CHAPTER – 2

REVIEW OF LITERATURE

Introduction

The previous chapter discussed about the research problem, content and coverage of research issues, conceptual discussion on the topic organizational performance, and municipal performance, statement of the problem, and importance of the problem, significance of the problem and research questions. Based on the analysis of the previous chapter, this chapter traces out the literature survey pertaining to the topic of the research. The study of review of literature is an important aspect of any research. It enables one to understand the past trend in research output. It could be noted that many researchers have conducted research studies on organizational performance, measurement of performance, municipal service performance and municipal financial performance. An analysis of such studies enables one to understand the area of research concentration and neglected area of research in particular branches of subject. This helps one to identify the research gap. Here review of literature is classified into two groups viz. Studies on organizational performance and studies on municipal service performance.

Studies on organizational performance

Florian Gyula Laszlo (2013) estimated the impact of different areas of performance in the context of a supply chain on the overall organizational performance. The researcher has adopted a balanced scorecards approach, identifying four areas of performances in the
context of supply chains. Results show that financial, marketing and innovation do have a positive and statistically significant impact on the overall organizational performance.

Almana Naeem, Muhammad Fahad Aslam Khan, Habibullah Orakzai and Dr. Syed Tasweer Hussain Shah (2013) explored impact of organizational performance based on organization culture. The organizational performance depends on changes required for business growth in terms of modifying the company policies and procedure.

Otgontsetseg Erhemjamts, Qian Li and Anand Venkateswaran (2013) conducted a study on organizational corporate social responsibility. The researcher found that the organizational performance depends on research and development and they concluded that the organizational corporate social responsibility depends on organizational investment, objectives and activities.

Chiung-Ju Liang, Ying-Li Lin and Hsiu-Feng Huang (2013) made a study on organizational performance of airport shopping centre. In this study, organizational performance and employees competence the authors identified through factor analysis. The author found that a positive correlation between organizational performance and employees competences.

Ovidiu Iliuta Dobre (2013) conducted a study on organizational effectiveness. The author found that organizational effectiveness depends on motivation of the employees and in turn
motivation depends on empowerment of the employees and recognition of their services.

J. Augusto Felicio, Eduardo Couto and Jorge Caiado (2013) evaluated the organizational performance with reference to utilization of human capital and social capital of the managers. The authors made this study with the sample of 192 small and medium enterprises. The authors concluded that the human capital and social capital have significant influence on organizational performance.

Ali Choudhary, Syed Akhtar and Arshad Zaheer (2013) examine the organizational performance outcomes based on two leadership. In this study the authors made use of a sample of 155 respondents from the profit oriented enterprises in Pakistan. The authors found that transformation leadership has significant influence on organizational performance.

Alexandra Luciana GUßÃ (2013) proposed a conceptual model that links the notions of organizational learning as capability and as a process and organizational performance. According to the author, the value of human capital, the uniqueness of human capital and management of the relationship between the process of organizational learning and performance are mediators in the relationship between the process of organizational learning and organizational performance. The author represented a step in linking organizational learning and performance, by proposing a conceptual model, and it
needs to be completed with further research in order to undertake an integrated measure of organizational learning and performance.

Muhammad Arif Khattak, Nadeem Iqbal and Sajid Rahman Khattak (2013)\(^9\) measured the organizational performance on the basis of employees job involvement in Pakistani organization. The authors collected a sample of 509 respondents through questionnaire method in different companies. The authors found that organizational performance increases in the range of 56 to 94 per cent consequent upon job involvement on the part of the employees.

Cem Canel, Ibrahim Anil and Ihsan Yigit (2013)\(^10\) conducted a study on organizational performance. The authors made use of a sample of 318 companies listed in Istanbul stock exchange market. The authors found that the organizational diversification and performance varies among the companies in Turkey. It is concluded that the diversification strategies have significant influence on organizational performance.

Yasir Majeed, Zulqarnain Khalid, Dr Muhammad Irfan and Dr Muhammad Aslam Khan (2013)\(^11\) conducted a study on organizational performance with reference to knowledge management approach in Pakistan. The authors found that the organizational performance depends on knowledge management, strategies learning and utilization of information technology.

Rai Imtiaz Hussain, Rizwan Tasadaq Shah and Muhammad Hamid Raza (2012)\(^12\) examined the organizational performance of University teachers in Pakistan. The authors found that
organizational performance of teachers depends on incentives. It could be concluded that the higher the incentives, higher the performance and the vice versa.

Ionescu Alexandra, Cojocaru Diana and Caraman Tania (2012) examined the dimensions of organizational performance. The researchers analyzed the existing performance frameworks designed as multi-dimensional models that can be used in performance evaluation. The authors highlighted the importance of a multi-dimensional view on organizational performance, as all factors influencing it must be taken into consideration.

Corina Gavrea, Roxana Stegerean and Liviu Ilies (2012) examined the organizational structure and strategy. The authors reported that they affect the firm performance as per the result of a sample of 92 Romanian firms. The authors conducted the study through questionnaire method of data collection and made analysis relating to organizational performance.

Corina Gavrea, Roxana Stegerean and Anamaria Marin (2012) explored the impact of board characteristics as a corporate governance variable on organizational performance. The authors examined the organizational performance based on analyzing governance strategies of the organization. This study concluded that organizational board size has negative impact on organizational performance.

A.K.M. Mominul Haque Talukder (2011) conducted a study on organizational performance by making use of data collected from
100 respondents with the help of questionnaire method. The authors found that there is significant relationship with respect to staffing, training, participation, performance appraisal and compensation towards organizational performance. This study is suggested that the human resource practices are expected to increase the organizational performance.

Tsung-Hsien Kuo (2011)\(^{17}\) examined the human resource strategies with reference to organizational performance. It is observed from the result of the study that the organizational learning, organizational innovation and knowledge management have significant influence on organizational performance.

Xinyan Wang, Jianqiao Liao, Degen Xia and Tao Chang (2010)\(^{18}\) conducted a study on organizational performance in China. The authors collected data from the 293 employees through questionnaire method. They analyzed the impact of organizational justice on work performance. It is observed from the result of the study that there is a relationship between organizational justice and work performance on the part of the employees.

David Naranjo-Gil (2010)\(^{19}\) conducted a study on organizational performance of Spanish public hospital sector by making experiment of influence of managerial styles and management information system. The author found a positive influence of managerial styles on organizational performance.

Abang Azlan Mohamad, May-Chiun Lo and Maw King La (2009)\(^{20}\) conducted a study on manufacturing companies in Malaysia
with reference to organizational performance. The authors observed that the organizational performance depends on performance appraisal, training and information technology. It is observed that the training and information technology have significant influence on organizational performance.

Manuel A. Ramos Maçães, Minoo Farhangmehr and José Carlos Pinho (2007) conducted a study on 130 Portuguese small and medium enterprises with reference to organizational performance. The authors found that there is a relationship between market orientation and organizational performance.

Shaista E. Khilji and Xiaoyun Wang (2007) conducted a study on 12 organizations in Pakistan by making sample of 508 respondents. The authors found that human resource management practices have significant influence on organizational performance.

Rita Campos e Cunha, Miguel Pina e Cunha, Antonio Jose Morgado and Chris Brewster (2002) conducted a study on organizational performance with reference to human resource management practices in European companies. The authors found that flexible human resource management practices and performance management do have significant influence on organizational performance.

Muhammad Akram Khan (2001) conducted a study on 405 manufacturing firms in Malaysia with reference to organizational performance. The author observed the relationship between organizational performance and total quality management and
product performance. It is observed from the result of the study that the organizational performance and total quality management has association with product quality.

W. A. Thompson, I. Vertinsky, D. Kira and F. W. Scharpf (1982) measured the organizational performance by input effectiveness---number of internal messages required to solve a problem; processing capacity---average waiting time per message; and agency responsiveness---a client satisfaction index combining waiting time for solution and agency response.

García-Morales, V. J., F. J. Lloréns-Montes, et al. (2007) conducted a study on 401 Spanish firms with reference to their organizational performance. The authors observed that types of firms have influence on organizational performance and organizational learning and organizational innovation have good influence on organizational performance.

Studies on Municipal Corporation Performance

Thomas Fullerton and A. G. Walke (2013) conducted a study on demand for municipal bus services in Texas USA. The authors proposed a demand model for municipal bus services based on prize, income and weather on the basis of cross border economic conditions.

Graziano Abrate, et.al., (2011) conducted a study on 500 Italian municipalities with reference to refuse collection technology. The authors found that there is a need of joint management of disposal and recycling of municipal waste.
Christopher Wright and John M. Halstead (2011), conducted a study on municipal services with reference to solid waste management. The authors evaluated the impact of unit-based pricing of household solid waste disposal. A counter-factual model is used to estimate the program effect. The researcher conducted the study on 234 incorporated towns and cities in the state of New Hampshire. As of 2008, 40 towns had adopted a form of unit-based pricing of household solid waste. Results from propensity score matching suggest there is an average annual reduction of 466 pounds of household solid waste due to unit-based pricing.

Sanjay Jayawant Rode (2011) examined the Bombay municipal corporation with reference to infrastructure development. The author noted that the municipal corporation should implement infrastructure development works through public and private partnership system.

Suho Bae (2010), conducted a study on North Carolina municipality in USA with reference to solid waste management. The authors found that there is no significant difference in cost saving between government and non-government agencies in delivery of solid waste management services.

John M. Halstead, Robert D. Mohr and Steven Deller (2010), made a study on 1000 small rural municipalities from Illinois USA with reference to municipal services. The authors found that both for profit contractors and cooperative agreements with the government agencies show negative correlation with population.
Patricia Clarke Annez (2010) examined international experience with mobilizing funding for both capital and recurrent costs for municipal infrastructure with a view to identifying areas where India could improve its system of financing infrastructure in cities. Based on international data, the analysis shows that there is indeed a wide range of models for funding municipal infrastructure across a group even as relatively homogeneous as the European Union. The spending per capita is exceptionally low, even when compared with local governments with few functions. Analysis shows that these subsidies often have perverse distributional effects. Likewise, pricing schemes designed to skew subsidies to low-income households often have unintended distributional effects. Again, evidence from urban India suggests that cost recovery is exceptionally low, not only in absolute terms but relative to the experience of other low and middle-income countries. The author concludes with a discussion of some of the measures that should be considered for improving finances in Indian cities, including and monetization and capital grants systems designed specifically for reaching secondary cities and towns.

Peter Haug (2009) investigated the German municipalities with reference to income generation through local public enterprises. It is observed from the result of the study a higher level income from the public enterprise would increase the per capita expenditure.

Mohammad Shakil Akther, et. al., (2009) conducted a study on Dhaka municipality with reference to waste management,
mosquito control and certification services. The authors observed that the Dhaka municipality has a good performance in providing waste management, mosquito control and certification services. The authors suggested some policy measures towards improving the Dhaka city municipal services.

P K Mohanty, et.al. (2008)\textsuperscript{35}, examined the performance of Urban Local Bodies (ULBs) in India. Using data from 35 Metropolitan Municipal Corporations, the study attempts to analyze the reasons for their differential performance with respect to fiscal parameters and provision of civic amenities.

José Lorenzo and Isabel Sánchez (2007)\textsuperscript{36} conducted a study on Spanish towns with reference to public lighting services. It is found that there is a better performance in provision of public lighting services. The authors suggested some policy measures towards improving the public lighting services.

Juan Camilo Chaparro, et.al. (2004)\textsuperscript{37}, examined the financial performance of Colombian municipalities during the period 1985 – 1999. The authors estimated financial resources, taxation, revenue and expenditure and pattern of spending. It is found that the financial performance of Colombian municipalities during the period 1985 – 1999 is better.

Peter Friedrich, Anita Kaltschütz and Chang Woon Nam (2004)\textsuperscript{38} chosen Four European countries to survey the recent development of local finance: the UK, Germany, Poland and Switzerland. The authors identified and highlighted the similarities
and differences in municipal finance in an international context. Secondly it theoretically examined the possibility of enhancing fiscal autonomy of local governments through increasing revenues from fees. Keywords: fiscal decentralisation, local expenditures and taxes, shared taxes, intergovernmental transfers, municipal borrowings, Poland, the UK, Switzerland, and Germany.

Kenneth Davey (1988) reported that municipal development funds have the basic purposes of channelling more investments in urban infrastructure through municipal governments and of strengthening the capacity of these institutions in the process. They have attracted the support of the international aid donors because they offer a mechanism for which leselling urban investment, i.e. for the provision of aid funds to widely diffused investments, often of a minute scale by donor standards.

Jeffrey Zax (1985) analyzed the impact of municipal employee unionization. It is observed that unionization reduces the employees working hours.

**Conclusion**

It could be seen clearly from the above discussion that many studies have concentrated on it could be noted that many researchers have conducted research studies on organizational performance, measurement of performance, municipal service performance and municipal financial performance. But none of the studies deal with impact of organizational performance of Chennai Municipal Corporation in Tamil Nadu. It is a research gap, in order to fulfil the
research gap; the present study is being undertaken. The next chapter is to present the objectives and Research Methodology of this study. The review of literature and the identified gaps in the literature become the source for determining the objectives and methodology of the study.

End Notes


6 J. Augusto Felicio, Eduardo Couto and Jorge Caiado (2013) “Human capital, social capital and organizational performance: A structural modeling approach” No 1302, CEMAPRE Working Papers from Centre for Applied Mathematics and Economics (CEMAPRE), School of Economics and Management (ISEG), Technical University of Lisbon


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