity. This hypothesis had been tested by multiple regressions equation illustrated below: I ran the panel regression to test the above hypotheses over the period 2008 to 2012 Cross-sectional and time series data can be conveniently analyzed through panel data analysis. The cross sectional firm data and time series data are pooled together under a single column. Specifically, the econometric model is defined as follows:

\[
ROE = a + \beta_1 \text{ comp size} + \beta_2 \text{ institutional inv} + \beta_3 \text{ debt ratio} + \beta_4 \text{ comp age} + \beta_5 \text{ Current ratio} + \beta_6 \text{ Customer Satisfaction} + \beta_7 \text{ productivity} + \beta_8 \text{ DFL} + e
\]

Table 5 presents results of regression equation by using ROE as dependent variable and as a measurement of financial performance, the result shows:

1. All combined independent variables affect (FP) of (JSIC). For instance (\( F = 59.4571 \)) and statistical significance (prob. = 0.000) where p-value less than (0.05), the value of \( R^2 \) and adjusted \( R^2 \), (70.41), (69.64) respectively. This approved that there is statistical significance impact of all combined independent variables mentioned above on (FP) of (JSIC).
Table 5

Results of multiple regressions equation

Dependent Variable: ROE
Method: Panel EGLS (Cross-section weights)
Periods included: 5
Cross-sections included: 70
Total panel (unbalanced) observations: 452

White cross-section standard errors & covariance (d.f. corrected)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp. size</td>
<td>4.50620</td>
<td>3.28350</td>
<td>2.92564</td>
<td>0.0698 c</td>
</tr>
<tr>
<td>Institutional inv.</td>
<td>-33.2092</td>
<td>17.4702</td>
<td>-3.45265</td>
<td>0.0347 b</td>
</tr>
<tr>
<td>Debt ratio</td>
<td>93.5223</td>
<td>15.3462</td>
<td>3.06992</td>
<td>0.0202 b</td>
</tr>
<tr>
<td>Comp. age</td>
<td>7.93168</td>
<td>5.51116</td>
<td>1.14263</td>
<td>0.0385 b</td>
</tr>
<tr>
<td>current ratio</td>
<td>51.3679</td>
<td>17.1235</td>
<td>1.30173</td>
<td>0.0380 b</td>
</tr>
<tr>
<td>productivity</td>
<td>81.3634</td>
<td>11.3348</td>
<td>3.18069</td>
<td>0.0330 b</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>5.48350</td>
<td>8.52250</td>
<td>1.95603</td>
<td>0.0459 b</td>
</tr>
<tr>
<td>DFL</td>
<td>1.59370</td>
<td>1.09780</td>
<td>3.40605</td>
<td>0.0371 b</td>
</tr>
<tr>
<td>C</td>
<td>88.3113</td>
<td>12.8338</td>
<td>1.23657</td>
<td>0.0409 b</td>
</tr>
</tbody>
</table>

R-squared 0.70412
Adjusted R-squared 0.69643
F-statistic 59.4571
Prob.(F-statistic) 0.0000 a
Durbin-Watson stat 1.77725

2. There is a positive correlation between company size and financial performance measured by ROE, but the correlation isn't statistically significance, due to (prob.= 0.0698) where p-value greater than (0.05)and (t-Statistic =2.92564).
3. There is a negative correlation between institutional investor and financial performance measured by ROE, the correlation statistically significance, due to (prob. = 0.0347) where p-value less than (0.05) and (t-Statistic = -3.45265).
4. There is a positive correlation between Debt Ratio and financial performance measured by ROE, the correlation statistically significance, due to (prob. = 0.0202) where p-value less than (0.05) and (t-Statistic = 3.06992).
5. There is a positive correlation between Company age and financial performance measured by ROE, the correlation statistically significance, due to (prob. = 0.0385) where p-value less than (0.05) and (t-Statistic = 1.14263).
6. There is a positive correlation between current ratio and financial performance measured by ROE, the correlation statistically significance, due to (prob. = 0.0380) where p-value less than (0.05) and (t-Statistic = 1.30173).
7. There is a positive correlation between productivity and financial performance measured by ROE, the correlation statistically significance, due to (prob. = 0.0330) where p-value less than (0.05) and (t-Statistic = 3.18069).
8. There is a positive correlation between customer satisfaction and financial performance measured by ROE, the correlation statistically significance, due to (prob. = 0.0459) where p-value less than (0.05) and (t-Statistic = 1.95603).
9. There is a positive correlation between Degree of Financial Leverage and financial performance measured by ROE, the correlation statistically significance, due to (prob. = 0.0371) where p-value less than (0.05) and (t-Statistic = 3.40605).

5. Conclusion and Recommendations:
The study indicated that:
1. All combined independent variables affect (FP). This approved that there is statistical significance impact of all combined independent variables (company size, the institutional investor, debt ratio, company age, liquidity ratio, customer's satisfaction, productivity and degree of financial leverage) on financial performance.
2. There is positive correlation between (company size, debt ratio, company age, liquidity ratio, customer's satisfaction, productivity and degree of financial leverage) and (FP).
3. There is negative correlation between institutional investor and (FP), when the number of institutional investors' increases, Interfere in the company's affairs will be greater which eventually lead to a negative performance.

Based on such findings, the study recommends (JSIC), the most important ones:
1. companies' management should invest loans to achieve better (FP) through better investment decisions to increase profits, which increases the market value of its shares and strengthens its financial position, because the study found a positive relationship between the debt ratio and the degree of financial leverage on one hand and the company's financial performance on the other hand.
2. Companies' management should improve the performance and effectiveness of current assets represented in terms of cash, because the study found that there is a positive relationship between current ratio and company's (FP).
3. It is necessary to develop and follow the policies and strategies to maintain and keep the customers by providing high-quality products with adequate prices, which leads to customer satisfaction and loyalty to the products of these companies; because the study found that there is positive relationship between customer satisfaction and company's (FP).
4. Companies should invest the excess amounts in investments economically viable by diversifying its investments, because the study found negative correlation between the percentage contribution of institutional investor and company (FP).

5. Companies should increase the amount of production through the exploitation of idle capacity or increase production capacities to achieve better (FP) because the study found that the productivity affect positively the company's (FP).
References
4- Fama E, Miller M (1972). The Theory of Finance (First Edition). Dryden Press, Hinsdale, IL (Chapter No. 3). University of Chicago, USA.

Other References:
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3. http://www.projectPsxndicate.org/commentary/shiller22/Arabic
Analysis of the impact of accounting figures information value on share prices at Tehran Stock Exchange

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Assistant Professor, Faculty member of university Esfahan.

Abstract
Investors to make optimal decisions about the purchase, holding and sale of shares they need the information. Discretionary and non-discretionary components of accruals information, including information that has been extracted from the financial statements and this information along with the stock prices of the major factors for achieving the goal analysis followed by investors. In this study, by using systematic elimination, the required data of 144 listed companies in Tehran Stock Exchange during the period 2006 to 2011 were reviewed. Also were used the modified Jones model to the calculation discretionary and non-discretionary accruals. The results of hypothesis testing on the combined data showed that there is significant and direct relationship between the proportion of non-discretionary accruals and stock prices. In addition, the results of hypothesis testing on the combined data showed no significant relationship between the proportion of discretionary accruals and stock prices.

Keywords: Discretionary accruals, non-discretionary accruals, stock prices

Introduction
Investors are looking for opportunities to invest additional resources in the most efficient capital markets and one of the main factors that every investor in his decision to give a special attention is "stock price". The cash and accrual components of earnings can be used as tools to predict future benefits by investors that in this regard, the accrual component of earnings for manipulated can be benefit special interest. Moreover, separate accruals into discretionary and non-discretionary components could be provided more appropriate context for better analysis of accruals and subsequent more earnings quality analysis. Investors to make optimal decisions at the purchase, possession or sale of shares in addition to earning and its components pay attention to the other information contained in the financial statements, which can be effective to
the stock price and import them to their decisions models, information obtained through the analysis of financial ratios that are underlying the financial statements and can be considered very useful tools in the evaluation of existing and projected future state business.

**Literature research**

Pelk and Sapinza (2012) in their study who were seeking answers to the question whether the incorrect pricing of the stock market are affected investment decisions or not? They respond to the above questions were discretionary accruals as a proxy for the incorrect pricing of stock market. The results of this study indicate that discretionary accruals and capital expenditures are affected at future stock returns.

David et al (2012) in a study to answer this question whether cash flows and accruals of the company can be expanded on the stock market Was to investigate the relation between accruals, cash flows and the cumulative stock returns the results showed retained accruals are a positive predictive power of described above and cash flows are a negative predictor for the cumulative stock returns.

Ball and Brown in 2011 in his study as an empirical evaluation of accounting earning numbers have to investigate the relationship between changes in stock prices and earnings for the 261 companies listed on the New York Stock Exchange in the period 2004 to 2008. The researchers found that the reaction of the stock price occurs before the announcement of annual interest only about 10% of changes are happening in the month of earnings announcement concluded with the idea that prices should reflect the expected earnings are based.

Jones (2009) was the first steps to distinguish accruals to discretionary and non-discretionary, Then Difand and Jiambalow (2009), following Jones tries to satisfy the non-discretionary accruals based on changes in the level of sales of property and equipment. They said accruals are a distinct factor from associated efficiency gains.

Dichow (2008) in a study was paying to analyze the role of accruals in assessing the performance of companies in a short period of time and concluded that the accruals, better cash flow, which reflects the company's short-term performance. He also found that the earning accruals are the more cash that can reflect information about the stock returns. In addition, cash flow as a measure of evaluation, along with the earning accruals, can be meaningful accounting earning and the subsequent accrual of income to changes in cash resulting from the operational activities and
investment and the financing of the company, is meaningful to communicate Return of the shares. Demiter et al (2009) in research paid to the impact of accruals and cash flows of the related profits - in stock returns, to examine the impact of changes in earnings and cash flows associated with the stock returns over the period 1996 to 2006 in the capital market in Greece. The results indicate there is a positive explanatory power and higher earnings compared to cash flows associated with changes in stock returns. The results showed that investors evaluate companies with big are concerned earnings and cash flows as a measure, however, evaluate enterprises have opportunities with growing pay more attention to cash flow. Kiang at el (2010) in a study paid to predict the stock returns with using discretionary accruals. The results showed that the cumulative accruals and the stock returns have a significant positive association and this relationship is driven by discretionary accruals. Further analysis showed that the cumulative discretionary accruals unlike the cumulative normal accruals are less information about commercial condition and cash flows. Mehrani (2011), research on the relationship between profitability rates and he stock returns has been tested on the Tehran Stock Exchange. Time domain is consisted of a two-year period 2010 to 2011. All companies listed were classified into 70 different types, among them 19 activity due to more extensive volume selected other activity. Ratios examined in this study are include the return on equity, earning before tax, earning margin, asset efficiency, earning growth, sales growth and asset turnover

**The research hypothesis**

Hypothesis 1: between discretionary and non-discretionary accruals and stock prices of listed companies in Tehran Stock Exchange has a significant and positive impact.

Hypothesis 1-1: between discretionary accruals and stock prices has a significant positive impact.

hypothesis 1-2: between non-discretionary accruals and stock prices has a significant positive impact.

**Population, sampling method and sample size**

The statistics population of all firms listed in Tehran Stock Exchange, which from the beginning of 2006 until March of 2011 has been enabled at the exchange.

Sampling in this study has been a systematic knockout (screening).
Methods of data analysis

After collecting the required information from the financial statements, attachments notes and various applications, data focused in Excel database and have obtained the required data of research variables. Then, the data are entered Eviews software with using Dickey - Fuller, Haderi and Kao, Compatibility and co-integration s tests, variable is tested. Then, using F Limer and Hausman test, set data and assumptions of the classical model has been tested using appropriate statistical tests. Finally, the criteria has been used adjusted R and R2 for determining the power of explaining of regression equation, the F statistic for testing the significance of the regression line equation and the t-statistic for testing the significance of each of the regression coefficients and test the hypothesis.

Research variables

Dependent variable:

One of the variables needed to test the presented hypotheses as the dependent variable is the market price of the common stock. In order to the stock price, the market price of ordinary shares is the end of February each year, which can be accessed through the SEC.

Independent variables:

Discretionary accruals (DAC)

The batch of accruals are created because of the method of accounting, specializes optional, management decisions, judgments and estimates. In this study, discretionary accruals is obtained by using Jones modified model based on equation (3-3).

Non-discretionary accruals (NDAC)

Batch of accruals are in the company's business model and its operating environment and manage business units are not involved in the genesis of them and is created by carrying out business activities in the company (Hosseini, 2006) In this study, non-discretionary accruals is obtained by using Jones modified model based on equation (3-2) The research model

The used model in this study includes a regression model as follows

\[ P_{it} = \alpha_0 + \beta_1 DAC_{it} + \beta_2 NDAC_{it} + \mu_{it} \]

\( P_{it} \): Stock price of firm i at the end of each fiscal period t (the dependent variable).

\( E_{it} \): Earnings per share of firm i in year t (the independent variable).
DAC_it: Discretionary accruals of firm i in year t (the independent variable).
NDAC_it: Non-discretionary accruals of firm i in year t (the independent variable).
0_\alpha: constant.
1_\beta and 2_\beta: Estimated regression coefficients of correlation.
i_\mu: error terms

Analysis of hypotheses
Hypothesis 1: between discretionary and non-discretionary accruals and stock prices of listed companies in Tehran Stock Exchange has a significant and positive impact.
Hypothesis 1-1 between discretionary accruals and stock prices have a significant positive impact.
Hypothesis 1-2: between non-discretionary accruals and stock prices have a significant positive impact

\[ P_{it} = \alpha_0 + \beta_1 DAC_{it} + \beta_2 NDAC_{it} + \mu_{it} \]

Discretionary and non-discretionary accruals analysis
Discretionary and non-discretionary accruals is calculated from Jones modified model therefore the total items is determined by calculating the ratio of non-discretionary accruals and the discretionary accruals measure is obtained.

Table 2: Results of analysis data to calculate discretionary and non-discretionary accruals

<table>
<thead>
<tr>
<th>p-value</th>
<th>The t-statistic</th>
<th>Standard error</th>
<th>Coefficient</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000</td>
<td>9.889</td>
<td>0.005</td>
<td>0.051</td>
<td>C</td>
</tr>
<tr>
<td>0.000</td>
<td>4.472</td>
<td>0.014</td>
<td>0.064</td>
<td>(SALES- ΔREC)/TA</td>
</tr>
<tr>
<td>0.000</td>
<td>-6.885</td>
<td>0.014</td>
<td>0.100</td>
<td>PPE/TA</td>
</tr>
<tr>
<td>0.000</td>
<td>-5.242</td>
<td>0.028</td>
<td>-0.149</td>
<td>AR(1)</td>
</tr>
<tr>
<td>2.074</td>
<td>Dorbin-Watson test</td>
<td>26.062</td>
<td>F Fisher statistic</td>
<td></td>
</tr>
<tr>
<td>0.072</td>
<td>R 2</td>
<td>0.0</td>
<td>P-Value</td>
<td></td>
</tr>
</tbody>
</table>
According to the results of the data analysis are reflected in the table:

A. Comparing the obtained value with the value calculated by Fisher's statistical f in the table according to the values obtained for p-Value of regression is equal to zero, the null hypothesis is rejected and the shows that all regression coefficients are not zero simultaneously.

B. Comparing the obtained value of the t-statistic and its calculated value in the table with respect to the p-value obtained for each of the coefficients, the null hypothesis for the variables and PPE / TA is rejected, so between the independent variables with non-discretionary accruals can be found relationship.

C. Comparing the statistics of the Dorbin - Watson earned its calculated value in the table, it was found that the model with autocorrelation is to eliminate the AR component of the model has been added to By comparing this with the computed value of the statistic, it was found that the autocorrelation in the table have been met.

D. R2 obtained show that the independent variables, we are able to account for only 7% of the dependent variable relationship. So there is a very weak relationship between the independent variables and the dependent variable.

**Pattern Analysis with using fixed**

At the F- Limer test, the $H_0$ hypothesis of equal intercept (panel data) versus the opposite hypothesis $H_1$, the intercept anisotropy (using panel data) is placed. Therefore, we can write:

$$H_0 : \alpha_1 = \alpha_2 = \cdots = \alpha$$

In the first test, the probability of F-Limer statistic calculated and error $05/0 = \alpha$, the hypothesis H0 is accepted ($05/0 > 00/0 P = \alpha$) and use panel data approach is not more appropriate. Also, due to the use of panel data, we use the Hasman test to determine which of the fixed or random effects methods should be used.

Hasman test, the hypothesis of random effect against the hypothesis of fixed effects are used. In this study, according to the Hasman test and the probability of error $05/0 = \alpha$, will not be accepted hypothesis $H_0$ ($05/0 > 04/0P = \alpha$) and using fixed effects method is more appropriate.
Table 4.4: Estimation results for the years 2006 to 2013 based on fixed methods.

\[
P_{it} = \alpha_0 + \beta_1 DAC_{it} + \beta_2 NDAC_{it} + \mu_{it}
\]

<table>
<thead>
<tr>
<th>Significant</th>
<th>T-statistics</th>
<th>Standard deviation</th>
<th>Coefficient</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0000</td>
<td>7.863425</td>
<td>0.0941032</td>
<td>7.399735</td>
<td>C</td>
</tr>
<tr>
<td>0.0323</td>
<td>2.144957</td>
<td>0.040875</td>
<td>0.017862</td>
<td>B1</td>
</tr>
<tr>
<td>0.0265</td>
<td>0.826434</td>
<td>0.030664</td>
<td>0.123561</td>
<td>B2</td>
</tr>
</tbody>
</table>

The coefficient of determination \( R^2 \) = 0.84

Dorbin-Watson test statistic = 1.79

The coefficient of determination \( R^2 \) = 0.84

Test \( F \) statistic = 5.51

Significant \( F \) = 0.00

Statistics Limer \( F = 93.4 \)

Prob \( F \) = 0.00

Probability \( 0.05 \)

Statistic \( \psi = 7.71 \)

Hasman test

At the F-Limer test, the hypothesis \( H_0 \), equal intercept (panel data) are versus the opposite hypothesis \( H_1 \), the intercept anisotropy (using panel data).

Coefficient of determination, proper fit of the regression line based on a set of data is examined. The higher the value of this coefficient indicated that the independent variables have more power in explaining the behavior of the dependent variable.

The coefficient of determination, the results of the estimated regression model is \( R^2 = 84/0 = 84\% \). The estimated value of the coefficient of determination, is the fact that about 84% of the behavior of the dependent variable is explained by the independent variables, which is an indication of a relatively high correlation between the independent variables and the dependent variable that is.

Dorbin-Watson statistic indicates the absence of autocorrelation in the model is the general results are as follows:

DACi: discretionary accruals of company i in year t on stock price represents a significant and positive impact.
NDACit: Non-discretionary accruals of company i in year t on stock price represents a significant and positive impact.

Overall results show the relationship between the independent variables and the dependent variable in the original model. Variables are significant and positive relationship between the stock price.

**Conclusions**

The main results of the hypothesis test:
According to the theoretical expression, investors can use to the analysis of the quality of earning from accruals quality measure to determine how much earning accounts accruals in addition, separate the rate and amount of discretionary and non-discretionary accruals to analysis of each component of accruals to achieve their goals. Hypothesis states that there are relationship between non-discretionary and discretionary accruals and stock prices.

The results of the first sub-hypothesis test:
As previously explained, however the manager of a company have more freedom to create discretionary accruals is more likely to affect the profits of the items (Management profit) as the expression used to 1-1 hypothesis that there is a relationship between discretionary accruals and stock prices.

The hypothesis was tested that the combined data:
The results obtained on synthetic data show that between discretionary accruals and stock prices, there is no significant relationship.

According to the results of the combined data seem to be in investors’ decisions might not notice to discretionary accruals, it is not compatible with the theoretical.

The results of the test compound indicates that the stock price is not influenced by the level of discretionary accruals.

**The second sub-hypothesis test results:**
According to the theoretical discussion, much accruals is a sign of lower earning quality of company low quality of earning is as well as a decline in the stock price.
Non-discretionary accruals as well as an important part of accruals, this is no exception.  
1-2 hypothesis states that the non-discretionary accruals and stock prices are related.  
The hypothesis was tested that the combined data:  
The results obtained from the combined data shows a statistically significant relationship between  
non-discretionary accruals and stock prices are involuntary. But since this is a direct relationship,  
so it is not compatible with the theory.  
Combining the results of the test data shows that companies that have more non-discretionary  
accruals, their stock prices are higher.  

**Suggestion**  
Suggestion based on research findings.  
The results of the second research hypothesis show that there is a significant relationship between  
stock prices with selected financial ratios (excluding net income to net sales)  
So for investors, analysts and all capital market participants recommended are more attention to  
the financial ratios and incorporate them into their decision models.  
2 - The results of the second research hypothesis suggests that the there is no significant  
relationship between discretionary accruals and stock prices.  

Suggestions for future research  
This issue deserves further investigation with regard to other aspects of the issue by researchers.  
What is being proposed for future research include the following:  
1- Use Income approach to calculate accruals and compare its results with the results of this study  
2 - Use other discretionary and non-discretionary components of accruals resolution models such  
as Haley, Di Angelo and Jones model and compare its results with the results of this study  
3 - The use of other financial ratios or increased financial ratios and comparing its results with the  
results of this study.
References


The relationship between stock prices and debt ratio and Capital flows with assets

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Abstract  
Some researchers are emphasized on the role of mind the accruals measure in lower of sustainability. Some other are attribute that to economic indicators such as the growth of the company. Discretionary and non-discretionary components of accruals information, including information that has been extracted from the financial statements and this information along with the stock prices of the major factors for achieving the goal analysis followed by investors. In this study, by using systematic elimination, the required data of 144 listed companies in Tehran Stock Exchange during the period 2006 to 2011 were reviewed. Also were used the modified Jones model to the calculation discretionary and non-discretionary accruals. The results of hypothesis testing on the combined data showed that there is significant and direct relationship between the ratio of inventories to net sales and stock prices. In addition, the results of hypothesis testing on the combined data showed significant and direct relationship between the ratio of the sum debt to of total assets and stock prices.

Keywords: The ratio of inventories to net sales, the ratio of the sum debt to of total assets, stock prices

Introduction  
Primary aim in Financial reporting is to provide information about the performance firms provided by earning and its components. In other words, Users of accounting information In order to evaluate and forecast cash flows and future earnings of business entity and subsequent economic decisions rely more than any other information to data arising of earning or its components. Earning quality on financial reporting could affect at investor confidence in financial markets. Investors are looking for opportunities to invest additional resources in the
most efficient capital markets and one of the main factors that every investor in his decision to give a special attention is "stock price". The cash and accrual components of earnings can be used as tools to predict future benefits by investors that in this regard, the accrual component of earnings for manipulated can be benefit special interest. Moreover, separate accruals into discretionary and non-discretionary components could be provided more appropriate context for better analysis of accruals and subsequent more earnings quality analysis. Investors to make optimal decisions at the purchase, possession or sale of shares in addition to earning and its components pay attention to the other information contained in the financial statements, which can be effective to the stock price and import them to their decisions models, information obtained through the analysis of financial ratios that are underlying the financial statements and can be considered very useful tools in the evaluation of existing and projected future state business.

**Literature research**

Identify of components earning behaviors in recent years is form an important part of studies of market efficiency has started with Sloans research. (1996). Studies at Identify of components earning behaviors show that Profits of nonfinancial items (accruals) has different behavior than financial items (cash flows) about earning of Sustainability. That if investors and other users of financial reports to identify the differences in the behavior of the interest component will have, the data related once provided will be absorbed by the market (Sloan, 1996).

Pelk and Sapinza (2012) in their study who were seeking answers to the question whether the incorrect pricing of the stock market are affected investment decisions or not? They respond to the above questions were discretionary accruals as a proxy for the incorrect pricing of stock market. The results of this study indicate that discretionary accruals and capital expenditures are affected at future stock returns.

David at el (2012) in a study to answer this question whether cash flows and accruals of the company can be expanded on the stock market Was to investigate the relation between accruals, cash flows and the cumulative stock returns the results showed retained accruals are a positive predictive power of described above and cash flows are a negative predictor for the cumulative stock returns.

Ball and Brown in 2011 in his study as an empirical evaluation of accounting earning numbers have to investigate the relationship between changes in stock prices and earnings for the 261
companies listed on the New York Stock Exchange in the period 2004 to 2008. The researchers found that the reaction of the stock price occurs before the announcement of annual interest only about 10% of changes are happening in the month of earnings announcement concluded with the idea that prices should reflect the expected earnings are based. Jones (2009) was the first steps to distinguish accruals to discretionary and non-discretionary. Then Difand and Jiambalow (2009), following Jones tries to satisfy the non-discretionary accruals based on changes in the level of sales of property and equipment. They said accruals are a distinct factor from associated efficiency gains. Dichow (2008) in a study was paying to analyze the role of accruals in assessing the performance of companies in a short period of time and concluded that the accruals, better cash flow, which reflects the company's short-term performance. He also found that the earning accruals are the more cash that can reflect information about the stock returns. In addition, cash flow as a measure of evaluation, along with the earning accruals, can be meaningful accounting earning and the subsequent accrual of income to changes in cash resulting from the operational activities and investment and the financing of the company, is meaningful to communicate Return of the shares. Demiter et al (2009) in research paid to the impact of accruals and cash flows of the related profits - in stock returns, to examine the impact of changes in earnings and cash flows associated with the stock returns over the period 1996 to 2006 in the capital market in Greece. The results indicate there is a positive explanatory power and higher earnings compared to cash flows associated with changes in stock returns. The results showed that investors evaluate companies with big are concerned earnings and cash flows as a measure, however, evaluate enterprises have opportunities with growing pay more attention to cash flow. Kiang et al (2010) in a study paid to predict the stock returns with using discretionary accruals. The results showed that the cumulative accruals and the stock returns have a significant positive association and this relationship is driven by discretionary accruals. Further analysis showed that the cumulative discretionary accruals unlike the cumulative normal accruals are less information about commercial condition and cash flows. Mehrani (2011), research on the relationship between profitability rates and he stock returns has been tested on the Tehran Stock Exchange. Time domain is consisted of a two-year period 2010 to 2011. All companies listed were classified into 70 different types, among them 19 activity due to more extensive volume selected other activity.
Ratios examined in this study are include the return on equity, earning before tax, earning margin, asset efficiency, earning growth, sales growth and asset turnover.

The research hypothesis

Hypothesis 1-1: The ratio of inventories to net sales is positive and significant impact on stock prices.
Hypothesis 1-2: The ratio of the sum debt to of total assets is positive and significant impact on stock prices.

Population, sampling method and sample size

The statistics population of all firms listed in Tehran Stock Exchange, which from the beginning of 2006 until March of 2011 has been enabled at the exchange. Sampling in this study has been a systematic knockout (screening).

Methods of data analysis

After collecting the required information from the financial statements, attachments notes and various applications, data focused in Excel database and have obtained the required data of research variables. Then, the data are entered Eviews software with using Dickey - Fuller, Haderi and Kao, Compatibility and co-integration s tests, variable is tested. Then, using F Limer and Hausman test, set data and assumptions of the classical model has been tested using appropriate statistical tests, Finally, the criteria has been used adjusted R and R2 for determining the power of explaining of regression equation, the F statistic for testing the significance of the regression line equation and the t-statistic for testing the significance of each of the regression coefficients and test the hypothesis.

Research variables

Dependent variable:

One of the variables needed to test the presented hypotheses as the dependent variable is the market price of the common stock. In order to the stock price, the market price of ordinary shares is the end of February each year, which can be accessed through the SEC.
Independent variables:
The ratio of inventories to net sales: represents the inventory turnover during the financial period and the share of net selling balance is achieved. (Alivar,Aziz, 2004)
Debt to asset ratio: Measures total debt and ratio to total assets and the percentage of funds shows that the debt is secured and is obtained by the share of total debt to total assets.(Sadeghi,Mohsen,2009)

Eit*INV/SALESit: Ratio of inventories to net sales of firm i in year t multiplied by the company's earnings per share for the year (independent variable).
Eit*TD/Tait: The ratio of debt collectors to collect the assets of firm i in year t multiplied by the company's earnings per share for the year (independent variable).

Discretionary and non-discretionary accruals analysis
Discretionary and non-discretionary accruals is calculated from Jones modified model therefore the total items is determined by calculating the ratio of non-discretionary accruals and the discretionary accruals measure is obtained.

Table 2: Results of analysis data to calculate discretionary and non-discretionary accruals

<table>
<thead>
<tr>
<th>p-value</th>
<th>The t-statistic</th>
<th>Standard error</th>
<th>Coefficient</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
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<td>0.000</td>
<td>9.889</td>
<td>0.005</td>
<td>0.051</td>
<td>C</td>
</tr>
<tr>
<td>0.000</td>
<td>4.472</td>
<td>0.014</td>
<td>0.064</td>
<td>(SALES- ΔREC)TA</td>
</tr>
<tr>
<td>0.000</td>
<td>-6.885</td>
<td>0.014</td>
<td>0.100</td>
<td>PPE/TA</td>
</tr>
<tr>
<td>0.000</td>
<td>-5.242</td>
<td>0.028</td>
<td>-0.149</td>
<td>AR(1)</td>
</tr>
<tr>
<td>2.074</td>
<td>Dorbin-Watson test</td>
<td>26.062</td>
<td></td>
<td>F Fisher statistic</td>
</tr>
<tr>
<td>0.072</td>
<td>R 2</td>
<td>0.0</td>
<td>0.0</td>
<td>P-Value</td>
</tr>
</tbody>
</table>

According to the results of the data analysis are reflected in the table:
A. Comparing the obtained value with the value calculated by Fisher's statistical f in the table according to the values obtained for p-Value of regression is equal to zero, the null hypothesis is rejected and the shows that all regression coefficients are not zero simultaneously.
B. Comparing the obtained value of the t-statistic and its calculated value in the table with respect to the p-value obtained for each of the coefficients, the null hypothesis for the variables and PPE / TA is rejected, so between the independent variables with non-discretionary accruals can be found relationship.

C. comparing the statistics of the Dorbin - Watson earned its calculated value in the table, it was found that the model with autocorrelation is to eliminate the AR component of the model has been added to By comparing this with the computed value of the statistic, it was found that the autocorrelation in the table have been met.

D. - R2 obtained show that the independent variables, we are able to account for only 7% of the dependent variable relationship. So there is a very weak relationship between the independent variables and the dependent variable.

**Analysis of hypotheses**

Pattern Analysis, using fixed

Limer the F-test, the hypothesis of equal intercept $H_0$ (Combined data) versus the opposite hypothesis, the intercept anisotropy $H_1$ (panel data) is placed. Therefore, we can write:

$$H_0 : \alpha_1 = \alpha_2 = \cdots = \alpha$$

$$H_1 : \text{at least one intercepts is different}$$

In the first test, according to the calculated probability of F-statistic Lymr Table (4-4) and error $05/0 = \alpha$, will not be accepted hypothesis $H_0$ ($05/0 > 00/0 P =$) and using the panel is more appropriate. Also, due to the use of panel data, we use the Hausman test to determine which of the fixed or random effects methods should be used. Hausman test, the hypothesis of random effect $H_0$ is in the opposite hypothesis $H_1$, using fixed effects. In this study, according to the Hausman test probability and error $5.0 = \alpha$, will not be accepted hypothesis $H_0$ ($5.0 > 4.0P =$) and using fixed effects method is more suitable. Results of regression estimates are presented based on fixed methods of entering all independent variables (Table 1).
Table 1: Estimation results based on fixed methods for the years 2006 to 2011

<table>
<thead>
<tr>
<th>significant factor</th>
<th>t-test</th>
<th>Standard deviation</th>
<th>Coefficient</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
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<td>0.941</td>
<td>7.399</td>
<td>The width of the sourceC</td>
</tr>
<tr>
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<td>0/0046</td>
<td>-2.839</td>
<td>.710052</td>
<td>2.016</td>
<td>B2</td>
</tr>
</tbody>
</table>

The coefficient of determination $R^2$ .84 Test Dorbin-Watson 1.79

Adjusted $R^2$ 0.84 Test- $F$ Statistical significance $F$ 5.51 0

Limer-test F = 4.93 Prob $F$ 0

Probability :0.05 Chi-square statistic :7.71 Hausman test

Limer F-test, the hypothesis of equal intercept (combined data) versus the opposite hypothesis, the intercept anisotropy (using panel data) is placed. Therefore, we can write:

$H_0 : \alpha_1 = \alpha_2 = \cdots = \alpha$

$H_1 = \text{at least one intercept is different}$

Coefficient of determination, proper fit regression line based on a set of data is analyzed. The higher the value of this coefficient indicated that the independent variables have more power in explaining the behavior of the dependent variable. As shown in Table (4-4) is shown in the coefficient of determination, the results of the estimated regression model is equal $R^2 = 84$

The estimated value of the coefficient of determination, is the fact that about 84% of the behavior of the dependent variable is explained by the independent variables, which is an indication of a relatively high correlation between the independent variables and the dependent variable.
Conclusions

The main results of the hypothesis test:

According to the theoretical expression, investors can use the analysis of the quality of earning from accruals quality measure to determine how much earning accounts accruals in addition, separate the rate and amount of discretionary and non-discretionary accruals to analysis of each component of accruals to achieve their goals. Hypothesis states that there are relationship between non-discretionary and discretionary accruals and stock prices.

The results of the first sub-hypothesis test:

As previously explained, however the manager of a company have more freedom to create discretionary accruals is more likely to affect the profits of the items (Management profit) as the expression used to 1-1 hypothesis that there is a relationship between discretionary accruals and stock prices.

The hypothesis was tested that the combined data: The results obtained on synthetic data show that between discretionary accruals and stock prices, there is no significant relationship.

According to the results of the combined data seem to be in investors' decisions might not notice to discretionary accruals ,it is not compatible with the theoretical. The results of the test compound indicates that the stock price is not influenced by the level of discretionary accruals.

The second sub-hypothesis test results:

According to the theoretical discussion, much accruals is a sign of lower earning quality of company low quality of earning is as well as a decline in the stock price.

Non-discretionary accruals as well as an important part of accruals, this is no exception. Hypothesis states that the non-discretionary accruals and stock prices are related.

The hypothesis was tested that the combined data:

The results obtained from the combined data shows a statistically significant relationship between non-discretionary accruals and stock prices are involuntary. But since this is a direct relationship, so it is not compatible with the theory. Combining the results of the test data shows that companies that have more non-discretionary accruals, their stock prices are higher.
Suggestion

Suggestion based on research findings.

The results of the second research hypothesis show that there is a significant relationship between stock prices with selected financial ratios (excluding net income to net sales).

So for investors, analysts and all capital market participants recommended are more attention to the financial ratios and incorporate them into their decision models. The results of the second research hypothesis suggests that there is no significant relationship between discretionary accruals and stock prices.

Suggestions for future research

This issue deserves further investigation with regard to other aspects of the issue by researchers. What is being proposed for future research include the following:

1. Use Income approach to calculate accruals and compare its results with the results of this study
2. Use other discretionary and non-discretionary components of accruals resolution models such as Haley, Di Angelo and Jones model and compare its results with the results of this study
3. The use of other financial ratios or increased financial ratios and comparing its results with the results of this study.
References


9- Torabi, Mohammad Hossein (1387), examining the relationship between economic value added, EVA, earnings per share, EPS and operating cash flow, OCF, with an annual output shares of the listed companies in Tehran Stock Exchange, completed a master degree in accounting.

Foreign Policy at International Ties by Focusing on Politic Ties of Iran & Afghanistan about Sistan

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Abstract
This paper focus on foreign policy at international ties by focusing on politic ties of iran & afghanistan about sistan. Literature is cited from previous studies and on the basis of that conclusions are drawn.

Keywords: Foreign Policy; International Ties; Focusing; Politic Ties; Iran & Afghanistan; Sistan

1-1-Introduction
The science of international politics is basis of several scientific schools; in which, foreign policy anticipates the process of international events and offers solutions for different countries in order to obtain their goals. The issue of international ties focuses on finding out rules and principles of having powerful and high potential country at the international level. The philosophical message of this course is offering a series of rules and principles for having powerful country at international level. It is to be noted that these rules and principles should be observed. Meanwhile, by having these rules and principles it is possible to analyze international problems on scientific and systematic basis. Analyzing the ties of Iran and newly established Afghanistan not only is possible through studying role of U.K. and Russia, but also in the year 1836 the claim of Iran against Herat was rejected by U.K.; since, there was this belief that obtaining such applications may weakens Afghanistan. Finally by virtue of Paris Treaty, Iran officially rejected its claim about lands. Separation of Afghanistan from Iran leaded to formation of new political borders and continuously establishment of new political ties influenced by new geographical variables including Sistan and Hirmand River.

1-2) Foreign Policy of Iran & Theories of International Ties
The international ties science is basis of several scientific schools; in which, foreign policy anticipates international events and offers solutions for several countries in order to increase ability of obtaining to goals. Iran with respect to process of Islamic world unity, respecting to Quran defends from Islamic countries follows revolutionary and conservatism pattern. Iran based on its foreign policy have strong political relationship with Iraq, Syria and Lebanon and based on revolutionary logic also have political relationship with Venezuela, China and even Russia and on the other hand has critical behavior with European countries (Islami 2012)

1-2-1) International Ties Theories
1-2-1-1) Idealism
A group of people believe that Iran does not officially recognizes the logic of international power i.e. Iran conflicts with United States of America, Israel and Europe that are regarded as nearly 80% power and wealth of world. Iran regardless to profit and loss focuses on its national benefits at international level which is goes back to imagination of Iranian people for amending world and criticizing structures of power in world
1-2-1-2) Realism
A group of people believe that foreign policy of Iran is based on national policies. Even the topic of Iran as Land of Quran is based on this policy. Islamic Republic of Iran is among Shiite countries that support from its political parties. Not only Iran strongly supports from Hezbollah Lebanon, Hamas and other Shiite groups in Iraq, but also attempts to maintain balance of power against Arabs like Saudi Arabia. National benefits refer to foreign policy and profit and loss for Iran, so that Iran has peaceful ties with India and Russia. Wherever there is in favor of national benefits, Iran support from that case and it has friendly behavior with realism school (Islami 2012)

1-2-1-3) Criticism
Some analysts believe that Iran has left political party, theoretical and practical level about its foreign policy. Supports of Iran from Islamic Resistance Movement and sustaining against organizations, institutes and capitalism based on logic of criticism foreign policy of Iran. Foreign policy of Iran is based on supporting needy people and justice. Islamic revolution of Iran is introduction for global movement in order to obtain justice and equal social rights.

1-3) Realism Theory
Realism is regarded as ideology school for power policy. Tosid believes that our concept of international ties is competition and inevitable struggle between governments of ancient Greece cities that were unequal. The basic principles of Tosid point of view for understanding the international ties is: international ties is established based on chaos of having several different governments and government men by having limited right of selection benefit from political power and survival; in which, this principle is regarded as the most principal value and war is regarded as the ultimate solution (Jackson and et al 100, 2011). The main idea of realism was established after Second World War. The economic depression in the year 1929 leaded to eliminating the international cooperation that was established in the year 1925. The main ideology after Second World War was that there is no ultimate solution for war and depending on common benefits of survival and global government instead of several governments is null and void. Therefore, the international policy after having 2 World Wars leaded to combat about power (Moshirzadeh 80, 2011). The idealism theory is based on following 4 basics including:
1) Pessimist point of view toward nature of human
2) International ties are basically struggle and war is ultimate solution for settlement of international disputes
3) National security and survival of government is the highest value
4) Pessimist about this issue that international policy like domestic political life progresses
These hypothesis is basis for ideas and theories of realism since past up to present. In realism school, human is described as a creature that is in search of personal privileges and therefore involves in struggle with competition that is interested in playing key role for benefiting opportunity; which, makes people at macro level like international ties with other countries for influencing them. Whereas other people have the same action, the issue of influencing on people and preventing from exploitation is another global issue. This pessimist point of view toward nature of human is reflected at international ties theory of Hans Joachim Morgenthau as a person who offers his realistic ideologies of 20th century; in which, he believes that men and women are in search of obtaining power which is specific instance of international policy (Jackson and et al 95, 2011)
1-4) Role of Foreign Policy at International Level:
With respect to realistic point of view, power and national benefit are 2 key elements; therefore, a wise player is a person that is continuously in search of improving his benefits. The international policy is struggle on power. Within a non-concentrated international system consisting of governments having equal rights and sovereignty, there are larger and smaller powers with respect to their ability. In realistic theory the national governments are main players of a government based system. Realistic theoreticians offers framework for classifying national power element. Such abilities not only involve military forces, but also involve level of technology. The term power is the most common term used at politics especially international ties. Nicholas Isackman believes that “Modern life is finally based on power”. Hans Joachim Morgenthau defines international policy and total policy as combat for obtaining power. Hans Joachim Morgenthau believes that power means: Controlling thinking and action of other human beings (James and et al 143, 1993).

1-5) Ties of Iran & Afghanistan About Sistan:
Analyzing political ties between Iran and Afghanistan goes back to 19th century and studying role of Great Britain and Russia. For example, the first coalition of Iran with a western country i.e. Great Britain was established in the year 1801 i.e. when Great Britain demanded for assistance of Iran within coalition framework for prevention from invasion of Afghans to India. Therefore Iran was very happy about this issue; since, it was many years that the border city of Herat was intended to be separated from Afghanistan; nevertheless, such application was rejected and finally in the year 1836 the claim plan of Iran against Herat was faced with direct opposition of Great Britain. They believe that meeting such demand weakens Afghanistan and facilitates Russia. Finally, by virtue of Paris Treaty 1857 Iran officially rejects its claim. Separation of Afghanistan from Iran leaded to formation of new political borders and new political ties under influence of new geographical variables including: Sistan and Hirmand River.

1-6) Geopolitical Situation of Sistan Based on Realistic Theory of Hans Joachim Morgenthau
For Hans Joachim Morgenthau there is no place for ethics in politics and in relation to international system he focuses on anarchism nature and possibility of war; nevertheless, he refers to 5 principal methods for maintaining discipline and international peace including: balance of power, international law, international organization, global government and diplomacy; meanwhile, the first and final item is regarded as most effective tools. Therefore, according to this theory Great Britain in order to meet its benefits intends to dominate this region; in which, this is a reality. Therefore according to the aforesaid theory the main player of foreign policy of Iran and Afghanistan is Great Britain that is present for meeting its advantages. Afghanistan is gateway for Great Britain to enter India and whereas rivals of Great Britain like: Russia obtaining to capital of India was very important; therefore, they selected Italy as the best means for maintaining India and separating Herat from Iran and joining it to Afghanistan. Thus, when Iran conquered Herat, Great Britain depending on its military force occupied Bushehr and Khark and put the ruler under pressure which leaded to separating Iran from Afghanistan based on contract of 1857. Another activities of Great Britain based on this theory was decision of separating Sistan and on the other hand they did not intended to star war between Iran and Afghanistan; since, in case of beginning war the advantages of Great Britain was endangered; therefore, as an official player it leaded to separating fertile part of Sistan from Iran and assigning it to Afghanistan. The reality is that Afghanistan was present in this region in order to meet its advantages and in order to obtain this goal it performed any malevolence action. In next stage
with respect to dispute between Iran and Afghanistan, Great Britain announced both countries to be ruled under influence of Great Britain. Within contract of 1357 the arbitration for determining share of Iran from waters of Hirmand was accepted and this was among the long term goals of this country at that time; in which, at the present time we observe that Hamoon lagoon is gone under drought. Whereas governments based on Hans Joachim Morgenthau theory are in search of their advantages and attempt to offer good condition for their nations, even according to this theory if the concluded contracts may be cancellable, even there was no legal and international authority for preventing this action; nevertheless, Iran regardless to observing its national benefits concluded some contracts which leaded to separating great section of land of Iran or with the aim of increasing its power cancelled some contracts (Mir 34, 2013).

1-7) Security Between Border of Iran and Afghanistan

Maybe the most important factor for meeting security of border is political ties of 2 neighbor countries and in fact security or lack of security in borders greatly depends on this factor and there is direct relationship between political ties and security in border of country. Having friendly relationship between 2 countries leads to improving cooperation for meeting security at border of countries and in contrast having deep political disputes leads to not only stop cooperation of governments for meeting security at their borders, but also each of the parties through applying their facilities and supporting their enemies improve insecurity and chaos in their borders and even threatening domestic security which finally leads to rising war. For example, level and type of relationship of Iran and Taliban Group while ruling over Afghanistan, directly influenced on security of eastern borders, so that this event leaded to absence of having official relationship between 2 countries and beginning war; nevertheless, when political ties of Iran and Taliban Group was based on hostility, both countries attempted to ruin their advantages including: After the incident of Mazar-i-Sharif and martyrdom of employees of consulate of Islamic Republic of Iran in that city by Taliban Group and on the other hand 2 military maneuvers of Iran with having 230,000 soldiers around eastern borders, leded to having un-peaceful political ties between both countries. In return Taliban Group through performing activities including equipping weapon to opponents of Iran attempted to eliminate peace and security at eastern borders and vice versa through improving unofficial relationship of Iran and Taliban Group like the situation at first half of the year 2001 the economic, food and fuel dependency of Taliban Group to Iran was reduced and this group stop cooperation with smugglers which leded to considerable reduction of insecurity at eastern borders. Having political, economic and administrative stability in neighbor countries is among another effective factor on security of borders. In order to meet security in border it is necessary for each of the neighbor countries for applying their sovereignty over their land, for example, absence of political, administrative and economic stability in Afghanistan during recent several decades specially upon leaving Soviet Union from this country, it is continuously origin of rising some problems at eastern borders; so that after 130 years ago Afghanistan was faced with many challenges and crisis which even influenced on Iran and Pakistan. Political, economic and administrative stability in Afghanistan was available for recent 2 decades and through establishment of new government and presence of U.S. military forces and even NATO forces in Afghanistan, the neighbor countries are strongly influenced; for example, existence of many immigrants and asylums to borders of Iran which leads to domestic chaos, increasing poverty, unemployment and illegal immigration through eastern borders, increasing smuggling and malevolence including: narcotics. Strategic properties and some religious, lingual and cultural differences pave the way for presence of beyond-regional forces which leads to existence of
maximum world’s greatest powers around Iran. Whereas such world’s greatest powers have
dispute with Islamic Republic of Iran their existence is regarded as threat for advantages and
privileges of Islamic Republic of Iran i.e. they attempt to create challenge at borders of Islamic
Republic of Iran with its neighbor countries. Presence of U.S.A. at neighbor countries of Iran and
challenging national security of Islamic Republic of Iran was among permanent and main policies
of U.S.A. versus Iran during recent years. For example presence of U.S. military forces in
Afghanistan strongly influences on security of borders and total security of Iran. Establishing
U.S. military base in Afghanistan and adjacent to borders of Iran, educating and equipping
opponents of Iran for increasing insecurity in borders and even inside of Iran even while ruling
Taliban Group over Afghanistan and before dispute between Taliban and U.S.A and using this
terrorist group for invasion to Iran is among main policies of U.S.A with the aim of prevention of
establishing Islamic government in Afghanistan and causing problem for Islamic Republic of Iran
(Zarghani 171, 2006).

1-8) Evolutions of Sistan at Contemporary Period

Sistan is regarded as center of economic and cultural exchanges which creates link between
civilization of east and west of world. At the present time through changes at political equations,
lifestyle, economic transactions, regional relationship and cultural backgrounds, regional and
international zones are influenced. These changes were so deep that could eliminate Sistan from
political, economic and social aspect and turn it into an unimportant land without inhabitants;
nevertheless, this aim was not obtained and this land according to its specific bio, strategic and
geographical properties maintained its economic and native properties and still continued its
economic and political life. Meanwhile, this land was unable to determine its political and
economic destiny, rather its survival was depended upon political evolutions happening around it.
The turning point of these evolutions was establishing government of Afghanistan and separating
great area of Sistan from Iran simultaneous with developing exploitation of Great Britain at India
and planning and request of Russian government for obtaining quasi-continent of India at second
half of 19th century. During this period Sistan was regarded as strategic point for both
governments (Ahmadi 244, 1999). In political history of Iran and region, when the government of
Russia was depressed from obtaining to quasi-continent of India through Afghanistan, it decided
to obtain land of Sistan by passing through India. In this way, Russian government made plans
and received utilization privileges from Sistan through government of Iran. During this period
that Great Britain anticipated danger, it began some local struggles at Sistan and preparing
grounds for leaving Russian government from this land (Ahmadi 280, 1999). The result of Great
Britain policy for Sistan was re-separation of Sistan; in which, neither separated parts of this land
was able to survive. A part of this land was remained by government and the mainly agriculture
society grown from urban regions was deprived from its services. Meanwhile, the future status of
this land with respect to water resources was ambiguous which also deprived from planning for
water for its agricultural lands. The reason of this issue was that aquifer and basin area of
mountain and plain were complementary of each other which established a dynamic natural
ecosystem which remained separated artificially and consequently none of these 2 fields not only
was unable to serve geographical land, but also that part of Sistan that was under ruling of
Afghanistan government had some urban and mountain areas; in which, great section of rural and
plain area were deprived from service and in addition limitation of agricultural lands in that area,
excess application of water resources is uncontrollable (Ebrahimzadeh 203, 1993). In fact, Sistan
was center of healthy economic and business transactions in past is now turned into center of
illegal transactions and smuggling narcotics. Thus, the most important problem of this region
located at east of Iran is smuggling narcotics. The specific geographical location and intersection of 3 tribes including: Iranian, Afghani and Balochi tribes scattered at Afghanistan and Pakistan and absence of powerful local government for their control and kinship relationship of inhabitants of border line in addition to international smuggling is turned this region into suitable base for transit of smuggling. Consequently, the Great Britain obtained its aims by experiencing Sistan and at the present time intends to meet its long term goals i.e. presence of Great Britain and U.S.A. at political field of Afghanistan adjacent to borders of Iran and Sistan (Mir 55, 2012).

Conclusion:
The science of international politics is basis for several scientific schools; in which, foreign policy anticipates the process of international events and offers some solutions for different countries in order to increase obtaining to goals. Afghanistan since many years ago was under influence of civilization of Iran and the main part of this land was regarded as land of Iran. During Safavid dynasty due to influencing Shiite religion in Iran, southern and western sections of present Afghanistan were attitude toward Sunni religion. During this age the tribes of this area due to attack to Isfahan occupied this city as capital of Safavid dynasty. When Nader Shah ascended the throne this problem was terminated and Afghans were retreated back and defeated. Analyzing relationship of Iran with newly established Afghanistan was only possible through studying role of Great Britain and Russia. In the year 1836 the claim of Iran against Herat with rejected by Great Britain; since, there was this belief that meeting this demand weakens Afghanistan. Finally according to Paris Treaty, Iran officially rejected its lands. Separation of Afghanistan from Iran leaded to establishing new political borders and new political ties under influence of new geographical variables including Sistan area and Hirmand River. Sistan area is located at south west of Afghanistan and this area consists of agricultural water of Hirmand River that passes from Hirmand. Many strategies of Great Britain were regarded vital for influencing on Sistan; since, this area was located between Iran, Afghanistan and India. Sistan is regarded as a region for center of economic and cultural transactions that links civilization of east and west of world. At the present time through evolutions at political equations, lifestyle, economic transactions, regional relationship, broad cultural fields is left from being influenced. Finally, it is concluded that the executed policies between Afghanistan and Iran has direct influence on economic, social and political status of Sistan.
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Relative Effectiveness of Foreign Debt and Foreign Aid on Economic Growth in Pakistan

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Abstract

The basic plan behind our research work is to investigate the relative effectiveness of foreign debt and foreign aid on economic growth of Pakistan. For conducting this relative effectiveness, we use the annual time series data from 1970 to 2010. The Augmented Dickey-Fuller test result shows that our variables are stationary at first difference. The result shows that there is negatively long run relationship between GDP and foreign debt whereas positive long run relationship exists between GDP and foreign aid. There is unidirectional causality between foreign debt and GDP, whereas foreign aid does not cause the GDP. The results show that foreign debts are relatively more effective for economic growth than foreign aid. Each new government plan their own new policies and projects. Therefore we suggest that each new government complete the development projects of last government firstly, then start their own projects, and ensure the political stability.

Keywords: Foreign Debts, Foreign Aid, Economic Growth.

1. Introduction

Foreign debt is the part of a country's debt that was borrowed from international financial institutions or foreign lenders, such as commercial banks or governments. External debt is one of the sources of financing capital (Ayadi 2008). Foreign aid is the help in the shape of money, that provided by one country to another country, such as economic, technical, military, or in other
forms, given from one country to another for the purpose of relief and rehabilitation, for economic stabilization and for mutual defense. Foreign debt is considered unwanted in all of developing countries, and developing countries have no potential to deal with debt like developed countries. It is impossible for developing countries to finance all of its development expenditures with its own recourses and to cover up these gaps between revenue and expenditure they take debt and aid from external resources.

Sustainability of economic growth is the major purpose of every developing country and they want to control fiscal deficit. Pakistan is facing very serious economic problem at micro and macro stage since the day of independence. Many other authors find no evidence that aid affects growth in developing countries. The practice of foreign debt is normal at certain limits but it constantly increasing from last few decades and it is the major cause of slowing down the Pakistan economy. It is not possible to conclude that the foreign aid has a positive impact on growth (Pedersen, 1996). Pakistan takes debt and loan from UK, USA, Saudi Arabia, China, worldwide financial institutions such as International Monetary Fund (IMF), World Bank, neighbor countries and others countries having close trade relation with in the region to get loan.

Now 66 year passed but still Pakistan is not able to solve its economic problems and unfortunately this situation is getting worse rapidly. It is very important to address that around the 70% of government revenue is consumed by debt servicing in 2001 and 30% in other purposes.

The aid given by USA to Pakistan is used for specific purposes. It becomes difficult to know what benefits the Pakistan get from the USA aid. USA imposes conditions on loan which are compulsory to fulfill and these conditions are very critical for economic stability. It gives loan to conduct interventions such as drone attacks, new policies for education and create hurdle in all development projects.

International Monetary Fund (IMF) provides debt to Pakistan with their own policies rule and regulations and these are very strict and depress the economic growth of Pakistan. Pakistan external debt increasing day by day because of misuse of loan, many developmental projects remained uncompleted due to political instability and frequent changes in government policies. Each new government plan their own new projects and new policies that create further over burden on the economy.
Analysis of debt situation are very important in economic literature and also provide accurate guideline to policy maker for taking broad decisions about national plans and strategy in the country. Currently there is no such an empirical study is available for Pakistan for the period 1971 to 2010, which elaborate the relative effectiveness of foreign debt and aid. This study is attempted to analyze the relationship among the foreign debt and foreign aid for the economy of Pakistan. The main objective of this study is to know about the relative effectiveness of foreign debt aid and trade in Pakistan and its effects on economy. For conducting the results, we use ordinary least square (OLS) model. To investigate the long run and short run Johansen cointegration test for the foreign debt and foreign aid on the economic growth of Pakistan. We also employed Vector auto regressive model (VAR) and casualty test in this analysis.

Further we discuss in this paper the literature review and then the methodology data, which is employed in our research paper. After this we conduct the results by analyzing that as foreign debt or foreign aid is more effective for the economy of Pakistan, by using of the most econometric models and then we conclude our research with some recommendations.

2. Literature review

2.1. Related Literature

The role of foreign economic assistance in economic development and growth remain contentious in economic literature. Some studies prove positive impact on economic development and some studies highlighted its negative effects. Siddiqui and Malik (2001) estimated directly the impact of foreign debt on GDP growth rate in South Asia. They argued that external debt accumulation and growth have a non-linear relationship up to a certain level the impact is positive and then negative turns on. Their study showed mixed facts regarding the impact of debt burden on the economic growth, whereas debt accumulation in other countries of south Asia has not a negative impact on the economic growth. They gave some suggestion that reduce population growth rate. Ayadi and Ayadi (2008) investigated the impact of external debt with its servicing requirements on economic growth of Nigeria and South Africa during the period of 1980 to 2007. They analyzed that how annual GDP growth rate of is affected by debt stock. They analyzed that the impact of debt size in growth is non linear in Nigeria but not in South Africa. They argued that South Africa requires better management for its external debt
obligations. Nigeria, South Africa and all in debt countries of world should seek external loans only for very high priority, self liquidation and well appraised project. Such projects have direct and quick impact on economic growth. Chaudhry et al. (2009) investigated the impact of external debt on saving and investment in Pakistan using time series econometric tools for the period ended 1973 to 2006. The main focus of their analysis was that the effects of foreign debt, debt servicing, saving and investment. They concluded that foreign debt itself does not have any significant adverse effect in national saving efforts but servicing of foreign debt create burden on current resources. At the end they argued that governance mechanism for monitoring of found generated through external borrowing needs much ardent improvement because of its strong and significant impact on saving and investment. Khan and Khan (2009) evaluated the trend in external debt, objective of external debt and factor influencing debt in Pakistan. Developing countries have not only to borrow debt also to make sure that borrowed funds are used for productive purpose. Akram (2011) examined the consequences of public debt for economic growth and investment in Pakistan for the period ended 1972 to 2009. He said that Domestic debt has a negative and significant relationship with investment, while domestic debt does not have significant relationship with per capita GDP and that investment has a positive and significant relationship with per capita GDP. Ahmed and Shakur (2011) highlighted the problems created by external debt to economic growth of Pakistan for the period of 1980 to 2008. Results indicated that growth rate of GDP per capita has negative relationship with external debt, population growth and trade while positive with investment. They also proved that increase in external debt depresses economic & population growth and there is a unilateral relationship between debt and economic growth. Ayyoub et al. (2012) investigated the impact of foreign debt on GDP, in the manufacturing sector of Pakistan for the period of 1989-90 to 2009-10. They found that there are actual expenditures which are highly responsible for low productivity, high unemployment rate and less contribution on manufacturing sector of Pakistan. They suggested that decrease the expenditure on debt servicing, utilize the external debt on productive expenditure, to control inflation and reduce overall government deficit in economy. Sulaiman L.A. and Azeez B.A. (2012) examined the effects of external debt on economic growth of Nigeria during the period of 1970 to 2010. The findings from the error correction method showed that external debt has contributed positively to the Nigerian economy. The study recommended that government should ensure economic and political stability and external debt should be acquired largely
for economic reasons rather than social or political reasons. Government should increase export earning to promote industrial sector to decrease import dependency. Atique and Malik (2012) examined the impact of domestic debt, external debt and the determinant of economic growth for Pakistan for the period of 1980 to 2010. They concluded that external debt decrease economic growth as compared to domestic debt. Foreign exchange reserves can help to payback debt, and government should promote local industries and produce quality goods in Pakistan, and paying more attention to agriculture sector because Pakistan is famous for its rich land and premium quality crops.

Feeny (2003) evaluated the impact of foreign aid on poverty and human well being in Papua New Guinea during the period of 1990s. The allocation of foreign aid to Papua New Guinea has been broadly consistent with the strategy to effectively reduce poverty and improve human well being. They concluded results by suggesting some accurate and proper ways in which foreign aid donors can achieve more effectively these goals. The primarily responsibility of Papua New Guinea government is to develop a growth strategy which based upon the development of agriculture sector and donors can play a role to developing agriculture methods, assistance to expand agriculture production and identify niche markets to promote it. It is argued that donors should priorities to construction of new roads in addition to the maintenance of existing roads, greater access to health and education services, improving the transport networks across the country, improve communications between different ethnic groups that may decrease tension and increase security. Ghulam Mohey-ud-din (2005) analyzed the effectiveness of foreign aid in economic development of Pakistan from the period of 1960 to 2002. He suggested that foreign domestic saving policies and trade policies were not implemented properly. The policies were very effective in foreign aid’s influence on economic growth. Consequently they want to say that aid help in boosting economic growth only under appropriate fiscal, monetary and trade policies. Rotarou and Ueta (2009) examined the Tanzania experience with Official Development Assistant (ODA) and assess the impact of foreign aid on economic growth using the time series date from 1970 to 2007. Result indicates a significance dependency of Tanzania GDP growth on foreign aid and FDI flows but not on trade. ODI, FDI and trade have not been very successful in fighting poverty however they do help in the fight against poverty. Ekanayake & Chatrna (2010) examined the effects of foreign aid on economic growth in the developing countries. Their model
was estimated for different income levels. Their results show that foreign aid has a mixed impact on economic growth of developing countries. Ullah et al. (2011) analyzed the impact of foreign aid and volatility of foreign on economic growth of Pakistan for the time period of 1972 to 2010. From all their study they concluded that foreign aid and economic growth are positive and significant associated with economic growth while foreign aid volatility is negatively associated with economic growth of Pakistan. In their study they recommended that foreign aid make sustainable for economic growth and volatility in foreign inflows create uncertainty and discontinuity in socio economic projects. Fasanya and Onakoya (2012) examined the impact of foreign aid on economic growth in Nigeria during the period of 1970 to 2010. Domestic investment increased in response to aid flows and population growth has no significant effect on aid flows. The significant of variables clearly stated that Nigeria economic growth rate of GDP depends on investment, inflation, foreign aid and public expenditure in short run. So government of donor should be aware of political situation in recipient country and work with international bodies to ensure as much stability as possible. Good economic management and sound policy are matter more than foreign aid for Nigeria.

2.2. Effects of Foreign Debts on Economic Growth

Ayyoub et al. (2012) investigated the impacts of foreign debts on GDP growth of manufacturing sectors. They said that external debt and liability to GDP ratio has positively significant relationship with overall GDP level of economy, but when external debt has been replaced with the actual foreign debt, it displayed a negative impact on the economy. Ayadi and Ayadi (2008) investigated the impacts of external debt on economic growth of Nigeria and South Africa. Their result showed that the negative impact of debts on growth is confirmed in South Africa and Nigeria, whereas South Africa performs better than Nigeria in the application of external loans to promote growth. Ahmed and Shakur (2011) highlighted the problems created by external debt to economic growth of Pakistan and indicated that growth rate of GDP per capita has negative relationship with external debt. Sulaiman L.A. and Azeez B.A.(2012) examined the effects of external debt on economic growth of Nigeria and indicated that external debt has contributed positively to the Nigerian economy. Atique and Malik (2012) examined the impact of domestic debt and external debt on the economic growth for Pakistan. Their results showed that external debt decrease economic growth more as compared to domestic debt. Siddiqui and Malik
(2001) examined the impact of foreign debt on GDP growth rate in South Asia. They concluded that debt accumulation and growth have non linear relationship up to a certain limits is positive and if cross limit then the relation turn negative. Chaudhry et al. (2009) investigated the impact of external debt on saving and investment in Pakistan. They said that foreign debts itself does not have any significant adverse effect but servicing of foreign debt creating over burden on economy. Akram (2011) examined the consequences of public debt for economic growth and investment in Pakistan and confirmed that public debt had negative relation with the economic growth, while domestic debt had significant negative relationship with investment and domestic debt did not have significant relation with the economic growth.

2.3. Effects of Foreign Aid on Economic Growth

Ghulam Mohey-ud-din (2005) analyzed the effectiveness of foreign aid in the economic development of Pakistan, and he concluded that foreign aid may be useful to boosting economic growth only under the presence of valid economic policies fiscal and trade policies. Fasanya and Onakoya (2012) examined the impact of foreign aid on economic growth in Nigeria and their results positively supported that foreign aid positively impact on Nigeria. Ullah et al. (2011) analyzed the impact of foreign aid on economic growth of Pakistan, and they argued that foreign aid positively effect on economic growth while foreign aid volatility is negatively effects on economic growth of Pakistan. Feeny (2003) elaborated the impact of foreign aid on poverty and human well being in the Papua New Guinea. He said that the allocation of foreign aid to Papua New Guinea has been broadly consistent with the strategy to effectively reduce poverty and develop human well being. Rotarou and Ueta (2009) examined the impact of foreign aid on economic growth of Tanzania, and their results indicated that foreign aid have not been very much successful in poverty reduction. Ekanayake & Chatrna (2010) examined the effects of foreign aid on economic growth in developing countries, from all their analysis they reported that foreign aid have mixed impact on economic growth of developing countries.
3. Conceptual Framework

![Conceptual Framework Diagram]

4. Hypothesis Development

H₀: Foreign debt has positive relation on economic growth

H₁: Foreign aid has positive relation on economic growth

5. Methodology

For conducting the relative effectiveness of foreign debt and foreign aid on the economic growth of Pakistan, we use the annual time series data from 1970 to 2010. We collect the data from Pakistan economic survey, World Bank and State Bank of Pakistan.

Since time series data are employed, therefore we used Ordinary Least Square Method of estimation to explore the findings of our research model. We check our model significance and remove errors or residuals from our variables. This method describes the results of basic model, which is the relative effectiveness of monetary and fiscal policy on the economic growth. So, we use three models for checking the results in detail. Our equations for these models are respectively as:
To make our results more reliable, we apply some econometric model on our data. First of all we check that either our variables are stationary or not, for this purpose we used Augmented Dickey-Fuller (ADF) test. Augmented Dickey-Fuller (ADF) test is used to check the unit root in time series data. The ADF test is calculated with only constant, or with constant plus trend, or with no constant and no trend. For determine the long run relationship of our variables we used Johansen Cointegration Test. This test shows that whether or not a long run relationship exists between the dependent variable and other independent variables. If our variables are co integrated then our research model is known as meaningful otherwise not. Usually this test is applied in large sample data. This test is based onto trace the relationship between the GDP, foreign debts, foreign aids, imports and exports. In the time series data, lags selection plays a very important part in the results of data. If we change the lags then all the results of our variable are changed. So, we use Unrestricted VAR technique for the selection of optimum lags for our research. We have checked the relationship between the variables through Granger Causality Test. By applying this test we better understand that which variable Granger cause the others variables. This test helps us to determine that one time series is useful to predict other time series. In this test lags play a very crucial role to predict other time series. So we use different lags for better result of our model.
6. Variable Definition

6.1. Dependent Variable

6.1.1. Economic Growth

The economy of any country is growing due to increase in the production of products & services as compare to previous year.

6.2. Independent Variables

6.2.1. Foreign Debts

Foreign debt is the part of a country's debt that was borrowed from international financial institutions or foreign lenders, such as governments and commercial banks. On these types of loans, interest must be paid in the currency in which the loan was got.

6.2.2. Foreign Aids

Foreign aid is the help in the shape of money, that provided by one country to another country, such as economic, technical, military, or in other forms, given from one country to another for the purpose of relief and rehabilitation, for economic stabilization and for mutual defense.

6.2.3. Import

Import is defined as a country buy good or service from another country. The higher the value of imports compared to the value of exports, the balance of trade of that country become more negative.

6.2.4. Export

Export is defined as a task of international trade whereby goods produced in one country is transferred to another country for future sale or trade. The exports and imports are the backbone of international trade.
7. Results & Analysis

In this study we analyze the impact of foreign debt, foreign aid, imports and exports on Economic growth of Pakistan. We use data from 1971 to 2010. The results of our data are followings.

Table 1: Descriptive Statistics

<table>
<thead>
<tr>
<th>Particulars</th>
<th>GDP</th>
<th>AID</th>
<th>DEBTS</th>
<th>EXPORTS</th>
<th>IMPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>6875327.</td>
<td>461.5900</td>
<td>18166.61</td>
<td>3231.120</td>
<td>5058.917</td>
</tr>
<tr>
<td>Median</td>
<td>430637.1</td>
<td>474.2500</td>
<td>15471.00</td>
<td>1539.720</td>
<td>2007.070</td>
</tr>
<tr>
<td>Maximum</td>
<td>42940107</td>
<td>1867.130</td>
<td>53620.00</td>
<td>28062.00</td>
<td>47933.00</td>
</tr>
<tr>
<td>Minimum</td>
<td>6324.884</td>
<td>22.79000</td>
<td>2959.000</td>
<td>114.1350</td>
<td>153.9300</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>12157212</td>
<td>381.8891</td>
<td>12478.35</td>
<td>6411.657</td>
<td>10507.86</td>
</tr>
<tr>
<td>Observations</td>
<td>41</td>
<td>41</td>
<td>41</td>
<td>41</td>
<td>41</td>
</tr>
</tbody>
</table>

This table provides the summary of the descriptive statistics of dependent and independent variables. The result of the mean value in the descriptive statistics for the GDP is (6875327 millions USD) and during 1970 to 2010 the GDP growth rate is not so effective for Pakistan’s economy. The foreign aid’s average is (461.59 millions USD), which means that the economy of Pakistan is not as strong as it needs for foreign aid for every year. Foreign debts’ average is (18166.61 millions USD), shows that the economy of Pakistan is confined by a huge foreign debts. The average of exports (3231.12 millions USD) and imports (5058.91 millions USD) shows that Pakistan’s imports are more than its exports.

Table 2: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>GDP</th>
<th>AID</th>
<th>Debts</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>1</td>
<td>.566**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aid</td>
<td>.566**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debts</td>
<td>.891**</td>
<td>.344*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports</td>
<td>.869**</td>
<td>.557**</td>
<td>.749**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>.872**</td>
<td>.594**</td>
<td>.775**</td>
<td>.990**</td>
<td>1</td>
</tr>
</tbody>
</table>

**. Significance at the 0.01 level.
*. Significance at the 0.05 level.
This table shows the results of correlation analysis. GDP is positively significant correlated with foreign aid, shows that foreign aid is become the cause of increment in GDP. A foreign debt is also positively correlated with economic growth which means that as more foreign debts then more the growth in economy. GDP is also positively correlated with import and export of Pakistan.

In order to analyze the time series characteristic, we employ the Augmented Dickey Fuller (ADF) test. Augmented Dickey-Fuller (ADF) test is used to check the unit root in time series data. We check this test by all three equations included in ADF test, which are to test the variables with intercept, with both intercept and trend, and with no intercept and trend. By applying this test on our all variables, we can say that our all variables are regarded as non stationary at their level. But when we take first difference of the data then we can report that our all the variables are stationary with intercept, with both intercept and trend and with no intercept and trend.

Table 3 shows the results of variables at their level. This shows that variables are regarded as non-stationary. The results show that variables are not stationary with an intercept, both intercept and trend and with no intercept and trend. Table 4 shows the results of variables at their first difference. This shows that variables are regarded as non-stationary. The results show that variables are not stationary with an intercept, both intercept and trend and with no intercept and trend.

When our variables are stationary at first difference, then we check the long run relationship of the variables. We use Johansen Cointegrated Test for this purpose. This test shows that whether or not a long run relationship exists between the dependent variable and other independent variables. If our variables are co integrated then our research model is known as meaningful otherwise not. The results are given in the Table 5 which is given below in appendix. Table 5 shows the result of Johansen Cointegration test for our variables. We can use to examine the null hypothesis of non-cointegrated against the alternative hypothesis of cointegrated. Here, results are founded well above the corresponding 5% critical value for our variables. The Johansen Cointegration test provides the one cointegrated equation, which shows that variables are cointegrated in long run relationship. The cointegrated equation shows that there is negatively long run relationship between GDP and foreign debt whereas positive long run relationship exists between GDP and foreign aid.
In Johansen Cointegrated Test we use log of our variables and we got one cointegrated equation. Now we check that either variable are Granger cause the other variables. In Granger causality, null hypothesis is about does not Granger cause and alternative hypothesis is about there is Granger cause in the variables. The results show that foreign debt is granger causes the GDP, and there is unidirectional causality between foreign debt and GDP, whereas foreign aid does not granger cause the GDP.

Our variables are cointegrated and become stationary at their first difference, now we use Vector Error Correction model. As shown in results of vector error correction model, value of cointegration equation is negative which shows that speed of adjustment any disequilibrium towards long run equilibrium state which is 60%. The results show that there is not short run relationship between foreign debts and GDP, and between foreign aid and GDP.

For checking the relationship of GDP with others variables, we employed ordinary least square method. This method describes the results of basic model, which is the relative effectiveness of monetary and fiscal policy on the economic growth. So, we use three models for checking the results in detail. Our equations for these models are respectively as:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>8.641146</td>
<td>13.26827</td>
<td>9.137856</td>
</tr>
<tr>
<td>Foreign Aid</td>
<td>(-0.002615)**</td>
<td>(-0.001159)*</td>
<td></td>
</tr>
<tr>
<td>Foreign Debts</td>
<td>(0.000277)*</td>
<td></td>
<td>(0.000271)*</td>
</tr>
<tr>
<td>Exports</td>
<td></td>
<td>(0.000350)*</td>
<td></td>
</tr>
<tr>
<td>Imports</td>
<td>(-9.50E-05)*</td>
<td></td>
<td>(-6.63E-05)*</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.923256</td>
<td>0.399448</td>
<td>0.939043</td>
</tr>
<tr>
<td>Adj. R-squared</td>
<td>0.919217</td>
<td>0.36784</td>
<td>0.934101</td>
</tr>
</tbody>
</table>

Model 1 shows that foreign debts have a significant positive impact on the economic growth. The imports of Pakistan have significant negative impact on the economic growth. Model 2 shows that foreign aid has a significant negative impact on the economic growth. The exports of Pakistan have significant positive impact on the economic growth. Model 3 shows that foreign debts have a significant positive impact on the economic growth, whereas foreign aid has a significant negative impact on the economic growth. The imports of Pakistan have significant
negative impact on the economic growth. We do not use our control variables at the same time because there is high correlation among them.

8. Conclusion

The basic plan behind our research work is to investigate the relative effectiveness of foreign debt and foreign aid on economic growth of Pakistan. For conducting this relative effectiveness, we use the annual time series data from 1970 to 2010. Foreign debt is considered as unwanted in all of developing countries, because developing countries have no potential to deal with debt like developed countries. It is impossible for developing countries to finance all of its development expenditures with its own recourses and to cover up the gaps between revenue and expenditure, so they take debt and aid. We use Augmented Dickey-Fuller test to make data stationary. We find that data we analyze in our study is stationary at first difference. The results of Johnson cointegrated equation shows that there is negatively long run relationship between GDP and foreign debt whereas positive long run relationship exists between GDP and foreign aid. There is unidirectional causality between foreign debt and GDP, whereas foreign aid does not cause the GDP. The results show that there is not short run relationship between foreign debts and GDP, and between foreign aid and GDP. The results show that foreign debts are relatively more effective for economic growth than foreign aid. Because when Pakistan takes loan from other countries then there are some conditions on it, whereas these conditions are not employed on the aid. The weights of foreign debts on Pakistan is increased in every passing day, due to political instability and misuses of loan many government development projects remained uncompleted, and each new government plan their own new policies and projects. And also misuses of foreign aid due to lack of mismanagement and lack of strict monitoring on it. The amount which gets Pakistan as foreign aid is not used for the purpose on which it is given, while it is used for other purposes. So we suggest that each new government complete the development projects of last government firstly, then start their own projects, and ensure the political stability.
References


Appendix

Table 3: ADF test at Level

<table>
<thead>
<tr>
<th>Variables</th>
<th>With an intercept only</th>
<th>With an intercept and trend</th>
<th>With no intercept and trend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t-statistic</td>
<td>Critical Value at 5%</td>
<td>t-statistic</td>
</tr>
<tr>
<td>GDP</td>
<td>-1.87</td>
<td>-2.96</td>
<td>-1.49</td>
</tr>
<tr>
<td>Aid</td>
<td>-0.84</td>
<td>-2.94</td>
<td>-0.79</td>
</tr>
<tr>
<td>Debts</td>
<td>2.76</td>
<td>-2.94</td>
<td>0.89</td>
</tr>
<tr>
<td>Export</td>
<td>1.36</td>
<td>-2.94</td>
<td>5.39</td>
</tr>
<tr>
<td>Import</td>
<td>1.44</td>
<td>-2.95</td>
<td>3.26</td>
</tr>
</tbody>
</table>

Table 4: ADF test at First Difference

<table>
<thead>
<tr>
<th>Variables</th>
<th>With an intercept only</th>
<th>With an intercept and trend</th>
<th>With no intercept and trend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t-statistic</td>
<td>Critical Value at 5%</td>
<td>t-statistic</td>
</tr>
<tr>
<td>GDP</td>
<td>-3.79</td>
<td>-2.96</td>
<td>-3.46</td>
</tr>
<tr>
<td>Aid</td>
<td>-6.28</td>
<td>-2.94</td>
<td>-6.71</td>
</tr>
<tr>
<td>Debts</td>
<td>-6.97</td>
<td>-2.94</td>
<td>-7.88</td>
</tr>
<tr>
<td>Export</td>
<td>4.36</td>
<td>-2.95</td>
<td>3.68</td>
</tr>
<tr>
<td>Import</td>
<td>3.73</td>
<td>-2.95</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Table 5: Johansen Cointegration Test

<table>
<thead>
<tr>
<th>No. of CE(s)</th>
<th>Eigen value</th>
<th>Trace Statistic</th>
<th>Critical value at 5%</th>
<th>P-value</th>
<th>Max-Eigen value</th>
<th>Critical value at 5%</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>0.613243</td>
<td>75.32282</td>
<td>69.81889</td>
<td>0.0170</td>
<td>36.09847</td>
<td>33.87687</td>
<td>0.0267</td>
</tr>
<tr>
<td>At most 1</td>
<td>0.389442</td>
<td>39.22435</td>
<td>47.85613</td>
<td>0.2514</td>
<td>18.74851</td>
<td>27.58434</td>
<td>0.4342</td>
</tr>
<tr>
<td>At most 2</td>
<td>0.283747</td>
<td>20.47584</td>
<td>29.79707</td>
<td>0.3911</td>
<td>12.68141</td>
<td>21.13162</td>
<td>0.4820</td>
</tr>
<tr>
<td>At most 3</td>
<td>0.185310</td>
<td>7.794426</td>
<td>15.49471</td>
<td>0.4876</td>
<td>7.788019</td>
<td>14.26460</td>
<td>0.4007</td>
</tr>
<tr>
<td>At most 4</td>
<td>0.000169</td>
<td>0.006407</td>
<td>3.841466</td>
<td>0.9356</td>
<td>0.006407</td>
<td>3.841466</td>
<td>0.9356</td>
</tr>
</tbody>
</table>
MONETARY POLICY AND ITS SUCCESS IN DEVELOPING ECONOMIES; A CASE REVIEW FOR PAKISTAN

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ABSTRACT

Developing countries are always full with resources but is most of time are victim of mismanagement, political instability and unskilled work force. Pakistan for last few decades has been facing same problems which have seriously damaged its economic system and growth. Although State Bank of Pakistan (SBP) have been using monetary policy with the best efforts that can be done in a situation of economic crisis i.e. high inflation and unemployment rate yet the desire results are not achieved. In this paper the discussion revolves around monetary policy and its implementation in Pakistan and to identify the forces behind the unsuccessful results of State Bank tools and on the same time to find the internal effects of decreasing role of monetary policy in the economic growth. Finally paper suggests some recommendations for to solve the problems and put economy back on track of economic growth.

Keywords: Monetary Policy, Pakistan, economic crisis, economy
INTRODUCTION

Monetary policy is a process by which the central bank of a country controls the supply of money in a country, often targeting the rate of interest for promoting economic growth and stability or in other words sustainable growth. (Eric M. Leeper, 1996). The basic goal of monetary policy is to gain the stable price or stable inflation and low unemployment. Monetary theory provides insight into how to craft optimal monetary policy. It is referred to as either being expansionary or contractionary, where an expansionary policy increases the total supply of money in the economy more rapidly than usual, and contractionary policy expands the money supply more slowly than usual or even shrinks it. Expansionary policy is traditionally used to try to combat unemployment in a recession by lowering interest rates in the hope that easy credit will entice businesses into expanding. Contractionary policy is intended to slow inflation in hopes of avoiding the resulting distortions and deterioration of asset values.

Monetary policy focus on the interest rate on which banks and other financial institutions do borrowing and lending in the economy and it also focus on the supply of money in the economy by which inflation and unemployment is controlled. Monetary policy use certain on its tools to get the above mentioned targets, its targets also includes foreign exchange rates in the country that affects the balance of payment accounts of the country. (Robert H.Frank,2004). Where currency is under a monopoly of issuance, or where there is a regulated system of issuing currency through banks which are tied to a central bank, the monetary authority has the ability to alter the money supply and thus influence the interest rate (to achieve policy goals). The beginning of monetary policy as such comes from the late 19th century, where it was used to maintain the gold standard.
It is referred to be either as contractionary i.e. if it reduces the size of money supply or increase it only slowly, or if it is designed to increase the interest rate or it can be expansionary policy i.e. increase the size of money supply more rapidly or decrease in the interest rate. Monetary policy can also be described as accommodative if the interest rates set by the central bank is intended to create economic growth; neutral if it intendeds to creates growth nor combat inflation or it can be tight if it intends to reduce inflation.

TOOLS OF MONETARY POLICY

There are certain tools that are available to monetary policy to achieve its goals they can be as follows

MONETARY BASE

Monetary policy can be implemented by changing the size of the monetary base. Central banks use open market operations to change the monetary base. The central bank use buying or selling of certain reserve assets (bonds) in exchange for money in the market on deposit at the central bank. These deposits are convertiable to currency, togther these currency and deposits consitiutes the monetary base which are the liabilities of central bank in its own monetary unit. Most of the times other banks i.e. commercial banks use base money as a fractional reserve and expand the circulating money suppy by a large amount. (Robert H.Frank,2004)

RESERVE REQUIREMENTS

The central banks in order to control the operations and monetry ground of comercial banks use reserve requirements tool. Monetary policy can be used as a tool in implementing reserve requirement on comercial banks such as changing the proportion of total assets that banks must hold in reserve with the central bank. Banks only maintain a small portion of their assets as cash available for immediate withdrawal; the rest is invested in illiquid assets like mortgages and
loans. By changing the proportion of total assets to be held as liquid cash, the central bank changes the availability of loanable funds. This helps in changing the money supply in the market but central bank try not to change required reserve most oftenly as it can be very volatile for the market as there will be a quick change of money supply in the market. (Robert H.Frank, 2004)

**DISCOUNT WINDOW LENDING**

Discount window lending is referred to process where commercial banks and other banks borrow funds from the central bank at a discount rate. Discount rate is mostly below the short term market rates i.e. T-bills. This enables the institutions to vary credit conditions (i.e., the amount of money they have to loan out), thereby affecting the money supply. It is of note that the Discount Window is the only instrument which the Central Banks do not have total control over.

By influencing in such activities, monetary policy can control the money supply to establish ranges for inflation, unemployment, interest rates and economic growth. All in all a environment is created where the injections and ejections of fund is done to allow the economic growth. (Eric M. Leeper, 1996)

**INTEREST RATES**

Money supply contraction is achieved indirectly by increasing the nominal interest rates. Interest rates control varies from country to country. The monetary authority may be able to mandate specific interest rates on loans, savings accounts or other financial assets. By raising the interest rate(s) under its control, a monetary authority can contract the money supply, because higher interest rates encourage savings and discourage borrowing. Both of these effects reduce the size of the money supply. (Robert H.Frank, 2004)
CURRENCY BOARD

A currency board is a monetary arrangement that pegs the monetary base of one country to another, the anchor nation. As such, it essentially operates as a hard fixed exchange rate, whereby local currency in circulation is backed by foreign currency from the anchor nation at a fixed rate. Thus, to grow the local monetary base an equivalent amount of foreign currency must be held in reserves with the currency board. This limits the possibility for the local monetary authority to inflate or pursue other objectives. The principal rationales behind a currency board are threefold:

1. To import monetary credibility of the anchor nation;
2. To maintain a fixed exchange rate with the anchor nation;

To establish credibility with the exchange rate (the currency board arrangement is the hardest form of fixed exchange rates outside of dollarization).

It is possible that a country may peg the local currency to more than one foreign currency; although, in practice this has never happened (and it would be a more complicated to run than a simple single-currency currency board). A gold standard is a special case of a currency board where the value of the national currency is linked to the value of gold instead of a foreign currency.

The currency board in question will no longer issue fiat money but instead will only issue a set number of units of local currency for each unit of foreign currency it has in its vault. The surplus on the balance of payments of that country is reflected by higher deposits local banks hold at the central bank as well as (initially) higher deposits of the (net) exporting firms at their local banks. The growth of the domestic money supply can now be coupled to the additional deposits of the
banks at the central bank that equals additional hard foreign exchange reserves in the hands of the central bank. The virtue of this system is that questions of currency stability no longer apply. The drawbacks are that the country no longer has the ability to set monetary policy according to other domestic considerations, and that the fixed exchange rate will, to a large extent, also fix a country’s terms of trade, irrespective of economic differences between it and its trading partners. Currency boards have advantages for small, open economies that would find independent monetary policy difficult to sustain. They can also form a credible commitment to low inflation. (Eric M. Leeper, 1996)

UNCONVENTIONAL MONETARY POLICY AT THE ZERO BOUND

monetary policy that is particularly used when interest rates are at or near 0% and there are concerns about deflation or deflation is occurring, are referred to as unconventional monetary policy. These include credit easing, quantitative easing, and signaling. In credit easing, a central bank purchases private sector assets, in order to improve liquidity and improve access to credit. Signaling can be used to lower market expectations for future interest rates. (Robert H.Frank, 2004)

LIMITATION OF MONETARY POLICY

First of all, according to AMB Country Risk Report - September 28, 2011, “Pakistan a CRT-5 country, is itself the site of military and terrorist activity. Its fundamental lack of political stability is a challenge to its economic and financial outlook.” Due to this status, function of monetary policy would face lack of transparent via the absence of political stability; hence this situation would facilitate to the people who are on the power to force policies that serve their interests, so these polices will lead to inequality in distribution wealth and income, under the
name of monetary policy. This was argued by Dr. Ayub Mehar "macroeconomic indicators have been showing the significant improvement in the economy of Pakistan in the recent past regime. The painful situation is that the effects of macroeconomic growth have not been transferred to the lower income segment of the society." Moreover, the central bank in most developing countries is independent and relies in government which is in this case face instability in itself. In conclusion, "Political instability is also one of the major hurdles to improve the BOP situation of the country. This situation is very much disappointing internationally as well as internally."¹

Second, beside the political instability of LDC, many of them have a lack of institutional quality as well as great levels of corruption. In addition there is a scarce on papers that study the implication of the corruption for the strategy of monetary policy. One of the studies was done by Journal of International Economics and its result show how positively relationship between corruption and inflation, where this assist to reduce the feasibility of monetary policy in developing countries like Pakistan “First, the optimal inflation target is higher for a country with poorer institutional quality. Hence, an inflation target of 1–4%, that is common among advanced industrialized countries and might be called “international best practice,” is generally not something to be emulated by developing countries. Second, pegged exchange rate, currency boards, or dollarization are often prescribed as ways to solve the lack of credibility problem. However, these monetary regimes are typically not very credible themselves and are likely to fail (often associated with a currency crisis) in countries with weak institutions.”²

¹ The Journal of Commerce - THE BALANCE OF PAYMENT PROBLEM IN DEVELOPING COUNTRIES, ESPECIALLY IN PAKISTAN - Hafeez ur Rehman, Hafiz Abdur Rashid
From the wider to the narrower, the banking system in developing countries has less influence than developed countries on the interest rate and level of investment. This was due to the mentality of banking system in developing countries which offer loans only to large investors, and this mechanism turn small traders and farmers to acquire funds from relatives or local lenders with overpriced interest rate. For more explanation on this point Samina Khalil has written on the limitation of monetary policy in developing counties and her argument was” The links between interest rate, investment and output assumed in developed countries are questionable in LDCs. Investment is not very sensitive to the interest rate charged by commercial banks, partly because a lot of money is lent by money lenders, landlords, relatives and others outside the banks. Furthermore because of supply limitations, increases in investment demand may result in inflation rather than expanded real output. The LDCs often face these limitations at far less than full employment because of poor management, monopolistic restraints, bureaucratic delay, and the lack of essential inputs (resulting from licensing restrictions on foreign exchange or domestic materials).”

Finally, from all of the above, plus the absence of real infrastructure such as full covering of electricity, internal conflicts and the lack of actual opportunities for poor people in the big cities. Monetary policy become a secondary choice, until improve the weakness components to be able to assist monetary policies in its functions.

SOLUTION TO RESFORM MONETARY POLICY

Developing countries must first put more attention on infrastructure to increase the standard of living on education and health to gain the trust from people toward this system. Moreover, many

1 http://findarticles.com/p/articles/mi_hb092/is_n11_v24/ai_n28632985/?tag=content;col1
developing countries still have less empower on sovereignty over the land, due to weakness of the central government as well as the civil conflicts. However, large percentage of people on developing countries rely on farming, fishing and hunting, and this type of living, discount the useful meaning of the financial institutions. Therefore, from this introduction we could summarize the solutions into three stages. First, expand equality on education as well as health and distribution of primary wealth. Second, industrialization, and finally improve the financial system based on the needs of the developing countries.

Equality in distribution of primary wealth as well as education will directly affect the standard of living in the society, thus people will increase their knowledge and income. Therefore, this improvement will have positive effectiveness on creating small and medium enterprises which will lead to improve skills of workers from a side and assist people to think for better future in the other side. Consequently, government will have the ability to spread the awareness of the importance of financial system as long as people are feeling the usefulness of this polices on their life. On the other hand, rapid industrialization is one of the crucial solutions to control inflation and poverty. Therefore, to maintain and sustain rapid industrialization, government must attract foreign and local investment to cut the outflow of local capital.

Whenever, governments in developing countries attained the previous situations, the financial system and monetary policy will become effective. Thus, in developing economies the monetary policy should aim at presenting economic growth, the monetary authority of a developing economy can play a crucial role by adopting such a monetary policy which innovate conditions necessary for economic growth. Then, developing countries have to strengthen the legal environment and political work in which the financial system must be characterized by legislation.
legal clarity and transparency. The independence of central banks is a must to remain constantly aware of the economic conditions and the work of other economic policies, whatever the situations of political parties has differed on the political life.

Factors to be enhanced in developing countries:

1. The government should to follow the policy of development based on market economy and leading to increased demand to work, and pay attention to increase productivity.

2. Promote facilities for people who want to invest in such important investment that help the country, such as agriculture in Pakistan.

3. Foundation and enlargement of financial institutions as well as developing banking habits

4. Liberalization of foreign trade and opening of the free zones and development of new business mechanisms dominated by transparency and competition can reduce the phenomenon of the informal economy.

5. Restructuring rural credit system and presenting long-term loans for industrial development

6. Emphasize on implement decentralization at all levels.

7. Improve the balance of payments and reduce the impact of external debt.

LITERATURE REVIEW

Transmission Mechanism of Monetary Policy in Pakistan

"The objective of this study is to disentangle and investigate the channels, using vector autoregressions, through which monetary policy shocks are propagated in Pakistan. The results indicate that monetary tightening leads first to a fall in domestic demand that translates into a gradual reduction in price pressures that eventually reduces the overall price level with a significant lag. The results also point to a transmission mechanism in which banks play an
important role. We also find an active asset price channel; whereas, the exchange rate channel is less significant by comparison.” [2]

**Does Monetary Policy Play Effective Role in Controlling Inflation in Pakistan**

“Inflation is politically costly for the government (Haque and Qayyum, 2006). High and persistent inflation is a regressive tax which adversely impacts the poor (Baily, 1956, and Fisher and Modigliani, 1978a, 1978b). The poor are extremely limited in their options to protect themselves against inflation; they are normally asset-poor, while most of their saving is in the form of cash. Inflation erodes cash savings and protects the rich who hold real assets (Fisher and Modigliani, 1978a). Given the well-known costs of inflation, policy now in all countries is inflation-averse. Studies have also found that high and volatile inflation has been detrimental to growth and financial sector development. Resource allocation is inhibited as inflation obscures relative price changes and thus inhibits optimal resource allocation.

Knowledge about the factors that drive inflation is important to formulate appropriate policy to control inflation. Unquestionably, empirical evidence points to “inflation being always and everywhere a monetary phenomenon” [Friedman (1963)]. However, there still remains some debate on whether supply-side factors could cause inflation without 1 Professor and Registrar at the Pakistan Institute of Development Economics (PIDE).” [8]

**HOW MONETARY POLICY AFFECTS POVERTY: NEXUS AND CONSEQUENCES**

“During the recent years the responsibility of economic development has largely been shifted on corporate sector from the governmental agencies. The responsibilities of every types of development are being shifted from bureaucrats to the technocrats. The political roles and
pressures of the armed forces, business leaders, international consultants, technocrats, and community leaders are being re-shaped. In the present transitory condition, the role and responsibilities of civil servants are also being changed. The financial markets experiences in the Far Eastern and South American countries in recent past have shown that the problems of corporate sector are not only the problems of investors, speculators and stockbrokers, they are also the problems of a common man. The financial problems in corporate sector cannot be segregated from the problems of unemployment, income distribution, poverty and development. In the present scenario, it seems that the poor are being virtually penalized for the end of cold war. ‘Globalization’ is one of the prescriptions recommended by the builders of macroeconomic models to solve the problem of poverty. It is a common phenomenon in all over the globe that all privileges and rights and positives of the globalization are only for richer segment of the societies. The poor do not have power to utilize the facilities of education, entertainments, information technology, migration, immigration, and mobility. Immigration and education are considered as modes of the reduction in poverty; they are creating further gaps.” [7]

Measuring the Stance of Monetary Policy for Pakistan’s Economy
“Economic literature and theory has a characteristic feature that it puts no barriers to its ever changing dimensions if required by the time. Conduct of monetary policy is nevertheless a different issue, which has mostly been under different transitions keeping intact the essence of original economic theory with it. Pursuit of the price stability has always remained a desirable and most primary goal and objective of monetary policy but the intensity that has been brought in with the regimes of inflation targeting reveals a subtle commitment to the cause of economic
stability. This targeting is led by the idea of output being hampered if the inflation surpasses its threshold level (Khan and Sinhadji, 2001), (Mubarik, 2005).” [9]

**Monetary and Fiscal Policy Coordination**

“The objectives of macroeconomic policies are to ensure that the economy achieves noninflationary, stable growth. By this we mean purposeful manipulation of policy instruments such that fluctuations in employment, production and prices are minimized and potential growth in real output is realized. There are two major groups of policy instruments; one is related to monetary conditions and the other to fiscal conditions. Monetary instruments are employed by the central bank and fiscal instruments are employed by ministry of finance. The objectives and implications of policy measures taken by the two institutions often conflict with each other. Thus it is imperative to have a mechanism of coordination between the two authorities for the better functioning of overall economy.” [5]

**Monetary policies for developing countries: The role of institutional quality**

“Textbook discussions of monetary policies do not usually separate developing from developed countries. Are there important features about developing countries that might suggest that the optimal design of monetary policies should be different? In this paper, we study one particular feature that is prevalent in developing (and transition) economies, namely weak public governance. Obviously, developed countries are not immune to this problem, but it is far less prevalent than in many developing countries. Surprisingly, the consequence of this feature on the design of monetary policy has not been systematically examined.” [4]
Monetary Policy Objectives in Pakistan: An Empirical Investigation

“Since the seminal work by Taylor (1993) on using monetary policy rules in a practical way, researchers have been trying to explore the policy reaction function for different countries. One practical issue in the Taylor rule is the monetary policy objectives considered in the rule. According to this rule there are only two objectives of monetary policy: output and inflation. In practice central banks have objectives other than these two like interest rate smoothing and exchange rate stabilisation. This issue becomes more important in developing countries where exchange rate is not flexible and governments depend heavily on seignorage revenues due to limited effort to generate revenues from other sources and heavy budget deficits. So if these countries use Taylor rule as practical guide for monetary policy then the rule would be incomplete in the sense that it does not address the issues faced by the monetary authorities. So the point here is that before suggesting any rule to a central bank, one should be very clear on monetary policy objectives in the country. In estimating response of the central banks to different variables, researchers miss-specify the reaction function.” [6]

Perspectives on Pakistan’s monetary policy developments

“In line with trends world-wide, Pakistan adopted liberal and market-oriented monetary policies and procedures in the 1990s. This involved a move to indirect tools of monetary policy management and a major departure from the age-old practice of relying on direct interventions, such as liquidity reserve ratios and credit ceilings and controls. Accompanying this policy change were gradual changes to the legal and institutional framework of monetary policy formulation, its targeting and operating procedures as well as development of infrastructure for treasury operation to allow for effective open market operations.
These changes have had a subtle but profound impact on monetary management which in turn has impacted economic management of Pakistan. Like in several other places, there however remains a level of ignorance regarding the virtues and technicalities of monetary policy management and there is a debate on some key issues. Academics often question the relevance of policy goals and tools because of their different ideological stances and positioning. Structuralists doubt whether monetary policy has any significant impact, in particular on price stability. Frustrations are also evident among different economic players who are forced to change their behaviors and expectations in line with tighter monetary discipline and interest rate adjustments. There is less understanding and patience for the lagged effects of monetary policy to defuse the inflationary pressures or to ease the liquidity conditions.” [1]

THE BALANCE OF PAYMENT PROBLEM IN DEVELOPING COUNTRIES, ESPECIALLY IN PAKISTAN

“Balance of Payments problem in developing countries, especially in Pakistan has been very important and burning issue of the recent days. It tells how many goods and services a country has been exporting and importing and how much a country is borrowing or lending. In this way BOP accounts are the statistical record of all transactions taking place between its residents and rest of the world and would help to formulate a country’s future strategy.

This is the time of competition and technology. The one who will opt new methods of living, new methods of economic stability will get his share from the rest of the world, otherwise will remain behind. Pakistan being a developing country should go forward to enter in the circle of developed countries. For this purpose we have to correct our BOP situation. Many problems are common in almost all developing countries but some are area specific and are especially meant for Pakistan.” [3]
Measures of Monetary Policy Stance: The Case of Pakistan

“Monetary authority, with the responsibility of keeping the economy in the line with policy objectives, needs policy stance to full fill this responsibility. The stance of monetary policy is defined as quantitative measure of whether policy is too tight, Neutral or too loose relative to objectives (stable prices and output growth) of monetary policy. Accurate measurement of policy stance is important for the evaluation of alternative theories of transmission, or to obtain quantitative estimates of monetary policy changes on output and inflation [Bernanke and Mihov (1998)]. Measuring the stance of monetary policy is, however, not an easy task. If the monetary policy is reaching to state of economy, then it is unlikely to influence the economic performance in the current period, however the exogenous part of monetary policy is likely to influence the economic performance.” [9]

CONCLUSION AND RECOMMENDATIONS

After the evaluation of certain research papers, articles and news feeds it is concluded that there are certain economic problems that a developing country have to come across to but most of these problems are not economic, central bank or related to monetary policy tools and techniques. The main problem that developing country come across most of the times is the political instability and turmoil that affects the central bank working and in the long run affects the working of monetary policy in a country.

In the case of Pakistan there are many factors other than political that affects the working of the monetary policy. Most important of them are the terrorism, corruption, energy crisis and high inflation. Currently Pakistan is having an IMF loan which is more than $14 billion and its repayment period will start in 2013 which will trigger more economic problems for the country. The total foreign exchange reserves that a country has are around $16 billion and because of the
above mentioned internal problems, it’s very hard for the industry to grow or even to survive in the country and generating funds to return IMF loan will be a more trouble.

The government is responsible for making fiscal policy and in the case of Pakistan the coordination between fiscal and monetary policy is very less and most of the times government have high internal debt, same can be observed in Pakistan and it can also be seen that there is very less fiscal and monetary policy coordination in the country which can be seen in the tax reforms and funds generation ration.

Pakistan government should take the case study of Malaysia in Asian crisis 1997, when political government did its best to take the country out of crisis and they eventually Malaysian government succeeded in it. For Pakistan, Malaysia is the best example to follow at the moment, although the nature of crisis is different but the effects are same and to save the economy and people from further hardship strong policies such as Malaysia have to adopt.

The policies recommendations for Pakistan covering the scope of this paper are as follows:

- The policies for the Monetary and Fiscal policy should be long term and consistent. The policies recommended by the state bank should be implemented/ included by the government in the federal policy making.

- Both of the policies should be design keeping in view the growth and the other social activities/problems in mind.

- A proper commission should be made to forecast the coming crisis or booms in the market.

- Political influences of the decision of central bank should be reduced to zero.

- Proper forecasting of advantages and disadvantages in the major sectors of the economy should be made before designing any policy.
State bank should take steps to encourage the FDI in the un-skimmed area of economy so that the earning of the government increase and the internal and external borrowing of government should decrease.
REFERENCES


A study on personality features of accident agents through applying NEO-PI-R questionnaire

Kobra Kan'ani¹, Maryam Hor², Samira Hadi³, Parinaz Taiiebi⁴

Abstract
In the studies concerning the role of human factors causing accidents, the issues entitled attribute readiness are frequently discussed upon; in other words, the person has more accidents due to attributes he/she has. The present study highlights five personality and five major personality aspects as a helping factor to recognize personality features of accident agents and prediction of driving behavior and its associated outcomes: neurosis, extraversion, openness, being liable, and consciousness. In a post-accidental study 40 guilty drivers in the accidents who were hospitalized at Esfahan Alzahra Hospital in 2013 were compared to a sample of 40 drivers who didn't involve in accidents. The applied questionnaire in the study was NEO-PI-R. The results were analyzed through MANOVA analysis by SPSS 16 software. The results demonstrated that the drivers who had accidents got high scores in neurosis (p<.05) and low score in openness (p<.05), agreeableness (p<.01) and being liable (p<.000). The comparison of two groups of accident agents and control in this study and other limited studies would entail this possible conclusion that personal factors are able to be one of the important factors to cause accidents. If we can identify these factors through more research and specify their role, by training the drivers and making them aware about the effect of these factors, we may to some extent be able to control this important social health symptom.

Key words: personal features, accident agents, NEO-PI-R questionnaire, five major personality factors

Introduction
From the standpoint of well-being, we are living in an amazing era, we are immune to many dangerous diseases from the birth; nowadays many of past fatal disease have destroyed facing human knowledge and there surely be some day wherein some cures will be found for terminal diseases. Although the possibility of longevity as well as happy life has increased comparing to the past, every day we face unbelievable killing of men, women and children on roads. The man is against machine and it is a struggle wherein the human is a loser. Here a question is suggested that whether it is correct to say when someone is on the wheel, does the car become a part of his/her personality?

It is certain that this machine often creates the worst human features, those who are normally calm and friendly, might not be understood while driving; these drivers oath that they have been aggressive and stubborn from childhood and it seems that all their hidden fiascos, hopelessness, and jealousies are expressed while driving (1).

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Unfortunately despite extensive studies, the role of personality in the possibility of accidents are still discussable and unclear; further in understanding the drivers' behavior we have not yet accessed considerable development (2, 3).

Since the time of the slogan: "a man drives the way he lives" proposed by Tillman and Hobes (1949), it is considered that the drivers' personality is permeating their driving style (5). Taking the above fact into account, we see that the psychology in recent years has solely involved in studying risky behavior and traffic safety and it hasn't had very much attention on emotional states and personality factors which affect driving behavior and lead to accident (3, 4). In the present time there has created a new limited interest in analyzing the role of personality on the behavior causing accident (4, 6).

Among them the conducted studies investigated the relationship between personality factors such as: extraversion, neurosis, thrill seeking, risk taking, and behavior abnormality and engaging in road accidents (7). In Eysenck's investigations it was mentioned that the individuals with high neurosis and extraversion have more been engaged in the incidents. Moreover, in some studies the positive relationship between extraversion and accidents have been pointed out whereas there have been no relationship, or it wasn't positive in others (9).

The results from measuring two important personality factors (i.e. extraversion and neurosis) are unclear and opposite that probably are rooted in their various aspects which lead us to different results. For example Loo (10) found out that when the scores of extraversion are broken down into subscales of impulsiveness and collectivism, just impulsiveness has positive relationship with risky driving. Similarly it can be assumed a number of neurosis might increase the risk of being engaged in driving accidents through increasing driving risks, while other aspects of neurosis (like being anxious) in fact probably direct the person for becoming anxious in order to observe safety more. Further, it is possible that negative effects of neurosis and extraversion on accident behavior take place solely for drivers with very high scores in two items.

Accident and the resulting death is a serious social and health problem in Iran: thirty thousand road deaths per year (2005). The analysis of driving accidents in Iran demonstrates that the most outstanding factor in accidents of Iran (about 90%) is the human factor and one of disappointing points regarding accidents is that most of victims (0.53) have died after accidents. Moreover, the estimation of financial and psychological damages following driving events show that our country loses its annual national gross product up to five percent due to this reason, the amount whereof is calculated tens of million Dollars per year (11). However few studies focused on personal factors. These personality aspects have relationship with driving behavior and may be the reason of some driving accidents, considering the wide variety of accidents in Iran, therefore the role of personality in traffic security has had a special importance.

As stated, traditionally, traffic safety focuses on physical environment and vehicles and modifying the road environment and instruments would satisfy safety objective, so the role of personality in the probability of accidents is still discussable and unknown, we have not reached a significant progress yet (2,3).

The current study has been designed with the objective of investigating five major personality factors: neurosis, extraversion, openness, conscientiousness, and agreeableness as helping factors to identify personality features in accident agents and also predict driving behavior and associated outcomes.

**Material and method:**
The results of the study were achieved through a sample of 40 guilty drivers in road accidents who were hospitalized in Alzahra hospital in 2013 comparing to a sample of 40 drivers who
didn't have accident record. The author, during three months of referring to Esfahan Alzahra treatment center, each day chose from three parts of reception and hospitalizing these patients (emergency, orthopedics, neurology) and after consulting with the principals of each part to have information regarding clinical state of each room, selected those who had suitable physical condition and asked them for cooperation after necessary explanation about the objectives of the study.

The applied tool in the present study was NEO-PI-R. This questionnaire is the commonest instrument to measure FFM factors and procedures of (Five Factor Model) (13, 14, 15, 16). FFM is a rank model of personality structure in a way that the attributes are organized in a close and specific relationship in a format of five major factors (neurosis, extraversion, openness, agreeableness, consciousness)(17). Further, this model involving questionnaires with high reliability evaluates and researches about personality as a usual model of a personal attributes structure, and at measurement level, it caused new methods of personality measurement. NEO-PI-R which measures 30 attributes or procedures; that is 6 attributes for each factor and its short forms are the most extensively used tools of five-factor model in the united states and other world countries (17,18,19). This questionnaire includes 240 questions and 3 reliability questions with about 45 minutes to administer and it has two S and R parallel forms (19, 20). It is necessary to point out that this questionnaire was standardized in 2006 in Isfahan (21). Calculation of questionnaire reliability through applying alpha coefficients and retest method was the followings: internal consistency of the questionnaire at total level was calculated 0.76 that is an appropriate alpha coefficient for personality questionnaires. Moreover, alpha coefficients were estimated at five major factors and procedures which were greatly satisfactory for 48-question factors specially 8-question procedures. Besides, in order to investigate questionnaire's stability during the time, after three months, 50 participants were retested. The reliability coefficients between two tests were calculated that the analyses showed a high correlation for the factors and procedures (for more information refer to source 21).

**Method**
In order to determine the difference between accident agents and those who didn't have accidents, MANOVA method was applied.

**Results**
In table (1) the mean and the standard deviation of five major personality factors for two groups (accident drivers and control group) have been shown. And in table (2) the results of MANOVA analysis are given. Findings showed that the observed relationship for four factors among major factors: neurosis (P<0.05), openness (P<.05), agreeableness (P<.05) and consciousness (p<.000)was significant and it was not significant for the factor of extraversion.
<table>
<thead>
<tr>
<th>Factors and procedures of NEO-PI-R</th>
<th>Control group</th>
<th>Mean standard deviation</th>
<th>Mean standard deviation</th>
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<tr>
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<tr>
<td>N2</td>
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<tr>
<td>N3</td>
<td>24</td>
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</table>

Table (1): Mean and standard deviation of two groups of accident agents and control
Table (2) the summary of MANOVA analysis associated with group membership and personal features

<table>
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<tr>
<th>Factors and procedures of NEO-PIR</th>
<th>SS</th>
<th>df</th>
<th>Ms</th>
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<th>sig</th>
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<tr>
<td>Accompaniment</td>
<td>800.33</td>
<td>1</td>
<td>800.33</td>
<td>990.1</td>
<td>162.0</td>
<td>025.0</td>
<td>286.0</td>
</tr>
<tr>
<td>Humility</td>
<td>013.21</td>
<td>1</td>
<td>013.21</td>
<td>46.1</td>
<td>231.0</td>
<td>018.0</td>
<td>222.0</td>
</tr>
</tbody>
</table>
Discussion and conclusion
Since personality factors cannot oblige the person to do a specific behavior but it can become a medium of social effect to prevent some behaviors, so an important challenge is accessing to criteria which affects groups with higher risky behaviors with greater probability. Generally the present study notes this fact that some personality features can be a predictor of the individual's tendency toward accidents. It should be pointed out that numerous studies were not successful to suggest this relationship. Perhaps one of the most basic reasons of this problem is deep penetration of personality features and the inconsistency of drivers groups. Special results of the study express the significant relationship between neurosis, openness, agreeableness as well as consciousness and being the accident agent; while the analyses from the research didn't show a significant relationship between extraversion and being accident agents.

One of the factors which have been attended to as a predictive variable for road accidents in the studies is neurosis. There was a significant relationship between neurosis and accident in the present study (P<.05). At the level of the procedures of this factor the observed relationship was significant between two procedures of depression (p<.05) and vulnerability (p<.01) and for the procedures of anxiety, aggression, shyness, impulsiveness it was not significant. This finding is in line with the study conducted by Lajunen (5) Sharon (21) and Dahlen (22). It is possible that neurotic people be more engaged in accidents due to low concentration and mental involvement. Moreover, these involvements cause the decrease in cognitive abilities and their functions such as reaction time and their judgment, and it is finally associated with the probability of error increase and engaging in incidents. Likewise regarding significant relationship between the procedure of depression and road accidents it can be reasoned that because of these people's negative attitude
and also their inclination to commit suicide, they are exposed to incidents more than others. Regarding being significant the procedure of vulnerability with the accident it can be inferred that due to carelessness, distraction, and the anxiety on the part of these people, the probability of their involvement in these incidents will raise; and generally it can be concluded that the distraction, anxiety, and the increase of vulnerability of neurotic individuals will increase their involvement in incidents.

In this study the only factor which didn't show a significant relationship with being accident agent was extraversion. The results of other researchers, as well, about extraversion and road accidents have not yet had any clear explanation and in fact the study results were contradictory. Most of the findings resulted in the relationship between thrill seeking and accident rather than extraversion agent itself. For instance Jonah (23); Trimpop et.al (24); Jonah et.al (25); Dahlen et.al (22). Further, Fine (26); Lajunen (9); Iversen and Rundmo (4) and Diamante and Brousard(27) have noted the negative relationship between extraversion and accident.

As stated before, the research has not yet been able to find an obvious relationship between this factor and engagement in the incidents, and there is still ambiguity here. The author's explanation is that due to the variety of drivers, the simultaneous use of some research tools to have clearer results might be necessary.

In the study the observed relationship between the factor of openness and accident was significant (p<.05); however, this relationship at the level of procedures of this factor was not significant. The findings of other researches did not propose a clear relationship for this factor, such as Diamante and Brousard (27), Sharon (21) and Dahlen (22). There was an exception in a study by Arthur and Graziano (28) wherein there was a positive relationship between openness and consciousness in taken place incident; however noting to this point is important that the interaction between the range of information processing and the ability of danger perception are two basic principles which play a significant role while driving, since if the person has this ability to notice these details more, he/she will have more chance to perceive danger; this danger in people with high scores in the factor of openness may decrease their chance of engaging in incidents.

Moreover the observed difference between the factor of agreeableness and accident was significant (p<0.1). At the procedures level this relationship was observed significant with premia (p<0.5), trust (p<0.5) and philanthropy (p<0.1). From limited researches carried out in this domain, it can be deducted that the relationship is not such obvious, like Diamante and Brousard (27) and Dahlen (22). Notwithstanding Cellar et.al (29) have pointed out negative relationship between agreeableness and accident. The inference is that the individuals with high scores in this factor will quickly be adjusted to around environment, therefore their performance will less be affected by steady condition such as driving, the result is that the factors such as tiredness and error which are important variable of the incident can less affect these people.

In the present study the observed difference between consciousness (p<0.00) and its five procedures, i.e. competence (p<0.00), willing for success (p<0.00), perseverence (p<0.00), loyalty (p<0.5) and being cautious (p<0.5) was significant, this finding is congruent with meta-analysis by Barrick and Mount (30) and the study conducted by Arthur and Graziano (28). One basic explanation for these kinds of findings is that a person with high feeling consciousness has positive personal features which support the success concomitant with the feature of being cautious; therefore they have the skill of careful and regular decision making skills that is manifested in being thoughtful and accurate evaluation of the situation and its outcome is less involvement in the incidents.
The research showed that NEO-PI-R made the role of the factor of consciousness clear beyond other factors in predicting risky driving and the associated absolute outcomes. It seems that the study regarding this personality factor and its relationship with the accidents have been neglected, and it is a requirement to do more extensive studies in this field.

Taking the complexities present in driving behaviors and hundreds of important factors from the author's view, the application of some research tools simultaneously and the use of multi-variable models are perhaps the best method for the research in this field. However it should be pointed out that just the personality factors cannot intrigue him/her to a specific behavior, but comparing two groups of accident agents and control in this study and others, can be followed by this possible conclusion that personality factors are able to be the medium of proposed effect to prevent unsafe behaviors, and the most important attempt is to find criteria which affect drivers with risky driving. If we can identify these factors and recognize their roles through more studies, training drivers and making them aware regarding the effect of these factors can control this outstanding wellbeing symptom in Iran and elucidate the important role of psychology in one of the other fields of serving the humanity.

Research Limits
Due to specific conditions of the participants in the study (injury), typically the process of filling out the questionnaire clinically was done and the researchers themselves; that is, after necessary explanations about the manner of completing the questionnaire, the questions were read for the patient and he/she chose the appropriate answer; it led to spending more time in the process of information collection from the questionnaire, so it made the use of larger samples more difficult. In this study the questionnaire NEO-PI-R (240 questions) was applied; although it is a comprehensive personality questionnaire, the author believes that it is necessary for explaining the driving behavior to be concomitant with other tools to get a more accurate results. Because this study on accident agents is of descriptive type, it is not possible to investigate causality relationship.
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Investigate the relationship between earnings management incentives and Earnings Response Coefficient

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Abstract

Financial reporting are important sources of information for economic decisions that the managers, investors, creditors and other users use to meet their information needs of their . Therefore, this study examines the impact of earnings management incentives on earnings response coefficient and the amount of cash flow. In this study, book value of total debt to assets, equity and firm size are considered as incentives for earnings management. Test the research hypotheses has been using regression analysis using information of 99 companies listed on the Stock Exchange and the period 2008-2012. The results of this study indicate that earnings management incentives and earnings response coefficient is a meaningful relationship. The results of this study indicate that, earnings management incentives and cash flow is a meaningful relationship.

Keywords: Earnings management incentives, earnings response coefficients, firm size

Introduction

Measure of profit and its results plays a key role in the management of company user's financial forms make the distinction important. Since Investigate economic profits affected by the departments of accounting estimates and preparation of
financial statements are the responsibility of the entity management may for various reasons, management may attempt to manage earnings. Earnings management is generally done in two ways: 1 - the manipulation at accruals discretionary or 2 –the manipulation at real activities. accounting earnings Comply with the accounting standards adopted are manipulation due to accounting of events that allowed alternative treatments are known to be. (Moradzade Fard et al, 2008)

Requirements relating to the prohibition of the traded securities based on inside information by business unit heads is an examples of rules that, according to the distribution of risks in the market. Among the good and bad news about the market can be cited the state of financial, liquidity, risk and profit forecasts. Therefore, to understand and explain the causes of the market's response to earnings information, was introduced the concept as an earning response coefficient 1. Earnings response coefficients, unexpected yielding of market measures reaction to the unexpected component of reported earnings. (Kothari, 2001)

differently Investors reacted to earning information leads to the different responses to market the main objective of this study is effective of earnings management incentives on ERC and also its effective on cash flow. Earnings response coefficients measure unexpected yielding of company to unexpected components earnings reported by a company that has issued securities In other words, ERC measures sensitivity of market reaction to the earning announcement by the slope of the regression between abnormal returns and unexpected earnings. Different reactions investors toward earning data market lead to different reaction, but what is the reasons of different reaction of market? Scott at(2003) Financial Accounting Theory book raises several reasons, including systematic risk, earning management, loss or profitability continuity, growth opportunities for investment and capital structure. Managers with different incentives manage earning. with
respect to the of this study was to investigate the effect of disclosure of earnings management incentives on ERC and cash flow. Real management impacts and other factors that affect on equation of the profit-returns are assumed to be constant.

**Literature**

Namazi and Kermani (2009), examining the effects of ownership structure on the performance of listed companies in Tehran Stock Exchange during the period 2007-2003, concluded that is The significant and negative relationship between institutional ownership and firm performance and a positive and significant relationship between ownership and firm performance. Managerial ownership is significantly and negatively affects on performance, a bout foreign ownership the data that indicated foreign investors ownership in a corporation that the sample did not see. in the private ownership is better that major ownership is in the investors company. In general, there is a significant relationship between ownership structure of companies and their performance.

Arabmazar Yazdi and Karani (2011) during research as The relationship between a strategy for increasing profits and earnings response coefficients, evidence of Tehran Stock Exchange has. This survey was chosen 95 active firms in Tehran Stock Exchange during 2001 to 2008 as sample and is used the spss software to fit the regression model. The results indicate that the strategy of increasing profits and earnings response coefficients has a meaningful relationship. In other words, firms with strategies of increase revenue than companies with strategy of reduce costs have larger ERC.

James et al. research (2006) is indication of earnings management that was the case, different methods of presenting comprehensive income are similar related to earnings management. And also one of requirements for the more transparent
Disclosure of comprehensive income is decreasing earnings management. James et al. found that managers have different motivations and different ways to manage their earnings. In his investigation, they were examined the relationship between earnings management and transparency of financial reporting. They researched 62 Financial Director and CEO of the sale of securities that were ready to sell make decisions and they concluded the increase transparency, profitability management efforts in areas where clarification is appropriate reduced and that will attract focus of earnings management methods vague and ambiguous and less obvious parts of the building, clearer reports diminishes earnings management efforts as much but does not eliminate them completely.

Balsam et al. (2003) accruals discretionary and earnings response coefficients companies by industry experts, have been audited by firms that are not addressed by industry experts, were compared and analyzed. In this study, for control variable for auditor reputation have been used clients 6 Big auditors (later 4 big). These results indicate that industry specialist auditors clients with lower accruals discretionary and higher ERC than clients auditors who are not industry professionals. The findings of this study agree with this view that industry expert auditors clients benefit from better earning quality than non-specialist auditors clients industry.

Bay and Sami (2005) in an experimental study, tested the potential environmental impact of debt on ERC. Regression s result models confirmed this hypothesis and suggest that firms with potential environmental debts are lower ERC than firms without such debt.

Sirgar Vatama, (2008) In own study reached the conclusion that no evidence indicates the impact of corporate governance approach (audit quality, independence of board of directors, and audit committee) is not the type of earnings management.
Ali Shahbat (2009) In their study to test the relationship between quality of corporate governance and earnings management are discussed. Their results indicate that there is a positive relationship between corporate governance and earnings management.

Vang, (2006), The study examines the role of institutional ownership and board outside in limiting earnings management on a sample of 613 Malaysian companies paid during the period 2003-2001. The results suggest that there is a relationship between institutional ownership and earnings management.

Yang at al (2009) began to examine the impact of board structure and institutional ownership on earnings management. The results of the modified Jones model showed that companies have made up earning management There is not significant relationship between earnings management and institutional ownership with external board.

Choi at el (2012) research in South Korea, after controlling for financial performance and corporate governance structure, there is increasing interest management in the senior of the Manager reported.

Materials and Methods
Depending on the purpose of the study is that the results can help to limit the moral hazard of managers in companies Can help owners, researchers, investors and analysts must be applied research. The purpose of this research method in terms of its goal is applied and in terms of its implementation is described. Also explore the relationship between variables is the correlation method. The type of data measure by quantitatively and information related to this data through compact discs Stock Exchange has been collected.
The Hypothesis of the research

- Disclosure of earnings management incentives indirectly with ERC is associated

The Research model

The model used in this study consists of a regression model is as follows:

$$ERC = \alpha_0 + \alpha_1 LEV + \alpha_2 SAL + \alpha_3 DEBT + \alpha_4 Z + \alpha_5 SIZE + \alpha_6 \beta + \epsilon_{it}$$

Methods for data analysis

The table and chart below indicate parameters of describes variable yield an unexpected benefit of this research

<table>
<thead>
<tr>
<th>Max</th>
<th>Min</th>
<th>Standard deviation</th>
<th>Average</th>
<th>ERC</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.173</td>
<td>-0.060</td>
<td>0.012</td>
<td>0.001</td>
<td></td>
</tr>
</tbody>
</table>

ERC
Test the research hypotheses
The hypothesis model checking
The research hypothesis is as follows.
"Disclosure of incentives of earning management with ERC are associated indirectly
To test this hypothesis, a model will look below the regression line fitted to the model described
\[ ERC = \alpha_0 + \alpha_1 \text{LEV} + \alpha_2 \text{SAL} + \alpha_3 \text{DEBT} + \alpha_4 Z + \alpha_5 \text{SIZE} + \alpha_6 \beta + \epsilon_{it} \]
In this model, we have:

<table>
<thead>
<tr>
<th></th>
<th>ERC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yields unexpected dividends</td>
<td></td>
</tr>
<tr>
<td>Book value of total debt over book value of total assets</td>
<td>LEV</td>
</tr>
<tr>
<td>EBIT Total assets Total debt to equity is achieved</td>
<td>SAL</td>
</tr>
<tr>
<td>Long-term debt to total assets ratio</td>
<td>DEBT</td>
</tr>
<tr>
<td>The natural logarithm of assets (firm size)</td>
<td>SIZE</td>
</tr>
<tr>
<td>Book value book value of current assets to current liabilities (growth companies)</td>
<td>Z</td>
</tr>
<tr>
<td>Constant factor beta</td>
<td>\beta</td>
</tr>
</tbody>
</table>

To investigate the hypothesis of a suitable cross-sectional regression model, based on tests we are the coefficients comment And the associated coefficients are not zero is accepted, the null hypothesis is rejected and alternative hypothesis is accepted.
Pre-test requirements:

1 - Manayy test (unit root test for panel data)

In this way, assuming H_0 the test indicates the presence of a unit root variables studied was Namanayy assumption of variable Manayy represent the H_1.

The review was conducted for all variables are reported as follows:

The following table shows the unit root test, co-integration on the variables used in this study means showed the outcome of unexpected earnings as the dependent variable and explanatory variables. As can be seen in this study to test the reliability of the tests we used Hardy tests. In both tests the null hypothesis based on uncertain reliability (no unit root) variables, Therefore, if the calculated value of T,Z is greater than the critical value, confirming the current confidence levels, the null hypothesis will be rejected based on non-reliability. Z statistics values calculated and probability were to evaluate their compliance likely to reject the null hypothesis indicates that the variable is 95% and above. According to the chart below we can conclude collective reliability of all variables used in this study does not reject at the 95% confidence level.

<table>
<thead>
<tr>
<th>HARDI TEST</th>
<th>STAT</th>
<th>P-VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>3.1143</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.0471</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.9412</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.1147</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.7178</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.84567</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.9412</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.08168</td>
</tr>
</tbody>
</table>

Before estimating the model, panel data estimation methods or panel should be ensured that there is no estimation of the mass
In this case, the difference between the estimated coefficients for individual companies with coefficients estimated from collective data on through these parameters is investigated.

The null hypothesis of test is that the no difference between the estimated coefficients for each of the sections and coefficients estimated of collective regression. Means that there is no need to estimate the model using panel data.

\[
P\text{-vaLue} \quad df1,df2 \quad F \
0.0304 \quad 98.390 \quad 1.3320
\]

Is considerably higher than the estimated statistic critical values corresponding to the 95% confidence level.

As such, the null hypothesis based on the estimated availability of data do not accepted into a group practice and the need to model is estimated using panel data or panel.

After ensuring that the model we tested was estimated to be panel The main question that arises is that the cross effects are fixed or random. determine the case of a sample that which of these two methods should be used for data are done through special tests. One of the most common tests is the Hausman test. the null hypothesis of Hausman test is that model has the random effects. The test statistic is the \(X^2\) statistic. If the statistic is calculated when two more of its critical values, the null hypothesis is based on the need to estimate a random effects model will not accepted.

<table>
<thead>
<tr>
<th>Correlated Random Effects - Hausman Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test period random effects</td>
</tr>
<tr>
<td>Test Summary</td>
</tr>
<tr>
<td>Period random</td>
</tr>
</tbody>
</table>
According to the results of the fixed effects or random effects, the null hypothesis is not rejected based on the random effects. Therefore, the random-effects model is estimated.

<table>
<thead>
<tr>
<th>Regression Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.207</td>
</tr>
<tr>
<td>0.043</td>
</tr>
<tr>
<td>0.031</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Significant test</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.927</td>
</tr>
<tr>
<td>3.646</td>
</tr>
<tr>
<td>0.002</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parameter Estimation</th>
</tr>
</thead>
<tbody>
<tr>
<td>P_value</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>0.380</td>
</tr>
<tr>
<td>0.304</td>
</tr>
<tr>
<td>0.592</td>
</tr>
<tr>
<td>0.000</td>
</tr>
<tr>
<td>0.866</td>
</tr>
<tr>
<td>0.115</td>
</tr>
<tr>
<td>0.652</td>
</tr>
</tbody>
</table>
Based on the ANOVA model is significant, but all variables except DEPT is not significant.

**The results of study:**
Because different mechanisms of earnings management incentives were considered and so forth and were investigated two hypotheses that following results were obtained.

Thus the first hypothesis stating that disclosure of earnings management incentives indirectly has relation with ERC was studied and the results showed that there is a relationship between these two variables in the Iranian capital market. While the theoretical concepts expected between disclosure of earnings management incentives with ERC is a significant relationship. The results of the research hypothesis corresponds with Rahmani et al (2012) and Toker and Zaravin (2006) and Zaravin Gelb (2002), Cho et al (2008).

**Recommendations**
As was observed between disclosure of earnings management incentives and ERC and cash flow is a significant correlation. This indicates the importance and highlighted role of earnings management motivations. Because disclosure of these variables would lead to the effect on ERC also effect at cash flow. Therefore, managers should pay special attention to measure and disclose the motives expressed in this research in order to use them for their future predict as well.
References


A Gap In Human And Material Resources as Correlates Of Academic Performance Of Public And Private Primary Schools In Pakistan Administrative Kashmir

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Abstract

This study compares the availability of human and material resources among the public versus private primary schools in Azad jammu and Kashmir state, focusing on teacher’s academic & professional qualification, teacher’s demographic comparison, teaching experience and number of teacher’s positions per school as indicators of human resources whereas school physical facilities were taken as material resources. Performance of schools was measured by comparing annual result of year 2012-13 for all students grade 1-5 of selected schools. Information about human resources were collected through AJ&K school staff statement reports and to accrue the information regarding to school facilities (material resources) a survey was conducted by constructing a closed ended questionnaire with choice in five point Likert scale for headmasters of all selected schools of both groups. The demographic data (human resources) was analyzed through frequencies, means, percentages and for material resources( facilities) we applied independent sample t-test to evaluate the score on different facilities indicators to check the significance. The predominant findings show that public schools have shortage of human resources but professional wise have better qualification as compared to private school’s teachers whereas private schools have a little bit better material resources comparatively. There is no significant difference in performance of both type of schools in term of pupils pass rate in examination but private school’s pupils marks obtained percentage is higher than public school’s pupils. Inspite of all public and private schools in Azad & Jammu Kashmir face a number challenges. Both sectors still deprive of quality and quantity of human and material resources for provision of quality education.

Keywords: Public & Private Schools, Performance, Comparison, Human & Material resources and AJ&K.

1. Introduction

Education is considered one of most influential and dynamic mechanism for social, political, economic, scientific and technological development of nations and its philosophy stresses on a teaching and learning process through which experience, skills and knowledge, are transferred from generation to generation to make ultimate socioeconomic development. Sustainable economic development needs skilled manpower which is raised through productivity and efficiency of individuals that is only possible through education (Nasir and Nazli, 2010). Primary education is perceived as one of the main vehicle for prompting economic growth, improving
living standards in developing countries and expanding access to primary schooling is a widely accepted priority in the fight against poverty (Alderman 2001, Suryadarma, 2006). In general education is a methodical process of instructions for the maturity of personality, character and mental power which is a intricted activity of teaching-learning and it depends on different factors of school particularly teaching and learning resources i.e availability of human and material resources that play fundamental role in child education. The resources which facilitate to achieve the goals and objectives of the education are considered teaching and learning resources including human resources like teachers, students, parents, community members, other professional and donar agencies etc. while non-human or material resources subject to availability of physical facilities and instructional materials (Oluwatelure, 2013). The importance of Information and Communication Technology (ICT) to improve instructions in teaching and learning process has been indicated by World Bank (2011). Quality education depends on environments that are healthy, safe, caring and be responsible for appropriate resources and facilities through which qualified teachers use child-concentrated teaching approaches in well managed class rooms and schools, skilfull assessment to facilitate learning and reduce disparities. Physical learning environments or the places in which formal learning occurs, range from modern and well-equipped buildings to open-air gathering places. The quality of school facilities seems to have an indirect effect on learning, an effect that is hard to measure (UNICEF, 2000). Teaching resources are educational inputs and in fact the success of any education system depends on how quantities and qualitative are the human and physical resources through which that educational system is benfied(Ekunday, 2010). Absolutely a great level of research has been conducted to compare Public and private schools on the basis of variety of measures like effectiveness, quality and cost, student achievements, learning gapes, management, equity, student accountability, job satisfaction, and many more (M Fahmi, 2009; P. E. Peterson 2006; Cheristopher,2006; J. Das, 2006 ). Comparitive study of human and material resources among public and private primary schools is very limited especially in developing countries except of few cases (Urwick, 1991, Ekunday, 2010, Adeyanju,2010 , Amilia Hasbullah 2011, T. A. Oluwatelure, 2013, Ayeni, 2012).

Our study is focused to compare the public and private schools in AJ&K on the basis of availability of human and material resources. Azad jammu and Kashmir is intresting case because a big figure 38% enrollment at school level is covered by private schools. It is first study in this area in AJ&K so far no-one has investigated the link because until now I could not find any published research related to the above concept locally specially in AJ & K and this also put stimulus in me to do this research. The purpose of this study is not to make the sense of superity among public and private schools on the basis of gape in human and material resources but to find the weaknesses in both groups of schools and give suggestions to policy makers and further studies to explore the problem in more depth.

### 1.1 Azad Jammu & Kashmir education System and its Public Vursus private primary schools infrastructure.

All Jammu & Kashmir which is a disputed territory between Pakistan and India, the part under the administration of Pakistan abbreviated AJ&K consist of 5134 square miles having 4.09 million populations which came in existence as a result of civil war in 1947 (Malik, 2002, AJ&K Govt., 2014)

The AJK Primary education system is categorized into three kinds of schools, Public, Private and Deeni Madrasas which are specialize for religious education and most of them are privately
managed while as private schooling is totally based on the self financing depends on fee paid by students and these are not being provided any official aid from either government or private agencies (Sheikh, 2007).

The general schooling system in AJ&K is designed, as in Pakistan, into pre-schooling two years, primary level five years, Middle level three years, Secondary level two years, and higher secondary two years. Education has been a priority of the Government of Azad Kashmir. 30 percent of total recurring budget, beside 7 percent of the entirety development budget is billed to this sector and literacy rate is 65 percent. This area has a good enrolling ratio in primary educational sector that is 98 percent for boys and 89 for girls which is higher than Pakistani enrollment aspect. AJK is better in education than other province of Pakistan in spite of huge damage caused by earthquake 2005 in which 40% primary schools were demaged and destroyed (National Report UNICEF, 2012, AJK Planning and Development).

Although major portion of the budget of the territory is being spend on education but still it is not sufficient to have good facilities for the teaching. Presently the educational data of AJK is that 4202 government primary school are established with 9589 available primary teachers and 41% are without buildings 87% without electricity, 73% are without availability of drinking water and 82% are without boundary walls (Pakistan Education Statistics, 2011).

Private schools in AJK has established a prominent position in the provision of primary education as they absorbed a large share of school aged children. The enrollment in private schools is increasing gradually as it has been increased from 32.9% to 37.4% from year 2011 to 2013 respectively (ASER, 2011-13). Private schooling is not only a big figure in AJ&K primary education system but it is increasing progressively. Question is why the private schooling trend is increasing whether there is a gap in performance, quality, quantity and availability of teaching and learning resources between public and private education system.

2. Literature review

This section describes the scope, potential and importance of teaching resources in teaching-learning process in light of previous research study.

Urwick (1991) investigated that process of teaching and learning is affected by the quality of available physical facilities such as quality of school buildings, classrooms, provision of furniture, and other physical inputs. Mark Schieder (2002, 2003) investigated that School material resources (physical facilities) have a direct affect on teaching-learning, and academic outcomes. Teachers need specific environment with proper facilities to deliver the education and poor school situation make it for more hard for teachers to deliver an adequate education to students. Ekudayo (2010) examined the availability of human and material resources and student academic performance in public and private schools of Ondo state. According to this study findings human and material resources were not significantly related to the academic performance of both public and private schools students. The finding also revealed that private school were better material resources as compared to public schools. Adeyanju (2010) investigated through his study conducted in Nigeria that skilled manpower use material resources properly. Sufficient training of human resources for the utilization of material resources has a major role in teaching and learning process and countinous supply of these resources may has significant role in primary education. Amilia Hasbullah (2011) conducted a study in Batubara District of Indonesia to find the role of school facilities in teaching-learning process with respect to attain quality of education. He investigated that student achievement significantly affected by school facilities. Concerning to T. A. Oluwatelure (2013) trained and competent teachers use the teaching resources adequately. Concerning to Asiyai (2012) School facilities are necessary for
sound education of the children. He concluded that physical facilities in public secondary schools of Delta State, Nigeria were poor. Concerning to Sarmistha Pal (2010) private schools are more likely to be present in villages with more infrastructural facilities to poor quality of public schools in India. These findings are also gave the new idea of household demand for private schools. Krishna Prasad Pangeni (2014) investigated that school nature and locality, the number of school days in the academic year, teacher training, and school physical facilities were appreciably related to students’ mathematics achievement. Concerning to theoretical study of Ayeni (2012) human capital which is produced by training institutions play a significant role for success of every education system. Teacher is responsible to manage instructions, delivery of curriculum, to motivate the learners, to assess the learning outcomes, feed back to the learners and other stakeholders to make certain reliable improvement in the teaching-learning process by making a obligation of well judged and adequate use of both human and material resources.

3. Objective and Motivation

A large share of all school going children is absorbed by Private schools at primary level in Azad Kashmir rural area. Private schooling trend is increasing frequently even 37.4% children were enrolled in private schools in year 2013. On other hand education has been a priority of the government of Azad Kashmir. 30 percent of the total recurring budget, beside 7 percent of the entirety development budget is billed to this sector. The spending on the education is more than any of other sector however the availability of physical facilities and human resources at primary schools are often very limited. What facts on the ground why parents prefer private schooling whether there is gap in availability of teaching resources and performance of schools, this comparative study has been conducted. Up till now I could not find any published research related to the above concept locally specially AJ & K and this also put stimulus in me to do this research. The study focus on the following research questions.

(i) What is the current status of human resources in terms of quality and quantity in AJ&K public and private schools?

(ii) Do public and private primary schools have adequate physical facilities and instructional material and how much is gap between two groups of school?

(iii) What is difference in performance of public and private schools in term of Pupils result?

4. Research Methodology

This study was designed to to compare the availability of human and material resources between two groups of schools in AJ&K focusing on, teacher’s academic & professional qualification, teacher’s demographic comparison, teaching experience, no. of teacher’s position per school and monthly salaries as indicators of human resources whereas school facilities were taken as material resources. Performance of school was measured by comparing annual result of year 2012-13 for all students of selected schools. Information about human resources were collected by AJ&K school staff statement report and to accrue the information regarding to school facilities( material resources) a survey was conducted by constructing a closed ended questionnaire with choice in five point Likert scale for headmaster of each selected school of
both groups. The respondents were asked to answer the question by securing 1 to 5, indicating 1 strongly disagrees and 5 strongly agree.

Data was collected from three divisions of Azad Kashmir, Poonch, Muzaffarabad and Mirpur. A sample of 20 government and 15 private schools from each division total 60 schools from the public sector and 45 schools from the private sector were chosen at random.

The demographic data (human resources) was analyzed through frequencies means and percentages and for material resources (facilities) we applied independent sample t-test to evaluate the score on different physical facilities indicators to check the significance. Moreover to strengthen and clarify the decision we applied a graphical technique to compare the percentage and average score of each indicator for human and material resources respectively.

5. Empirical Analysis and Results

Table: 1 Comparison of age of primary teachers

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Public Schools</th>
<th>Private schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>&lt; = 25</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>&gt;25 – 30</td>
<td>19</td>
<td>12</td>
</tr>
<tr>
<td>&gt;30 - 35</td>
<td>24</td>
<td>15</td>
</tr>
<tr>
<td>&gt;35 - 40</td>
<td>27</td>
<td>17</td>
</tr>
<tr>
<td>&gt;40 - 45</td>
<td>32</td>
<td>20</td>
</tr>
<tr>
<td>&gt;45 - 50</td>
<td>29</td>
<td>18</td>
</tr>
<tr>
<td>50&gt;</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>160</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 1 above, demographic comparison of primary teachers of public and private schools. It is reveals that respective percentage of young teachers in private schools is higher as compared to public schools. It can be observed that teachers in private schools are more young and below than 40 years.

Table: 2 Comparison of Academic Qualification of Primary teachers

<table>
<thead>
<tr>
<th>Certificate/Degree</th>
<th>Public Schools</th>
<th>Private schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>SSC</td>
<td>10</td>
<td>06.25</td>
</tr>
<tr>
<td>HSSC</td>
<td>29</td>
<td>18.13</td>
</tr>
<tr>
<td>B.A/B. Sc</td>
<td>90</td>
<td>56.25</td>
</tr>
<tr>
<td>M.A/M.Sc.</td>
<td>31</td>
<td>19.37</td>
</tr>
<tr>
<td>Total</td>
<td>160</td>
<td>100</td>
</tr>
</tbody>
</table>
Table 2 compares the academic qualifications of public and private school’s teachers. It is revealed that 6.25% & 18.13% of public schools teachers whereas 0% & 24.58% of private schools teachers have secondary school certificate and higher secondary school certificate educations respectively, further more 56.25% & 19.37% of public school teachers, whereas 56.67% & 18.75% private schools teachers hold BA/B.Sc and MA/M.Sc degrees respectively. It can be observed that there is no big gap between academic qualifications of public and private schools teachers.

Table: 3 Comparison of professional qualification

<table>
<thead>
<tr>
<th>Certificate/Degree</th>
<th>Public Schools</th>
<th>Private schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>PTC</td>
<td>33</td>
<td>13</td>
</tr>
<tr>
<td>CT</td>
<td>31</td>
<td>59</td>
</tr>
<tr>
<td>B. Ed</td>
<td>80</td>
<td>86</td>
</tr>
<tr>
<td>M. Ed</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Untrained</td>
<td>0</td>
<td>79</td>
</tr>
<tr>
<td>Total</td>
<td>160</td>
<td>240</td>
</tr>
</tbody>
</table>

Table 3 indicates that 20.62% and 19.38% primary teachers concerning public schools whereas 5.42% and 24.58% primary teachers of private schools hold PTC and CT education respectively. Moreover 50% and 10% teachers concerning to public school whereas 35.83% and 1.2% teachers concerning private schools hold B.Ed and M.Ed educations respectively while there is no untrained teacher in public schools but a big figure 32.92% teachers in private schools are untrained. Table above reveals that public school teachers have better professional qualification as compared to private schools teachers.

Table: 4 Comparison of teaching experience

<table>
<thead>
<tr>
<th>Years</th>
<th>Public Schools</th>
<th>Private schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>&lt;1</td>
<td>00</td>
<td>0.00</td>
</tr>
<tr>
<td>1-2</td>
<td>18</td>
<td>11.25</td>
</tr>
<tr>
<td>3-4</td>
<td>15</td>
<td>9.38</td>
</tr>
<tr>
<td>5-6</td>
<td>18</td>
<td>11.25</td>
</tr>
<tr>
<td>7-8</td>
<td>21</td>
<td>13.13</td>
</tr>
<tr>
<td>9-10</td>
<td>07</td>
<td>4.37</td>
</tr>
<tr>
<td>11-12</td>
<td>10</td>
<td>6.25</td>
</tr>
<tr>
<td>13-14</td>
<td>07</td>
<td>4.37</td>
</tr>
<tr>
<td>15+</td>
<td>64</td>
<td>40.00</td>
</tr>
<tr>
<td>Total</td>
<td>160</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4 compares the teaching experience of public and private schools teachers. It can be observed from the table that public school teachers are more experienced as compared to private
schools teachers even 15.83% of private school teachers have less than one year teaching experience.

Table: 5 Comparison of number of positions per school

<table>
<thead>
<tr>
<th>No. of Post/Teacher</th>
<th>Public Schools</th>
<th>Private schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>5.00</td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>50.00</td>
</tr>
<tr>
<td>3</td>
<td>16</td>
<td>26.67</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
<td>10.00</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>8.33</td>
</tr>
<tr>
<td>&gt;5</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5 compares the number of teacher’s positions both categories of schools. It is revealed that 5% and 50% public schools whereas 0% and 0% private schools have 1 and 2 teacher’s positions respectively. Moreover 26.67% ,10.% and 8.33% public schools whereas 15.56, 20% and 44.44 % private schools have 3, 4 and 5 no. of teacher’s positions in each schools respectively. Furthermore no any public school was found which have more than five positions whereas 20% private schools have more than 5 teacher’s positions. Above table indicates that private schools have more no. of position per school as compared to public school.

Table: 6 Comparison of monthly salaries

<table>
<thead>
<tr>
<th>Salary in PKRs.</th>
<th>Public Schools</th>
<th>Private schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>&lt; = 3000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3000-5000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6000-8000</td>
<td>2</td>
<td>1.25</td>
</tr>
<tr>
<td>9000-11000</td>
<td>4</td>
<td>2.50</td>
</tr>
<tr>
<td>12000-14000</td>
<td>22</td>
<td>13.75</td>
</tr>
<tr>
<td>15000-17000</td>
<td>30</td>
<td>18.75</td>
</tr>
<tr>
<td>18000-20000</td>
<td>25</td>
<td>15.62</td>
</tr>
<tr>
<td>21000-23000</td>
<td>19</td>
<td>11.88</td>
</tr>
<tr>
<td>24000-26000</td>
<td>18</td>
<td>11.25</td>
</tr>
<tr>
<td>27000-29000</td>
<td>15</td>
<td>9.38</td>
</tr>
<tr>
<td>30000+</td>
<td>25</td>
<td>15.62</td>
</tr>
<tr>
<td>Total</td>
<td>160</td>
<td>100</td>
</tr>
</tbody>
</table>

I US dollar = 97 PKRs

In table 6 monthly salaries of both type of schools were compared. From the above table we can observed that private school teachers have very lower salaries even 15% and 39.58% private
school’s teachers have less than 3000 PKRs and between 3000 to 5000 PKRs per month. whereas in public schools, minimum salary is 8000 PKRs. Maximum salary in private sector is 20000 PKRs which is taken by only 0.83% teachers whereas in public schools maximum salaries are greater than 30000 PKRs taken by 15.62 % teachers. The above table reveals a big gap in salaries of public and private schools teachers.

Table: 7 Comparison of school facilities

<table>
<thead>
<tr>
<th>No.</th>
<th>Faculties</th>
<th>N</th>
<th>Mean</th>
<th>Standard Dev.</th>
<th>T test</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Availability of School Building</td>
<td>60</td>
<td>45</td>
<td>3.7167</td>
<td>4.5778</td>
</tr>
<tr>
<td>2</td>
<td>Class rooms availability &amp; condition</td>
<td>60</td>
<td>45</td>
<td>3.5667</td>
<td>4.2667</td>
</tr>
<tr>
<td>3</td>
<td>Availability of School boundary wall</td>
<td>60</td>
<td>45</td>
<td>2.6333</td>
<td>4.8889</td>
</tr>
<tr>
<td>4</td>
<td>Availability of school office</td>
<td>60</td>
<td>45</td>
<td>2.3500</td>
<td>4.4444</td>
</tr>
<tr>
<td>5</td>
<td>Furniture availability &amp; condition</td>
<td>60</td>
<td>45</td>
<td>3.7167</td>
<td>3.8667</td>
</tr>
<tr>
<td>6</td>
<td>Availability of Library</td>
<td>60</td>
<td>45</td>
<td>1.9333</td>
<td>2.3778</td>
</tr>
<tr>
<td>7</td>
<td>Availability of Computer Lab.</td>
<td>60</td>
<td>45</td>
<td>1.9167</td>
<td>2.2222</td>
</tr>
<tr>
<td>8</td>
<td>Availability of audio visual aids</td>
<td>60</td>
<td>45</td>
<td>3.3667</td>
<td>4.2444</td>
</tr>
<tr>
<td>9</td>
<td>Availability of playing ground</td>
<td>60</td>
<td>45</td>
<td>1.7000</td>
<td>2.0444</td>
</tr>
<tr>
<td>10</td>
<td>Availability of electricity facilities</td>
<td>60</td>
<td>45</td>
<td>2.6000</td>
<td>4.4444</td>
</tr>
<tr>
<td>11</td>
<td>Availability of drinking water facilities</td>
<td>60</td>
<td>45</td>
<td>2.4667</td>
<td>4.2889</td>
</tr>
<tr>
<td>12</td>
<td>Availability of washrooms/ toilets</td>
<td>60</td>
<td>45</td>
<td>2.5000</td>
<td>4.4889</td>
</tr>
</tbody>
</table>

In above table availability of schools facilities were compared. It is reveals from the table that there is statistically significant difference in all measures of schools facilities except of 6th, 7th and 9th which were about availability of library, computer lab. and playing ground. The value of t for all other indicators is sigficant at α=0.05. It is clear from the result that private schools have better facilities as compared to public schools except in a few cases.
Table: 8 Comparison of result, grade 1-5, Year 2012-13.

<table>
<thead>
<tr>
<th>Public Schools</th>
<th>Private schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appeared</td>
<td>Appeared</td>
</tr>
<tr>
<td>Pass</td>
<td>Pass</td>
</tr>
<tr>
<td>Fail</td>
<td>Fail</td>
</tr>
<tr>
<td>%Result</td>
<td>%Result</td>
</tr>
<tr>
<td>5745</td>
<td>6643</td>
</tr>
<tr>
<td>5424</td>
<td>6213</td>
</tr>
<tr>
<td>321</td>
<td>430</td>
</tr>
<tr>
<td>94</td>
<td>93</td>
</tr>
</tbody>
</table>

To compare the performance of all students grade 1-5, data was taken by the schools annual result 2012-13. The table above indicates that there is not particular gap in pass percentage results of both categories of schools.

Table: 9 Comparison of % of obtained marks.

<table>
<thead>
<tr>
<th>Marks Range</th>
<th>Public Schools</th>
<th>Private schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>&lt; = 60</td>
<td>1898</td>
<td>47</td>
</tr>
<tr>
<td>&gt; 60 - 70</td>
<td>1630</td>
<td>17</td>
</tr>
<tr>
<td>&gt; 70 - 80</td>
<td>1090</td>
<td>14</td>
</tr>
<tr>
<td>&gt; 80 - 90</td>
<td>760</td>
<td>13</td>
</tr>
<tr>
<td>&gt; 90 -100</td>
<td>529</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>5424</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 9 indicates that 47% of public schools have equal or less than 60% marks as compared to 9% of private schools having same percentage. 17% of public schools have 61-70% marks as compared to 21% of private schools having same percentage. 14% of public schools have 71-80% marks as compared to 25% of private schools having same percentage. 13% of public schools have 81-90% marks as compared to 26% of private schools having same percentage. 9% of public schools have 91-100% marks as compared to 20% of private schools having same percentage. It is clear from the table that result percentage of obtained marks in private schools is greater than public school.
Graphical Comparison of Human and Material Resources

Comparison of academic qualification

Comparison of professional qualification

Comparison of teaching experience

Comparison of monthly salaries

Comparison of Numbers of positions per school

Age comparison

Public Schools
Private schools
Conclusions

- Private schools have more young and fresh teachers as compared to public schools.
- There is no big difference in academic qualifications of teachers of both type of schools. But public schools teachers have better professional qualifications as compared to private school teachers and almost 33% private school teachers are non professional, untrained.
- Public school teachers have more teaching experience as compared to private schools teachers even 15% private schools teachers have less than one year teaching experience.
- Private schools have more number of teachers positions in each school as compared to public schools even 55% public schools have 1-2 teachers positions in each school.
- Public schools teachers have high salaries as compared to private schools teachers and 15% teachers concerning to private schools have less than 3000 PKRs monthly salaries.
- Private schools have better physical facilities as compared to public schools.
- There is no big difference in overall results of both type of schools but private school’s children have better obtained marks percentage as compared to public schools.
Overall we conclude that public and private schools in AJ&K rural area face a number of challenges and both sector still deprive of quality and quantity of human and material resources for provision of quality education.

**Recommendations**

Fallowing recommendations are reputable on the outcomes of this study. Primary schools are fundamental stage of the children educational development and therefore the AJ&K Government and private sector should take the following steps with consciousness to provide the quality primary education education.

- Both public and private sectors should provide required physical material resources to the existing public and private schools. The primary schools should appropriately equipped in terms of the provision of contemporary facilities, library resources and conducive learning environments.
- Most of public schools have shortage of teachers. Government should employ more well qualified primary teachers to fulfill the shortage of human resources in public primary schools.
- Adequate training opportunities should be provided to primary teachers in the usage of material resources for effective output in both public and private schools. Providing training to teachers is an important strategy for better school outcomes.
- Almost 33% percent teachers in private schools are untrained. Training opportunities should be provided to untrained and non professional teachers.
- Salaries in private sector are very low even worse and it is exploitation of young graduates that are willing to serve at low salary due to unemployment. Government should introduce salary policy for private schools teachers that should be according to public schools teacher’s pay scale and government strictly bound the private sector for implementation of salary policy.
- The government should launch the policies to regulate the examination system in private sector schools.
References


Relationship between earnings management incentives and Cash Flow

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2- Saeed Saeida Ardakani, (corresponding author)
3- Ramin Abghari

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Abstract

Financial reporting are important sources of information for economic decisions that the managers, investors, creditors and other users use to meet their information needs of their . Therefore, this study examines the impact of earnings management incentives on earnings response coefficient and the amount of cash flow . In this study, book value of total debt to assets, equity and firm size are considered as incentives for earnings management. Test the research hypotheses has been using regression analysis using information of 99 companies listed on the Stock Exchange and the period 2008-2012. The results of this study indicate that, earnings management incentives and cash flow is a meaningful relationship.

Keywords :Relationship : Earnings management; Incentives ; Cash Flow

Introduction

Requirements relating to the prohibition of the traded securities based on inside information by business unit heads is an examples of rules that, according to the distribution of risks in the market. . Among the good and bad news about the market can be cited the state of financial, liquidity, risk and profit forecasts . Therefore, to understand and explain the causes of the market's response to earnings information, was introduced the concept as an earning response coefficient 1. Earnings response coefficients, unexpected yielding of market measures reaction to the unexpected component of reported earnings. (Kothari, 2001)

Measure of profit and its results plays a key role in the management of company user's financial forms make the distinction important. Since Investigate economic profits affected by the departments of accounting estimates and preparation of financial statements are the responsibility
of the entity management may for various reasons, management may attempt to manage earnings. Earnings management is generally done in two ways: 1 - the manipulation at accruals discretionary or 2 –the manipulation at real activities . accounting earnings Comply with the accounting standards adopted are manipulation due to accounting of events that allowed alternative treatments are known to be. (Moradzade Fard et al, 2008)

differently Investors reacted to earning information leads to the different responses to market the main objective of this study is effective of earnings management incentives on ERC and also its effective on cash flow. Earnings response coefficients measure unexpected yielding of company to unexpected components earnings reported by a company that has issued securities In other words, ERC measures sensitivity of market reaction to the earning announcement by the slope of the regression between abnormal returns and unexpected earnings . Different reactions investors toward earning data market lead to different reaction, but what is the reasons of different reaction of market? ? Scott at(2003) Financial Accounting Theory book raises several reasons, including systematic risk, earning management, loss or profitability continuity, growth opportunities for investment and capital structure . Managers with different incentives manage earning. with respect to the of this study was to investigate the effect of disclosure of earnings management incentives on ERC and cash flow. profit Real management impacts and other factors that affect on equation of the profit- returns are assumed to be constant.

**Literature**

Balsam et al (2003) accruals discretionary and earnings response coefficients companies by industry experts, have been audited by firms that are not addressed by industry experts, were compared and analyzed. In this study, for control variable for auditor reputation have been used clients 6 Big auditors (later 4 big). These results indicate that industry specialist auditors Clients with lower accruals discretionary and higher ERC than Clients auditors who are not industry professionals. . The findings of this study agree with this view that industry expert auditors Clients benefit from better earning quality than non-specialist auditors Clients industry.

Bay and Sami (2005) in an experimental study, tested the potential environmental impact of debt on ERC. . Regression s result models confirmed this hypothesis and suggest that firms with potential environmental debts are lower ERC than firms without such debt.
Sirgar Vatama, (2008) In his own study reached the conclusion that no evidence indicates the impact of corporate governance approach (audit quality, independence of board of directors, and audit committee) is not the type of earnings management.

Ali Shahbat (2009) In their study to test the relationship between quality of corporate governance and earnings management are discussed. Their results indicate that there is a positive relationship between corporate governance and earnings management.

Namazi and Kermani (2009), examining the effects of ownership structure on the performance of listed companies in Tehran Stock Exchange during the period 2007-2003, concluded that is The significant and negative relationship between institutional ownership and firm performance and a positive and significant relationship between ownership and firm performance. Managerial ownership is significantly and negatively affects on performance, a bout foreign ownership the data that indicated foreign investors ownership in a corporation that the sample did not see. in the private ownership is better that major ownership is in the investors company. In general, there is a significant relationship between ownership structure of companies and their performance.

Arabmazar Yazdi and Karani (2011) during research as The relationship between a strategy for increasing profits and earnings response coefficients, evidence of Tehran Stock Exchange has. This survey was chosen 95 active firms in Tehran Stock Exchange during 2001 to 2008 as sample and is used the spss software to fit the regression model. The results indicate that the strategy of increasing profits and earnings response coefficients has a meaningful relationship. In other words, firms with strategies of increase revenue than companies with strategy of reduce costs have larger ERC.

James at el’s research (2006) is indication of earnings management that was the case, different methods of presenting comprehensive income are similar related to earnings management. And also one of requirements for the more transparent disclosure of comprehensive income is decreasing earnings management. James at el found that managers have different motivations and different ways to manage their earnings. In his investigation they were examined the relationship between earnings management and transparency of financial reporting. They researched 62 Financial Director and CEO of the sale of securities that were ready to sell make decisions and they concluded the increase transparency, profitability management efforts in areas where clarification is appropriate reduced and that will attract focus of earnings management.
methods vague and ambiguous and less obvious parts of the building, clearer reports diminishes earnings management efforts as much but does not eliminate them completely.

Vang,(2006) ), The study examines the role of institutional ownership and board outside in limiting earnings management on a sample of 613 Malaysian companies paid during the period 2003-2001. The results suggest that there is a relationship between institutional ownership and earnings management.

Yang at al (2009) began to examine the impact of board structure and institutional ownership on earnings management. The results of the modified Jones model showed that companies have made up earning management There is not significant relationship between earnings management and institutional ownership with external board.

Choi at el (2012) research in South Korea, after controlling for financial performance and corporate governance structure, there is increasing interest management in the senior of the Manager reported.

Materials and Methods

Depending on the purpose of the study is that the results can help to limit the moral hazard of managers in companies Can help owners, researchers, investors and analysts must be applied research. The purpose of this research method in terms of its goal is applied and in terms of its implementation is described. Also explore the relationship between variables is the correlation method. The type of data measure by quantitatively and information related to this data through compact discs Stock Exchange has been collected.

The hypothesis of the research

- "Disclosure of earnings management incentives indirectly with cash flow is associated

The research model

The model used in this study consists of a regression model is as follows:

\[ CASH = \alpha_0 + \alpha_1 LEV + \alpha_2 SAL + \alpha_3 DEBT + \alpha_4 Z + \alpha_5 SIZE + \alpha_6 \beta + \epsilon_{it} \]
Methods for data analysis

The table and chart below indicate parameters of variable yield an unexpected benefit of this research.

<table>
<thead>
<tr>
<th>Max</th>
<th>Min</th>
<th>Standard deviation</th>
<th>Average</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>29720935</td>
<td>65</td>
<td>1600787</td>
<td>299670</td>
<td>Cash</td>
</tr>
</tbody>
</table>

CASH

[Chart showing cash values from 1987 to 1991]
Test the research hypotheses

The hypothesis model checking

The research hypothesis is as follows.

"Disclosure of earnings management incentives indirectly with cash flow is associated"

To test this hypothesis, a model will look below the regression line fitted to the model described

\[ CASH = \alpha_0 + \alpha_1 LEV + \alpha_2 SAL + \alpha_3 DEBT + \alpha_4 Z + \alpha_5 SIZE + \alpha_6 \beta + \epsilon_{it} \]

In this model, we have:

<table>
<thead>
<tr>
<th>Cash Flow</th>
<th>CASH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book value of total debt over book value of total assets</td>
<td>LEV</td>
</tr>
<tr>
<td>EBIT Total assets Total debt to equity is achieved</td>
<td>SAL</td>
</tr>
<tr>
<td>Long-term debt to total assets ratio</td>
<td>DEBT</td>
</tr>
<tr>
<td>The natural logarithm of assets (firm size)</td>
<td>SIZE</td>
</tr>
<tr>
<td>Book value book value of current assets to current liabilities (growth companies)</td>
<td>Z</td>
</tr>
<tr>
<td>Constant factor beta</td>
<td>( \beta )</td>
</tr>
</tbody>
</table>

To investigate the hypothesis of a suitable cross-sectional regression model, based on tests we are the coefficients comment And the associated coefficients are not zero is accepted, the null hypothesis is rejected and alternative hypothesis is accepted.

Pre-test requirements:

1 - Manayei test (unit root test for panel data)

In this way, assuming H_0 the test indicates the presence of a unit root variables studied was Namanayei assumption of variable Manayei represent the H_1.

The review was conducted for all variables are reported as follows:

The following table shows the unit root test, co-integration on the variables used in this study means showed the outcome of unexpected earnings as the dependent variable and explanatory variables. As can be seen in this study to test the reliability of the tests we used Hardy tests. In both tests the null hypothesis based on uncertain reliability (no unit root) variables, Therefore, if
the calculated value of T,Z is greater than the critical value, confirming the current confidence levels, the null hypothesis will be rejected based on non-reliability. Z statistics values calculated and probability were to evaluate their compliance likely to reject the null hypothesis indicates that the variable is 95% and above. According to the chart below we can conclude collective reliability of all variables used in this study does not reject at the 95% confidence level.

<table>
<thead>
<tr>
<th>P-VALUE</th>
<th>STAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0004</td>
<td>3.1143</td>
</tr>
<tr>
<td>0.001</td>
<td>4.0471</td>
</tr>
<tr>
<td>0.001</td>
<td>2.9412</td>
</tr>
<tr>
<td>0.00002</td>
<td>4.11417</td>
</tr>
<tr>
<td>0.0172</td>
<td>2.7178</td>
</tr>
<tr>
<td>0.0000</td>
<td>3.84567</td>
</tr>
<tr>
<td>0.0121</td>
<td>2.94121</td>
</tr>
<tr>
<td>0.001</td>
<td>3.08168</td>
</tr>
</tbody>
</table>

Before estimating the model, panel data estimation methods or panel should be ensured that there is no estimation of the mass. In this case, the difference between the estimated coefficients for individual companies with coefficients estimated from collective data on through these parameters is investigated. The null hypothesis of test is that the no difference between the estimated coefficients for each of the sections and coefficients estimated of collective regression. Means that there is no need to estimate the model using panel data.

<table>
<thead>
<tr>
<th>P-value</th>
<th>df1,df2</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000</td>
<td>98.390</td>
<td>3.712597</td>
</tr>
</tbody>
</table>

Is considerably higher than the estimated statistic critical values corresponding to the 95% confidence level. As such, the null hypothesis based on the estimated availability of data do not accepted into a group practice and the need to model is estimated using panel data or panel. After ensuring that the model we tested was estimated to be panel The main question that arises is that the cross effects are fixed or random. determine the case of a sample that which of these two methods should be used for data are done through special tests. One of the most common tests is the Hausman test. the null hypothesis of Hausman test is that model has the random effects. The test statistic is the $X^2$ statistic. If the statistic is calculated when two more of its critical values, the null hypothesis is based on the need to estimate a random effects model will not accepted.
Correlated Random Effects - Hausman Test

<table>
<thead>
<tr>
<th>Test Summary</th>
<th>Chi-Sq. Statistic</th>
<th>Chi-Sq. d.f.</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period random</td>
<td>14.94991</td>
<td>6</td>
<td>0.0206</td>
</tr>
</tbody>
</table>

According to the results of the fixed effects or random effects, the null hypothesis is not rejected based on the random effects. Therefore, the random-effects model is estimated.

Regression Statistics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0.869</td>
<td>The correlation coefficient</td>
</tr>
<tr>
<td>0.755</td>
<td>The coefficient of determination</td>
</tr>
<tr>
<td>0.752</td>
<td>Adjusted coefficient of determination</td>
</tr>
</tbody>
</table>

Significant test

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.082</td>
<td>Test Dorbin-watson</td>
</tr>
<tr>
<td>251.00</td>
<td>F-test</td>
</tr>
<tr>
<td>0.000</td>
<td>The probability</td>
</tr>
</tbody>
</table>

Parameter Estimation

<table>
<thead>
<tr>
<th>P_value</th>
<th>T_value</th>
<th>Standard deviation</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.380</td>
<td>0.879</td>
<td>62.05</td>
<td>54.54</td>
</tr>
<tr>
<td>0.000</td>
<td>-10.015</td>
<td>0.485</td>
<td>-4.857</td>
</tr>
<tr>
<td>0.341</td>
<td>0.953</td>
<td>0.071</td>
<td>0.068</td>
</tr>
<tr>
<td>0.001</td>
<td>3.281</td>
<td>0.025</td>
<td>0.082</td>
</tr>
<tr>
<td>0.000</td>
<td>-5.099</td>
<td>0.460</td>
<td>-2.348</td>
</tr>
<tr>
<td>0.007</td>
<td>-2.697</td>
<td>0.138</td>
<td>-0.372</td>
</tr>
<tr>
<td>0.000</td>
<td>37.366</td>
<td>0.064</td>
<td>2.390</td>
</tr>
</tbody>
</table>
Based on the ANOVA model is significant

\[ CASH = -0.485 + 0.082 \times SAL - 2.348 \times DEBT - 0.372 \times Z + 2.390 \times SIZE + 0.038 \times \beta \]

**The results of study:**

Because different mechanisms of earnings management incentives were considered and so forth and were investigated two hypotheses that following results were obtained.

Thus the first hypothesis stating that disclosure of earnings management incentives indirectly has relation with ERC was studied and the results showed that there is a relationship between these two variables in the Iranian capital market. While the theoretical concepts expected between disclosure of earnings management incentives with ERC is a significant relationship. The results of the research hypothesis corresponds with Rahmani et al (2012) and Toker and Zaravin (2006) and Zaravin Gelb (2002), Cho et al (2008).

**Recommendations**

As was observed between disclosure of earnings management incentives and ERC and cash flow is a significant correlation. This indicates the importance and highlighted role of earnings management motivations. Because disclosure of these variables would lead to the effect on ERC also effect at cash flow. Therefore, managers should pay special attention to measure and disclose the motives expressed in this research in order to use them for their future predict as well.
References


EFFECTS OF MEDIATION OF OPINION INSPECTION REPORTS ON THE INFLUENCE OF THE ACCOUNTABILITY, CREATIVE ACCOUNTING, AND AUDITING CONCEPTSTOWARDS AUDIT EXPECTATION GAP

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¹Doctoral student of Faculty of Economy, Universitas Hasanuddin Makassar
²Lecturer of Faculty of Economy, Universitas Hasanuddin Makassar

ABSTRACT
This research was aimed to determine the influence of the Accountability (X1), Creative Accounting (X2), and Auditing concepts (X3) on the Audit Expectation Gap (Y2), by using Opinions on Inspection Reports variable (Y1) as a mediating variable. In this research, the analysis used to test the hypothesis proposed was between variables analysis which was hypothesized by using SEM analysis with Sobel Test approach on the mediation test of between variables. The analytical tool employed was the Structural Equation Modeling (SEM) analysis. The result of this research is the opinions on Inspection Reports are a variable mediating the relationship between the accountability, creative accounting, and auditing concepts on the audit expectation gap. It shows that the higher the value of the accountability, creative accounting, and auditing concepts, the higher the Audit Expectation Gap that will be resulted, if supported by better opinions on inspection reports.

Keywords: Accountability, Creative Accounting, Auditing concepts, Audit Expectation Gap, Inspection Report

1. Introduction
Audit expectation gap or commonly known with the term audit expectation gap is first suggested by Liggio (1974), stating that the audit expectation gap emerges due to differences in perception between independent accountants with the users of financial statement regarding the expected performance level from the accounting profession. The understanding of the audit expectation gap is proposed by Bailey et al. (1983), Epstein and Geiger (1994), Nair and Rittenberg (1987), Kelly and Mohrweiss (1989); and Miller et al. (1990). They state that the knowledge of the users and the information communication factors provided by the auditors to the users in the form of audit reports affect on the large quantity of the audit expectation gap.

In Indonesia, the users of the financial statement demand trustworthy audited financial reports and those providing more reliable and complete information, thus they can be used as a basic for making decisions. The expectation of the users of financial statement on the audited financial statement sometimes exceeds what have been the roles and responsibilities of the auditors. The increasing demand of the public regarding the auditors’ professionalism indicates the large size of the audit expectation gap (Yeni, 2000). The audit expectation gap happens if there is a difference between what the public or the financial statement users expect from the auditors and what is actually done by the auditors (Yuliati et al., 2007).

To ensure that the public accountability has been performed by the government institutions, thus inspection functions that will only be conducted by the inspection institutions possessing the authority and professional expertise are required, such as the Supreme Audit Board (BPK), the Financial and Development Supervisory Agency (BPKP), or independent public accountants. If the national parliament or local parliament wishes, the council may request BPK or other independent auditors to conduct inspection on the performance of the...
executive financial. BPK is an independent investigative institution. BPK is an external auditor, an inspection unit located outside the organization investigated (Mardiasmo, 2009:190).

The presentation of the financial statement is one form of the implementation of accountability in terms of the local financial management. The accountability of a region will be considered weak if it is not capable to show its financial statement. It needs to be conducted as it is related to the transparency in order to fulfill the rights of the public (Adam and Evans, 2004).

To ensure that the local government financial statement has been presented fairly, the expertise of an auditor is required. The Supreme Audit Board (BPK) is a high state institution that holds the constitutional mandate to conduct inspection on the responsibility of the public finance management. As a government auditor, BPK gains the trust from the clients to inspect the financial statement provided by the clients. Currently, the public views that the audit is based on the approach result. They accuse that the inspection officials are deemed incapable to carry out their duties in supervising the implementation of the governance and development. The accusation has a point, as the supervision carried out by BPK, BPKP, and Bawasda is less effective and efficient to date (Soelendro, 2000).

Researches on the audit expectation gap are mostly conducted in private sectors, giving the impression that researches in the public sectors receive less attention, both from the scholars and professionals. The condition is not proportional with the responsibility carried by the auditors in assisting the legislatives to supervise the management of the public finance carried out by the government or institutions in public sectors. The responsibility of the auditors in public sectors is more complex than in the private sectors as the public sector domain holds a larger and more complex area compared to private sectors. The extent of the area is not only resulted from the extensiveness of the institutions’ types and forms within, but also from the environmental complexity affecting those public institutions (Mardiasmo, 2009:1).

Based on the research phenomenon above, a central theme of this research is formulated, which is; whether the accountability, creative accounting and auditing concepts significantly affect the Audit Expectation Gap by Opinions on Inspection Reports.

2. Previous Researches

Previous researches have investigated the presence of an audit expectation gap in various contexts in United Kingdom, United States of America, Australia, New Zealand, Singapore and other countries. The results of the researches indicate that the evidence of the audit expectation gap is highly substantial. For example, Baron et al. (1977) find a significant difference in United States, between the auditors and financial statement users related to the auditors’ responsibility to uncover illegal acts. Lowe (1994) compares the auditors and the attitude towards the audit profession in United States. It is found that there is an expectation gap between the auditors and the judges. Epstein and Geiger (1994) conducted a research on United States investors and found that they trusted the auditors in a higher level of trust (absolute) and assumed that a material misstatement was an unreasonable assurance. They show that half of the gap can be narrowed down by educating the public about the roles and limitations of the audits. Frank et al. (2001) find large differences in the perception of the United States auditors and the judges regarding their expectation towards the accounting profession. Koh and Woo (1998) suggest that previous researches are supported the presence of a substantial expectation gap in the audit. Their research is interesting, given the fact that they admit that the gap should be addressed by the reduction of the public expectation, by improving the performance of the auditors. McNeroy and Martens (2001) also find the expectation gap between the auditors and investors on items such as the
responsibility for the fraud detection and the reporting. They argue that the education is the key to narrow down the gap. Humphrey et al. (1993) set the expectation gap in United Kingdom. The gap exists in several areas, including the roles of the auditors in relation to the fraud detection and the extent of the auditors’ responsibility to the third party.

In Indonesia, researches on the expectation gap in the public sector are still very less in number. Nugroho (2004) finds the evidence on differences in perception between the government auditors and the users of the government’s audited financial statements, between the users of the audited financial statement from the private sectors and the users of the government’s financial statement. However, there is no difference in perception between the financial statement users in a local government and the financial statement users in other local government. It is due to the education level of members of a local parliament is relatively the same with members of other local parliaments. A similar research was also conducted by Yuliati et al. (2007), by using the respondents from the government auditors and the users of the local financial statement, i.e. the local government and the parliament members.

The research on the local financial statement that may raise expectation gap, among others was performed by Indriani (2002) which proves that budget knowledge significantly affects on the local financial supervision carried out by the parliament. Whilst Pramono (2002) states that the factors inhibiting the functions of supervision are the lack of human resources and the lack of facilities and infrastructures. Rusliyawati and Halim (2007) also prove that there is an expectation gap between BPK auditors and the users of local financial statement in terms of the reporting, accountability and auditing concepts in West Borneo.

The research assessing whether the participation of the public and the transparency of the public policy will improve the supervision functions conducted by the parliament was also performed by Sopanah (2002), Coryanata (2007), Samson et al. (2007), and Jaka and Winarni (2007).

The preparation of the financial statement by the local government is also one of the essential matters in the creation of the accountable and transparent government. The Local Government plays an important role in the preparation of the local financial statement. The readiness of the resources in the preparation of financial statement is extremely required. The research on this was conducted by Ria and Fidelis (2004), who find that the resource of the subparts of the accounting department is still inadequate, trainings on the accounting concepts are still very low in quantity, thus resulting in a greater lack of knowledge.

3. Hypothesis
In this research, the hypotheses on the following will be tested:
H1: The accountability significantly affects on the Audit Expectation Gap by Opinions on Inspection Reports.
H2: Creative Accounting significantly affects on the Audit Expectation Gap of Opinions on Inspection Reports.
H3: Auditing Concepts significantly affect on the Audit Expectation Gap of Opinions on Inspection Reports.

4. Research Methods
In this research, the analysis used to test the hypothesis proposed was between variables analysis which was hypothesized by using SEM analysis with Sobel Test approach on the mediation test of between variables. This research was aimed to determine the influence of the
Accountability (X1), Creative Accounting (X2), and Auditing concepts (X3) on the Audit Expectation Gap (Y2), by using Opinions on Inspection Reports variable (Y1) as a mediating variable. The analytical tool employed was the Structural Equation Modeling (SEM) analysis.

4.1. Data Analysis

This research used SEM analysis method by using relationship model as shown in the figure below:

![Path Diagram of the Research Theoretical Model](image)

4.2. The Scope of the Research

The research method used in this research was survey method and it was non-experimental by nature, whilst the type of research conducted was explanatory research which sought to explain the causal and correlational relationship between variables by hypothesis tests. In the survey method, the data were collected from the respondents by using questionnaires. The data used in this research were primary data, i.e. the data obtained from the questionnaires directly distributed to BPK auditors, members of Parliament, Inspectorates, the employees of the Provincial Financial Management Board (BPKD), and Financial and Asset Management Board of Makassar (BPKA).

4.3. Samples

A sample is part of the number and characteristics possessed by the population. The sampling method employed was purposive sampling method (Sugiyono, 2010:122).

1. The auditors who serve in BPK-RI representative offices in South Sulawesi Province, having served minimally 1 (one) year.
2. Local parliament members of South Sulawesi Province and local parliament members of Makassar, represented by commission A and B, respectively 13 people.
3. The Employees of Provincial Financial Management Board (BPKD) and Financial and Asset Management Board of Makassar (BPKA).
4. The employees of Makassar Inspectorate and Provincial Inspectorate, minimally having served more than 1 (one) year as internal auditors.
4.4. Data Sources

The data sources needed in this research would be obtained by:

1) Questionnaires
   It was expected that primary data would be obtained by questionnaires directly distributed to BPK auditors, local parliament members, local government employees and the public.

2) Interviews
3) Observations
4) Literature
   In order to complete the primary data, the secondary data which were obtained by library research were also required. The secondary data collection was performed by studying journals, textbooks, magazines supporting the discussions and analyses of the field research.

5. Results of the Hypothesis Test

5.1. Results of the First Hypothesis Test

The hypothesis test was done by T-statistics on each direct influence path partially. The complete analysis results are available on SEM analysis result. The following table presents the results of the first hypothesis test.

<table>
<thead>
<tr>
<th>The Relationship of the Variables</th>
<th>Coefficient</th>
<th>CR</th>
<th>P-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability → Opinions on Inspection Reports</td>
<td>0.329</td>
<td>2.940</td>
<td>0.003</td>
<td>Significant at 5%</td>
</tr>
<tr>
<td>Opinions on Inspection Reports → Audit Expectation Gap</td>
<td>0.114</td>
<td>2.089</td>
<td>0.037</td>
<td>Significant at 5%</td>
</tr>
<tr>
<td>Accountability → Opinions on Inspection Reports → Audit Expectation Gap</td>
<td>0.038</td>
<td>1.694</td>
<td>0.090</td>
<td>Significant at 10%</td>
</tr>
</tbody>
</table>

Source: Processed Primary Data, 2014

Graphically, the result of SEM analysis on mediation test is presented as follows:

Figure 2: The Result of SEM Analysis on Opinion Mediation of Inspection Reports

In the testing, the direct influence between the Accountability towards opinions on Inspection Reports, standardize coefficients value is obtained at 0.329, with p-value at 0.003. Since p-value is at <0.05, thus there is a significantly direct influence between the accountability towards the opinions on Inspection Reports. By the positively marked coefficient, it indicates a
one-way relationship. It means that the higher the value of the accountability, the higher value of Opinions on Inspection Reports will be resulted.

In the testing of the direct influence between Opinions on Inspection Reports on the Audit Expectation Gap, standardize coefficients value is obtained coefficient at 0.114, with p-value at 0.000. Since the p-value at <0.05, thus there is a significantly direct influence between Opinions on Inspection Reports towards Audit Expectation Gap. By positively marked coefficient, it indicates a one-way relationship. It means that the higher the value of Opinions on Inspection Reports, the higher value of the Audit Expectation Gap will be resulted.

In the testing of effects of opinion mediation of Inspection Reports (Y1) on the influence of the accountability (X1) of the Audit Expectation Gap (Y2) by using Sobel Test approach, indirect path coefficient is obtained at 0.038, p-value at 0.090. Since the p-value is bigger than 0.05, it indicates that there is no significantly indirect influence between the accountability (X1) towards the Audit Expectation Gap (Y2) by Opinions on Inspection Reports (Y1). However, if 10% alpha is used (0.10), then the p-value will be at 0.090 <0:10, and it is said that there is a direct influence between the accountability (X1) towards the Audit Expectation Gap (Y2) by Opinions on Inspection Reports (Y1). With positively marked coefficient, it shows a positive relationship. It indicates that the higher opinion mediation of Inspection Reports (Y1), the higher Audit Expectation Gap that will be resulted (Y3). Therefore, it can be concluded that the Opinions on Inspection Reports (Y1) are a variable mediating the influence of the accountability (X1) towards the Audit Expectation Gap (Y2).

5.2. Results of the Second Hypothesis Test

The hypothesis test was performed by T-statistics on each direct influence path partially. Complete analysis results are available in the result of SEM analysis. The following table presents the results of the second hypothesis test.

Table 2: Mediation Test Results of the Second Hypothesis

<table>
<thead>
<tr>
<th>The Relationship of the Variables</th>
<th>Coefficient</th>
<th>CR</th>
<th>P-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creative Accounting → Opinions on Inspection Reports</td>
<td>-0.284</td>
<td>-2.819</td>
<td>0.005</td>
<td>Significant at 5%</td>
</tr>
<tr>
<td>Opinions on Inspection Reports → Audit Expectation Gap</td>
<td>0.114</td>
<td>2.089</td>
<td>0.037</td>
<td>Significant at 5%</td>
</tr>
<tr>
<td>Creative Accounting → Opinions on Inspection Reports → Audit Expectation Gap</td>
<td>-0.032</td>
<td>-1.668</td>
<td>0.095</td>
<td>Significant at 10%</td>
</tr>
</tbody>
</table>

Source: Processed Primary Data, 2014

Graphically, the result of SEM analysis on mediation test is presented as follows:
In the testing of the direct influence between the creative accounting towards opinions on Inspection Reports, standardize coefficients value is obtained at 0.284, with p-value at 0.003. Since p-value is at <0.05, thus there is a significantly direct influence between the accountability towards the opinions on Inspection Reports. By the negatively marked coefficient, it indicates a one-way relationship. It means that the higher the value of Creative Accounting, the higher value of Opinions on Inspection Reports will be resulted.

In the testing of the direct influence between Opinions on Inspection Reports on the Audit Expectation Gap, standardize coefficients value is obtained coefficient at 0.114, with p-value at 0.000. Since the p-value at <0.05, thus there is a significantly direct influence between Opinions on Inspection Reports towards Audit Expectation Gap. By positively marked coefficient, it indicates one-way relationship. It means that the higher the value of the Opinions on Inspection Reports, the higher value of the Audit Expectation Gap will be resulted.

In the testing of effects of opinion mediation of Inspection Reports (Y1) on the influence of the creative accounting (X2) on the Audit Expectation Gap (Y2) by using Sobel Test approach, indirect path coefficient is obtained at 0.038, p-value at 0.090. Since the p-value is bigger than 0.05, it indicates that there is no significantly indirect influence between the creative accounting (X2) towards the Audit Expectation Gap (Y2) by Opinions on Inspection Reports (Y1). However, if 10% alpha is used (0.10), then p-value will be at 0.095<0.10, and it is said that there is a direct influence between creative accounting (X2) towards the Audit Expectation Gap (Y2) by Opinions on Inspection Reports (Y1). By negatively marked coefficient, it shows a negative relationship. It indicates that the higher opinion mediation of Inspection Reports (Y1), the higher Audit Expectation Gap (Y3) that will be resulted. Therefore, it can be concluded that the Opinions on Inspection Reports (Y1) are a variable mediating the influence of the creative accounting (X1) towards the Audit Expectation Gap (Y2).

5.3. Results of Third Hypothesis Test

The hypothesis test was performed by T-statistics on each direct influence path partially. The complete analysis results are available in the result of SEM analysis. The following table presents the results of the third hypothesis test.
Table 3: Mediation Test Results of the Third Hypothesis

<table>
<thead>
<tr>
<th>The Relationship of the Variables</th>
<th>Coefficient</th>
<th>CR</th>
<th>P-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing Concepts → Opinions on Inspection Reports</td>
<td>0.255</td>
<td>3.411</td>
<td>0.000</td>
<td>Significant at 5%</td>
</tr>
<tr>
<td>Opinions on Inspection Reports → Audit Expectation Gap</td>
<td>0.114</td>
<td>2.089</td>
<td>0.037</td>
<td>Significant at 5%</td>
</tr>
<tr>
<td>Auditing Concepts → Opinions on Inspection Reports → Audit Expectation Gap</td>
<td>0.029</td>
<td>1770</td>
<td>0.077</td>
<td>Significant at 10%</td>
</tr>
</tbody>
</table>

Source: Processed Primary Data, 2014

Graphically, the result of SEM analysis on mediation test is presented as follows:

Figure 4: The Result of SEM Analysis on Opinion Mediation of Inspection Reports

In the testing of direct influence between the auditing concepts towards opinions on Inspection Reports, standardize coefficients value is obtained at 0.255, with p-value at 0.003. Since p-value is at <0.05, thus there is a significantly direct influence between the auditing concepts towards the opinions on Inspection Reports. By the positively marked coefficient, it indicates a one-way relationship. It means that the higher the value of auditing concepts, the higher value of Opinions on Inspection Reports will be resulted.

In the testing of the direct influence between Opinions on Inspection Reports on the Audit Expectation Gap, standardize coefficients value is obtained coefficient at 0.114, with p-value at 0.000. Since the p-value at <0.05, thus there is a significantly direct influence between Opinions on Inspection Reports towards Audit Expectation Gap. By positively marked coefficient, it indicates one-way relationship. It means that the higher the value of the Opinions on Inspection Reports, the higher value of the Audit Expectation Gap will be resulted.

In the testing of effects of opinion mediation of Inspection Reports (Y1) on the influence of auditing concepts (X3) on the Audit Expectation Gap (Y2) by using Sobel Test approach, indirect path coefficient is obtained at 0.029, p-value at 0.090. Since the p-value is bigger than 0.05, it indicates that there is no significantly indirect influence between the auditing concepts(X3) towards the Audit Expectation Gap (Y2) by Opinions on Inspection Reports (Y1). However, if 10% alpha is used (0.10), then p-value will be at 0.095 <0:10, and it is said that there is a direct influence between auditing concepts (X2) towards the Audit Expectation Gap (Y2) by Opinions on Inspection Reports (Y1). By the positively marked coefficient, it shows a positive relationship. It indicates that the higher opinion mediation of Inspection Reports (Y1), the higher Audit Expectation Gap (Y3) that will be resulted. Therefore, it can be concluded that the
Opinions on Inspection Reports (Y1) are a variable mediating the influence of the auditing concepts (X3) towards the Audit Expectation Gap (Y2).

The results of this research support the role theory assessing the behaviors of the auditors and the users implementing activities of governmental institutions. On the other hand, they also support the agency theory, expectancy theory, auditing, and creative accounting. Expectation theory proposed by Binberg et al. (2007) state that an auditor seeks to fulfill the expectation of the users of the financial statement by maximizing his/her performance. Mautz and Sharaf (1961) explain that auditing is associated with verification (inspecting the accuracy or rigor), a financial data inspection to assess their honesty in reflecting the incidences and conditions. Further, it is said that verification must apply proving techniques and methods. This research shows that Opinions on Inspection Reports are a variable mediating the relationship between the accountability, creative accounting, and auditing concepts of the audit expectation gap.

According to Adam and Evans (2004), the accountability is aimed to establish standards for performance reporting only. Its extended intention is to assist related companies and stakeholders, providing greater socially, economically and environmentally responsibilities in running the business. The authors’ expectation of the statements will differ from the users of the statements, thus generating audit expectation gap.

Chowdhury et al. (2005), state that there is audit expectation gap between CAG auditors and IFA & PAC user groups in terms of accountability of the financial reporting. It was resulted from CAG auditors’ agreement that their reports guaranteed accountability of public sectors better than those of PAC members. Significant differences in perception between the two groups were related to whether the information needs of the users were also taken into account. CAG auditors agreed if they had responded to the information needs from the members of PAC. On the contrary, PAC members were unsure that this had happened, given the fact on the existence of a direct encounter between CAG auditors and PAC members at PAC meeting. It can be considered as a surprising finding. It is what expected by the members of PAC and it ensures that CAG auditors are fully aware of their information needs.

6. Summary and Conclusion

Opinions on Inspection Reports are a variable mediating the relationship between the accountability, creative accounting, and auditing concepts on the audit expectation gap. It shows that the higher the value of the accountability, creative accounting, and auditing concepts, the higher the Audit Expectation Gap that will be resulted, if supported by better opinions on inspection reports.

This result is expected to be a motivation for the accounting profession, i.e. Indonesian Institute of Accountants (IAI) to formulate inspecting standards in order to facilitate the auditors in detecting the presence of creative accounting measures, considering the pivotal role played by opinions on Inspection reports on the influence of the accountability, creative accounting, and auditing concepts towards the audit expectation gap. On the other hand, for the government, these results can be considered to further reduce audit expectation gap by improving the aspects of the accountability, creative accounting and auditing concepts, as well as to improve the opinions on inspection reports.
References


The Examination of the Relationship between Perfectionism and Academic Burnout as well as Academic Achievement of College Students

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Abstract
This research examined the relationship between perfectionism, academic burnout and academic achievement among higher education students. This is a descriptive and correlational research. The population was all the master and Ph.D students of Yazd University in the academic year of 1389-1390 who were 1001 students. Using the stratified method of random sampling, a number of 300 master students were selected and all the Ph.D students who were 61 people, participated in the research. The Hill's questionnaire of perfectionism (2004) & Bersos' questionnaire of burnout (1997) were used. To determine students' academic achievement, their average was mentioned. To analyze the data, version 16 of SPSS software was used. In the descriptive statistics, mean, standard deviation, variance and in the inferential statistics, the t-test, multiregression analysis, one- way & two- way ANOVA, post hoc tests and ANCOVA were used. Results showed a significant relationship between perfectionism, academic burnout and academic achievement and perfectionism is a good predictor variable for academic burnout.

Key words: perfectionism, academic burnout, academic achievement.

1. Introduction
Presence in postgraduate degrees has great differences with graduate level from the standpoint that the number of credit courses and the number of practical works and projects that the student should do them. These differences in many cases make some problems for the students and putting up with the problems confronts the students with many matters that sometimes these matters and its pressures result in appearance of symptoms of fatigue, chronic stress, decrease of confidence, dissatisfaction with their own effort and work and obsessive tendency to the approbation of others and so on that can be classified from psychological perspective particularly educational psychology and their cause can be investigated. Until now, many researches have been conducted regarding learning and effective factors on it and researchers have attempted to identify effective factors on learning and investigate consequences of the existence of these factors. In educational environments that learning is measured by examining academic achievement rate, the identification of effective factors on the academic achievement rate is extremely important and indispensible. Many factors are identified in this area that affect academic achievement including academic burnout that is among factors which are recently in the focus of researchers and psychologists’ attention. Academic burnout is a state of mental and emotional fatigue, which is the result of chronic stress in conditions such as role overburden, pressure and time limitation as well as lack of necessary resources for doing duties and assigned responsibilities (Swider & Zimmerman, 2010). Most of conducted researches regarding burnout are in situations of individuals such as sellers, teachers and counselors, nurses and psychologists, which are known as job burnout. Therefore, the variable of burnout is extended to educational situations and contexts, which is known as academic burnout (Salmela-Aro et al, 2008). Based on the conducted researches, it can be mentioned that academic burnout in educational situations is distinguished with traits such as fatigue resulted from obligations concerning study, development of cynical and insensitive feeling and attitude towards textbook materials as well as feeling of personal weak progress in academic affairs. Individuals who have academic burnout often experience symptoms such as the lack of eagerness towards textbook materials, inability in continued presence in classrooms, the lack of participation in class activities, the feeling of meaninglessness in academic activities and the feeling of inability in learning academic materials (Neami, 2009).

Recently, stress and burnout is appeared as a serious concern for postgraduate professors concerning postgraduate students, however, burnout can be easily discussed in the academic world. Logically, burnout decreases the necessary energy level for doing cognitive tasks with learning. Furthermore, burnout makes the possibility of concentration on the existing cognitive resources difficult (Hafezi et al, 2007). It seems that as students enter higher academic levels, they will have higher symptoms of academic burnout due to the long and continuous years of
education (Neami, 2009). The main issue of the present research is investigating the relationship between perfectionism, academic burnout and academic achievement among postgraduate students. For this reason, in this research, M.A. and PhD students are selected as the sample. Since Yazd university is the university of the researcher of this research and the researcher is familiar with its context, it was determined that conducting such research in this university for M.A. and PhD students is indispensable in order to measure their perfectionism and to be able to investigate the existence or inexistence of academic burnout and the impact of these factors on the students' academic achievement. Due to the importance of the variable of academic burnout, the present research investigate this variable and an effective beforehand factor namely perfectionism thus, the main objective of the present research is investigating the relationship between perfectionism, academic burnout and academic achievement among postgraduate students. In this direction, the hypotheses of the research are as follows:

1. There is a significant relationship between the dimensions of perfectionism and academic burnout.
2. There is a significant relationship between the dimensions of perfectionism and academic achievement.
3. Academic burnout is predicted by perfectionism variables, academic level and the year of university entrance.
4. Academic achievement is predicted by academic burnout variables, perfectionism, academic level and the year of university entrance.
5. There is a significant relationship between the dimensions of perfectionism of female students and male ones.
6. There is a significant relationship between the dimensions of academic burnout of female students and male ones.
7. There is a significant relationship between the academic achievement of male and female students.
8. There is a significant relationship between the dimensions of perfectionism of M.A. and PhD students.
9. There is a significant relationship between the dimensions of academic burnout of M.A. and PhD students.
10. There is a significant relationship in the rate of academic achievement of M.A. and PhD students.

2. Theoretical Principles and Review of the Related Literature

Perfectionism, in fact, is the individual’s stable tendency towards establishing complete and unachievable criteria and making effort to achieve them, which is accompanied with critical self-evaluation of personal performance. Normal perfectionism (nonadjustable) enjoys effort and competition for superiority and perfection at the same time, recognizes personal limitations and neurotic idealist (adjustable) will never be happy with his/her performance due to unrealistic expectations. Generally, two dimensions of normal and abnormal of perfectionism are approved (Beshart et al., 2007). Normal idealists head-strongly make effort to achieve their own goals, but if necessary, they regulate their goals, while abnormal idealists will never be satisfied with their performance to achieve their goals. Idealists are always dissatisfied with their own performance and believe that they cannot achieve their wishes (Mohammadi Hasel, 2008). According to Pech (1984) perfectionism is a debilitating and common phenomenon and idealists are sensitive to negative emotional states such as guilt feeling, low self-respect and negligence (Kahdoei, 2011). Academic achievement, which is one of the variables of this research and is often measured with individuals’ scores can be increased or decreased by being affected by each of these variables. A student who suffers from burnout will not be able to have a considerable achievement in his/her education. Sickly states of perfectionism also hinder the individual’s progress. The quality impact of learning experience and existing facilities in the education place is extremely clear in the academic achievement (Kameron, 1981).

D’Souza and colleagues (2011) in their research titled “the relationship between perfectionism, stress and burnout in the clinical psychologists” by selecting a sample of 87 persons of Australian clinical psychologists and presenting Frost perfectionism inventory, Maslach job burnout inventory and inventory of depression, anxiety and stress to them concluded that the relationship between age and job burnout was reverse and significant; younger psychologists showed higher job burnout (P<0.0001, r=-0.25). Furthermore, age has a negative significant relationship with perfectionism. In other words, as the psychologists were younger, they had higher perfectionism (P<0.005, r=-0.29). In this research, women had higher burnout than men (“<0.001, r=-3.19). Taris and colleges (2010) in one research titled “why do perfectionism have a higher burnout risk than others?” in the U.S by examining 199 top-rank managers and employees of a company and presenting Maslach job burnout scale and Frost perfectionism scale to them concluded that in all cases, the relationship of perfectionism with the three dimensions of burnout was significant. Furthermore, the relationship between perfectionism and emotional fatigue was positive and significant (P<0.01, r=0.20), the relationship between perfectionism and disinterest positive and significant (P<0.05, r=0.19) and the relations between perfectionism and inefficiency was also positive and significant (P<0.01, r=0.22).
Kiuru and colleagues (2008) in their research titled “the impact of peers in students’ academic burnout and academic achievement” in Finland conducted a longitudinal study on 773 of ninth-grade students that 148 of them were peers and investigated groups separately from the viewpoint of academic burnout. The researchers demonstrated the impact of peers on the academic burnout using burnout scale related to Salmela-Aro’s school and students’ average grade and showed that the members of a peer group are completely similar to each other in the rate of academic burnout (intergroup variance: 0.30, standard deviation: \( P<0.001 \) & 0.08). They also showed that academic achievement predicts the rate of academic burnout; as the rate of academic achievement of a group was lower, the rate of academic burnout in that group was higher (\( P<0.001, r=0.47 \)). Gender predicted academic burnout; groups that many of its member were female showed academic burnout (\( P<0.01, t=1/52 \)). Furthermore, gender predicts the rate of academic achievement; groups that many of its members were female, had higher academic achievement than the male ones (\( P<0.01, t=1.38 \)).

Zhang and colleagues (2007) in one study titled “perfectionism, academic burnout and academic engagement among Chinese college students” by selecting a sample of 482 students using Hale perfectionism inventory and Borsa academic burnout inventory in China showed that there is a positive relationship between the incompatible aspects of perfectionism (adjustable perfectionism) and academic burnout (\( P<0.001, r=0.57 \)). Furthermore, they showed that there is a negative significant relationship between burnout and academic engagement (\( P<0.001, r=0.48 \)).

Stoeber (2007) in one research titled “perfectionism and aptitude test performance” investigated a sample of 156 of first-year B.A. students of psychology in an English-speaking university. The students filled out Stoeber’s perfectionism scales and the scale that Stoeber made in his previous work for correction. The students filled out the scale of perfectionism then in laboratory read and corrected a text on the computer. The computer recorded their answers and measured the time that they spent for reading and correction. The results found the significance among the different dimensions of correction and perfectionism and indicated that the relationship between perfectionism and inefficiency was negative and significant (\( P<0.05, r=0.21 \)).

Yang (2005) found that students’ academic burnout has a negative significant impact on the academic achievement. He also found that male students had higher levels of burnout than in female ones (Azizi Abrghoei, 2010).

In his thesis entitled ” Study of the relationship between self-efficacy and quality of learning experiences with academic burnout of postgraduate students of Tabatabai University in Tehran”, Azizi Abarquie (2010) selected 300 students who were studying MA at Tabatabai University at their second semester and higher in Faculties of Educational Sciences and Psychology, Law and Political Sciences, Literature and Foreign Languages in 1388-1389, as his research subjects and utilized quality of learning experiences, academic burnout and general ineffectiveness questionnaires. The results showed that there is a significant relationship between self-efficacy and academic exhaustion (\( P<0.0001, r=-0.34 \)), academic cynicism (\( P<0.001, r=-0.22 \)), and academic ineffectiveness (\( P<0.0001, r=0.35 \)). The results also indicated that the quality of learning experiences and academic burnout are significantly related (\( P<0.0001, r=-0.28 \)). Moreover it was pointed out that the variables of self-efficacy (Beta=0.382) and the quality of learning experiences (Beta=0.290) play significant role in predicting the variable of academic burnout.

Bakhshi Srushjani (2009) in one research titled “the investigation of the relationship between perfectionism, depression and academic performance” chose 200 female students and 200 male students of Islamic Azad University Behbahan Branch as the sample and applied Ahvaz perfectionism scale and Ahvaz depression scale. The results showed that there is a positive significant correlation between perfectionism and depression of students (\( P<0.01, r=0.80 \)) and there is a negative significant correlation between perfectionism and academic performance of students (\( P<0.01, r=-0.60 \)). Hafezi and colleagues (2007) in their research titled “the casual relationship of challenge stress, progress-hindering stress, academic burnout and learning motivation with academic performance in the students of Islamic Azad University of Ahvaz” 300 students in the academic year of 2006-2007 selected as the sample. The used tools in this research included Leppen stress inventory (2004), motivating orientation inventory and Maslach academic burnout inventory. The results indicated that there is a positive relationship between challenge stress and burnout (\( P<0.01, r=0.37 \)) as well as learning motivation (\( P<0.01, r=0.41 \)). Progress-hindering stress has a positive relationship with burnout (\( P<0.001, r=0.33 \)) and has a negative relationship with learning motivation (\( P<0.001, r=-0.52 \)).

Na’imy (2009) carried out a study titled “The relationship between the quality of learning experiences and academic burnout among postgraduate students of Shahid Chamran University in Ahvaz”. 170 MA students over their third semester were selected from Shahid Chamran University as the study samples and filled the quality of the learning experiences and academic burnout questionnaires. The results showed that there is a significant negative relationship between academic burnout and dimensions of quality of learning. The relationship between educational exhaustion and resources was – 0/29 while with the content and flexibility in learning as well as the relationship between teacher...
and student, the amount of relationship was \(-0.28, -0.25, \) and \(-0.34\), respectively, and all these coefficients were significant at \(P<0.001\). The relationship between academic inefficiency and resources was \(-0.29\), with content was \(-0.28\), with flexibility in learning was \(-0.25\), and with the quality of student-teacher relationship, it was \(-0.34\), all of which were significant at \(P<0.05\). The relationship between education and resource inefficiency 34/0, 36/0-content, with the flexibility to learn 35/0- and 50/0-student-teacher relationship quality were obtained in all these cases \(0.5 / p<0.05\) was significant. Thus, the results showed that the quality of the relationship between teacher and student plays the most critical role in explaining academic burnout.

3. Methodology
This research is an applied research from the standpoint of its objective, because its results can be applied in the educational plans of universities. The present research investigates the relationship between perfectionism, academic burnout and academic achievement of M.A. and PhD students of Yazd University and it is a descriptive research of correlative types from the standpoint of data collection.

The study population consisted of Yazd University’s MA and Ph.D. students who were enrolled in the academic year of 1389-1390. According to administrative department of postgraduate students of Yazd University, the total number of these subjects was 1001 from whom 938 were Master students and 63 were studying at PhD level. Of the aforesaid population, a sample size of 245 were selected using Morgan and Krejcie table; in order to prevent sample loss, 300 MA students were selected using stratified, random sampling. Since there were 63 PhD students, they were fully examined. Of the total 300 questionnaires presented to MA students, and of the total 63 questionnaires presented to PhD students, 257 and 60 questionnaires were completed and collected by the researcher.

The data were collected using inventory tool. Hale perfectionism inventory was used to measure them. This scale is a 58-question test that measures adjustable perfectionism and nonadjustable perfectionism. Adjustable perfectionism includes subscales of interpersonal sensitiveness, high standards for other, parents’ understanding of pressure and nonadjustable perfectionism includes subscales of purposefulness, order and organization and making effort for being excellent. This inventory is graded based on quite agree, agree, disagree and strongly disagree as well as scores 1 to 4. The high scores indicate higher perfectionism and low scores show lower perfectionism.

In examining reliability, Cronbach’s Alpha for the whole inventory and the calculated correlation coefficient between two times of implementation were 0.926 and 0.736 respectively, which were significant at 0.001 levels. In the present research, the convergent validity of Hale perfectionism inventory was obtained using its synchronous implementation with Ahvaz perfectionism inventory on a 100-person sample of senior-year students of psychology and education sciences of Yazd University and standard validity of this inventory was confirmed. The total reliability of this inventory was 0.90 using Cronbach’s Alpha and again was 0.90 using bisecction method. Descriptive and inference statistics were used to analyze the data. In the section of descriptive statistics, mean, standard deviation and variance as and in the section of inference statistics t-test for two independent samples, multiple regression analysis, one-way and two-way variance analyses, chase test and covariance analysis were used.

Academic Burnout Questionnaire: The questionnaire was first developed by Berso, et al. (1997). This questionnaire measures three areas of academic burnout namely academic exhaustion, academic cynicism and academic inefficiency. The questionnaire has fifteen sections which are rated on a 5-degree Likert scale from strongly disagree to strongly agree. 5 questions are allocated to academic exhaustion, 4 to academic cynicism and 6 to academic inefficiency.

Reliability and Validity: According to its makers, the reliability of the questionnaire was calculated by Cronbach's alpha method for the three areas of academic burnout and it was reported 0/70, 0/82, and 0/75, respectively. The validity of the questionnaire was reported favorable based on calculating confirmatory factor analysis using Comparative Fit Index (CFI), Incremental Fit Index (IFI), and Root- Mean-Square Error of Approximation (RMSEA). In the present study, Cronbach's alpha was 0/86 for the entire questionnaire, and it was estimated 0/72, 0/61, and 0/77 for academic exhaustion, academic cynicism, and academic inefficiency, respectively.

4. Findings
Table 1 indicates results of inference statistics including mean, standard deviation related to each of subscales.

4.1 Testing hypothesis 1
Hypothesis 1: There is a significant relationship between the dimensions of perfectionism and academic burnout.
To test hypothesis 1, Pearson correlation coefficient was used that its results are presented in table 2. The results show there is a significant relationship between adjustable perfectionism and all dimensions of academic burnout (academic fatigue 0.315, academic disinterest 0.240, academic inefficiency 0.267 and total academic burnout 0.321)
at 0.001 level. Nonadjustable perfectionism has a significant relationship with dimensions of disinterest (0.23) and inefficiency (0.20) as well as total academic burnout (0.19) at 0.01 levels. Furthermore, total perfectionism has a significant relationship with dimensions of fatigue (0.20), total academic burnout (0.15) at 0.01 and inefficiency (0.11) at 0.05 level. Therefore, the first hypothesis of the research is conformed.

4.2 Testing hypothesis 2
Hypothesis 2: There is a significant relationship between the dimensions of perfectionism and academic achievement.
To test hypothesis 2, Pearson correlation coefficient was used. According to table 2 the results showed that nonadjustable perfectionism has a positive significant relationship with academic achievement (0.17) at 0.01 level. Therefore, the first hypothesis of the research is conformed.

4.3 Testing hypothesis 3
Hypothesis 3: Academic burnout is predicted by perfectionism variables, academic level and the year of university entrance.
To test hypothesis 3, multiple regression method was used and the rate of the relationship was obtained 0.49. The results are observed in 3, 4 and 5 tables. Predictors are (fixed value) adjustable perfectionism, nonadjustable perfectionism, flexibility and academic level. According to table 3, correlation value of entered variables in the regression model with academic burnout has been 0.49 that this indicates that 24% of the variance of academic burnout is predicted by these variables.
As shown in table 4, the obtained $F$ (24.93) is significant at $P<0.0001$ level that this shows that the regression is significant and academic burnout can be predicted using variables of adjustable perfectionism, nonadjustable perfectionism, flexibility and academic level. Therefore, the third hypothesis of the research is confirmed.
According to table 5, to predict academic burnout, systematic method in the regression was used that in the first step, adjustable perfectionism, in the second step, nonadjustable perfectionism, in the third step, flexibility and in the fourth step, academic level have been entered into the regression model. In the regression model, the variables of adjustable perfectionism, nonadjustable perfectionism, flexibility and academic level have relationship with academic burnout. In other words, adjustable perfectionism with 0.34 beta, has the greatest impact on the variable of academic burnout in the sense that in lieu of one standard deviation of change in adjustable perfectionism, 0.34 of standard deviation of changes in academic burnout is explainable. Then variables of nonadjustable, flexibility and academic level with -0.26, -0.17 and -0.15 betas have the greatest inverse impact in explaining the variable of academic burnout.

4.4 Testing hypothesis 4
Hypothesis 4: Academic achievement is predicted by academic burnout variables, perfectionism, academic level and the year of university entrance.
Predicting variables are (fixed value), academic inefficiency, academic level, academic disinterest, entrance year, nonadjustable perfectionism and the quality of the relationships between professor and student. According to table 6, correlation value of the entered variables into the regression model with academic achievement has been 0.44 that this indicates that 18% of the variance of academic achievement is predicted by these variables.
As shown in table 7, the obtained $F$ (14.27) is significant at $P<0.0001$ level and this indicates that the regression is significant and academic achievement can be predicted using variables of academic inefficiency, academic level, academic disinterest, entrance year, nonadjustable perfectionism and the quality of the relationship between professor and student. Therefore, the fourth hypothesis of the research regarding these variables is confirmed.
According to table 8, to predict academic achievement, systematic method in the regression was used that in the first step, academic inefficiency, in the second step, academic level, in the third step, academic disinterest, in the fourth nonadjustable perfectionism, in the fifth step, the quality of the relationship between professor and student and in the sixth step, entrance year were entered into the regression model. In the regression model, the variables of academic inefficiency, academic level, academic disinterest, entrance year, nonadjustable perfectionism and the quality of the relationship between professor and student have relationship with academic achievement. In other words, academic level with 0.22 beta has the greatest impact in the variable of academic achievement in the sense that in lieu of one standard deviation of change in academic level, 0.22 of standard deviation of changes in academic achievement is explainable. Then the variables of academic disinterest, academic inefficiency, nonadjustable perfectionism, entrance year and the quality of the relationship between professor and student with -0.15, -0.14, 0.11, -0.11, and 0.09 betas respectively have the greatest impacts in explaining academic achievement.
4.5 Testing hypothesis 5
Hypothesis 5: There is a significant relationship between the dimensions of perfectionism of female students and male ones.
First, mean and standard deviation of perfectionism for both groups of female and male are presented in table 9. According to table 10, t-test of two independent samples was used to examine the difference of perfectionism in female and male students. Mean and standard deviation of adjustable perfectionism in female students are 87.61 and 14.41 respectively, of nonadjustable perfectionism in female students are 63.79 and 8.44 respectively and of total perfectionism in female students are 151.14 and 14.58 respectively. Mean and standard deviation of adjustable perfectionism in male students are 89.50 and 13.05 respectively, of nonadjustable perfectionism in male students are 65.38 and 8.31 respectively and mean and standard deviation of total perfectionism in male students are 154.80 and 14.58 respectively. The difference value of means for adjustable perfectionism is 1.89, for nonadjustable perfectionism is 1.59 and for total perfectionism is 3.39 that none of the differences was significant. Therefore, the fifth hypothesis concerning the existence of difference in perfectionism of female and male students is rejected.

4.6 Testing hypothesis 6
Hypothesis 6: There is a significant relationship between the dimensions of academic burnout of female students and male ones.
Table 11 shows mean and standard deviation of burnout of female and male students separately. According to table 12, t-test of two independent samples was used to examine the difference of academic burnout in female and male students. Mean and standard deviation of academic fatigue in male students are 13.16 and 3.53 respectively, of academic disinterest in male students are 9.83 and 2.74 respectively and of academic inefficiency in male students are 14.40 and 4.05 respectively as well as of academic burnout in male students are 37.40 and 8.71 respectively. Mean and standard deviation of academic burnout in female students are 13.52 and 4.09 respectively, of academic disinterest in female students are 10.37 and 3.09 respectively and of academic inefficiency in female students are 15.23 and 4.57 respectively as well as of academic burnout in female students are 39.13 and 10.25 respectively. The difference value of means for academic burnout is -0.38, for academic disinterest -0.53 and for academic inefficiency is -0.83 as well as academic fatigue is -1.73 that none of the differences was significant. Therefore, the sixth hypothesis concerning the existence of a significant difference in academic burnout of female and male students is rejected.

4.7 Testing hypothesis 7
Hypothesis 7: There is a significant relationship between the academic achievement of male and female students. Mean and standard deviation of academic achievement of female and male students are shown in table 13 separately. According to table 14, t-test of two independent samples was used to examine the difference of academic achievement in female and male students. Mean and standard deviation of academic achievement in male students are 16.58 and 1.15 respectively and in female students are 16.67 and 1.09 respectively. The difference value of means is -0.09 that is not significant. Therefore, the seventh hypothesis concerning the existence of a significant difference in academic achievement of female and male students is rejected.

4.8 Testing hypothesis 8
Hypothesis 8: There is a significant relationship between the dimensions of perfectionism of M.A. and PhD students. Table 15 shows mean and standard deviation of the dimensions of perfectionism separately in M.A. and PhD students. According to table 16, t-test of two independent samples was used to examine the difference of perfectionism in M.A. and PhD students. Mean and standard deviation of adjustable perfectionism in M.A. students are 88.83 and 13.34 respectively, of nonadjustable perfectionism in M.A. students are 64.63 and 8.57 respectively and of total perfectionism in M.A. students are 153.41 and 17.28 respectively. Mean and standard deviation of adjustable perfectionism in PhD students are 86.45 and 16.12 respectively, of nonadjustable perfectionism in PhD students are 63.73 and 7.60 respectively and of total perfectionism in PhD students are 150.18 and 18.74 respectively. The difference value of means for adjustable perfectionism is 2.88, for nonadjustable perfectionism 0.89 and for total perfectionism is 3.22 that none of them is significant. Therefore, the eighth hypothesis concerning the existence of a difference in perfectionism of M.A. and PhD students is rejected.
4.9 Testing hypothesis 9
Hypothesis 9: There is a significant relationship between the dimensions of academic burnout of M.A. and PhD students. Mean and standard deviation related to academic burnout of students are shown in table 17 separately in M.A. and PhD levels.
According to table 18, t-test of two independent samples was used to examine the difference of academic burnout in M.A. and PhD students. Mean and standard deviation of academic fatigue in M.A. students are 13.65 and 3.88 respectively, of academic disinterest in M.A. students are 10.21 and 3.03 respectively and of academic inefficiency in M.A. students are 15.22 and 4.41 respectively and of academic burnout in M.A. students 39.08 and 9.78 respectively. Mean and standard deviation of academic fatigue in PhD students are 11.98 and 3.42 respectively, of academic disinterest in PhD students are 9.76 and 2.49 respectively and of academic inefficiency in PhD students are 13.16 and 3.75 respectively as well as of academic burnout in PhD students are 34.91 and 8.13 respectively. The difference value of means for academic fatigue is 1.66 that at P<0.05 level, for academic disinterest 0.44 that is not significant and for academic inefficiency is 2.05 that at P<0.01 level as well as for academic burnout is 4.17 that is significant at P<0.05. Therefore, the ninth hypothesis concerning the existence of a significant difference in academic burnout of M.A. and PhD students is confirmed and the results indicated that academic burnout in M.A. students significantly is higher than in PhD students.

4.10 Testing hypothesis 10
Hypothesis 10: There is a significant relationship in the rate of academic achievement of M.A. and PhD students. Table 19 shows mean and standard deviation related to academic achievement in M.A. and PhD students.
According to table 20, t-test of two independent samples was used to examine the difference of academic achievement in M.A. and PhD students. Mean and standard deviation of academic achievement in M.A. students are 16.50 and 1.090 respectively and in PhD students are 17.28 and 1.03 respectively. The difference value of means is 0.77 that is significant at P<0.0001 level. Therefore, the tenth hypothesis concerning the existence of a significant difference in academic achievement of M.A. and PhD students is confirmed. In other words, academic achievement significantly is higher in PhD students.

Discussion and Conclusion
In this section, for comparing the results of the research, researches are relied on that has the least possible similarity with the variables of the research. For example, according to the provided explanations concerning perfectionism, adjustable perfectionism can be classified with positive perfectionism and self-oriented perfectionism as well as nonadjustable perfectionism with negative perfectionism and society-oriented perfectionism. The results of testing hypothesis 1 showed that there is a significant relationship between adjustable perfectionism with all dimensions of academic burnout at 0.01 levels. Nonadjustable perfectionism has a significant relationship with dimensions of academic disinterest, academic inefficiency and total academic burnout at 0.01 level and total perfectionism has a significant relationship with dimension of academic fatigue and total academic burnout at 0.01 levels and with academic inefficiency at level 0.05 until 0.01 levels. Therefore, the first hypothesis is confirmed. In this regard, the findings of the present research is consistent with D'Souza's research (2011) regarding the existence of a positive relationship between perfectionism and job burnout, Taris and colleagues’ research (2010) concerning the existence of a positive relationship between dimensions of perfectionism and dimensions of job burn out, Hang Chen’s research (2009) regarding the existence of a negative relationship between adjustable perfectionism and burnout, Hale and colleagues’ research (2008) concerning the existence of a positive relationship between self-oriented perfectionism and burnout, Zhang and colleagues’ research (2007) regarding the existence of a positive relationship between adjustable perfectionism and academic burnout, Hajloo and colleagues’ research (2010) concerning the existence of a positive relationship between perfectionism and burnout as well as Mohammadi and colleagues’ research (2006) regarding the existence of a positive relationship between some dimensions of perfectionism and burnout. In explaining findings relevant to the existence of a positive relationship between perfectionism and academic burnout, it can be mentioned that incompatible aspects of perfectionism (adjustable perfectionism) since sickly keep the individual dissatisfied with his/her own performance, result in appearance of symptoms of burnout in him/her or vice versa, the individual who suffers from depression, mostly shows states of adjustable perfectionism.
In explaining hypothesis 2, the results indicated that nonadjustable perfectionism has a positive significant relationship with academic achievement at 0.01 level. Therefore, the second hypothesis of the research was confirmed. The mentioned findings were in consistent with Stoeber and Kresting’s researches (2007) regarding the existence of a negative relationship between academic efficiency and perfectionism and are inconsistent with Bakhshi Srushjani’s research (2009) concerning the existence of a negative significant correlation. Since, the
mentioned researches measure negative aspects of perfectionism; they negatively have a relationship with academic achievement. In the present research, a positive relationship between nonadjustable perfectionism and academic achievement, which is the positive aspect of perfectionism and makes the individual to move towards positive and constructive effort and it results in achievement.

The regression results are shown in testing hypothesis 3 that adjustable perfectionism predicts nonadjustable perfectionism and flexibility. Furthermore, academic level predicts academic burnout. Variance analysis relevant to the results of regression analysis shows that academic burnout can be predicted using variables of adjustable perfectionism, nonadjustable perfectionism, flexibility and academic level. Therefore, the third hypothesis of the research concerning these variables is confirmed. Adjustable perfectionism with 0.34 beta has the greatest impact on the variable of academic burnout. In other words, in lieu of one standard deviation of change in adjustable perfectionism, 0.34 of standard deviation of changes in academic burnout is explainable. Then variables of nonadjustable perfectionism, flexibility and academic level with -0.26, -0.17 and -0.15 betas have the greatest inverse impact in explaining the variable of academic burnout. The mentioned findings are in consistent with the findings of D'Souza’s research (2011) regarding the existence of a positive relationship between perfectionism and job burnout, Taris and colleagues’ research (2010) concerning the existence of a relationship between dimensions of perfectionism and dimensions of job burnout, Hang Chan’s research (2009) regarding the existence of a negative relationship between adjustable perfectionism and burnout, Hale and colleagues’ research (2008) concerning the existence of a positive relationship between self-oriented perfectionism and burnout, Zhang and colleagues’ research (2007) regarding the existence of a positive relationship between adjustable perfectionism and academic burnout, Azizi Abghoie’s research (2010) concerning the existence of a negative relationship between the quality of learning experience and academic burnout, Neami’s research (2009) concerning the existence of a negative relationship between dimensions of the quality of learning experience and academic burnout, Hajloo and colleagues’ research (2010) regarding the existence of a relationship between perfectionism and burnout, Mohammadi and colleagues’ research (2006) regarding the existence of a relationship between some dimensions of perfectionism and burnout as well as Bakhshi Srushjani’s research (2009) concerning the existence of a positive relationship between perfectionism and students depression.

Regression model was used to test the fourth hypothesis and the rate of the relationship was obtained 0.44 that this indicates that 18% of variance of academic achievement is predicted by variables of academic inefficiency, academic level, academic disinterest, entrance year, nonadjustable perfectionism and the quality of the relationships between professor and student. Academic level with 0.22 beta has the greatest impact on the variable of academic achievement. In other words, in lieu of one standard deviation of change in academic level, 0.22 of standard deviation of changes in academic achievement is explainable. Then variables of academic disinterest, academic inefficiency, nonadjustable perfectionism, entrance year and the quality of the relationships between professor and student with -0.15, -0.14, 0.11, -0.11 and 0.09 betas respectively have the greatest impacts in explaining academic achievement. The mentioned findings are in consistent with results of Bakhshi Srushjani’s research (2009) concerning the existence of a relationship between perfectionism and academic performance. In hypothesis 5, the difference value of the means for adjustable perfectionism is 1.89, for nonadjustable perfectionism 1.59 and for total perfectionism is 3.39 that none of the differences did not become significant. Therefore, the fifth hypothesis concerning the existence of a difference in perfectionism of female and male students is rejected. The mentioned findings are inconsistent with Abbaspour’s research (2006) regarding the existence of a significant difference between perfectionism of female and male students and the higher perfectionism in women than in men. The sixth hypothesis concerning the existence of a significant difference in academic burnout of female and male is confirmed and the results showed that academic burnout is higher in female students than in male students. The results are consistent with findings of Kiuru and colleagues’ research (2008) regarding the higher rate of academic burnout in female students and Massy and colleagues’ research (2000) concerning higher rate of depression and burnout in female students. According to the researcher, since females are sooner involved with life and its responsibilities than males are and at the same time they study, the pressures of these issues and lower resistance of females than males make females suffered from burnout sooner.

T-test of two independent samples was used to examine the difference of academic achievement in female and male students in hypothesis 7 and the existence of a significant difference in academic achievement of female and male students is rejected. The results are inconsistent with findings of Kiuru and colleagues’ research (2008) concerning the higher academic achievement of females than males. Since the present research is conducted among high academic levels and individuals who enter into the levels are necessarily ready for education and achievement, but the initial differences of learning in females and males practically lose their concept. Researches, which confirm the
existence of such differences, are based on the basic and natural differences of males and females in learning and academic achievement.

In consistent with the results of testing hypothesis 8, the difference value of means for adjustable perfectionism is 2.88, for nonadjustable perfectionism 0.89 and for total perfectionism is 3.22 that none of these differences was significant. Therefore, the eighth hypothesis of the research concerning the existence of a difference in perfectionism of M.A. and PhD students is rejected. Since the majority of M.A. and PhD students have not great difference from the standpoint of relevant traits to cognitive development and intellectual abilities, learning and age differences, it seems that the insignificance of the difference in traits such as perfectionism in them is normal.

The ninth hypothesis of the research regarding the existence of a significance difference in academic burnout of M.A. and PhD students is confirmed and the results showed that academic burnout is higher in M.A. students than in PhD students. According to the researcher, the only possible existing among M.A. and PhD students can be in the issue that it is possible that M.A. students resort to continue their academic study affected by cases such as family compulsion and other external factors that this issue causes burnout in them. The other reason can be the issue that basically the interval between study in M.A. level and previous academic levels is short and this academic continuity exposes the students of this level to burnout, while, PhD students continue their study less affected by external factors and experience longer interval between the two levels.

The tenth hypothesis of the research concerning the existence of a significant difference in academic achievement of M.A. and PhD students is confirmed. In other words, academic achievement is higher in PhD students. The reason of this difference, according to the researcher’s view, can be the consequence of the existence of an external motivation factor for studying in PhD students. Since PhD students do not need external motivations for their studying and this level measures the student’s general knowledge as well as they are less dependent on mere study courses, the higher rate of academic achievement in students of this level seems normal.
References
Table 1: Mean and Standard Deviation of Subscales

<table>
<thead>
<tr>
<th>Variable</th>
<th>Adjustable Perfectionism</th>
<th>Nonadjustable Perfectionism</th>
<th>Total Perfectionism</th>
<th>Academic Fatigue</th>
<th>Academic Disinterest</th>
<th>Academic Inefficiency</th>
<th>Academic Burnout</th>
<th>Average Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>88.43</td>
<td>64.84</td>
<td>152.86</td>
<td>13.37</td>
<td>10.13</td>
<td>14.87</td>
<td>38.38</td>
<td>16.63</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>13.85</td>
<td>8.41</td>
<td>17.55</td>
<td>3.86</td>
<td>2.95</td>
<td>4.37</td>
<td>9.64</td>
<td>1.11</td>
</tr>
</tbody>
</table>

Table 2: Relationship of Perfectionism with Academic Burnout and Academic Achievement (N= 357)

<table>
<thead>
<tr>
<th>Dimensions of Perfectionism</th>
<th>Dimensions of academic Burnout</th>
<th>Academic Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustable Perfectionism</td>
<td>0.315**</td>
<td>0.240**</td>
</tr>
<tr>
<td>Nonadjustable Perfectionism</td>
<td>-0.095</td>
<td>-0.23**</td>
</tr>
<tr>
<td>Total Perfectionism</td>
<td>0.201**</td>
<td>0.088</td>
</tr>
</tbody>
</table>

P<0.05 P**<0.01*** P<0.001

Table 3: Summary of Regression Model for Hypothesis 3

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Modified R Square</th>
<th>Estimation Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.49</td>
<td>0.24</td>
<td>0.23</td>
<td>8.46</td>
</tr>
</tbody>
</table>

Table 4: Results of Variance Analysis Related to the Variables of Regression for Hypothesis 3

<table>
<thead>
<tr>
<th>Model</th>
<th>Squares Sum</th>
<th>Freedom Degree</th>
<th>Squares Mean</th>
<th>F</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>7318.24</td>
<td>4</td>
<td>1829.56</td>
<td>24.93</td>
<td>0.0001</td>
</tr>
<tr>
<td>Result</td>
<td>25390.63</td>
<td>346</td>
<td>73.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>32708.87</td>
<td>350</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Significant coefficients Related to the Variables of Regression for Hypothesis 3

<table>
<thead>
<tr>
<th>Model</th>
<th>Entrance Order</th>
<th>Nonstandardized Coefficients</th>
<th>Standard Coefficients</th>
<th>t</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>Standard Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>Fixed Value</td>
<td></td>
<td>47.01</td>
<td>4.84</td>
<td>9.69</td>
<td>0.0001</td>
</tr>
<tr>
<td>Adjustable Perfectionism</td>
<td>1</td>
<td>0.23</td>
<td>0.03</td>
<td>0.34</td>
<td>7.06</td>
</tr>
<tr>
<td>Nonadjustable Perfectionism</td>
<td>2</td>
<td>-0.30</td>
<td>0.05</td>
<td>-0.26</td>
<td>-5.46</td>
</tr>
<tr>
<td>Flexibility</td>
<td>3</td>
<td>-0.64</td>
<td>0.18</td>
<td>-0.17</td>
<td>-3.56</td>
</tr>
<tr>
<td>Academic Level</td>
<td>4</td>
<td>-3.99</td>
<td>1.21</td>
<td>-0.15</td>
<td>3.27</td>
</tr>
</tbody>
</table>

Table 6: Summary of Regression Model for Hypothesis 4

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Modified R Square</th>
<th>Estimation Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.44</td>
<td>0.19</td>
<td>0.18</td>
<td>1.007</td>
</tr>
</tbody>
</table>

Table 7: Results of Variance Analysis Related to the Regression Model for Hypothesis 4

<table>
<thead>
<tr>
<th>Model</th>
<th>Squares Sum</th>
<th>Freedom Degree</th>
<th>Squares Mean</th>
<th>F</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>86.88</td>
<td>6</td>
<td>14.48</td>
<td>14.272</td>
<td>0.0001</td>
</tr>
<tr>
<td>Result</td>
<td>349.01</td>
<td>344</td>
<td>1.015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>435.890</td>
<td>350</td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>
Table 8: significant coefficients Related to the Variables of the Regression Model for Hypothesis 4

<table>
<thead>
<tr>
<th>Model</th>
<th>Entrance Order</th>
<th>Nonstandardized Coefficients</th>
<th>Standard Coefficients</th>
<th>t</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>Standard Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>Fixed Value</td>
<td>38.165</td>
<td>9.65</td>
<td>3.95</td>
<td>0.0001</td>
<td></td>
</tr>
<tr>
<td>Academic Inefficiency</td>
<td>1 -0.036</td>
<td>0.01</td>
<td>-0.14</td>
<td>-2.26</td>
<td>0.02</td>
</tr>
<tr>
<td>Academic Level</td>
<td>2 0.67</td>
<td>0.146</td>
<td>0.227</td>
<td>4.607</td>
<td>0.0001</td>
</tr>
<tr>
<td>Academic Disinterest</td>
<td>3 -0.05</td>
<td>0.02</td>
<td>-0.15</td>
<td>-2.45</td>
<td>0.01</td>
</tr>
<tr>
<td>Nonadjustable Perfectionism</td>
<td>4 0.01</td>
<td>0.007</td>
<td>0.11</td>
<td>2.28</td>
<td>0.02</td>
</tr>
<tr>
<td>Quality of Relationships</td>
<td>5 0.03</td>
<td>0.02</td>
<td>0.09</td>
<td>1.97</td>
<td>0.04</td>
</tr>
<tr>
<td>between Professor and Student</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrance Year</td>
<td>6 -0.25</td>
<td>0.10</td>
<td>-0.11</td>
<td>-2.344</td>
<td>0.020</td>
</tr>
</tbody>
</table>

Table 9: Mean and Standard Deviation of Perfectionism of Female and Male Students

<table>
<thead>
<tr>
<th>Dimensions of Perfectionism</th>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Mean Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustable Perfectionism</td>
<td>Male</td>
<td>155</td>
<td>89.50</td>
<td>13.05</td>
<td>1.05</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>202</td>
<td>87.61</td>
<td>14.41</td>
<td>1.01</td>
</tr>
<tr>
<td>Nonadjustable Perfectionism</td>
<td>Male</td>
<td>155</td>
<td>65.38</td>
<td>8.31</td>
<td>0.67</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>202</td>
<td>63.79</td>
<td>8.44</td>
<td>0.59</td>
</tr>
<tr>
<td>Total Perfectionism</td>
<td>Male</td>
<td>155</td>
<td>154.80</td>
<td>14.58</td>
<td>1.33</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>202</td>
<td>151.14</td>
<td>18.23</td>
<td>1.28</td>
</tr>
</tbody>
</table>
Table 10: t-test for Examining the Difference of Means Related to the Female and Male Students

<table>
<thead>
<tr>
<th>Variable</th>
<th>Levene’s test for Equality of Variance</th>
<th>t-test for Comparing Means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig</td>
</tr>
<tr>
<td>Adjustable Perfectionism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumption of Homogeneity of Variances</td>
<td>0.42</td>
<td>0.51</td>
</tr>
<tr>
<td>Assumption of Heterogeneity of Variances</td>
<td>1.29</td>
<td></td>
</tr>
<tr>
<td>Nonadjustable Perfectionism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumption of Homogeneity of Variances</td>
<td>0.001</td>
<td>0.98</td>
</tr>
<tr>
<td>Assumption of Heterogeneity of Variances</td>
<td>1.77</td>
<td></td>
</tr>
<tr>
<td>Total Perfectionism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumption of Homogeneity of Variances</td>
<td>0.21</td>
<td>0.64</td>
</tr>
<tr>
<td>Assumption of Heterogeneity of Variances</td>
<td>1.83</td>
<td></td>
</tr>
</tbody>
</table>

Table 11: Mean and Standard Deviation of Academic Burnout of Female and Male Students

<table>
<thead>
<tr>
<th>Dimensions of Academic Burnout</th>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Mean Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Fatigue</td>
<td>Male</td>
<td>155</td>
<td>13.16</td>
<td>3.53</td>
<td>0.28</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>202</td>
<td>13.52</td>
<td>4.09</td>
<td>0.28</td>
</tr>
<tr>
<td>Academic Disinterest</td>
<td>Male</td>
<td>155</td>
<td>9.83</td>
<td>2.74</td>
<td>0.22</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>202</td>
<td>10.37</td>
<td>3.09</td>
<td>0.21</td>
</tr>
<tr>
<td>Academic Inefficiency</td>
<td>Male</td>
<td>155</td>
<td>14.40</td>
<td>4.05</td>
<td>0.32</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>202</td>
<td>15.23</td>
<td>4.57</td>
<td>0.32</td>
</tr>
<tr>
<td>Academic Burnout</td>
<td>Male</td>
<td>155</td>
<td>37.40</td>
<td>8.71</td>
<td>0.69</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>202</td>
<td>39.13</td>
<td>10.25</td>
<td>0.72</td>
</tr>
</tbody>
</table>
Table 12: t-test for Examining the Difference of Means of Academic Burnout of Female and Male Students

<table>
<thead>
<tr>
<th>Variable</th>
<th>Levene’s test for Equality of Variance</th>
<th>t-test for Comparing Means</th>
<th>Confidence Interval 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig</td>
<td>t</td>
</tr>
<tr>
<td>Academic Fatigue</td>
<td>Assumption of Homogeneity of Variances</td>
<td>5.51</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td>Assumption of Heterogeneity of Variances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic Disinterest</td>
<td>Assumption of Homogeneity of Variances</td>
<td>4.799</td>
<td>0.029</td>
</tr>
<tr>
<td></td>
<td>Assumption of Heterogeneity of Variances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic Inefficiency</td>
<td>Assumption of Homogeneity of Variances</td>
<td>3.46</td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td>Assumption of Heterogeneity of Variances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic Burnout</td>
<td>Assumption of Homogeneity of Variances</td>
<td>7.37</td>
<td>0.007</td>
</tr>
<tr>
<td></td>
<td>Assumption of Heterogeneity of Variances</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 13: Mean and Standard Deviation of academic Achievement of Female and Male Students

<table>
<thead>
<tr>
<th>Variable</th>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Mean Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Achievement</td>
<td>Male</td>
<td>155</td>
<td>16.58</td>
<td>1.15</td>
<td>0.09</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>202</td>
<td>16.67</td>
<td>1.09</td>
<td>0.07</td>
</tr>
</tbody>
</table>

Table 14: t-test for Examining the Difference of Means of Academic Achievement of Female and Male Students

<table>
<thead>
<tr>
<th>Variable</th>
<th>Levene’s test for Equality of Variance</th>
<th>t-test for Comparing Means</th>
<th>Confidence Interval 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig</td>
<td>t</td>
</tr>
<tr>
<td>Academic Achievement</td>
<td>Assumption of Homogeneity of Variances</td>
<td>0.35</td>
<td>0.55</td>
</tr>
<tr>
<td></td>
<td>Assumption of Heterogeneity of Variances</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 15: Comparison of Mean and Standard Deviation of the Dimensions of Perfectionism of M.A. and PhD Students

<table>
<thead>
<tr>
<th>Dimensions of Perfectionism</th>
<th>Academic Level</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Mean Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustable Perfectionism</td>
<td>M.A.</td>
<td>297</td>
<td>88.83</td>
<td>13.34</td>
<td>0.77</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>60</td>
<td>86.45</td>
<td>16.12</td>
<td>2.08</td>
</tr>
<tr>
<td>Nonadjustable Perfectionism</td>
<td>M.A.</td>
<td>297</td>
<td>64.63</td>
<td>8.57</td>
<td>0.49</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>60</td>
<td>63.73</td>
<td>7.60</td>
<td>0.98</td>
</tr>
<tr>
<td>Total Perfectionism</td>
<td>M.A.</td>
<td>297</td>
<td>153.41</td>
<td>17.28</td>
<td>1.007</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>60</td>
<td>150.18</td>
<td>18.74</td>
<td>2.42</td>
</tr>
</tbody>
</table>

Table 16: t-test for Comparing Means of Perfectionism in M.A. and PhD Students

<table>
<thead>
<tr>
<th>Variable</th>
<th>Levene’s test for Equality of Variance</th>
<th>t-test for Comparing Means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig</td>
</tr>
<tr>
<td>Adjustable Perfectionism</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonadjustable Perfectionism</td>
<td>6.48</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Perfectionism</td>
<td>5.19</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.81</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.42</td>
<td>0.51</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 17: Mean and Standard Deviation Related to Academic Burnout of M.A. and PhD Students

<table>
<thead>
<tr>
<th>Dimensions of Academic Burnout</th>
<th>Academic Level</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Mean Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Fatigue</td>
<td>M.A.</td>
<td>297</td>
<td>13.65</td>
<td>3.88</td>
<td>0.22</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>60</td>
<td>11.98</td>
<td>3.42</td>
<td>0.44</td>
</tr>
<tr>
<td>Academic Disinterest</td>
<td>M.A.</td>
<td>297</td>
<td>10.21</td>
<td>3.03</td>
<td>0.17</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>60</td>
<td>9.76</td>
<td>2.49</td>
<td>0.32</td>
</tr>
<tr>
<td>Academic Inefficiency</td>
<td>M.A.</td>
<td>297</td>
<td>15.22</td>
<td>4.41</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>60</td>
<td>13.16</td>
<td>3.75</td>
<td>0.48</td>
</tr>
<tr>
<td>Academic Burnout</td>
<td>M.A.</td>
<td>297</td>
<td>39.08</td>
<td>9.78</td>
<td>0.56</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>60</td>
<td>34.91</td>
<td>8.13</td>
<td>1.04</td>
</tr>
</tbody>
</table>
Table 18: t-test for Comparing Means Related to Academic Burnout of M.A. and PhD Students

<table>
<thead>
<tr>
<th>Variable</th>
<th>Levene’s test for Equality of Variance</th>
<th>t-test for Comparing Means</th>
<th>Confidence Interval 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig</td>
<td>t</td>
</tr>
<tr>
<td>Academic Fatigue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumption of Homogeneity of Variances</td>
<td>0.57</td>
<td>0.45</td>
<td>3.09</td>
</tr>
<tr>
<td>Assumption of Heterogeneity of Variances</td>
<td>3.36</td>
<td>92.43</td>
<td>0.001</td>
</tr>
<tr>
<td>Academic Disinterest</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumption of Homogeneity of Variances</td>
<td>2.99</td>
<td>0.08</td>
<td>1.06</td>
</tr>
<tr>
<td>Assumption of Heterogeneity of Variances</td>
<td>1.21</td>
<td>97.97</td>
<td>0.22</td>
</tr>
<tr>
<td>Academic Inefficiency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumption of Homogeneity of Variances</td>
<td>4.90</td>
<td>0.027</td>
<td>3.37</td>
</tr>
<tr>
<td>Assumption of Heterogeneity of Variances</td>
<td>3.74</td>
<td>94.97</td>
<td>0.0001</td>
</tr>
<tr>
<td>Academic Burnout</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumption of Homogeneity of Variances</td>
<td>3.17</td>
<td>0.076</td>
<td>3.09</td>
</tr>
<tr>
<td>Assumption of Heterogeneity of Variances</td>
<td>3.49</td>
<td>96.89</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Table 19: Mean and Standard Deviation Related to Academic Achievement of M.A. and PhD Students

<table>
<thead>
<tr>
<th>Variable</th>
<th>Academic Level</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Mean Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Achievement</td>
<td>M.A.</td>
<td>297</td>
<td>16.50</td>
<td>1.090</td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>60</td>
<td>17.28</td>
<td>1.03</td>
<td>0.13</td>
</tr>
<tr>
<td>Variable</td>
<td>Levene’s test for Equality of Variance</td>
<td>t-test for Comparing Means</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>----------------------------------------</td>
<td>----------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Sig</td>
<td>t</td>
<td>Freedom Degree</td>
<td>Sig (two amplitudes)</td>
</tr>
<tr>
<td>Academic Achievement - Assumption of Homogeneity of Variances</td>
<td>1.35</td>
<td>0.24</td>
<td>-5.08</td>
<td>355</td>
<td>0.001</td>
</tr>
<tr>
<td>Academic Achievement - Assumption of Heterogeneity of Variances</td>
<td>-5.26</td>
<td>87.64</td>
<td>0.0001</td>
<td>-0.77</td>
<td>-1.07</td>
</tr>
</tbody>
</table>

Table 20: t-test for Comparing the Means Related to Academic Achievement of M.A. and PhD Students
Addressing IT Productivity Paradox in Hotel Industry; Evidence from India

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²PhD Candidates of Tourism Management, Faculty of Tourism, Eastern Mediterranean University, Famagusta, Cyprus

Corresponding author: Hossein G. Olya, PhD. Research Assistant, Faculty of Tourism, Eastern Mediterranean University, Gazimagusa, 10 via Mersin, Turkey.

Abstract

This study attempts to explore the moderating role of Information Technology (IT) capability on the association between the investment on the information technology and the performance outcome of the hotels. An online survey has been utilized to identify the effect of three indicators of IT capability, according to the resource based theory, on the relationship between IT investment and performance in the hotel industry of India. Findings confirmed the phenomenon of “IT productivity paradox” in the hospitality industry of India. Results of hierarchical regression analysis showed that IT capability functions as a moderator which boosts the impacts of investing on information technology in hotel’s outcome. A number of precious implications presented in the study, which will assist the tourism industry in relation with the hotels and accommodation sector.

Keyword: IT Infrastructure Resources, Human IT Resource, and IT enabled Intangible Resources, resource based theory

Introduction

A few studies assessed the direct influence of information technology investment on the performance outcome in early 1990s and reported the term called “IT productivity paradoxes”. Those paradoxes refer to the inverse results of investment in IT section of an organization that do not have any affiliation with the performance boost (Brynjolfsson, 1993). On the other hand scholars like Vandenbosch (1997) approved the significant and positive linkage between information technology investment and performance outcome within the firms. The lack of consensus among the experts referring to such findings raised the debates about this paradox, which impose researchers to go for its reasons. Liu et al (2008) noted that this relationship should
be investigated from a new perspective (dynamic capability view) that extracted from Resource Base Theory (RBT). They revealed a third variable that moderates the linkage between IT investment and performance.

The review of the related literature indicated that there is no information about the fact that how would invest on information technology may result in the creation of sustainable competitive advantages in the tourism sector. The existence of aforementioned gap exacerbates the needs of more exploration in this field. Thus, the current study is considered to be one of the leading studies which examines the impacts of investing on information technology and performance of the hotel, whilst IT capability moderate this linkage, which is supported by Resource Based Theory.

Furthermore, this study seeks to examine the moderating impact of information technology capability on the association between IT investment and hotel’s performance in India.

**Theoretical Background**

In this study, Resource Based View was followed as the fundamental theoretical framework which importunes that the organizations and firms can benefit from competitive advantage by means of applying unique resources, the resources that are so valuable and very hard to imitate and difficult to substitution (Kozlenkova et al., 2014; Wernerfelt, 1984). In order to access a sustainable competitive advantage in the information system business, scholars have suggested dynamic capability view which extracted from resource based view. As Lee et al, (2008) discussed: It is so important for the firms to have specific capabilities and resources to be successful in the severe environmental competition. In this while the information technology capability of the firms which refers to their ability of assembling and integrating and deploying the resources related to information technology plays a critical role in achieving succession.

**Literature Review**

Scholars have proposed the resource based view to solve the contradictions of information technology productivity (Humphreys et al., 2014; Davis et al., 2014). As aforementioned literature, inimitability, non-substitutability, rareness and high volubility are key characteristics of resources that RBV is focus on that results in sustainable competitive advantage. Three types of resources have recognized as capability by Grant (1991) including personnel based resources,
intangible resources and tangible resources (1991). Researchers enumerate the tangible resources as humanistic resources and IT infrastructures and intangible resources as IT-enabled skills (e.g. synergy, orientation of customer, and knowledge wealth) and managerial and technical IT skills (Bharadwaj, 2000).

It is not a straightforward approach that purchasing IT infrastructures and implementing IT plans, would definitely result in a high level of performance. As Crook and his colleagues (2008) through the analysis of 125 studies, identified that acquiring a high level of performance depends on the consideration of a series of specific RBV criteria and independence of resources from potential appropriation. Since imitation and replication of IT resources lead to escalation of RBV’s criteria observance, the role of IT resources in competition of organizations is inevitable which can act as a competitive advantage in turbulent business environment (Ross et al, 1996). Hence some researchers proposed the application of IT capability, because imitation and replication of organization’s capability are ponderous (Bharadwaj, 2000). However, IT capability is sophisticated concept that has been employed in various fields and there are not a comprehensive census regarding its classification.

Various studies have considered Information System (IS) knowledge as well as its related skills as information technology capability that is categorized in three groups (technological group, business group and behavioral group). According to Lee et al (1995) the IS knowledge and its related skills are comprised of five segments: technological proficiency, managerial ingenuity, functionality of the business, interpersonal networks, and finally the management. In another study Feeny and Willcocks (1998) evolved a perspective of the IS functionality of 9 capabilities. While Heijden (2000) indicated just 3 of those capabilities which encompass the linkages of the information technology department with rest of the business, that emphasizes the description utilized for information technology capability in the current study. These three areas imply the IS/IT governance, which is the administrative linkage between the information technology managerial department and the business management. Bharadwaj et al (2000) mentioned that there are 30 IT capabilities which can be segmented into six fundamental segments: “IT business partnerships”, “external IT linkages”, “business IT strategic thinking”, “IT business process integration”, “IT management”, and “IT infrastructure”.

Resource based view is becoming a prevailing theory in this field respectively. It was 1996 when the term information technology for the first time was introduced by Ross et al. IT capability
based on Ross et al (1996) means the ability of controlling the related costs of the information technology, delivering the required equipments, and affecting the business goals through information technology accomplishments. They believed that IT by itself cannot guarantee the success of an organization and the organizations should have the capability of applying IT to the dynamic changes of the business environment (Ross et al., 1996).

It is believed that the development of IT capability is facilitated by means of three major assets: Firstly the trained and qualified human resources of the organizations who can actively provide a suitable answer to the business environment needs. Secondly the technological resources which refer to the IT infrastructures and complement the firm's information needs; and Finally the related resources that are an influential information technology business linkage conducted by a proactive chief executive officers.

**Conceptual model and hypothesis**

The research model of this study was demonstrated in Figure 1. IT investment is independent variable and performance is dependent variable. IT capability is moderator of the connection between information technology investment and performance of hotel sector in India. In previous studies the size of hotels (five and four star hotels) had confounding impact on the linkage of IT investment and firm performance. Hence, in this study hotel size is considered as control variable.

![Proposed research model](image)

Figure 1- Proposed research model

**Control Variable:** Hotel Size

This research tries to test the existence of IT productivity paradox in the hotel industry of India. Then, following hypothesis is proposed:

**Hypothesis 1:** IT investment will not increase the performance of the hotels.
We hypothesized that dynamic capability, which emphasize on IT infrastructure resources, human IT resource, and IT enabled intangible resources, is able to increase performance of hotels:

**Hypothesis 2**: IT capability will boost the level of performance.

According to previous research, application of dynamic capability, based on RBV, will address the problem of IT productivity paradox in the hotel industry. Then, it is hypothesized that:

**Hypothesis 3**: IT capability will intensify the effect of IT investment on hotels’ performance.

**Research design**

The data were collected from five and four star hotels in India. Contact information of 32 five star hotels and 168 four star hotels were obtained from classification list of hotel that was issued by Indian Ministry of Tourism.

An online survey has been conducted and link of the survey has been sent to e-mail of hotels. Afterward researchers contact with the hotels to track the procedure of submission of the questionnaires and also recommended to managers of IT departments to fill the questionnaires as well. Data obtained from the online survey, some powerful source of common method bias (e.g. social desirability) due to different medium is less than interview (Podsakoff et al., 2012). Since English is recognized as official language of India and there was no need for the back translation process of questionnaires (Parameswaran and Yaprak, 1987). Twenty five hotels answered to the questions completely and the response rate was around 18%. Quantitative research has been used as a research methodology. Hierarchical regression analysis has been tested based on Baron and Kenny guideline (1986). Reliability and validity of the measures were checked though Cronbach’s alpha and confirmatory factor analysis.

**Results**

Measurement results showed there was no significant problem regarding the reliability, convergent and discriminate validity. According to the results, coefficient alpha for IT investment was 0.91 and for IT capability was 0.94 and hotel performance was 0.84. Then, all coefficient alpha met commonly accepted cut of alpha ($\alpha>0.7$). Average value of factor loading among items of each construct was above 0.7 that approved convergent validity of the variables the study.
Regarding discriminate validity, no high correlation was reported among items from various constructs. Means, standard deviations and correlation of the variables showed in Table 1.

Table 1. Mean, standard deviation, correlation matrix, and internal consistency

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Size</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. IT Investment</td>
<td>-0.270</td>
<td>(0.91)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. IT Capability</td>
<td>-0.375</td>
<td>0.786**</td>
<td>(0.94)</td>
<td></td>
</tr>
<tr>
<td>4. Performance</td>
<td>0.001</td>
<td>0.196</td>
<td>0.449*</td>
<td>(0.84)</td>
</tr>
<tr>
<td>Mean</td>
<td>1.32</td>
<td>3.01</td>
<td>3.36</td>
<td>4.08</td>
</tr>
<tr>
<td>Standard deviation</td>
<td>0.48</td>
<td>1.16</td>
<td>0.79</td>
<td>0.69</td>
</tr>
</tbody>
</table>

Note: ** Correlation is significant at the 0.01 level and * Correlation is significant at the 0.05 level (2-tailed)

As shown in Table 1, Size of the hotel has no significant effect on performance of hotels \( (r = 0.001, \text{ns}) \). IT capability and IT investment have a positive and significant relationship with IT investment \( (r=0.786, P<0.01) \) and also hotel’s performance \( (r=0.45, p<0.05) \).

To check the moderating role of information technology capability on the relationship of information technology investment and hotel performance, hierarchical regression analysis was conducted using SPSS. Results of hierarchical regression analysis have shown in Table2.
Table 2. Results of Hierarchical regression Analysis

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Step1</th>
<th>Step2</th>
<th>Step3</th>
<th>Step4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size (Control variable)</td>
<td>0.02</td>
<td>0.06</td>
<td>0.22</td>
<td>0.21</td>
</tr>
<tr>
<td>IT investment (Independent variable)</td>
<td>0.18</td>
<td>-0.37</td>
<td>-2.79**</td>
<td></td>
</tr>
<tr>
<td>IT capability (Moderator)</td>
<td></td>
<td>0.80**</td>
<td></td>
<td>-0.50</td>
</tr>
<tr>
<td>IT investment* IT capability</td>
<td></td>
<td></td>
<td>3.51*</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>0.01</td>
<td>0.70</td>
<td>7.97**</td>
<td>6.11**</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.00</td>
<td>0.03</td>
<td>0.30</td>
<td>0.46</td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td>0.03</td>
<td>0.27</td>
<td></td>
<td>0.16</td>
</tr>
</tbody>
</table>

Notes: *p > 0.05, **p > 0.01

As shown in Table 2, size of the hotels has not a statistical confounding effect on performance in whole steps. IT investment and performance has not any significant effect on hotels’ performance. Meanwhile, IT capability entered the model as moderator, the linkage between IT investment and hotel’s performance became negative, but not significant. Therefore Hypothesis 1 is supported and “IT productivity paradox” is reported in the Indian hotels industry. This paradox intensifies when introduction of IT Investment (independent variable) and IT capability (Moderator) entered the model ($\beta=-2.79$, $P<0.01$). There was significant linkage between IT investment and hotel’s performance ($\beta=0.8$, $P<0.01$). Therefore, Hypothesis 2 is supported. However, when the interaction of IT investment and IT capability entered the model, the effect of information technology capability and performance was not significant and interactions of the variables had a significant effect on performance ($\beta=3.51$, $P<0.5$). As aforementioned data, IT investment had non-significant and negative impact on performance (step 3). But its interaction with IT capability had a significant and positive effect on Indian hotel’s performance. In addition, $R^2$ had an increment when the moderator and the interaction variables exceeded the model. Hence, Hypothesis 3 was supported. Effect of the moderating effect of IT capability on the relationship between IT investment and performance depicted in Figure 1. IT productivity paradox had peered at a low level of IT capability. Whilst, increasing IT investment boosts
performance at a high level of capability feature of resources, namely IT infrastructure resources, human IT resource, and IT enabled intangible resources.

Figure 1. Moderating effect of IT capability

**Conclusion and Discussion**

The results of the study approved the existence of IT productivity paradox in the hotel industry of India. Such finding is reported by Brynjolfsson (1993) as well. This study tested the function of IT capability as a moderator of the linkage of IT investment and performance. In other words, considering the capability of resources not just is able to address the negative impact of IT investment on performance, but is to escalate the association positively. According to RBV, investment on special resources considering the dynamic capability view, results in high performance in the hotel industry of India. This finding is consonant with Liu et al (2008) and Bilgihan et al’s (2011) studies. The size of the hotels has not significant impact on the relationship between IT Investment and hotel performance. That is not accordant to findings of Ham et al (2005) who reported the increase of hotel’s performance by application of IT in three star hotels are more than four and five stars.

Measurement of predictor and criterion variables from one source, which obtained from hoteliers side, is one the limitation of the study that can be act as a potential source of common method bias (Podsakoff et al., 2012). However, results of Harmon’s factor analysis revealed 32 percent of variance is explained by one extracted factor that proved there is not a serious threat about
common method bias (It is recommended for future studies to measure performance of hotels from archival financial statements). However, the distribution of this study was quick and economical, the probability of the sending and delivering a number of completed questionnaire decrees that can be considered as another limitation of this study.

Managers of the hotels should be aware that in which kind of IT resource are going to invest to achieve a high level of performance. Because if managers do not follow dynamic capability views of the resources, in spite of the investment on IT area, the performance of their hotels will decrease. More empirical researches are needed to investigate the samples of IT infrastructure resources, human IT resource, and IT enabled intangible resources in the future.
References


Organization culture and its role in enhancing the competitive advantage  
(A Case Study of Jordan Hospital) 
Dr. AyyoubAl Swalhah 
Business Faculty, the World Islamic Sciences & Education University, Jordan. 

Abstract
This study aimed to identify the relationship between organizational culture and competitive advantage in Jordan Hospital; researcher has used the resolution as an essential tool in primary data collection, implementing a random sample stratified relative consisting of (218) employees of all workers in the Jordan Hospital, and responded them 202 no (92.7%) of the study sample, as used in this study, the researcher descriptive analytical method. The study showed an awareness of the study of the importance of cultural dimensions and the importance of strengthening the regulatory and competitive advantage, on the other Bunting showed the existence of a relationship between the dimensions of regulatory culture (trust, teamwork, shared vision) and enhances competitive advantage. The study recommended the following Consolidation of the organizational culture supportive of Excellence, Increased attention to the needs of workers, Constant search for excellence, Adapt to change in the external environment, Training the Staff and increase their abilities, applied the modern concepts of quality. 

Keywords: culture, Organizational culture, competitive advantage

Organizational culture
Culture is arrangement of different attributes that express an organization and differentiate the organization from other one (Forehand and von Gilmer, 1964). According to Hofstede (1980), the culture is the collective thinking of minds which create a difference between the members of one group from another. Culture is set of different believes and behaviors that may consider guiding to success (Kotter and Heskett 1992). A theory of Organizational culture and effectiveness identified four cultural traits namely involvement and participation, consistency and normative integration, adaptability and mission were positively related to organizational performance. This theory was developed and supported by Denison and his colleagues (Denison et al., 2004). Hofstede confirmed that there were regional and national cultural groupings that influence the behavior of organizations. He recognized the scope of the organizational culture having four dimensions, uncertainty avoidance and Power distance, collectivism vs. individualism and masculinity and femininity. The concept of culture is generally
used in the concept of organizations now–a–days (Kotter and Heskett, 1992). Deal (1999) defines organizational culture as values, beliefs, and behaviors that differentiate one organization from another. Barney (2008) defines competitive advantage as being sustainable if competitors are unable to imitate the source of advantage or if no one conceives of a better offering. For example, Toyota has become the largest car manufacturer in the world, in recent years by differentiating itself from competitors in quality and customer service, While automobile manufacturers in the United States have had operational problems with improving efficiency and quality and reducing inventory costs. Competing organizations such as Ford, Chrysler and General Motors should be able to imitate particular system capabilities of Toyota or Honda, and probably these organizations are trying to do that. However, it seems that these organizations are unable to imitate the root source of advantage of the Toyota or Honda business model.

Organizational culture could be buildup by two essentials factors of social group; structural stability of a group and integration of single item in superior standard (Schein, 1995). Hodgetts and Luthans (2003), define the different characteristics that are associated with the culture of organization. Culture may defined as system of common values which can be estimated that people describe the similar organization culture even with different background at different levels within the organization (Robbins & Sanghi, 2007). Organization’s norms and value shave a strong effect on all of those who are attached with the organization. It is considered by him that norms are invisible but if the organizations want to improve the performance of the employees and profitability, norms are places first to look. there were three categories of organizational culture (a) bureaucratic, (b) innovative, and (c) supportive to measure the organizational culture. A bureaucratic culture was a hierarchical and this type of culture there were clear lines of authority and responsibility and the work is well planned and organized. This culture was based on power and control. The second category was innovative culture, result Oriented and challenging work environment. Innovative cultures mostly focused on internal system of organization and looking for competitive advantage, it encouraged openness to new thoughts and prepared internal capabilities to adopt new ideas, process, or product successfully. The third category supportive culture was teamwork, trusting, encouraging work and a people oriented environment. The four traits of organizational culture in Denison’s framework are as follows: **Involvement:** Effective organizations empower their people, build their organizations
around teams, and develop human capability at all levels (Lawler, 1996). Executives, managers, and employees are committed to their work and feel that they own a piece of the organization. People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization. **Consistency:** Organizations also tend to be effective because they have “strong” cultures that are highly consistent, well-coordinated, and well integrated. Behavior is rooted in a set of core values, and leaders and followers are skilled at reaching agreement even when there are diverse points of view. This type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity. **Adaptability:** Ironically, organizations that are well integrated are often the most difficult ones to change. Internal integration and external adaptation can often be at odds. Adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change (Nadler, 1998). They are continuously changing the system so that they are improving the organizations’ collective abilities to provide value for their customers. **Mission:** Successful organizations have a clear sense of purpose and direction that defines organizational goals and strategic objectives and expresses a vision of how the organization will look in the future (Ohmae, 1982; Hamel & Prahalad, 1994). When an organization’s underlying mission changes, changes also occur in other aspects of the organization’s culture.

**Competitive advantage**

The Competitiveness of organization is its capacity to achieve its targets. These targets are likely to be expressed in a variety of terms depending on the context (Barney 2002).

The success of a competitive organization can be measured by both objective and subjective criteria. Objective criteria include return on investment, market share, profit and sales revenue, while subjective criteria include enhanced reputation with customers, suppliers, and competitors, and improve quality of delivered services (Barney 2002).

Feurer and Chaharbaghi (1994) measure competitiveness quantitatively by profit, ability to raise capital and cash flow in terms of liquidity status.

Soliman (1998) adds cost, quality, delivery dependability, flexibility and innovation as factors formulating such a competitive position. M. Porter (1985) indicates that an organization experiences a competitive advantage when “its actions in an industry create economic value and when few competing organizations are engaging in similar actions.” De Wit and Meyer
(1999), Buffam (2000), and Christensen (2001) indicate that organization has a competitive advantage when it has the means to edge out rivals when competing for the favor of customers.

Prahalad and Hamel (1990) focus on the resources, capabilities and competences of the organization as the source of competitive advantage rather than the environment, as in the traditional approach. Edith Penrose, in her work ‘The Theory of the Growth of the Organization (1959) is often credited with the idea of the resource–based view. Also the work of Philip Selznick (1957) stressed the role of distinctive competences and Alfred Chandler (1962) demonstrated the importance of organizational structure in the utilization of organization’s resources. Wernerfelt (1984) and Rumelt (1997) adopt the resource–based view. Senge (1990) and Argyris (1994) stress the acquisition of competences through internal mechanisms of individual and collective learning, while Hamel and Prahalad emphasize strategic tools like alliances, licensing, mergers and acquisitions.

**Research methodology**

The research combined in its methodology the inferential methodology that is based on the availability of adequate information and data pertinent to the research and inferring elements and characteristics that provide an excellent description of its subject, case study methodology that is described as (aprofound research on the factors that contribute to a certain phenomenon wither the phenomenon is an individual or an organization or community). Case study methodology enables the researcher utilizing various techniques for data collecting.

This study aimed to recognize the role of the organizational culture dimensions in enhancing the competitive advantage in the Jordanian hospitals sector – Hospital of Jordan case ‘analytical descriptive study’. To achieve the goals of the study, a questionnaire form was designed for that purpose, validated along with its coefficient of stability, then after data collecting, it was coded, stored in computers and statistically processed via statistics software (SPSS).

**Hypothesis results**

Following are the results of the study according to its questions sequence, hypotheses.

First **general hypothesis**: sample's individuals are not aware of the concept and importance of the organizational culture dimensions.
First general hypothesis results:

H0: sample's individuals are not aware of the concept and importance of the organizational culture dimensions.

H1: sample's individuals are aware of the concept and importance of the organizational culture dimensions.

Table No. (1)
Results of One Sample T–test for Hypothesis 1

<table>
<thead>
<tr>
<th>Computed T</th>
<th>Sig. T</th>
<th>Tabled T</th>
<th>H0 result</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.033</td>
<td>0.000</td>
<td>1.96</td>
<td>Rejection</td>
</tr>
</tbody>
</table>

One Sample T–Test technique was used, and from the results of computer statistical computations in the previous table we find that the computed T value (8.033) is greater than its tabled value. Since the decision rule is accepting the null hypothesis H0 if the computed is less than the tabled value, and rejecting H0 if the computed value is greater than the tabled value, therefore rejecting H0 and accepting the alternative hypothesis H1, and that means that sample's individuals are aware of the concept and importance of the organizational culture dimensions.

Second general hypothesis: sample's individuals are not aware of the concept and importance of enhancing the competitive advantage.

Second general hypothesis results:

H0: sample's individuals are not aware of the concept and importance of enhancing the competitive advantage.

H1: sample's individuals are aware of the concept and importance of the enhancing the competitive advantage.

Table No. (2)
Results of One Sample T–test for Hypothesis 2

<table>
<thead>
<tr>
<th>Computed T</th>
<th>Sig. T</th>
<th>Tabled T</th>
<th>H0 result</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.312</td>
<td>0.000</td>
<td>1.96</td>
<td>Rejection</td>
</tr>
</tbody>
</table>
One Sample T–Test technique was used, and from the results of computer statistical computations in the previous table we find that the computed T value (9.312) is greater than its tabled value. Since the decision rule is accepting the null hypothesis $H_0$ if the computed is less than the tabled value, and rejecting $H_0$ if the computed value is greater than the tabled value, we reject $H_0$ and accept the alternative hypothesis $H_1$ therefore, and that means that sample's individuals are aware of the concept and importance of enhancing the competitive advantage.

**Third general hypothesis**: there is a relation of statistical significance at level ($\alpha=0.05$) between the dimensions of the organizational culture (trust, teamwork, shared vision) and enhancing the competitive advantage.

**First subsidiary hypothesis**: there is a relation of statistical significance at level ($\alpha=0.05$) between the dimensions of the organizational culture (trust) and enhancing the comparative advantage.

To test the hypothesis, Pearson correlation coefficient was used, and the following results were reached and tabled in table (3), which shows that Pearson correlation coefficient is (0.359), a value that is greater than the tabled value of (0.138), where the significance level is 0.000 which is less than ($\alpha=0.05$), therefore the subsidiary hypothesis "there is a relation of statistical significance at level ($\alpha=0.05$) between the dimensions of the organizational culture (trust) and enhancing the competitive advantage" is accepted.

Table no.3
Pearson correlation coefficients between enhancing the competitive advantage and all the other fields

<table>
<thead>
<tr>
<th>Correlation &quot;r&quot;</th>
<th>Trust</th>
<th>Teamwork</th>
<th>Shared vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing the competitive advantage</td>
<td>0.359</td>
<td>0.264</td>
<td>0.172</td>
</tr>
<tr>
<td>0.000</td>
<td>0.362</td>
<td>0.307</td>
<td></td>
</tr>
<tr>
<td>202</td>
<td>202</td>
<td>202</td>
<td></td>
</tr>
</tbody>
</table>

The tabled value (R) at level of significance 0.05 and degree of freedom 200 equals 0.138
Second subsidiary hypothesis: there is a relation of statistical significance at level (\(\alpha=0.05\)) between the dimensions of the organizational culture (teamwork) and enhancing the comparative advantage.

To test the hypothesis, Pearson correlation coefficient was used, and the following results were reached and tabled in table (2), which shows that Pearson correlation coefficient is (0.264), a value that is greater than the tabled value of (0.138), where the significance level is 0.000, which is less than (\(\alpha=0.05\)), therefore the subsidiary hypothesis “there is a relation of statistical significance at level (\(\alpha=0.05\)) between the dimensions of the organizational culture (teamwork) and enhancing the competitive advantage” is accepted.

Third subsidiary hypothesis: there is a relation of statistical significance at level (\(\alpha=0.05\)) between the dimensions of the organisational culture (shared vision) and enhancing the competitive advantage.

To test the hypothesis, Pearson correlation coefficient was used, and the following results were reached and tabled in table (2), which shows that Pearson correlation coefficient is (0.172), a value that is greater than the tabled value of (0.138), where the significance level is 0.000, which is less than (\(\alpha=0.05\)), therefore the subsidiary hypothesis “there is a relation of statistical significance at level (\(\alpha=0.05\)) between the dimensions of the organizational culture (shared vision) and enhancing the competitive advantage” is accepted.

Results:
The study aimed to determine the relation of organizational culture with enhancing the competitive advantage in the hospital of Jordan. The study has shown a presence of awareness of the concept and importance of the organizational culture, and of the concept and importance of the competitive advantage within the study population. The study has also shown a presence of a relation with statistical significance at level (\(\alpha=0.05\)) between the dimensions of the organizational culture (trust, teamwork, shared vision) and enhancing the competitive advantage.

The study recommends the following:
1. Enhancing the organizational culture that supports excellence.
2. Increasing interest in the workers needs.
3. Permanent search for excellence and superiority.
4. Coping with the changes in the external environment.
5. Training workers and enhancing their capabilities.
6. Applying modern concepts of quality.
References


The role of Accounting Information Systems (A.I.S.) in rationalized Administrative Decision-making (field study) Jordanian banks

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Abstract
The study aims to demonstrate the role of Accounting Information Systems in rationalized Administrative Decision-making (field study). For this purpose, a case study has been applied on Jordanian banks i.e., the study problem is the lack to capture high development of the technology and necessity responding to the Accounting Information Systems for them. Since the existence of good Information Systems will produce unique Information that helps the management on decision-making processes. This research aims at identifying the role of Accounting Information Systems in rationalized Administrative Decision-making (field study) on Jordanian banks i.e., (Jordan Islamic Bank, Islamic International Arab Bank, the Housing Bank for Trade and Finance). The total number of the employees constitutes the three banks, the study population. The questionnaires were distributed among a random sample of (250) employees, (210) questionnaires were retrieved, i.e. (88%) of the total number of questionnaires distributed. (205) were subjected to the statistical analysis, i.e. 97% of the questionnaires retrieved. The researcher used the descriptive and analytical methodology, questionnaire has been designed for this purpose, and SPSS (version 19) has been used in the analysis. The main results are; the availability of the required properties in the accounting information that is reliable in the rationalization of administrative decision-making process. Accounting information is used by employees in the rationalization of administrative decision-making. Accounting information systems play a major role in the rationalization of administrative decision-making, there is no difference in the attitudes of the respondents towards rationalization of administrative decision-making due to sex, marital status, age and qualification. There is a difference in the attitude of the respondents towards rationalization of administrative decision-making due to the variable experience. As result, the study concluded the following recommendations: Effective use of accounting information systems in the administrative decision-making, highlighting the role of information systems in the activation of accounting control procedures and settings, the development of tools, hardware and software that used in the operation of the accounting system, expand the use of accounting information in the planning of marketing operations and formation of future sales ‘polices, increase attention to the accounting information that can help to make analytical comparisons and predictions for the future.

Key word: Systems, Accounting Information Systems, Decision-making

1- Introduction

Accounting Information is naturally characterized with specific properties, governed by the principles and policies approved and recognized as conventionally practices in accounting. Thus, Accounting Information provides financial information translated into numbers, which are formulated in the form of reports complying with its purposes. So, Installations can move forward on their work through receiving the necessary support to carry out their activities and to take the decisions necessary to achieve the requested goals.

In this regard, this point reflects the importance of the availability of Information Systems that operate effectively and efficiently, in order to rationalize the administrative decisions in business installations, to assist management in solving problems faced by, as well as providing useful information for related decision-makers, which have a positive role in supporting the continuity.
of these installations. Therefore, this study is designated to indicate and analyze the role of accounting information in the Jordanian commercial banks, as well as to identify the efficiency and effectiveness of accounting information systems used and to highlight its benefits on the organizational decision-making, that will reflect positively on these companies and the community in general.

2- Problem and questions of the study

Like other business sectors, business Installations in Jordan have been affected by the successive developments in the international arena, which required the development of its performance through the provision of good information systems, that help management in making decisions properly and securely, in order to contribute effectively in the economic life. However, at the same time these installations have been "affected by many economic and social factors and dimensions prevailing in the region, which is reflected negatively on its performance ". Therefore, this study aims to demonstrate the role of accounting information systems and the factors influencing them, in order to identify some ways and means to activate its role in the rationalization of the organizational decisions in Jordanian business installations.

The problem of the study is resumed in the following question:

What is the role of accounting information systems in the administrative decision-making in Jordanian banks?

Study hypothesis

The study experienced the following hypothesis:

1. The required properties are not available in the accounting information that is reliable in administrative decision-making process in Jordanian banks.
2. Accounting information is not used by employees in the administrative decision-making process in Jordanian banks.
3. accounting information systems have no significant role in rational administrative decision-making process in Jordanian banks.
4. The study sample's points of view do not differ at the level of 5% toward rational management decisions according to (qualification, experience).

3- Methodology

The researcher used the descriptive analysis research methodology, because it is a more widely method used in studying humanistic and social phenomena. It is used when prior knowledge and sufficient information exist about the phenomenon under study.

4- Literature review

Management is the fundamental basis of the administrative leadership work and it is the starting point for all activities and actions, which not only take place within the facility but also in their relationships and interactions with its external environment. The disruption of any kind in decision-making process leads to business disruption and to interruption of behaviors and activities. The larger is the size of the organization and the widest is the multiplication of the administrative aspects of its activities and the most is the relation with the audience, the greatest are the importance and the gravity of the decisions (kanaan ,2010). The decision-making process is also the core of the manager function, where we find that planning, organizing, personnel management, command and supervision are the main functions of management. All of them are clearly related to decisions in order to implement the plan and to set goals (Deisler ,2010). The
decision-making process is the major issue that gets a lot of attention by the manager and occupies a large portion of his activity. It is associated closely with the function of planning, because the activity of planning itself is to make decisions (Alsahen, 2000). According to (Alhelo, 2000), decisions are classified according to the level at which decisions are taken:

**Strategic decisions**: associated with goals and master plans of the organization and relatively cover a long period of time.

**Management decisions**: functional decisions that are taken in the middle management level in order to achieve the ideal performance of the different functional activities inside the organization such as production, marketing, finance, etc.

**Operational decisions**: concern the internal distribution of materials and the translation of goals and plans into work and short-term missions. It is mainly related to routine work. Such decisions are carried out by the executive departments.

Boockhodt (1999), defines accounting information systems as systems that operate functions of data gathering, processing, categorizing and reporting financial events with the aim of providing relevant information for the purpose of score keeping, attention directing and decision making.

In managing an organization and implementing an internal control system the role of accounting information is crucial. An important question in the field of accounting and management decision making concerns the fit of accounting information with organizational requirements for information communication and control (Nicolaou 2000).

A number of factors are critical in A.I.S. design. Organizational memory, whether tacit or formalized, may be systematically coded but information may not always be readily available. Organizations vary in the emphasis they place on formal routines. Goals and feedback, by definition, are strongly conditioned by the environment in which the firm operates. Firms operating in uncertain environments face challenges in implementing A.I.S. designed to promote reutilized organizational learning. As environmental uncertainty increases, organizations need to adapt their A.I.S. in order to promote learning (Ouchi, 1977).

Due to the increase of accounting information provided to the various users of this type of information in order to rationalize their administrative decisions, this type of information must be characterized by the following qualitative characteristics: (Ahmad, 2006)

1. Adequate information to carry out the control in terms of what has been implemented compared with what has been planned for.
2. Adequate information to make decisions evaluation.
3. Adequate information to make decisions development.
4. To be relevant, so that it has the ability to influence various decisions.
5. Helpful for decision-makers to predict the future and to take appropriate decisions based on.
6. Make information available to management in a timely manner.
7. To be valid and reliable and reflect reality as well as reliable.
8. Neutral and far from bias.
9. To be greater than the cost of its benefits.
10. To be understandable and clear to its users.

The significant of accounting information systems in that they exist within the facility, and control all their activities (Marshal & Paul, 2006, p4) (George & Hoffer, 2001, p279),

Table 1

<table>
<thead>
<tr>
<th>Information type</th>
<th>Decision type</th>
<th>Beneficiary</th>
<th>Information source</th>
<th>Complexity level</th>
<th>Clearance Level</th>
<th>Time</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic information</td>
<td>Strategic Decision</td>
<td>Senior management</td>
<td>External and internal environment</td>
<td>Complex</td>
<td>Few</td>
<td>Future</td>
<td>Strategic Planning and implementation of strategies</td>
</tr>
<tr>
<td>Tactical information</td>
<td>Tactical decision</td>
<td>Middle management</td>
<td>The organizational environment in the first degree</td>
<td>Less complex</td>
<td>Relatively clear</td>
<td>Present + Future</td>
<td>Planning functional activities, Administrative control</td>
</tr>
<tr>
<td>Operational information</td>
<td>Operational decision</td>
<td>management in the first line</td>
<td>internal environment</td>
<td>Not complex</td>
<td>Clear</td>
<td>Present</td>
<td>Implementation of scheduled operations</td>
</tr>
</tbody>
</table>

Source: Arab Society complex, 2001(4): 347
1. **Examples of accounting information use in the field of administrative decisions:**
   (Vaassen, 2002.)

   a) **Resources allocation use:**
   Accounting system provides various information that will help the decision-maker to identify available resources and its possible uses as well as to make a comparison among the alternatives available in order to achieve optimal allocation of these resources.

   b) **Manufacturing or procurement decision:**
   This decision is one of the vital non-routine decisions that require management attention and wise balance between the advantages and disadvantages of each alternative, as it may not be rushing to take the decision based on comparing the costs of the alternatives only. Such Decision-making is linked to long-term strategies for the facility.

   c) **Addition or disposal decision of one of the production lines:**
   This decision raises the problem in multi-production industrial installations that depends on several specialized production lines. In such installations, administration face the problem of alternatives that require comparative study and decisions-making in short term as a result of changing the circumstances of productivity and the competitive conditions in the market.

   d) **Pricing decisions:**
   Pricing decision requires the availability of financial information relating to the cost of the product, in addition to the market conditions, the demand size of the installation products, consumer trends, suppliers' policies as well as the formal laws and legislation related to taxes and fees on products.

5- **Hypothesis test:**

   **Results of the first general hypothesis:**

   H0: the requested properties are not available in accounting information that is reliable in the process of rationalizing the administrative decisions-making / case study of Jordanian commercial banks.

   **Table 2**
   
   **One-Sample t-test results for the first hypothesis**

<table>
<thead>
<tr>
<th>The computed t-value</th>
<th>Sig .T</th>
<th>The t-table</th>
<th>The null hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.333</td>
<td>0.000</td>
<td>1.96</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

   The One-Sample t-test has been used. Regarding to the results obtained from computer in the previous table, we notice that the computed t-value = (12.333) is larger than its t-table.
Regarding that the decision table rule accepts the null hypothesis (H0) if the computed t-value is less than the t-table, as well as it rejects the null hypothesis (H0) if the computed t-value is larger than the t-table, accordingly we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). This means that the requested properties are available in accounting information that is reliable in the process of rationalizing the administrative decisions-making / case study of Jordanian commercial banks.

**Results of the second general hypothesis:**

H0: we do not use accounting information by employees in rationalizing the administrative decision-making / case study of Jordanian commercial banks.

Table 3

<table>
<thead>
<tr>
<th>The computed t-value</th>
<th>Sig .T</th>
<th>The t-table</th>
<th>The null hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.402</td>
<td>0.000</td>
<td>1.96</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

The One-Sample t-test has been used. Regarding to the results obtained from computer in the previous table, we notice that the computed t-value = (12.402) is larger than its t-table. Regarding that the decision table rule accepts the null hypothesis (H0) if the computed t-value is less than the t-table, as well as it rejects the null hypothesis (H0) if the computed t-value is larger than the t-table, accordingly we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). This means that accounting information is used by employees in rationalizing the administrative decision-making / case study of Jordanian commercial banks.

**Results of the third general hypothesis:**

H0: accounting information systems have no significant role in rational administrative decision-making process / case study of Jordanian commercial banks.

Table 4

<table>
<thead>
<tr>
<th>The computed t-value</th>
<th>Sig .T</th>
<th>The t-table</th>
<th>The null hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.102</td>
<td>0.000</td>
<td>1.96</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

The One-Sample t-test has been used. Regarding to the results obtained from computer in the previous table, we notice that the computed t-value = (10.102) is larger than its t-table. Regarding that the decision table rule accepts the null hypothesis (H0) if the computed t-
value is less than the t-table, as well as it rejects the null hypothesis (H0) if the computed t-value is larger than the t-table, accordingly we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). This means that Accounting Information systems have a significant role in rational administrative decision-making process / case study of Jordanian commercial banks.

Results of the fourth general hypothesis:

H0: There are no statistically significant differences at the level of (5%) in the attitudes of respondents about the efficiency of the management organizational change due to personal variables (qualification, experience in the bank).

To test this hypothesis we test the following sub-hypotheses:

The first sub-hypothesis:

H0: There are no statistically significant differences at the level (5%) in the attitudes of respondents about the rationalization of administrative decision-making due to the Qualification.

Table 5

<table>
<thead>
<tr>
<th>Dependant variable</th>
<th>Independent variable</th>
<th>Arithmetic Mean</th>
<th>The standard deviation</th>
<th>F value</th>
<th>Sig , F</th>
<th>number of freedom degrees</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>rationalization of administrative decision-making</td>
<td>Bac+2</td>
<td>4.13</td>
<td>1.31</td>
<td>1.819</td>
<td>0.165</td>
<td>2-202</td>
<td>Acceptance</td>
</tr>
<tr>
<td>Bachelor degree</td>
<td>4.32</td>
<td>1.14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master +</td>
<td>4.76</td>
<td>0.700</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The one-way analysis of variance (One Way ANOVA) has been used in order to test this hypothesis. We note from the results mentioned above that the respondents who hold a Master degree or more are the most supportive respondents of the rationalization of administrative decision-making where the arithmetic mean of their answers is (4.76) and the standard deviation is (0.700). We note that the sig, F (0.165) is larger than moral value (0.05). Since the F computed value (1.819) is less than F-table (3.000), we conclude that there are no statistically significant differences at the level of (5%) in the attitudes of respondents about the rationalization of administrative decision-making due to the Qualification.
The second sub-hypothesis:

H0: There are no statistically significant differences at the level (5%) in the attitudes of respondents about the rationalization of administrative decision-making due to the Experience.

Table 6

One-way analysis of variance test (One Way ANOVA) to compare the differences Between the means of the rationalization of administrative decision-making, according to the Experience variable

<table>
<thead>
<tr>
<th>Dependant variable</th>
<th>Independent variable</th>
<th>Arithmetic Mean</th>
<th>The standard deviation</th>
<th>F value</th>
<th>Sig , F</th>
<th>Number of freedom degrees</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>rationalization of administrative decision-making</td>
<td>5-10</td>
<td>2.8</td>
<td>1.6</td>
<td>3.608</td>
<td>0.002</td>
<td>3-201</td>
<td>Rejection</td>
</tr>
<tr>
<td></td>
<td>11-15</td>
<td>3.55</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16-20</td>
<td>3.66</td>
<td>1.21</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20+</td>
<td>4.00</td>
<td>1.51</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We note from the above results that the respondents whose experience is (20 years+) are the most supportive respondents of the rationalization of administrative decision-making where the arithmetic mean of their answers is (4.00) and the standard deviation is (1.51).

We note that the sig, F (0.002) is less than the moral value (0, 05). Since the F computed value (3.608) is larger than F-table (2.6), we can reject by the null hypothesis (H0A) and conclude that there are statistically significant differences at the level of (5%) in the attitudes of respondents about the rationalization of administrative decision-making due to the Qualification in the bank.

In order determine these differences; Scheffé’s method has been used for Post Hoc Comparisons to the impacts of years of experience on the fields of this Study.

Table 7

Post Hoc Comparisons to the impacts of years of experience

<table>
<thead>
<tr>
<th>Experience years</th>
<th>20+</th>
<th>16-20</th>
<th>11-15</th>
<th>5-10</th>
<th>Arithmetic Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.8</td>
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<td>11-15</td>
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<td>3.55</td>
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<td>16-20</td>
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<td></td>
<td>3.66</td>
</tr>
<tr>
<td>20+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.00</td>
</tr>
</tbody>
</table>

The Table number (7) shows that there is a difference in the attitudes of the research sample towards the rationalization of administrative decision-making due to the experience. The previous table shows that the category whose experience is 20 years or more was the highest with an arithmetic mean (4.00), while the average of the total arithmetic mean of those whose experience ranges between (16-20) with an arithmetic mean (3.66), followed by category (11-15) with an arithmetic mean (3.55), while it was ranked at last the category (5-10) with an arithmetic mean (2.8).
6- Conclusions

The results showed that the requested properties are available in the Accounting Information that is reliable in the process of rationalizing the industry of administrative decisions in the Jordanian commercial banks. It is proposed that the Accounting Information is used by employees in the rationalization field of industry administrative decisions. Accounting Information Systems play also a significant role in rationalizing the industry of administrative decisions. The results indicated that there were no statistically significant differences at the level (5%) in the attitudes of respondents towards rationalizing the administrative decision-making, due to the Qualification variable, as well as a difference in the trends of the sample towards rationalizing the administrative decision-making, due to the Experience variable in the surveyed banks.

In light of the results study, the researcher presented a number of recommendations: effective use of Accounting Information Systems in administrative decisions-making, highlighting the role of Accounting Information Systems in activating control procedures and supervision, the development of tools and devices software used in the operation of the Accounting System, the expanded use of Accounting Information in the planning of marketing operations and future policy-making sales, increasing the interest of Accounting Information that helps to make comparisons and analytical future provisions.
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The Study of Gender in Toni Morrison’s Beloved

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Abstract

This study examines gender in Toni Morrison’s novel *Beloved*. Gender defines the behavior of the individual, how he/she walks, talks, eats, socializes and nearly all other features of everyday life. Gender is significant in the definition of the self. The researcher has selected a novel, written by a black woman to explore the specific ways in which the black women suffer. The study locates the instances of the suppression of the black women by patriarchal institutions and the constraints of tradition. The study further demonstrates the ways in which women form bonds in order to tackle this oppression. The conceptual framework for this analysis is feminist theory. Feminism, as a social philosophy, is in the support of the notion that women should share equal opportunities of career building and self growth. Feminism is a broad area dealing with the concerns of women; however the researcher has focused on Elaine Showalter’s model of Gynocriticism. It is a literary analysis from a gynocentric viewpoint that places woman at center. The methodology for this work is hermeneutics. This study is significant for its special focus on the works written by a black woman, her own cultural background, her presentation of female characters and their relation with one another and with male characters. It is also significant for adopting a female framework for the interpretation of literature written by woman, rather than adopting a male perspective.

**Key words:** Gynocriticism; Gender; Self; Afro American; oppression

1. **Introduction:**

Gender is significant in the construction of self. Gender is the condition of being male and female. The term gender denotes those socially approved roles, behaviors, actions and features that are considered by a society fit for men and women. These specific roles result in gender inequalities i.e. those differences between men and women that deliberately give favor to one group by disfavoring the other. Gender will be examined with special reference to feminism. Feminism, as a social movement recognizes and at the same time criticizes male supremacy and implies strategies to change it. Feminists claim for the equal rights for women and argue about women’s equal share in society’s prospects. Feminist theory attempts to recognize the nature of inequality by centering its focus on gender politics, gender relations, power issues and sexuality. Inequality comes from the refutation of equal rights. The main obstacle to equality is sexism. Women are considered the first suppressed group, facing this sexism; women’s suppression is...
most pervasive and deepest. No man will relinquish gender advantage as no white relinquishes racist advantage. Social theory should be framed by women, keeping in view issues related to women. Knowledge created from a male’s viewpoint is biased; therefore chauvinist misrepresentations must be rooted out if an accurate episteme of knowledge is to exist. History should be her story to reflect ignored and trivialized women’s contributions to literature. Due to this reason the researcher has chosen Elaine Showalter’s gynocritic model to evaluate the gender roles. Gynocriticism is a socio-historical investigation that explores literature by focusing on the historical background, subject matter, genres, and structure of literature by women in order to frame a method of analyzing literature written by women and to create models of interpretation fashioned on female experience, rather than adopting male interpretive theoretical models.

Gerda Lerner talks about the significance of investigating women’s experience: “Woman have been left out of history not because of the evil conspiracies of men in general or male historians in particular, but because we have considered history only in male-centred terms” (Lerner, 1979, p. 39). Jakson Stevi and Jakie Jones criticise the very term Knowledge as it is produced by men keeping in view only their own position in society i.e. white, middle class and heterosexual men. Therefore they reject this knowledge and stress that “Feminist theory is about thinking for ourselves – women generating knowledge about women and gender for women” (Stevi, Jones, 1998, p.1). Elaine Showalter finds a number of problems with the literature and theory produced by men as it is biased: focusing only on what men think women should be like rather than giving importance to women’s thoughts and subjective consciousness. Elaine Showalter argues about the construction of knowledge based on distinctive female experience. Women should be the creator and consumer of this knowledge. She uses the term Gynocriticism to name this knowledge. While giving its features she explains: “Its subjects are the history, styles, themes, genres, and structures of writing by women; the psychodynamics of female creativity; the trajectory of the individual or collective female career; and the evolution and laws of a female literary tradition” (Showalter, 1986, p.310).

In Feminist Criticism in the Wilderness, Showalter exclaims: “the program of gynocritics is to construct a female framework for the analysis of women’s literature, to develop new models based on the study of female experience, rather than to adapt male models and theories” (Showalter, 1986, p. 131).
This research work is qualitative. A qualitative research suggests to “the meanings, concepts, definitions, characteristics, metaphors, symbols and description of things” (Berg, 1993, p.3) being flexible, rational and contextual “It has been argued that qualitative methods are more appropriate for feminist research by allowing subjective knowledge” (Depner & Klein, 1981, p.88). Qualitative methods allow intimacy and “more equal relationship between the researcher and the researched” (Stanley & Wise, 1990). Feminists detest the empirical figures and hard data and believe in the multiplicity of definitions. It is also believed that “feminist research is based on the assumption that the world is socially constructed, displays a relative aversion to empirical positivistic methodology, and rejects the value-free nature of research” (Crotty, 1998, p.54). Feminist research “Is contextual, inclusive, experiential, involved, socially relevant, complete but not necessarily replicable, open to the environment and inclusive of emotions and events as experienced” (Nielsen, 1990, p.6).

Elaine Showalter’s model of Gynocriticism has been taken as conceptual framework that provides insight for the study of gender. Gynocriticism is anthropological model with four aspects of critical inquiry i.e. biological perspective, cultural perspective, linguistic perspective and psychological perspective. The researcher has used hermeneutics as methodology to relate the text with context and part with the whole. Hermeneutics is the art of interpretation that places the researcher at freedom to recount the text with the context and part with the whole in the process of analyses, for coherent explanation. In order to better understand and explain a text its context is necessary, for the purpose of interpretation of the text of Morrison, *Beloved* the researcher goes back to the historical background of the novel to make understand better the social situation in which the novel was written. Slavery was the rampant institution that made the lives of the people miserable at that time. To get a better insight into the psyche of the character it is obligatory to have knowledge of the circumstances in which the writer is creating those texts. So to interpret the text of gender identity the context of slavery will be explored. At the same time the researcher will take a part of one text and correlate it with that of the other text through comparison and contrast. Feminism as conceptual framework and hermeneutics as methodology will allow her to enable her insights and subjective consciousness enter into the research. During the writing process the researcher seeks help from literary texts, critical books, journals and electronic resources.
2. **Historical background of study:**

The literary work concentrated in this research work is a novel by Toni Morrison i.e. *Beloved*. In her work she explores the plights of women in a male dominated and biased society. *Beloved* documents the lives of African American women who are struggling hard to put their lives back together again, to claim a sense of self that they lost or that they never had to begin with. She presents the unique heritage of African American culture at the center of her intricate and multidimensional narrative. The author uses historical facts and details concerning the past to make her reader aware of the rich and complex heritage of the African American culture and place of women in it. She “reminds” her readers of the past through fragmented images of black identity, ancestral culture, and the African family unit. Morrison’s purposeful descriptions, while not letting the reader forget the horror and humiliation of slavery, often revert back to an earlier time of identity, closeness, and order. Morrison combines the psychological and cultural aspects of the black community and explores the issues of identity, family, and self-possession in a world where slavery has apparently become an unfortunate issue of the past, but emerges, throughout, as a haunting presence. Nonetheless, there are other forms of slavery that still subject and enslave women.

The novel presents the issue of gender identity and the double oppression, faced by Black women and the ways in which they can break free of this oppression, because not only they are women but they are also black. African American black women struggle hard to secure freedom and to understand what such freedom means. Written in the context of cultural identity, the novel is the historical and psychological study of black people to establish an independent and free self. To claim for this free self the black women have to cope with patriarchy, slavery, poverty, racism, social isolation, and numerous other forms of oppression. In the journey of self-exploration the characters are fighting back to this alien world, claiming for a self that is worth respecting instead of existing in the shadows, by submerging their identities. Toni Morrison probes deep into the lives of the black people to trace back the emotional and psychic scares of slavery on their subconscious. The condition of being enslaved, the agony of the incompatibility of establishing one’s status as human being, have deep effects on the inner mind of the individual. These repercussions of the past are so intense and so profound that though one gets
freedom in the external world but the subconscious is still trapped in the past traumatic world that prevents the realization and true expression of the free self. As Seth puts it, “Freeing yourself was one thing; claiming ownership of that freed self was another” (Morrison, 2004, p. 95).

3. Struggle for identity:
In a slave society the recognition of the self is an intricate issue and is not possible without communal help. In a society where black people had been objectified as mere commodities and denied any chance to develop a self whom they can claim their own. Where they have been treated as other, the mere shadow of the white, the nonexistent, and one has to indulge in continuous struggle to fragmentcrumbled identity back into the self and to realize that it cannot be done without the true realization of oppression, in such a society to be a female is a precarious business.

To claim for a self, one requires an other as Benjamin states “In order to exist for one self, one has to exist for an other” (Benjamin, 1988, p.53). To do so, it requires the intricate inter-relationship of social and psychic world. For a Child the figure of mother is his first vital other. But in slave society the children have been denied of this basic right as the mothers are detached from the children at very early stage of life and children are sold for economic needs as Schapiro puts it:

For, Morrison’s characters African-Americans in a racist, slave society, there is no reliable other to recognize and affirm their existence. The mother, the child’s first vital other, is made unreliable or unavailable by a slave system which either separates her from her child or so enervates and depletes her that she has no self with which confer recognition. (Schapiro, 1991, p. 194)

in a black slave society the construction of the self of the woman is correlated with the construction of the self as mother. As an early stage the child is denied to provide with her first vital other to facilitate her journey into the self that’s why she becomes the only extension of the mother not as an independent self. It is later in life when she herself bears the fruit of the motherhood that she undergoes the process of the self realization that is a newer self as the mother. Now this self gets some recognition in the society. As at an early stage, the child is treated by his her mother as an interchangeable part of herself. As a result, she keeps her child from entering into an independent self; “The child is […] not nameable, not signifiable, not other” (Schapiro, 1991, p. 75). This early experience of denial of the other renders child unable to
recognize as self. As Michele Bonnet asserts: “because the children have been deprived of proper
nurturing, they have been unable to develop into real persons—it accounts not only for Beloved’s
crippled and ultimately evil character but also for Denver’s unnatural childishness and inner emptiness” (Bonnet, 1997, p. 49).

For the recognition of the self a child cannot see mother as the subject as the society denies him that position. Along with many other rational roles the motherhood is one that was denied to the black women. The mother is so much trapped that she is unable to recognize the child and the child is unable to do so either. In her childhood Seth had to sacrifice her mother to fulfill the feeding needs of the white child. and afterwards when she herself becomes a mother she ,due to her own narcissist wound, has remained so destitute and drained that she is unable to satisfy her daughters’ hunger for recognition, their longed for desire. Seth, whose “best thing was her children” (Morrison, p. 308) acquires a severe maternal impulse; she views her children as an essential part of herself in an insinuation of ownership. Her children are a part of her self and rightfully belong to her. “Yet this essential maternal instinct is corrupted when viewed in the context of slavery. For a slave cannot own. Not her individuality. Not her children. Not her milk. Nothing is sacred for those enslaved”. (Mock, 1996, p. 117), slavery has given each of them a feeling of personal loss. Love is forbidden to them because it could precarious to have affiliation with anybody, as slavery has ripped them off any sense of ownership. Almost all the characters of the novels are suffering from the loss of the self, that dread and lasting narcissist wound that is a result of the earlier breakdown and deformation of initial relationship between self and other .i.e. child and the mother.

The development of the self is reliant on the interaction and acknowledgement from the other. “The experience of one’s coherence and reality as a ‘self’ is dependent on this primary relationship, on the loving response and recognition from an ‘other’ ” (Schapiro, 1992, p.195).

The telling of Beloved is subjugated by Seth Suggs’s act of infanticide and Morrison’s desire to know what causes a woman to give up her former self for the construction of a self as a mother, who finds her compliment in the self of her children. Throughout the novel, Seth lacks a clearly defined self. For example, she continually refers to herself in the third person when narrating the story of Denver Suggs’s birth. More important, she views her children as her finest thing, the one part of herself that slavery has not damaged. Yet, this identification becomes more and more troubling as Seth allows Beloved’s access to herself, to emotionally and physically
exhaust Seth of her individuality. It is up to Denver to liberate her mother from self-degeneration. She comes to realize that it is she who has to do something to rescue her mother and to keep her family integrated, so she leaves the house to get a job, and at this point she seeks help from community and this binding back to community helps Denver to grow into a self, independent and free. Here she “redisCOVERs what is perhaps the most successful strategy for adult development; she replaces the solitary maternal bond with a larger community of adults and opens herself to an empathetic network of fellows” (Mathieson, p. 15). Now Denver comes to realize her self different from Seth’s. Denver’s maturation elucidates the lack of demarcation between Seth and Beloved. Beloved’s childishness and Seth’s failure to set limits results in Seth’s self-destruction. Beloved’s childish demands cause Seth’s dissolution as well as Seth’s guilt thwarts either woman from distinguishing herself as a separate being. The devastating consequence of Seth’s actions is her loss of independent identity. The return of the community into Seth’s life is catalyzed by Denver’s discovery of self-identity. The women of the Black community drive Beloved out through a symphony of voices. The Black women’s voices urge Seth to return attention to her self. With the added strength of these women, Beloved is expelled and Seth returns to the living. Seth’s selfish love denies Beloved’s life and her own life as well. Through Denver’s surfacing as a self-ruling adult, the eviction of Beloved, and the return of Paul D and the Black community, Seth’s chance for selfhood emerges. As Barbara Schapiro puts, “the free, autonomous self, Beloved teaches, is an inherently social self, rooted in relationship and dependent at its core on the vital bond of mutual recognition” (Schapiro, 1991, p. 209). Beloved illustrates the need of human beings to differentiate self from other and to claim that self; after all, as Denver learns, there is a self to defend if one is to survive in this world.

4. Role of motherhood:

Inspite of the lack of control of black mothers over their children the task of motherhood is still significant, as the only prospect of lasting ties back to Black heritage lies entirely in the hands of the mother: They pass on their inherited values to make their children aware of their lost heritage, to inspire in them their lost values, to make them realize who they are. Who their people are. In the patriarchal societies though the role of the motherhood is restricted but is still significant. As Mothers play an active role to instill in the child the cultural and social values that guarantee the formation of the identity of the whole community.
While on examining the effects of slavery on black mothers and the struggles they face in raising their children, both the positive and negative aspects of motherhood take another dimension. Mother is the pivotal and most dominating figure in the novel, and its main reason is that as a result of the heritage of slavery the fathers are frequently absent from the houses, in the rare cases where men are still present and are a part of domestic household they do not acquire the main role as they have no legal right on their children as their wives and also because they can at any time leave. The history of slavery has left deep scars on the psyche of women when the men were either sold or taken away by this cruel institution.

As the result of the absence of the man, Seth has to experience the pressure that results in humiliation and disgrace. The task of mothering becomes more difficult for those mothers who are trying to bring up their children with a sense of African heritage, who want to make their children realize who they are, who their people are, as the memory of their inheritance is distorted by the feelings of humiliation and disgrace they suffered, when they were sold by the white men, when they were used as a mere piece of flush, when they were mutilated and degraded. With such memories how they can teach their children to be proud of themselves so the role of motherhood in Beloved is important as the only hope of continuing ties back to the African-American culture, and it lies in the hands of the mothers. Mother plays an active role to instill in the child the cultural and social values that guarantee the formation of the identity of the whole community. The prospect of the survival of the Black community depends on the motherhood. “There needs to be the continual passage of traditional black values from one generation to the text. The successful transfer of these principles falls squarely on the shoulders of mothers” (Valdes, 2005, p. 259).

To prepare one’s children for a life in a society that does not allow them the status of human being and does not acknowledge their cultural heritage. White masters do not give them any right to influence their children. “slavery, more than any historical event, fractured the mother line by denying blacks their humanity and causing the permanent fragmentations of families”(Valdes, p. 261). In order to perform a positive role to form the identity of the children to bring them up away from the influence of the dominant culture, mother can play an active role. “In accepting patriarchal values of the prevailing culture, the community moves away from one that validates the work of women. Mothers who conform to dominant culture therefore cannot adequately inform their children of the teachings of the black community” (Valdes, 2005, p. 261).
Seth attempts to make her own world with her two daughters Beloved and Denver, she wants to establish a new vocabulary where they can speak unspeakable thoughts together, to form a new concept of memory relished by an individual sense of ownership, in order to give her children that tradition of black culture that was robbed from them. Seth is attempting to pass on her children her inherited values as a way of establishing their specific black identity, by knitting their ties back to their culture, to make them aware who they are, who their people are. Seth tries to give her children a feeling of security, to reassert her matriarchal power by controlling their lives by herself, to give them a freedom from the horrors of slavery that she herself has craved for during her whole life. They struggle within the socio political paradigm of motherhood to plant a seed of disruption against the system.

5. Psychological trauma of slavery:

The emotional hunger of the child constitutes the essential psychological drama of the novel. An injured, enraged baby is the central figure of the book. Literally it is present in the title character of Beloved and symbolically it is in the unconscious of all the characters of the novel. The viciousness of the baby’s unsatisfied needs colours the mother daughter relationship in Beloved. A baby’s unsatisfied needs not only refer to physical needs but also psychic and emotional ones. In Beloved, the worst atrocity of slavery and the grimmest dilemma the novel presents is not the physical death only but the psychic death also. The children have been denied to their basic need and their birth right, which is the lap of the mother that is essential for the psychic growth of the child. This unfulfilled desire leaves such holes in the sub-conscious as are not filled throughout the life. Seth unable to have the love and care of her mother develops into an overprotective mother whose selfish love takes away the life of her own daughter. The predicament, of the novel is Seth’s murder of her baby daughter Beloved. But a deep study exposes the paradoxical nature of the murder. Seth, having passed the life of slavery and then able to run away from the cruel master is on the threshold of being captured again. Her experience of slavery is so worse that she prefers to kill her daughter instead of leaving her to the cruel institution of slavery. So she decides physical death for her daughter instead of psychic death: “if I hadn’t killed her she would have died and that is some-thing I could not bear to happen to her” (Morrison,1988, p. 200)
6. The narrative structure:

The narrative structure of the novel is correlated with the character’s continues struggle to delineate a path of self discovery. The complex narrative of the novel is emblem of the intricate lives of the characters. Afro American’s overall fragmented state sets a constant dialogue between past scraps and present bits of their texts and selves in an array to sustain a loose textual and cultural continuity, a week sense of belonging and self-identity. Afro American’s overall fragmented state stipulated an invariable. Morrison’s story telling characterizes shifting and mutability in perspectives, in time and space, character, procedure, and composition. Her writing is characterized by the “constantly though unexpectedly shifting point of views, an unpredictable choir of narrative voices, and juxtaposed fragments of events and images that are in dialogue with one another but could hardly form, a straightforward linear cause-and-effect plot that is a monologue” (Gyetvai, 2006, p. 2). Beloved’s narrative structure is comprised of the constantly shifting perspectives that slithers inward and outward of the character’s mind, that is mutable and non sequential, and there is a no conventional line between fact and fantasy, and is characterized by the mutability of boundaries, constitutive of the dialogue between self and other. Such fluidity, as Nancy Chodorow, is “distinctive of female, as opposed to male, modes of perception and expression. It derives from the preservation of an original identity and pre oedipal bondage between self and mother”. The monologues of Beloved, Seth, and Denver present something more serious than the mere flexibility between the boundaries, the complete breakdown of borders, between the self and the other. As Seth’s segment starts, “Beloved, She my daughter, She mine” (ibid, p. 200). Denver’s begins, “Beloved is my sister. I swallowed her blood Right along with my mother’s milk” (ibid, p. 205). And Beloved’s with the line, “I am Beloved and she is mine” (p, 210). After this Beloved’s speech is without punctuation presenting the fantasy of fluidity between the self and the other. The merging of the self with the other. As Beloved claims: “I am not separate from her there is no place where I stop her face is my own”. Her words show her craving for the other, to be a part of the other. Her words reveal the psychic loss—the denial of recognition—at the core of the fantasy:

There is no one to want me to say me my name…She chews and swallows me I am
Gone now I am her face my own face has left me…Seth sees me see her and I see the smile her smiling face is the place for me it is the face I lost. She is my face smiling at me doing it at last. Hot thing now we can join a hot thing. (ibid, p. 212-13)

Her words reveal the spiritual loss - the refusal of acknowledgment - at the heart of the fantasy.

Mine is the lingering word heard by Stamp Paid in indistinct whispers while living at the house. And it is used again and again by Beloved in her unpunctuated monologue. In this section the voices of the three characters joined and are indistinct and at the same time are segregated, the voices speak to but not with each other, are significant of the intense desire of the one to submerge into the identity of the other: “Beloved you are my sister You are my daughter You are my face; You are me I have found you again; You have come back to me You are my Beloved You are mine You are mine You are mine” (ibid, p. 216).

This form of holding and objectifying the other imprisons the self within its own overwhelming omnipotence, its own narcissism, it cannot satisfy – only the shared recognition between self and other can result in True satisfaction or joy, that is between two subjects or selves. In the relationship between Seth and Beloved, One surrenders to the incorporation of the other, of both sides of the power relations one becomes subservient to the other, at the end of the novel, Seth presents herself completely to the power and desire of Beloved. She becomes emotionally depleted and physically drained as she abandons to feed or care for herself while Beloved literally expands and bulges Seth starts to shrivel down; both are caught up in a mutually destructive, frighteningly ceaseless narcissism. Seth’s decline starts from an incident that again stresses lack of acknowledgment at the source of this narcissistic condition. Seth has been deserted once again she takes Denver and Beloved to a trip of ice-skating on the frozen steam. The three enjoyed themselves, they played there, they skated there and enjoyed there a lot. But at the same time they yelled with joy and pain. The scene is an amalgamation of childlike pleasure and childlike helplessness. Seth’s laughter turns into unmanageable tears, and her weeping in the background of the scene suggests a child’s aching sense of pain or loss, specifically the absence of the verifying legitimizing attention of the other. as each is implying to the other for the completion of the self such blurring of boundaries leads to the denomination and compliance of the self that yields totally to the will and desire of the other. Or the self appropriates the other as a part of itself. In the monologues of Seth, Denver and Beloved the repetition of the word mine represents this form of possession and integration of the other as an object.
In *Beloved* the narrative technique of defragmentation endorses the character’s voyage towards the realization of self by presenting the Black women’s struggle to survive in a hostile society. In terms of fiction it is a narrative mode that is both linked and fragmented. “The narrative evolves along broken lines out of restless processes of rhythmic dispersion and recollection of fragmented images” (Gyetvai, 2006, p. n.d), moving backward and forward making the process of the exploration of the self, possible.

7. **Language as a tool for identity:**

Language is a significant medium to make one’s mark in the world of slavery. If it is a tool in the hands of the whites, why should it not be used otherwise? By commandeering the language of dominant culture the slaves can use it as a tool to disrupt foreign dominance. It can become “the reversal of a relationship of forces, the usurpation of power, the appropriation of a vocabulary turned against those who had once used it” (Cummings, p. 533). But on the other hand, To African culture, English language is inherently foreign and hostile, and intrinsically representative of dominant culture and white oppression. The admittance of English language as a mean of communication is a cause of internalization of culture and ideology of slaveholders. Language, as a means of expression has always become a tool in the hands of slave owners and slaves have been denied of this privilege their access to language has been denied. It is highly visible and disruptive phenomenon in slave societies. As Cummings states: “At one end of the pedagogical process stands the master teacher\disciplinarian to whom belongs the power of defining; he reproduces the relations of domination and subordination particular to the ruling order” (Cummings, 1990, p. 561). And further he exclaims: “ At the other end lies that student\subject who, in internalizing the masters lessons, finds herself\himself a captive of the dominant ideology specific to his or her (e)state”(ibid).

Language of the Whites is a contrivance of slaveholders. And as masters they do not allow slaves to have ownership of it. Language, particularly the language of the whites, is a contraption of white men and they don’t allow slaves to have mastery of it and they don’t let them to own it. Sixo, after stealing a shoat, tries to impose his own logic by claiming to the school teacher that he did not steal it. Though he caught it, killed it, slaughtered it, backed it, and ate it, but claimed to school teacher that it was not stealing, but rather:

Improving your property, sir.‘What?’Sixo plant rye to give the high piece a better chance.Sixo take and feed the soil, give you more crop.Sixo take and feed Sixo give you
more work’. ‘Clever, but school teacher beat him anyway to show him that definitions belonged to the definers, not the defined’ (Morrison, 1988, p. 190).

Sixo is trying to take control of the language that do not belong to him and in this way he is trying to step out of his boundaries and that’s why he is punished by the school teacher. The slave has no authority to manipulate the language of School Teacher. By beating Sixo for using language and logic, School Teacher asserts his ownership of definitions; and he brings it to conformation and demonstrates the social and linguistic construction of meaning, and the absence of absolute meaning. Declaring ownership of definitions, of meaning, destabilizes its transcendent quality. Again the ownership of language is further emphasized as Sixo rejects the language of the master because “there was no future in it” (ibid, p. 25), as it is governed by School Teacher He cannot command it. And its use will render him voiceless instead of giving him any voice. The slaves have lost their voice as they have lost their language along with their culture a long time ago. For the most part, the language of Africa, of their inheritance, no longer exists in the generations of American slaves who have fewer direct ties left to their motherland. The language of the masters which silenced the slaves exercised a great penalty on slaves during the middle passage. Who had been erased so easily from the cultural texts as most of the stories of Blacks have not been preserved due to the fact that a few of them knew how to read or write: “When offering them a voice through Beloved, Morrison must face their utter lack of a comprehensible language that could create a cultural presence. Not only have tradition and history all but ignored them, language has been denied them” (Fuston, 2002, p. 461).

The English language itself cannot satisfy the slaves as it denies providing the slaves that level of expression they desire for, and according to the white masters, slaves have no right to possess English language. To reclaim their identity, Seth and other runaway slaves, have to fight the battle of language, to reclaim a sense of identity outside the construct of slavery, is to retrieve a command on their own language, their own means of communication, split from and distant to the white world they have inhabited: the characters in Beloved, as in “other narratives of origin, [attempt to] reconstruct, restore, and rename” (Cummings, 1990, p. 552).

The fundamental expression of the authority of self is that of naming. To give name is a gesture of personalizing something, have liking, have affiliation, have bondage. In Beloved, naming provides an opportunity to claim an independent identity outside the shekels of slavery. According to Hayes “Naming is an act of creation. The named- whether person, place, or object –
is identified or marked by the namer as distinctive, unique, the occupant of a discrete space in the universe” (Hayes, 2004, p. 669), he further claims “To name is also to claim dominion: naming children, slaves, domestic animals, or real estate is an announcement of figurative, if not literal, ownership of the named, as well as an indication of the namer’s relationship to or sentiments about the named” (ibid).

“Beloved’s lack of name signifies that she is everybody” (Koolish, 2000, p. 177). Beloved represents the pain of slavery they all suffer in some way. Baby Suggs chooses her own name by rejecting the white given name of Jenny. “Just as Seth retains Beloved as the name of her slaughtered child, Baby holds on to her name as an exteriorized affect and the foundation of a self one can love” (Cummings, p. 566). Seth was the only child who was given the name of black man by her mother, as she was conceived through love not through rape. Whereas all other children were thrown by her mother (Seth’s mother) without giving any name, it was only Seth whom her mother owned by giving a name. On the other hand Paul D finds it difficult to get rid of the white given name. As the only name he knows is one given to him by Garners and about the other name ‘man’ he even does not know whether this name is assigned to him due to his merits of it is a vague, empty term that Garner has thrown on him. “Garner called and announced them men, but only on Sweet Home, and by his leave. Was he naming what he saw or creating what he did not?” (Morrison, p. 220). If that white given name is vague and meaningless compare to the self selected personal name given to Baby Suggs, does that mean that Paul D.s manhood depends only on the whim of his master? “What would he have been anyway, before Sweet Home, without Garner? In Sixo,s country, or his mother’s? Or, God help him, on the boat? Did a white man saying it make it so?” (Morrison, 1988, pp. 220-221). If his manhood is only related to the white given name “Suppose Garner woke up one morning and changed his mind? Took the word away” (ibid). Paul D feels difficulty in understanding the fact if anything exists beyond the word, and consequently has difficulty relating the proper name to the meaning it implies.

Language has become a tool in the hands of the whites to suppress and subjugate the black. By internalizing their culture through language the whites want blacks strip off their heritage and identity and trying to make them the other, the mere shadow. But Morrison’s characters fight back this oppression .Sixo, Stamp Paid, Eva refuse to use white vocabulary and stress upon forming their own definitions. Both Seth and Eva provide their children their own vocabulary to interpret unspeakable dreams freely, in order to donate their children a concept of
culture that was robbed from them. They implored a new perception of memory relished by a sense of personal ownership.

8. Conclusion:

Thus concluding the discussion it could be said that gender plays a significant role in the construction of self. Due to gender politics women are doubly oppressed and to combat this oppression first they have to locate the cause of this oppression and then employ a strategy to deal with it. They have to suffer double oppression, one of patriarchal society and constraints of tradition and the other of cruel institution of slavery that strips them of every right of motherhood as well as of womanhood. Gynocentric perspective renders a special help to give insight into the lives of the women and trace the prospects that intersect the ways of oppression. Women do exist and they have played their role in sharing the responsibilities of family and society where men have often shrunk their responsibilities. Especially under the institution of slavery women have struggled hard to realize their selves fully where either their role as mother or some internal agency catalyze their journey towards the construction of self. This realization of identity is the goal, the feminists crave for, and it becomes their main predicament in societies where women are being trivialized as mere commodities, a property with a price tag. Black women in order to come to terms with themselves are fighting for their rights as human beings and as cherished members of the Black society.
References


Evaluation of buildings of Isfahan municipality in order to urban crisis management and planning (case study: 5th sector of Isfahan city)

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Abstract
Natural disasters are among important issues that most cities of the world are faced them. These disasters cause annually more than 150000 persons human loss and more than 140 billion dollars financial loss, especially in developing countries. Iran is one of top ten phenomenal countries of the world. Administrative units as one of important urban elements can play an important role in critical situations for management, organizing rescue issues, warehousing, settling and sheltering victims in order to controlling conditions in cities. In this research, administrative buildings of 5th sector of Isfahan city including telecommunications, fire fighting, electricity department, municipality, education and gas department are evaluated. This research is descriptive-analytic and survey. The data are gathered using questionnaire through field studies. Finally, by taking 24 qualitative and quantitative indicators from all administrative offices of 5th sector in Isfahan city, measures are evaluated and weighted using AHP method. The results indicated that among evaluated administrative centers, registry office with weight of 0.83 and industry and mining organization with weight of 0.77 had the most vulnerability and fire fighting office with weight of 0.33 and gas department with weight of 0.4 had the lowest vulnerability among administrative units of 5th sector in Isfahan.

Keywords: planning, vulnerability, crisis management, Isfahan city.

1. Introduction
1.1. Problem statement
Vulnerability of human settlements against natural disasters due to population concentration and economic activities in broad and dense areas, and chaotic and irregular condition of settlements of low-income residents in urban and rural areas increased continuously. Damage domain, which a disaster may result in, does not depend just on its destructive power. This domain depends on condition of infrastructure buildings, which are exposed to the disaster. In many developing countries, which are characterized by severe population concentration, mat villages, slum and sub-slum neighborhoods, a natural disaster can result in a catastrophe, even where primary impacts were not so serious in there. (Consultant engineers of Zadboum, 1991, 6). Natural disasters are one of fundamental problems in many cities of the world. Crisis is a sudden incident or event, which accompanies with broad financial and life losses and it requires conducting immediate actions. Such natural disasters which result in outbreak of critical condition in society, are at least potentially dangerous, destructive and fatal (Alexander, 2002: p38). Based on international strategic program of UN disasters' reduction, all hazards have two origins: 1) natural hazards and 2) technologic hazards (Moe & Patharkul, 2006: p396). From beginning of the creation until now, humans were engaged in all kinds of damages and disasters and consequently, many financial and life losses were forced on them; hence, communities were and are looking for detection and invention of some solutions to controlling or minimizing damages of supervene incidents and to managing crises. Despite crises were along with the human beings all the time, crisis management is a relatively young and new as a profession and a
scientific field (Asgary, 2006: 3). Crisis management is a dynamic process in frame of evaluated actions and is conducted before (planning and preparation), during (assistance to victims and relief) and after crisis (rebuilding and repairing) (Darbek, 1990: p23). One of the most important tasks of crisis management is reducing bad impacts of crisis, preparation and improving the conditions after the crisis (Rattien, 1990: p44). According to evidences and statistics, Iran is one of top ten phenomenal countries in the world (Anbari, 2004:88). The knowledge of urban planning depending geographic data can perform management principles to reducing urban vulnerability against these disasters by specifying its principles and concepts and using these data (Forrest, 1978: 12). The impact and role of planning in crisis management process has 5 stages which include: the moment of earthquake occurrence, escape and sheltering, rescue operation and aiding, temporary settlement and cleaning and reforming operation (Ahadnejad et al, 1998:3). Administrative units as one of essential buildings and vital and important elements of the city have a chief role in its mobility and dynamicity. It means that administrative buildings, which are responsible for management, rescue issues organizing, warehousing, settlement and take caring of victims, lose their performance as a unit with defined tasks due to damage and actually, management system of the city will be damaged and paralyzed; it results in delaying normalization operation after the crisis and doubles losses (Adampour, 2007:2). In such a way that nowadays, national strategies for protecting from vital infrastructures and key capitals of the country encompasses an important part of crisis management systems’ divisions (John, 2004, 1).

In Iran and in recent years, especially after occurrence of Roudbar and Bam earthquakes, considerable activities are conducted in different dimensions of crisis management, earthquake and reducing its damages. However, in urban plans, lack of serious attention toward topic of crisis management and vulnerability of cities against earthquake seems an evident issue (Azizi, 2008:25). According to importance of crisis management knowledge and its emphasis on administrative buildings of 5th sector in Isfahan city regarding evaluation of vulnerability in these buildings during critical times, the present research is conducted. So, after analysis and evaluation of administrative buildings of these sectors, guidelines and recommendations are provided to reducing vulnerability of these buildings.

1–2 - Importance and necessity

Based on recorded reports from 40 known types of incidents in the world, 31 cases are happened in Iran (Birodian: 2006). In addition, besides flood and earthquake, we can mention to kinds of epidemics, storms, sand dunes, landslide, droughts and others. Based on such a broad and considerable range of crisis in geographical limitation of our country, it is necessary to considering crisis management framework and preventing dimensions. However, with these broad dimensions of vulnerability, Iran spent a very chaotic and hard course during recent decades in regard of natural disasters including earthquake due to lack of planning and necessary actions (Shaditalab, 1992:124). Isfahan city and its sub areas are placed in Zone of Sanandaj-Sirjan and it is always likely to occurrence of earthquake in this zone (Ambraseys and Melville, 1982:211). The importance of this research is due to lack of any study regarding evaluation of administrative buildings of 5th sector of Isfahan city. Therefore, present research can be very useful and important for city managers and their decisions. We can use findings of this research to organizing and reforming administrative buildings of 5th sector in Isfahan city. In addition, the results of present research, which are earned by field concepts and research activities, are going to providing very reasonable recommendations to reducing crisis of administrative buildings of 5th sector in Isfahan city.
1-3 - Research method
Present research is descriptive-analytic type. The method of data gathering is survey and required information is gathered through providing and completing questionnaire. Statistical society is all offices of 5th sector in Isfahan city which includes gas department, water and wastewater, municipality and others. Data analysis is conducted using AHP and measures are evaluated and weighted using Sa'ati method by Expert Choice software.

1-4 - research domain
5th sector of Isfahan municipality is one of 14 sectors of municipality which has area of 1549.2 hectares and by calculating military lands its area reaches to 2016.7 hectares. The population of this sector is 142000 persons and concentration (person per hectare) is equal to 70. 5th sector is limited to Boustan Mellat avenue from north, to Shahid Agharebparast highway, to Chaharbagh Bala avenue and Hezarjerib avenue from east, to Habiballahi avenue from northwest and to Shahid Meisami avenue from west (information base of 5th sector of Isfahan municipality).

Figure 1 - The map of study area, source authors

2 - Theoretical principles
When crisis management is mentioned, before everything else, pragmatism and being executable comes to mind. Probably, this glaring point is the main factor in forgetting it that the crisis will never be managed until a precise definition of crisis will be provided among all stakeholders of crisis management topic. One of affective factors on crises' stabilization, especially in crises resulted by incidents is interference of managements and heterogeneity of viewpoints in evaluating crisis, so fail in reaching to an association and adhesion in kind of management on ahead crisis (Saiidi, 2006:2). Nowadays, natural disasters threat life and health of human beings broader and harder than past. Occurrence of natural disasters especially earthquake forces many
financial and life losses to population focuses and it leads to disruption of life system and incurring financial and life losses in cities. The lack of attention toward correct locating of cities, development of cities and lack of necessary planning to preventing unbridle growth of cities results in frequent issues and problems (Abdollahi, 2000:20,21). Locating is an action, which evaluates and analyzes spatial and non-spatial talents of a country for choosing a suitable location for a special use. In this regard, success rate and effectiveness of urban elements' performance have a close relation with stabilization and organization of related element in a special locality spatial situation, which is a function of definite principles, rules and mechanisms. The lack of considering necessary principles and rules will decrease the performance efficiency of urban elements and will result in occurrence of damages and spatial and physical disasters of urban circumstance such as disorder, chaos, early environmental erosion, inappropriate access and totally, distance from properties of an appropriate urban environment. "A good settlement is an open and accessible, decentralized, diverse, adoptable and open to experience settlement. " (Lynch, 1997:242).

3 - Research findings

Isfahan city is the most important city of Isfahan province and economic, political and administrative center of the province. Based on its political, economic and cultural context and its vulnerability against natural disasters especially earthquake, we can imagine that destructive effects of earthquake in this city will have negative and inappropriate effects in national level. Therefore, according to this important issue, it is necessary that province authorities and especially Isfahan city authorities look for new and executable methods for the city crisis management. In this research, we evaluated conditions of administrative buildings to planning and management of urban crisis in 5th sector of Isfahan city and the results are provided in following:

3-1 - Defining scores of administrative centers of 5th sector in Isfahan city based on vulnerability during crisis

- Stages of using AHP
- First stage: targeting

The goal of this research is leveling administrative centers of 5th sector in Isfahan city based on vulnerability during crisis.

Second stage: choice of evaluating measures and sub-measures

In this stage, criteria and sub-criteria are considered to evaluating administrative centers of 5th sector in Isfahan city and the final weight of criteria is earned by two-tow comparison of them and we evaluate the centers. In present research, evaluated sub-criteria have a series of factors to evaluating centers, therefore, the AHP model of present research has 4 levels and in third level, the second level sub-criteria are evaluated and in forth level we evaluate centers or options.

Third stage: weighting to measures (pair comparison)

In AHP model, we use Sa'ati method to weighting criteria and sub-criteria. In Sa'ati method, data matrix is formed for any level separately; in such a way that diameter of formed matrix will be one. In second level of the process, which is stage of criteria comparison, at the first, a diagonal matrix, which has same number of row and column as evaluating criteria, will be formed. Then, considering the research goal, based on acquired information from multiple library and record resources or field studies, we compare criteria in pair to each other. In this matrix, present criteria of rows in each table are compared with criteria in columns in pair way and a weight will be dedicated to it. It is obvious that in this matrix, comparison of each criterion with itself has a weight of one and these weights form diameter of the matrix. Considered weighted range for...
comparisons will be from 1 which means equal importance to 9 which means too much importance.
Criteria, sub - criteria and sub - criteria of sub - criteria in the present research are as follow:

**Paired comparison of criteria:**
Evaluating criteria which include 5 criteria of capacity, accessibility, materials, buildings and safety are evaluated in pair.

**Paired comparison of sub - criteria**
Each sub - criterion has some sub - criteria in it, which should be compared in pair and evaluated based on that criterion.

**Paired comparison of sub-criteria of sub - criteria**
Used sub - criteria include themselves sub – criteria, therefore, their sub - criteria will be compared in pair in following. Then, final weight is shown in table 1 after calculation:

### Table 1 - Final weight of sub - criteria of sub – criteria:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Weight</th>
<th>Sub-criterion</th>
<th>Weight</th>
<th>Sub-criterion of sub-criterion</th>
<th>Weight</th>
<th>The final weight</th>
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<td>Area</td>
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<td></td>
<td></td>
<td></td>
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<td>0.0004442</td>
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<td></td>
<td></td>
<td>500-250</td>
<td>0.129</td>
<td>0.0002196</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>750-500</td>
<td>0.063</td>
<td>0.0001072</td>
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</tr>
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<td></td>
<td></td>
<td>More than 750</td>
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<td></td>
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<td>0.0007949</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>More than 75%</td>
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<td>0.00011344</td>
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</tr>
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<td></td>
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<td>0.258</td>
<td></td>
<td>0.0007874</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Three and more</td>
<td>0.637</td>
<td></td>
<td>0.0068821</td>
<td></td>
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<tr>
<td>Number of Employees</td>
<td>0.257</td>
<td>Less than 25 person</td>
<td>0.105</td>
<td></td>
<td>0.0019969</td>
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<td>Number of Visitors</td>
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<td></td>
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<td>0.0040067</td>
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<td>Working Hours</td>
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<td>0.088</td>
<td>0.0003256</td>
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<td>0.0041415</td>
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<tr>
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<td>Other</td>
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<td>0.0086490</td>
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<td></td>
<td>0.00236989</td>
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</tr>
<tr>
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<td>Two</td>
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<td>0.0095986</td>
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<tr>
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<td>Three and more</td>
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<td>Feature</td>
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<td>Probability 1</td>
<td>Value 2</td>
<td>Probability 2</td>
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<td></td>
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<tr>
<td>---------------------------------</td>
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<tr>
<td>Emergency doors</td>
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<tr>
<td>No doors</td>
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<tr>
<td>One step</td>
<td>0.258</td>
<td>0.0177102</td>
<td>Two step</td>
<td>0.105</td>
<td>0.0072076</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>0.637</td>
<td>0.0437262</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elevator</td>
<td>0.045</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>0.2</td>
<td>0.002358</td>
<td>No</td>
<td>0.8</td>
<td>0.009432</td>
<td></td>
</tr>
<tr>
<td>Lane width</td>
<td>0.079</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 m or more</td>
<td>0.105</td>
<td>0.0021733</td>
<td>20-8 m</td>
<td>0.258</td>
<td>0.0053401</td>
<td></td>
</tr>
<tr>
<td>Less than 8 meters</td>
<td>0.637</td>
<td>0.0131846</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material of foundation</td>
<td>0.513</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concrete</td>
<td>0.055</td>
<td>0.0136843</td>
<td>Stone and Concrete</td>
<td>0.118</td>
<td>0.029359</td>
<td></td>
</tr>
<tr>
<td>Limestone</td>
<td>0.262</td>
<td>0.0651869</td>
<td>Other</td>
<td>0.565</td>
<td>0.1405748</td>
<td></td>
</tr>
<tr>
<td>Material of skeleton</td>
<td>0.261</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concrete</td>
<td>0.018</td>
<td>0.0022785</td>
<td>Cement block</td>
<td>0.026</td>
<td>0.0032912</td>
<td></td>
</tr>
<tr>
<td>Steel</td>
<td>0.041</td>
<td>0.005119</td>
<td>Brick and Iron</td>
<td>0.063</td>
<td>0.0079479</td>
<td></td>
</tr>
<tr>
<td>Material of wall</td>
<td>0.129</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conventional bricks</td>
<td>0.086</td>
<td>0.0053806</td>
<td>Grille Brick</td>
<td>0.147</td>
<td>0.0091971</td>
<td></td>
</tr>
<tr>
<td>Stony</td>
<td>0.254</td>
<td>0.0158915</td>
<td>Shingles</td>
<td>0.435</td>
<td>0.0272158</td>
<td></td>
</tr>
<tr>
<td>Material of roof</td>
<td>0.063</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joist Block</td>
<td>0.021</td>
<td>0.0006417</td>
<td>Brick and Iron</td>
<td>0.032</td>
<td>0.0009778</td>
<td></td>
</tr>
<tr>
<td>Ceiling Grid</td>
<td>0.053</td>
<td>0.0016194</td>
<td>Wood</td>
<td>0.146</td>
<td>0.004461</td>
<td></td>
</tr>
<tr>
<td>Wood and mud</td>
<td>0.252</td>
<td>0.0076999</td>
<td>Shingles</td>
<td>0.415</td>
<td>0.0126803</td>
<td></td>
</tr>
<tr>
<td>Gable roof</td>
<td>0.080</td>
<td>0.0024444</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of Building</td>
<td>0.485</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thatch</td>
<td>0.027</td>
<td>0.0004321</td>
<td>Brick</td>
<td>0.044</td>
<td>0.0007042</td>
<td></td>
</tr>
<tr>
<td>Stone and Brick</td>
<td>0.267</td>
<td>0.0042733</td>
<td>Glassy</td>
<td>0.427</td>
<td>0.0068341</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>0.083</td>
<td>0.0013284</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year of building</td>
<td>0.105</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 5 Years</td>
<td>0.031</td>
<td>0.0001302</td>
<td>10-5</td>
<td>0.052</td>
<td>0.0002184</td>
<td></td>
</tr>
<tr>
<td>15-10</td>
<td>0.088</td>
<td>0.0003696</td>
<td>20-15</td>
<td>0.015</td>
<td>0.000630</td>
<td></td>
</tr>
<tr>
<td>50-20</td>
<td>0.254</td>
<td>0.0010668</td>
<td>More than 50 years</td>
<td>0.426</td>
<td>0.0017892</td>
<td></td>
</tr>
<tr>
<td>Quality of Buildings</td>
<td>0.637</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New</td>
<td>0.055</td>
<td>0.0014014</td>
<td>Maintainable</td>
<td>0.118</td>
<td>0.0030066</td>
<td></td>
</tr>
<tr>
<td>Restorative</td>
<td>0.262</td>
<td>0.0006758</td>
<td>Destructive</td>
<td>0.565</td>
<td>0.0143962</td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>0.258</td>
<td></td>
<td>Regular</td>
<td>0.055</td>
<td>0.0005676</td>
<td></td>
</tr>
</tbody>
</table>
After acquiring final weight of each sub-criterion of sub-criteria for administrative units in 5th sector of Isfahan city, the total number of 5th sector offices which is 17 is evaluated by forming 17*17 matrix of each office respect to other offices and study criteria. The weight of each office is obtained. Statistical pages are too much and neglected in this present. Finally, the final scores of each office are shown in Table 2:

<table>
<thead>
<tr>
<th>Safety System</th>
<th>context</th>
<th>Erratic</th>
<th>0.118</th>
<th>0.0012178</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating system</td>
<td>0.118</td>
<td>Central Heating</td>
<td>0.055</td>
<td>0.00090211</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Package</td>
<td>0.118</td>
<td>0.00193544</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Heater</td>
<td>0.262</td>
<td>0.0027038</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
<td>0.565</td>
<td>0.0058308</td>
</tr>
<tr>
<td>Cooling system</td>
<td>0.055</td>
<td>Central Cooling</td>
<td>0.024</td>
<td>0.0001835</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cooling package</td>
<td>0.04</td>
<td>0.0003058</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Water Cooler</td>
<td>0.074</td>
<td>0.0005657</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Air Conditioning</td>
<td>0.14</td>
<td>0.0010703</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fan</td>
<td>0.259</td>
<td>0.0019801</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
<td>0.462</td>
<td>0.003532</td>
</tr>
<tr>
<td>Fire Fighting System</td>
<td>0.262</td>
<td>Automatic geysers</td>
<td>0.105</td>
<td>0.0038239</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fire Extinguisher</td>
<td>0.258</td>
<td>0.0093958</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
<td>0.637</td>
<td>0.0231983</td>
</tr>
</tbody>
</table>

Source: authors' calculation

Obtained results show that registry office, industry and mining organization with weights of 0.083 and 0.077 have the most vulnerability and fire fighting department and gas office with weights of 0.033 and 0.04 have the lowest vulnerability among evaluated offices.

Table 2 - final scores of 5th sector offices in Isfahan.

<table>
<thead>
<tr>
<th>Office Name</th>
<th>Total scores</th>
<th>Office Name</th>
<th>Total scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecommunications</td>
<td>.052</td>
<td>Economy and Finance issues</td>
<td>.062</td>
</tr>
<tr>
<td>Municipality building 1</td>
<td>.064</td>
<td>Housing Foundation of Islamic Revolution</td>
<td>.076</td>
</tr>
<tr>
<td>Municipality building 2</td>
<td>.047</td>
<td>Blood Donation Center</td>
<td>.071</td>
</tr>
<tr>
<td>Municipality building 3</td>
<td>.049</td>
<td>Social Security Organization</td>
<td>.051</td>
</tr>
<tr>
<td>Water and Wastewater</td>
<td>.049</td>
<td>People record Office</td>
<td>.069</td>
</tr>
<tr>
<td>Gas department</td>
<td>.04</td>
<td>Registry office</td>
<td>.083</td>
</tr>
<tr>
<td>General Governor</td>
<td>.054</td>
<td>Electricity issues</td>
<td>.052</td>
</tr>
<tr>
<td>Education</td>
<td>.072</td>
<td>Fire fighting</td>
<td>.033</td>
</tr>
<tr>
<td>Industry and mining Organization</td>
<td>.077</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors' calculations
4. Conclusion

Iran is one of top ten phenomenal countries of the world. Therefore, attention to urban security and safety against natural disasters occupied the human mind from long time ago. Crisis management is a dynamic process and evaluated actions which is executed on crisis and after crisis times. Administrative units have an fundamental role as one of essential buildings in urban mobility and dynamicity. This research is conducted according to importance of crisis management knowledge and its emphasis on administrative units of 5th sector of Isfahan city about evaluating vulnerability of these buildings in crisis times. We followed analysis of present condition of administrative buildings of 5th sector and anticipating future condition in different parts needs update and precise statistical information and data. Therefore, we gathered update data from administrative user levels of 5th sector in Isfahan city using questionnaire and field concepts. Measures are evaluated and weighted using Sa'ati method. Results show that registry office with weight of 0.83, industry and mining organization with weight of 0.77 have the most vulnerability and fire fighting office with weight of 0.33 and gas department with weight of 0.04 have the lowest vulnerability among evaluated administrative departments.

- Recommendations
  - creating emergency doors and escape stairs for critical times
  - observing architecture and urbanization principles and building regulations in constructions
  - modernization and reformation plans for administrative buildings would be conducted
  - minimizing referrals through cyber space
References
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Application of Analytical Hierarchy Process (AHP) to Rank the Selected Branches of Sina Bank from the Perspective of E-Banking

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Abstract

Growth and development of using the Internet in the world banking industry, and also in our country, has a significant importance. On the other hand, ranking he branches of banks is also considered one of the major issues for decision making and improving the performance of these units. The purpose of this paper is to rank the selected branches of Sina Bank in Isfahan Province. So, first, a comprehensive identification of indicators to measure the quality of e-banking services has been discussed. And then by using AHP multi-criteria decision-making method has been used to rank selected branches of Sina Bank from the perspective of e-banking. The population of this study consists of the academic experts as well as banking experts in Sina Bank. After distributing and collecting questionnaires, a number of indicators of research has not been approved by the binomial test and were excluded. Finally, the indicators were grouped into five main dimensions.

Key words: Service Quality, Electronic banking Service Quality, multi-criteria decision-making methods, electronic service quality models, AHP

1. Introduction

One of the important parts of each country's economy is the banking sector whose rational and proper management can cause proper implementation of monetary policy as well as social welfare. Banks do their activities at the community level through physical branches. Therefore, proper and rational management of the branches of banks should be addressed.

On the other hand, with the dramatic expansion of information technology and its widespread applications, increasing dependence of organizations on information technology and the increasing complexity of technologies used in organizations, managing these technologies and related services is more difficult; therefore, through the development of IT-based services of banks, including electronic banking services, needing ways to assess the quality of these services is increasing in organizations (Lindgren and Jansson 2013) . In the area of electronic banking service, due to rapid changes in the technology used as well as the increasing expectations of customers and the tendency of commercial competitors to gain a competitive advantage in this area, this study tries to identify comprehensive and complete index and measure dimensions of the quality of e-banking services according to their ranking models presented in literature and selected branches of Sina Bank in Isfahan province through using AHP method.

2. Literature Review

2-1- Electronic service quality and Service quality in Electronic Banking

When it is said that something is being offered electronically, typically, it refers to something that is controlled and produced by a computer or other electronic means. Herein, computers and other electronic gadgets are regarded as Information Technology (wikipedia) . There are various definitions of e-services:

Zithamel believes that e-service is web service delivered via the Internet. In the e-service, customers communicate with service providers through technology, such as Web sites (Santos 2003). The concept of e-service refers to the application and utilization of information and
communication technologies in the different regions. Electronic service quality can be defined as an overall judgment and evaluation of consumers (clients) on the excellence and quality of service in the virtual market. Unlike the traditional form of services, in electronic services, customer evaluation of service quality is not based on careful evaluation of all sub-processes, but he probably judges only by seeing a site or a general result (Parasuraman, Zeithaml et al. 2005). According to the trend of using e-banking services, because of its unique characteristics and the presence of bank, to transfer funds, electronic banking is regarded as an integral part of e-commerce and has an essential role in implementation, requiring electronic banking service quality measurement of branches therefore increases towards increasing productivity (Webb and Webb 2004).

2-2 - Electronic service quality measurement models

To measure electronic service quality, there are various models. Some of them are presented in Table (1).

<table>
<thead>
<tr>
<th>Model</th>
<th>Model Indicators</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-ServQual Model</td>
<td>1 – Efficiency, 2. Performance, 3 - System availability, 4-Privacy</td>
<td>(Parasuraman, Zeithaml et al. 2005)</td>
</tr>
<tr>
<td>SiteQual Model</td>
<td>1 - Focus on Information (access Quality, quality of content, quality of representation, the inherent quality) 2 - Focus on processes (Reliability, responsiveness, assurance, empathy, tangibles)</td>
<td>(Webb and Webb 2004)</td>
</tr>
<tr>
<td>Web Kowal model</td>
<td>1 - Data Quality, 2-Response time, 3 – performance assurance in accordance with duty, 4 - Ease of Understanding, 5 – attraction, 6 - Relative Advantage</td>
<td>(Eleanor T. Loiacono 2005)</td>
</tr>
<tr>
<td>Pirqual Model</td>
<td>1 - Web Storage 2 - Description of Product Features 3 - Ownership Conditions, 4 - Delivery of Goods, 5 - Customer Service, 6 - Security</td>
<td>(Francis and White 2002)</td>
</tr>
<tr>
<td>E-SelfQual Model</td>
<td>1- service realization, 2-Customer service, 3- Ease of Services, 4-perceived control</td>
<td>(Ding, Hu et al. 2011)</td>
</tr>
<tr>
<td>Davidson and Copper's models</td>
<td>1 - Meter website Requirements, 2 - Management's beliefs about customer requirements, 3 - Web designing and implementing</td>
<td>(Robyn and Cooper 2005)</td>
</tr>
<tr>
<td>E-Qual Model</td>
<td>At E-Qual, five factors of usability, design, data, reliance, and empathy are effective which are combined in three factors of usability, data quality, and service interaction. Usability includes “usability and design”; data quality includes “data”; and service interaction includes: “reliance and empathy”.</td>
<td>(Barnes and Vidgen 2005)</td>
</tr>
</tbody>
</table>
2-3- Extracted measures from literature to rank Sina Bank Branches

After investigating a comprehensive spectrum of articles and research sources related to electronic service literature, the quality of e-banking services and their assessments, a complete collection of index and factors has been compiled which can be used for the assessment of e-banking service quality and as such. These results have been presented in Table (2). The extracted parameters are classified into 5 groups of "providing information and services quality and security," "designing and implementing e-services", "system performance and responsiveness," "customer, and customer orientation" and "using web 2.0 Tools".

Table 2: Indices derived from studies

<table>
<thead>
<tr>
<th>Assessment Index</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>Easy, comfortable, and rapid access to website and easy and rapid usage.</td>
<td>(Wachter 2002, Zeithaml, Parasuraman et al. 2002, Parasuraman, Zeithaml et al. 2005)</td>
</tr>
<tr>
<td>Performance</td>
<td>To what extent does the expectations of customers about delivering the orders and accessing to items are met.</td>
<td></td>
</tr>
<tr>
<td>Accessibility of system</td>
<td>“System accessibility” dimension means website, technically, has correct performance in E-ServQual model.</td>
<td></td>
</tr>
<tr>
<td>privacy</td>
<td>Website security degree and protecting customers’ information.</td>
<td></td>
</tr>
<tr>
<td>Meter website requirements</td>
<td>Customers’ requirements in Website</td>
<td></td>
</tr>
<tr>
<td>The believes of management about customer requirements</td>
<td>How much is the management aware of the needs of customers on the website.</td>
<td>(Robyn and Cooper 2005)</td>
</tr>
<tr>
<td>Designing and Implementing Web</td>
<td>Suitable website structure according to customers’ requirements</td>
<td></td>
</tr>
<tr>
<td>Assessment Index</td>
<td>Description</td>
<td>Source</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Quality of information</td>
<td>Accuracy, being up to date, and fitting of provided information</td>
<td>(Hoffman, Novak et al. 1995, Bauer and Scharl 1999, Eleanor T. Loiacono 2005)</td>
</tr>
<tr>
<td>Performance in accordance with duty</td>
<td>The amount of Members’ believes of satisfying information needed by site.</td>
<td></td>
</tr>
<tr>
<td>Good communication confidence</td>
<td>Communication in case of satisfying the needs of the users</td>
<td></td>
</tr>
<tr>
<td>Response time</td>
<td>Response time after an application or interacting with the site</td>
<td></td>
</tr>
<tr>
<td>Ease of understanding</td>
<td>Ease of reading and understanding the contents in the web.</td>
<td></td>
</tr>
<tr>
<td>Internal performance</td>
<td>Ease of operation and guidance</td>
<td></td>
</tr>
<tr>
<td>Visual attraction</td>
<td>Beauties of website</td>
<td></td>
</tr>
<tr>
<td>Creativity</td>
<td>Innovation and uniqueness of the website</td>
<td></td>
</tr>
<tr>
<td>Emotional appeal</td>
<td>Emotional effects of the application of website and emotional complexity of it</td>
<td></td>
</tr>
<tr>
<td>Homogeneous image</td>
<td>Lack of contradiction in users by site through the use of disparate images or images documented by other media</td>
<td></td>
</tr>
<tr>
<td>Relative advantage</td>
<td>Having an equal or superior value are the other ways of interacting with organization</td>
<td></td>
</tr>
<tr>
<td>Fulfillment of services</td>
<td>The customer gets what he ordered; customer’s orders, as promised, will be provided to him; final price reflects the true value of a product or a service; service or product is provided to the customer as it was displayed on the website.</td>
<td>(Ding, Hu et al. 2011)</td>
</tr>
<tr>
<td>Customer service</td>
<td>Customer service is responsive to their needs; accessing to customer service is easy; customer service shows a sincere interest of organization in solving the problems.</td>
<td></td>
</tr>
<tr>
<td>Ease of Services</td>
<td>Registration comfort, convenience in order updates, ease of changing the order of items in the cart.</td>
<td>(Wolfinbarger and Gilly 2003)</td>
</tr>
<tr>
<td>Perceived control</td>
<td>The customer knows what to expect in the buying process; the client knows how much time is needed to complete the transaction; the customer knows what information is provided on every page.</td>
<td></td>
</tr>
<tr>
<td>Web Design</td>
<td>Web design involves all the components of consumer experience in website (except for)</td>
<td></td>
</tr>
</tbody>
</table>
### Assessment Index

<table>
<thead>
<tr>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>customer service, including seeking different paths to find the desired data, information related to search, order processing, appropriate customizing and product selection</td>
<td>(Parasuraman, Zeithaml et al. 2005, Akinci, Atilgan-Inan et al. 2010)</td>
</tr>
<tr>
<td>The degree that sites compensates customers’ problems.</td>
<td></td>
</tr>
<tr>
<td>Availability and guiding customers through telephone or online representatives</td>
<td></td>
</tr>
<tr>
<td>Being prompt in responding to requests, availability of services, availability of alternative channels of communication</td>
<td></td>
</tr>
<tr>
<td>Personalizing services, enjoying the website while watching, the thrill of online shopping, entertainment provided by the website.</td>
<td>(Bauer, Falk et al. 2006)</td>
</tr>
<tr>
<td>Encouraging the Internet users to perform electronic transactions</td>
<td>(wikipedia)</td>
</tr>
<tr>
<td>1 - Site Summary (RSS), 2- Blog, 3 -Social Networks, 4- widget, 5 – Wiki, 6 – Mshop, 7 - Consulting Services</td>
<td>(Buigues-García and Giménez-Chornet 2012)</td>
</tr>
</tbody>
</table>

### 2.4- Checking the accuracy of the extracted parameters and grouping criteria

To verify the accuracy of the extracted parameters of investigation presented in Table (2), a questionnaire related to indexes formulated and given to 10 academic experts in the field of electronic banking services and related fields. 5 item Likert questionnaire spectrum (strongly agree, agree, no opinion, disagree, strongly disagree) was used. To continue, to verify the accuracy of e-banking service quality indicators’ measuring, the binomial test is used. The binominal test results of a number of extracted criteria were not confirmed. The results of the confirmed indicators, along with the grouped criteria in 5 main dimensions, are shown in Table (3).

#### Table 3: Approved Indicators in the form of five main dimensions of research

<table>
<thead>
<tr>
<th>Assessment dimension</th>
<th>Assessment Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality and security of information and services</td>
<td>Quality of information</td>
</tr>
<tr>
<td></td>
<td>Ease of understanding</td>
</tr>
<tr>
<td></td>
<td>Quality and convenience of services</td>
</tr>
<tr>
<td></td>
<td>Privacy and confidence</td>
</tr>
<tr>
<td>Designing and implementing e-services</td>
<td>Web Design</td>
</tr>
<tr>
<td></td>
<td>Contact Us</td>
</tr>
<tr>
<td></td>
<td>electronic service Attractions</td>
</tr>
<tr>
<td>Efficiency and system response</td>
<td>Accessibility of System</td>
</tr>
<tr>
<td></td>
<td>Performance</td>
</tr>
<tr>
<td></td>
<td>Accountability</td>
</tr>
</tbody>
</table>
Assessment dimension | Assessment Index
--- | ---
 | Performance and system response time
 | Customer service
 | Fulfillment of services
 | Management beliefs about customer requirements
Using web 2.0 tools | Site Summary (RSS)
- RSS is a simple way to keep users updated about news and essential information needed for users.

 | Widget
- Widget is a small application that can be installed on the user’s desktop or mobile device (for example to show user’s account, account balance, etc).

 | Wiki
- Wiki is a set of web content so that users are allowed to modify web content or create new content.

 | Mshop
- Mshop is a web application that uses data from various external sources using feeds and shows a collation of them in different designs.

3 - A conceptual model for research
In this paper, a hierarchical model is used to develop the model.
In this research, developing a hierarchical model for ranking various bank branches of Sina from the perspective of e-banking is done at three levels. Therefore, hierarchical criteria and options are presented as follows:

**Objective:** Ranking Sina selected branches of banks from the perspective of e-banking

**Criteria:** include 5 electronic banking service quality measurement (efficiency and system responsiveness, quality and safety of provided data and services, customer and customer-orientation, designing and implementing e-services, web 2.0 tools recruitment)

**Options:** include five selected branches of Sina Bank in Isfahan province

Hierarchical structure diagram to rank the selected Branches of Sina Banks from the perspective of e-banking is shown in Figure 1.
4 - Research Methodology

Regarding objectives, this study is an applied research.

**Population and sample** in this study consisted of 62 staff of Sina Bank experts in Isfahan province. Data collection tool for this study is a questionnaire. A questionnaire is to determine the significance of electronic banking service quality measurements that have been distributed among academic experts and academic experts have confirmed the validity of the first questionnaire and second questionnaire is to prioritize and determine the index measures using AHP analysis which is among the experts of different branches of the Sina Bank.

The first population has consisted of 11 academic experts in which 90% of academic experts have doctorate degrees and 10 percent master's degree. It should be noted that the major of all the experts was Information Technology. The second population of the research was 140 experts of Sian Bank.

Cronbach’s alpha coefficient was used to assess the reliability of the questionnaire whose value is 0.85, and the value shows that the ideas of academic experts indicate the reliability since the amount of this index is 0.7. To assess the reliability of the second questionnaire, the rate matrix compatibility was controlled through EXPERT CHOICE software whose result was compatibility of all matrices. The rate of combined compatibility Matrix is 0.09 which indicates that the comments of respondents to the questionnaire have good reliability since the compliance rate is less than 0.1.

**Data analysis** was done using EXPERT CHOICE software to prioritize the selected branches of Sina Bank from the perspective of e-banking.
5 - Analysis of Results

In this part of the statistical analysis, the distribution of samples in terms of variables such as sex, education level in Sina Bank branches is examined. In this study, 62 questionnaires were evaluated in which 78 percent of respondents were men and 22 percent women. 8.7 percent of respondents were high school graduates, 13.3 percent have a graduate degree, 64 percent have a bachelor's degree, 13 percent have a postgraduate degree and 1 percent doctoral degree that is observed in Table 4.

<table>
<thead>
<tr>
<th>Table 4. Demographic characteristics of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>Men</td>
</tr>
<tr>
<td>Diploma</td>
</tr>
<tr>
<td>Bachelor</td>
</tr>
<tr>
<td>PhD</td>
</tr>
<tr>
<td>78</td>
</tr>
<tr>
<td>8.7</td>
</tr>
<tr>
<td>64</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

To determine the weight of criteria, they are compared in two paired comparisons. Also, the sum of the weights of all sub-factors should be 1. Calculations are done through expert choice software. The weight of each criteria and sub-criteria is shown in Table 5. 7. Also, consistency ratio is shown in the tables that are used for comparison validation and if it is above 0.1, they should be compared again.

In each of the following tables, the relative weight of each criterion and options in AHP is displayed:

5.1 Significance of the index criteria

<table>
<thead>
<tr>
<th>Table 5: The relative weights of the criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria</td>
</tr>
<tr>
<td>Efficiency and system response</td>
</tr>
<tr>
<td>Quality and security of information and services</td>
</tr>
<tr>
<td>Customer and customer-orientation</td>
</tr>
<tr>
<td>Designing and implementing e-services</td>
</tr>
<tr>
<td>Using web 2.0 tools</td>
</tr>
</tbody>
</table>

In Table 5, the relative weight of each dimension of e-banking service quality measurement has been obtained. Paying attention to the ranking, the system response and efficiency dimension by a factor of 0.345 was the first priority. Likewise, the quality and security of provided information and services by a factor of 0.276, the customer and the customer-orientation dimension with a factor of 0.169, the design and implementation of electronic services by a factor of 0.121, and using web 2.0 tools by a factor of 0.890 are in the second to fifth priority groups.

5.2. Determining importance factor of options according to criteria

After determining the importance coefficients of factors, the coefficient of the options against the criteria should be determined. Paired comparisons associated with this part are entered into the software and the final weigh matrix is obtained which can be seen in Table 6.
Table (6): vector of special values (final weight) of the five selected branches according to the criteria

<table>
<thead>
<tr>
<th>Options Criteria</th>
<th>Branch E</th>
<th>Branch D</th>
<th>Branch C</th>
<th>Branch B</th>
<th>Branch A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency and system response</td>
<td>0.392</td>
<td>0.121</td>
<td>0.287</td>
<td>0.143</td>
<td>0.057</td>
</tr>
<tr>
<td>Quality and security of information and services</td>
<td>0.187</td>
<td>0.211</td>
<td>0.281</td>
<td>0.102</td>
<td>0.219</td>
</tr>
<tr>
<td>Customer and customer-orientation</td>
<td>0.091</td>
<td>0.142</td>
<td>0.288</td>
<td>0.301</td>
<td>0.178</td>
</tr>
<tr>
<td>Designing and implementing e-services</td>
<td>0.121</td>
<td>0.377</td>
<td>0.301</td>
<td>0.151</td>
<td>0.500</td>
</tr>
<tr>
<td>Using web 2.0 tools</td>
<td>0.272</td>
<td>0.131</td>
<td>0.392</td>
<td>0.081</td>
<td>0.124</td>
</tr>
</tbody>
</table>

According to Table 6, in efficiency and responsiveness of the system, branch E has the most important factor with coefficient equal to 0.382, in the quality and security of information and services, branch C has higher important with coefficient equal to 0.281; about customer and customer-orientation, branch B has the most significant importance with 0.382 coefficient; in the design and implementation of e-services, branch D is the most important one with coefficient equal to 0.382; finally, in applying web 2.0 tools, branch B is the most important one with coefficient equal to 0.392.

6. Determining score or final priority of options

Up to this point, the study of the importance factors associated with objective and the coefficient criteria associated with options were done. In this stage, the results of previous steps are combined, and the final importance factor of options to the main goal is achieved. To do this, Professor Sa’atti’s AHP principle is used which leads to a priority vector of with regard to all arbitrations at all three levels of the hierarchy. For this purpose, the final weight vector of the sub-factors in options’ couple comparison matrix of final weights based on the criteria is multiplied based on factors so that the weighted score is obtained. The sum of the weighted scores for each option is the final score to prioritize all the options. The calculation is shown in Table 7.

Table 7: Final results obtained from five selected branches of Sina Bank using Analytical Hierarchy Process

<table>
<thead>
<tr>
<th>Objective: Ranking the selected branches of Sina Bank</th>
<th>Inconsistency rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch A</td>
<td>0.050</td>
</tr>
<tr>
<td>Branch B</td>
<td>0.273</td>
</tr>
<tr>
<td>Branch C</td>
<td>0.143</td>
</tr>
<tr>
<td>Branch D</td>
<td>0.205</td>
</tr>
<tr>
<td>Branch E</td>
<td>0.329</td>
</tr>
<tr>
<td></td>
<td>0.08</td>
</tr>
</tbody>
</table>
According to Table 7, ultimate weighs of branches with respect to the overall goal is achieved. According to Table 10, the branch E has the highest weight and is in the first place and branches B, D, C, and A are in the second to fifth respectively.

8 – Conclusion
As noted, by the development of IT-based services of banks, including electronic banking services, the need for methods to assess the quality of such services in organizations, particularly banks, increases. Then, identifying key dimensions in electronic banking service quality assessment and ranking economic sectors, especially bank branches, is one of the essential things in this area. In this study, electronic banking service quality measurement indicators are extracted from different resources and documents, and, then, using binomial test, a number these indicators are extracted from the original model and the remaining indicators were categorized in five major dimensions. After determining the main dimensions of research, this dimension was rated using AHP method in which "efficiency and system response" and "quality and safety information and services" are the first priority, and, then, "customer and customer-orientation", "design and implementation of electronic services", and "using web 2.0 tools" are the next priorities. Finally, employing the AHP method, a ranking of the selected branches of Sina Bank was provided.
References


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Abstract

This research paper evaluates the postmodernism in Disney World with special regard to Michel Foucault’s postmodern theory of spaces of ideology and heterotopias. Disney visual text is the definitive display case for postmodern age and society. The gigantic fame of The Disney Corporation in the United States has directed it to develop into the essential transmitter of knowledge about distinctiveness in all over the world, as a result participating in people’s shaping of ideas about the world. In perplexing what Disney educate peoples about truth and reality; this paper investigates Disney visual text which refers to the Walt Disney Company with its wide range of products in the form of feature films, home videos, CDs, television programs, theme parks, toy stores, and hotels etc. The ideology of these texts invite readers into a space of permanent festivity, where is full of celebratory procession and trainers of fireworks, with theatrical performers and everlasting welcome for excitement. Foucault proposes that these ideological considerations and consequences inspect the ideological prospective of the diegetic space that Disney produces.

Key Words: Heterotopia; Visual Text; Disney Corporation; ideology; Consumerism

1. Introduction

This paper looks into the bond between spaces of ideology and heterotopias and practice of using discourse and knowledge as power in postmodern literature. Specifically it suggests some relation between spaces and places. And more specifically it investigates what are the meanings of these spaces and places in Disney visual texts.

The global corporations have conquered the contemporary life and consequently these have affected the spare and relaxed time of society. Thus these have altered the modes of consumption and the function consumption takes in the life of the entity (Ritzer1998). This has shown that in leisure, consumption has become increasingly significant. Disney Corporation is one of the most renowned and recognized example of current consumer culture and presents the success of it. Across the whole world, Disney merchandise in the form of visual text is perhaps one of the best-known and most trendy features, which emphasizes the dominant influence of Disney Corporation on overall culture. The capability of Disney to visualize each and every element might be the cause for his grand authority on basically everything that got shaped by it. Manipulation and manifestation of visual text in entertainment and amusement media is very
much perceptible. Thus visual text performs an integral role in the penetration of desired ideologies.

2. Previous Research

There are various bodies of research and literature that address the ways in which power and discourse affects culture, and both the reality and representations of ideology in the Disney.

According to Strinati (2005), “postmodernists believe that there is no absolute knowledge or universal truth and thus reject the assertion of any valid theory or social practice” (p. 209). In addition to that Strinati states, postmodernists produce a “constructed and fabricated ideology” (p.206). According to Baudrillard, “the America and All of the Los Angeles that surrounds Disneyland are not real at all, but actually it is hyper real order that is created through simulation” (Baudrillard, 1994, p.12).

Elite class use diverse ways to exhibit their supremacy and one of these is through the establishment of dominancy through power and control over visual and animated media which enable them to utilise knowledge and discourse for their own will. And they use “this instrument for the creation and distribution of constructed and mediated messages and popularize their own culture, philosophy and morality” (Boggs, 1976, p. 39). According to Sun,

Different ideologies are embedded in visual images and descriptions, and these are how we mediate about the world, system of beliefs, creation of truth and all these we perceive through our philosophy of authenticity from the cultural and social institutions spread around us and definitely the most significant cultural institutions are the visual media. It gives us a diverse range of images, metaphors and similes about belief systems of race, class gender and stereotypes (Sun, 2001). Disney visual text has dominant ideologies and hegemonic practices that is why it can be analysed and scrutinized for the traditions and messages it carries on. It gives us perceptiveness on the multitude of topics and groups.

The concept of Heterotopias can also be proved by the concepts of Umberto Eco’s (1986). Fjellman points out that “Commodities play a vital role and devoid of commodities, there are no lovers no friends” (Fjellman, 1992, p. 304). About Disneyland he mentions,

There is no link between reality and the images contrived in Disneyland. There is an action and reaction among pre-modern, modern and post-modern discourses. The pre-modern discourse emphasized upon the practical use of the value of
merchandise, modern discourse stressed upon the monetary value of merchandise and the postmodern discourse confuses the association among “subject” and “object” that is “sign” and “signified” (p.280).


3. Statement of the Problem
According to Foucault there are ideological Spaces in Disney visual text that blur the dichotomy of utopia/heterotopias and thus invite readers to escape the fallen state of society and the self and create idealized visions of western consumerism.

4. Research Question
By studying the messages that lie inside the visual text of Disney, this paper answers the following question:

- How Disney visual text is post-modernist heterotopias of happy consumerism, a pre-emptive heterotopia of deviation, both of illusion and compensation?

5. Objectives of the Research
The objectives of this research paper are:

- To identify and analyze the significance of spaces and places in Disney using postmodern literary theory
- To determine the places and spaces in Disney visual texts that create heterotopias of consumerism with special reference to Foucault
- To explore how Disney corporation shows multiple hidden realities
- To investigate the ideology presented by Disney in visual texts.

6. Significance of the Research
This paper purposes that heterotopias are significant and show how these heterotopias travel in spaces of ideology. By placing myself at the third space of Bhabha (1994), ‘a small non time space in the very heart of time’, I feel this paper contributes to the raised awareness regarding complexities and significance of places and spaces in postmodern literature.

7. Research Methodology
This research paper falls in the category of qualitative inquiry and analysis. Therefore, researcher would switch to deconstruction methods. A deconstructive discourse analysis is used as a tool to
scrutinize different qualities of the visual text of Disney in society. By discourse, researcher’s means the endless game of dissimilarities in meanings, intervened by means of socially mediated and fabricated hegemonic performances. These mechanisms of the operation of power are consistent with Foucault’s theory of power/knowledge (1980). Bordwell (2008) and Kristin Thompson (2003) long have been championing the use of discourse analysis as the main basis for analysis of “how we make sense of” the visual text, or where the text is seen through the eyes of cultural studies, with researchers looking for structures and ideologies inherent in the text.

The conceptual framework underlying this research paper is Michel Foucault’s theory of other spaces (1967), heterotopias. Foucault’s six principles of Heterotopias have been taken for analysis from an on-line article Foucault, info to fix the idea of consumerism in Disney visual text (http://foucault.info/documents/heteroTopia/foucault.heteroTopia.en.html) and this framework provides a meaningful insight for the research of heterotopias in general and within Foucault’s perspective in particular.

8. Delimitation of the Research
There are many other texts that would also lend themselves to interpret and analyse the meaning of heterotopias in literature. But researcher focuses only on the visual text by Disney Corporation. Researcher delimits this research to different spaces. Major issue is to examine the ‘messages’ that the text might be seen to transmit to the reader.

9. Analysis
This analysis explores the notions of other spaces and heterotopias in an examination of Disney visual text. In doing so the research seeks to unveil the multifaceted nature of Disney visual text and the ways in which they are spatially constructed, organised and embodied under the six principles of Foucault’s heterotopias.

Acknowledging the inter-relationship between Foucault’s heterotopias and Disney visual text, this analysis seeks to answer the following questions: 1) How Disney visual text is post-modernist heterotopias of happy consumerism, a pre-emptive heterotopia of deviation, both of illusion and compensation?

9.1. Analysis of RQ: How Disney visual text is post-modernist heterotopias of happy consumerism, a pre-emptive heterotopia of deviation, both of illusion and compensation?
Disney texts are spectacular and fleeting events that bring together a multitude of different ideas, objects and people from different parts of society in one space. They are the perfect example of a
heterotopic medium as heterotopias are real places that give unity of meaning to a collection of unusual things and discursive statements, creating new symbols to make sense of change in society. Disney visual text is exactly this type of site which represents and inverts Western consumerist society.

9.1.1. First principle: Distinctiveness

The first principle of Heterotopias according to Foucault is that “perhaps, there would be no society and civilization in the world that does not comprise of heterotopias. These are consistent and continuous in all cultures and human groups.” (Foucault, 1967, p. 24)

Disney visual text can be seen as incorporating both types of heterotopias. They exemplify crisis heterotopias as they are places where a society demonstrates its level of development, whether industrial or cultural. For example, Disney is mounted as a means of demonstrating American’s industrial maturity in relation to other nations. Disney visual text can also be viewed as heterotopias of deviation, particularly after the establishment of Disney animation. It is here that the amusement zones become a part of the official texts, which allowed for the displaying of people and artifacts that are deviant and odd. The inclusion of the amusement zone is twofold. On the one hand, it is a means of entertaining visitors, thus generating revenue for the organizers of the Disney. On the other hand, it is a way to demonstrate to the Disneyland visitor what is considered deviant in society, thus emphasizing appropriate social behavior.

One of the most iconic attractions of Disney theme parks is ‘It’s A Small World’. Here visitors embark on small boats to discover a series of rooms filled with animatronic children from ‘every’ nation, religiously repeating the song ‘It’s a small world (after all)’ in their local language. In the World Showcase of EPCOT, a Disney World theme park, pavilions representing many nations also provide a condensed version of the globe to visitors: it’s a small world again. Each pavilion has its own soundtrack and fake façade. What else they have in common is a shop to sell national merchandising, or a restaurant to serve local cuisine. The metanarrative of both ‘It’s A Small World’ and ‘World Showcase’ is that whatever our clothes, traditions and languages, we all share the same fundamental values. Also being asserted is that at every point of history, in every culture and location we look at, free exchange and commerce between people and nations has always been beneficial.
According to Strinati, postmodernist produces a ‘designed ideology’. In Disney visual text all this is performed by means of power. Disney visual text is operated and controlled by its trade of ideologies and thus energy is created for the existence of Disney by those people who engulf it. In this way, reality is constructed and fabricated by the consumption of simulation. Disney sustains power and control inside its culture by means of surveillance. And the clients of Disney are frequently unaware from these ‘designed ideologies’ that is sold by Disney visual text through its merchandise, trade and attractions. As Strinati states that the interpretation of identity has become an important query in the discussion of postmodern theorists. The power produced by Disney machine is similar to the power of entrapment produced by myth. Thus Disney visual text that indicates authenticity is lived.

Disney Corporation has made all this feasible by imitation which amalgamates the facts with the fabrication to that levels where the difference between the two becomes inseparable. To this day, Walt's dream of providing entertainment and temporary escape from the problematic day-to-day horrors are still alive. Audiences young and old can turn on the television, put in a DVD, watch a text online, or even go to the movie theater to catch the latest Disney text in animated form and experience the temporary escape from the “real” world. But there is more depth to animated movies that just a temporary “escape” from one's own reality. Children’s stories, like all texts, also contain implicit messages and these implicit messages are potentially powerfully persuasive because invisible ideological positions are invested with legitimacy through the implications that things are simply ‘so’. And studying these hidden messages exposes the ideological assumptions behind the text, the result of which is that the legitimacy of the ideological position can be held up to scrutiny and resisted or accepted.

9.1.2. Second principle: cultural synchrony

According to the second principle of Heterotopias “…the history of a culture and civilization discloses that existing heterotopias in these cultures and societies work in very diverse manners…” (Foucault, 1967, p. 25)

Heterotopias alters its meaning with the slices of time much in the same manner as a signifier attains a new signified for example the porn-theatres in New York in Times Square. Strinati (2005) clarifies “if the cultural signs and media images of popular civilizations and societies are taking control of in the understanding our perception of truth and reality for us then it makes it a highly problematic to establish a crystal clear difference between the real and
unreal”. Transmission of ideologies and myth are central elements to the plot of every Disney visual text. The range of possible messages within visual text of Disney is bound only by the abilities of the visitors and viewers themselves to create the world they wish to portray which is the actual reality of Disney and it presents these ideologies as facts with the target of passive acceptance from the visitors or viewers. This all is evident through Disney commercialization of goods like action figures, princess dress-up clothing, backpack, lunch boxes, key chains, antenna balls, books, pajamas, video games, Halloween costumes, and animated movies, just to name a few.

Similarly, the functions of Disney visual text but their purpose, as a means of displaying artifacts and ideas about society, has remained the same. These texts has several functions: they are designed to display the successes and benefits of United States, they are instrumental in popularizing the products and methods of mass production, and they create a sense of commonality among the domestic population.

9.1.3. Third principle: A highly regulated microcosm

In his third principle of Heterotopia, Foucault states “…heterotopias have the capability to contrast and compare numerous spaces, numerous sites in a single actual place that are in themselves irreconcilable…” (Foucault, 1967, p. 25)

Disney visual text delivers its metanarrative using Magic. Stephen Fjellman explains in Vinyl Leaves that the ‘magic’ of Disney World is actually a cognitive overload associated with decontextualization. ‘Cognitive overload’ simply means that the readers’ senses are constantly overloaded by stimuli: music, stories, animatronics, cute characters, pretty buildings, rides, simulations and more. The reader is overwhelmed and loses part of his capacity to discriminate information or think. Furthermore, Disney text is an immense patchwork of medieval castles, colonial history, future technologies, dinosaurs, movies, animals and exotic destinations. Each of these elements is presented out of its context, and thus loses a large part of its original meaning and thus has become a real example of decontextualization.

Using this Magic enables Disney to reinvent the world using small bits of reality to construct a story, or even history. The heterotopic story of Disney visual text is one of happy consumerism made real. But, like every heterotopia, it doesn’t happen only through the imagination of its creators, the readers play an active part in the phenomenon. As Fjellman puts it, “We are asked to submit to a wilful suspension of disbelief in the ostensible interest of a
complete entertainment experience.” Every reader knows what to expect from Disney World; a place where everything is calculated to make them enjoy their stay the Disney way. Nothing is random; everything is manufactured so that millions of people can experience the park in the same ‘optimum’ way. As Eco explains,

Magnetism of Disney is accessed and regulated by a web of metal railings which dampen any individual plan. The officials of the each specific attraction are properly dressed in the uniforms suited to them. All this not only admits the visitors to the entrance of the chosen sector, but, in succeeding stages, regulate their every shift and move. If this price is paid by the visitor, he can enjoy not only the genuine happiness, but the profusion of the fabricated facts (Eco, 1986).

Walt Disney visual text mirrors, interprets and deforms the world in a consumerist way. But every heterotopia interprets and distorts, each in its own way, and often influenced by consumerism. Thus it exhibits a world of highly regulated microcosm.

In its microcosm, Disney visual text puts together all the functions that make up a ‘typical’ representation: how Disney has strategically positioned itself as a company whose purpose is not to entertain children rather a company which seeks to present children with a fantasy world filled with characters, and then cash in on those characters. What children fail to realize is that when a new Disney visual text is presented to them they have now been targeted by Disney because they are now viable consumers of a brand new Disney product and will be sought after. These visual texts are merely being used as a vehicle to push through a wide array of products which range from plastic dolls, bed sheets, pajamas, t-shirts, lunch boxes, board games, video games, costumes, shoes, and the list continues on.

9.1.4. Fourth principle: Heterochronies

The fourth principle is “… most often heterotopias are hidden under the layers of time, which means that these open only what is known as, for the sake of symmetry, heterochronies…” (Foucault, 1967, p. 26).

Disney visual texts are events which blend Foucault's heterochronies, just as Disney blends the functions of museums and fairs into one place. Disney visual text in their efforts to present a holistic ideal of society, present to the visitor a review of a nation's history in one place. These are sites where the old confronts the new. A central ideal at Disney visual text is progress, which is presented through the displaying of artifacts and peoples in comparison to older,
historical examples. This is particularly the case with the displaying of people. Here the Disney visitor is presented with a comparison which assisted in understanding the progression of human development from primitive society to the contemporary modern world.

Another way that Disney visual text presents the layering of time in one place is through the entrenchment of previous texts as a narrative of how these are different from the present displays. The layering of time that is used in methods of display at Disney texts is a crucial way that nations could legitimize their own histories and entrench key symbols of ideologies within these histories. Foucault recognizes that heterotopias like museums or libraries connected to an eternity gathering of time. The Disney texts enclose the most distinguished museums tied to Westerns narration and artistic tradition—it is by itself a highly heterotopic place. That’s why it is highly condemned by both urban scholars and urban planners equally and it unfolds the burgeoning quality of heterotopias. Disney text advances its aptness as a heterotopia related to accretion in time, boosts its uniqueness to other urban places, and, by connecting to high civilization ‘purifies’ its qualities as a ‘universal’ place of belonging.

For example the major title song of Disney visual text Aladdin (1992), “Whole New World”, states, “A whole new world, A new fantastic point of view.” Disney is frequently noticed as a spokesman of the United States. It covers the United States, passion with consumerism thereby exhibiting consumerism as the cultural standard. Clearly, Disney visual text is a demonstration of the simulacra that Baudrillard deconstructs. According to Baudrillard, Disney visual text is a wonderful model of all the intertwined orders of simulacra. In addition, he states it is the religious pleasure of the real America that catches the attention of multitude to the text of visual tales. According to him, through its portrayal of the past present and future, as is made apparent through the Pirates, the Frontier and the Future World, Disney visual text ensures success. All this mental handling gives Disney visitors, a hope for America’s brilliant and booming prospect. Therefore, it is exemplified through the lyrics of Aladdin’s “A Whole New World,” it is a world in which “Every moment gets better.”

9.1.5. Fifth principle: openings and closings

In his fifth principle Foucault relates to access to these sites. Foucault argued that “….there is a scheme of opening and closing that heterotopias always presuppose and this scheme of organization both separates them and makes them penetrable…” (Foucault, 1986, p. 26)
For Disney this system of opening and closing acquires diverse shape and structure to ‘purification’ of the place in order to convert it ‘an ideal place of artistic recognition’. Disney visual text is a triumph of mass consumerism. What a visitor gets in exchange for the fee he pays at the park entrance is impressive. He can experience rides that cost millions of dollars to build. He can see parades and shows, be welcomed by cartoon characters, use an armada of exotic public transport, all of this being operated by thousands of employees. After such a brilliant demonstration of mass consumerism in action, how could anyone not believe in all the joy it can bring?

Think for example about Mickey Mouse. Why is he so nice to children? The only reason why Mickey brings so much joy to the children is that he is paid to do so. The experience is only possible because Disney visual text is a closed space with an entrance fee. It appears to be open to all who would like to visit them, yet this access is an illusion. The illusion lies in the fact that the spectator can view the displays but cannot alter what is on display. Access to Disney visual text is not always freely open for all at the same time. In fact, there are specific rules and regulations for visiting the Disney visual text. So it is heterotopias of consumerism and a system of ‘opening’ and ‘closing’ is required so that it can preserve their singularity.

9.1.6. Sixth principle: A relational conclusion

The final principle that Foucault established for his concept of heterotopias “…is that these have a function in connection to all the other spaces that remain……” (Foucault, 1967, p. 26) seems to be the crux of heterotopias.

In reference to the analysis of Disney visual text, the upper relationships exist. Disney visual text represents an extremely synchronized ‘other’ places. By representing an ideal place of belonging it depicts and upsets the outstanding spaces. Disney tales blend these two in that the designers of these events attempt to create a real space which is an articulation of the utopian ideals of different other spaces in society. Disney visual tales seek to display idealized images of society for the spectator. Perhaps the most extreme example of this is found at the Disney Wonder land and the creation of a perfectly designed and controlled idealized environment in theme.

Baudrillard argument “Disneyland is presented as imaginary……” can easily be extended to the rest of the world. How many people can recognise the difference between a medieval and a more recent gothic-revival building, let alone restorations in Europe after the Second World War?
Very little of our environment is original, most of it is a simulacrum of what reality should be, gardens and rural landscapes are what we call ‘nature’, romantic architecture is what we call ‘authenticity’.

The multiple and different visions of society presented within Disney visual texts are given a broad unity through the theme of the event and the design and positioning of the Disney throughout the visual text. The efforts of the organizers to create a narrative for the variety of objects, ideas and people on display provided a consumerist experience of these different things. This sense of consumerism in the experience of participating in Disney leads to the important element of this space as means of communicating new symbols. New symbols emerge as a result of the meshing of the different ideas presented in this one space and the shared, although fleeting; experience of participating in this event leads it to become a central point of reference for a larger segment of the population.

10. Conclusion

This analysis reveals that Disney visual text is heterotopias of consumerism and uncovers the ideological messages embedded within them. It also explains how political, historical and social juncture, compelled Disney to undergo an ideological transitions. Disney visual text and images have become teaching machines and cultural icons, due to their incredible fame and related aggressive advertising campaigns that Americans use in educating the people. Disney characters and merchandise are everywhere, on posters, clothing, bedding, toy store shelves, key chains, cereal boxes, stuffed animals, stickers, billboards, and even on Power Point lectures in university classrooms. Thus representations of Disney organization have become conflated with reality and occupy an important position in the discussion on ideology, particularly due to their communications with people. Disney visual text shatters the old myths about social order and replaces them with new symbols which compete to communicate a new way of making sense of a changing society. The transformation of the medium of the Disney visual text throughout its history demonstrates how this space is influenced and altered by the different processes of social change that merge together within it. This research shows how dominant groups exercise power and use it as a tool for progress in their hands.
References