# Conference Proceedings

## INTERNATIONAL CONFERENCE ON MANAGEMENT, BUSINESS & TECHNOLOGY

### MARCH 12-15, 2017

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# Institute of Business and Management
University of Engineering & Technology, Lahore
Phone: +92-3017608857, +92-4299250403
Email: icmbt@uet.edu.pk
www.icmbt.uet.edu.pk
www.Ibm.uet.edu.pk

# MESSAGE FROM THE FOUNDER OF PAKISTAN

## QUAID-E-AZAM MUHAMMAD ALI JINNAH



"We must earnestly bring out educational policy and program on the lines suited to the genius of our people, consonant with our history and culture, and having regard to the modern conditions and vast developments that have taken place all over the world. There is an immediate and urgent need for training our people in the scientific and technical education in order to build up our future economic life and we should see that our people undertake science, commerce, trade and particularly well-planned industries. We have to compete with the world which is moving very fast in this direction also must emphasize that greater attention should be paid to technical and vocational education. In short, we have to build up the character of our future generations which means highest sense of honor, integrity, selfless service to the nation and sense of responsibility; and we have to see that they are fully qualified or equipped to play their part in various branches of economic life in a manner which will do honor to Pakistan". (November, 1947)

"The Holy Prophet (PBUH) had enjoined his followers to go even to China in the pursuit of knowledge. If that was the commandment in those days when communications were difficult, then, truly, Muslims as the true followers of the glorious heritage of Islam should surely utilize all available opportunities. No sacrifice of time or personal comfort should be regarded too great for the advancement of the cause of education. (January, 1945)

# MESSAGE FROM THE VICE CHANCELLOR



With monumental delight I preconize that Institute of Business and Management (IB&M), University of Engineering and Technology (UET), Lahore is organizing a research conference on multidisciplinary themes in business, management and technology. This conference is an essay to invite both national and international research scholars to present their research work on the platform of our university. In the modern technological epoch, it has become climacteric for the developing nations to upheave their standard of education and tread on the heels of the culture that contains the marrow of research in order to cope with the changes that have sprouted due to globalization. Moreover, technological revolution has grasped the whole world and casting its shadows on the mighty and trifling economies of the world. The contours and dynamics of the business world and management are changing rapidly. Thus, creating a dire need to revamp and vitalize our education system and accelerate the process of the development of the research culture in our country, Pakistan.

The process of learning and achievement of excellence is a legacy of our glorious past. The chronicles of history bear witness to the fact that our predecessors pioneered and made gigantic leaps in various branches of sciences. We, therefore, are custodians of a trust vested in us. The turn of events and transgression from destined path have tilted the scales against us. At this point of time, vision with unflinching faith in our cause should be the guiding principle to turn the wheel and arrest further degradation of our potentials. A big task lies ahead to revive and restore the ascendancy of our predecessors to its rightful place in today's modern world. Let us join hands to carry this noble mission to conclusive end under the banner of UET, Lahore. I wish the conference a roaring success and hope that the institute of business and management would continue to play its dynamic role in shaping the future leaders in all walks of life and will make valuable addition to the existing body of knowledge through their research endeavors

Prof. Dr. Fazal Ahmad Khalid

# MESSAGE FROM DIRECTOR IB&M

I am announcing this with extreme contentment that Institute of Business and Management (IB&M) UET, Lahore has organized an international conference in the field of business, management and technology. In the present era, educational institutions cannot operate in isolation and they have to create a research benchmark and lead the way. Research is vital to become a champion of the today's world. A developing country like Pakistan can show progression if our researchers direct all their endeavors in exploring the new horizons of knowledge. World economies are changing drastically; it's a high time for Pakistan to bring the academia and the industry on the same page which is only possible through the pathways of research. Keeping this in perspective IB&M took a daring step to write national and international fellow researchers to come and share their vitally important ideas and that will help the generations to see the things multi perspective lens.

Prof. Dr. Muhammad Shahid Rafique

# MESSAGE FROM CONFERENCE SECRETARY



In this extremely competitive environment, specifically within the higher education sector, the Institute of Business and Management is well heeled in disseminating a quality education. It is quite pronounced from the vision and mission of the university that it is closely aligned with the recent developments in the fields of business, management and technology. Institute of Business and Management has proved its mettle in the business studies in less than a decade. Therefore, an initiative like this conference serves as a catalyst to achieve and maintain a distinctive position among other universities in the higher education sector. Your attendance here reflects your unfeigned engrossment and commitment to enhance research work. I hope this conference will furnish many opportunities to interact with the people having diverse backgrounds. I hope that will be a congenial and stimulating experience for all of us.

Dr. Muhammad Fiaz

# ABOUT UNIVERSITY OF ENGINEERING & TECHNOLOGY (UET)

University of Engineering and Technology, Lahore (abbreviated as UET Lahore) is a public research university located in Lahore, Punjab, Pakistan specializing in STEM subjects. Founded in 1921 as Maclagan Engineering College, it was named after Edward Douglas MacLagan. In 1932, the school became an affiliated college of the University of Punjab and began offering undergraduate degrees in engineering disciplines. In 1962, the university was granted a charter and renamed as the West Pakistan University of Engineering. In 1972, the university was renamed as UET. It established a second campus in 1975 in Taxila, which in 1998 became an independent university in its own right. The university, as of 2016, has a faculty of 881 people with 257 with doctorates. It has a total of 9,385 undergraduate and 1,708 postgraduate students studying over 32 STEM majors. It has a strong collaboration with University of South Carolina, University of Manchester and the Queen Mary University and has conducted research funded by Huawei, Cavium Networks, Microsoft and MontaVista. It is one of the highest ranked universities in Pakistan, with domestic rankings placing it as the fifth best engineering school in Pakistan, while QS World Rankings putting UET as 701st in the world every year between 2013 and 2016, it is also ranked as 251 in Asia by the same publication in 2016.

## UET's Vision

To generate knowledge for global competitive advantage and become a leading world class research University.

## UET's Mission

To play a leading role as a University of Engineering and Technology in teaching, research, innovation and commercialization that is internationally relevant and has a direct bearing on national industrial, technological and socio-economic development.

# ABOUT

# INSTITUTE OF BUSINESS AND MANAGEMENT (IB&M)

In a rapidly changing business environment, there is a strong demand for management professionals who are equipped to achieve exceptional performance and make informed, knowledgeable and visionary decisions. To meet this demand, the Institute of Business and Management (IB&M) at the University of Engineering and Technology (UET) Lahore has been initiated in line with the university's long tradition of offering innovative, progressive and industry-oriented education. At IB&M, a combination of robust curriculum, self-motivated students, inspiring faculty, high-tech business school premises and a myriad of premium UET student support services would synergize into a an unforgettable and rewarding experience.

# ABOUT CONFERENCE

ICMBT-2017 is being organized by Institute of Business & Management, University of Engineering & Technology Lahore from Mar, 12-15, 2017. ICMBT-2017 aims to provide an international forum for business researchers, entrepreneurs, scientists and engineers to present state of the art research and its applications in management, business and technology to contribute in the society. This conference will provide an opportunity to share ideas, research and innovations on all aspects of Management, Business, Economics, Finance and Technology. ICMBT 2017 features specialized keynote talks, contributed papers, special sessions, poster presentations and workshops.

# CONFERENCE THEMES

## *MANAGEMENT*

- ❖ Business ethics
- ❖ Management in global economy
- ❖ Business intelligence
- ❖ Operations research
- ❖ Business law
- ❖ Organizational communication
- ❖ Business performance management
- ❖ Organizational culture
- ❖ Organizational sciences
- ❖ Change management
- ❖ Performance management
- ❖ Public relations
- ❖ Corporate governance
- ❖ Public sector management
- ❖ Cost management
- ❖ Resource management
- ❖ Service businesses in a global economy
- ❖ E-business
- ❖ Service management
- ❖ E-technology management
- ❖ Strategic management
- ❖ Entrepreneurship
- ❖ Stress management
- ❖ Systems management
- ❖ Human resources management
- ❖ Time management
- ❖ International business
- ❖ Total quality management
- ❖ Leadership
- ❖ Tourism and leisure
- ❖ Global manufacturing and management
- ❖ Small businesses management
- ❖ Supply chain management
- ❖ Global economy and globalization
- ❖ Communications management
- ❖ Product management
- ❖ Consumer behavior

## *MARKETING*

- ❖ Game theory and bargaining theory
- ❖ Marketing research
- ❖ Marketing strategy
- ❖ International marketing and brand management

## *ECONOMICS & FINANCE*

- ❖ Monetary economics
- ❖ Financial economics

- ❖ Culture and ethnicity in economic geography
- ❖ Global financial markets and services
- ❖ Gendering economic geography
- ❖ International economics
- ❖ Consumption and economic geography
- ❖ Finance and economics
- ❖ Law and economics
- ❖ Geography of service economies
- ❖ Public economics and public finance
- ❖ Taxes
- ❖ Management accounting
- ❖ General and international financial markets
- ❖ Financial accounting
- ❖ Balance of payments
- ❖ Islamic finance
- ❖ Financial system incentives
- ❖ International finance
- ❖ Financial sector innovation and development
- ❖ Monetary policy
- ❖ Equity capital markets
- ❖ Financial stability and global imbalances
- ❖ Asset, contingents and future pricing
- ❖ Auditing, budgeting and reporting
- ❖ Prudential policies and credit cycles
- ❖ Capital budgeting
- ❖ IMF, world bank and money supply
- ❖ Investment policies

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# CONFERENCE TEAM

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# INTERNATIONAL SPEAKERS

## Dr. Robert N. Lussier

Robert N. Lussier is a professor of management at Springfield College, USA. He has been teaching management courses for more than 25 years. As a prolific writer, Dr. Lussier has more than 400 publications to his credit, including Management Fundamentals 7e (Sage), Human Relations 10e (McGraw-Hill), Leadership 6e (South Western/Cengage), and others. He is an author of more than 435 publications. Over one million people globally have used his books. He has been contacted by hundreds of institutions and individuals in more than 75 countries earning him an unsurpassed national and international reputation as an author and keynote speaker.



## Dr. Sarel Gronum

Sarel Gonum is a Lecturer in Entrepreneurship and Innovation at University of Queensland. He has lectured at tertiary level in Australia and South Africa. He has published on innovation, network practices and business model design and has presented at several conferences. He is a member of the Strategic Management Society and acts as reviewer for the Journal of Small Business Management and the Australian Journal of Management. He has worked on a number of large-scale, industry sponsored research projects. His current research is in the area of SME growth and performance, specifically investigating the impacts of innovation, business model design and network activities on SME growth and performance. Previously, as the CEO of a consulting firm, he advised client companies from a wide range of industry sectors and assisted senior management with development and implementation of sustainable growth strategies.



## Dr. Dildar Hussain

He is an associate professor at Rennes School of Business, University of Vienna, with academic expertise in marketing. His areas of command are Brand Management, Franchising Strategy and Business Operations, Marketing Management, Services Marketing Management (Marketing Simulation), Market Entry Decision, International Strategy and Fundamentals of Strategic Management. His research interests are Franchising, Brand Management, Social Media Marketing, Luxury Marketing and Marketing Services.

## Dr. Ghazali Musa

Ghazali Musa is a full professor in the Department of Business Strategy and Policy at the Faculty of Business and Accountancy, University of Malaya. His areas of expertise are Tourism Management. His awards and recognitions are Best Track Chair Award, Global Information Technology Management Association, Certificate of Excellent Service, Um Excellence Award, Naib Canselor, Anugerah Perkhidmatan Cemerlang, University Malaya, and Sijil Perkhidmatan Cemerlang, University Malaya.

## Dr. Arfan Shahzad

He holds Doctor of Business Administration degree from University Utara Malaysia and currently is a Senior Lecturer (Management Information and Business) of the Othman Yeop Abdullah Graduate School of Business at the University Utara Malaysia. His teaching interests are Management Information System, International Business, Decision Making Processes, Cloud Computing, Computer Networking and Security, and Business Intelligence. His research interests are Information System, ERP, Cloud Computing, International Investment, Entrepreneurship and SMEs' Development, Project Management, and Green IT. Currently, he is appointed as a consultant of R &D SerindIT.com on ICT Infrastructure.

# SESSION PROGRAM

| Date | Event | Expected Time |
|------|-------|---------------|
| March 12th, 2017 | Registration | 02:00 pm - 05:00 pm |
| March 13th, 2017 | Audience to be seated in Main Auditorium | 08:00 am - 08:45 am |
| | Inauguration | 09:00 am - 10:30 am |
| | Keynote Speaker I &Plenary Session – I | 10:30 am - 11:05 am |
| | Keynote Speaker II &Plenary Session – II | 11:05 am - 11:30 pm |

**Tea: 11:30 am – 12:00 pm**

| | | |
|------|-------|---------------|
| | **Technical Session I A at IB&M Tower** | 12:05 pm - 01:30 pm |
| | Track 1: Management (Room 01) | |
| | Track 2: Economics and Finance (Room 102) | |
| | Track 3: Marketing (Room 103) | |

**Lunch and Prayer: 01:30 pm - 02:30 pm**

| | | |
|------|-------|---------------|
| | **Technical Session I B at IB&M Tower** | 02:30 pm - 04:00 pm |
| | Track 1: Management (Room 01) | |
| | Track 2: Economics and Finance (Room 102) | |
| | Track 3: Marketing (Room 103) | |
| March 14th, 2017 | Workshop on Partial Least Square Structural Equation Modeling (PSL-SEM) | 09:00 am - 04:00 pm |
| | **at IB&M Computer Lab** | |
| | **Technical Session 2 A at IB&M Tower** | 8:30 am - 10:00 am |
| | Track 1: Management (Room 01) | |
| | Track 2: Economics and Finance (Room 102) | |
| | Track 3: Marketing (Room 103) | |

**Tea Break: 10:00am - 10:30 am**

| | | |
|------|-------|---------------|
| | Panel Discussion | 10:30 am - 12:00 pm |
| | **Technical Session 2 B at IB&M Tower** | 10:30 am -12:00 pm |
| | Track 1: Management (Room 01) | |

Track 2: Economics and Finance (Room 102)

Track 3: Marketing (Room 103)

**Lunch and Prayer: 12:00 pm - 1:00 pm**

| | | |
|---|---|---|
| Technical Session 2 C at IB&M Tower | | 01:30 pm - 02:00 am |

Track 1: Management (Room 01)

Track 2: Economics and Finance (Room 102)

Track 3: Marketing (Room 103)

| | |
|---|---|
| Poster Competition at ground floor IB&M Tower | 02:00 pm - 04:00 pm |
| March 15th, 2017    Technical Session 3 A at IB&M Tower | 08:00 am -10:00 am |

Track 1: Management (Room 01 & 104)

Track 2: Economics and Finance (Room 102)

Track 3: Marketing (Room 103)

**Tea Break: 10:00am - 10:30 am**

| | |
|---|---|
| Plenary Discussion | 10:30 am - 11:30 pm |
| Concluding Session | 11:30 pm - 02:00 pm |

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# ICMBT-2017

# LEVERAGE ECONOMIC AND SOCIAL GAINS THROUGH ENTREPRENEURIAL ORIENTATION OF UNIVERSITIES

**Muhammad Umar[1]**

Research Assistant, Industrial Engineering Department, UET, Taxila

**Mirza Jahanzaib[2]**

Professor, Industrial Engineering Department, UET, Taxila

Corresponding author email: umar.buzdar888@gmail.com

**ABSTRACT**

This paper aims to study the entrepreneurial activities in higher education institutions influencing individuals to establish their own businesses. Hypothetical frame work is developed to link Entrepreneurial Universities (EUs) to Enterprise Formation Process (EFP) and each phase of EFP is unilaterally linked with its succeeding phase. Survey is conducted in a leading public sector university having a Technology Incubation Centre and 24 departments of different academic fields to verify our hypothetical framework. Structural Equation Modeling (SEM) Path Analysis is used to analyze 100 responses out of sample size of 275 mainly due to limitation of Smart PLS Software. Results verify the previous literature that higher educational institutions are being transformed in to entrepreneurial universities up to some extent. The relation linking Internal Motivation (IM) with Opportunity Recognition is less significant in EFP. Class room courses of entrepreneurship, university incubation centers, and spin-off companies of universities are prominent factors according to survey results. This paper presents useful recommendations to the universities and state officials who are monitoring and regulating higher education for gaining social and economic benefits through entrepreneurial activities in universities.

***Keywords:*** *Entrepreneurial University (EU), Enterprise Formation process (EFP), Economic Development, Social Gain, Entrepreneurship, Small Business Execution*

## INTRODUCTION

The goal of economic and social development cannot be achieved by government alone. Each and every section of our society must play its role for this cause to achieve something substantial. The role of academia for economic and social development cannot be undermined. In line with latest literature (Cantaragiu, 2012) entrepreneurial courses and activities within academia are being responsible for commercial linkage between academic institution and external environment. Thus, economic and social benefits are derived from this linkage for external environment i.e. society as well as academia which is the prime actor in this relationship. It is also necessary to investigate the meaning and the origin of the

word 'entrepreneurship' and 'entrepreneur'. According to oxford dictionary entrepreneurship can be defined as "The activity of setting up a business or businesses, taking on financial risks in the hope of profit" (Oxford Dictionary, 2017). This word is originated in early 19$^{th}$ century. It is basically derived from French word "entreprendre" which means "to undertake" and the word "enterprise" is also originated from the same basic word "entreprendre" (Oxford Dictionary, 2017).Entrepreneurial University (EU) is also widely mentioned term in literature such as in this study (Markuerkiaga, Errasti, & Igartua, 2014) it is discussed that EU has the special role of academic entrepreneurship along with conventional duties of education and research. It is further elaborated in above mentioned research study (Markuerkiaga et al., 2014) that teaching staff of EU is committed to deliver economic and social benefits to the surroundings. Small and medium enterprises (SME's) are mainly the result of entrepreneurial endeavors by individuals. State has established fully independent institution named as Small and Medium Enterprise Development Authority (SMEDA) (Small and Medium Enterprise Development Authority Pakistan, 2017) under the Ministry of Industries and Production. Small and Medium Enterprise Development Authority (SMEDA) can join hands with Higher Education Commission (HEC) (Higher Education Commission, Pakistan, 2017) to realize the dream of economic and social development of country through entrepreneurship.

**LITERATURE REVIEW**

Entrepreneurship research has acquired a leading place in terms of productivity with the passage of time. Different shifts and trends are mentioned in a recent review paper (Busenitz, Plummer, Klotz, Shahzad, & Rhoads, 2014) over past two and half decades regarding entrepreneurship research. It is concluded by this research that study of newly created business and initial phase of entrepreneurial life had captured the interest of considerable number of researchers. Entrepreneurial research can be divided into numerous dimensions and one of them is cognitive research on entrepreneurship. It is discussed in the research (Haynie, Shepherd, Mosakowski, & Earley, 2010) how to construct a proper frame work to study dimensions of "entrepreneurial mindset" and its cognitive nature. Whether internal motivation affects graduate's entrepreneurial intentions or not? This question must be addressed in the perspective of Entrepreneurial University. It is mentioned in research by authors (Turabik & Baskan, 2015) that academic activities are positively affected by motivational theories in general. Research findings of (Morgan & Sisak, 2016) construct a model that describes relation between level of motivation or

aspiration and degree of fear of failure among entrepreneurs. Risk is inherent to entrepreneurial carrier and it can be overturned with a high level of motivation. Research work (Rizwan et al., 2013)has specified the stress level in technical students of engineering institutions which can be due to fear of failure.

After studying different dimensions of entrepreneurship research in recent literature it is also crucial to study that what is the meaning of the term entrepreneurship. Latest research work (Lyons, 2016) has admitted that there is not absolute agreement about the right definition of entrepreneurship just because of its diversified nature. However, Author has suggested some common characteristics among entrepreneurs after an extensive literature review. In light of these characteristics, entrepreneurship can be defined as staring your own enterprise in front of all inherent hurdles such as risk of time & resources to attain social and economic milestone or to make yourself financially independent. Sustainable development in universities as suggested by research (Aruba Waqar, 2016) can be the innovation for an entrepreneurial journey. The study (Mary, Ngozi, & Simon, 2015) has been conducted on developed nations with perspective of entrepreneurship being the engine of economic growth. It has been continuously mentioned in the literature such as (Bruton, Ketchen, & Ireland, 2013) that Entrepreneurship can be the remedy to wounds of economic disparity and it will lessen poverty rate as well. Case study on Asian Centre for Entrepreneurship Initiatives (ASCENT) (Shanmugam & Ramakrishna Velamuri, 2008), which is an non-profit organization located in India is discussed by the author in detail. This organization helped to transform deprived life of about 400 families into economically successful one in less than a decade (1998–2006). It can be referred that entrepreneurship is really life changing when it comes to tackle poverty and this case study of poor villagers is evident to this fact. Unemployment has been one of the causes of poverty especially youth unemployment has made the situation more adverse. The paper (Choudhry, Marelli, & Signorelli, 2013) has worked on unemployment rate in general and youth unemployment in specific for last thirty years.

As we can conclude, entrepreneurship is of paramount value for economic and social development, but resources are needed to carry out your internal motivation or to exploit a business opportunity. It is discussed in the study (Ngoasong & Kimbu, 2016) that institution which has provided small loans to tourism industry are proved to be effective for development-led tourism. It is explained in this research (Awogbenle & Iwuamadi, 2010) that vocational training and entrepreneurial Seminars and Training Sessions (STS) has been vital for self-employment and boosting entrepreneurship. This research has reiterated that Business Capital (BC) is one of the decisive factors to work on a startup and it is also discussed in forthcoming literature (Ngoasong & Kimbu, 2016).

The concept of EU aroused from renewed engineering institutions such as Massachusetts Institute of Technology (MIT) and Stanford in US long ago. The exploratory research study (Philpott, Dooley, O'Reilly, & Lupton, 2011) has elaborated that how conventional universities are being transformed into entrepreneurial universities (EUs) within Europe. A separate research (Walter, Auer, & Ritter, 2006) has surveyed about 149 university spin-offs to construct a hierarchical regression model which shows the effect of entrepreneurial orientation on institutional performance. A more recent review paper (Markuerkiaga et al., 2014) has mentioned about external, internal and

strategic factors of EU. Author prefers Structural Equation Modeling SEM) over regression analysis, used by (Walter et al., 2006), which has many limitations. Higher order SEM is also preferred by the research (Lee, Hallak, & Sardeshmukh, 2016) on restaurant performance. Thus, above literature has been testifying that SEM is common as well as preferred analytical technique in majority of researches related to entrepreneurial orientation of institutions. The articles (Munbarka, Yousaf, & Altaf, 2012) and (Ali, Topping, & Tariq, 2010) have evaluated entrepreneurial characteristics  among the students of  a state university in Pakistan.

In research (Mirani & Yusof, 2016), author has classified 16 sub-categories under four major categories of entrepreneurial engagements in universities. Above research was focused on engineering institutions as by the authors (Jahanzaib & Akhtar, 2005) has discussed factors affecting quality of technical education. In line with survey results, entrepreneurship researchers (Mirani & Yusof, 2016) explain that Pakistani universities have been showing some signs of entrepreneurial engagements. But universities are more inclined to soft form of entrepreneurship which consists of STS and Class Room Courses (CRC) of entrepreneurship. There is need to connect different sections of EU with EFP to ensure a right step toward hard side of entrepreneurship i.e. execution of businesses practically.


**RESEARCH METHODOLOGY**

An extensive literature review is carried out regarding diverse aspects of this research work. Literature review is quite systematically divided into special portions to grasp better understanding of different aspects of research under discussion. In line with literature (De Silva, Uyarra, & Oakey, 2012) and (Mirani & Yusof, 2016) , entrepreneurial university (EU) has been divided in to four  major sections namely Class room Courses (CRC), Seminars & Training sessions (STS), University Incubation Centers (UIC) and Spin off companies (SOC). Enterprise formation process (EFP) process, according to literature (Morgan & Sisak, 2016) and (Renko, El Tarabishy, Carsrud, & Brännback, 2015), can be separated into following six phases; Internal Motivation (IM), Opportunity Recognition (OR), Business Model (BM), Business Capital (BC), Business Execution (BE) and Business Growth & Sustainability (BGS).

After identification of above mentioned factors, each factor or section of EU is linked with appropriate phase of EFP through 15 relations. These relations are developed on the basis of extensive literature review, expert opinion and observation of university settings. Each phase in EFP is unilaterally dependent upon succeeding phase. After that that steps of questionnaire development, questionnaire validation through pilot survey, data collection and screening, application of tools & technique and result evaluation are carried out in respective order.Responses are gathered from teachers, students and entrepreneurs working within university.

The specific state university is treated as a case study and it has qualified the requirements of an entrepreneurial university mentioned in literature. After that SEM is used to analyze these responses and subsequent results of SEM path analysis model are discussed in the end. Data collection has been done in a leading and oldest public

university of engineering and technology. This public university is considered as a case study of an EU. Survey was conducted to verify the link between EU and EFP. A research questionnaire is developed with the help of hypothetical frame work to collect data. Total 15 questions were asked to the respondents along with demographic details in this research survey. A short and concise questionnaire of a single page (both sides printed) is developed to ensure a valid response from participators. Total 275 respondents have participated in this survey which is conducted in December 2016. Only 100 samples are randomly selected in due proportion from each category of participants i.e. students, teachers, entrepreneurs. Detail of used sample is given in Demographic Table 1.

**Table 1 : Demographic Characteristics**

| Demographic | Sample Size N=100 | Percentage % |
|---|---|---|
| **Gender** | | |
| Male | *88* | *88* |
| Female | *12* | *12* |
| **Academic Qualification** | | |
| Under Graduate | *68* | *68* |
| Graduate | *18* | *18* |
| Post Graduate | *14* | *14* |
| **Educational Field** | | |
| Engineering & Technology | *93* | *93* |
| Business & Management | *07* | *07* |
| Basic Sciences and Humanities | | |
| **Designation** | | |
| Student | *70* | *70* |
| Teacher | *15* | *15* |
| Entrepreneur | *15* | *15* |
| **Age (in years)** | | |
| 16-25 | 85 | 85 |
| 26-35 | 13 | 13 |
| 36-45 | | |
| 46+ | 02 | 02 |

five point Likert scale is chosen to collect responses of participants about questions asked in questionnaire. These five portions are as follows: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. Survey Participants were required to answer according to the level of their agreement or disagreement with each hypothetical question of the questionnaire.

## TECHNIQUE ANALYSIS

Structural Equation Modeling (SEM) is used as data analysis technique. It is used for several types of data analysis but it can be divided into two major analysis which are confirmatory factor analysis and path analysis. SEM is carried out with help the of various software tools such as Smart-PLS (Partial Least Squares), AMOS (Analysis of Moment Structures), LISERAL (Linear Structural Relationship). As suggested by the research (Hair, Ringle, & Sarstedt, 2011)], Smart-PLS (Partial Least Squares) is more than useful for causal models of analytical research as compared to covariance based SEM (CB-SEM). As hypothetical model discussed in this study is also of causal nature. Hence survey data is analyzed through software tool Smart-PLS in order to verify the hypothetical frame work

## RESULT DISCUSSION

SEM Path analysis model is shown in following Figure 1 which is implemented on Smart-PLS. Partial Least Square (PLS) Algorithm has been run to evaluate parameter estimates of this specific model using Smart PLS. There are usually two type of models which are reflective and formative model. The reflective model is used in this research. In reflective model approach arrows are pointing from latent constructs to indicaters.  It is evident from below Figure 1 and Figure 2 that path coefficient values for paths IM->OR, OR->BM, BM->BC, BC->BE and BE->BGS are respectively 0.348, 0.511, 0.541, 0.691 and 0.566. We know that any path is as significant as its path coefficient value is closer to +1. A path will be statistically insignificant if its value is less than 0.2. According to these general statistical rules, Model in Figure 1 consists of all significant paths with varying level of significance as shown in path Figure 2. Path of the model IM->OR has been proved to be least significant with the value 0.348. It is due to the fact that relation from internal motivation to opportunity recognition is already present among students and faculty members but it does not transform into some substantial entrepreneurial outcome.

The values of path coefficients for 15 relations i.e. STS_IM, CRC_IM, CRC_OR, UIC_OR, CRC_BM, STS_BM, UIC_BM, SOC_BC, UIC_BC, UIC_BE, STS_BE, SOC_BE, CRC_BE, UIC_BGS, SOC_BGS are -0.094, 0.989, 0.676, 0.868, 0.660, 0.402, 0.892, 0.600, 0.879, 0.728, 0.455, 0.674, 0.204, 0.662, 0.822 respectively. The link IM->OR is of low significance due to negative path coefficient -0.094 of indicator STS_IM. This hypothesis STS_IM is highly insignificant due to the ordinary role of seminar and training sessions for imparting internal

motivation because these are rarely conducted with halfhearted approaches especially in government institutions. The most significant path relationship is BC->BE having value 0.691 and it is verifying the results mentioned in a recent research (Ngoasong & Kimbu, 2016) that Business Capital (BC) in form of small loans has positively affected practical Business Execution (BE).

The six most significant indicators are CRC_IM, UIC_BM, UIC_BC, UIC_OR, SOC_BGS and UIC_BE. It refers to importance of class room courses of entrepreneurship, university incubation center and university spin-off companies which can be defined as university owned companies carrying out commercial activities along with academic practices using university infrastructure e.g. manufacturing products, testing standards, solving business problems and promoting innovation & commercialization.
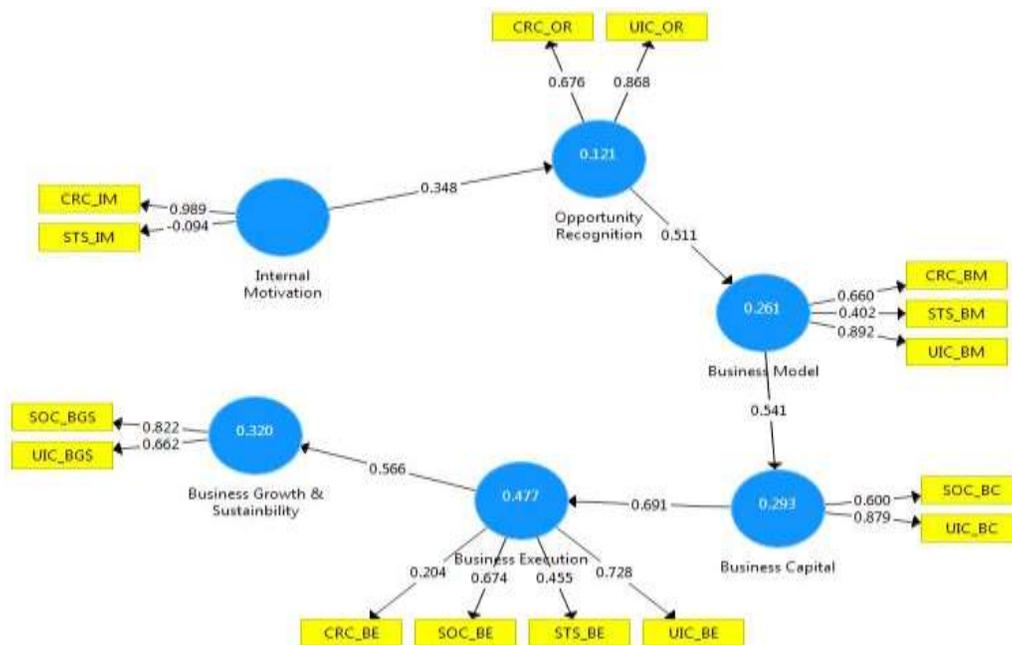


**Figure 1: SEM Path Analysis Model for Linking EU with EFP & Sequence of EFP**
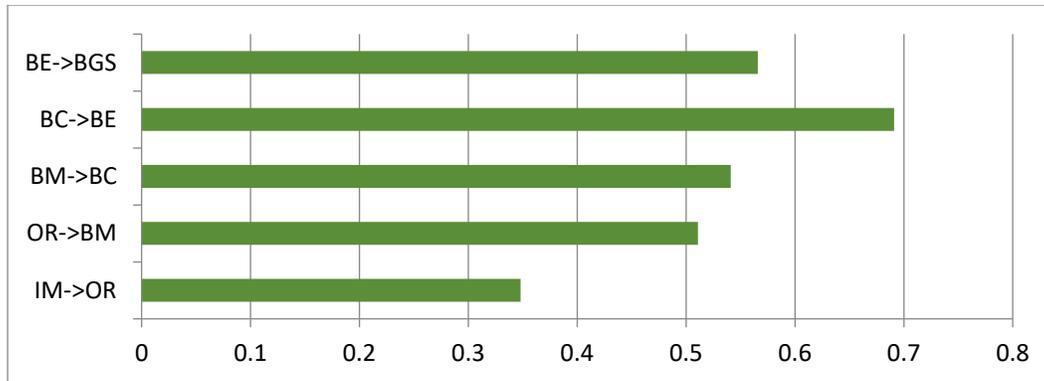
**Figure 2: Chart of Relative Path Coefficients Values**

**CONCLUSION & RECOMMENDATIONS**

In line with the discussed Path Analysis Model, literature of Academic Entrepreneurship & Entrepreneurial University (EU), it is crucial for state officials to entirely transform conventional university settings into Entrepreneurial universities (EUs). This can be achieved by fostering the link between Entrepreneurial University (EU) and Enterprise Formation Process (EFP) to attain any meaningful value creation for society and economy of the country. This Research work has enlisted following recommendations:

Higher Education Commission (HEC) should formulate effective class room courses of entrepreneurship with the help of educational experts and successful entrepreneurs to impart internal motivation in university students for adopting entrepreneurial career. Because internal motivation is the first step of entrepreneurial journey and results of model show highest significance of class room courses for internal motivation.

The focus of higher educational institutions should be formation of spin off companies to commercialize research and use university infrastructure for commercial purposes. Academia has to put down the concept of research for the sake of publication only and try to convert scientific & technical inventions into successful business innovations.

Higher Education Commission (HEC) should focus to build an infrastructure for university incubation centers in state as well as private universities. HEC should also formulate policies to enforce state institution in particular to incubate viable business ideas in university incubation centers. But in realistic terms, a few universities have an informal infrastructure for such centers. It is also concluded in literature that these centers, in few institutions where they exit, lack human and financial resources. Provision of small loans to university graduates as business capital could be beneficial in order to grasp the benefit of strong relation proved between Business Capital (BC) and Business Execution (BE) i.e. BC->BE (Figure 2). Such attempts had failed to give meaningful results in past due to suspected corruption, bureaucratic hurdles and policy flaws so these efforts should be re-oriented in right direction.

These recommendations are based on review of latest literature and survey results which are analyzed through statistical technique. Hence higher educational institutions, Higher Education Commission (HEC) and Small and Medium Enterprise Development Authority (SMEDA) should assert collective efforts to leverage social and economic gains through entrepreneurial transformation of higher educational institution in the country. As for as analysis tool is concerned, a deeper SEM analysis through Smart-PLS must be carried for proposed model of this research in future. Bootstrapping prove to be quite vital for measuring the significance of estimated coefficients in PLS SEM.

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# IMPACT OF TOURISIM ON PAKISTAN's ECONOMY

**Uzma Naeem[1]**
Institute of Business and Management, UET, Lahore
**Saba Aftab[2]**
University of the Punjab, Lahore, Pakistan
Corresponding author email: uzmanaeem98@hotmail.com

**ABSTRACT**

This study investigates the impact of air travel and dynamic tourism, which generates foreign receipts. Several factors such as GDP, agriculture, industries, technology contributes in the growth of economy. Purpose of this paper is to highlight the monetary benefits received from foreign air travel and tourism which can promote the growth of Pakistan's economy. This paper sets the stage for research developing countries as well as for Pakistan to fully embrace the changes in tourism that are being facilitated by rapidly changing technological advancements results in economic growth. This paper contributes to the existing literature and supports the following points considering the importance of the tourism industry in the Pakistan economy, however, this topic has not been taken as carefully in the literature due to the presence of several constraints. This paper will put the lights on contribution of tourism towards economic growth of Pakistan.

*Keywords*: *Tourism, regression model using Stata, foreign receipts, economic growth, Pakistan.*

## INTRODUCTION

Tourism is proved to have manifold benefits for any society, as it stimulates economic activities. Tourism have the power to impact a country's balance of payments, employment and income positively. It is one of the main source of foreign exchange income for many developing countries. Transport is an essential element of tourism. The easy accessibility of the tourist destination is an essential condition to have reap the benefits of said industry. Aviation is an important mode of transport as far as tourism is concerned. It is the aviation sector that plays a central role in boosting international tourism, being the dominant mode of travel. Currently, air travel is the worldwide mode of transportation among tourists crossing borders. Spending of tourists support foreign exchange earnings which can be used to minimize the deficit in balance of payment. It also creates competition among the local and international firms which creates more globalized economy. Tourism is also the source of encourage for developing new infrastructure and investment in human capital. These are the drivers of business that may endorse tourism industry. Tourism supports businesses to increase their magnitude and diversify their production at

comparatively lower total cost. Tourism increases the demand for final goods and services has a significant effect on sectors like agriculture, manufacturing, construction and banking.

Since 2010, In Latin America, Argentina has been the biggest receiver of international arrivals hand in hand with the economic recovery which couldn't had been possible without an effective airline carrying tourists to the new destinations. Pakistan is one of the countries abundantly blessed with rich flora and fauna, and maintains a splendid cultural heritage. Moreover, the ratio of tourists arriving through air travel is much higher than any other mode of transport. Therefore, Pakistan keeps a great potential to reap all the benefits of tourism with the development of aviation sector. Michael Gill, ATAG Executive Director says "Tourism is fast becoming the world's number one industry and it is one that aviation is proud to help facilitate. The growth in the middle classes in the emerging economies of the world is being met with a similar boom in air transport, most keenly felt in the Asia-Pacific region. We urge governments in these high growth economies not only to create the environment for growth with liberalized traffic rules and by easing travel restrictions, but also to be mindful of the impact that a lack of planning can have for growth decades from now (Aviataion Division, Government of Pakistan).

## LITERATURE REVIEW

The increasingly widespread application of the jet engine in civilian commercial aviation in the 1960s was a trigger for the advent of global tourism as we know it today. The exponential growth of international tourism in the last decades – from 25 million tourists in 1950 to over 1 billion anticipated for 2012 – is very much due to the advances in air transport as well as to rowing wealth in industrialized and emerging countries plus the influence of globalization (World Tourism Organization (UNWTO)).The tourism-led growth hypothesis (TLGH) was first referred to by the pioneering work of Balaguer and Cantavella-Jorda (2202). Literature review focuses particularly on the TLGH,Brida et al.(2014) emphasized the potential impact of the tourism industry in boosting the economic growth which creates jobs and revenue for the government. Tourism provides economic growth and stability through different ways.

Several empirical studies have been conducted and determined the impact of tourism on economic growth in developed and under developed countries. Balaguer and Cantavella Jorda (2002)used co-integration methods and the Granger causality test to determine the impact of tourism on the economic growth in Spain. They found a long-run unidirectional causality exists between tourism and growth. Arslanturk and Atan (2012) also applied co-integration and Granger causality tests to find growing tourism sector can stimulates economic growth in Turkey. Risso and Brida (2009) also found that tourism has a unidirectional positive influence on economic growth of Chile.

Similarly Kreishan (2011) and Belloumi (2010) given the confirmation for the existence of a long-run relation running between tourism and economic growth in Jordan and Tunisia. Kibara et al. (2012) by using an

autoregressive distributed lag (ARDL) determined the vibrant connection between tourism and economic growth in Kenya. Titan et al.(2010) to investigate the impact of tourism on economic growth in 24 European countries

a multiple regression model ; they found that money spent by international tourists have a significant positive effect on economic growth.

Some other studies also conducted by researchers such as Kim et al.(2006),Lee and Chang (2008)and Kadir and AbdKarim (2012) they found a bidirectional interconnection between tourism and economic growth. Whilst geography has meant that, in modern times, air travel has always been the dominant mode for long distance travel and much international tourism, moves towards deregulation, and in particular the emergence of the low cost carrier sector, have also increased aviation's significance for short and medium haul tourism trips (Papatheodorou and Forsyth).The role that airlines and airports have played in opening up new destinations has been massive. Without airlines some continents, many countries, regions, and islands would have remained inaccessible for most of us and even established destinations would have had far fewer tourists - or in many cases no tourists at all (World Tourism Organization (UNWTO)).Developing the travel and tourism (T&T) sector provides growth opportunities and social benefits for all countries, regardless of their wealth. Several developing and emerging economies are ranked among the 50 most T&T competitive economies. A strong T&T sector translates into job opportunities at all skill levels (World Economic Forum).Over the past three decades travel by air has outgrown travel over the surface (road, rail, water) by a considerable margin, respectively at a rate of 5.2% a year versus 3.4% a year. Since 2006 more international arrivals have been reaching their destination by air than over the surface, compared to 38% in 1980. Air transport is expected to continue to grow at a slightly faster pace of 3.4% a year, versus 3.2% a year for transport over the surface. By 2030 52% of international arrivals are expected to arrive by air versus 48% over the surface (World Tourism Organization (UNWTO)).

The T&T industry continues to grow more quickly than the global economy as a whole. As proof of its resilience, the analysis shows that the sector's growth—whether in terms of global air passenger traffic, occupancy rates or international arrivals—tends to return to trend quickly after a shock (World Economic Forum).One of air transport's most important economic benefits is its spin-off effect on other industries. Tourism is one such industry. It is also inextricably linked with air transport: tourism depends on transportation to bring visitors, while the transport industry depends on tourism to generate demand for its services. Air transport has contributed to a huge expansion in the range of tourist destinations and thereby plays a major role in shaping the scale and diversity of tourism worldwide (Air Transport Action Group(ATAG)).

Air transport is indispensable for business and tourism of Pakistan, which are principle foundation of economic growth (Aviataion Division, Government of Pakistan). Although several researches have been conducted to see the impact of tourism development on economic growth in developed and developing countries, this topic did not receive attention in the tourism literature for the case of Pakistan.

**THEORETICAL FRAMEWORK**

Pakistan is a country plentifully bestowed with scenic beauty and maintains a great potential for tourism while the central mode of tourist arrival is air transport. As per 2015 rankings of travel and tourism competitiveness index, Pakistan ranks 125th out of 141 nations, which is quiet low despite having great prospective for tourism. One of the possible reasons is meager air transport infrastructure as Pakistan ranks 105th out of 141 countries. Foreign Exchange receipt is our variable our interest. It is presumed that aviation and tourism have significant impact on foreign exchange receipts which boosts up the economic growth in Pakistan.

**SCHEMETIC DIAGRAM**

Tourism

Air Travel

Industrial growth

Foreign receipts

**Figure 1: Conceptual Framework**
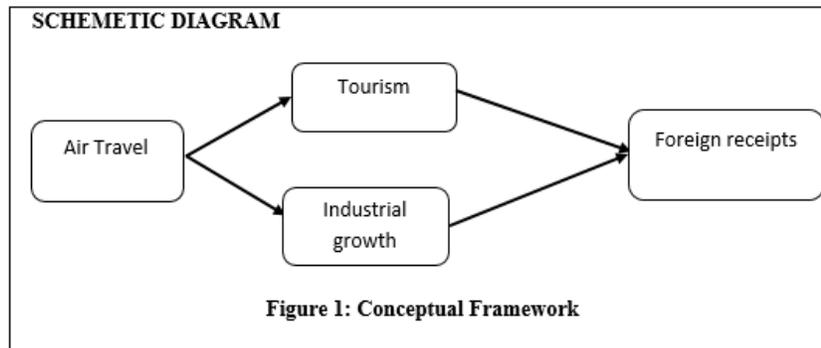
H0: Air travel has no significant impact on foreign receipts

H1: Air travel has significant impact on foreign receipts

**DATA & METHODOLOGY**

To verify empirically that air travel stimulates tourism, number of tourist arrivals by air has been taken as independent variable while foreign exchange receipts from tourism have been taken as the dependent variable.

| Year | Foreign Excahnge Receipts ($ Million US) | No.of Tourist Arrival by Air (1000) |
|---|---|---|
| 2000 | 84.4 | 475 |
| 2001 | 92.2 | 406.8 |
| 2002 | 105.4 | 407.8 |
| 2003 | 135.6 | 385.3 |
| 2004 | 185.6 | 536.1 |
| 2005 | 185.3 | 681.76 |
| 2006 | 260.1 | 763.43 |
| 2007 | 276.1 | 731.58 |
| 2008 | 243.5 | 718.043 |
| 2009 | 240.6 | 678.79 |

Source : Pakistan Bureau of Statistic (Year Book 2012) From 2000-2009

The data has been taken from the Year Book of Pakistan Bureau of Statistics which ranges for the period of 2000 to 2009. The regression equation is as follows:

fxt= α+βt+€

Where,

fxt = Foreign Exchange Receipts from tourism

t= No of tourist arrivals by air

The data being nonlinear, we have to take natural logs of the variables, so the regression equation is as follows:

lnfxt= α+βlnt+€
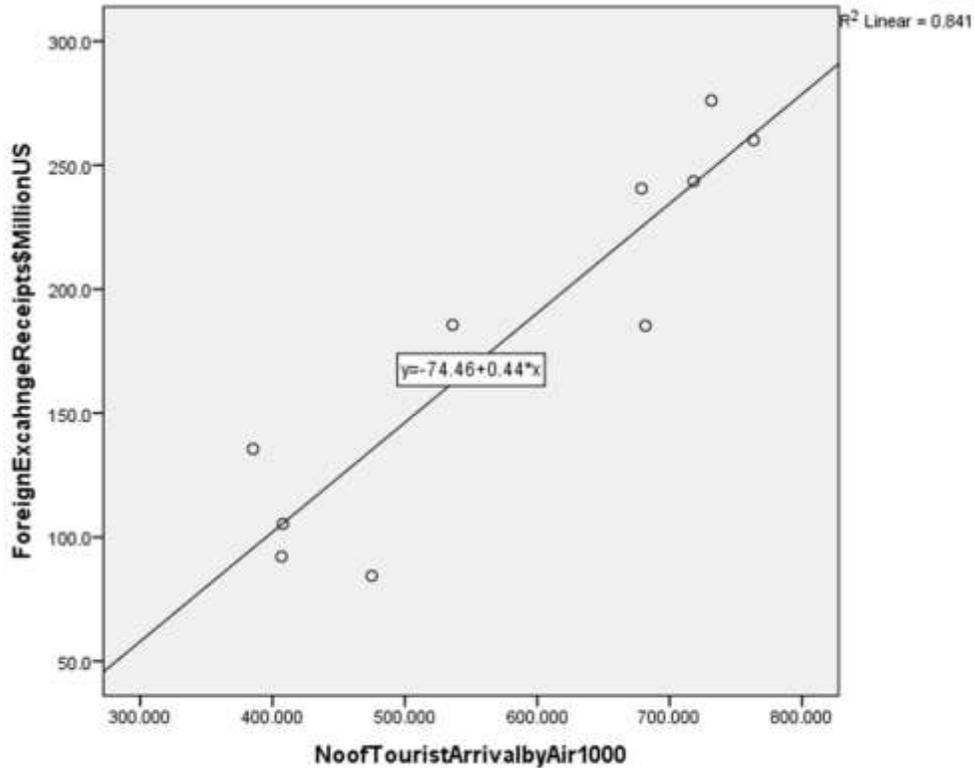


The regression has been run using Stata. The results of regression are as follows:

| Source | SS | df | MS | | Number of obs = | 10 |
|---|---|---|---|---|---|---|
| | | | | | F( 1, 8) = | 27.72 |
| Model | 1.4125177 | 1 | 1.4125177 | | Prob > F = | 0.0008 |
| Residual | .407640008 | 8 | .050955001 | | R-squared = | 0.7760 |
| | | | | | Adj R-squared = | 0.7480 |
| Total | 1.82015771 | 9 | .202239745 | | Root MSE = | .22573 |

| fx_log | Coef. | Std. Err. | t | P>|t| | [95% Conf. Interval] | |
|---|---|---|---|---|---|---|
| t_log | 1.44495 | .2744411 | 5.27 | 0.001 | .8120873 | 2.077812 |
| _cons | -4.029697 | 1.738001 | -2.32 | 0.049 | -8.037535 | -.02186 |

**INTERPRETATION**

The results shows that R Square being 0.77 depicts that the overall model is significant showing 77% variations in the Foreign Exchange receipts due to air travel. The t statistic being 5.27 at probability level being 0.001 is also significant describing a valid relationship between dependent and independent variable. The value of Beta being 1.44 shows a positive relation between foreign exchange receipts from tourism and no of tourist arrivals thorough air. It shows that as no of tourist arrivals will go up by 1 unit, the foreign exchange receipts will rise by 1.44 units.

**CONCLUSION**

Aviation Industry is one of the industries that keep a great budding to contribute in the economic well-being of the nation by providing significant finances and promoting trade. One of the magnificent benefits of aviation industry is that it helps facilitate tourism. Pakistan, being naturally abundant for tourist attractions, keeps great opportunity to grow by simply improving its aviation industry. Definitely, it would be of benefit to the regional economy when a dollar flows into a local airport of a regional airline from abroad. Pakistan's national flag carrier, now a day, faces serious crises. The losses it has incurred are reported to match the levels of circular debt. Moreover, the privatization issue and strikes have helped to fuel the losses. There is dire need to revive the national flag carrier. Only then, Pakistan will be able to reap the manifolds benefits of a strong aviation industry – foreign exchange earnings of tourism only being one of them.

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# Impact of Customer Relationship Management Practices on Customer Retention

**Naveed Ahmad[1]**
Faculty of Management Sciences, Lahore Leads University, Pakistan
**Muhammad Ramees[2]**
MBA Student, Lahore Leads University
**Mohammad Adnan[3]**
University of Bolton (UK)

Corresponding author email: naveeddgk2010@gmail.com

## ABSTRACT

In this article, we consider Customer Relationship Management Practices as predictors of Customer Retention in telecommunication industry of Pakistan. The study has taken into account five major Customer Relationship Management Practices like technology based CRM, Long-Term Partnership, Customer Involvement, Joint Problem Solving And Information Sharing On Customer Retention in Telecommunication sector of Pakistan. The respondents were selected from Lahore city who were the users of any telecommunication service in Pakistan. A self-administered questionnaire was used to collect the data from respondents. A total of 400 questionnaires were distributed through convenient sampling method and 311 questionnaires were returned that were found suitable for analysis so the response rate remained 78 percent that is reasonable. Different tests like descriptive statistics, correlation analysis, factor analysis and regression analysis were performed and the results of hypothesis testing revealed that all five practices were significantly predicting customer retention in telecommunication sector of Pakistan.

*Keywords*: Consumer Relationship Management1, Consumer Retention2, Customer Involvement3, Joint Problem Solving4, Long Term Partnership5, Information Sharing6,

## INTRODUCTION

The importance of customers is increase due to increase in competition in a market. every company give value to the customer because every company wants to make profit. in short firm basic motive to maximize his profit customers is a source of profit for organization. so that customers is important for any business. This importance creates the concept of customer relationship management. With the help of this concept company give value to customers. This concept introduce for the purpose of making good and long term relationship with customers. (Ryals & Knox 2001) Customers is main target of the organization. Company first understands customers need and wants to satisfy the customers. (Wu et al., 2009).CRM is not a concept firm made a CRM department in the organization. Firm not think about just retain the customer with the help of CRM make a new customers.

## LITRATURE REVIEW

## CRM

Several studies have made likely the effect of news given having the same on new thing power to do. For example, Verhoef (2003) and Lagrosen (2005) discovered that manufacturers can push out into water more new products and services into the marketplace by using knowledge from clients looking upon market desires, market requests, and market competition. Ottum & Moore (1997) and Souder et Al1. (1997) also made certain of that using knowledge on condition that by clients helps the development of more different new products and adjustments to the purposes, uses of having existence products to meet the needs of special Target markets.

## INFORMATION SHARING AND CUSTOMER RETENTION

Carr and Pearson (1999) pointed out that news given having the same between manufacturers and their clients about markets, Designs 2, and processes enables manufacturers to take up technologies that can get well design and process tending to new powers. Overall, there are positive3 effects of knowledge having the same on product and process new things. Lin and Germain (2004) discovered it is important that customers are ready to make ready take-back on their special needs, such as after-sale military arms, statement that goods are in good condition systems, and claims putting one's hands on ways. Makers can move after up on the customers opinions and take-back to get well their person getting goods from store military arm systems. In other words, there is a positive 2 effect of news given having the same on military arm new thing. According to above discussion it is proposed

**H1:** Information Sharing Has Positive And Significant Impact On Customer Retention

## CUSTOMER INVOLVEMENT AND CUSTOMER RETENTION

Person getting goods from store sense of mixed into during the NPD stage has been took as having authority as a key cause for manufacturers to push out into water with a good outcome new products (Dow et Al 1. , 1999). Specially, early person getting goods from store taking-part in NPD activities or making special to some science or trade meetings helps new thing power to do to undergo growth more being made different products and services for one Target markets (Lagrosen, 2005). In other words, person getting goods from store sense of mixed into has a positive 2 effect on product new thing. person getting goods from store sense of mixed into in the early stages of NPD operations, making special to some science or trade meetings, and market put value conferences can also support customers to help with the processes of NPD, and getting well of making techniques and product designs to help the new thing process (Ritter and Walter, 2003). Ahire et al (1996) and Lin & Germain (2004) indicated that if customers take part in market put value conferences and review meetings, manufacturers are likely to chief place on person getting goods from store needs by making ready after-sale military arms, trading with person getting goods from store protests, and managing statement that goods are in good condition and support systems.

As an outcome of that, person getting goods from store sense of mixed into has a positive 2 effect on military arm new thing. According to above discussion

**H2:** Customer Involvement Has Positive And Significant Impact On Customer Retention

## LONG-TERM PARTNERSHIPS AND CUSTOMER RETENTION

**As manufacturers** and customers both have the purpose to support in the long run the ways of loving persons, they undergo growth an important degree of true, certain support and level of being ready for working. Through overall view agreements and together undertakings, manufacturers are more ready to give in special necessary things, increase amount of room short-time stores, adjust work groups, times of work, and adjust to highly IMDS 110 ,1 116 changing market needs. as an outcome of that, there is a higher chance of undergoing growth tending to new products (Jack & Raturi, 2002). In other words, in the long run the ways of loving persons have positive effect on product and process new things. An to do with organization new thing process that includes the development of amount needed to make complete business and to do with man resources is important in undergoing growth an in competition more chances. taking part with others firms not only take up tending to new views in operations, but also take in one's arms (to oneself) different changes in to do with organization society development, skill-sets, infrastructure, and secret design to implement those new tending to new views (Maheshwari et al , 2006). According to above discussion

**H3:** Long Term Partnership Has Positive And Significant Impact On Customer Retention

## JOINT PROBLEM SOLVING AND CUSTOMER RETENTION

**Together** hard question getting answer to, way out of is thought out as a key cause acting on the good outcome of product and market development. Ritter and Walter (2003) had belief that it would be more comfortable for manufacturers to get well product quality and special to some science or trade process power when customers voluntarily make ready help to get answer to product design or special to some science or trade process questions. together hard question getting answer to, way out of effects new thing in that it generally gives name of person when meeting for first time on-going improvements to having existence products, Processes 1, or services, and it great acts the possible & unused quality of made certain Designs 2, Processes 1, and markets (Huang & Chang, 2008). According to above discussion

**H4: joint problem solving has positive and significant impact on customer retention**

## TECHNOLOGY-BASED CRM AND CUSTOMER RETENTION

**Several** studies took in the part of knowledge systems and technology in supporting process new thing (Tarafdar & Gordon, 2007; Khosrow, 2006). Dyche (2001) suggested that manufacturers should send in name for knowledge technology (IT), such as connected facts observations, data mining, person getting goods from store knowledge

systems, and military arm insides, to get clearly and exchange with their persons getting goods from store. As an outcome, manufacturers are able to make ready quick moves to person getting goods from store requests for new product new thing. As an outcome of that, technology-based CRM gives a higher position product new thing. Dean and Evan (1994) offered that manufacturers would give a reaction to person getting goods from store demands and make ready better as made to person's desire if on condition that with accurate 1 knowledge from their customers via technology-based CRM experiences. Different marketing designs could then be undergone growth for one marked person getting goods from store groups. in this way, technology-based CRM has a positive 2 effect on marketing new thing.

**H5: To check the impact of  CRM on technology based CRM**
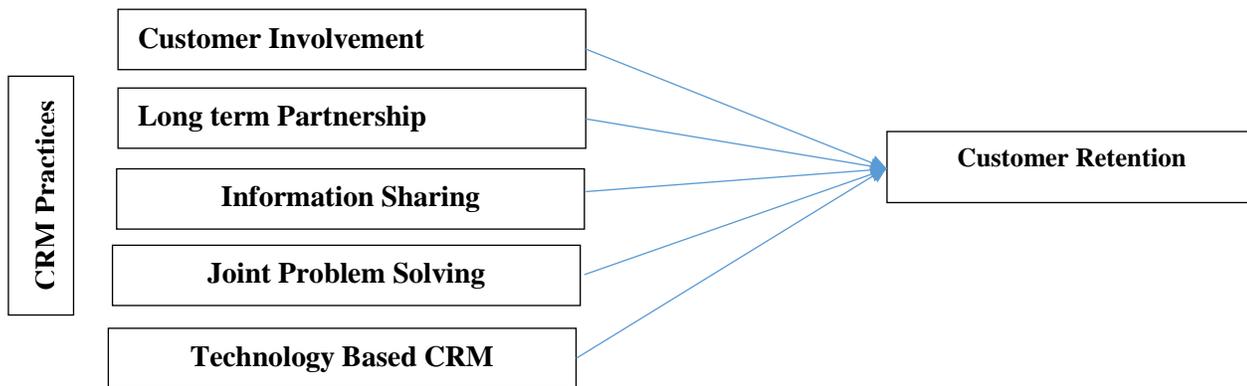


**Figure1: Proposed Research Model**

## METHODOLOGY

### Sampling technique & sample size:

In the present study, author used convenient sampling method for collecting data as author has no available sampling frame With 5% percent error margin, 95% percent confidence, the size of the sample has been received by using the www.raosoft.com  online sample calculator of sample size and the sample size is 377 and author distributed 400 questionnaires among different respondents to get this sample size but only 311 responded effectively.

### Population of the study:

The sampling process consists of several stages. To define the target population is the first stage of sampling process  (Bhattacherjee, 2012). The smart phone users using different telecommunication networks from Lahore city were the population of this study

### Variables and items:

In this study, questionnaire comprised six variables. Five CRM practices were treated as independent variable whereas service innovation capability was treated as dependent variable. All instrument was adapted

from different researchers for example the information-sharing variable was measured using five items suggested by McEvily & Marcus (2005). Customer involvement was measured using the scale from Lagrosen (2005). The long-term partnership scale was developed based on Werner et al. (2004). The scale of joint problem solving is from McEvily and Marcus (2005), and technology-based CRM was measured using the scale developed by Sin et al. (2005). Similarly customer retention scale developed by Hennig-Thurau et al. (2002) was adapted. Study used a five point Likert scale ranging from 1=strongly disagree to 5=strongly agree.

## RESULTS AND ANALYSIS

### Table 1: Gender of Participants

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 206 | 66.2 |
| Female | 105 | 33.7 |
| **Total** | **311** | **100** |

Total respondent of this survey was 311 the distribution frequency of participants was male 206 out of 311 & female 105 out of 311. The percentage of respondents is male 66.2% and female 33.7%.

### Table 2: Age Group of Participant

| Age Group | Frequency | Percent |
|-----------|-----------|---------|
| 15-25 | 171 | 54.9 |
| 26-35 | 76 | 24.5 |
| 36-45 | 64 | 20.5 |
| **Total** | **311** | **100** |

There were 3-age groups mentioned in the questionnaire that are 15-25, 26-35 and 36-45. 171 respondents were of age between 15-25, 76 respondents were of age 26-35 and 64 respondents were of age 36-45.

### Table 3: Education of Different Groups

| Education | Frequency | Percent |
|-----------|-----------|---------|
| Under Graduation | 47 | 15.1 |
| Graduation | 175 | 56.2 |
| Post Graduation | 89 | 28.6 |
| **Total** | **311** | **100** |

Table 3 shows the level of education of different groups. The level of education of different groups was, 47 participants who were having under graduation, 175 participants were graduate and 89 participants were post graduate.

**RELIABILITY AND VALIDITY**

In this study, "KMO & Bartlett's Test" is also used to check the acceptability of the sample. Many researchers used "KMO & Bartlett's Test" for adequacy of the sample. 0-1 is the range of KMO and acceptable value is more than 0.6. Table 4.4 is showing the outcomes of KMO & Bartlett's Test" of this study. The KMO value of this study is 0.732 which is more than the acceptable value i.e. 0.7. "Bartlett's Test" provided us the value 0.000 which shows that this analysis is perfect to perform the factor analysis.

**Table 4: KMO and Bartlett's Test**

| KMO Measure of Sampling Adequacy. | | .732 |
|---|---|---|
| | Approx. Chi-Square | 1231.833 |
| Bartlett's Test of Sphericity | Df | 128 |
| | Sig. | .000 |

**Table 5: Factor Analysis**

| Variable | Item/ Factor | Factor Loading (EFA) | Cronbach's Alpha |
|---|---|---|---|
| Long term Partnership | LTP1 | .721 | .812 |
| | LTP2 | .531 | |
| | LTP3 | .562 | |
| | LTP4 | .578 | |
| | LTP5 | .833 | |
| | LTP6 | .730 | |
| Info. Sharing | INF1 | .819 | .908 |
| | INF2 | .639 | |
| | INF3 | .838 | |
| | INF4 | .522 | |
| | INF5 | .566 | |
| Customer Involvement | CI1 | .827 | .768 |
| | CI2 | .735 | |
| | CI3 | .542 | |
| | CI4 | .501 | |
| | CI5 | .519 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Joint problem solving | JPS1 | | | | .638 | .859 |
| | JPS2 | | | | .761 | |
| | JPS3 | | | | .794 | |
| Technology based CRM | TCRM1 | | | | .837 | .911 |
| | TCRM2 | | | | .552 | |
| | TCRM3 | | | | .569 | |
| | TCRM4 | | | | .742 | |
| | TCRM5 | | | | .545 | |
| | TCRM6 | | | | .671 | |
| Customer Retention | CR1 | | | | .579 | .783 |
| | CR2 | | | | .776 | |
| | CR3 | | | | .689 | |
| | CR4 | | | | .496 | |

Total 29 factors of all six variables were loaded. Analysis showed good factor loadings and reliability because all values of factor loadings this study was above the cut-off criterion which was 0.5. Just one value was at the cutting edge as it is 0.496 that is very close to 0.5 for that reason it is not deleted from the analysis. With the help of "Cronbach's alpha", scale's reliability was checked and set criterion of Cronbach's alpha was 0.70. As it can be observed that all the variables are showing good reliability because all values are well above the cut off level of 0.7.

**Table: 6: Correlation Analysis**

| | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| 1. LTP | **1** | | | | | |
| 2. INF | .234[**] | **1** | | | | |
| 3. CI | .249[**] | .321 | **1** | | | |
| 4. JPS | .311[**] | .439 | .430[**] | **1** | | |
| 5. TB | .336 | .242[**] | .398[**] | .373[**] | **1** | |
| 6. CR | .274[**] | .251[**] | .239[**] | .332[**] | .346[**] | **1** |

**Correlation is significant at the 0.01 level (1-tailed). *Correlation is significant at the 0.05 level (1-tailed).

**Table 7: Overall Results of Regression Analysis**

| Hypothesis | Beta Value (B) | Standard Error (Std. Error) | t-value | p-value | Significant/ Insignificant |
|---|---|---|---|---|---|
| H1 | .459 | .041 | 11.19 | .000 | Significant |
| H2 | .367 | .055 | 6.67 | .000 | Significant |
| H3 | .311 | .062 | 5.01 | .000 | Significant |
| H4 | .432 | .071 | 6.08 | .000 | Significant |
| H5 | .362 | .032 | 11.31 | .000 | Significant |

To check the correlation among the different variables, "Pearson Correlation" analysis was used in this study. As it is obvious from above table that all variables are positively and significantly correlated with each other for example Correlation between "Long term partnership and information sharing is .234[**] which shows positive and significant relationship between these variables. Furthermore the results of correlations are not high that means data is not suffering from the issue of multi- collinearity.

To check the "cause and effect" relationship of independent variables and dependent variable (service innovation), Regression Analysis, was executed. Above table 7 is showing the overall results of regression analysis, according to this table the value of β for H1 is 0.459 (positive), that means one unit change in long term partnership causes 0.459 unit of change in dependent variable customer retention. T-Value is 11.19 (greater than 2.00) and P-value is 0.000 (less than 0.05) .Hence by keeping in view these results, researcher concluded that long term partnership has significant positive impact on customer retention. Based on this conclusion, null hypothesis is rejected and alternative hypothesis H1 is accepted. Similarly the regression analysis was performed one by one on each independent variable in order to know whether they are significantly predicting dependent variable or not. According to the statistical results it is statistically proved that all independent variables are significant predictors of service innovation. So all hypotheses H2, H3, H4 and H5 are proved and accepted. Furthermore the variable long term partnership is the most significant predictor of customer retention.

**DISCUSSION AND CONCLUSION**

CRM practices can improve customer retention level in a better way as proved by the results of present study. Missing from the literature, however, is the knowledge of how these two strategic components can be integrated. The premise of this study is that both CRM and customer retention are very important concepts; thus, managers must understand how various CRM practices correspond to customer retention. This study investigated the impact of CRM practices on customer retention. The statistical results indicated that all five CRM practices significantly

contribute to enhance customer retention. Telecommunication Service providers in Pakistan must carefully align their CRM practices in order to retain their customer for long period of time The results of present study are in line with the studies of different previous researchers for example, Lin's (2004) indicated that long term partnership plays crucial part in identifying different issues relating to product. Similarly the findings of present study are in line with studies of (Geffen & Rothenberg, 2000; Petersen et al., 2003; Yang et al., 2007).

## LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The first limitation is that this study is only limited to telecommunication sector so the generalizability of results is questionable. Future research studies on present topic should consider this limitation. Another important limitation is that the data was cross sectional in nature, the future research studies should be conducted on longitudinal data in order to have an assessment of background changes. As the concept of CRM practices and its relation with customer retention is a new concept and survey instrument is not the ideal one to collect the data to tap this concept so the other methods of data collection like interviews should also be considered in future researches on present topic.

This study used non probability sampling method due to unavailability of sampling frame and definitely the results are not without bias though researcher tried to reduce the level of biasness in data collection but it is suggested to conduct future research studies with probability sampling techniques in order to have better representation of population and to avoid biasness in data collection.

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# Threat of Social Networking Sites (SNS) Related Cyber Crimes and Relevant Law Enforcement And Awareness In Pakistan

**Aminah Mahwish[1]**
IB&M, UET, Lahore
**Ammara Zulfiqar[2]**
IB&M, UET, Lahore
**Dr. Muhammad Fiaz[3]**
IB&M, UET, Lahore

## ABSTRACT

Social networking sites (SNS) are increasingly becoming a major cyber space for social interaction and communication. Likewise the conventional crimes taking place in the society, criminal misuse of social networking sites is also an increasing threat for the cyber community. The current research is conducted to explore the awareness of threat of SNS related cybercrimes, causes of criminal misuse of SNS and effectiveness of relevant law enforcement in Pakistan. Under the paradigm of quantitative research methodology, we'll be using survey method to collect data. In the light of the data analysis the hypothesis will be tested and conclusions will be drawn. On the basis of which suggestions and recommendations would be formulated.***Key-words:*** *Social networking sites (SNS), Cyber-crime, Criminal misuse of SNS, Government policies and relevant law enforcement, Awareness.*

## INTRODUCTION

With the advancement of internet, the world has seen the huge digital transformation of social interaction and communication. Social networking sites SNS are increasingly becoming popular due to almost free access and user friendly interface. They have become the most up-to-date and attractive tools for connecting people across the world (Aghazamani, 2010). Among SNS sites, Facebook is on the top. When it comes to the popularity of SNS, developing countries too are at the forefront, in the context of Pakistan social media is getting distinction day by day (Arif, Golan and Mortiz, 2014). Pakistan is among top ten internet usage countries in Asia with 34.3 million internet users and Facebook is among the most popular SNS site in Pakistan with 27 million users (International telecommunication union, 2016).

Although social networking sites have brought enormous benefits yet they have also increased and created new opportunities of cyber crimes for the individual offenders and criminal networks. In the developing countries like Pakistan, the situation worsens as people don't have proper awareness of save and secure usage of internet, the threat of criminal misuse of social networking sites and relevant cyber laws. In the context of above scenario this research is conducted to explore the threat related to criminal misuse of social networking sites (SNS) and how it can be influenced with government policies, law enforcement and awareness. Due to limited scope of our research

study we are limited to the most famous social network site that is Facebook with1.86 billion monthly active users and a 17 percent increase year over year. The geographical area we are limited to is Lahore being the most active user of Facebook with 21% of the total Facebook users in Pakistan. (Facebook audience insights, 2016)**.** Before exploring the threat of criminal misuse of social networking site (SNS) and the role of government in law enforcement and public awareness, first we must be clear about what is the legal definition of conventional crime, and what cyber-crime is all about.

## CONVENTIONAL CRIME

According to Lord Atkins, "The criminal quality of an act cannot be discovered by reference to any standard but one: is the act prohibited with penal consequences". A crime may be said to be any conduct accompanied by act or omission prohibited by law and consequential breach of which is visited by penal consequences.

## CYBER CRIME

Cyber-crimes crime that involves a computer and a network.[1] The computer may have been used in the commission of a crime, or it may be the target.[2]Debarati Halder and K. Jaishankar define cybercrimes as: "Offences that are committed against individuals or groups of individuals with a criminal motive to intentionally harm the reputation of the victim or cause physical or mental harm, or loss, to the victim directly or indirectly, using modern telecommunication networks such as Internet (Chat rooms, emails, notice boards and groups) and mobile phones (SMS/MMS)".[3] Such crimes may threaten a nation's security and financial health.[4] Issues surrounding these types of crimes have become high-profile, particularly those surrounding hacking, copyright infringement, child pornography, and child grooming. There are also problems of privacy when confidential information is intercepted or disclosed, lawfully or otherwise. Debarati Halder and K. Jaishankar further define cybercrime from the perspective of gender and defined 'cybercrime against women' as "Crimes targeted against women with a motive to intentionally harm the victim psychologically and physically, using modern telecommunication networks such as internet and mobile phones".[3] Internationally, both governmental and non-state actors engage in cybercrimes, including espionage, financial theft, and other cross-border crimes. Activity crossing international borders and involving the interests of at least one nation state is sometimes referred to as cyber warfare.

A report (sponsored by McAfee) estimates that the annual damage to the global economy is at $445 billion;[5] however, a Microsoft report shows that such survey-based estimates are "hopelessly flawed" and exaggerate the true losses by orders of magnitude.[6] Approximately $1.5 billion was lost in 2012 to online credit and debit card fraud in the US.[7] In 2016, a study by Juniper Research estimated that the costs of cybercrime could be as high as 2.1 trillion by 2019.[8]

**SOCIAL NETWORKING SITES AS A POTENTIAL OF CYBER CRIME**

A social networking site, SNS or social media is an online platform that is used by people to build social networks or social relations with other people who share similar personal or career interests, activities, backgrounds or real-life connections. Social networking services are Web 2.0 internet-based applications, which allow user-generated content and service-specific profiles for the site or app that are designed and maintained by the SNS organization.

Social networking services facilitate the development of online social networks by connecting a user's profile with those of other individuals and/or groups. [1][3]Websites under this category include Facebook, LinkedIn, Twitter, My Space etc. With the development of social network sites the potential to crime in a cyber space has increased. It has become a tool for the criminal minds that are constantly searching the opportunities which can be converted into financial or some other means of benefits. This results in the different types of criminal misuse of social networking sites.

**MOST COMMON SOCIAL NETWORKING SITES' CRIMES**

**Scams:** Scams are particularly effective at drawing people in by simply enticing an individual to click on a link that would interest almost anyone, such as an innocent-looking notification that you've won a free prize like a gift card. Then, in order to claim the prize, scammers require you to submit some information, such as a credit card number or Social Security number. This description may make it seem like scams are easy to spot, but even the most savvy social media user has to be on the lookout for illegitimate requests for information.

**Cyber bullying:** Cyber bullying is a common occurrence among teenagers on Facebook and one that can result in serious criminal charges if it goes far enough. Cyber bullying on Facebook has contributed to the deaths of several teens that either committed suicide or were killed by a peer. Cyber bullying that involves hacking or password and identity theft may be punishable under state and federal law. When adults engage in this kind of online behavior it is called cyber-harassment or cyber stalking.

**Stalking:**The term "stalking" is thrown around a lot on Facebook, and it is often meant as a joke for regularly looking at someone's profile. However, the actual act of cyber stalking is a common crime on the social networking site and can result in a serious offense. Cyber stalking typically involves harassing a person with messages, written threats, and other persistent online behavior that endangers a person's safety. Although cyber stalking may seem like nothing more than annoying behavior, it is a legitimate cause for concern in many cases and can even lead to in-person stalking or endangerment if not treated seriously.

**Robbery:**It doesn't take much for a thief to find out where you live, go to school, work, or hang out if you make that information readily available on Facebook. If you use Facebook's check-in or Google Maps feature, then you

could be in a heap of trouble if a robber is paying attention. This person isn't always a complete stranger either; they may be an old acquaintance or someone else you'd never expect to come rob you.

**Identity theft:** With the large amount of personal information swarming around Facebook these days, it has become fairly easy for criminals to steal users' identities. Hackers often break into users' e-mails and make fake Facebook accounts. From there they can access personal and bank information and cause havoc to your sense of security. Protect yourself from identity theft on Facebook by keeping your profile very secure and free of personal information that a criminal would love to have.

**Defamation:** An individual commits the crime of defamation when they communicate a false statement to a third party that paints another individual or entity in a negative light. Facebook makes communicating defamatory statements frighteningly easy, and the exposure Facebook provides makes it more likely that businesses or individuals will be harmed by the defamatory statement, and thus more likely to pursue legal remedies. Be careful what you say on a social network; you may be committing a crime without even knowing it.

**Harassment:** Harassment happens all the time on Facebook. From sexual harassment to assault threats, there has been a significant increase in the number of harassment cases happening on Facebook. It's not uncommon for sex offenders and sexual predators to prey on unsuspecting victims on Facebook and even pose as a teen or college student. Harassing messages, inappropriate comments, and other persistent behaviors should be reported to Facebook and your local police station.

**Marketing Frauds:** Many businesses use social networks as a place to attract customers by showing quality original products but delivering substandard products or replica of the original.

**Emotional Exploitation:** Emotional exploitation of the people in the name of love, friendship or care is also becoming a trend which sometimes even results in the death or suicide attempt.

**Duping:** Committing frauds by making fake profiles of famous celebrities.

**LITERATURE REVIEW**

The underlying Web 2.0 technologies enable social networks to be the platform of user generated content and profiles to share their personal and professional information. As it provides an interactive space for the users, it has become a great potentiality criminals for to milk the financial or other gains out of it. Most of the social networking applications are location based which not only allow users to post about their location coordinates but also pose an opportunity for the malicious minds to use it as a means to commit a burglary, vandalism, or a home invasion. A scammer gains access to the username and password of the potential victim and then use his name to gain monetary benefits from his social circle. The most famous technique used in this regard

is phishing. By this technique criminals acquire account information to gain access to the victims account for the purpose of identity theft. Microsoft has recently reported that phishing attacks are up over 1200% from 8.3% phishing attacks to 84.5% phishing attacks just over the course of 2010. According to a survey by an antivirus developer 40% of social sites users faced malicious attacks and 72% of 500 organizations surveyed were facing security issues due to social networks. According to one of study conducted by Microsoft, rogue software was found on 19 million systems. The geotagging technology, which embeds geographical data into media such as photos, videos, and text messages.18 allows users' locations to be posted along with their media. The location of users can be found quickly and with frightening precision by combining the geotagging of media-friendly. The International Computer Science Institute conducted a study to test the capacity of publicly available resources to determine the locations of different people in the online community.20 Cyber casing uses the Internet to determine the location of a desired victim using any available resource.

## STATEMENT OF PROBLEM

Lots of the people of Pakistan even don't know exactly what the social networking sites related crime is all about. Even many of us commit crimes at social networking sites in fun and for adventure. We don't take it as a crime due to lack of awareness of relevant government policies, having no knowledge of punishments stated in the cyber laws and the relevant law enforcing agencies. If a common person faces any unfortunate threatening situation on a social site, he doesn't have the awareness how to handle it.

## THEORETICAL FRAMEWORK

After observations and preliminary data gathering the research problem is clarified. A Theoretical Framework is formulated by integrating all the information in a logical manner to help conceptualize and test the responsible factors. All the critical variables and their relationships are examined.

Null Hypothesis: "Government policies, law enforcement and public awareness cannot control threat of SNS crimes" and Alternate Hypothesis:"Government policies, law enforcement and public awareness can control threat of SNS crimes".

If the null hypothesis comes true then it means that there is a no relationship between the dependent and independent variables, which means that strict government policies, active law enforcement and high public awareness has no effect on threat of criminal misuse of social networking sites. Else, the alternate hypothesis would show that there is a relationship between the dependent and independent variables, which means that strict government policies, active law enforcement and high public awareness can control threat of criminal misuse of social networking sites.

**Figure1. Schematic Diagram of the Relationship of Dependent & Independent Variables**
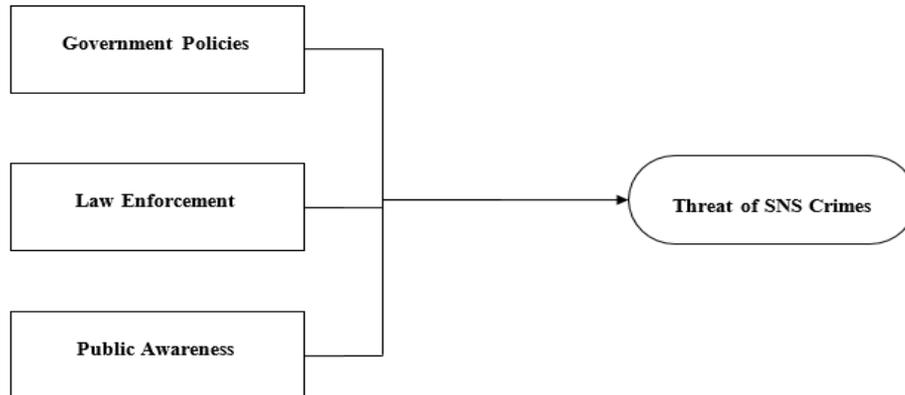


## SCIENTIFIC RESEARCH DESIGN

Our purpose of study is of hypothesis testing nature. We have determine the relationship between our dependent and independent variables within the presence of intervening and moderating variable. Our study is co-relational study as we are determining the relationship between different variables. The whole process of research was carried out in a normal setting and our participation in research investigation was minimal. Our research is conducted in a normal setting i.e. non-contrived settings are chosen for research work. Our research work is a cross-sectional study as we have collected data at one point in time.We have selected 100 individuals who are active users of social networking sites. We selected them through non probability sampling technique by way of convenience sampling and snow ball technique. We personally administered a questionnaire to the sample of 100 social networking users and carried out unstructured interview of an executive at National Response Centre.

## RESULT OF DATA ANALYSIS

Table1. Do you consider criminal misuse of SNS as a threat

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Yes | 97 | 97.0 | 97.0 | 97.0 |
|  | No | 3 | 3.0 | 3.0 | 100.0 |
|  | Total | 100 | 100.0 | 100.0 |  |

Questions to Analyze Effect of Government Policies, Law Enforcement & Public Awareness on Threat of SNS Crimes:

- Do you know about the significant events that are considered as an SNS crime through T.V, newspaper etc? (if yes, then name some in the blank space provided)
- Can you handle if any critical situation occurred to you if it can't be resolved with simple block or report options on FB? (if Yes, Then write in the blank space given below)

- Do you know what steps government has taken to control criminal misuse of SNS?
- Do you know about any law enforcement agency to report cybercrime in Pakistan just like police stations?
- Do you consider strong government policies can decrease this threat?
- Do you consider criminal misuse of SNS will not be a threat after the proper implementation of government policies and public awareness?
- Do you feel that teenagers and child are protected on social networking sites without supervision of their guardians?
- Do you consider law enforcement can decrease this threat?
- Do a separate cyber force other than police, with strong collaboration with SNS site owners and cyber forensic experts can decrease this threat?
- Do you want to increase anything to the policies of government and how to increase public awareness?

## DATA ANALYSIS

Data was analyzed using statistical analysis. Correlation was performed to identify the direction that exists between the dependent and independent variable and the regression analysis was performed to study the strength/intensity of the independent variable over the dependent variable. It is very much important to take a look on the accuracy of data before conducting the final analysis. The response should be consistent because inconsistent response may disturb the reliability of the data. If there is any problem with the reliability of the data the analysis may lead to incorrect conclusion. The reliability of every item of the scale was determined by Cronbach (1951). Based on the criteria as recommended by Nunnally and Bernstein (1994), Cronbach alpha coefficient estimations of all the variables was decided on 0.70

## PILOT TESTING & ADMINISTRATION OF QUESTIONNAIRE

Pilot testing of measures will be conducting in order to find the reliability and validity of questionnaires through factor loading and Cronbach's alpha of measures. For the pilot study 15 questionnaires were being analyzed.

**Table2. Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | |
| 1 | .787[a] | .619 | .604 | .34585 | .619 | 42.768 | 3 | 79 | .000 | 1.597 |

a. Predictors: (Constant), Govt Policies, Law Enforcement, Law Awareness

b. Dependent Variable: Threat of SNS Crime

**Table3. Overall Reliability Statistics (Dependent & Independent Variables)**

| Cronbach's Alpha | N of Items |
|---|---|
| .701 | 4 |

**Table4. Law-enforce**

| N of Items 4 | Cronbach's Alpha if Item Deleted |
|---|---|
| law-enforce 1 | .700 |
| law-enforce 2 | .760 |
| law-enforce 3 | .684 |
| law-enforce 4 | .722 |

**Table5. Law-awrnes**

| N of Items 4 | Cronbach's Alpha if Item Deleted |
|---|---|
| law_awrnes1 | .729 |
| law_awrnes2 | .705 |
| law_awrnes3 | .763 |
| law_awrnes4 | .693 |

law_awrnes = Law Awareness

**Table6. Govt_policies**

| N of Items 4 | Cronbach's Alpha if Item Deleted |
|---|---|
| govt_policies1 | .734 |
| govt_policies2 | .807 |
| govt_policies3 | .718 |
| govt_policies4 | .717 |

**RELIABILITY OF DEPENDENT VARIABLE (CRIME THREAT)**

Cronbach alpha coefficient value was found .719 with 4 items for Crime Threat scale in our study. This scale was composed of four different practices which are explained above in the same section of this study. All the individual items of each of the 4 items showed high internal consistency. So no item from this scale was deleted.

**Table7. Reliability of Crime Threat**

| N of Items 4 | Cronbach's Alpha if Item Deleted |
|---|---|
| crime_threat1 | .774 |
| crime_threat 2 | .658 |
| crime_threat 3 | .716 |
| crime_threat 4 | .728 |

**RESULTS AND DISCUSSION**

This section is discussing the results of the study as findings suggest the relationship between study variables. The following analysis has been run on SPSS: Descriptive Analysis, correlation Analysis and regression Analysis

**Table8. Descriptive Analysis of Study Variables**

|  | N | Min | Max | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Age | 100 | 22.00 | 45.00 | 26.7520 | 4.06900 |
| Gender | 100 | 1.00 | 2.00 | 1.6000 | .49088 |
| Education | 100 | 1.00 | 3.00 | 2.1920 | .50214 |
| Income | 100 | 1.00 | 5.00 | 2.2240 | 1.12913 |

Descriptive statistics of demographics variables and five study variables are shown in table 4.8. For n=100, minimum, maximum and mean values of each variable are presented along with standard deviations. The correlation analysis commonly used to measure the degree of relationship between all type of variables. Correlation show that how strongly the pairs of independent and dependent variables has been related to each other. The value of this statistical tool ranges from -1 to +1. If relation is close to zero, that means there is no relation among the variables. If relationship is positive , it means that if the value of one variable increases the value of other variable will also increases, and in term of negative relationship, if the value of one variable decreases the others will also decreases ( it may be called as inverse relationship.

**Table9. Correlations**

|  | Law Enforcement | Law Awareness | Govt Policies | Threat of SNS Crime |
|---|---|---|---|---|
| Law Enforcement | 1 |  |  |  |
| Law Awareness | -.015 | 1 |  |  |
| Govt Policies | .236* | .433** | 1 |  |
| Threat of SNS Crime | .292** | .688** | .572** | 1 |

Pearson Correlation matrix has been used to measure the inter relationship between the studied variables, table above shows the results of correlation analysis. All the results are briefly explained below

**Law Enforcement and Threat of SNS Crime:** Correlation between these two variables is .292** which is significant at 0.01 level. This showing that there is significant and positive relationship between them.

**Law Awareness and Threat of SNS Crime:** Correlation between these two variables was found .688** which is significant at 0.01 levels as presented in table 4.9. This value implies that there is significant relationship between law awareness and threat of sns crimes as presented in above.

**Govt. Policies and Threat of SNS Crime:** The relationship between these two variables was found significant and positive. The correlation of .572** is significant at .01 for these two variables

**REGRESSION RESULTS**

The impact of independent variables (law enforcement, law awareness and govt. polices) was measured on the dependent variable i,e Threats of SNS Crime. Table below shows that all of the independent variables (law enforcement, law awareness and govt. polices) are significantly affecting the dependent variable (Threats of SNS Crime). Results show that Law Enforcement has a positive significant impact on Threats of SNS Crime ($\beta$ = .166, p < .001), Law Awareness also effect the rate of Threats of SNS Crime ($\beta$ = .281, p < .001) comparatively Govt. Policies are also has a positive significant relationship with rate of Threats of SNS Crime ($\beta$ = .155, p < .001).

**Table 10. Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.614 | .235 | | 6.869 | .000 |
| | Law Enforcement | .166 | .050 | .238 | 3.297 | .001 |
| | Law Awareness | .281 | .038 | .577 | 7.416 | .000 |
| | Govt Policies | .155 | .047 | .266 | 3.331 | .001 |

**Table11. ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 15.347 | 3 | 5.116 | 42.768 | .000[b] |
| | Residual | 9.450 | 79 | .120 | | |
| | Total | 24.797 | 82 | | | |

a. Dependent Variable: Threat of SNS Crime

b. Predictors: (Constant), Govt Policies, Law Enforcement, Law Awareness

All the above results of all the SPSS analysis thus clearly reject null hypothesis. Thus all of the independent variables (law enforcement, law awareness and govt. polices) are significantly affecting the dependent variable (Threats of SNS Crime). The independent variable have a positive significant relation with the dependent variable. So it is clearly understood that in order to control threats of SNS crimes strict government policies, active law enforcement and high public awareness is the need of the day.

**CONCLUSION**

There is a proper cyber-crime bill passed by the government which is recently amended and passed by the assembly in 2016, it postulate all the law and penalties related to the criminal misuse of cyber space.FIA is a full working authority to handle all the cyber issues which help the police force and other law enforcing authorities in the cyber issues. A special wing of FIA was developed to exclusively control the alarming incidents arising due to the increasing usage of Social Networking Sites. It is established so that a common man can easily access the law enforcing agency in any critical situation without dealing with the police force. The unawareness of public about the cyber-crime law and the law enforcing agencies show that it is not implemented in its full potential. So this is need of the day to conduct a rigorous awareness campaign to empower the public to handle this threat with the help of relevant authorities. It must revisit its strategies to extract the full potential of law and the law enforcing agencies. So that this threat might be reduced if not ended.

**RECOMMENDATIONS**

Director NR3C Yasin Farooq said that we are working on these policies strictly. We recently launched rescue service 9911 for cyber-crimes through which a victim can easily register his\her complain.He also said that victims should take family or friends in confidence and should not succumb to the demands of blackmailer.They must trust the law enforcing authorities and don't hesitate to take forward their grievances to them.Choose Strong Password and change them regularly, save the link and number of the relevant authority and report to the authorities immediately. Use child protection lock for the save cyber experience of the children and teenagers and keep check on them and their activities. Guide your children and teenagers about the law and law enforcing authorities. It will not only keep them safe but also prevent them from becoming a culprit and criminally misuse cyber space.Always report any suspicious activity to the relevant authority.FIA and NR3C Must advertise regularly using all the social means of communication.There should be training programs in colleges and schools and seminars and workshops in the community and universities.In the premises of all the universities, office, schools, organizations the rescue number of NR3C should be mentioned in emergency numbers.Government must strictly control this threat by making strict and quick policies to regulate the working of law enforcing authorities i.e. FIA, NR3C.There should also be a separate section of NR3C in every police station for the easy access of the public.Government must collaborate with other countries in this regard to control the global cyber space influence

on the local cyber space security.There must be rigorous public awareness campaigns and public must also participate to increase awareness in their social circle.

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# Impact Of Career Salience On The Employee Turnover With The Mediating Role Of Work Place Deviance: A Study On Telecommunication Sector Of Pakistan

Tahir Liaquat[1], University of Engineering and technology, Lahore

Hafiza Bushra Huma[2], University of Engineering and technology, Lahore

## ABSTRACT

This study Impact of Career Salience on employee turnover with mediating role of Workplace Deviance in the telecommunication sector of Pakistan has been done to assess the impact of career salience on the employee turnover rate along with a mediator Workplace Deviance. The reason behind conducting this study was to check the direct relationship between Career Salience (Independent variable) and Employee Turnover (Dependent Variable) through a mediator Workplace Deviance. The methodology used for the research information was convenience sampling because of the time and cost constraints. A structured questionnaire was used and floated among different franchises of the telecommunication sector located in Lahore, Pakistan including (Mobilink, Warid, Ufone & Telenor).The study population was employees and the study population was 150-200. The responses obtained and used for the data analysis were investigated through SPSS.The study proved that the independent variable (Career Salience) has significant impact on the dependent variable (Employee turnover) and also The Mediator has partial impact on relationship between the dependent and independent variable.

## INTRODUCTION

Every organization has such factors which lead it to the success and these factors are beneficial for the organizations. But there are also few reasons/factors due to which the organizations facing trouble regarding their employees issues. Employee turnover and workplace deviance are the factors which became the reasons of problems from the start of organizations establishments (Lim Li Chen B. C., p. 2016).There are some factor which impacts on increase job satisfaction and reduce employee turnover rate (Fisher, 2016) Career salience is an important factor for any person in life whether it is his/her personal life or work life.  Career salience deals with the relative worth of work and career in an individual entire life (Karim, 2012). (Kiyani, 2011) mentioned the positive and significant relationship between job involvement and career salience. Research and development efforts expanded understanding of the relationship of career salience within career development theory and also its uses in career counseling. There is a leader and style of that leader is one of the most important determinants of employee's commitment which is pronounced cause of employees' career

salience (Ramchandran, 2009).(Mert S. I., 2010) clearly defined turnover rate as how many new recruitments were hired to replace resigned employees. Turnover rate can be briefly described as how fast the employers recruit and lose employees (Uygur, 2009). One other factor is workplace deviance which is initial stage of turnover and employee start showing less interest in their tasks and then gradually this leads to the turnover. Employees often create a set of expectations about their workplace. Employees tend to make psychological contracts with their organizations (Mazni Alias, 2015).

## LITERATURE REVIEW

(Greenhaus, 1997)First time discovered the concept of career salience along with career commitment and he shapes that both are documented as one's significance to career and work in one's whole life span. There is direct relationship exist between transformational leadership and organizational commitment and organizational commitment with the job involvement which is an important determinant of employees career salience (Riaz, M.Ramazan, Ishaq, Akram, & Karim, 2012). Career salience could be helpful in involving the job. More well-defined career is going to develop sound relationship with job Involvement (Kiyani, 2011).Career commitment, career salience, and job involvement are all important factors when trying to understand individuals and how they behave in an organizational setting Career salience is as an occupational choice, prominence of role career which is related to the occupational significance and other dealings of life (Savickas, 2001). Many firms recognized the importance of career for employees by the mid of the twentieth century and to retain services the enterprises started career developing programs to enhance the abilities and loyalty of their employees(Wenxia, 2008). The socio-economic position and way of life of an individual is strongly associated with obtained education and qualification directly influences the career salience (career path, significant and choice), so, the significance of education always matter in career development(Moya, 2000). Career salience has a positive relationship with job Involvement as supported by (Athanasou, Athanasou, 2003) that the career knowledge plays significant role for job involvement, it control ambiguities and difficult situations accrues at the time of career choice and enhanced the level of satisfaction and confidence in the life of an employee. Employees who are placed in jobs that are too difficult for them or whose skills are underutilized may become discouraged and quit (Handelsman, 2009). Employees tended to leave the company when a competing company has a better compensation offer, because hospitality skills are generally transferrable from one employer to another (Im, 2011). (Kiyani, 2011) mentions the positive and significant relationship between job involvement and career salience. There is a leader and style of that leader is one of the most important determinants of employee's commitment and this commitment refers to degree of employees' career salience (Ramchandran, 2009)Different studies have been conducted on leadership and determinants of career salience such as (Mert S. I., 2010) mention that organizational commitment of employees is positively affected by transformational leadership. But no direct study has been still conducted

on leadership and employees career salience with reference to any organization. Logically, organizational deviance is a negative response and it is more likely that it is not a response for a positive attitude. As a result, less satisfied employees may be more motivated to commit acts of deviance than employees who are more satisfied(Hakan Erkutlu, 2013)**.**

Workplace deviance also can be described as the deliberate or intentional desire to cause harm to an organization (Omar, 2011)**.** Examples of workplace deviance include both behaviors directed at organizations (e.g., theft, sabotage, aggression, absenteeism, violence, coming to work late, and putting little effort into work) and individuals in the workplace, such as supervisors or coworkers (e.g., making fun of others, playing mean pranks, acting rudely, arguing and then they will take actions to restore balance exchange relationship(A. Bowlinga, 2010). One of the main harmful outcomes of such behaviors is the economic threat faced by organizations (Robinson, 2003)During low level of trust between administrators and employees and/or high psychological contract violation, employees may engage in more deviance to gain an advantage over internal competitors for organizational resources jobs, promotions, assignments, etc (Hakan Erkutlu, 2013) **.**With organizations 'widespread adoption of computers and networks, workplace deviant behavior is no longer restricted to physical actions and direct harm to the organization or its members, but may include threats to information security on organizational computer systems (Amanda M.Y. Chu, 2014)If the member's reaction to organizational practices is positive, they will be likely attracted by the harmonious relationships maintained in the workgroup. Consequently, group members may engage in deviant behavior as a way to ventilate their dissatisfaction with the organization or simply to retaliate upon their peers. In order to avoid this situation, managers need to build a trusting environment (Gabriel, 2012)

**RESEARCH FRAMEWORK**
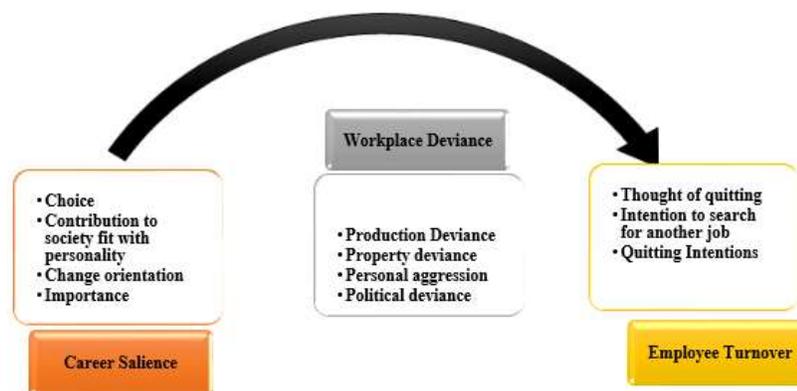


**Hypothesis No 1:** Career Salience has significant impact on Employee Turnover

**Hypothesis No 2:** Workplace Deviance has significant impact on Employee Turnover

**Hypothesis No 3:** Career Salience has significant impact on Workplace Deviance

**Hypothesis No 4:** Workplace Deviance mediates the relationship between Career Salience and Employee Turnover

**METHODOLOGY AND RESEARCH DESIGN**

The major reason is to find out the impact of Career Salience on Employee Turnover, where Workplace Deviance is playing the role of mediator, in the telecommunication sector of Pakistan. The main reason of study was the purpose of the research, the study conducted was correlation which is used to measure the relationship among different variables. Study has been conducted in an actual work environment and there has been no change in the environment by the researchers. Unit of analysis of this study is the employees of telecommunication sector of Pakistan. The questionnaire consisted of twenty seven different questions. Out of these twelve questions were related to Workplace Deviance (Aquino et al. (1999), eight were related to Turnover (Mobley et al (1979) and seven were based on Career Salience (U. Sekaran (1986). The questionnaire was based on a 5 point Likert Scale. The type of study is Correlation as this explores the relationship between the variables and "rules out" the alternative variables that play role in between these variables. Study setting is non-contrived because it has been dine in an actual work environment without any changes being incurred by the researcher. Research on variables has been conducted as they normally occur in organization. Study was also cross sectional study as the researcher did not do the data collection twice (before and after the treatment), but it was only collected once from the population. Study population was the employees of the telecommunication sector of Pakistan from the city Lahore. Employees of Warid, Telenor, Mobilink and Ufone were considered in the study. Basic sampling technique (Random sampling) was used where we select a group of subjects (a sample) from a larger group (Population).Each individual is chosen by chance and each member has an equal chance of being included in the sample.

The instrument used was a structured questionnaire, with closed ended questions. Employees of telecommunication sectors were chosen for research and employees were selected randomly on basis of whoever was available. Research was a quantitative study because it focuses on counting and involves analyzing numerical data and statistical test application can be done. Sample size was 150-200, which was taken from various franchises of Lahore and the response rate was around 67%.The response rate from the population was 67%.Reliability analysis of scale has been done. The tests used in this study included Frequency Analysis, Reliability Analysis, Correlation, Regression Analysis and Descriptive Statistics. Software used for the examination of the study was SPSS version 18.The research was done in respect with the telecommunication sector of Pakistan.

The research was conducted mainly in Lahore which is highlighting the convenience sampling. Due to the constraints of time and budget we had to limit within the boundaries of Lahore to conduct our research. So it was the major limitation faced which had a vast impact on research.

## DATA ANALYSIS AND RESULTS

As per to the results a significant relationship occurs between the Career Salience (Independent variable) and Employee turnover (Dependent Variable). But the role of mediator is partial in the relationship it has partial impact in relationship between Career Salience and Employee turnover.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| .776 | 24 |

**Table 4.1**

Cronbach's alpha is most common measure of reliability. It is used mostly when questions with multiple Likert scale are used in a questionnaire, that forms a scale and there is not a need to determine if scale is reliable. Here the value for alpha coefficient is 0.776.It is stating that the data is reliable as if the value of Cronbach's alpha is more than 0.70 it means that the scale is reliable.

## FREQUENCY ANALYSIS

**Table 4.2**

**Gender of Responder**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Male | 79 | 78.2 | 78.2 | 78.2 |
| | Female | 22 | 21.8 | 21.8 | 100.0 |
| | Total | 101 | 100.0 | 100.0 | |

This table shows that Gender of respondent, frequency, percent, valid percent and Cumulative percent. Gander of respondent were male and female.

Frequency is basically the count for the observations for each value in the data set or for the groups of observations. Above figures represent the result of responses within each category. Percentages help in finding comparisons between the categories.

**Table 4.3**

**Organization where responder is working**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Ufone | 32 | 31.7 | 31.7 | 31.7 |
| | Warid | 16 | 15.8 | 15.8 | 47.5 |
| | Telenor | 22 | 21.8 | 21.8 | 69.3 |
| | Mobilink | 31 | 30.7 | 30.7 | 100.0 |
| | Total | 101 | 100.0 | 100.0 | |

Here the frequency table demonstrates that the survey conducted includes 78.2 % males and 21.8 % females. 88.1 % belong to the age group of 20-30 years and 11.9 % belongs to the age group of 30-40 years. 31.7 % responses were from Ufone, 15.8% from Warid, 21.8 % from Telenor and 30.7 % responses were received from Mobilink.

**DESCRIPTIVE ANALYSIS**

Descriptive statistics is an effective procedure to compute summary statistics for continues variables. In most statistical analysis, it is important to generate descriptive statistics to check the variable that are being studied only contain valid values before undertaking further analysis.

**Table 4.4**

**Descriptive Statistics**

| | N | Range | Minimum | Maximum | Mean | Std. Deviation | Variance |
|---|---|---|---|---|---|---|---|
| WD | 101 | 2.83 | 2.17 | 5.00 | 4.3837 | .64432 | .415 |
| TI | 101 | 3.71 | 1.29 | 5.00 | 3.4272 | .90835 | .825 |
| CS | 101 | 3.40 | 1.00 | 4.40 | 2.3287 | .93961 | .883 |
| Valid N (listwise) | 101 | | | | | | |

The above table shows descriptive statistics for the variables used in this study. Workplace deviance has Mean of 4.38 accompanied by Standard deviation of 0.644.Turnover Intention has Mean 3.42 and Standard Deviation 0.908. Career Salience has Mean of 2.32 and Standard Deviation 0.9396.

**REGRESSION ANALYSIS**

This table provides the R and R Square Value. The R-value is 0.666 which represents simple correlation. It indicates moderate degree of correlation.

**Table 4.5**

**Model Summary$^b$**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-----|----------|-------------------|----------------------------|---------------|
| 1 | .666$^a$ | .444 | .438 | .68076 | 2.056 |

a. Predictors: (Constant), CS

b. Dependent Variable: TI

The R square value indicates how much of the dependent variable "Turnover Intention" can be explained through independent variable "Career Salience". In this case value of R Square shows 44.4% variance in Turnover Intention is due to Career Salience. The Durbin Watson value shows the significance between the variables and its value should be between 1.5-2.5. Here the value is 2.0 which show that the relationship is significant. This table indicates that the regression model predicts the outcome variable significantly well. The Sig. column indicates that statistical significance of the regression model that was applied. Here p=0.000 which is less than 0.05, and indicates that, overall, the model applied can statistically significantly predict the outcome variable.

**Table 4.6**

**ANOVA$^b$**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|---------|
| 1 | Regression | 36.629 | 1 | 36.629 | 79.038 | .000$^a$ |
| | Residual | 45.881 | 99 | .463 | | |
| | Total | 82.510 | 100 | | | |

a. Predictors: (Constant), CS

b. Dependent Variable: TI

The ANOVA analysis shows that our regression is significantly lower and the residual is significantly higher Career Salience has significant impact on Employee Turnover accepted

**Table 4.7**

**Model Summary$^b$**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-----|----------|-------------------|----------------------------|---------------|
| 1 | .387$^a$ | .150 | .141 | .84171 | 1.645 |

a. Predictors: (Constant), WD

b. Dependent Variable: TI

This table provides the R and R Square Value. The R-value is 0.387 which represents simple correlation. It indicates low degree of correlation. The R square value indicates how much of the dependent variable

"Turnover Intention" can be explained through the variable "Workplace Deviance". In this case value of R Square shows 15.0% variance in Turnover Intention is due to Workplace Deviance.

**Table 4.8**

ANOVA[b]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 12.371 | 1 | 12.371 | 17.461 | .000[a] |
| | Residual | 70.139 | 99 | .708 | | |
| | Total | 82.510 | 100 | | | |

a. Predictors: (Constant), WD

b. Dependent Variable: TI

The Durbin Watson value shows the significance between the variables and its value should be between 1.5-2.5. Here the value is 1.6 which shows that the relationship is significant.

This table indicates that the regression model predicts the outcome variable significantly well. The Sig.column indicates that statistical significance of the regression model that was applied. Here p=0.000 which is less than 0.05, and indicates that, overall, the model applied can statistically significantly predict the outcome variable. The ANOVA analysis shows that our regression is significantly lower and the residual is significantly higher Workplace Deviance has significant impact on Employee Turnover Accepted

**Table 4.9**

Model Summary[b]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .298[a] | .089 | .080 | .61816 | 1.903 |

a. Predictors: (Constant), CS

b. Dependent Variable: WD

This table provides the R and R Square Value. The R-value is 0.29 which represents simple correlation. It indicates low degree of correlation. The R square value indicates how much of the dependent variable "Workplace Deviance" can be explained through the variable "Career Salience". In this case value of R Square shows 8.9% variance in Workplace Deviance is due to Career Salience. The Durbin Watson value shows the significance between the variables and its value should be between 1.5-2.5. Here the value is 1.9 which shows that the relationship is significant.

**Table 4.10**

ANOVA[b]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 3.685 | 1 | 3.685 | 9.644 | .002[a] |
| | Residual | 37.830 | 99 | .382 | | |
| | Total | 41.515 | 100 | | | |

a. Predictors: (Constant), CS
b. Dependent Variable: WD

This table indicates that the regression model predicts the outcome variable significantly well. The **Sig.** column indicates that statistical significance of the regression model that was applied. Here p=0.002 which is less than 0.05, and indicates that, overall, the model applied can statistically significantly predict the outcome variable. The ANOVA analysis shows that our regression is significantly lower and the residual is significantly higher. Career Salience has significant impact on Workplace deviation accepted.

**Table 4.11**

Model Summary[c]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .387[a] | .150 | .141 | .84171 | |
| 2 | .695[b] | .483 | .472 | .65975 | 2.014 |

a. Predictors: (Constant), WD
b. Predictors: (Constant), WD, CS
c. Dependent Variable: TI

The table 4 shows that Workplace deviance is partially mediating the relationship between Career Salience and Turnover Intention. Workplace Deviance mediates relationship between CS & Employee Turnover

**Table No 4.12**

ANOVA[c]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 12.371 | 1 | 12.371 | 17.461 | .000[a] |
| | Residual | 70.139 | 99 | .708 | | |
| | Total | 82.510 | 100 | | | |
| 2 | Regression | 39.853 | 2 | 19.927 | 45.780 | .000[b] |
| | Residual | 42.657 | 98 | .435 | | |
| | Total | 82.510 | 100 | | | |

a. Predictors: (Constant), WD
b. Predictors: (Constant), WD, CS

Accepted Career Salience is an integral part of the telecommunication sector. With the help of Career Salience Employee turnover can be controlled and employees can be retained. The impact of Workplace deviance can be reduced with the help of Career Salience.

This table indicates that the regression model predicts the outcome variables significantly well. The **Sig.** column indicates that statistical significance of the regression model that was applied .Here p=0.000 which is less than 0.05 , and indicates that overall the model applied can statistically significantly predict the outcomes variables The ANOVA analysis shows that our regression is significant lower and the residual is significantly higher. Work place Deviance mediates relationship CS & Employee Turnover accepted

**Table 4.13**

Coefficients[a]

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.034 | .579 | | 1.787 | .077 |
| | WD | .546 | .131 | .387 | 4.179 | .000 |
| 2 | (Constant) | 3.509 | .550 | | 6.376 | .000 |
| | WD | .292 | .107 | .207 | 2.722 | .008 |
| | CS | -.584 | .074 | -.605 | -7.946 | .000 |

a. Dependent Variable: TI

The above table shows that Workplace deviance is partially mediating the relationship between Career Salience and Turnover Intention.

**RESULTS**

All of the four hypotheses has been confirmed with the support of statistical analysis. After the analysis of results it can be observed that Career Salience has significant impact on the turnover intentions and also the Workplace Deviance Behavior plays a partial role in mediating the relationship between Career Salience and Employee Turnover. Referring to the H1 , the Career Salience has significant impact on Employee turnover rate because there exists positive correlation between them and the value of p is 0.000 which is less than 0.005 and also the value for R is 0.66 which is showing a positive correlation between Employee Turnover and Career Salience, so the Hypotheses was accepted.H2 was accepted because the value of P is 0.00 which is less than 0.005 and the value of R is 0.38 which is showing simple positive correlation whose degree is low. Its Durbin Watson value showed the significance between both the variable exists and its value is 1.6.H3 & H4 were also accepted. In H3 the value of P was less than 0.005 and the H4 indicated the mediator's role in relationship between the independent variable and dependent variable. As per to the findings the mediator's role between the relationship of both independent and dependent relationship is partial.

## CONCLUSION AND RECOMMENDATION

The research has provided us with the findings that Career Salience has a significant impact on the Employee Turnover and Workplace Deviance has a partial impact on the relationship between Employee turnover and Career Salience. Career salience is very integral part for an employee. Especially in Pakistan where unemployment rate is very high those who have jobs they give importance to their careers more than other roles in life as career is the only way for meeting the needs of their daily lives. If the worth of career for an employee is higher than his/her turnover intentions would be low, and if he/she is provided with a suitable and satisfied environment and career has relatively high importance for him/her then his/her turnover intentions will be low and also he/she will not try to involve in workplace deviance activities and his/her progress will increase which will also have a positive impact on the progress of the organization as a whole.

In Pakistan career salience is high for everybody so the employers should try to use this variable as a main resource to retain their employees. As the career has high worth for the job holders, employers should provide their employees with a comfortable working environment along with flexible working hours so that they feel satisfied with their working environment and don't move towards deviant behaviors and turnover intentions. Employers should be equal in giving compensations and benefits to employees as per to their efforts and the working environment should be justified so that injustice perceptions don't initiate deviant behavior in employees.

## RECOMMENDATIONS FOR FUTURE RESEARCH DIRECTIONS

It was Quantitative study; qualitative research can be done on these variables. The sample comprised of employees of Telecom sector only. It can be done with employees of other sectors as well. There has not been done allot of research on these variables together as Career Salience also have very less research conducted on it with respect to other variables, further researches can be done on these variable by addition of one or more variables. We have used mediator for conducting the analysis, but in future studies a moderator can also be used to see the relationship among the Dependent and Independent Variables.

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# IMPACT OF CAPACITY BUILDING ON EMPLOYEES PERFORMANCE

Hamna Shahid[1], Institute of Business & Management, University of Engineering & Technology Lahore

Hafsa Khalid[2], Institute of Business & Management, University of Engineering & Technology Lahore

Corresponding author email: hafsapk24@yahoo.com

## ABSTRACT

This paper aims to shed light on how capacity building parameters affect employee performance in technical organizations. Quantitative method of conducting research was used; middle level employees of technical organizations were selected to explore this concept. Reliability and validity of 31 items were ensured and SPSS version 20 was used for model testing by multiple regression analysis technique. Research outcome portrays a significant positive impact of employee empowerment, training & development and supervisory support on employee performance. It also found that capacity building partially mediates the relation of former variables with the later one.

*Key Words:Capacity building parameters, Employee performance, Technical organizations.*

## INTRODUCTION

The effectiveness and efficiency of an organization depends on its ownership and investment in efficient, skilled and competitive human resource as it is a central element and key asset for the development of a company in extremely competitive and globalized world (Waris., 2015). According to Saleem (2013) the vitality of career and competency development programs for the survival and sustainability of an organization is undeniable. According toStephen organizations must offer employees the opportunities to boost their talents, knowledge, skills and capabilities for achieving organization's strategic goals and shared objectives. Such opportunities include training and development programs (Knight., 2012) supervisory support (Saleem., 2013) employee empowerment (Men) and capacity building programs (Nafukho., 2013) to improve and enhance the quality of employee performance.

Employee performance is the output and outcome of assigned duties and tasks by the management. It is the measure of accomplishment level of strategic goals and corporate objectives. An individual's performance contributes to the performance and actions of an entire organization. According to Hartog et al. (2004) organizations take initiatives to improve and enhance their employee's performance by aligning their routine course of actions with corporate vision and mission. They work keenly on building the capacity of their internal customers.

According to (Hargreaves, 2011) the never ending practice of capacity building covers intellectual capital social capital and organizational capital for value addition in obtaining maximum output from factors of production. It is an essential feature for the evolution and existence of learning organizations (Hughes, 2006). Capacity building projects vary depending on the mandate, stakeholder, and scale of activity (Lavagnon & Donnelly,. 2017). In 21$^{st}$ century the concept of human systems that creates values revolves around the amalgamation of individual competencies and shared capabilities (Morgan H. B., 2008).

## LITERATURE REVIEW

### Employee Performance

Waris(2015) argued that employee performance is an area of interest for all organizations thus treated as a dependent variable in experimental studies. It is a measure of accomplishment of duties and responsibilities assigned by the top management in alignment of corporate goals and strategies. It is a set of multipurpose activities that flows from top to bottom on the organizational hierarchy (Wariss, 2015)

### Training & Development

The training and professional development programs play a vital role in building competencies of employees in order to achieve corporate goals and objectives. According to (Pfeffer., 1998) , for an improved and efficient employee output, organizations must focus on designing and providing skill-based training and development programs. The quality of training and development programs determine the quality of employee output and competency level an organization owns (Wawire & Nafukho, 2006). According to Nafukho (2013), the survival and success of any organization depends highly upon its investment in aquiring critically skilled human resource and intellectual capital.

### Supervisory Support

Burke et al., (1992) define supervisory support as the degree of support and enablement an employee receives from his supervisor or manager while accomplishing his tasks and duties. It includes a variety of programs, procedures; employee involvement and assistance that can help build employee competency and their retention and career development (Ng. 2005; Orpen, 1994). It can be two type of support programs; formal and informal. The former include career planning, assitance centers and training programs, the later include education providing mentoring and networking oppertunities (Lent & Brown, 2005). According to, peaople are more willing to accept challenges, more enthusiastic to deal with complexity and more keen to present themselves as a part of a learning organization when the receive support and assistance from supervisor and management. (Veslor & McCauley, 2004). Such measures would avoid employees in involving in politics to put forth pressure on managers for promotion and rewards (Sharabi, 2008).

**Employee Empowerment**

According to Johnson & Wilson (2000), employee participation plays an important role in the design and running of development projects for achieving effective and sustainable results. The concept of empowerment is the use of power to construct prospects and environment through which everyone is given authority, up to certain limit, to make decisions, can use and expand their skills and abilities, can create and achieve corporate goals and shared objectives in meaningful ways (Grunig, 1992). According to Loke (2001), encouraged employee empowerment and self-initiatives make employees more productive, skilled and competent.

## THE MEDIATING ROLE OF CAPACITY BUILDING

Capacity building is a process by which individual, organizations, institutions and societies develop abilities to perform functions, solve problems and set and achieve objectives (UNDP, 1997).The past studies on capacity building integrates the combinations of large amount of qualitative and quantitative research that supports the current studies and validates them (E.g. Cohen and Hill, 1998; Desimone, 2002; Fullan, 2010; Garet et al., 2001; Wenglinsky, 2002), discuss what constitutes best practice in the area (e.g. Stiles et al., 1996) and examine the barriers to effectiveness (e.g. Wilsmore & McKinnon., 2003; Zimmerman & May., 2003). A multidimensional concept, capacity is neither a specific ability/ competency nor is it a secret ingredient as existing capacity may change, evolve, stagnate, deepen, erode, or stabilize.

## METHODOLOGY

In this study, the middle level employees or engineers of technical organizations are taken as the unit of analysis. Random sampling technique is used and a sample of 110 employees is studied. Quantitative method of research is used and an adopted instrument (questionnaire) is used to observe the responses of the sample. This study design aims to test the formulated hypothesis and to verify and explain the relation of dependent and independent variables and the mediating effect of intervening variable. Multiple and linear regression and correlation is used to test the hypothesis.

## HYPOTHESIS FORMULATION

H1. Capacity building mediates the impact of training and development on employee performance

H2. Capacity building mediates the impact of supervisory support on employee performance

H3. Capacity building mediates the impact of employee empowerment on employee performance.

The relationship between independent, intervening and dependent variable can be diagrammatically expressed as:

## THEORETICAL FRAMEWORK

The theoretical model is as follows:
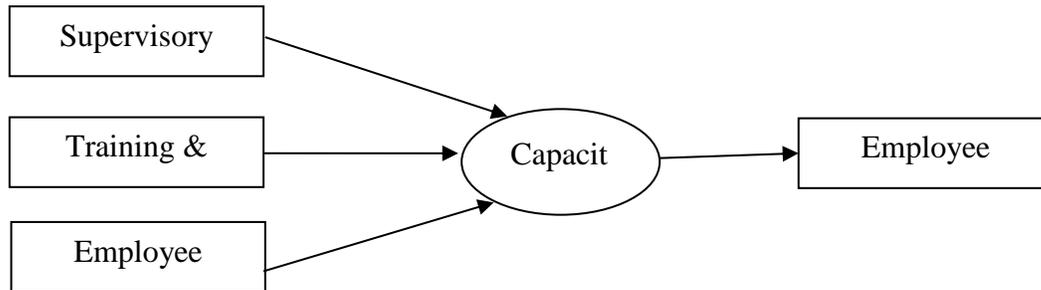


## DATA ANALYSIS

With SPSS version 20, the validity of the items on the instrument can be calculated by checking the correlation value of each item on the questionnaire which should be greater than 0.30 & p-value≤0.05. The values of correlation in this study are: capacity building (0.32) employee performance (0.34) employee empowerment (0.35) supervisory support (0.31) and training & development (0.34).

To check the reliability of the instrument, the formula of Cronbach's Alpha in SPSS version 20 is used for each variable, which showed variable coefficient capacity building (0.67), employee performance (0.69), employee empowerment (0.71), supervisory support (0.74) and training & development (0.723). These approve the reliability and validity of the instrument used. This test is very important before computing multiple linear regressions. It can be performed through three tests which are: Normality Test and Heteroscedasticity Test.

The Normal P-P Plot can be seen that the distribution of the Unstandardized residuals follow and spread around the diagonal line so it can be calculated that the data is normally distributed.
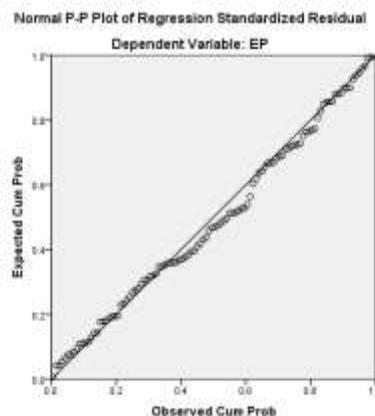


**Figure 2: Normality test**

From the Scatter plot, it can be clearly seen that the data do not follow any particular pattern and the data points not only accumulate above or below the zero but also spread above and below. Thus, a statement can be made that there is no problem in data residual heteroscedasticities. Multiple Linear Regression Analysis was used to check the impact of employee empowerment, supervisory support and training & development on employee performance.

Employee empowerment regression coefficient 0.203 means a unit increase in capacity building score will bring 20.3% change in employee performance, keeping other variables independent. Supervisory support regression coefficient 0.108 means a unit increase in capacity building score will bring a change of 10.8% in employee performance, keeping other variables independent. Training & Development regression coefficient 0.247 means a unit increase in capacity building score will bring a change of 24.7% in employee performance, keeping other variables independent.

**Figure 3: Heteroscedasticity Test**
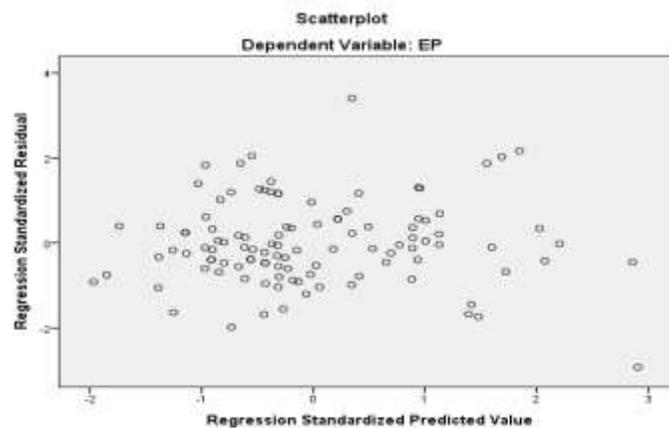


**Table 1: Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.882 | .308 | | 6.120 | .000 |
| | EE | .203 | .081 | .036 | .369 | .000 |
| | SS | .108 | .097 | .113 | 1.113 | .000 |
| | TD | .247 | .088 | .137 | 1.372 | .000 |

a. Dependent Variable: EP

The results so shown predict the degree by which independent variables bring change in dependent variable. It is important to study the impact of the mediating variable and its control on the relation of independent and dependent variables.

**Table 2: Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.396 | .373 | | 4.627 | .000 |
| | CB | .650 | .087 | .071 | .741 | .000 |
| | EE | .394 | .081 | .035 | .361 | .000 |
| | SS | .111 | .097 | .116 | 1.141 | .01 |
| | TD | .120 | .088 | .136 | 1.352 | .01 |

**DEPENDENT VARIABLE (EP)**

The table explains the mediating impact of capacity building on the relation of three independent variables; employee empowerment, supervisory support and training & development and the dependent variable; employee performance. There is a significant direct relation between dependent and independent variables. Also the mediating variable significantly partially mediates the relation and shows a partial mediation as all the values are significant.

The test of coefficient of determination has shown the ability of regression model to explain the degree of variation in dependent variable. According to Ghozali (2006), the value of R square is used to explain the goodness of regression line fit. The table below explains the results of coefficient of determination. It is shown in the table that the value of R square is 0.667 which shows that 66.70% variable employee performance can be explained by the variables Training & Development, Employee Empowerment, Supervisory Support and Capacity Building while the remaining 33.3% is explained by other variables not observed in this study.

**Table 3: Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .807[a] | .667 | .662 | .396 |

a. Predictors: (Constant), TD, EE, SS, CP.    b. Dependent Variable: EP

**RESULTS**

The findings in this study specify a significant positive impact of employee empowerment, supervisory support and training & development on employee performance of technical organizations. Performance is the measure

of achievement of tasks or targets assigned in accordance of responsibilities and authorities in order to attain shared goals and corporate objectives (Waris., 2015). However, capacity building partially mediates this relation as the results are significant with or without the mediating variable. The research conducted by (Ahmed et al., 2015) and (Waris., 2015) also supports the findings that training & development, supervisory support, employee empowerment and capacity building have influence on employee performance.

## CONCLUSION

An organization's growth and sustainability depends on the effectiveness and efficiency of its employees. An individual's performance contributes to the performance and actions of an entire organization. In this study, multiple facets to achieve such efficiency have been discussed. Particularly, the focus was on capacity building and the way it influences employee performance for the reason that expertise development adds to organization's productivity. The quality of training and development programs determine the quality of employee output and competency level an organization owns. Employee empowerment motivates them and encourages them to achieve shared objectives. In addition, supervisory support enables them to work more dedicatedly and freely. Motivation could serve as a mediating variable for studying the impact of employee empowerment on employee performance and can be a corner of interest for further studies.

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# FACTORS AFFECTING MOTIVATION OF TEACHERS IN PUBLIC SECTOR COLLEGES IN LAHORE

**Zahida Parveen[1]**

Institute of Business Management, UET, Lahore

Corresponding author email: Zahidaiqbal1984@gmail.com

## ABSTRACT

The main purpose of this study is to find out the factors affecting the motivation of teachers in public sector colleges in Lahore city. Motivation is the process of inspiring people to achieve the goals. Teaching is considered as one of the mighty profession that paves the way for all other professions. There is no other profession that is better than a teacher, who teaches, advises, gets ready, motivates and empowers the students' ideal from their youth till their school days and even past that to help them have a superior existence in the society. A motivated teacher can play a vital role in the society. One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. So, it is significant to explore the factors affecting teacher motivation in order to improve teacher's performance in public sector colleges.The study is designed to determine the effect of job satisfaction on teacher motivation, the effect of reward system on the motivation of teachers, the effect of training and development on teacher motivation and the effect of work situational factors on teacher motivation in public sector colleges in Lahore. This is an explanatory study and quantitative in nature. Population of this study was included all the teachers of the public sector female colleges of Lahore city. Random sampling technique was used for selecting sample from this population.The sample of 06 female public sector colleges has been taken for the purpose of research and 210 teachers are selected for the primary data collection. For this survey, questionnaires were used. The collected data has been analyzed by using different statistical tools like Reliability, correlation, Regression, Mean, Standard Deviation etc.

*Keywords: Motivation, Teachers, Public sector colleges.*

## INTRODUCTION

"Motivation may be defined as how much individuals submit push to finish destinations that they see as being critical and worthwhile" (Johnson, & Johnson, 2003). Motivation as an inner drive that coordinates conduct towards some end. (Connie Firth, an expert on Educational Communication Technology in the University of Saskatchewan). Motivation is an express that lifts, communicates and looks after execution. Motivation includes targets and needs activity. Targets give the impulsion to and the course of activity, while activity

includes exertion. Motivation has been generally viewpoint as vitality that moves individuals to accomplish something by nature. Motivation indicates the inspiration behind why individuals choose to accomplish something, to what extent individuals will delay the action and how hard they will take after the movement. Success of any educational institute depends on the teacher. The strength of motivation to among teachers is the basis for understanding the effectiveness of different educational institutes. An educational institute will be successful in its performance only when teachers of that institute have high level of achievement motivation. Motivated teachers think about how learning can happen in different ways and experiment with different techniques and approaches. They don't settle for average in their work and encourage their students to do the same. Motivated teachers are keen on their understudies and need their understudies to be persuaded so they get things done in the classroom that will raise that sort of mentality. They converse to their students about why they are trying something new and what the perceived benefits will be to their learning so that their students develop an interest and a responsibility for their own learning.

## PROBLEM STATEMENT

Motivated and devoted teaching staff is considered as a foundation for the value of a college in facing the various problems and challenges posed to it. Because of it is significant to explore the factors affecting teacher motivation in order to improve teacher's performance. The motivation of the teachers is affected by different factors such as Job satisfaction, Training and Development, the reward system of teachers and working environment. Less motivated teachers take less interest to perform their duties and therefore the performance of the students may affect. Lack of motivation among teachers creates a bad culture in the college i.e. teacher unwillingness to participate in college activities, short attendance, unexpected leaves, late arrival, lack of creativity, lack of interest in college meetings. This study aimed at finding out the factors affecting teachers 'motivation in public sector colleges in Lahore city.

## LITERATURE REVIEW

For making a comprehension about individual, the analysts have articulated the word 'Motivation'. Motivation is implied as to put the endeavors of abnormal state towards the objectives of association. Coordinating and stimulating of conduct both ideas are identified with the motivation. Motivation has a tendency to accomplish something and it is proceeded by this activities capacity to be fulfilled to finish a few needs. Those individuals who have plainly recognized objectives are the all-around propelled individuals and those individuals additionally make a move for accomplishing those objectives. (Greenberg, 1999). Motivation is a sentiment intrigue that makes you need to accomplish something, a purpose behind accomplishing something or conduct unquestionably. Motivation originates from inside, so it is up to every person to propel himself/herself. (Korman, 1974).

Student's achievement is based on teacher's motivation. Teacher may be motivated by good salary package and to the most by the feedback of students. Therefore, it could underlie their involvement or noninvolvement in academic and non-academic activities, which operate in college. The teacher is the one that translate educational philosophy and objective into knowledge and skill and transfers them to students in the classroom. (Kerlinger, 1993). Ofoegbu (2004) established a relationship between benefits like, salary, allowances and other facilities provided to teachers and the improvement of educational institution.

Filak (2003) is indicated that the teacher's motivation is an essential player in the success and performance of an educational system. The researchers have shown that teacher's motivation affects students' achievements positively; it increases overall productivity of the institution. Davidson (2005) feel that less motivated teacher is one of the major hurdles in achieving teaching quality. The teachers are much concerned about student's feedback from the students should be given a proper weightage and in appraising and managing teachers' performance in the institutions of higher education. Student's feedback is a major issue of teachers' motivation therefore teachers should be provided feedback of their students in scientific manners. Jordan (1992).

Regarding the effect of job satisfaction, the study recommended that colleges should ensure that college environment is conducive for teachers to ensure their motivation and satisfaction with their jobs. This can be accomplished by guaranteeing that there are sufficient instructing and learning assets. The study additionally suggested that teachers ought to be compensated well to rouse them in their employment. This can be accomplished through offering motivating forces to teachers and compensating teachers whose subjects 'students perform better. This will motivate them to improve on curriculum delivery. The teachers should attend in-service training to update their skills. By attending trainings, teachers will develop confidence in teaching their subjects and become motivated. (Teresa Kemunto Nyakundi, 2012). Job enlargement, open doors for advancement, pay increases, rewards and lunch get-togethers, great execution measures that encourage profession improvement ought to be set up. Straightforward and proficient enrollments and choice, advancement, evaluations preparing and detachment, open correspondence channels require additionally be tended to. Employees' welfare services, for example, lunch, tea, great furniture, roomy ventilated workplaces and an unmistakable corporate picture will be useful for the expert pride. Regard and reasonable organization to the implicit rules will guarantee that instructors possess the expert direct. The business ought to illuminate teachers on the code of controls and guarantee that they are acquainted with it and manage their issues with important protection. ( Joyce Nzulwa. 2014).

**METHODOLOGY**

The study is an explanatory study and quantitative in nature. Population of this study is included all the teachers of the public sector female colleges of Lahore city. Random probability sampling technique is used for selecting sample from this population. Data was collected by using of questionnaires leaded by a pilot study

to validate the mechanisms. Different suitable statistical tools such as Reliability, Correlation, Regression, Standard Deviation etc. were used to analyze the collected data.

## THEORETICAL FRAMEWORK

This study is to explain the factors affecting teacher motivation in public sector colleges. The fact that motivation is affected by the intrinsic and extrinsic factors, the theory was used to explain how training and development, remuneration, work environment and job satisfaction affect teacher motivation.
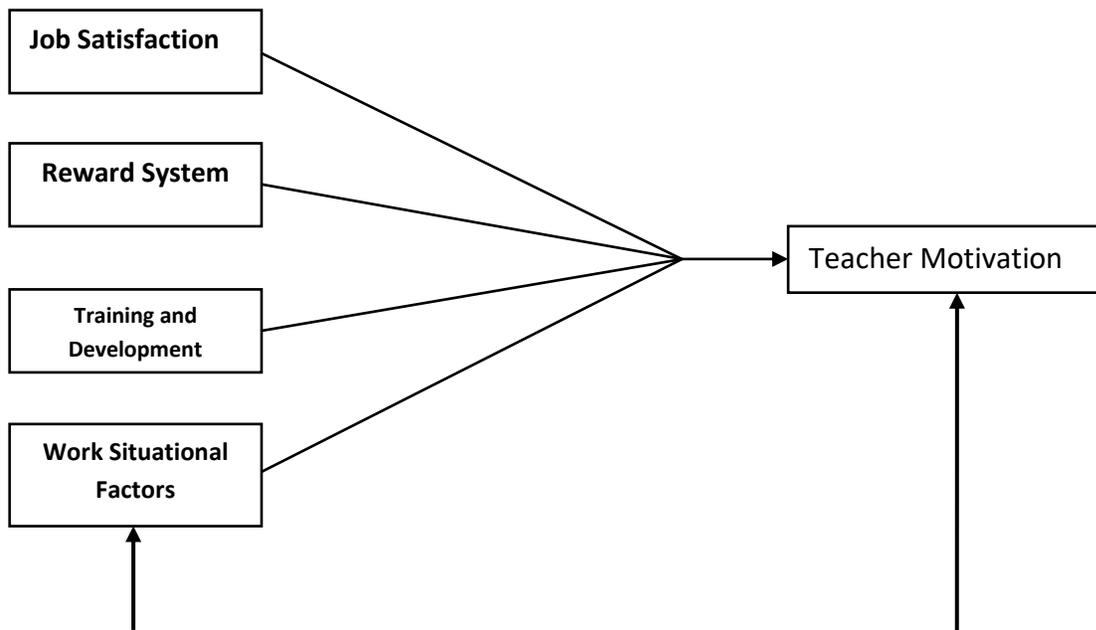


**Figure 1: Theoretical Framework**

The conceptual framework shows the relationship between the independent and the dependent variables of the study. The independent variables are job satisfaction, reward system, training and development and work environment which affects teacher motivation i.e. dependent variable.

## DATA COLLECTION

Data from the field was collected through questionnaires. The researcher administered the questionnaires personally. The researcher visited the colleges mentioned in the sample for obtaining the opinions of the teachers at Public Sector Female Colleges in Lahore.

**DATA ANALYSIS, RESULTS AND DISCUSSION**

For data analysis, different statistical tools were applied like Descriptive Analysis, Reliability test, Correlation analysis and Regression analysis.

**Table 1: Descriptive Analysis:**

| Variables | N | Mean | SD | Skewness | Kurtosis |
|---|---|---|---|---|---|
| Job Satisfaction | 210 | 10.3000 | 0.69046 | .280 | -.935 |
| Reward System | 210 | 12.6765 | 0.55811 | .239 | -1.010 |
| Training and Development | 210 | 10.3000 | 0.69046 | .280 | -.935 |
| Working Environment | 210 | 10.1941 | 0.76105 | .350 | -.896 |
| Teacher Motivation | 210 | 10.3000 | 0.69046 | .280 | -.935 |

**Table 2: Reliability Test:**

| Sr. No. | Variables | No. of Items | Reliability |
|---|---|---|---|
| 1 | Job Satisfaction | 4 | 0.791 |
| 2 | Reward System | 5 | 0.833 |
| 3 | Training and Development | 4 | 0.791 |
| 4 | Working Environment | 4 | 0.841 |
| 5 | Teacher Motivation | 4 | 0.791 |
| | **Total** | **21** | **0.967** |

The Reliability of the data should be 0.7 or more. In this study the reliability lies between 0.791 to 0.841 which shows that all the data is stable and consistent and the value of correlation should be between +1 and -1. In this study the values of correlation lies between +1 and -1and it shows highly significant positive relationship.

**Table 3: Correlation Analysis:**

| Sr. No. | Variables | 1 | 2 | 3 | 4 | 5 |
|---------|-----------|-----|-----|-----|-----|-----|
| 1 | Job Satisfaction | 1 | | | | |
| 2 | Reward System | 0.781 ** | 1 | | | |
| 3 | Training and Development | 1.000 ** | 0.881** | 1 | | |
| 4 | Working Environment | 0.842 ** | 0.874** | 0.785 ** | 1 | |
| 5 | Teacher Motivation | 1.000 ** | 0.981** | 1.000 ** | 0.765** | 1 |

**. Correlation is significant at the 0.01 level (2-tailed).

**Teacher Motivation and Job Satisfaction:** The value of R Square should between 0 and 1 and in this study the value of R Square is 0.972 that is closer to 1. It shows that 97% variation in Teachers Motivation is due to Job Satisfaction and measuring 3% is error term. The value of beta is 1.107 which shows the positive relation between Job Satisfaction and Teachers Motivation and significance level is 0.000 which shows significant relationship between independent and dependent variable.

**Teacher Motivation and Reward System:** The value of R Square should between 0 and 1 and in this study the value of R Square is 0.934 that is closer to 1. It shows that 93% variation in Teachers Motivation is due to Reward System and measuring 7% is error term. The value of beta is 0.855 which shows the positive relation between Reward System and Teachers Motivation and significance level is 0.000 which shows significant relationship between independent and dependent variable.

**Teacher Motivation and Training and Development:** The value of R Square should between 0 and 1 and in this study the value of R Square is 0.848 that is closer to 1. It shows that 95.7% variation in Teachers Motivation is due to Training & Development and measuring 4.3% is error term. The value of beta is 0.848 which shows the positive relation between Training & Development and Teachers Motivation and significance level is 0.000 which shows significant relationship between independent and dependent variable.

**Teacher Motivation and Working Environment:** The value of R Square should between 0 and 1 and in this study the value of R Square is 0.908 that is closer to 1. It shows that 91% variation in Teachers Motivation is due to Working Environment and measuring 9% is error term. The value of beta is 0.944 which shows the positive relation between Working Environment and Teachers Motivation and significance level is 0.000 which shows significant relationship between independent and dependent variable.

## CONCLUSION& RECOMMENDATIONS

Motivated teachers show their performance very high and fulfill their responsibilities adequately. In this way educational institutions achieve good standards. It means that responsibilities of the teachers are essential factors in the instructional programme for the teacher's performance. From the findings of the study, it can be concluded that job satisfaction, reward systems, professional training and development and work situational factors affect teacher motivation. Regarding the effect of job satisfaction, the study recommended that colleges should ensure that college environment is conducive for teachers to ensure their motivation and satisfaction with their jobs. This can be achieved by ensuring that there are adequate teaching and learning resources. The study also recommended that teachers should be remunerated well to motivate them in their job. This can be achieved through offering incentives to teachers and rewarding teachers whose subjects'students perform better. This will motivate them to improve on curriculum deliver

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# EFFECT OF CELEBRITY ENDORSEMENT ON
# BRAND TRUST/LOYALTY

Anum Tahir[1], IB&M UET Lahore Pakistan
Sehar Nazim[2], IB&M UET Lahore Pakistan
Asad Mahmood[3], IB&M UET Lahore Pakistan
Muhammad Fiaz[4], IB&M UET Lahore Pakistan
Corresponding author email: anumtahir1994@yahoo.com

## ABSTRACT

This research analyze the influence of celebrity endorsement with the dimension of attractiveness, trustworthiness, credibility and advertising appeal on brand trust/loyalty. The attractiveness, trustworthiness and celebrity credibility refers to how well a celebrity is believed by the audience or target market and how much they attract the attention of consumer or to influence their feelings towards the brand through advertising appeal. In many societies, celebrities are perceived as model of success. Aim of this paper is to examine the impact of celebrity endorsement on brand trust/loyalty. Study is conducted in different universities of Lahore, sample size was 160 graduate and undergraduate and post graduate students. Convenience sampling technique is adopted in this study. Data were collected from the primary and secondary sources. The result of the study have been analyzed through quantitative, regression, correlation and Frequency analysis. The data is processed through SPSS to get the results. Based on the surveys which we were conducted show that, using a celebrity in an Add would not increase brand trust/loyalty.From this study, it becomes clear that the use of celebrities to endorse a brand does not creates a very positive influence on the consumers and it does not creates brand trust/loyalty among consumers.

**KEY WORDS:** *Celebrity endorsement, trustworthiness, attractiveness, credibility, Brand trust, Brand loyalty, advertising appeal.*

## INTRODUCTION

This research purpose is to examine the relationship between celebrity endorsement and brand trust or loyalty and to identify which factors effect celebrity more. The attractiveness, trustworthiness and credibility of celebrities affect the effectiveness of advertising. Trustworthiness is the only factor that effect on credibility.

According to Solomon (2009) Celebrity endorsement is the use of well-known athletes, movie actors, music signs and television stars for advertising and promoting the brand. Celebrities are chosen because they are seem to be more credible endorser of brands as compared to non-celebrities. Celebrity endorsement is useful advertising tool to attract or to make more customers and also helpful to attain potential customers attention towards brand. Celebrity endorsements have also been originate to produce better recall or recognition of a brand name (Friedman &

Friedman, 1979; Petty, Cacioppo & Schumann, 1983). Companies use celebrity endorsements to attract consumers and to motivate them to purchase the brand/product. The combination of celebrity with brand should be according to the interest of target customers (Till, 1998). It is very much essential to use very credible resource to inspire the brand switching. Celebrity is very popular kind of spokesperson (Tom et al. 1992). Celebrity is someone who enjoys reputation and it is this reputation that converts into popularity in the masses which support the criteria for selling a particular brand/product. A celebrity is a familiar personality "actor, entertainer, or athlete" who is known to the public for his or her achievement in areas other than the product class recognized" (Shimp, 2003). The brand endorsed by celebrity can be shifted into more positive attitude and product appraisal by the consumers (Dean & Baswas, 2001). ). The credibility of celebrity endorsement plays an important role in substantial to the target audience of the attractiveness of the company's brand. There is a positive relationships between the celebrity endorsement with consumer behavior and marketing promotions in general. It is a very popular tool to explore the impact of celebrity endorsement on consumer purchase decision. Source credibility is mentioned to identifying of communicator's positive properties which effects acceptance of a message by the receiver (Ohanian, 1990. It is usually believed that celebrity endorsements perform as a magical influence on consumers and the celebrity endorsers bring their own illustrative meaning to the endorsement process and that this cultural meaning exist in the celebrity is passed on to the product, which in turn is passed on to the band (McCracken,1989). The visual components of an ad create a sense of attractiveness and improve a positive attitude towards purchase attention. (Clow, James et al 2006).

In past many researchers verify that physical attractiveness is extraordinary element through which the effectiveness of celebrity is tested. Credibility is essential in order to confirm that the celebrity is believed among the customers. It needs that the organization uses a celebrity that is well recognized, whose credibility is reliable and unique for each customer group. Trustworthiness specifies that celebrity is reliable and can be trusted by customers. Trustworthiness which is built on consumer's relationship with the endorsed brand has been considered an essential element of celebrity product. Thus, consumer consumption capability is a function of consumers' observation of how reliable the celebrity is (Ohanian, 1990; Silvera and benedikte 2003). The success of celebrity endorsement depends on a number of factors, in which trust is an essential part. Credibility of a celebrity means how well a celebrity is perceived by the audience or customers.

Many studies have also revealed that celebrity endorsers positively influenced important advertising effectiveness measures such as attitudes toward the ad, attitude toward the brand (Atkin & Block, 1983; La Ferle & Choi, 2005; Petty et al.,1983). Celebrity endorsement also have the ability to create image for brand. That why companies are ready to pay handsomely celebrities fot endorsing their brands in the advertisement. Celebrity endorsers have been used in advertising for their famous attributes such as beauty, talent, athleticism, power (Banytė et al, 2011). Involvement of celebrities enhances the recall value of an advertisement and persuades consumers to spend more. Effectiveness of an advertisement increases when multiple celebrities endorse the same brand (Chavda, Virendra

2012). There are three main determinants of source credibility which are attractiveness, experience and trust worthiness. Each determinant has different characteristics (Naveed Ahmed, Omer Farooq, Junaid Iqbal, 2014)

## LITERATURE REVIEW

This literature review define how celebrity endorsement effects on brand trust or loyalty.

## CELEBRITY ENDORSEMENT

Celebrity endorsement is basically a form of marketing strategy used by brands or companies in which involves celebrities or a well-known person using their reputation which help to promote a product or brand or even increase awareness among customers. McCracken (1989) defined a celebrity endorser as, "an individual who enjoys public appreciation and who uses this on behalf of a consumer good by appearing with it in an advertisement, regardless of the required promotional role." Khatri (2006) studied that the celebrity endorsement is the promotion strategy to attract the customers. Celebrities are persons who are expected by a large share of a certain group of people largely because of the promotional connected with their lives (Silvera & Austad, 2004; Schlecht, 2003). Marketers have recognized better advertising strategies to get the consumer's attention, create interest, produce desire and quick purchase action (Melford & Nwulu, 2015). Celebrity endorsement is an advertising strategy whereby companies use celebrity as spokespersons for their products or brands (Melford & Nwulu, 2015).

## CELEBRITY CREDIBILITY

Credible celebrity or source credibility can influence beliefs, opinions, attitudes and behavior. The research relating to the source credibility of a celebrity endorser determines that how negative information relating to a celebrity can cause negative impact on celebrity, and therefore decrease purchase intention and brand trust (Amos et al,2008). Celebrity credibility comprises two modules which are expertise and trustworthiness (Ohanian 1991). This could impact the customers' awareness toward the brand that is endorsed. Expertise defined as the level to a source apparent to hold effective statements by the target audience (Hovland et al., 1953). It combines the background, skills and capability the endorser had. Ohanian (1991) found that the expertise of the celebrity increases the possibility of buying the brand since the level of persuading raised. Celebrities with advanced level of trustworthiness are easier to reach the customers.

## TRUSTWORTHINESS

Friedman, et al. (I979) stated that:" trustworthiness is the major factor of source credibility. Since the trust is in relationship with the credibility of endorser". In the reliability rankings the trustworthiness is the most wanted by the customer because it's the invisible magic of the celebrity which works due to trust (Moynihan, 2004). The main elements of the trustworthiness are reliability, honesty, sincerity. The women reliance more on women celebrities

and male on male celebrities (Sliburyte, 2009). Mostly the teen-agers are more trustworthy than the old ones because they want to survey the trend by the celebrities (Pandey, 2011). Companies can also get benefit of endorser high credibility which comes from high repute, fame, high public image and trustworthiness (Song, Chaipoopiratana et al.2008).

## CELEBRITY ATTRACTIVENESS

Langmeyer and Shank (1994) stated that celebrity attractiveness not only include physical beauty, but also non-physical beauty, such as attraction, skill and intelligence. There are many different dimensions of attractiveness and which are not very easy to determine, therefor the attractiveness cannot be defined through a single dimension (Caballero & Solomon, 1984). Charming attractive endorsers is always better than choosing simple ones. Some researchers belief that attractive celebrity are most important ingredients in creating effective advertisements (Till and Busler1998). The attractiveness of a celebrity is a process of familiar evidence which is referred to once the endorser is approved, such celebrities are required to be renowned (Cohen & Golden, 1972). ). As the result, Patzer (1985) asserted that "physical attractiveness is an informational sign; involves effects that are understated, general, and patent; produces a definite pattern of supportable differences; and exceeds culture in its effects.

## ADVERTISING APPEAL

Celebrity endorsements in advertising are so common in that it helps build trust with present and possible customers, increase the probabilities of the brand being recalled, and invite a new customer. Endorsements also may increase the consumer's desire for a product. This is often succeeded by suggesting that the particular celebrity is successful, talented, or attractive at least partially because of the product. When a celebrity is combined with a brand, it helps to profile the image of that brand in the attentions of consumers. Most of the celebrities used to help in emerging credibility and trust of the brand being advertised in mind of customers. Many people hold convinced celebrities in high honor, so an endorsement of a product instantaneously increases the amount of trust the consumer has in the brand.

## BRAND LOYALTY

According to Silvera & Austid (2004) brand is mainly insights and descriptions that show a company's product or services. Mostly people think brand is just a name or sign but in reality it is something more than that which have larger definition and scope. It's the overall image of the product; it is the tool, which attach the customer's heart and mind with product. Brand loyalty is an occurrence that has been inspected numerous times but with no clear sign of capability to simplify the results achieved. Some researchers define loyalty as something caused by behavior, while others argue for the existence of loyalty caused by attitude. The former one suggests that a customer's purchasing design (i.e. repeat purchase) of an exact product or brand can lead towards the creation of loyalty.

**SIGNIFICENCE**

The research will help the manufacturers in choosing right and potential celebrity as brand ambassador of products by evaluating different factors (attractiveness, trustworthiness, credibility and advertising appeal) and pulse of the consumers who purchase an excess amount of products after watching celebrity advertisements. It will help them employ suitable appeal, adequate punch line and suitable celebrity for the endorsement of brand.

**Figure 1: Conceptual Framework**
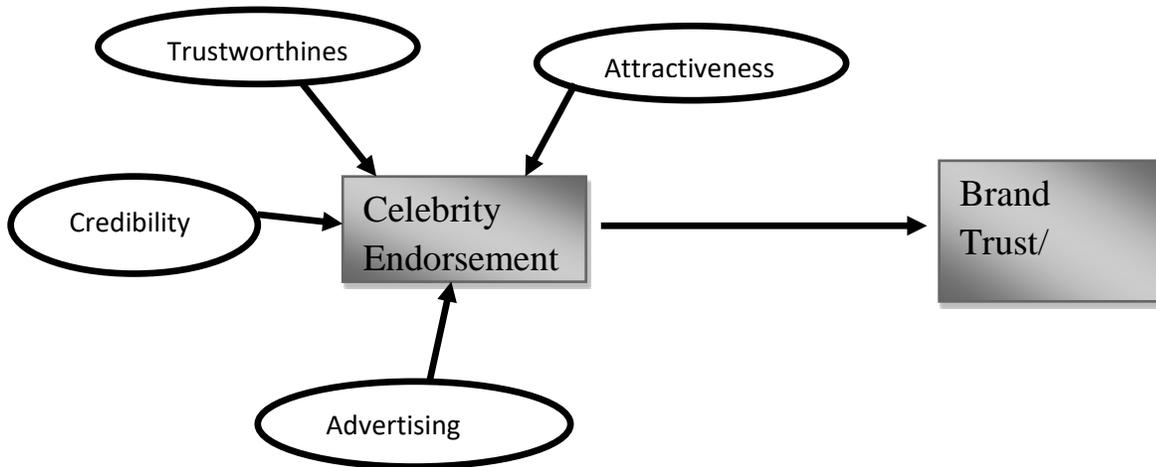


This framework show there is relationship between celebrity endorsement (Trustworthiness, Attractiveness, Credibility, Advertising appeal) and brand trust/loyalty.

**HYPOTHESES**

H1a:  Attractiveness of celebrity has a significant impact on brand trust/loyalty.

H2b: Attractiveness of celebrity has no significant impact on brand trust/loyalty.

H2a: Trustworthiness of celebrity has a significant impact on brand trust/loyalty.

H2b: Trustworthiness of celebrity has no significant impact on brand trust/loyalty.

H3a:  Credible celebrity has a significant impact on brand trust/loyalty.

H3b: Credible celebrity has no significant impact on brand trust/loyalty.

H4a: Effective advertising appeal will increase brand trust/loyalty.

H4b: Effective advertising appeal will not increase brand trust/loyalty.

## METHODOLOGY

Research design of the study was exploratory. The population of interest is limited to Lahore due to reason of convenience, low cost and accessibility. Study is conducted in different universities of Lahore such as UET, UCP, PU, LC age group of 15-35. Quantitative technique was used to carry out this research and questionnaire was used to get the responses. Sampling size was 160 graduate, undergraduate and post graduates students of different universities was selected. One hundred and fifty (response rate of 93.7%) respondents completed the questionnaire and the remaining did not return it. 95 of the respondents were female (64.1%) and 53 were male (35.8%).

The research was conducted by administering questionnaire which examined the influence of celebrity endorsement on the brand trust/loyalty. There was no systematic pattern of selecting samples involved in this study. Convenience sampling technique is adopted in this study. The research was conducted for a period of 4 months (September 2016-december 2016). Given the nature of the present study, it was required to collect data from the primary and secondary sources. Primary data was collected through questionnaire.

The Questionnaire encompasses a series of questions organized in a proper order. The data collection was done using a questionnaire of 19 questions, which consisted of closed ended questions. The questionnaire was designed to collect data examine the influence of celebrity endorsement on the brand trust/loyalty. Secondary data were collected from research studies, books, journals, and ongoing academic working papers.

## DATA ANALYSIS

The result of the study have been analyzed through quantitative, regression, correlation and Frequency analysis. The data is processed through SPSS to get the results.

## RESULTS AND FINDINGS

Followings data analysis has been done through reliability, correlation, descriptive and regression statistic. We identify these statistical analysis techniques in an appropriate manner in order to investigate the objective of the research and to check whether the research is true or not. Following statistical tests have been applied to analyze data for this study by using SPSS.

## DESCRIPTIVE ANALYSIS

Descriptive statistical technique used to find out the overall amount of respondent between variables. Descriptive statistics   is calculated by using SPSS.

**Table 1: Case Processing Summary**

Case Processing Summary

|  |  | N | % |
|---|---|---|---|
| Cases | Valid | 148 | 98.7 |
|  | Excluded[a] | 2 | 1.3 |
|  | Total | 150 | 100.0 |

a. List wise deletion based on all variables in the procedure.

Table shows case processing summary of all responses. Total 148 responses have been considered for this analysis which is 98.7% of total responses.

## RELIABILITY ANALYSIS

Reliability and validity are two basics components of an estimation instrument. Reliability is concerned with the degree to which an instrument measure what it is planned to measure. Reliability used to construct measurement scales. Reliability analysis will aid in the design of scales that are made up of multiple individual instruments. Cronbach's alpha is used to measure the reliability it is communicated between o and 1 score reliability is an indication of an extent to which our test is measure, internal consistency indicates how well the question on test consistently address a common topic. If the items are related to each other, the value of alpha increased. Reliability coefficient ranges from 0.001 to 1.00. Identify score reliability should be above 0.7

**Table 2: Reliability Statistics**

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| .729 | 19 |

Hence we got .729, so our questionnaire was reliable and could be used for the study.

## CORRELATION

To find correlation between variables Pearson coefficient has been computed. Due to large sample size so Pearson coefficient is acceptable instead of Spearman correlation which is used in usage case of Likert scales.

Table show that Attractiveness of celebrity and brand trust/loyalty are correlated with each other (Pearson value=0.399). It indicate they have moderate association. Table show that trustworthiness of celebrity and brand trust/loyalty are correlated with each other (Pearson value=0.609). It indicate they have substantial association. Table show that credible celebrity and brand trust/loyalty are correlated with each other (Pearson value=00279).

**Table 3: Correlation Analysis**

| | | BL | AT | TW | CR | AA |
|---|---|---|---|---|---|---|
| Pearson Correlation | BL | 1.000 | .399 | .609 | .279 | .186 |
| | AT | .399 | 1.000 | .283 | .616 | .292 |
| | TW | .609 | .283 | 1.000 | .379 | .355 |
| | CR | .279 | .616 | .379 | 1.000 | .281 |
| | AA | .186 | .292 | .355 | .281 | 1.000 |
| Sig. (1-tailed) | BL | . | .000 | .120 | .000 | .012 |
| | AT | .000 | . | .000 | .000 | .000 |
| | TW | .120 | .000 | . | .000 | .000 |
| | CR | .000 | .000 | .000 | . | .000 |
| | AA | .012 | .000 | .000 | .000 | . |
| N | BL | 148 | 148 | 148 | 148 | 148 |
| | AT | 148 | 148 | 148 | 148 | 148 |
| | TW | 148 | 148 | 148 | 148 | 148 |
| | CR | 148 | 148 | 148 | 148 | 148 |
| | AA | 148 | 148 | 148 | 148 | 148 |

**Correlation is significant at the 0.01 level (2-tailed).

**Correlation is significant at the 0.01 level (2-tailed).

It indicate they have low association. Table show that advertising appeal and brand trust/loyalty are correlated with each other (Pearson value=.186). It indicate they have low association.

**REGRESSION ANALYSIS**

To determine the effect of independent variables (Celebrity endorsement) on the dependent variables (Brand trust/loyalty) we use regression analysis. To test the validity of model F-test and P-value have been investigated. Larger the F value the larger the proportion of variation in dependent and in the model is valid, explain by regression equation and vice versa.R square tells how much model fits the data.

Adjusted R-square shows that the dependent variable (brand trust/loyalty) is affected or determined by 14.5 percent by the independent variable celebrity endorsement (trustworthiness, attractiveness, credibility and advertising appeal). In this model value of F is 7.231which is significant as its value should be above 4.

**Table 4: Regression Coefficients.**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 1.307 | .332 | | 3.939 | .000 |
| | AT | .417 | .116 | .354 | 3.607 | .000 |
| | TW | .076 | .116 | .056 | .652 | .516 |
| | CR | .077 | .133 | .058 | .577 | .565 |
| | AA | .111 | .108 | .087 | 1.037 | .301 |

The results of Regression Coefficients are given in above table. According to this analysis, hypothesis 1a (H1a-Attractiveness ofcelebrity has an impact on brand trust/loyalty) is accepted and null hypothesis is rejected as the value of table is less than alpha value which is 0.05. But the table value of trustworthiness is .516 which is greater than the alpha value so, we accept our null hypothesis and can say that there is no significant impact of trustworthiness of celebrity on creating brand trust/loyalty. H2a is rejected.Moreover, H3a and H4a are also rejected as the table value are .565 and .301 which is higher than alpha value and null hypotheses are accepted. So we can say that credibility and advertising has no impact on brand trust/loyalty.

**CONCLUSION**

The study is conducted in Lahore city which aim was to analyze the influence of celebrity endorsement on brand trust/loyalty, this study conjectures that there is a positive correlation between attractiveness of celebrity endorsement and brand trust/loyalty in Pakistan industry. Consumers always try to choose the product that matches with his/her image that is why majority of the respondent preferred attractiveness of the celebrity. From this study, it becomes clear that the use of celebrities to endorse a brand does not creates a very positive influence on the consumers and it does not creates brand trust/loyalty among consumers. The companies which use promotional strategies, particularly celebrity endorsement must be careful while selecting celebrity for endorsement because our study clearly shows that only attractiveness of endorsers matters a lot for consumers and no other factors like trustworthiness, credibility and advertising appeal effect on brand trust/loyalty.Reasonbehind this is that in Pakistan major population live in rural areas and more than 60% population is illiterate they have no enough awareness about celebrities. One more reason is that people are not so rich so they only prefer those products or brands which are of low price and high quality. Mostly celebrities endorse those brands which are of high price so people can't afford it. Celebrity presence in an advertisement does not add to the brand trust/loyalty at all. So, companies and brands should consider on product quality other than spending money on celebrities. Consumers in today's world have found different means for educating themselves about brands. Thus, companies must use different marketing

strategies right from maintaining product quality to after sales service to increase brand trust/loyalty. Funds should be allocated to research & development instead of investing in celebrity endorsement for promoting and encouraging product innovation and improvisation. Results show that the celebrity endorsement has no impact on customers as per their attitude and buying intention. Trustworthiness, advertising appeal and credibility of the celebrity with the reference to endorsed advertisement all have no impact on customer perception about the advertised product or brands. It has also been highlighted that celebrity endorsement advertisements does not boosting up the brand trust/loyalty. Companies should work on developing their product quality brand trust worthiness, brand loyalty through other means other than celebrity endorsement.

## LIMITATIONS&IMPLICATIONS

As with all experiential studies, this study has some limitations which themselves create possible line future research. This study has been conducted within very short period of time. Small sample size has been used and has been only tested within Lahore, Pakistan.Our study adds to literature in the feature which is describe above. In the situation of managerial implications, the businesses which use promotional strategies, generally celebrity endorsement should be careful while selecting celebrity for endorsement because our study clearly shows that only attractiveness of endorser matters a lot for consumers. If the celebrity is well known but not credible then it will not affect consumers' willingness to buy the endorsed brand. Company must design their promotional strategy after proper research that it should not invest more in celebrity endorsement but focus on quality and price of product or brand.

## FUTURE RESEARCH

Research can be simulated for the other situations. We conducted this study to find out the effect of celebrity as per dimensions of trustworthiness, attractiveness, credibility and advertising appeal on brand trust/loyalty. Moreover this study can be piloted again with different variables, moderation with similarity and attractiveness of celebrity and with other variables.

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# A STUDY ON DETERMINANTS OF IMPULSIVE BUYING BEHAVIOR FOR PERFUMES IN PAKISTAN

Ali Raza, IB&M, UET Lahore, Pakistan

Haris Arshad, IB&M, UET Lahore, Pakistan

Dr. Rab Nawaz Lodhi, IB&M, UET Lahore, Pakistan

Corresponding author email: malikali0099@yahoo.com

## ABSTRACT

The research has been done to study the impact of promotional methodology, impressive presentation of product, and in store environment on impulsive purchasing behavior. The data has been congregated through primary resources. The sources of information are questionnaire, which has been filled by respondent. The foremost target of population of the research study is such people who are present at famous shopping malls of Lahore, Pakistan. There is a positive relationship of independent variable with dependent variable. This study is built on quantitative research. The study will be beneficial to those people who are brand conscious and would like to use perfumes on everyday bases. However, this research is based only for impulsive buying for perfumes. This study found that malls and outlets should have to enhance and make an attraction of their products, to surge impulsive buying.

*Keywords*: *Impulsive Buying Behavior, Promotional Method, Gorgeous Demonstration, Store Environment, Lahore.*

## INTRODUCTION

According to Engel and Blackwell (1982) impulse buying is an action undertaken without previously having been consciously recognized or a buying intention formed prior to entering the store. Based upon the different description, we conclude that impulse buying involves hedonic purchase decisions which are made inside a store and excludes the reminder purchasing activities.Impulsive buying happens when a purchaser rapidly buying a precise product or service well-defined by Karbasivar et al. (2011). Rehman & Saif (2009) shared valuable factors about stores that it is such a place where a customer makes planned and unplanned shopping. This shopping can contain about products or services. However, this shopping movement continuously depends upon consumer salary, saving and about the schedule of their spending on products or services. Impulsive Buying can be defined as a emotional or behavioral condition when a consumer notices the product or service in a shopping mall and interior enthusiasm power to purchase that precise product or service. Impulse buying has always been treated as an important topic in consumer buying decisions.

Further, when people procurement a product or service without a plan such instances of purchase are recognized as impulse buying. In additional words, the action of unplanned and amorphous purchase has been measured as impulse

buying. Nowadays, companies are spending a massive sum on their brand budget just to modification the customer purchase choice. Customer decision is established on different features. In this research, the foremost emphasis will be on impulse buying behavior, promotional approach, attractive display 0f product, in-store environment, price reduction. Moreover, the shopping mall atmosphere plays an important role as well to determine impulsive buying behavior. In addition, there is an influence of demographic variables like age, gender, and education as moderators. Furthermore, these demographic variables can perform a significant effect on customer buying behavior in developing countries like Pakistan. Today, people in our culture make impulsive decisions getting impressed from different marketing strategies. There are ray of brands accessible in market on different prices and quality to develop the sales of the product especially perfumes the manufacturers make sure that the bottle is beautiful adequate and the display in the store is attractive as well. Both these elements go a long way in attracting the customer.

These studies will mostly emphasis on the impression of promotional method, eye-catching show of product, in store environment on impulse buying behavior. Impulsive buying is a common behavior today, our culture of consumption enables us to yield to the temptation and purchase something without seeing the consequences of the buy or ignoring the need of it. Some people possess a personality trait called an impulse buying tendency; such people are the easy target of promotional strategies. There are a number of behaviors that go along with this trait that reflect its detrimental influence.

First, impulse buyers are supposed to be additional public, status-conscious, and image-concerned. Therefore they buy goods or services as a way to look good in the eyes of others or for general public approval. Second, impulse buyers are emotionally unstable, which may make it harder to resist emotional desires to impulsively spend money. Third, impulse buyers tend to experience less happiness, and so may buy as a technique to improve their mood or to feel good about them. Last, impulse buyers are less likely to consider the consequences of their spending; they just want to own that to have that momentary pleasure.

In Lahore, however, some marketing proceedings and other marketing plans like astonishing store environmental, striking display of products, discounting and promotions, through some marvelous background music and helpful staff are excellent ways to get new customers. These activities are also cooperative in making good relationship with customer. In stores promotions are done by putting some products on discount to attract existing or to create new customers and to provide awareness about the company brand and their other products that are available at same store. There are less research has been organized to focus the impulsive buying behavior of the customers. This research will give information about the increasing figure of items that are selected as impulsive purchase decision. Sometimes, impulsive buying behavior create disturbance in normal decision making in customer mind. Hence, the logical arrangement is changed with irrational decision. Karbasivar et al, (2011) focused on behavior related to impulsive buying and stated that it is totally depend upon the mood and taste of consumer .Furthermore, customer can make their unplanned decision when they saw the product displayed at shopping mall. Secondly, the beautiful display of product can attract customers to buy such product. Dittmar&Drurry (2009), in their studies found that females unplanned, the result of an exposure to a spur, and purchases the product which represents them in society

as decided immediately. After the purchase, the female customer identified in this study as they are more emotional as compared to men who experiences emotional and cognitive reactions. Impulsive buying behavior remains many times prejudiced by the pay of customer. Many scholars have identified the relation between impulsive buying behavior and the revenue or money that the consumer grips. They stated that consumer with higher income usually spend more money on planned and unplanned shopping.

## DETAIED LITERATURE REVIEW

There is a positive chance for advertising executive to make such a fascinating Collection Design to generate fresh customer or fascinate the consistent user of that specific product or service. Corporation should employ some well-groomed and qualify sales staff to decrease the misunderstanding or to avid the problems in a supermarket. Furthermore, the main attraction for the customer is the well maintained and decorated store atmosphere that can persuade the customer to buy specific product, which can create the impulsive buying behavior. There should be proper environmental design created by the team of some talented and creative qualified. (Crawford and Melewar, 2007). Dawson and Kim 2009 Studied there is a strong cognitive effect and developed a link between a person affective and intellectual state and their impulsive buying behavior. Harmancioglu et.al, 2009 studied the impulsive buying behavior of some new oriented products or services and recommended to explore the product knowledge, customer attraction and consumer interest in a product.  Yu and Bastin 2010 discussed about the individual impulsive buying and inevitably link with each other. Sharma et. al, 2010 developed that some customers focus on different variety and more likely to involve in impulsive buying activity. Chang et .al 2011 noticed that the positive emotional responses of customer to retail store is due to the best and attracting environment. Variety checking behavior was noticed with an impulsive buying in a research of (Sharma et al, 2010).In a whole general purchasing the interests with the product can be increase if the products are properly arranged. There is also some low or less involvement decision occurs in impulsive buying (Michael et al, 2010). Shen and Khalifa (2012) noticed that cognition of customer balanced the link between impulsive buying and actual impulsive buying behavior.There is a gigantic dimension in industry research purpose that sometimes impulsive buying done due to more fascinating environment in shopping malls. There is an estimation of spending money on impulse shopping in the US which is higher more than 4 to 5 billion dollars annually (Wuorio, 2013). There is an issue with something god versus bad, control versus indulgence, willpower versus wish (cf. Hoch and Lowenstein, 1991; Roberts and Manolis, 2012; Rook, 1987).There is appropriate right solution in previous outcomes that developed that impulsive buying behavior is often depends upon personal characteristics which is truly depend on store environment of a mall. (Bell, et al., 2011). In 2012 (Hayes) made a process which can used as a statistical tool to focus on the relation between the studied variable. The outcomes noticed that hedonic consumption and positive emotions fully mediated the link between fashion direction and impulsive buying behavior.

Impulsive buying is based on natural seldom which was discussed by Woodside, 2012. Some researchers have developed that regular and proper orientation of customer are beneficial Haws, Dholakia, & Bearden, 2010). Some

past researchers have focused on demographic situations that involve and purchasing behavior have a relation with access of money and time (Damminga, Wu, & Johnson, 2012). There are also some crucial factors like money and time availability as well as attractive display of products and services has also impact on emotions of consumer. (Mogilner, Aaker, & Kamvar, 2012). Foroughi, Buang, Senik, and Hajmisadeghi (2013). Some past studies supported that there is fashion oriented effects that encounter positive feelings and influencing the impulsive buying behavior (Damminga et al. 2012; Foroughi et al., 2013). Impulsive purchasing has an attention in the globe due to its uniqueness Woodside, 2012). Some researchers presented a concept related to impulsive buying behavior which is directly affected by behavior of a consumer. (Vieira, 2009). In the market, when there is an arrival of new fashion oriented clothes, they distract the attention of existing and new clients into a new style, whose have great association towards pleasure. (Hirche & Bruwer, 2014). There are plenty of researchers who noticed that there is an effect of some non-economic factors like access to money and time likewise. (Bell, Corsten, & Knox, 2011). Sarabia-Sanchez, De Juan Vigaray, and Hota (2012) presented the new buying style impulse the fashion related items. Samue, Abeka-Donkor, and Awuah (2012) noticed the pupil impulsive buying behavior in Ghana. They developed that the demographic factors like sexual category, human age, and monthly or annually income, different personality and religious difference have an influence on impulsive buying behavior. (1962) introduced the concept of suggestion impulse purchase as the purchase of new product on the basis of self-suggestion but without any prior experience. Han et.al, (1991) described fashion oriented impulse as a type of suggestion impulse where the purchase is motivated by self-suggestion to buy the new fashion product. In case of fashion oriented impulse buying, shopper has no previous experience with the new and fashionable product. Mattila and Enz (2002) later argued that fashion-oriented impulse buying can be influenced by shopper's own positive emotions when shop.

## SIGNIFICANCE OF THIS STUDY

This Study will deliver companies innovative and efficient evidence related to impulsive behavior of customers of perfumes. This research likewise determines, in what way, the store display of product can amend the consumer activities .This investigation will also focus the significance of fresh persuasive tactics to appeal the consumers. These schemes will comfort the company to raise the sales of their goods. Lastly, this analysis will be valuable for persons who like to use perfumes on every day and on extraordinary events.

## THEORETICAL FRAMEWORK

### H1:

H0: There is no relationship between Promotional approaches and impulsive buying behavior.

H1: There is a relationship between Promotional approaches and impulsive buying behavior.
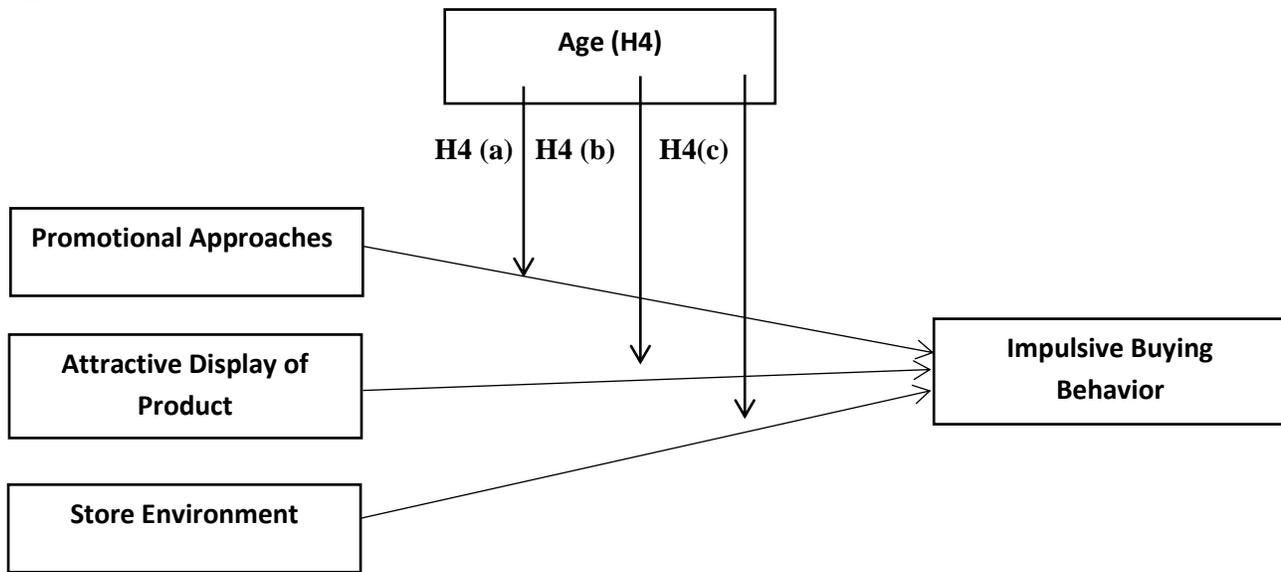
**H2:**

$H_0$: There is no relationship between Attractive Display of Products and impulsive buying behavior.

H1: There is a relationship between Attractive Display of Products and impulsive buying behavior.

**H3:**

$H_o$: There is no relationship between store environment and impulsive buying behavior.

$H_1$: There is a relationship between store environment and impulsive buying behavior.

**H4:**

H4 (a):The Relationship between Promotional approach and Impulsive Buying Behavior will be moderated by Age.

H4 (b): The Relationship between Attractive Display of Product and Impulsive Buying Behavior will be moderated by Age.

H4 (c): The Relationship between Store Environment and Impulsive Buying Behavior will be moderated by Age.

**RESEARCH METHODLOGY**

In this research we have used 16 questions. The questionnaire has involved the questions allied with Impulsive Buying, Promotional Approaches, Attractive Display of Product and Store Environment. We will take promotional approaches, attractive display of the product, and Store- environment as independent variables and dependent variable will be impulsive buying behavior. The data is assembled from the numerous mega stores in Lahore, Pakistan. These shopping malls are the most populous malls where people can simply buying and make impulsive buying. Questionnaire used as a survey tool. The study is quantitative. We also accumulate data from pupils of different universities of Lahore, Pakistan. To investigate the impact of Promotional approach (PA), attractive display of product (AD), store environment (SE) on impulsive buying behavior (IBB) are used.

**FINDINS AND RESULTS**

**Reliability**

To calculate the data's reliability, Cronbach's alpha value is taken. Furthermore, its value should be more than 0.7 that shows data is reliable and conclusion can be drawn on the basis of this data. There were total 16 numbers of items. All Cronbach Alpha values are above 0.70, which shows the data is reliable.

**Table 1: Demographic Table**

|  | Impulse Buyer | Not Impulse Buyer | Total |
|---|---|---|---|
| **Gender:** |  |  |  |
| **Male** | 67 (39.88%) | 101 (60.12%) | 168 ( 100 % ) |
| **Female** | 34 (36.96%) | 58 (63.04%) | 92   (100 %) |
| **Age Group:** |  |  |  |
| **18-25** | 37(36.63%) | 64(63.37%) | 101(100%) |
| **26-35** | 31(44.28%) | 39(55.72%) | 70(100%) |
| **36-45** | 22(41.51%) | 31(58.49%) | 53(100%) |
| **46-55** | 9(36%) | 16(64%) | 25(100%) |
| **56 or Above** | 4(36.36)% | 7(63.64%) | 11(100%) |
| **Income:** |  |  |  |
| **12000-25000** | 74(43.27%) | 97(56.73%) | 171(100%) |
| **26000-50000** | 34(43.04%) | 45(56.96%) | 79(100%) |
| **51000-75000** | 4(40%) | 6(60%) | 10(100%) |
| **76000 or Above** | 0 | 0 | 0 |
| **Education:** |  |  |  |
| **Post Graduates** | 42(42.86%) | 56(57.14%) | 98(100%) |
| **Graduate** | 68(41.97%) | 94(58.03%) | 162(100%) |
| **Intermediate** | 0 | 0 | 0 |
| **Matriculation** | 0 | 0 | 0 |

**Table 2: AMOS results**

|  |  |  | Estimates | S.E | C.R | P.Label |
|---|---|---|---|---|---|---|
| **IB** | <--- | AD | -.389 | .261 | -1.491 | *** |
| **IB** | <--- | PA | .343 | .232 | 1.479 | *** |
| **IB** | <--- | SE | -.322 | .211 | -1.530 | *** |

A regression has used among PA, ADP, SE and last IBB.  Firstly, we have to examine the descriptive statistics and Cronbach's alpha test to check the reliability of the data, then, SPSS (Statistical Package for Social Sciences) was

used to enter the data. However, Structural Equation Modeling (SEM) was used for the analysis of data and to test the hypothesis.

## CONCLUSION

The study determined the degree of approximately deliberate and impulsive buying behavior among Pakistani shopping malls. There are majority of purchaser in Pakistan who continuously design their procurements to buying any product or service. To proliferation impulsive buying, retailers should make an effective store environment where the negative thinking or impulse buying can easily decrease or eliminate. Specialized band managers must plan the advertisement in such a way to highlight the prizes on making unplanned shopping. However, a amount of shopping are planned, stores should highly attractive environment and further implement stages to enrich the shopping system. In addition, this study highlights the core answerable aspects that disturb planned and unplanned buying behavior. Most important, while staying and selling outlet the product category, purchase frequency appeared to be important factor. In any shopping store or outlet, the product would be demonstration in an command and assembly an attraction to purchaser. If the product is not showed well it will be unnoticed by the visitor. There is also essential to modification a plan by dealers and retailers to re-design shopping mall surroundings. Age acts as a moderator and the outcome show that Age is moderating the spontaneous buying as age with P.A, S.E and A.D.

## LIMITATIONS OF THE STUDY

This study is established on quantitative research methods. This research only covers the impulsive buying behavior for perfumes but there are numerous matters that are actual suitable in our regular lifecycle for instance shoes, clothing, cars etc. There can be extra research accompanied on the pervious areas that are debated.

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# Determinants Behind Excessive Turnover In Banking Sector Of Pakistan – A Comparison Between Islamic Banking Employees & Conventional Banking Employees

Shazhad Waheed[1], Institute of Business & Management, UET, Pakistan

Saqib Mahmood[2], Institute of Business & Management, UET, Pakistan

Corresponding Author email: shahzad.waheed@yahoo.com

## ABSTRACT

Organizations are seriously affected by employee turnover and banking sector of Pakistan is suffering from excessive turnover and employee retention mostly now a days. In recent years it is reported that banking organizations are facing a severe issue of rapidly increasing employee turnover rate. Factors like employee dissatisfaction is the cause of increasing turnover in any sector while the employee dissatisfaction can be based on diverse determinates which directly leads to employee turnover i.e. job stress, job insecurity, pay packages etc. Main purpose of this research was to identify those causes, their effects and then to provide a result which indicates possible solution to control and decrease turnover rate. After a deep literature review and survey from the banks of Gujranwala, Sialkot & Lahore, authors observed numerous causes which directly effect on employee turnover in banking sector and if employers improve or revamp their human resource strategies then this increasing employee turn could be controlled efficiently and effectively.

*Keywords: Employee Turnover, Job Satisfaction. Job Stress, Person Organization Fit, Job Security*

## INTRODUCTION

Human capital is most important resource in any organization as it is documented by many surveys in researches that a satisfied employee contributes its best skills and efforts to achieve the goals and vision of the organization. Studies show that if employees are not satisfied they leave the organization due to different reasons and employee turnover is one harmful fact which effects on the development and productivity of organization. "Level of job satisfaction and alternative job is affected by demographic variables (gender, age and educational level), job-related variable (skill level, experience and tenure), organizational variables (firm size, industry, contact work, work environment) personality variables (salary scale, job security, pay, job involvement). If the person is satisfied with his work, then he will not intend to leave, but if he is not so intent to withdraw will increase, which will eventually lead to employee turnover. (Rizwan, 2014). Organizations invest so much on an employee that when they leaves the organization, it also leads to the loss of those capabilities and capacities which might be life blood of organization. Employee turnover has been discussed in different organizations and enough useful research has been conducted in

this regards to reduce the affects and turnover itself. Banking sector of Pakistan is one of those sectors which are still growing and are profitable. It is important here that mere demotivation and dissatisfaction are not the elements for the excessive turnover. In this research authors tried to cover maximum possible determinants behind the employee turnover in banking sector of Pakistan and conducted a comprehensive questionnaire survey to obtain opinions of bankers and to analyze it statistically, SPSS was used and then a comparison between conventional banking employees and Islamic banking, which ultimately help the management to quickly relate the reason and causes of the employee turnover in their banking organization and to take up with the possible solution to minimize the effects of these determinants.

## LITERATURE REVIEW

### Employee Turnover

Turnover is the act of replacing an employee with a new employee. Partings between organizations and employees may consist of termination, retirement, death, interagency transfers, and resignations. (Trip, R. (n.d.). 2004) Employee turnover is the rotation of workers around the labor market; between firms, jobs and occupations; and between the states of employment and unemployment. (Abassi et al. 2000). The term "turnover" is defined by Price (1977) as: the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Employee turnover is defined as the cessation of membership in an organization by an individual who received monetary compensation from the organization (Mobley, 1982, 10).

### Job Satisfaction

Job satisfaction or employee satisfaction has been defined in many different ways. Some believe it is simply how content an individual is with his or her job, in other words, whether or not they like the job or individual aspects or facets of jobs, such as nature of work or supervision. (Spector, P.E. 1997)  Job satisfaction is the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values. (Locke, E.A., 1976). Job satisfaction is defined as an individual's cognitive, evaluative and affective reactions towards his or her job. Large amount of researches are present which link the job satisfaction with turnover intentions (Williams et al., 2001). In common, job satisfaction was found to be negatively related to turnover (Griffeth et al, 2000; Khatri et al, 2001; Tett & Meyer, 1993; Vong, 2003). According to Macnall and friends (2010), individuals experiencing more positive emotions about their work should experience higher job satisfaction and lower turnover intentions.

### Trust Relationship

Mayer et al. (1995, p. 712) defined trust as: the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party. Another common notion is that trust is influenced by past experiences

and chances of future interactions, both relevant within organizations. Expectations of others' beneficial actions will be enhanced by prior experiences of such behavior (Bijlsma, Bunt, 2003, 642). Trust means that you do not have to know everything to act. It enables individuals and organizations to take the continuity of social order for granted and so help them deal with the future (Norris, 2007, 141). Researchers stated that when an employee lacking confidence about himself then he would not be able to do well and will result towards employee turnover. In addition, distrust leads an employee to feel worry, which results in employee turnover (Knoll, Gill, 2010).

## Job Security

Practical researches (e.g. Harris, 2000; Kinnear & Sutherland, 2000; Maertz & Griffeth, 2004; Meudell & Rodham, 1998) have described that determinants such as competitive pay, good working environment, strong interpersonal relationships and job security were commonly cited by employees as vital motivational variables that influenced their retention in the organizations. Job security is stated as a person`s expectations about continuity in a job situation. This definition takes beyond concern over continuation of employment with an employer. It includes concern over loss of desirable job features such as lack of promotion opportunities, long-term career opportunities and current working conditions, (Borg and Elizur, 1992; Greenhalgh and Rosenblatt, 1984; Jacobson, 1991).

Meltz (1989) stated the job security in wider sense as employee keep going to work with the current organization with no decrease in grade level, pay, pension rights, etc. Many researchers have successfully found the link between job security and employee turnover intention as job security is an important determinant for employee turnover (Arnold and Feldman, 1982); Brandt (1997) discovered the steadiness of the work as a major precedent of turnover intention. As cited above, job security is one of the determinants of the usual emotional agreement between employer and employee. When less/no security is on hand, the employee might try to do up the resulting disproportion by showing less participation, less enthusiasm.

## Organizational Commitment

Porter et al (1974, p 604) explain organizational commitment as "an attachment to the organization, characterized by an intention to remain in it; an identification with the values and goals of the organization; and a willingness to exert extra effort on its behalf". Individuals consider the extent to which their own values and goals relate to that of the organization as part of organizational commitment; therefore it is considered to be the linkage between the individual employee and the organization. Wiener and Vardi (1980, p 90) describe organizational commitment as "behavioral intention or reaction, determined by the individual's perception of the normative pressure". Joo & Park (2010) also described the relationship between organizational commitment and employee turnover. They state that the employees who are more committed to the organization are less likely to leave.

## Job Stress

Stress is a term with which all are known; actually modern times have been called as the "age of anxiety and stress" (Coleman, 1976) Yet, Beehr & Newman (1978) had defined stress as a situation which will force a person to deviate from normal functioning due to the change (i.e. disrupt or enhance) in his/her psychological and/or physiological condition, such that the person is forced to deviate from normal functioning. In the study of Firth et al. (2004), feeling of stress was the second highest variable contribution in increasing turnover intention of employees. Although there are also other factors causing the turnover intention among employees, some employees consider job stress the only cause for turnover. Lofquist and Dawis (1969) argues that with the increase of job stress the employee tends to make the decision to quit the organization

## Person Organization Fit

Person Organization Fit is defined as the degree to which individual and environmental characteristics match (Dawis, 1992; French, Caplan, & Harrison, 1982; Kristof-Brown, Zimmerman, & Johnson, 2005; Muchinsky & Monahan, 1987). The extent to which job suits the individuals and his environmental characteristics (Kristof-Brown, Zimmerman, & Johnson, 2005). Person–environment fit can be understood as a specific type of person–situation interaction that involves the match between corresponding person and environment dimensions (Caplan, 1987; French, Rodgers, & Cobb, 1974; Ostroff & Schulte, 2007). Wheeler et al. (2005) also discovered the prominent relationship between person organization fit and the job stress.

It can be concluded that person organization fit has high sense of attachment resulting in low level of stress; besides, if he is misfit he has feeling of social isolation. Person organization fit is a predictor of organizational commitment. Iplik, Kilic, & Yalcin (2011) found a direct relation of person organization fit on organizational commitment.

H1: Job Satisfaction has significant impact on employee turnover.

H0: Job Satisfaction has insignificant impact on employee turnover.

H2: Trust Relationship has significant impact on employee turnover.

H0: Trust Relationship has insignificant on employee turnover.

H3: Job Security has significant impact on employee turnover.

H0: Job Security has insignificant on employee turnover.

H4: Organizational Commitment has significant impact on employee turnover.

H0: Organizational Commitment has insignificant on employee turnover.

H5: Job Stress has significant impact on employee turnover.

H0: Job Stress has insignificant on employee turnover.

H6: Person Organization Fit has significant impact on employee turnover.

H0: Person Organization Fit has insignificant on employee turnover.

**Figure 1: Framework**
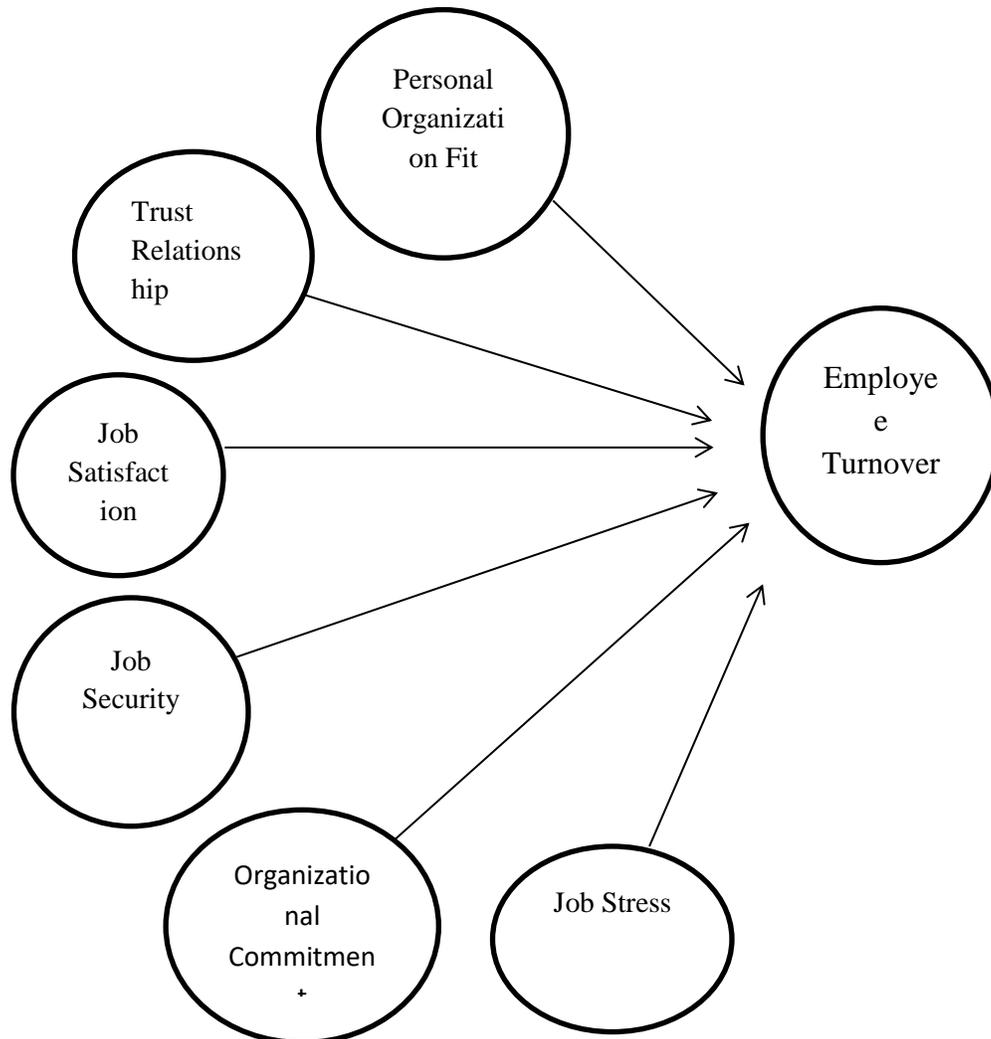


## METHODOLOGY

Authors used quantitative research methods as it is more authentic and scientific way to collection of correct data and produce result numerically in order to take effective decisions. A structured questionnaire survey was conducted from employees of both Islamic and conventional banking in different cities of Pakistan which are of different age intervals, different grades and managerial levels and belongs to different work environments.

In the process of data collection authors used took help of literature reviews of research papers in order to make the research more general and effective and in right direction but the main and primary source of data collection is questionnaire based for which authors selected a sample size of 150 employees from the population of employees of 3 Islamic banks (Meezan Bank, Dubai Islamic Bank & Bank Islami) and 3 conventional banks (UBL, ABL & HBL). Employees having age range of 23 to 45 and experience range of less than one year to 22 years and starting

from officer levels to middle management, regional heads and working in different sectors of banks were included for data collection. They were also asked about their education level and how they relate their career movement will with different variables provided in questionnaire. Authors conducted a questionnaire as research tool which was included with the personal and demographic variables and in later part; questionnaire was containing short questions with reference to independent variable on Likert Scale.

## ANALYSIS & RESULTS

Data collected by questionnaires was put into SPSS for getting analysis of data. At first reliability of data was tested with the help of CRONBACH'S ALPHA technique and we found that employee turnover's value came as 0.824 which shows the reliability of the questionnaire as it is passing the normal value 0.6 as stated by Nunnally (1970).

### Reliability Analysis

| Variable / Scales | Items | Cronbach Alpha |
|---|---|---|
| Employee Turnover | 4 | 0.824 |
| Job Satisfaction | 3 | 0.698 |
| Trust Relationship | 2 | 0.512 |
| Job Security | 3 | 0.627 |
| Organizational Commitment | 5 | 0.721 |
| Job Stress | 4 | 0.818 |
| Person Organization Fit | 3 | 0.299 |

### Regression Analysis (Conventional Banking)

| Variable | B | P |
|---|---|---|
| Job Satisfaction | -0.184 | 0.019 |
| Trust Relationship | -0.253 | 0.000 |
| Job Security | -0.204 | 0.008 |
| Organizational Commitment | -0.210 | 0.001 |
| Job Stress | 0.360 | 0.000 |
| Person Organization Fit | 0.011 | 0.872 |

### Regression Analysis (Islamic Banking)

| Variable | B | P |
|---|---|---|
| Job Satisfaction | -0.273 | 0.017 |
| Trust Relationship | -0.223 | 0.001 |
| Job Security | -0.217 | 0.012 |
| Organizational Commitment | -0.21 | 0.004 |
| Job Stress | 0.331 | 0.000 |
| Person Organization Fit | 0.023 | 0.872 |

**HYPOTHESIS TESTING**

Outcomes of our research shows that job satisfaction has significant impact on employee turnover in both Islamic (B = 0.273 & p =0.017) and conventional (B = 0.184 & p =0.019). Results show that Job Satisfaction has greater than 18% impact on Employee Turnover so H1 is accepted. Trust Relationship has greater than 25%in conventional banking and greater than 22% impact in Islamic banking so H2 is also accepted for the both sectors. Job Security has greater than 20%in conventional and more than 21% in Islamic so H3 is also accepted.

Organizational Commitment has greater than 21% for conventional banking and 21% in Islamic banking so H4 is also accepted. Job Stress shows more than 36% impact for conventional side and 33.1% for Islamic side which shows the acceptance of H5 with significant impact. Person Organization Fit is showing insignificant impact for both conventional and Islamic sectors with 1.1% and 2.3% impact respectively. Which nullify our H6 or person organization has insignificant impact on employee turnover. It then supports the all hypothesis besides of Personal Organization Fit's Impact on Employee Turnover.

**DISCUSSION & CONCLUSION**

Research shows that in banking sector of Pakistan, either Islamic or conventional, job stress and Job satisfaction are prime factors due to which employees leave their current organizations. During some personal interviews with bankers, they described that are suffering with extreme work pressure and due to numerous high priority tasks at same time under zero error standards they have fear of losing all the time. Unsupportive behavior of supervisors and unrealistic targets have made employees so much restless that they are ready to leave at any time when they are offered something equal and in worst cases even inferior jobs.

Employees of Islamic banks were relatively satisfied just because of psychological effect working in an Islamic bank but they are also suffering with almost same level of stress insecurity and pressure due to same market conditions, organizational culture and products. Employees would be more committed to organization if trust relationship is strong and employee turnover will decrease. Our research shows that Job stress, job security, job satisfaction, trust relationship and organization commitment are the key variables which have significant effect on employee turnover. Job stress has a positive relation with employee turnover but remaining variables are negatively correlated with turnover. Organizations need to control these key factors to overcome growing turnover. Employers and management should reconsider and revamp their human resource strategies in such a manner that they build trust relationship with their employees, empower them, make efforts to reduce job stress, motivate them, train them and which ultimately will make them committed and reduce employee turnover.

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# IMPACT OF TRANSPORT INFRASTRUCTURE AND FOREIGN DIRECT INVESTMENT ON THE ECONOMIC GROWTH OF PAKISTAN

Anam Zahra[1], Institute of Business and Management, University of Engineering and Technology, Lahore

Sadaf Razzaq[2], Institute of Business and Management, University of Engineering and Technology, Lahore

Ahsan Nazir[3], Institute of Business and Management, University of Engineering and Technology, Lahore

Corresponding Author: raiahsan.1@gmail.com

## ABSTRACT

This study investigates the influence of transport infrastructure and FDI on the economic growth of Pakistan by using Johansen co-integration test. This study uses secondary time series data from 1971 to 2015 and construct an index of transport infrastructure with the help of principle component analysis. The result shows that there is a long run association among transport infrastructure, FDI and economic growth of Pakistan. This result is very important for the government of Pakistan to make policies to increase foreign inflow and development of transportation sector and its implication for the development of country.

*Key words: Foreign direct investment (FDI), Transport infrastructure (TI) and Gross domestic product (GDP), economic growth (EG)*

## INTRODUCTION

According to the World Bank report (2014), Pakistan is going agriculture based economy to a services-based economy like other South Asian countries. Pakistan transport development become resource depended (Imran & Low 2005). FDI inflows promote by the development of Infrastructure (Sahoo, 2006). The transport infrastructure can support in encouraging economic growth and decreasing poverty. Roads are important for public integration & communications and for economic development (Oladipo & Olomola, 2015).

Transportation sector gives direct benefits to visitor and every individual in country (Weisbrod & Weisbrod 1997). Railways sector provides transportation in farthest corners of the Pakistan and takes them closer for business transection, sight-seeing and seek of education. It accommodates a huge amount of people and freight. With comparison to other means of transportation, railways transport facilitates people and trade with low cost and promotes rural development. (Economic Survey 2014-15). Infrastructure may yield significant social returns (Bai & Qian, 2010). Hypothetically, energy and transport are sticking together. Energy is a component to transport and transport is a key factor to energy and they both have association with economic growth (Pradhan, 2010).

The foreign capital inflows are basically exemplified as 'those inflows which can contribute to the capital generation of the receiving country'. A lot of research has been done to investigate the importance of foreign capital inflows for the macroeconomic indicators. Globally, FDI has grown from about 0.5% of the world's GDP in 1970 to over 3% in 2008. The World Bank (2010) reports that the overall share of developing countries in global FDI inflows was 37% in 2010, representing more than a three-fold increase since 2000.

Pakistan is the 9th greatest populated country of the world. According to the global competitive index report 2013-2014, Pakistan is the 2nd leading country in South Asia. The inflow of FDI in Pakistan is gradually increasing like in 1991, FDI was US$ 258.42 million, in 2006, FDI was US$ 4273 million and in 2014, FDI is US$ 1778 million. On the other side if we see our GDP annual growth rate, it was 4.26% in 2000, 4.83% in 2007 and 1.61% in 2010. So, this shows that FDI effected on GDP growth. (World Development Indicator, 2015). Pakistan being a developing country needs foreign aid for its development projects. The aims of this study is to explore the relationship and causality among transport infrastructure, foreign direction investment and GDP of Pakistan from 1971 to 2015 by applying Johansen co-integration test & Granger causality test.

## LITERATURE REVIEW

Achour& Belloumi (2016) investigated the influence of infrastructure (rail & road) on EG in Tunisia from 1971 to 2012 by using the Johansen multivariate co-integration approach and found that road infrastructure can boost economic growth. Transportation sector perform a vital role in growth. Farhadi (2015) assess the impact of public infrastructure on growth during 1870–2009 by applying GMM technique and results found that infrastructure is positively affected by the growth. Badalyan et. al. (2014) examined the association & causality between transport infrastructure and EG for the period 1982-2010 by using panel data of three countries. The VECM results showed that in short-run road & rail positive & significant effected on EG and the bidirectional causality exists among variables. Ogbonna et.al (2014) observed the effect of transportation on real gross domestic product in Nigeria by using time series data of road, rail, air and water way from 1981-2009 and applying Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP) unit root tests. This study conclude that economic growth is only effected by road transport. Tong et.al (2014) investigated the association between infrastructure and EG in the United States by using vector auto-regression (VAR) models.

Results suggested that the formation of highways and streets affects economic growth and the reverse causality from economic output to highway and street infrastructure is observed.

Song & Geenhuizen (2014) evaluated the economic impact of port infrastructure in China by applying unit root test and co-integration for the period of 1999–2010, and concluded that port infrastructure investment has a positive effect on China's economic growth. Deng et.al (2014) explored the effect of infrastructure on growth and investigated that additional transportation infrastructure capacity has positively influence the EG by using panel data from 1987 to 2010. The results suggested that there is a non-monotonic association between the stock of transport infrastructure and growth rate. Bosede et. al. (2013) investigated the influence of TI improvement on EG

in Nigeria by covering the data from 1981 to 2011. Ordinary Least Square Regression technique found that TI positively influence the growth of Nigeria.

Pradhan & Bagchi (2013) determined the influence of road & railway infrastructure on EG in India from 1970 to 2010 by using VEC Model and results shows that road transportation causes economic growth and economic growth promote road transportation. Pradhan et.al (2013) investigated the long-run association among TI, foreign investment and GDP in India by using ARDL and VEC model and results indicate that transport infrastructure is co-integrated with foreign investment and EG and also found long-run relationships among them. Onakoya et.al (2012) investigated the impact of infrastructure on growth of Nigeria's economy from 1970 to 2010 by applying 3SLS. The finding shown that investment on infrastructure positively affected on EG. It also indicates the bi-directional causality between infrastructure and EG.

Abbes et.al (2015) study analyzed the connection between FDI and EG in 65 panel countries by applying co-integration and panel Granger causality tests. The outcomes shown strong long-term association between FDI and EG and also indicated a unidirectional causation from FDI to GDP. Fadhil & Almsafir (2015) aimed to identify the relationship between FDI and economic growth in Malaysia through Unit root test and Johansen Co-integration test by covering time period 1975 to 2010 and indicate that the FDI inflows strongly effected on economic growth. Pegkas (2015) analyzed the effect and association between the FDI and EG in Eurozone countries from the period of 2002–2012 by applying by using the Fully Modified OLS (FMOLS) and Dynamic OLS (DOLS) methods. The analysis revealed that there is a positive long-run co-integrating relationship between foreign direct investment stock and EG and also indicated that the stock of FDI is a major element that affects positively on EG in the Eurozone states. Hong (2014) re-evaluated the influence of foreign direct investment the growth of China during the era 1994-2010 and indicate that foreign direct investment effects positively on the economic development. Almfraji & Almsafir (2014) reviewed pervious researches that examining the effect and association between foreign direct investment and EG. Data used from 1994 to 2012. The results shown that the main finding of the FDI-EG relation is significantly positive, but in some cases it is negative or even null.

**METHODOLOGY**

In this study the secondary data is used from 1970 to 2015 which is collect by website of WDI and Economic Survey of Pakistan report 2014. FDI in net inflow (%), Economic growth in GDP (Rs.) and transport infrastructure measure by the index of length of roads and railway in kilometer by kilometer square. Index is constructed with the help of principle component analysis (PCA).

Length of lag selection is chosen by Akaike information criterion. To observe the association among gross domestic product, EC and transport infrastructure by using the Johansen co- integration test. This test helps to estimate long and short run relationship and it can apply on small size of observation. So, this technique is best for this research. Stationery of time series data is checked by Augmented. Dickey. Fuller Test (ADF) and Philip Peron (PP) test. After checking the stationary of time series data, lag length is selected by AIC then apply Johansen co-integration

test to check the impact of EC and transport infrastructure on GDP of Pakistan. Johansen Test apply, when all data stationary at first difference. This test is divided into two test one is trace test and other is maximum eigenvalue test. For one co integration equation maximum eigenvalue test is reliable but more than one co integration equation trace test is more liable. These are the following Johansen equation of trace and maximum eigenvalue test.

$$\lambda_{trace}(r) = -T \sum_{i=r+1}^{n} \ln\left(1 - \hat{\lambda}_i\right)$$

and

$$\lambda_{max}(r, r+1) = -T \ln\left(1 - \hat{\lambda}_{r+1}\right)$$

To find out short run relationship among FDI, transport infrastructure and economic growth of Pakistan vector error correction model (VEC) model is used.

## RESULTS AND DISCUSSION

**Table 1: Results of ADF & PP Test**

| Variables | A.D.F. Test .Statistics | | | P.P.-. test .Statistics | | |
|---|---|---|---|---|---|---|
| | At .level | At. difference | 1st | At.Level | At difference | .1st |
| FDI | 2.866152 | -6.020376* | | -1.748489 | -3.858870* | |
| | (1.0000) | (0.0000) | | (0.4002) | (0.0050) | |
| TI | -0.404490 | 6.146146* | | -0.411996 | -6.146146* | |
| | (0.8991) | (0.0000) | | (0.8977) | (0.0000) | |
| GDP | 2.256136 | -3.499020* | | 4.166652 | -3.463770* | |
| | (0.9999) | (0.00528) | | (1.0000) | (0.00570) | |

(*shows the rejection of the presence of unit root at significance level of 5%).

The above tables show that FDI, transport infrastructure and GDP are stationary at 1st difference at p-value 0.05. So, null hypothesis is rejected. Lag length is selected 3 by following AIC. According table 2, the trace and maximum given value of Johansen test shows that there is maximum three co-integrating equation at 0.05 level. So it can be proceeding for investigating long run relationship among FDI, transport infrastructure and GDP of Pakistan.

In table 3, the coefieicint of foregin direct investment (FDI) is 3.646026 in model which mean one unit change in FDI will increases the GDP by 3.646026 units and domostrate the siginificant positive long-run effect of FDI on GDP in case of Pakistan such results are consistant with many previous studies such as Achour & Belloumi 2016, Farhadi 2015, hypothesis of FDI is rejected at 5% confidence interval.

**Table 2: Results of Trace & Maximum Eigenvalue Test**

| No. of. co.-.integration | Trace. Test | | | | Maximum. Eigenvalue. Test | | | |
|---|---|---|---|---|---|---|---|---|
| | Eigenvalue | Trace Statistic | 0.05. Critical .Value | Prob. | Eigenvalue | Trace .Statistic | 0.05 .Critical .Value | Prob. |
| None * | 0.578246 | 55.6575 | 29.7970 | 0.0000 | 0.578246 | 33.67001 | 21.13162 | 0.0005 |
| At most 1 * | 0.341953 | 21.9875 | 15.4947 | 0.0046 | 0.341953 | 16.32069 | 14.26460 | 0.0233 |
| At most 2 | 0.135240 | 5.66681 | 3.84146 | 0.0173 | 0.135240 | 5.666812 | 3.841466 | 0.0173 |

Trace test shows 3 co-integrating equations at the 5% level

Max-eigenvalue test shows 3 co-integrating equations at the 5% level.

**Table 3: Results of Long Run Estimation**

| GDP | FDI | TI |
|---|---|---|
| 1.000000 | -3.646026 | -1.744157 |
| | (0.64168) | (0.33745) |

 * Normalized co-integrating coefficients (standard error in parentheses)

The coefieicint of transport infrastucuture (TI) is 1.744157 in model which mean one unit change in TI will increase GDP by 1.744157 units and domostrate the siginificant and positive long-run effect of transport infrastructure on GDP in case of Pakistan such results are consistant with many previous studies such as Oladipo & Olomola 2015, Pradhan & Bagchi 2013; Faridi et.al 2011; Pradhan, R. P. 2010 and Song et. al 2008hypothesis of foreign direct investment is rejected at 5% confidence interval.

**Table 4:  Results of Short Run Estimation**

| | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C(1) | -0.011172 | 0.001827 | 6.113651 | 0.0000 |
| C(2) | 0.136763 | 0.159280 | 0.858633 | 0.3978 |
| C(3) | 0.319827 | 0.150251 | 2.128618 | 0.0422 |
| C(4) | 0.101572 | 0.137199 | 0.740325 | 0.4653 |
| C(5) | 0.010012 | 0.006954 | 1.439800 | 0.1610 |
| C(6) | 0.010915 | 0.006932 | 1.574521 | 0.1266 |
| C(7) | 0.020138 | 0.007669 | 2.625791 | 0.0139 |
| C(8) | 0.001974 | 0.008833 | 0.223431 | 0.8248 |
| C(9) | 0.036183 | 0.008774 | 4.123978 | 0.0003 |

| | | | | |
|---|---|---|---|---|
| C(10) | 0.031942 | 0.010148 | 3.147546 | 0.0039 |
| C(11) | 2.694586 | 0.581696 | 4.632290 | 0.0001 |

| | | | |
|---|---|---|---|
| R-squared | 0.815037 | Mean dependent var | 4.463856 |
| Adjusted R-squared | 0.748978 | S.D. dependent var | 2.418743 |
| S.E. of regression | 1.211840 | Akaike info criterion | 3.454902 |
| Sum squared resid | 41.11958 | Schwarz criterion | 3.924112 |
| Log likelihood | -56.37060 | Hannan-Quinn criter. | 3.623251 |
| F-statistic | 12.33814 | Durbin-Watson stat | 2.549156 |
| Prob(F-statistic) | 0.000000 | | |

So, these result shows that EC and TI has positive and significant relationship with the Economic Growth of Pakistan. The table 4 shows the estimated coefficients of short-run model revealed that FDI and transport infrastructure have significant short-run effect on GDP. The coefficient of error correction term is -0. 011172, quite significant at 5% confidence interval and have negative sign, which implies moderate significant high adjustment speed after shock to long-term equilibrium.

**Table 5: Results of Diagnostic Tests**

| Diagnostic tests | P-value |
|---|---|
| Serial correlation (LM) | 0.2152 |
| Normality (LM) | 0.1157 |
| Heteroscedasticity (LM) | 0.3446 |

The short run model is good because the R-squared is 0. 815037which is greater than 60% and F-statistic & Prob (F-statistic) is significant at 5% level. Results revealed that estimated p- value is greater than tabulated p-value which means there is no autocorrelation and heteroscedasticity among the error term of variable, null hypothesis is accepted as p-value of serial correlation test is more than 0.05 or 5%.

**CONCLUSION**

This study investigates the effect of FDI and TI on the GDP of Pakistan. Secondary data is used from 1971 to 2015 from WDI and Economic Survey of Pakistan. Johansen co-integration approach is applied because stationarity test shows the all variables at I (1) which shows the co-integrating relation among variables. Then, diagnostics tests are applied which confirm that the model is free from autocorrelation and hetroskadesticity. The long run coefficients are estimated which shows the significant relationship among FDI, transport infrastructure and GDP in the long run. For the short run relation, the ECM is applied which also shows the strong linkage among variables. The results show that there is long run co integration among FDI, transport infrastructure and GDP of Pakistan. And the short run model depicts that model is converging back toward long-run equilibrium. So, policy maker should pay special attention to develop and implement good policy related to increase net inflow of foreign aid in country. The findings

of this study confirm the significant relation between FDI, transport infrastructure and EG of Pakistan. Some exclusive recommendations are stated below:

Transport Infrastructure has positive effect on the growth of economy. Road and railway transport provide facilities to people and if the infrastructure of country is developed then it attracts other country to invest. So the foreign inflow will increase. So Government should make policy to promote infrastructure like china Pakistan economic corridor, orange line, metro train and business train. Due to the facility of good infrastructure, the country will grow rapidly. The past study shows positive effect of FDI on GDP and confirm that FDI inflow is very beneficiary for host country. This study confirms that FDI has a significant influence on the GDP of Pakistan in the long run. This impact of FDI on the GDP is also positive and significant in the short run. Hence, it is endorsed that the inflows of FDI should be encouraged in the country and these should be properly managed.

## LIMITATIONS OF THIS STUDY

This study use time series data of FDI, transport infrastructure and GDP. so, Penal data can be used for this model. Model can be tested with combination of other variables like poverty, human development index, inflation, trade, import, export and income etc.

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# HOW PAY STRUCTURE SATISFY BANK EMPLOYEES

Arooj Fatima[1], Warda Naseem[2], Tahira Akram[3], Dr.Fiaz[4]

Institution of Business & Management UET Lahore, Pakistan

Corresponding author email: Aroojfatima375@gmail.com

## ABSTRACT

Pay structure (bonuses, allowances) is very important for the performance of employees and for organizations because it effects on employee job satisfaction. In past, the relationship of pay structure on hotel employees was measured this study examines the impact of pay structure on employee's satisfaction through motivation in banking sectors. Survey data shows that motivation fully moderate in between pay structure and job satisfaction. The purpose of this research is to examine the factors which directly or indirectly affect the satisfaction and job satisfaction level of bank employees. This study intends to examine that how pay structure (bonuses, allowances) satisfy bank employees in banking sector of Pakistan. After study it is concluded that pay structure (bonuses, allowances) have positive impact on employee job satisfaction.

*Key words:* *Bank employee, job satisfaction, pay structure, bonuses and allowances.*

## INTRODUCTION

To measures the pay satisfaction and explain the relationship among employees pay satisfaction, job engagement and withdrawal of employees (Hyo Sun Jung, Hye Hyun Yoon, 2015).To know the gender earning gap due to performance based pay in the institute of top china university a study has been carried out(Qian Guo,Yong Song,Wenkai Sun,Yije Wang 2015).Cross the member country of OELD pay for performance program have been implemented to improve the quality of care provided by hospital in the impatient sector(Ricard Milstein,Jonas Schregegg 2016).Employees benefits, pay level and pay structure showed a significant effect on employees job engagement while it also affected employees job withdrawal limitation.(Hyo Sun Jung,Hye Hyun Yoon 2015).Reasonable rewards for job satisfaction to employees are essential and employees interest in pay and rewards has profound academic and practical significance(Hyo Sun Jung,Hye Hyun Yoon 2015).Pay is income option as a reward pay for once labor and denotes all kinds of financial rewards practical services, benefits and pay in the keyword.(Milkoviock and new man 2004 and Hyo Sun Jung,Hye Hyun Yoon 2015). To mitigate agency conflicts the performance based bonus compensate in the investment decision (Hwa Sung Kim 2016). Income related housing allowance is widely used housing policies instrument in the advance well trade states. This instrument also includes rent controls, brings and mortar, tax relief and land used regulation (PK Kemp 2012). Employees must be satisfied with their earning (Lawler 2001 and Hyo Sun Jung,Hye Hyun Yoon 2015).Overall pay structure affected

organization performance(Vanden Berghe & Frembolag 2008).The work effort performance and the influence of fairness is improved by pay fairness(Wut al,2013).

## LITERATURE REVIEW

**Bonus:** To mitigate agency conflicts the performance based bonus compensate in the investment decision(Hwa Sung Kim 2016).Performance base bonus as compensation depend on the state of the investment revenue(Cardaso,Pereira 2015)

**Allowances:** Income related housing allowance is widely used housing policies instrument in the advance well trade states. This instrument also includes rent controls, brings and mortar, tax relief and land used regulation (PK Kemp 2012).Among the OECD countries child allowances is effective as it directly lower child care cost (Lee and Mason,2014).Small child allowance can increase fertility where there is little initial parental child care and where the initial rate of parental child care is relatively large are grand parental child care is a key factor in the house hold fertility product(Kazutarshi Miyarawa 2016).

**Motivation:** Motivation is define in terms of three major components resilience, insite and identity each element may help fostering employees motivation and improve the effectiveness of human resources(Umit Alnacik,Esra Almack Kultigin Akcin,Serhat Erat 2017).Companies have highly skilled motivated loyal employees to competition(Umit Alnacik,Esra Almack Kultigin Akcin,Serhat Erat 2017).Understanding the employees effective commitment and their job satisfaction may help motivation and improve the effective human resource management practices(Umit Alniacik,Esra Alniacik,Kultigin Akcin,Serhat Erat 2012).

**Job satisfaction:** Job satisfaction is the result of employee's perception. How well his job provides things which are important. It is commonly defined as the pleasurable state of one's job(Locke 1976 and Umit Alniack,Esra Alniacik Kultigin Akcin,sehar Erat 2012).Job satisfaction represent several related attitudes such as work pay,permotion opportunity, supervision, co-workers(Luthans 1998 and Umit Alniacik,Erra Alniacik,Kultigin Akcin,Serhat Erat 2012).Job satisfaction can be positively related to once choice to adopt to changing circumstances(Umit Alniacik,Esra Alniacik,Kulticik,Serhat Erat 2012).Job satisfaction is very important otherwise dissatisfaction employees are more likely to quit their jobs then satisfied employees(Rusbultel 1988 and umit Alniack,Esra Alniacik,Kultigin Akicn,Serhat Erat).

## RESEARCH FRAMEWORK

In order to examine the effects of pay structure on job satisfaction we purpose this model following is the framework associated with the study linking pay structure and job satisfaction.

**Figure 1: Conceptual Model**
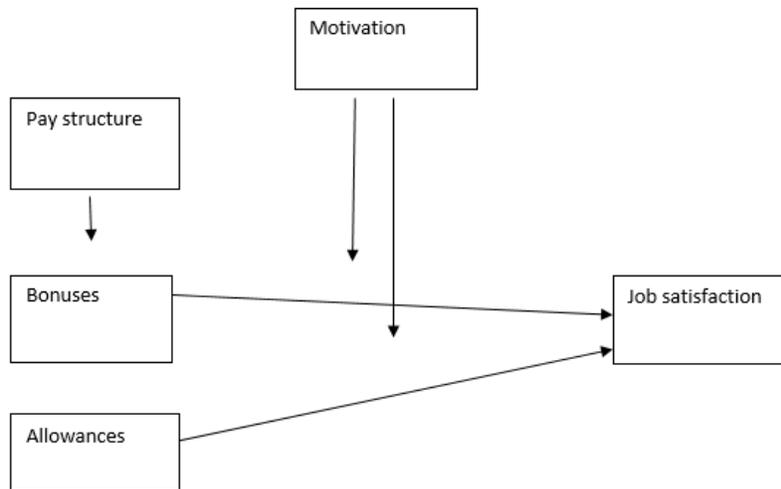


## HYPOTHESIS

**H1:** Bonuses has significant impact on job satisfaction.

**H2**: Allowances has significant impact on job satisfaction.

**H3:** Motivation has moderating role in between bonuses and job satisfaction.

**H4:** Motivation has moderating role in between allowances and job satisfaction.

## RESEARCH METHODOLOGY

Research methodology used for research of pay structure on job satisfaction in banking sector of Pakistan. This research examines the effect of pay structure on job satisfaction in banking sector of Pakistan. Close ended and standardizes questioner has been used to answer the research questions; SPSS has been used to analyze the data Following are the key element of research design. This Research is cross sectional study explaining the validity of relationship between the variables mentioned in these hypotheses statement through empirical results and statistical procedure.This study is non contrived study and the data has been gathered studies in field to check effect of pay structure on job satisfaction in banking sector of Pakistan. Unit of analysis of this research is bank employees in banking sector of Pakistan. During the data gathering process normal routine of bank employees was not disturbed in banks. The researcher's interference has been minimized by giving an appropriate time to respondents so that they can respondents so that they can respond without any external interference. This research is based on cross sectional study as data has been gathered at one point of time from individual. Population of the study consists of bank employees in banking sector of Pakistan. Convenience sampling has been used in this research. The lack of

research and the shortage of time were also there in our research. The data has been collected using survey technique through personally administrated questionnaire. In this research 104 questionnaire have been used. Data collection of this cross sectional study took place between the periods from October 2016 to December 2016

## INSTRUMENTAL DATA GATHERING

Authentic and valid instrument has been selected for the research project. According to (M.Saunders et al.., 2009 and Shahid kv) Questionnaire approach is the easy and accurate way with respect to

- Section 1 of the questionnaire includes questions about the demographics of bank employees. The demographics included gender, age, education, experience, designation, monthly income.
- Section 2 of the questionnaire includes questions about independent variables (bonus and allowances)
- Section 3 of the questionnaire includes questions about motivation (Moderator).
- Section 4 of the questionnaire includes questions about dependent variables (job satisfaction).

Different scale were used to measure the response on demographics. 5 likert scale have been used in this study ranging from 1 (strongly agree) to 5 (strongly disagree).

## DATA COLLECTION PROCEDURE

In this study 104 questionnaire have been used. List of bank from where data was collected is given below,

**Table 1**

| 1 | Habib Bank Ltd. |
|---|---|
| 2 | Fysal Bank Ltd. |
| 3 | Meezan Bank Ltd. |
| 4 | Muslim Commercial Bank |
| 5 | Apna MicroFinance Bank |
| 6 | Bank Alfalah |
| 7 | Soneri Bank |
| 8 | Summirt Bank |
| 9 | Allied Bank Ltd. |
| 10 | Bank of Punjab |
| 11 | Albarka Bank |
| 12 | Standard Chartered Bank |

## DATA ANALYSIS

This study used the following approaches to analyze the data.

- Reliability analysis
- Frequency analysis
- Descriptive statistics analysis
- Correlation analysis
- Regression analysis

Data was collected from banking sector of Pakistan. This study was only conducted in banks of Lahore due to shortage of time and convenience. Unit of analysis of this study are employees working in banking sectors of Pakistan the study has used survey approach for data collection. The study has used (M.Saunders et al. 2009)17 item scales to measure job satisfaction. Subjects indicates the level of job satisfaction with each of their aspects by responding on a five point rating scale ranging from, strongly Agree 1 to strongly disagree 5.

The tests which were performed to analysis our data were scale reliabilities frequency analysis, descriptive statistics analysis & correlation analysis

## RELIABILITY ANALYSIS

Cronbach's alpha is a coefficient of internal consistency. It is commonly used as an estimate of the reliability of a psychometric test for a sample of examines. The reliability of the questionnaire was tested through Cronbach alpha measurement.

### Table 2

Reliability Statistics

| Cronbach's Alpha | N of Items |
|---|---|
| .828 | 17 |

In the table given above Cronbach alpha value is .828 which means that it is good for the future research. Reliability test used to measure the reliability of the scale that we use to conduct data, also it increase the efficiency of previous scale.

## FREQUENCY ANALYSIS

Total 104 filled questionnaire were received the gender wise response show that (male = 73) and (female= 39) according to the age response showed (18-29=56),( 30-39=44)

**Table 3**

| Gender | Frequency | %age |
|---|---|---|
| Male | 73 | 65.17 |
| Female | 39 | 34.82 |
| **Age** | | |
| 18-29 | 56 | 50 |
| 30-39 | 44 | 39 |
| **Qualification** | | |
| Graduate | 41 | 36.61 |
| Masters | 61 | 54.46 |
| Others | 10 | 8.93 |
| **Experience** | | |
| (less than a year | 17 | 15.18 |
| 1-3 years | 55 | 49.11 |
| 4-6 | 20 | 17.85 |
| More than 6 years | 20 | 17.85 |
| **Designation** | | |
| A/C officers | 15 | 13.39 |
| CSO | 22 | 19.64 |
| Cashier | 9 | 8.03 |
| o/p manager | 13 | 11.61 |
| Banking officer | 11 | 9.82 |
| C/O | 8 | 7.14 |
| Manager | 13 | 11.61 |
| GBO | 11 | 9.83 |
| OTHERS | 9 | 8.05 |
| Income | | |
| 15000-25000 | 33 | 29.46 |
| 26000-35000 | 38 | 33.93 |
| 36000-45000 | 32 | 28.57 |
| 46000+ | 9 | 8.04 |

According to qualification response showed (graduate=41), (masters =61), (other =10). According to experience response showed (less than a year =17),(1-3years =55), (4-6yeare=20),(more than 6 years= 20). According to designation, (a/c officers =15, CSO= 22, cashier= 9, o/p manager= 13, banking officer=11, C/o =8, Manager =13, general banking officer =11, other =9 ). According to income response showed (15000-25000 =33),( 26000-35000= 38) ,(36000-45000=32),( 46000+ =19).

**DESCRIPTIVE STATISTIC ANALYSIS**

The table indicate that bank employees in banks of Pakistan consider Job satisfaction (M= 2.10, S.D= .584), bonuses (M= 2.08, S.D= .681), Allowances (M= 1.96, S.D = .575), motivation (M= 2.03, S.D = .540).

**Table 4: Descriptive Statistics**

|  | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| BO | 104 | 1 | 3 | 2.08 | .681 |
| AL | 104 | 1 | 4 | 1.96 | .575 |
| MO | 104 | 1 | 3 | 2.03 | .540 |
| JB | 104 | 1 | 4 | 2.10 | .584 |
| Valid     N (listwise) | 104 |  |  |  |  |

This means that our respondent is agree to our research question because mean value is between 1 and 2

**CORRELATION ANALYSIS**

**Table 5**

**Correlations**

|  |  | JB | BO | AL |
|---|---|---|---|---|
| Pearson Correlation | JB | 1.000 | .594 | .556 |
|  | BO | .594 | 1.000 | .455 |
|  | AL | .556 | .455 | 1.000 |
|  | AMB | .690 |  |  |
| Sig. (1-tailed) | JB | . | .000 | .000 |
|  | BO | .000 | . | .000 |
|  | AL | .000 | .000 | . |
|  | AMB | .000 |  |  |
| N | JB | 104 | 104 | 104 |
|  | BO | 104 | 104 | 104 |
|  | AL | 104 | 104 | 104 |
|  | AMB | 104 | 104 | 104 |

This table shows the relationship between the variables it ranges from high association to negligible association.

- Job satisfaction has substantial association with bonuses
- Job satisfaction has substantial association with allowance
- Job satisfaction has substantial association motivation.
- The significance value of correlation is 000 which means all the hypotheses is accepted.

**REGRESSION ANALYSIS**

In the given table model 1 the value of R and R square is given and the value of Adjusted R square is .445 which means independent variable s contributes 44.5% to the dependent variable.

**Table 6:**

**Model summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | | |
| 1 | .675 | .456 | .445 | .435 | .456 | 42.281 | 2 | 101 | .000 | | 1.771 |
| 2 | .690 | .476 | .471 | .425 | .476 | 92.625 | 1 | 102 | .000 | | 1.739 |

And in model 2 the adjusted R square value is .425 which means independent variable contributes 42.5 % to dependent variable.

**Coefficients**

| Model | Unstandard coefficient | Unstandardized coefficients | Standard coefficient | T | Sig. |
|---|---|---|---|---|---|
| | B | Std.error | Beta | | |
| 1-(Constant) | .620 | .168 | | 3.686 | .000 |
| BO | .368 | .071 | .429 | 5.205 | .000 |
| AL | .367 | .084 | .361 | 4.380 | .000 |
| 2-(Constant) | .455 | .176 | | 2.586 | .011 |
| ABM | .815 | .085 | .690 | 9.624 | .000 |

In model 1 and 2 unstandardized coefficient of BO is B= .368, standard error= .071and beta is .429. Values of AL B=.367, standard error= .084, beta= .361, in model 2 ABM B=.815, standard error=.085, beta= .690 which means 1% change in BO, AL and AMB changes the JB by .429, .361 and .690.

**ANOVA**

| Model | Sum of squares | Df | Mean square | F | Sig. |
|---|---|---|---|---|---|
| · Regression | 16.009 | 2 | 8.004 | 42.281 | .000 |
| Residual | 19.121 | 101 | .180 | | |
| Total | 35.130 | 103 | | | |
| · Regression | 16.719 | 1 | 16.71 | 92.625 | .000 |
| Residual | 18.411 | 102 | .100 | | |
| Total | 35.130 | 103 | | | |

a- Predictors (constants) AL, BO

b- Predictors (constants) ABM

c- Dependent variables: JB

In this model both the values of F with interaction term and without interaction term (42.281, 92.625) are significant.

Its value should be above 4. (Anova Table)

**Histogram**

**Dependent Variable: JB**
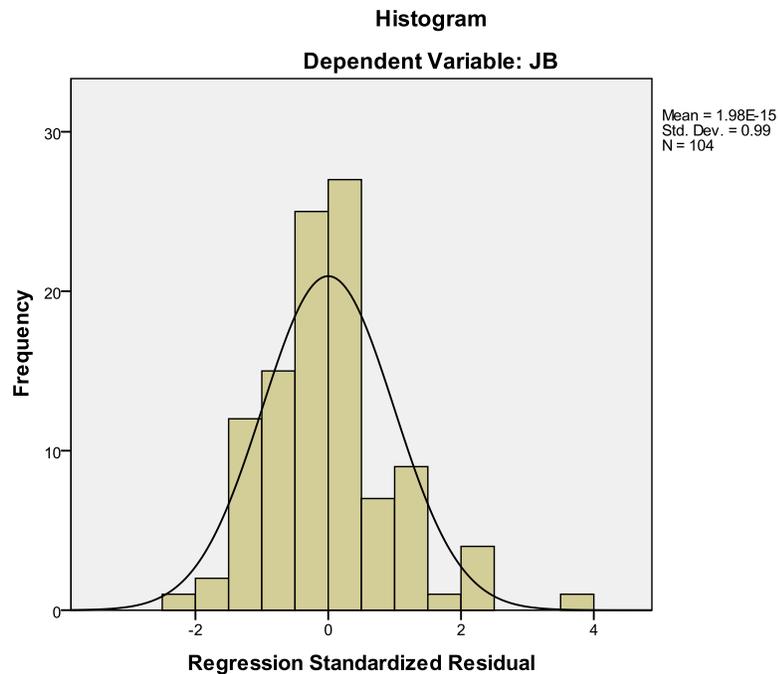


Histogram describes the frequency distribution by using a series of adjutant triangles. In the above histogram the shape of the curve is bell which shoes the normal distribution of data.

**Normality and linearity P-P lot**

The normal P-P lot of regression standardized residual tells that data is linear and normally distributed because the data is close to the line.

**Normal P-P Plot of Regression Standardized Residual**

**Dependent Variable: JB**



**Scatterplot**

**Dependent Variable: JB**
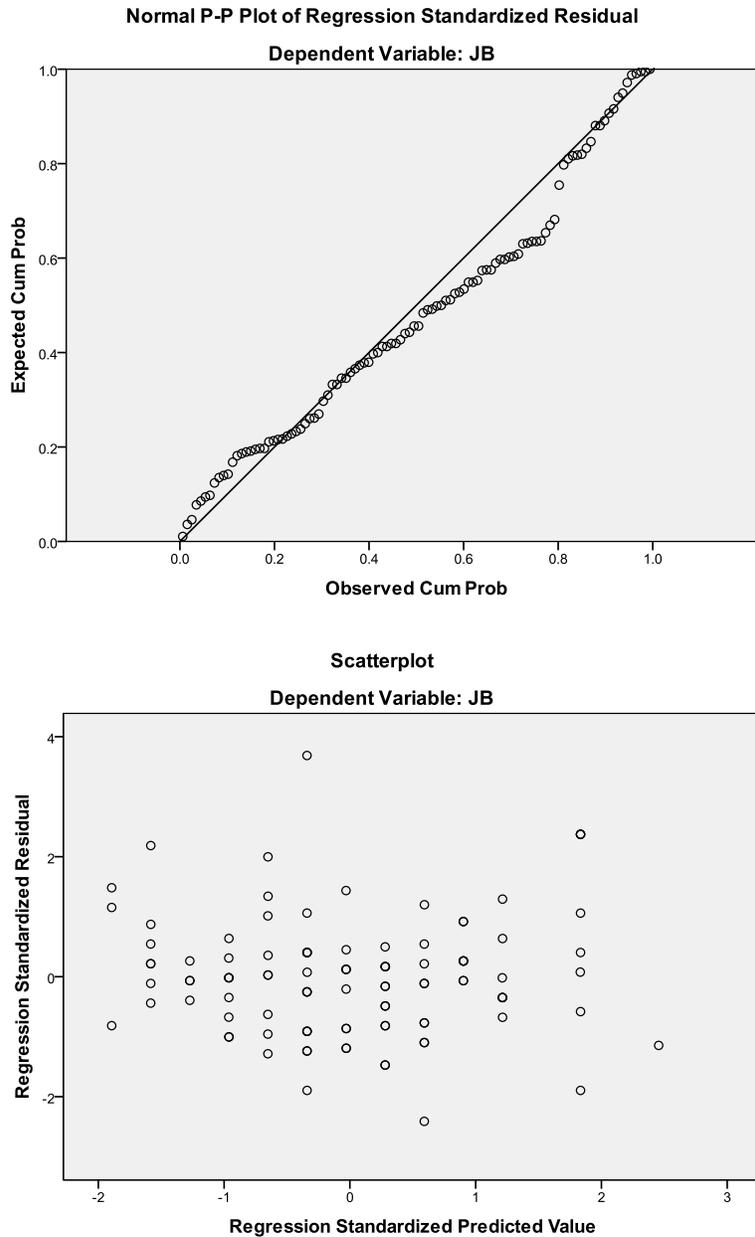


**Homosactisticy and Heretoscatiscty**

This graph shows homoscedasticity which means the data is normally scattered because it is not gather on some particular point.

## LIMITATIONS

There is few limitation of this study these limitation includes use of structured questionnaire, quantitative data analysis and focuses on the single service sector. For further study it is suggested to include some other theoretical variable on job satisfaction. Further researcher can also test mediating mechanisms of studies variable with job satisfaction by employing other analytical approach.

## CONCLUSION& MANAGERIAL IMPLICATIONS

The purpose of study was to investigate the impact of pay structure on job satisfaction in banking sector of Pakistan. This study confirms that bonuses and allowances has positive impact on job satisfaction by providing proper bonuses and allowances. Motivation plays its role as moderator because motivation has impact on employee's satisfaction. Managers can increase productivity and improve the relationship by considering the perceptions of employees by providing them a good pay structure to satisfy them. This is an empirical study on banks of Pakistan with the variables pay structure (bonuses and allowances), motivation, job satisfaction on which little work has done in banking sector.

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# BUILDING CUSTOMER LOYALTY THROUGH DIGITAL MARKETING: EMPERICAL STUDY OF SHOE INDUSTRY

Muhammad Ali Shahid[1], Rida Shahzadi[2], Muhammad Fiaz[3]

IB&M UET Lahore Pakistan

Corresponding author email: Armanshahid@yahoo.com

## ABSTRACT

Cost efficiency and diversity of channels facilitates marketer's frequent and interactive communication with their customers. Digital channels offer new prospects to cultivate customer relationship. Companies and industries are growing investment in digital marketing (social media, websites and mobile application), but mostly divisions do not see digital marketing as a tool for enlightening and winning customer loyalty. The key impact of this article is how digital marketing influence customer loyalty in shoes industry, and rises the relationship based collaboration with customers. By inspecting , we will discovered that digital marketing enriches the relation with customer that rise loyalty .This basis deliver us with a brief understanding of customer loyalty and help to identify the hidden opportunity in this area.

*Key Words: Digital marketing, Social media, Websites, Smart phone application, Customer Loyalty and Shoe industry.*

## INTRODUCTION

Rapid developments in technology are significantly influencing all industries to stay competitive in the globalized markets. These technological developments are dramatically altering the way customers interact with industry and how industries communicate with their customers to reduce cost, increase value, and improve customer satisfaction and loyalty. Change has led to changes in marketing and communication management, as one single marketing communication tool could not achieve marketing communication. Crises of immediacy that consumers need to get knowledge, and personalized solutions during their shopping experience. Now a days  consumer are more informed about the products and services they are comfortable with using self-service technologies, According to Hub Spot (2011), 89% of U.S. consumers search online about their shopping online behavior by providing the right information at the right time in the right place.

In this aspect digital marketing (Smart phone application, websites and social media) play a vital role to build customer loyalty with their specific industry.

Mobile commerce is a wireless environment via internet also known as m-commerce (Turban & King, 2003).The global mobile app market was predicted to rise to $150 billion within two years (Ghose & Han, 2013).M-commerce is different from e-commerce (Liang & Yeh, 2011).Customer are motivated and loyal with the benefits of the services or products of mobile app (Liang, 2004).

Social media also created an era for companies and brands to engage customer in a new and attractive way to make them loyal (Gallaugher & Ransbotham, 2010;Kozinets, de Valck, Wojnicki, & Wilner, 2010). Website actsas an essential link with customer Chen and Dibb 2010).Online shopping through website increase the relationship with online retailer(Palvia 2009).Proactive management of online interaction is increasingly firms long term success(Asmussen, Harridge-March,Occhiocupo &Farquhar, 2013).The loyalty develops from behavioral approach.  We can measure loyalty of consumers by measuring re purchasing behavior. Customer loyalty occupies a huge place in marketing. Customer loyalty becomes important point for ever customer. Customer loyalty is to make consumers loyal about their brand and product (e.g., Aaker, 1996; Uncles, Dowling, & Hammond, 2003), customer loyalty has indicates long term business success. Many companies considered competitive that customer loyal are essential for gaining competitive advantage.

Problem has been that previous researches on digital marketing and customer loyalty were not integrated in shoes industry and also not in Pakistan.

This paper integrated the existing body of knowledge. We examine the impact of digital marketing on customer loyalty in shoes industry of Pakistan. We examine how social media, smart phone application and websites make a customer loyal to the shoes industry of Pakistan.

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

### Digital marketing

**Social media:** Social media provides opportunities to reach customer and build relationship with them (Kelly, Kerr, & Drennan, 2010).Social media changes the shape of brand images from marketers to consumer (Tsai & Men, 2013).Social media plays a key role in brand success (Phan et al., 2011).Kimand Ko (2012) described social media marketing efforts in five dimensions  entertainment, interaction, trendiness, customization, and word of mouth (WOM).Social media marketing enhance customer based brand equity (Bruhn, Schoenmueller, & Schafer, 2012; Kim & Ko,2012).Stronger brand equity increased willingness to pay a premium price, and customer loyalty (Aaker, 1991; Keller, 1993,2003; Keller & Lehmann, 2006). Kimand KO (2012) Jacoby (1971) describes brand loyalty as biased response over one or more alternatives. Customers have begun adopting social mediaapplications(e.g., Facebook, LinkedIn, Twitter, etc.)This shift facilitates more customer by developing new technologies and capabilities (Andzulis, Panagopoulos, & Rapp, 2012; Trainor, 2012).

**Websites:** Researchers use different theoretical foundations to study online loyalty. Conceptual study (Ilsever, Cyr, & Parent, 2006), integrates the concept of online loyalty. Some researcher use flow concept as a mean of better understanding of consumer to the Web and e-loyalty (Cheung, Chan, & Limayem, 2005). Online literature also benefits on relying Roger's (1962, 1983) by theory of diffusion of innovation. Website allow to create and share the contents (Constantinides & Fountain, 2008).Customer become user of brand content (Constantinides & Fountain, 2008; Crittenden, Hanna, & Rohm, 2011).(Patterson, 2012; Pehlivan & Weinberg, 2011) User can help in building brands in different ways by giving their opinions. To understand online customer behavior theoretical model has frequently used (e.g., Zhang, Lu, Gupta, & Zhao, 2014; Zhang, Lu, Wang, & Wu, 2015) and is particularly suitable to study virtual experts. Websites are potentially valuable marketing tool providing opportunities for customer relationship (Mangold &Faulds 2009, Zagila, 2013).

**Smart phone application**: Smart devices and 4G mobile broadband spread in the business, the use of mobile applications continues to increase. Mass communication and entertainment are considered the most popular categories for downloading mobile application. Mobile applications are suited to do a specific task to run smart phone and mobile devices. Previous studies examine the hardware affordances, platform capabilities and the environment in which application is used (Charland & Leroux, 2011) .Web is becoming more accessible by mobile applications (Kumar & Gambhir, 2014).Mobile application services is a set of operations to perform according to a certain set of input and certain chronology (Maamar 2006).Some mobile applications have used web to form a cross mobile application platform via various mobile and Pc platforms. Thus mobile applications are helpful in making advertisement.

**Customer Loyalty:** Oliver (1999) defined loyalty as "a commitment of consumers to re-buy or re purchase a product or service continuously in future. Loyalty also represents preference of re-patronize the desired product and bear high prices in order to purchase it. And purchase other product form same source. Loyalty is very important in e-business (Reichheld & Schefter, 2000). Deng, Lu, Kee, and Zhang (2010) also notified that retaining existing customers and strengthening customer loyalty is very critical for gaining competitive advantage. Customer loyalty is as to continuously use with present service providers, as well as their tendency to recommend it to other users. Zeithaml(2003) stated that loyalty is to check out customers satisfaction for a product or service whether the product or service meet the needs of customers or not In the, many studies finds that quality is shown by customer satisfaction(Brady and Robertson, 2001;) online web loyalty leads businesses towards success. Gefen (2002) states that customer online loyalty means pursue customers that they return back to your website and repurchase on the same site.

## CONCEPTUAL FRAMEWORK

In order to examine the effect of digital marketing on customer loyalty we proposed this model. Following is the framework associated with the study linking customer loyalty with digital marketing.

**Figure 1: Conceptual Framework**
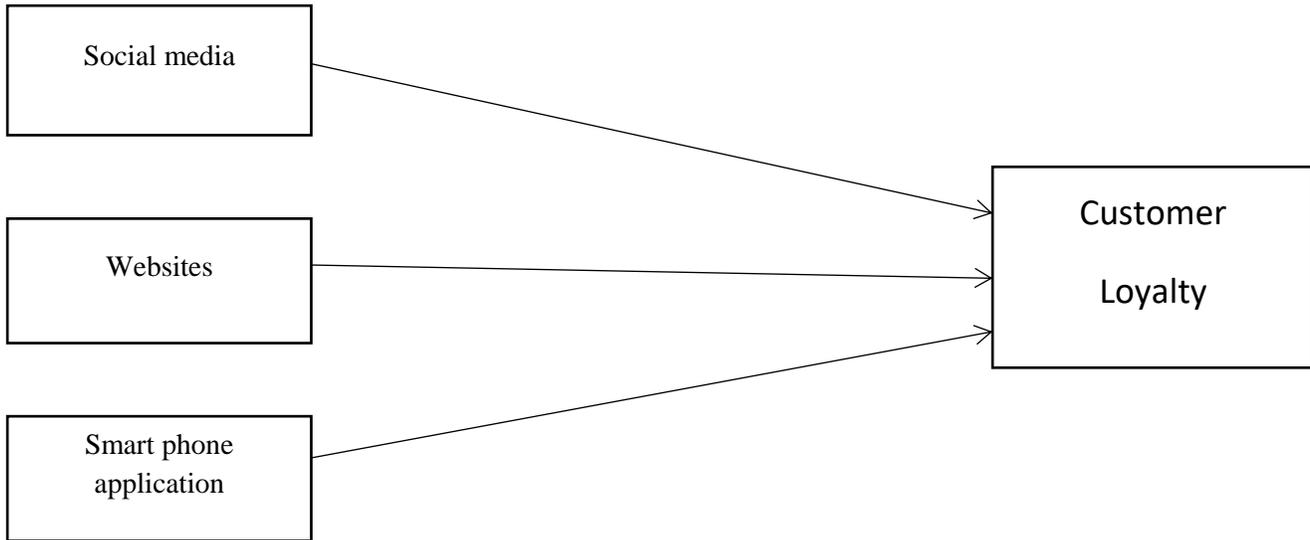


Given model hypothesized that:

H.1: social media has significant impact on customer loyalty.

H.2: websites has significant impact on customer loyalty.

H.3: smart phone application has significant impact on customer loyalty.

**RESEARCH METHODOLOGY**

We conducted this study during an academic semester in 4 different universities of Punjab (University of Engineering and Technology Lahore, University of Central Punjab Sheikhupura, Punjab University Gujranwala and Government University Faisalabad) Pakistan as representative of our population of interest. Research design of the study was exploratory. Quantitative technique was used to carry out this research and questionnaire was used to get the responses. The sample frame was 200 graduate and undergraduate students of 4 universities. One hundred and forty two students had an important participation in this study. 80 of the respondents were male and 62 were female .Out of 142 participants, 60 were enrolled in BBA Program, 42 of them were enrolled in MBA Program, 20 respondents were pursuing degree of Ex-MBA and 20 were enrolled in other degree programs.

**MEASURES**

A 5 point Likert-scale questionnaire, comprising of 16 items was adapted from previous studies and the same was used for data collection. The survey questions used to measure the three dimensions of digital marketing (Mikalef et al., 2012) (J.Kandampully, D.Suhartanto 2000) (Lin & Wang 2006). Instrument was comprised a total of 3

dimension and 11 questions. Questionnaire to measure customer loyalty was based on item adapted from (Cronin et al., 2000).Instrument comprises a total of 5 questions.

## RESULTS AND FINDINGS

Following data analysis has been done through descriptive, reliability, correlation, and regression statistics. We identify these statistical analysis techniques in an appropriate manner in order to investigate the objective of the research study and to check whether the research is true or not. Following statistical tests have been applied to analyze data for this study by using SPSS. Descriptive statistical technique used to find out the overall amount of respondents between variables. Descriptive statistics is calculated by using SPSS.

### Table: 1Case Processing Summary

|        |           | N   | %     |
|--------|-----------|-----|-------|
| Cases  | Valid     | 142 | 100.0 |
|        | Excludedᵃ | 0   | .0    |
|        | Total     | 142 | 100.0 |

a. List wise deletion based on all variables in the procedure.

This descriptive statistics shows the mean and std. deviation values of the variables. This shows that most of the customers agree because their answers are between 2 to 2.5.

### Table: 2 Descriptive Statistics

|                      | N   | Range | Minimum | m | Mean | Std. Deviation |
|----------------------|-----|-------|---------|---|------|----------------|
| SM                   | 142 | 3     | 1       | 4 | 2.23 | .599           |
| WEB                  | 142 | 3     | 1       | 4 | 2.42 | .580           |
| SPA                  | 142 | 2     | 2       | 4 | 2.72 | .448           |
| CL                   | 142 | 3     | 1       | 4 | 2.29 | .474           |
| Valid N (listwise)   | 142 |       |         |   |      |                |

## RELIABILITY ANALYSIS

Reliability and item analysis may be used to construct reliable measurement scales, to improve existing scales and to evaluate the reliability of scales already in use. Reliability and item analysis will aid in the design and evaluation of sum of scales, that is, scales that are made up of multiple individual instruments. The assessment of scale reliability is based on the correlation between the individual items or measurement that makes up scale, relative to variances of the items. Score reliability is an indication of the extent to which our test measures a single topic. Measure of internal consistency indicates how well the questions on the test consistently and collectively address a common topic.   Cronbach alpha is used to measure the reliability of the data. Alpha was produce by Lee Cronbach

in 1951. If the items in a test are associated to one another, the value of alpha increased. Reliability coefficients range from 0.00 to 1.00. Ideally score reliability should be above 0.70. Our coefficients are in the range 0.7-0.725 and are very good for future research.

**Table: 3Reliability**

| Cronbach's Alpha | N of Items |
|---|---|
| .726 | 16 |

## CORRELATION ANALYSIS

To find correlation between variables Pearson coefficient has been computed. Due to large sample size so Pearson coefficient is acceptable instead of Spearman correlation which is used in usage case of Likert scale.

**Table: 4Correlations**

|  |  | CL | SM | WEB | SPA |
|---|---|---|---|---|---|
| Pearson Correlation | CL | 1.000 | .067 | .300 | .221 |
|  | SM | .067 | 1.000 | .349 | .186 |
|  | WEB | .300 | .349 | 1.000 | .279 |
|  | SPA | .221 | .186 | .279 | 1.000 |
| Sig. (1-tailed) | CL | . | .215 | .000 | .004 |
|  | SM | .215 | . | .000 | .014 |
|  | WEB | .000 | .000 | . | .000 |
|  | SPA | .004 | .014 | .000 | . |
| N | CL | 142 | 142 | 142 | 142 |
|  | SM | 142 | 142 | 142 | 142 |
|  | WEB | 142 | 142 | 142 | 142 |
|  | SPA | 142 | 142 | 142 | 142 |

**Correlation is significant at the 0.01 level

Table reveals that smart phone application with customer loyalty with Pearson correlation value .221 have positive but low association. It also indicates that there will be increase in customer loyalty as the use of smart phone applications increased.

## REGRESSION ANALYSIS

To determine the effect of independent variables (Digital marketing) on the dependent variable (customer loyalty) we use regression analysis. To test the validity of model F-test and p- value have been investigated. Larger the F-value the larger the proportion of variation in dependent variables and in the model is valid, explain by regression equation and vice versa. R square tells how much model fits the data.

**Table: 5Model Summary**

| Model | | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | R Square Change | F Change | df 1 | df2 | Sig. F Change | |
| dimension0 | 1 | .337a | .114 | .094 | .451 | .114 | 5.891 | 3 | 138 | .001 | 1.944 |

a. Predictors: (Constant), SPA, SM, WEB

b. Dependent Variable: CL

In this model summary Digital marketing and customer loyalty is tested. Value of R and R square is .337 and .114 respectively. Adjusted R square value is 0.94.This means that independent variable contributes 1% to dependent variable.

**Table: 6 ANOVA[b]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 3.593 | 3 | 1.198 | 5.891 | .001a |
| | Residual | 28.057 | 138 | .203 | | |
| | Total | 31.650 | 141 | | | |

a. Predictors: (Constant), SPA, SM, WEB

b. Dependent Variable: CL

In this model value of F is significant. Its value should be above 4.

In the model the unstandardized regression coefficient (B) for predicting customer loyalty from social media, websites and smart phone application is -0.046, 0.227 and 0.164, standardized coefficient (B) is   -0.59, 0.227 and 0.155 respectively.

**Table 7: Coefficients**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.399 | .264 | | 5.304 | .000 |
| | SM | -.046 | .068 | -.059 | -.683 | .496 |
| | WEB | .227 | .072 | .277 | 3.151 | .002 |
| | SPA | .164 | .089 | .155 | 1.850 | .067 |

1 unit change in social media, websites and smart phone application changes the customer loyalty by -0.59, 0.227 and 0.155 respectively. Value of t in this model is 2.683, 3.151 and 1.850 which shows a positive effect on customer loyalty by 2.683, 3.151 and 1.850 and model is significant because value of P<0. In this table the significance value

of social media and smartphone application is more than 0.05 which means that these hypotheses is rejected and the significance value of websites is less than 0.05, so this one is accepted. In the case of social media and smart phone application the null hypotheses is accepted.

## DATA NORMALITY THROUGH HISTOGRAM
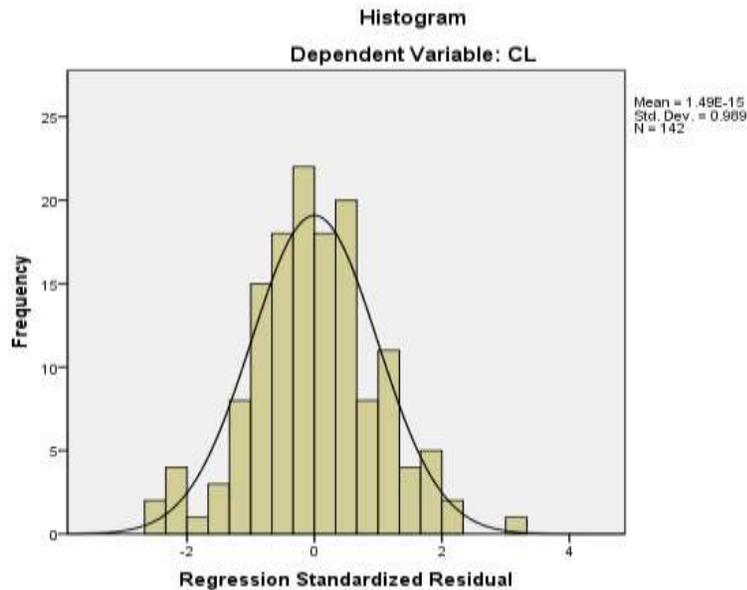


Histogram describes a frequency distribution by using a series of adjacent rectangles.in the above histogram the shape of the curve is bell which means the data is normally distributed.

### Data Normality and Linearity: P-P lot
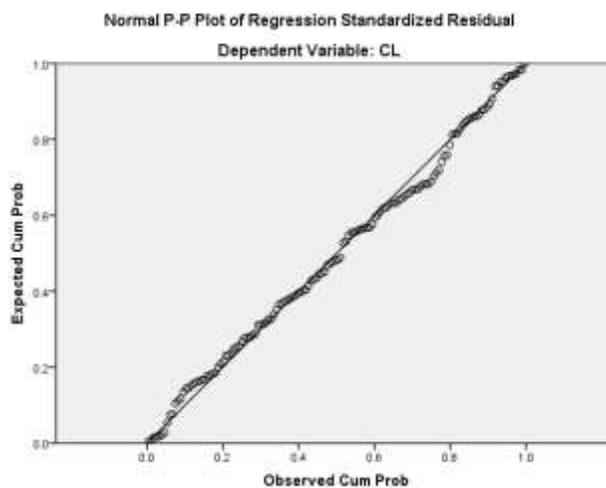


The above normal P-P lot of regression standardized residual tells that data is linear and normally distributed because graph shows that distribution of data is close to the line.

**HETEROSCEDASTICITY AND HOMOSCEDASTICITY**

Scatterplot

Dependent Variable: CL
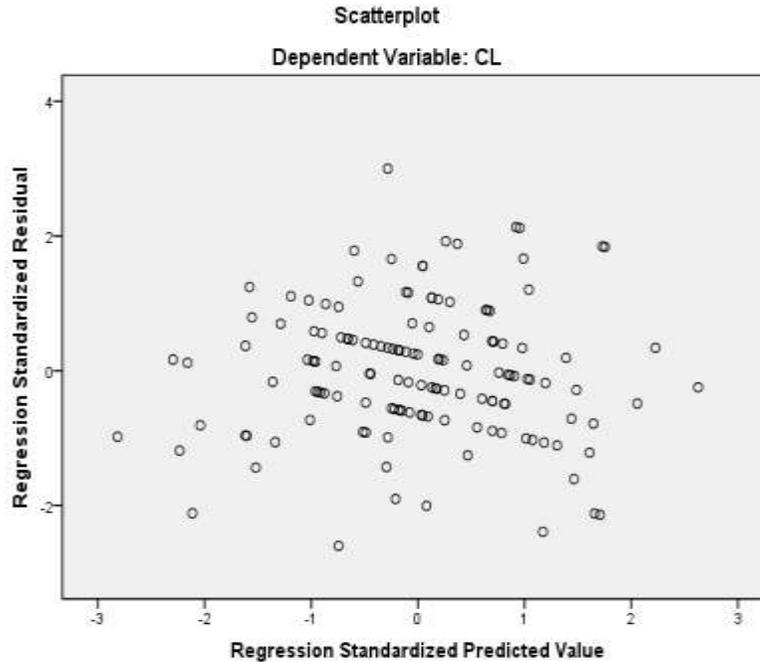


This graph shows homoscedasticity which means that data is normally scattered because it is not gather on some particular point.

**CONCLUSION**

When the dominant logic of marketing is shifting from exchange of goods towards services, digital marketing can help to improve their return on marketing and profitability (Reinartz and kumar 2003 Reinartz et al.2005).Digital channels offers cost efficient opportunities to improve customer loyaltywith such prospects in mind, it is not surprising that the use of digital channels in marketing is becoming an essential part of strategy in many companies.

This study shows how Digital marketing is becoming the important tool which offers companies or industries to engage with their markets and to learn about customer needs.

The findings of the conceptual framework based on the research problem to evaluate the impact of digital marketing on customer loyalty in shoe industry. It shows that Digital marketing is the best way to advertisement because only small percentage of total advertising expenditure is being devoted in it. There is potential growth and value in using digital marketing in shoes industry aimed at customer loyalty.

Building customer loyalty through digital marketing is the perfect tool for marketers to reach all type of audiences and give them a 360 look at your company and industry.

## PRACTICAL IMPLICATIONS

Digital marketing is the best way to build awareness about your band, company and industries in the era. By taking into consideration preference of customer loyalty, the effeteness of digital marketing aimed at this market segment can be increased and help to identify the hidden opportunity in this area.

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# IMPACT OF PRODUCT FEATURES AND PRODUCT NOVELTY ON IMPULSE BUYING BEHAVIOR OF CUSTOMER- CELLULAR SECTOR

Umaish Akram[1], Zartash Qaisar[2], Dr. Muhammad Fiaz[3]

Institute of Business and Management UET Lahore, Pakistan

Corresponding author email: umaish.mian@yahoo.com

## ABSTRACT

Impulse buying behavior occupies a critical place in Consumer behavior research. Fully three-quarters of decisions to buy something are made on store premises. The availability of money has been shown to drive impulse purchases. This study examines the role of products involved in consumer's decision making ability in Cellular sector.Literature review depicts that consumer behavior researchers were always been keenly interested in studying the phenomenon of virtue and luxury products. The aim of this study is to check whether product features and product novelty significantly influence impulse buying behavior in mobile phone purchasers. The study adopts an exploratory research design. A survey has been conducted in different cities of Punjab, Pakistan from 200 local mobile phone users to evaluate relevant results. Results showed a significantly positive relationship of impulse buying behavior with product features and product novelty after detailed analysis. The limitations, contribution and implications of this study are mentioned before conclusion.

**KEYWORDS:***Product Features, Product Novelty, Impulse Buying, Consumer Behavior, Cellular Sector.*

## INTRODUCTION

Impulse buying behavior occupies a critical place in Consumer behavior research. Fully three-quarters of decisions to buy are made on store premises (Liljenwall, 2004). An impulse purchase or impulse buying is an unplanned or otherwise spontaneous purchase. Impulse items can be anything, a new product, samples or well-established products at surprising low prices. Parboteeah (2005; based on Piron, 1991:512) stated that impulse purchasing is unplanned, the result of an exposure to a stimulus, and is decided on-the-spot. When impulse buyers feel the desire to buy, they make a purchase decision without searching for information or evaluating alternatives. Then, consumers may experience positive or negative consequences by the post-purchase evaluation after the purchase on impulse. In this process, consumers are influenced by internal and external factors that trigger their impulse purchase behavior (Wahida Shahan Tinne, 2011). The research studies on consumers buying behavior keep on struggling to give a better definition for impulse buying behavior of consumers over last five decades (Alireza and Hasti 2011). An impulse purchase or impulse buy is an unplanned decision to buy a product or service, made just before a purchase.

Buying impulsive behavior is defined as "unplanned" and buying plan of consumer, which he/she makes without evaluating product (Vohs & Faber 2003; Parboteeah 2005). Furthermore, consumers often rely on information signals to determine brand value and credibility, and in a supermarket context, marketing mix instruments can serve as such signals (Erdem 1998; Erdem and Swait 2004; Ngobo 2011). Though in past, some studies have tried to throw light on the impact of factors which have an effect on impulsive buying behavior (Patti Peilohy and Rofiaty, 2013; Maymand and Ahmadinejad, 2011; Jeffrey and Hodge, 2007), and on urge to buy impulsively as well (Foroug hietal., 2013; Beatty and Ferrell, 1998).

Thus, impulsive buying behavior has rightly been defined as a sudden, compelling, hedonically complex buying behavior in which the rapidity of an impulsive decision process preludes thoughtful and deliberate consideration of alternative information choices (Karbasivarand Yarahmadi, 2011).

The importance of this phenomenon can be gauged by the fact that in 1997 alone, an estimated $4 billion was being spent in impulsive manner (Mogelonsky, 1998), and an estimate indicates that about 62% market sales in supermarkets and around 80% sales in luxury goods can be attributed to impulsive purchase (Ruvio and Belk,2013). Starting with the early work related to definition of impulsive buying (e.g. Stern, 1962; Piron, 1991). The study was undertaken to assess the role of two variables in impacting impulsive buying behavior of consumer.

## LITERATURE REVIEW

Literature review depicts that consumer behavior researchers were always been keenly interested in studying the phenomenon of virtue and luxury products. The availability of money has been shown to drive impulse purchases (Beatty and Ferrell, 1998). In relation to luxury goods, structural and cultural shifts in western marketing systems have engendered a democratization of luxuries making accessible to all a conventionally exclusive cultural category (Roper et al., 2013). Whilst the body of work on branded products is large and growing (Amatulli and Guido, 2011) Consumer finds it difficult to decide while selecting innovative products (DellaVinga and Malmendier, 2006). The more time an individual has, the longer time he or she spends browsing the shopping environment (Beatty and Ferrell, 1998), increased the use of mobiles phones and Smartphone applications (Shankar and Balasubramanian, 2009; Strom et al., 2014).

Similarly Rook, D W (1987) —The buying Impulse: The journal of consumer research Vol, 14, No 2 P.189-199, writes from marketing stand point. His article on the buying impulse has been written from marketing perspective saying that customers opt for purchase on the basis of impulse buying behavior. (Weun, S. Jones) however took a different approach to impulse buying behavior. He therefore, takes impulse purchase to be a complex phenomenon'. Thomas (1997) pointed out that two emotional shifts that affect the buying habits - an enhance in stress levels because consumers are out of their daily routine and an also increase in levels of hope and enthusiasm. Beatty and Ferrell (1998) argued that situational variables - time and money are found to persuade and lead both positive and negative effect on impulse purchase. They come out with attractive and comprehensive market packages to attract retail consumers in large. Baker et al, 2002.

**CHRONOLOGICAL STUDY OF IMPULSE BUYING WITH PRODUCT INVOLVEMENT**

| Author | Year | Author's Contribution. |
|---|---|---|
| Clovez | 1950 | First to study impulse buying mix and pointed out that some product categories are more sold on impulse. |
| Stern | 1962 | Defined impulse buying behavior by classifying as planned, unplanned, or impulse, also suggested that some product-related factors that might predict impulse buying. |
| Kollat and Willett | 1967 | Argued that consumer's characteristics and demographics influence the impulse purchases. |
| Rook | 1987 | Introduced the concept of consumer impulsion as a lifestyle trait, which can be linked to materialism, sensation seeking and recreational aspects of shopping. |
| Iyer | 1989 | Described impulse buying as a special case of unplanned buying. |
| Beatty and Ferrell | 1998 | Formulated the definition of Impulse buying as a sudden and immediate purchase with no pre-shopping intentions either to buy the specific product category or to fulfill a specific buying task. |
| Bayley and Nancarrow | 1998 | Suggested that impulse buying behavior is a complex buying process and the rapid decision process during shopping, prevents deliberate consideration of alternative information and choices. |
| Hausman | 2000 | Proposed that shopping experience may encourage emotions such as feeling uplifted or energized. Consumers shop not only to buy but to satisfy their different needs. |
| Jones et, al. | 2003 | Empirically tested that product-specific impulse buying is affected significantly by product involvement and it is an important factor supporting impulse buying tendencies. |
| Verplanken et al. | 2005 | Proposed that negative rather than positive affect is a driving force behind chronic impulse buying. The impulse buying could further result in curing negative state of mind. |
| Park et .al | 2006 | Studied the fashion and hedonic aspects of impulse buying. Hedonic consumption has an indirect effect on fashion-oriented impulse buying. Fashion oriented people are pleasure and enjoyment seeking. |
| Harmancioglu et.al, | 2009 | First to study Impulse buying of new products and suggested in case of new product: product knowledge, consumer excitement and consumer esteem – drive impulse buying behavior. |
| Sharma et. al, | 2014 | Studied the variety seeking behavior of impulse buying. They found the variety seeking individuals are more prone to impulse purchases. |

**Source: Compiled by authors.**

It has been found that impulse buying occurs more in the case of hedonic products because of the symbolic meaning they convey (Mai et al., 2003). This study examines the role of products involved in consumer's decision making ability in Cellular sector.

## CONCEPTUAL MODEL

The conceptual model used in this study involves 3 variables. Product features and Product novelty are taken as independent variables and Impulse buying behavior of customer is taken as dependent variable.
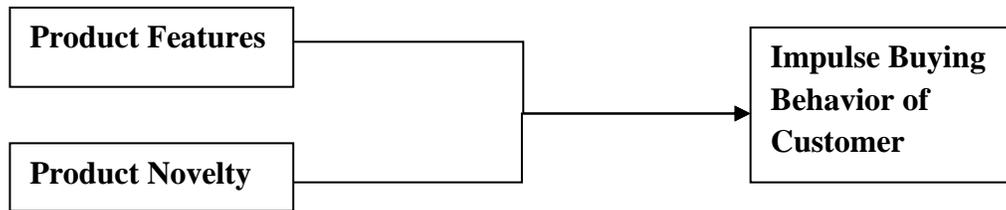


**1.1.Figure representing model for study.**

## MEASURES AND HYPOTHESES

Dependent Variable:

We have taken Impulse buying behavior Rook (1987) as dependent variable.

Independent Variables:

We have used scale base questions as independent variables, such as Product features (Stern, 1962) and Product Novelty (Kohli, C. and Thakor, M. 1997).

**H1.0.** Product Features have no significant impact on Impulse Buying Behavior of Customer.

**H1.1.** Product Features have a significant impact on Impulse Buying Behavior of Customer.

**H2.0.** Product Novelty has no significant impact on Impulse Buying Behavior of Customer.

**H2.1.** Product Novelty has a significant impact on Impulse Buying Behavior of Customer.

## METHODOLOGY

This part describes the research methodology used in this study. It addresses the research design, type, approach, population, sample size and data collection and validity of the instrument used in the study. The research design is Exploratory. The authors conducted this research because the impact of product features and novelty on impulse buying behavior of consumer in cellular sector have not been defined clearly in the past studies. The research type is Cross sectional. As all the data is collected between 2 weeks which were specified by the authors. The research methodology adopted by authors for this study is the Quantitative approach. We have tried our best and have applied all our efforts, knowledge and sources available, in this project**.** Here we try our level best for finding data.The targeted population of our study is smart phone users in different cities of Punjab, Pakistan.The Primary data was collected from 200 respondents.Convenience sampling was use as sampling technique to carry out this research which is a non-probability

sampling method.A developed questionnaire of five point Likert scale was used to collect the response of target population against the item of questionnaire.

## ANALYSIS & RESULTS

Analysis is a detailed examination of the elements or structure of something. This part includes demographics, reliability analysis, descriptive analysis, and correlation and regression analysis.

**Table showing Demographics of the research**

| Gender | Frequencies | Percentages |
|---|---|---|
| Male | 118 | 59% |
| Female | 82 | 41% |

| Age Group | Frequencies | Percentages |
|---|---|---|
| Below 20 | 41 | 20.5% |
| Between 20-30 | 123 | 61.5% |
| Between 31-40 | 27 | 13.5% |
| Above 41-50 | 9 | 4.5% |

| Occupation | Frequencies | Percentages |
|---|---|---|
| Business | 13 | 6.5% |
| Service | 47 | 23.5% |
| Self-employed | 9 | 4.5% |
| Others (Students, house workers.) | 131 | 65.5% |

## RELIABILITY ANALYSIS

| Variables | Cronbach's Alpha | No. of Items | No. of Respondents |
|---|---|---|---|
| Product Features | .761 | 6 | 200 |
| Product Novelty | .852 | 8 | 200 |
| Impulse Buying Behavior | .784 | 8 | 200 |

**Table showing Reliability Statistics**

A reliable measuring instrument is one which gives you the same measurements when you repeatedly measure the same unchanged objects or events. If you measured an object or event twice, and the true scores did not change, then you would get the same measurement both times. The reliability of a variable can be checked by Reliability Scale of SPSS whose value should be above 0.7. This value is known as Cronbach's coefficient alpha.

## DESCRIPTIVE ANALYSIS

These analyses shows the range, minimum, maximum and mean value, value of std. deviation and value of kurtosis for each of the three variables.

**Table showing Descriptive Statistics**

| Items. | N | Range | Minimum | Maximum | Mean | Std. Deviation | Kurtosis | |
|---|---|---|---|---|---|---|---|---|
| | Statistic | Statistic | Statistic | Statistic | Statistic | Statistic | Statistic | Std. Error |
| Product Features | 200 | 3 | 1 | 4 | 1.94 | .510 | .312 | .212 |
| Product Novelty | 200 | 3 | 1 | 4 | 2.07 | .631 | .044 | .212 |
| Impulse buying behavior | 200 | 2 | 1 | 3 | 2.05 | .499 | .266 | .212 |

## CORRELATION AND REGRESSION ANALYSIS

The relationship between to arbitrary variable is called correlation coefficient. Its value varies from -1to +1. If variables have positive correlation it means that they have same direction. Negative correlation refers the negative association between two variables.

**Coefficient Correlations**

| Variables | | PN | PF |
|---|---|---|---|
| Independent | PN | 1.000 | .410 |
| | PF | .410 | 1.000 |
| Dependent | IBB | .203 | .534 |

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | |

| 1 | .5 0 7 7 a | .25 7 | .24 9 | .432 | .257 | 34.0 27 | 2 | 1 9 7 | .0 00 | 1.6 89 |
|---|---|---|---|---|---|---|---|---|---|---|

**Coefficients**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 7.035 | .774 | | 9.735 | .000 |
| | PF | .463 | .066 | .474 | 7.041 | .000 |
| | PN | .455 | .053 | .423 | 7.036 | .000 |

**GRAPHS AND PLOTS**



Histogram
Dependent Variable: IBB



Normal P-P Plot of Regression Standardized Residual
Dependent Variable: IBB

Scatterplot
Dependent Variable: IBB
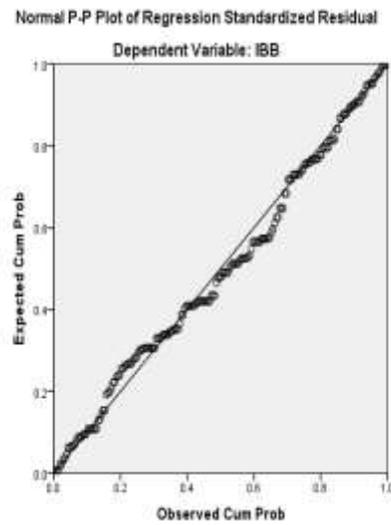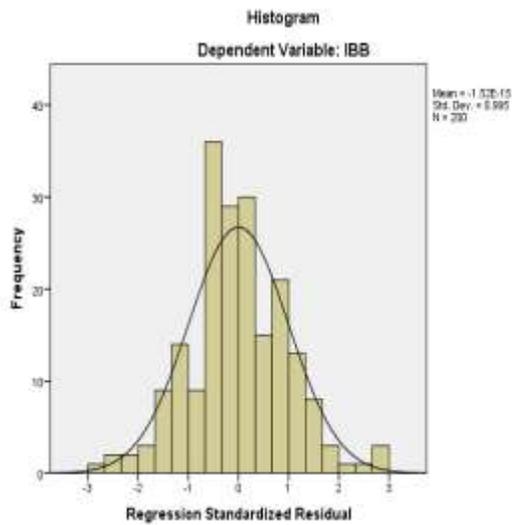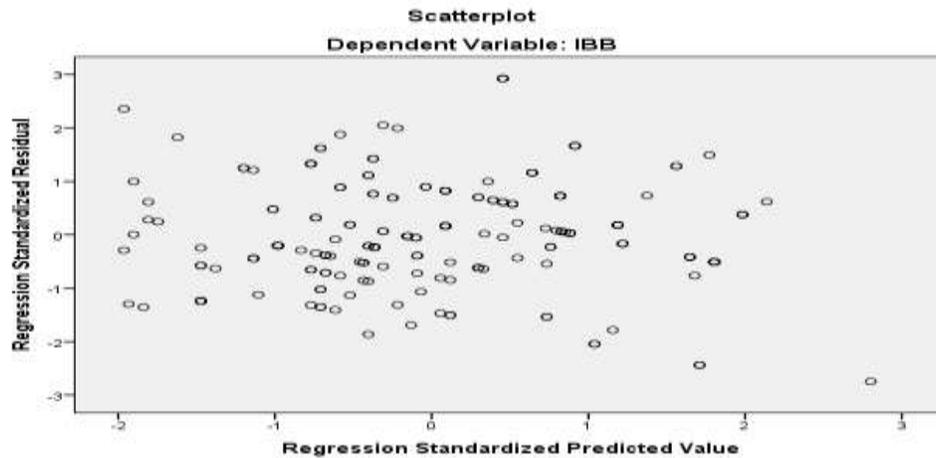
## FINDINGS & CONCLUSION

Our hypothesis H1.1 which was about the significance of product features on impulse buying behavior of customer was supported by table 6.5.3. And another hypothesis H2.1 which was about the significance of product novelty on impulse buying behavior of customer was supported by table 6.5.3. After analyzing all the facts and figures which are based on the data collected from primary and secondary sources our findings show that impulse buying behavior of customer in cellular sector can be easily motivated through interesting, attractive, user friendly features and novelty of the product itself. We can conclude that in cellular sector there is a strong impact of product features and product novelty on impulse buying behavior in customers. The more innovative and attractive product will definitely generate impulse decisions.

## CONTRIBUTION & LIMITATIONS

In past studies the researchers have worked on the impact of product involvement on impulse buying behavior but very few of them have focused on the impacts of product features and product novelty itself separately on impulse buying behavior. So, the authors considered it as their research contribution in the study of impulse buying behavior of customer in cellular sector. Of course, our findings are weakened by a number of limitations and leave many questions open to further investigation, because there is always a room for improvement. The use of the particular sample is an obvious limitation, as in all culturally sensitive marketing research. This study was conducted with Pakistani customers and, hence, the results may or may not reflect the behavior of consumers in other cultural settings. Furthermore these results can be fully implemented only while studying about impulse behavior of a mobile phone user; hence the results may or may not be the same for other industries or products.

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# CONSUMER MATERIALISM AND POSITIVE WORD OF MOUTH: HEDONIC VERSUS UTILITARIAN PRODUCTS

**Maleeha S. Sameeni[1]**
Department of Business Studies, University of Education, Lahore, Pakistan
**Mehreen Khurram[2]**
Department of Business Studies, University of Education, Lahore, Pakistan

Corresponding author's Email: maliha.sameeni@gmail.com

## ABSTRACT

The purpose of this study is to measure the impact of consumer materialism on positive word of mouth. The investigation is carried out with two types of products i.e. hedonic products that satisfy the psychological needs of consumers and utilitarian products that satisfy consumers in fulfilling their functional tasks. There were two studies. In Study 1, a focus group study has been conducted in one of the selected institutions with twelve students of senior business classes, two faculty members and a moderator. The purpose of this study was to bifurcate the brands into hedonic and utilitarian nature products. Finally eight brands were selected i.e. four hedonic brands and four utilitarian brands. In study 2, self-administered questionnaire was used for collecting data. The population of the study comprises of all the consumers of hedonic and utilitarian products in Lahore and total 235 responses have been generated. Regression analysis has been used to measure the impact of independent variable on dependent variable. The results reveal that consumers who are more materialistic tend to speak positive word of mouth for their purchased items for gaining acceptance and sense of belongingness. Also for utilitarian products consumers with materialistic mind speak positive word of mouth. Theoretically the study is useful because it measure the variables with product type contingency. For managers, the results could be utilized in developing their marketing strategies for hedonic and utilitarian products.

*Keywords:* consumer materialism, word of mouth, hedonic products, utilitarian products

## INTRODUCTION

Word of mouth is one of the most important sources of information in current era and consumers consider this information more trustworthy than the promotional communication generated by companies (Grewal et al., 2003). Also word of mouth reduces the search efforts and improves consumer confidence for their purchase item (Angelis et al., 2012). Consumer materialism is desire to capture maximum worldly possessions for showing success or happiness and this affects social behaviors of consumers (Belk, 1983). The area of interest for research scholars is that which personality traits play a role towards generating word of mouth.

Previous literature has put emphasize on the need for more study on such personality traits that may have impact on word of mouth (Brown et al., 2005; Lam & Mizerski, 2005; mazzarol et al., 2007; Goodey & East, 2008; Kozinets

et al., 2010). Some previous work on personality traits is found on altruism (Price et al., 1995), locus of control (Lam & Mizerski, 2005), extraversion (Mazzarol et al., 2007), need for uniqueness (Cheema & Kaikati, 2010) and self-esteem (De-Angelis et al., 2012). Very recently, Sicilia et al. (2015) investigated the impact of need to belong and level of self-disclosure on positive word of mouth with moderating role of self-brand connection. This study included one type of product i.e. baby food item which has certain level of involvement. It gave direction to the need for investigating the variables of study with product type contingency such as for hedonic products (fulfill psychological needs) and utilitarian products (fulfill functional needs). Consumer materialism has impact on shaping consumer behaviour (Richins & Chaplin, 2015; Richins & Dawson, 1992). Its role specifically on predicting positive word of mouth has not been investigated yet so a gap is identified.

## LITERATURE REVIEW

*Word of Mouth:*WOM is an accepted term in the field of Marketing (Chen et al. 2011). It is referred to informal communication among individuals about a product or a service. This communication can be in form of information sharing or positive or negative feedback about the product as explained by Lovett et al. (2013). Word of Mouth generated can be positive or negative (Naylor & Kleiser, 2000). Naylor et al. (2000) find that spreading positive and negative word of mouth depends upon the experience of the consumer with the product. Satisfied consumers spread positive WOM while the dis-satisfied consumers spread negative WOM about the product (Naylor et al., 2000). There are a lot of motives for which customers engage in generating word of mouth i.e. enhancing one's self, expressing their belonging to a unique group and to fulfill their desire to communicate and engage in conversation. They also engage in WOM to share their feelings about brand, to provide necessary information to others or to seek necessary information. Consumer trust the information spread by members of their social groups and consider them a trust worthy source of information (Grewal et al., 2003). WOM is considered as the most effective and an important channel for communication (Keller, 2007) affecting generation of sales for the company as is recommended by Godes & Mayzlin (2004) and Chen, Wang, & Xie (2011); while the decision to purchase and choose a product also depends on WOM generated (Herr, Kardes & Kim, 1991; Litvin, Goldsmith & Pan, 2008).

Hanna & Wozniak (2001) comment that when products are expensive, express one's personality, reflects uniqueness and are visible to other then it is more likely that positive word of mouth (PWOM) is generated about them, while negative word of mouth is spread when consumers find it difficult to complain or feel overly discontented with a product. Earlier on the trend was to generate awareness about the product through advertising and print media but now López & Sicilia (2013) suggest that WOM should precede communication through other mediums for better new product introduction by giving target audience a certain reason to discuss and talk about the brand. Seeing the huge benefits offered by WOM a number of companies have invested in programs such as customer referrals among new customers and increase the perceived positive perception about the product and services among the existing customers (Schumann et al., 2010).

This is also being done by social marketing, viral marketing, buzz marketing and activities like guerilla marketing (Kozinets et al., 2013). Kozinets et al. (2013) discussed that WOM is considered as an unplanned information dissemination mechanism between and among consumers, and marketers about their observation of the happening. But with the passage of time marketers have realized that this WOM can be intentionally generated by company so that consumers discuss what marketers of brands want them to discuss. This new concept is called as WOMM (Word of Mouth Marketing).

*Consumer Materialism:*Belk (1984) defines consumer materialism as the value that a consumer attaches to the material possessions. Consumer materialism is a value which can be observed on the basis of three components i.e. evaluating one's self with others on the basis of material possession, feeling happiness in acquiring possessions, defining success on the basis of increase in possession (Richins & Dawson, 1992). The scale developed by Richins & Dawson in 1992 has been used the most for measuring level of consumer materialism and have been used by more than forty studies (Kilbourne & LaForge, 2010). Major goal of materialistic individuals is the acquisition of goods they desire in life, so they are mostly engaged in setting plans and then start working to achieve their targets (Daun, 1983) while they also judge others success by someone's worldly possessions (Belk, 1984; Segev et al., 2015). Richins & Dawson (1992) mentioned some characteristics of materialistic consumers that they desire to enjoy higher incomes and want to have financial security. These people are more inclined to spend on themselves as compared to others. Their satisfaction level is low than those who are low in consumer materialism. Materialistic people are more prone to indulge in impulse purchases (Ridgway, Kukar-Kinney & Monroe 2008) that result into financial issues and accumulation debts (Dowling et al., 2009). Materialism can be transferred to others as it is a learnt through our social interactions. Richins & Chaplin (2015) find that high level of materialism in parents referred to as material parenting results into making children more materialistic as possessions are used as rewards to transform children behavior.

*Brands Classification*: The brands are classified into two types, i.e. hedonic and utilitarian (Batra & Ahtola, 1990; Crowly et al., 1992). Hedonic brands are those that satisfy the emotional needs of consumers such as enjoyment, fun, aesthetic and experiential benefits (Batra & Ahtola, 1990; Dhar & Wertenbroch, 2000). These brands are called as luxury brands e.g. designer clothes, luxury watches, music, sports car (Khan et al., 2004). Utilitarian brands are those that help consumers fulfill their functional and practical needs or it can be said that these are those brands have less technical sense as compared to hedonic brands (Dubois et al., 2004). Utilitarian brands areassociated with rational decision making and done for satisfying basic needs (Dhar & Wertenbroch, 2000; Spangenberg et al., 1997).

*Consumer Materialism and word of mouth:*Human beings are social animals and they have an innate need and desire for belonging. Maslow (1943) identified five sets of needs ranging from lower level needs to higher level

needs. These sets include needs for self-esteem and belonging needs. Maslow mentioned that individuals keep on striving unless they have fulfilled a certain type of need. Therefore, people with the low acceptance in the society; seek to satisfy their need for belonging by acquiring those possessions that are accepted in their reference group (Bearden & Etzel, 1982) and spread word about them to satisfy both the needs for self-esteem and belonging. Individuals low in self-esteem, seek to increase it by acquiring possessions admired or wished by others by improved identity and self-respect. These acquisitions give them a chance to talk and socialize in their social circles resulting in satisfaction of their need for belonging and acceptance in the society. According to Belk (1988) 'We are what we have'; brands help individuals to acquire products by matching them with their desired self- image and qualify them to be a member of their wished/ reference group hence satisfying their need for belonging (Aaker & Fournier, 1995; Bearden & Etzel, 1982). It has been studied by various researchers that individuals, whose intrinsic needs have not been met, tend to exhibit high levels of consumer materialism. These need may include need for safety, self -worth and belonging etc. (Chang & Arkin, 2002; Diener & Biswas-Diener, 2002). Having more possessions indicate that individual is more successful and can obtain his/her desired image in the society which results in better social recognition (Richins, 1994). Individuals for satisfying their un-met need seek comfort in more and more shopping or possession acquisition (Diener & Biswas-Diener, 2002), so materialists have been found with low self-esteem which they try to offset by achieving material possessions (Kasser & Ahuvia, 2002; Chang & Arkin, 2002).

Research provides considerable evidence that consumers try to fulfill their psychological and self-expression needs from their purchases (Berger & Heath, 2007; Belk 1988). These purchases provide them self enhancement, which refers to the need of good feeling an individual feels towards him/ herself. According to Baumeister (1998) and Brown, Collins & Schmidt (1988), this is done by communicating one's positive self-image and impression for the gain of good recognition in the social circle (Berger & Schwartz, 2011). Sirgy (1982) finds that for this purpose consumers indulge in talks that provide them opportunity for self enhancement and engage in positive WOM by sharing their positive experiences with different brands (Brown, Collins, & Schmidt 1988). Recently it has been found by Wojnicki & Godes (2011) that experts also generate positive WOM to show their expert power and image enhancement. Researchers (Baumgartner, 2002; Sharma et al., 2010) support that normally when individuals buy hedonic products they are serving their psychological needs rather than functional ones and this is done to settle the negative state of mind and depression, when even sometimes result into impulse purchases. People who have high level of materialism have been found to shop more luxury products (Prendergast & Wong, 2003). Similarly it has been found that individuals to show their uniqueness indulge in hedonic purchases (Kang & Park, 2010). Thus it can be said that those who have materialistic thoughts try to exhibit positive word of mouth for the brands they like and this may be seen more for hedonic brands than for utilitarian brands. Less empirical work is done for finding the impact of consumer materialism on positive word of mouth especially with product type contingency. Therefore, following hypotheses have been formulated:

*H1a: For hedonic products, consumer materialism has an impact on positive word of mouth*

*H1b: For utilitarian products, consumer materialism has an impact on positive word of mouth*

**METHODOLOGY**

*Study 1:*Exploratory aim of this study is to bifurcate the brands used in Pakistan into classification of hedonic and utilitarian brands. For this purpose a higher education institute with well-established business department was selected randomly from the list of all public and private higher education institutes in Lahore. Fifteen students from senior business studies session were selected along with two faculty members to be engaged in a focus group discussion. In this discussion there was a moderator also. The participants of the focus group were provided with a list of hedonic and utilitarian brands. First of all they ranked those brands according to how much they think those brands have hedonic or utilitarian characteristic. Next the participants had a detailed discussion on the various brands provided to them under both classifications. On the basis of this discussion session, a list of three hedonic and three utilitarian brands were selected to be engaged in the survey research.

*Study 2:*This study was questionnaire survey and is analytic and descriptive in nature and the type of investigation is correlational; the researchers tried to investigate the relationship between variables of interest for better description of known variables. The data has been collected at one point of time so the time horizon is cross sectional. The unit of analysis is individual consumer and researcher interference is minimal. Population includes all the consumers of Lahore that are users of the hedonic and utilitarian brands. Out of thirty five public and private sector institutions with established Business Departments, four institutions have been randomly selected for collecting data. Using cluster sampling technique, data has been obtained from Business department students of these selected institutions. The sampling technique used is convenience sampling. A sample of 235 consumers is surveyed for both the hedonic (129 responses) and utilitarian products (106 responses). The sample includes youth as they are more users of various brands and they shall be the future of country. Most of the marketing campaigns are targeted towards youth; therefore, it is suitable respondent for the study.

Survey research technique is used. Respondents were given a self-administered questionnaire. There were two types of questionnaires, i.e. one for hedonic brands and other for utilitarian brands. Both questionnaires had similar questions except for first question in which they had list of hedonic and utilitarian products separately; one consumer filled one type of questionnaire i.e. either for hedonic brand or for utilitarian brand. Consumer materialism is measure by using 16 items adopted from Trinh & Phau, 2012 and positive word of mouth has been measured by 3 items adopted from Sicilia et al., 2016.

**DATA ANALYSIS AND RESULTS**

*Study 2a (Hedonic products)*

Descriptive statistics, reliability and correlation: The following table 1 shows the descriptive statistics of the study variables. The mean of consumer materialism for hedonic products is 3.36 and standard deviation is 0.539. The mean for word of mouth is 3.89 and standard deviation is 0.614. The Cronbach's Alpha value for consumer

materialism and word of mouth is 0.809 and 0.740 respectively which indicates the reliability of measures. The correlation between word of consumer materialism and word of mouth is statistically significant i.e. 33.3% at p < 0.01, which provides initial support for hypothesis.

**Table1. Descriptive statistics, reliability and correlation**

| Variables | Mean | SD | Alpha | 1 | 2 |
|---|---|---|---|---|---|
| 1. Consumer materialism | 3.36 | 0.539 | 0.809 | 1 | |
| 2.Word of mouth | 3.89 | 0.614 | 0.740 | 0.333** | 1 |

n = 129, **p < 0.01

Hypothesis testing: For testing the hypothesis $H_{1a}$, regression analysis has been used. From Table 2, It is observed that that the F value is statistically significant (15.867, p < 0.01) which indicates that the response variable is better predicted by the regression model as compared to the mean of response. The $R^2$ value is 0.111, which means that 11.1% change is caused in word of mouth by consumer materialism. The value of beta coefficient shows that per unit change in consumer materialism causes 0.333 units change in word of mouth. Also the T value is determined to measure whether or not the model is statistically significant and it indicates the significance of model (3.983, p < 0.01) indicating difference in word of mouth due to consumer materialism. Hence $H_{1a}$ is supported for hedonic

| Hypothesis | $R^2$ | B | SE | T | Sig. | F | Sig. |
|---|---|---|---|---|---|---|---|
| $H_{1a}$. CM WOM | 0.111 | 0.333 | 0.581 | 3.983 | 0.000 | 15.867 | 0.000 |

**Table 2.Regression Analysis (Hedonic products)**

*Study 2b (Utilitarian products)*

Descriptive statistics, reliability and correlation: For utilitarian products, the mean for consumer materialism is 3.25 and the standard deviation is 0.597.

**Table 3. Descriptive statistics, reliability and correlation**

| Variables | Mean | SD | Alpha | 1 | 2 |
|---|---|---|---|---|---|
| 1. Consumer materialism | 3.25 | 0.597 | 0.766 | 1 | |
| 2.Word of mouth | 3.90 | 0.792 | 0.841 | 0.205* | 1 |

n = 106, *p < 0.05

Similarly, the mean for word of mouth is 3.90 and standard deviation is 0.792. The reliability statistics for consumer materialism is 0.766 and for word of mouth is 0.841 which indicates the consistency of scale. The correlation between dependent and independent variable is 20.5 % at $p < 0.05$; this provides initial support for the hypothesis.

Hypothesis testing: The table 4 explains the regression of consumer materialism on word of mouth. The F value is significant (4.548, $p < 0.01$); indicating better prediction of response variable is done by the regression model. The beta value is 0.271 which shows that one unit change in consumer materialism lead to 0.271 units change in word of mouth. The $R^2$ value shows that 4.2% change is caused in dependent variable due to independent variable. The T value is also statistically significant (2.133, $p < 0.01$) indicating the significance of model. Hence our $H_{1b}$ is supported.

**Table 4.Regression Analysis (Utilitarian products)**

| Hypothesis | | $R^2$ | B | SE | T | Sig. | F | Sig. |
|---|---|---|---|---|---|---|---|---|
| $H_{1b.}$ → WOM | CM | 0.042 | 0.271 | 0.779 | 2.133 | 0.000 | 4.548 | 0.000 |

n = 106

It is concluded that the consumer materialism has a significant association with positive word of mouth. When a consumer has materialistic feelings, he/she tries to satisfy those feelings and then state positive word of mouth about those brands, in order to make an impactful personality image in-front of others either by showing his/her personality enhancement or by showing the perfect fulfillment of task. The relationship is found significant for both the hedonic and utilitarian products. This finding has support from the previous literature which states that consumers purchase those brands that help them show an enhanced personality (Berger & Schwartz, 2011) and they are likely to share their feelings (Wojnicki & Godes, 2011). The study is useful for academia as it opens up a new horizon of investigating the relationship between the variables of study with product type contingency. For managers, it is useful as they will understand the importance of viral marketing for the different product types. They can identify their brand users who are more into the studies personality trait and then they can design their brand promotional strategies according.

Managers can develop event-marketing strategies and activities for giving certain experiences to their consumers and get positive word of mouth from them about their brands.

Like other studies, the current investigation has limitations. First of all the respondents were all females from youth age group; studying a diverse set of respondents with different age groups and both genders may reveal different results. Secondly, the impact of consumer materialism on positive word of mouth has been investigated. Sharma et al. (2010) state, consumers buy hedonic brands for psychological satisfaction and reducing negative feelings and they may not necessarily speak word of mouth infront of others in fear of the brand becoming common and they

may lose uniqueness of their personality, therefore this area needs to be investigated by engaging more hedonic brands with relevant target audience. Further research must be carried to investigate the impact of other personality traits on word of mouth. Also the impact of consumer materialism on other outcomes may be investigated.

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# DETERMINANTS OF LIFE SATISFACTION
# EVIDENCES FROM PRIVATE EDUCATION SECTOR OF PAKISTAN

**Muhammad Usman Siddique[1]**

**Mohammad Adnan[2]**

**Naveed Ahmad[3]**

**Tasawar Abdul Hamid[4]**

1: Lahore Leads University

2: University of Bolton (UK)

3: Lahore Leads University, Pakistan

4: Cardiff Metropolitan University (UK)

**Corresponding Email:** naveeddgk2010@gmail.com

## ABSTRACT

The purpose of this study was to investigate the major determinants of life satisfaction such as job characteristics, critical psychological state, salary and emotional intelligence in education sector of Pakistan. Research focus area was private education sector of Lahore. To represent educational sector 25 large private schools were chosen through random sampling and 350 questionnaires were floated among the respondents. Total of 265 questionnaires were received, so the response rate was 75.7 percent. After implementing different statistical analysis on collected data with the help of SPSS, results indicates there is positive and significant relationship among Job Characteristics and Life Satisfaction, critical psychological state and Life satisfaction, salary and Life Satisfaction however the results of present study does not support the positive impact of emotional intelligence on life satisfaction in private educational sector of Lahore Pakistan.

*Keywords:* Life Satisfaction1, Job Characteristics2, Salary3, Emotional Intelligence4

## INTRODUCTION

It is widely observed that employee at the inception of their career are quite eager and keen to explore the fruit of their newly found financial independence. There have been several researches to determine factor leading to job satisfaction. It is one of the largely acknowledge facts that pay level and job satisfaction are closely interlinked – the former leading to the latter. Moreover the motivation (Chiu, 2000) to work and good performance (Judge et al., 2001) also integrate to the key element mentioned above. Another salient feature to this complicated job satisfaction phenomenon is the nature of work by Hackman and Oldham (1974). There have been several studies on how employees related to certain professions/fields are likely to be more stressed and dissatisfied than others. Another

piece to this puzzle is the emotional intelligence of the employee which also plays a major role in providing job satisfaction. (Mayer et al. 1990).Besides the fact that there cannot be a categorically clear set of rules to determine job satisfaction as we are living in an era where the dynamics of the organizational landscape are changing in an unimaginable pace ; it requires a continued discussion and frequent reviews of the factors leading to job satisfaction. However nature of job and job characteristics do lead to better turnover and reduced absenteeism (Abraham, 2000; Chiva & Alegre, 2008). According to Hackma (1974), job characteristics model suggested five key elements which have an impact on employees personal and work related performance.

The Objective of this research is to review and explore the major contributing factors of job satisfaction such as salary, emotional intelligence, job design and overall life satisfaction

## LITERATURE REVIEW

### JOB CHARACTERISTICS AND EMPLOYEE LIFE SATISFACTION

Despite the fact that a certain kind of obedience, following the instructions and carrying out the orders are considered prerequisites of a good worker, the sense of ownership belief to be the "game changing" factors. Job autonomy tops the list of job characteristics. According to self-determination theory (SDT), and individual is likely to maintain good physiological health if his urge of autonomy, competence and ownership is fulfilled. It helps individuals to develop themselves positively which in than reflects in their performance and their involvement in their job. (Pugno, 2008). A positive attitude results in positive perceptions of the job and eventually lead to a well-satisfied worker contribute positively towards the betterment of the organization (James & jones 1980). And employee with certain independence and freedom at work and with the liberty of scheduling the assigned task and challenge attains more job satisfaction and ultimately leads to the benefit of the organization (Hackman & Oldham, 1974). Empirical research shows a strong connection between challenging work and job satisfaction. (Podsakeoff et al., 2007).A challenging task stimulates an employee's skills, knowledge and motivation (Evan and Fischer, 1992). Meeting the challenge also create opportunities for recognition stress if used positively ignites productivity and energy. In the nut shell, a job with challenges and autonomy leads to successful outcomes and satisfied employees (Orpen 1979).On the basis of above discussion it is suggested

**H1:** Job characteristics positively and significantly predicts employee life satisfaction

### EMOTIONAL INTELLIGENCE AND EMPLOYEE LIFE SATISFACTION

The importance of emotional intelligence and its effects on job satisfaction are a continuous topic for discussion, deliberation and research. The most quoted example in this regard is of teachers. In most school systems teachers are not satisfied with their jobs and there are frequent drop-in and drop-outs. As a matter of fact individual quite often join teaching profession only when their chances of fitting into any other profession are exhausted .This leads to a certain kind of emotional stress and unrest .Governments and policy maker do realize the value of proper training

and recruitment of efficient teachers but how to bring job satisfaction into this profession is still a central research question. (Adepoju, 2001; Adeyemo, & Ogunyemi, 2005). The latest researchers have indicated that emotional intelligence is vital for successful and satisfied teachers .Social intelligence is also a key feature in this regard (Hooijberg et al., 1997; Zaccaro, 2001).Another research by (Kauts, A., & Saroj, R. (2010) concluded that teacher with high emotional intelligence prove to be less stressed and more satisfied and their work attitudes are greatly related to their self-efficacy. On the basis of above discussion the following proposition is proposed

**H2: there is positive and significant impact of emotional intelligence on employee**

## SALARY AND EMPLOYEE LIFE SATISFACTION

Unlike the widely accepted idea of direct link between the level of income and job satisfaction. The researchers conclude otherwise. According to multiple researches conducted salary is of secondary importance for job satisfaction if the work quality and work environment are not satisfactory (Brown et al .2008) There are some other factors which take the lead such as rank, career opportunities and promotion. After a wide research on 16266 workers and 800 institutions, the results indicated that the level of income does not take the top position in the list of factors leading to happiness at work. Lack of opportunities for career building, promotion and professional growth create great dissatisfaction for job regardless of the size of income. (Shield & Ward 2001). Increase In salary can satisfy only the employees with low level income but those who are already earning handsome amount are not satisfied only with a pay raise. High level of education and comparison of income with the employees of similar qualification in other organizations create a lot of dissatisfaction and unhappiness .People with higher educational qualifications remains dissatisfied while carrying out the routine tasks even though their salaries are higher than the younger employees. It is not the salary but the comparison between the level of salary of the other employee or organizations, play the major role in attaining happiness at work place. (Clark & Oswaled's 1996).  So this discussion leads us towards the following proposition:

**H3: Salary and life satisfaction are positively associated with each other that is higher the level of salary higher will be employee life satisfaction.**

## PSYCHOLOGICAL STATE AND EMPLOYEE LIFE SATISFACTION

Positive psychological constructs have been determined to include hope, resilience, optimism and self-efficacy, These factors, when combined, represent what is called positive psychological construct (Luthans  2002, Luthans et al. 2007b) or the positive psychological state of development of an individual (Luthans et al. 2007b). Positive psychological state is defined ''as a core psychological factor of positivity in general, and Positive Organizational Behavior criteria meeting states in particular, that go beyond human and social capital to gain a competitive advantage through investment/development of 'who you are''' (Luthans et al. 2005,).

Positive psychological states have been resolved to incorporate trust, versatility, good faith and self-viability, These elements, when joined, speak to what is called positive psychological state (Luthans and Youssef 2004, Luthans et

al. 2007b) or the positive psychological state of advancement of an individual (Luthans et al. 2007b). psychological state characterized "as a center mental calculate of inspiration general, and Positive Organizational Behavior criteria meeting states specifically, that go past human and social money to pick up an upper hand through venture/improvement of 'your identity'" (Luthans et al. 2005). According to Clapp-Smith et al. (2007) the positive psychological state of employees has a direct impact on his or her life satisfaction. So the following proposition is stated.

**H4: employee's positive psychological state has a positive and significant impact on employee life satisfaction**.

**Figure 1: Theoretical framework**
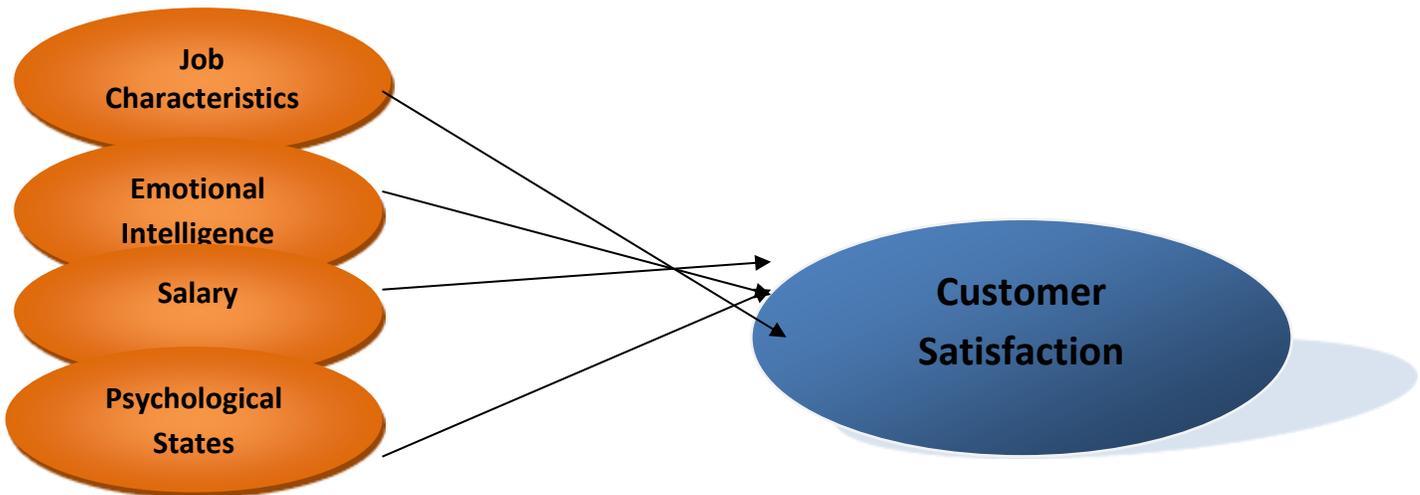


**MEASURES**

To measure the five core dimensions of the JCM, the Job Diagnostic Survey (JDS) developed by Hackman and Oldham (1974), was utilized. The Job Diagnostic Survey was also utilized to measure experienced psychological states related to the job. Job satisfaction was also measured with the JDS. Emotional intelligence was measured with 20 items developed by Bar-On, Brown, Kirkcaldy, & Thome (2000). Life satisfaction was measured with items adapted from Kapetyn et al., (2009).

**RESULTS AND ANALYSIS**

Respondents were asked to rate their overall responses on a 5-point Likert scale ranging from "strongly disagree" to "strongly agree.

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 124 | 46.8 |
| Female | 141 | 53.2 |
| **Total** | 265 | 100.0 |

**Table 1: Gender of participants**

Private school teachers of Pakistan were the intended population for the present study and for this purpose researcher selected different private teachers from 25 private schools of Lahore city.

A total of 350 questionnaires were distributed among respondents through convenient sampling method from which 265 fully filled questionnaires were returned and response rate remained almost 76 percent in this regard. There were total 265 respondents of this review the distribution of frequency was male 124 out of 265 & female 141 out of 265. The percentage of respondents is 47% for male and 53% for female.

| Age Group | Frequency | Percentage |
|---|---|---|
| 26-35 | 94 | 35.5 |
| 36-45 | 89 | 33.6 |
| above 45 | 82 | 30.9 |
| **Total** | 265 | 100 |

**Table 2: Age of participants**

There were 3 age groups stated in the questionnaire that are 26-35, 36-45 and above 45. There were 94 respondents between the ages of 26-35, 89 respondents were between the ages of 36-45, and 82 respondents were above 45years old. In term of percentage these are 35.5%, 33.6% and 30.9 % respectively.

| Education | Frequency | Percentage |
|---|---|---|
| Graduate | 69 | 26.0 |
| Masters | 128 | 48.3 |
| MS/MPhil | 68 | 25.7 |
| **Total** | 265 | 100.0 |

**Table 3: Level of Education**

From the results of above table 69 participants were having graduate degree, 128 participants were having Masters Degree in different disciplines and finally the respondents having MS/Mphil degree were 68 in terms of frequency. Percentage of education level of respondents is 26% participants were graduate, Masters Degree respondents are 48.3% and finally 25.7% were MS/Mphil qualified.

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .793 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 113.611 |
| | Df | 126 |
| | Sig. | .000 |

**Table 4: KMO and Bartlett's Test**

In this study, "KMO & Bartlett's Test" is also used to check the acceptability of the sample. Many researchers used "KMO & Bartlett's Test" for adequacy of the sample. 0-1 is the range of KMO and acceptable value is more than 0.6. Table 4 is showing the outcomes of KMO & Bartlett's Test" of this study. The KMO value of this study is 0.793 which is more than the acceptable value i.e. 0.7. On the other hand, "Bartlett's Test" provided us the value 0.000 which indicates that this analysis is perfect and we can proceed further.

| Variable | No. of Item | Alpha Value |
|---|---|---|
| Job Characteristics | 06 | 0.733 |
| Emotional Intelligence | 06 | 0.857 |
| Psychological State | 06 | 0.839 |
| Life Satisfaction | 06 | 0.716 |
| Salary | 06 | 0.698 |

**Table 5: Reliability Analysis**

The above table shows the results of reliability analysis. For this, the value of Cronbach's alpha was obtained and according to Hair, Tatham, Anderson, & Black, (2006), the cutoff value for alpha value is 0.70. As in our case all the values are greater than 0.70 except variable Salary that is 0.698 but it is very close to 0.70 and for this reason it is also considered good for reliability. So the criteria of reliability are verified and test of reliability is successfully done here.

| | JC | EQ | PS | LS | SA |
|---|---|---|---|---|---|
| Job Characteristics | 1 | | | | |
| Emotional Intelligence | .331** | 1 | | | |
| Psychological State | .215** | .413** | 1 | | |
| Life Satisfaction | .197** | .113 | .121** | 1 | |
| Salary | .230* | .129** | .135* | .353** | 1 |

**. Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

**Table 6: Correlation Analysis**

Table is showing the correlation between different variables of study almost all variables are showing positive and significant correlation with each other except EQ and life satisfaction correlation value as it is positive but insignificant. For example correlation between job characteristics and emotional intelligence is 0.331** which shows a positive relationship between these two variables. Correlation between job characteristics and psychological state variables is .215** which shows a positive relationship between these two variables. Correlation between job characteristics and life satisfaction variables is .197** which shows a positive relationship between these two variables. Correlation between job characteristics and salary variables is .230* which shows a negative and weak relationship between these two variables. Similarly it is evident from above table that all the variables are positively associated with each other and the value of correlation is not so high so it is indicative that our data is free from multicollinearity issue.

| Variables | Unstandardized Coefficients | | t-value | Sig. |
|---|---|---|---|---|
| | B | Std. Error | | |
| JC | 1.011 | .032 | 31.59 | .000 |
| EQ | .124 | .079 | 1.570 | .083 |
| SA | .411 | .052 | 7.904 | .000 |
| PS | .326 | .058 | 5.621 | .000 |

**Table 7: Overall Results Of Regression Analysis**

From the above table the value of β is 1.011 that means one unit change in JC causes 1.011 unit of change in dependent variable life satisfaction T-Value is 31.59 (greater than 2.00) and P-value is 0.000 (less than 0.05). Therefore by analyze these results, researcher determined that Job characteristics has a positive and significant impact on employee life satisfaction so null hypothesis is rejected and alternative hypothesis H1 is accepted here. Similarly the regression analysis was carried out on remaining independent variables in order to evaluate the effect of each variable on employee life satisfaction. According to the results, it is statistically verified that all variables are positively and significantly predicting dependent variable despite EQ that is having a positive insignificant impact on life satisfaction. So hypotheses $H_1$, $H_3$, $H_4$ are statistically verified and accepted. But H2 is not proved statistically for this study and it is rejected.

**DISCUSSION AND CONCLUSION**

Objective of this review went for whether the relationship amongst job characteristics, emotional intelligence, salary and employee psychological state influence employee life satisfaction significantly or not. The results revealed that all the major dimensions of employee life satisfaction like job characteristics, salary and employee psychological state influence employee life satisfaction significantly and positively. So these dimensions are significant predictors of employee life satisfaction. These results are in line with the judgments of (Oshagbemi, 2000; Bender & Heywood 2006; Luthans et al. 2005, 2007a, 2008a, Luthans et al., 2008; Al-Zoubi, 2012). However the results of present study does not support the hypothesis for positive relation of emotional intelligence and employee life satisfaction and hence this result is in contradiction with the previous researchers (e.g. Hopkins & Bilimoria 2008; Harrod & Scheer 2005; Chan 2004). One possible reason for this contradiction could be the nature of data as it was cross sectional and gives only one time snapshot it may be the case if the same is repeated it may generate different result in the case of emotional intelligence and employee life satisfaction.

**CONTRIBUTIONS**

This present study has some important contributions for policy makers for instance the policy makers especially from educational sectors need to consider these dimensions as mentioned in present study in order to enhance

employee life satisfaction in private education sector of Pakistan. These findings can be replicate even in public sector educational institute as educational institutes have more or less same teaching structure in terms of teaching staff. But one needs to be careful in applying these results to public sector and other organizations as it could the case that situation may be different in those organizations in this regard. As it is obvious from the statistical findings of the present study that all dimension despite emotion intelligence play a pivotal role in employee life satisfaction so policy makers should consider these factor for better employee life satisfaction. Although the result of emotional intelligence in present study is insignificant but as previous studies indicate it is also an important predictor of employee life satisfaction so it is suggested not to ignore this factor. The first limitation of this study is that data was cross sectional in nature that only depicts one time story and we have no idea about background information so if possible the future researchers are directed to repeat the same research on time series data. Secondly the sampling technique was convenient sampling that is non probability sampling technique it will be better for future researchers if some probability sampling technique like random sampling is applied in future. Finally the concept of job characteristics is a multi-facet concept so it is required to see what kind of impact each facet is producing on employee life satisfaction.

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# Water Quality Perception among Students: A Public Health Concern

**Syed Sohaib Zubair[1]**

Institute of Quality and Technology Management, University of the Punjab-Lahore.

Sohaib.iqtm@pu.edu.pk

**Mukaram Ali Khan[2]**

Institute of Quality and Technology Management, University of the Punjab-Lahore.

Mukarram_619@yahoo.com

## ABSTRACT

Public health is an area that should be among the priority agendas of any state. Public health has various dimensions and it is said that public health concerns and awareness varies with different sections of the society. This paper analyzes one aspect of public health taking into concern the awareness of Water Quality amongst students. Reason behind selecting university students for this study is that, this section of the society apparently is exposed to a variety of information and is therefore expected to be more aware of different issues and concerns pertaining to their health or other rights. If this cohort is not aware of the importance water quality and its likely repercussions, then it can be a serious cause of concern for health policy makers. In developing countries like Pakistan despite being of significance provision of safe drinking water has not been fully achieved even in the major cities. In this paper, core focus is on gauging awareness levels amongst students regarding drinking water quality and how in turn they perceive that this may affect their health and performance. Following the quantitative analysis, it has been concluded that students are not knowledgeable regarding quality of water they consume and it's after effects. Lastly, few recommendations have been given that may be used by policy makers and educationists to address issues highlighted in this study.

*Keywords: Public Health, Water Quality, Students, Awareness, Drinking Water*

## INTRODUCTION

Public health is an area that should be among the priority agendas of any state. Public health has various dimensions and it is said that public health concerns and awareness varies with different sections of the society. This paper analyzes one aspect of public health taking into concern the awareness of Water Quality amongst students. Reason behind selecting university students for this study is that, this section of the society apparently is exposed to a variety of information and is therefore expected to be more aware of different issues and concerns pertaining to their health or other rights. If this cohort is not aware of the importance water quality and its likely repercussions, then it can be a serious cause of concern for health policy makers. In order to analyze the key concept i.e. Water Quality

Perception, three variables have been used that include water quality awareness, student health and student performance. Water quality is important as it affects human health and performance in many ways. The major concern for health experts and policy makers is that people are not aware of issues pertaining to importance of safe drinking water and the related potential problems. As per World Health Organization (WHO) report 80 percent of the diseases are due to unhygienic conditions and unsafe drinking water. Moreover, The Millennium Development Goals (MDGs) include a target to halve the fraction of the world's population without access to water and sanitation by 2015.

As the world is experiencing technological advancements and expansion in the industrialization, several industries and urbanization are in a way affecting nature. Experts are sharing their increasing concerns regarding pollution may it be air or water, and its impact on our environment and are stressing for action. Similar to air, water is also getting polluted due to various human activities like industrial waste, excessive use of pesticides, fecal contamination and others. Water quality situation is worst in developing countries where fresh water resources are limited. As the population of world is increasing, fresh water sources are declining. The UNO Secretary General on world water day 2002 said that "By 2025, two thirds of the world's population is likely to live in countries with moderate or severe water shortages". In Pakistan, only 29% of population has access to safe drinking water at their doorstep (WHO, 2010). Water available in Pakistan is highly polluted by both human waste and industrial waste.

**WATER POLLUTION AND DISEASES**

In 1998 use of pesticides was reported to be 46000 tons (CEHA, 1998) in Punjab Pakistan. There was expected increase by 33 percent and 81 percent till the year 2010 and 2025.Pesticides break down to even more toxic components which effects human health. Ground water in samundari area was contaminated with pesticide residues drawn from 10-13 m depth. Pesticide residue was also found in shallow ground water in Faisalabad (PCRWR, 1992).Malathion and parathion pesticide was also found in shallow ground water of Raiwind. 6 drinking water samples had nitrate contents above WHO permissible limits out of 14. Areas within salt range between mianwali and kasur samples obtained from towns of Kasur, Raiwind, and Sargodha contain fluoride concentration on range of 5.01 to 23.6 mg/l. Other ions are also present in water which effects water quality like chromium, chloride, sodium and sulphides. Lead and cadmium was also found in water samples taken from Rawalpindi and Islamabad (Ahmad, 1998). Pakistan is at number 80 out of 122 nations regarding drinking water quality. Various parameters regarding drinking water quality are violated made by WHO. Both ground water and surface water are contaminated with toxic metals and pesticides. 2/3 worlds population will live in countries with moderate or severe water shortage by the year 2025 (Azizullah et al, 2011). 84-89% of water available to public is below the recommended quality standards, that problem forces people to buy good quality water from different sources. There sources are expensive that's why people living in developing countries like Pakistan cannot buy a good quality drinking water. Most common pollutants of water are bacteria and viruses.

Different studies have proved that 99% or the samples collected from different sources contain bacteria. Pesticides are also considered a cause for poor water quality. Approximately 2.5 million tons of pesticides are used in the world to protect the crop from different insects and to get high yield crop. In 1954 pesticides was introduced in Pakistan for the first time 254 metric tons of pesticides was formulated. WHO standards regarding drinking water quality are frequently violated. Most of human activities also contribute towards polluting drinking water quality like improper disposal of industrial and municipal wastes. Textile, ceramics, food industries, steel mills are major industries that are polluting water at high level. Municipal and domestic wastes are also serious threat to water quality. Human waste is added directly to the natural drains. There is lack or sewage treatment plants in Pakistan if what water is treated before entering the natural drains and agriculture lands (Azizullah et al, 2011).

**WATER BORNE DISEASES**

Unfortunately no well-organized surveys have been done to relate water quality with health of consumers. Spread of various diseases is due to lot of gap between water supply and sanitation coverage in Punjab. Water born disease is increasing due to poor drinking water quality. In Lahore 25000 to 34000 cases of water born diseases are hospitalized every year (Scott and Furphy, 1993). 212967 cases was reported in all 34 districts or Punjab age or patients was less than 5 year making 26.62 percent of all reported cases priority infectious diseases (G.O.PUNJAB,1997) Poor quality of drinking water causes diarrhea which stands at second number in top 15 priority diseases in children under 5 years of age (Aziz, 2005).

Due to Fecal contamination 99 percent of water in 114 villages of Punjab obtained from wells and hand pumps were found un-fit for human consumption (Punjab public health engineering department, 1991). Different areas of Lahore were selected to find out the quality of water provided by WASA. Samples from different sources were collected to find out the quality at different areas of Lahore. The samples were collected before and after monsoon which gives the complete data of water for the whole year. Different tests were done to find out the turbidity, PH, hardness which lies in physicochemical parameters and on the other hand to find out the bacteriological parameters. At source physicochemical parameters and bacteriological parameters was satisfactory in the results. In distribution physicochemical parameters was satisfactory but bacteriological parameters was unsatisfactory. In monsoon 50 to 62.5% of water samples contain bacteria and this percentage hits 75% after the monsoon. The cause was the rusty pipes and leaking water mines. Because of shortage of space the sewerage line are very close to the water lines sewerage water mixes with water that is the major cause of bacteria in water it can be protected by checking and changing rusty and leak water lines and chlorination at water sources and maintaining the quality till the delivery to the end customers (Ahad et al. 2010).A unique kind of study conducted to find out the amount of bacteria in water and flies. Samples from different areas of Lahore was collected both urban and rural areas to find out the different bacteria in different countries. Water in villages was more contaminated then water in cities, flies of villages was carrying less enter pathogens. Without care full judgment disposal of animal and human excreta was found in open

areas. There are not proper toilets in villages that increase the pollution, flies transfer bacterial germs from human wastes to water sources that in the end becomes the health problem for the peoples living in villages.

In Thailand it was shown that flies collect bacterial pollutants from the dumping sites in villages and transfer them to food and water which human use as an appetite. These problems are more critical in summer season; infections are more frequent in summer and wet seasons. House flies transfer bacteria from animals to human food. Living conditions and environment of upper middle class houses are satisfactory even then the results of house flies in transfer of bacteria are unsatisfactory. These problems are very complicated in developing countries. With careful and proper disposal of waste and garbage, improving toilet facilities and educating peoples about personal hygiene will help in bacterial control and reduction of health problems at great extent (Khalil et al.1994)

Water borne diseases are worldwide problem but in developing countries these problems are worst. Human and animal fecal materials are present in drinking water that leads to high bacteria in water. These problems led the world to develop routine examination of drinking water to ensure its safety. It is not possible to monitor every microbial pathogen, multiple tube test is a standard test used to estimate coli forms and fecal coli forms. But there are some drawbacks of multiple tube tests used in developing countries. In urban areas they can be used but in rural areas they cannot be used easily. Because these facilities are not portable, require trained technicians and expansive equipment. In developing countries like Pakistan it is not possible to do multiple tube tests in rural areas so H2S paper strips tests are easy, cheap and alternate method for monitoring water quality (Anwar et al.1999).

**METHODS FOR IMPROVEMENT OF WATER QUALITY**

Water quality criteria developed by EPA serves as a basis for state water quality standards because these are the extreme criteria. Standards should be developed regarding the site. Different sites have different factors that affect the water quality. In this way government will be able to improve technology and facilities to improve drinking water quality according to international quality standard (Lee, 2001). Three districts of province of Pakistan were selected, Toba Tek Singh, Multan and Rawalpindi. With six hundred married women aged 20-60 were interviewed by the technique of structured interview schedule in multi-stage sampling. Results of the study found that the socioeconomic characteristics were risk factors for diarrheal diseases. As one of these analyses concluded that there was significant relationship between socio-economic characteristics that is type of family, mother's education, health outcomes and family income (Kausar et al. 2011).

Study was conducted in two adjacent villages in Pakistan. The study was done to observe the effect of chlorination on drinking water quality and childhood diarrhea. One village uses the chlorinated water supply and other uses ground water supplies. The results was bit confusing no doubt the quality of water increases almost to the acceptable international standards with chlorination the water was clear, lighter, and with no smell in it. Despite all this improvements in quality of drinking water, incidents of diarrhea was more in village where people use chlorinated

water then the other village where people use un chlorinated ground water (Jensen, 2002).Reverse osmosis is commonly used desalination technology in European countries. It is low energy consuming process, it needs small space to work, it is environmental friendly and minerals are reversed in water after purification.Solar energy is low cost and renewable source of energy. Solar energy can also be used for disinfection of water from different kind of bacteria (McGuigan et al. 1998).

## CONCEPTUAL FRAMEWORK AND METHODOLOGY

On the basis of literature review, a conceptual framework for this study has been developed in order to generally describe the relationship between variables.

| Sr. No. | Variables | Indicators |
|---|---|---|
| 1 | Water Quality Awareness | Water quality related lectures, workshops, seminars and commercials. Water quality improvement measures awareness. |
| 2 | Student Health | Water born diseases awareness Absent rate. |
| 3 | Student Performance | Academic Results Participation in Co-curricular activities. |

**Table No. 1:  Variables and Indicators**

WQA for this study has been operationalized as the knowledge and awareness students have as to what is the importance of safe drinking water and how much are they aware of potential health issues that they may face due to water borne diseases. Student Health has been taken as a moderating variable in this study. The authors assume that WQA affects students' performance (dependent variable) and this relation is influenced by the moderating variable i.e. Student Health. The conceptual framework diagram depicts the hypothesis in a more explicit manner. The dependent variable for this research is students' performance. It is presented that student health is affected by WQA moderated by student health as mentioned earlier. This variable has been operationalized in terms of students perceptions in regard to various indicators of performance mentioned in table no.2.

## HYPOTHESES

Following hypotheses have been developed on the basis of literature:

H1a: Student health affects student performance.

Hoa: Student health does not affect student performance

H1b: Water Quality Awareness affects student performance.

Hob: Water Quality Awareness does not affect student performance.

**Figure 1: Conceptual Framework**
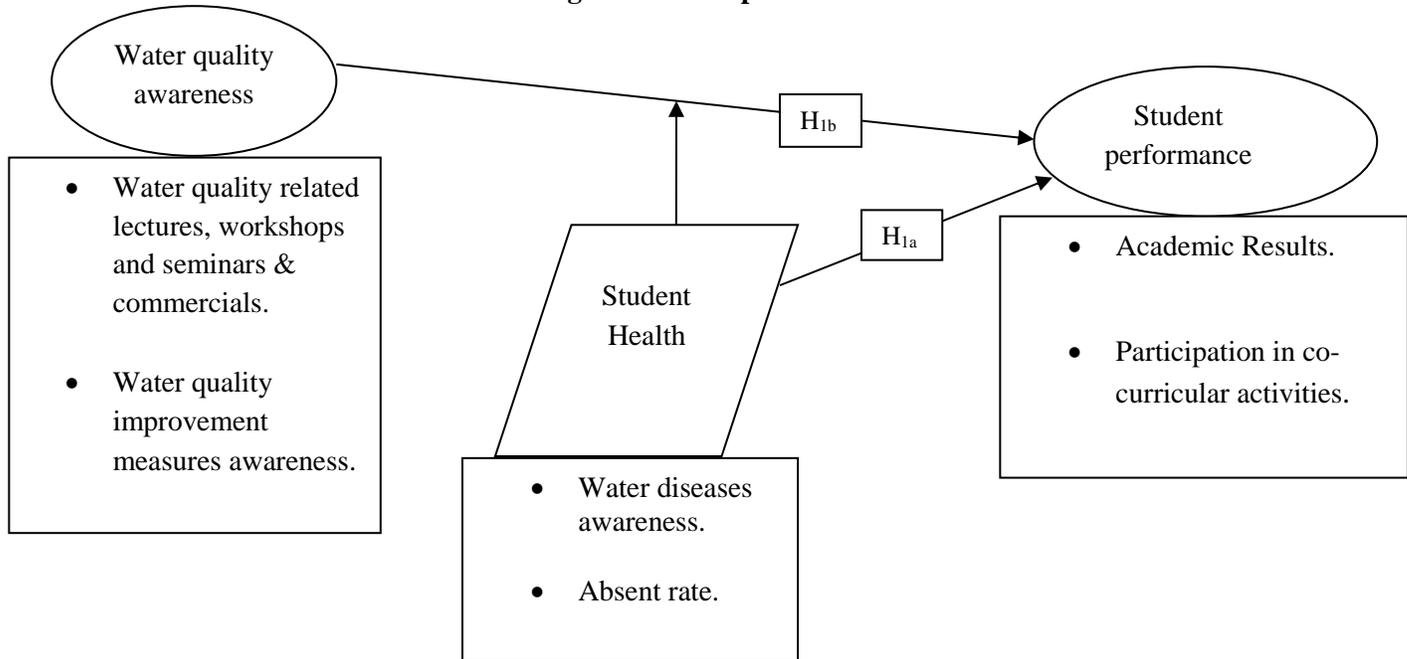


Keeping in view the objectives of the study, following the positivist epistemology, the strategy opted for this study is quantitative. Quantitative strategy is most appropriate to use when study assumes objective ontology. Moreover this strategy unlike qualitative strategy assists the researchers to statistically test the developed hypotheses. In order to collect data using the structured questionnaire, probability sampling technique has been followed. A total of 340 questionnaires were distributed in different higher educational institutes within Lahore region. Out of these 340 questionnaires, 294 were received by the researchers. Statistical Package for Social Sciences (SPSS) has been used to analyze data. The analysis begins with reliability analysis of the questionnaire, followed by normality checks and then hypothesis testing using Pearson's correlation.

**DATA ANALYSIS**

Prior to normality check and other key inferential analysis, reliability of the questionnaire has been checked using Cronbach's Alpha. The questionnaire is found to be reliable as the Cronbach's alpha value for all variables is found to be greater than 0.70 which allows researchers to proceed with further analysis. Table No. 2 shows the results of reliability test.

| Variable | Cronbach's Alpha | Number of Items |
|---|---|---|
| Water Quality Awareness | 0.752 | 11 |
| Students Health | 0.875 | 5 |

| Variable | Cronbach's Alpha | Number of Items |
|---|---|---|
| Students Performance | 0.916 | 6 |

**Table No. 2: Reliability Statistics**

## NORMALITY

Pearson correlation requires the data to be normally distributed, therefore, to test the normality after removing outliers (using Box-Whisker plots) Shapiro-Wilk test has been used. On the basis of the results of this test (as shown in Table No. 3) it can be concluded that data is found to be normally distributed.

| | Shapiro-Wilk | | |
|---|---|---|---|
| | Statistic | Df | Sig. |
| Water Quality Awareness | .904 | 294 | 0.061 |
| Total Students Health | .789 | 294 | 0.059 |
| Students Performance | .793 | 294 | 0.052 |

**Table No 3: Normality Statistics**

Confirmation of data to be normally distributed now allows the researchers to proceed with Pearson's Correlation for testing of the hypotheses.

H1a: Student health affects student performance.

H0a: Student health does not affect student performance.

With reference to the aforementioned table as the P-value (0.000) of the test is less than the significance value (i.e. 0.01) therefore, $H_{0a}$ can be declared as statistically rejected.

| | | Students Health | Student Performance |
|---|---|---|---|
| Students Health | Pearson Correlation | 1 | 0.785** |
| | Sig. (2-tailed) | | 0.000 |
| | N | 294 | 294 |
| Student Performance | Pearson Correlation | 0.785** | 1 |
| | Sig. (2-tailed) | 0.000 | |
| | N | 294 | 294 |

** Correlation is significant at the 0.01 level (2-tailed).

**Table No. 4 Pearson Correlation (Student Health and Student Performance)**

This implies that as the correlation between student health and student performance is 0.785, researchers can conclude that a strong positive correlation exists between these two variables.

$H_{1b}$: Water Quality Awareness affects student performance.

$H_{0b}$: Water Quality Awareness does not affect student performance.

|  |  | Water Quality | Student Performance |
|---|---|---|---|
| Water Quality | Pearson Correlation | 1 | 0.399** |
|  | Sig. (2-tailed) |  | 0.021 |
|  | N | 294 | 294 |
| Student Performance | Pearson Correlation | 0.399** | 1 |
|  | Sig. (2-tailed) | 0.021 |  |
|  | N | 294 | 294 |

**. Correlation is significant at the 0.01 level (2-tailed).

**Table No.5: Pearson Correlation (Water Quality Awareness and Student Performance)**

According to Table No.5 the P-value (0.000) of the test is greater than the significance value (i.e. 0.01) therefore, $H_{0b}$ is statistically accepted. This infers that based on the perceptions of students, no correlation exists between the two variables.

**CONCLUSION AND RECOMMENDATIONS**

Purpose of this study was to basically test the awareness of various higher educational institutes in one of the major cities of Pakistan for their perceptions and awareness regarding (a very basic human need) water quality and its potential impact on student performance. Results of this study are alarming and require attention of several stakeholders. University students are considered to be the future of a nation, they are considered to be the most educated ones (in comparison to the masses), if they are not aware of various health concerns or significance of cleanliness of a basic human need or if they are ignorant of such an issue, then it is a call of concern for public health policy makers as well as educationists. It is a very common saying that "prevention is better than cure", it is the responsibility of the governments and educational institutions to come together and address issues related to health and awareness. This study may not be a very technical or scholarly academic contribution, but it is to some extent can be taken as a wakeup call keeping in view the subject matter examined. Researchers suggest that following things should be considered by educational institutions administrators, governmental bodies and policy makers, particularly those involved in the areas of public health and other public health awareness programs:

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# IMPACT OF E-PROCUREMENT ON SUPPLY CHAIN PERFORMANCE

# A MODERATED MEDIATION APPROACH

**Naveed Ahmad[1]**
Lahore Leads University, Pakistan
**Umair- Ul- Haq[2]**
Lahore Leads University, Pakistan
**Mohammad Adnan[3]**
University of Bolton (UK)

**Corresponding Email:** naveeddgk2010@gmail.com

## ABSTRACT

The purpose of this study was to investigate the relationship of E-procurement and Supply chain performance with moderated mediation effects of Information Sharing & Supply Chain integration in pharmaceutical sector of Pakistan. Mainly, the study was conducted in pharmaceutical industries of Quaid E Azam Industrial state Lahore. Total 377 questionnaires were floated among respondents. Total 319 questionnaire were received which were useful for further processing. Different statistical techniques were used like Descriptive statistics, correlation analysis & regression analysis. The study also tested the concept of moderated mediation by using the process Macro developed by Andrew F. Hayes and we selected model 7 for testing moderated mediation. Results indicate that e-procurement has a positive and significant impact on Supply Chain Performance. But there is no significant evidence of moderated mediation in pharmaceutical industries of Quaid-e-Azam Industrial State Lahore Pakistan.

*Keywords: Supply Chain Performance1, Information Sharing, Supply Chain Integration, E- Procurement*

## INTRODUCTION

In Supply chain, IT-based purchased system at input end in known as E-procurement (Presuti, 2003). It is usually taken as an e-procurement system, integrated information infrastructure and other infrastructure to quickly develop embedded with the business. (Vaast &Walsham, 2009). In accordance with this idea, it is considered to be a development procedure activity to use IT in E-procurement system (Mishra & Agarwal, 2010). The development of actualizing e-procurement frameworks can make esteem for enterprises through using IT empowered assets on supply chain management (Dong et al., 2009). "Previous studies have focused on the benefits of e-procurement on supply chain performance" (e.g. Dell, 1999; Timme & Timme, 2001; Presutti, 2003; Turban et al., 2000) "E-procurement encompasses a number of different technologies and solutions with varying levels of functionality and complexity. A number of authors have defined the mechanisms within e-procurement" (Rajkumar, 2001; de Boer

et al., 2002; Wang et al., 2004; Quayle, 2005; Nagle et al., 2006; Pearcy and Guinipero, 2008; Bakker et al., 2008). Previous studies just focused on the effectiveness of supply chain performance and e-procurement or to find the benefits of the e-procurement in supply chain (e.g. Dell, 1999; Presutti, 2003; Timme and Timme, 2001, Turban et al., 2000). Some authors discus the important issues regarding to e-procurement and supply chain integration (e.g. Zhang et al., 2006) Information sharing takes an important role in any sector, without coordination or sharing information you cannot get decent results some researcher focuses on the importance of information sharing in different ways and briefly explain the effectiveness of information sharing in supply chain management. (e.g. Holweg et al., 2005; Matopoulos et al., 2007; Singh and Power, 2009, Danese, 2006).

Pakistan is a developing country and pharmaceutical is a manufacturing sector which main purpose is to provide quality medicine in a cheapest price to the citizen of Pakistan and not only for PAKISTANI people but entire humanity of the world. To ensuring quality medicine at lowest price, it is necessary to implement the cost cutting strategies. Every organization in pharmaceutical industry (not even in pharmaceutical industry. In all manufacturing concern industries) try to maximize their production and reduce its production cost.

## LITERATURE REVIEW

In this part, the literature on e-procurement, supply chain performance, supply chain integration & information sharing reviewed by the author. Literature review will give the brief theoretical foundation of this article.

## E-PROCUREMENT

Different authors define e-procurement in different words, A corporate purchasing system which is facilitated by internet solution is known as e-procurement (Alaniz and Roberts 1999 ) ''E-procurement is a series of steps—from the formulation of the purchasing corporate strategy to the actual implementation of an Internet-based purchasing system'' (Morris et al. 2000) ''E-Procurement should be directed at improving performance for each of the ''five rights'' of purchasing, which are sourcing items: at the right price, delivered at the right time, are of the right quality, are of the right quantity, from the right source''(Chaffey 2002) In previous studies, researchers just focused on the effectiveness and benefits/advantages of e-procurement (e.g. Dell, 1999; Presutti, 2003; Timme &Timme, 2001, Turban et al., 2000). The dimensions of an E-procurement works similar to the purchasing process but all steps are done electronically by using technology (i.e. internet solution). Let's all dimensions one by one:

**E-Design:** On e-procurement system, firm define the buying requirements electronically and develop specification, based on their final customer. It is an electronic specification development stage of purchase process which facilitates suppliers and firms cross functional buying team (Presutti, 2003). "The setting of purchase requirement on e-procurement system" (Hsin Chang et al 2013)

**E-Sourcing**: On e-procurement system, when specifications are developed, buying team prequalify the supplier and generate proposal requests then select the supplier which meet their established criteria , after evaluation of proposals (Presutti, W.D. 2003). The selection of firm's supplier through e-procurement system (Hsin Chang et al 2013)

**E-Negotiation**: After selecting supplier, both parties build an agreement with some terms and condition which provides guidelines to the purchase process (ordering and transaction process) by using e-procurement system (Presutti, 2003). The contract agreement building process through technology in known as e-negotiation (Hsin Chang et al 2013).

**E-Evaluation**: the concept of e-evaluation refers to the assessment of supplier performance through e-procurement system which provides an information related to supplier rating (Presutti, W.D. 2003). In this stage information about supplier is gathered for future transaction. On the basis of past experience firm evaluates the supplier by using e-procurement system. (Hsin Chang et al 2013). "From above point of view, e-procurement can provide a strategic function for supply chain management and can contribute to supply chain performance" (Dell, 1999; Nelson et al., 2002; Presutti, 2003; Timme &Timme, 2001; Turban et al., 2000).

## SUPPLY CHAIN PERFORMANCE

"Supply Chain Performance refers to the extended supply chain's activities in meeting end-customer requirements, including product availability, on-time delivery, and all the necessary inventory and capacity in the supply chain to deliver that performance in a responsive manner. Supply Chain Performance crosses company boundaries since it includes basic materials, components, subassemblies and finished products, and distribution through various channels to the end customer. It also crosses traditional functional organization lines such as procurement, manufacturing, distribution, marketing & sales, and research & development." (Hausman, 2004)

## SUPPLY CHAIN INTEGRATION

"Most concepts of supply chain integration explicitly recognize the existence of two flows through the chain; there is a flow of goods and an equally important flow of information" (Fisher, 1997; Huang et al., 2002; Pagell, 2004; Power, 2005). "Integration of supply chains is considered to be of strategic as well as operational importance" (Bechtel & Jayaram, 1997; Christopher, 1997; Lambert et al., 1998; Frohlich and Westbrook, 2001; Zailani and Rajagopal, 2005).

## INFORMATION SHARING

Information sharing means distributing useful information for systems, people or organizational units. To enhance the results of information sharing, organizations should answer four main questions: First we ask what to share, then whom to share it with, then how to share, and finally when to share. The quality of answers will help to avoid redundancy, reduce sharing costs and improve responses ( Hausman, 2004). The term 'Information Sharing' can

also be referred to as 'Knowledge Sharing' or 'Information Integration'. There exists a myriad of information in a supply chain, such as, logistic, business, strategic, tactical and many more.

**Figure1: Proposed Research Model**
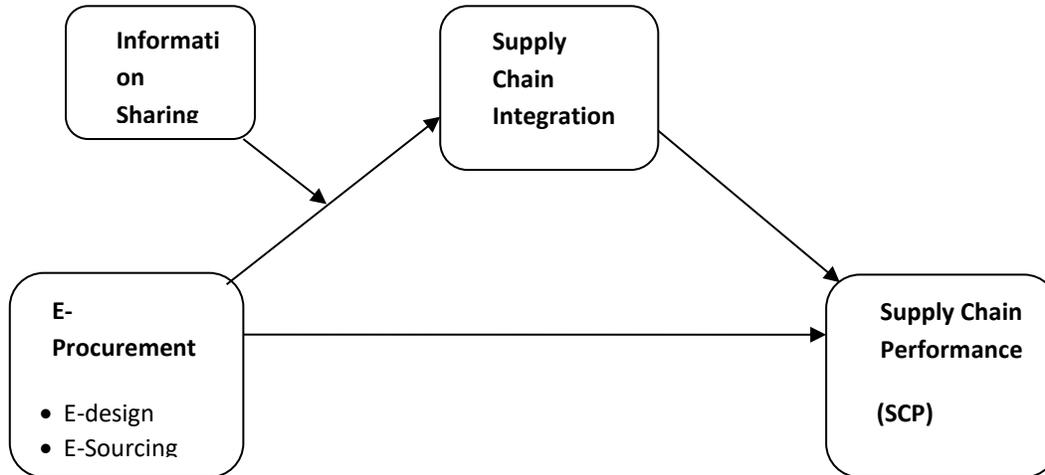


**H1: There is positive and significant impact of E-procurement on Supply chain performance.**

Supply chain integration and E-procurement. E-procurement have positive impact on supply chain integration proposed by researcher on the basis of following reasons: According to Sain et al.,( 2004 ) Opportunities are provided by E-procurement to enterprise for coordination with its partner. For example, different researcher conclude that information technology can enhance the collaborative planning (Croom & Jhonson, 2003; Cagliono et al., 2003; Skjott-Larsen et al., 2003) Hence, E-procurement enhance the cooperation of enterprise and its partners. As a conclusion, it could be assumed that E-procurement can advance the supply chain integration (SCI). H2 is:

**H2: There is positive and significant impact of E-procurement on supply chain integration.**

Supply chain integration and Information sharing. According to different researchers "supply chain integration refers to the integration of the supply chain processes" (Tan, 2001; Lee & Whang, 2001; Zhang et al., 2006) Supply chain integration can be enhanced by information sharing process (Cagliano et al., 2003; Morash and Clinton, 1997) thus researcher proposed H3:

**H3: There is positive and significant impact of information sharing on supply chain integration.**

Supply Chain integration and Supply chain performance. Supply chain integration can helps to enhance supply chain performance. "Process automation is one of the key drivers for increasing process efficiency" (Croom, 2000). Supply chain integration could helps to enhance the Product quality and customer services performance (Croom,

2000). "The higher the extent of supply chain integration, the higher the supply chain performance" (Hsin, 2000) thus researcher proposed H4:

**H4: There is positive and significant impact of supply chain integration on supply chain performance.**

Supply chain integration and relationship of e-procurement and supply chain performance. Supply chain integration helps to increase the efficiency of supply chain performance and give strength to the relationship of e-procurement and supply chain integration (Croom, 2000; Hsin, 2000) thus researcher proposed

**H5: There is positive and significant moderation impact of supply chain integration on the relationship of E-procurement and Supply chain integration.**

## SAMPLING TECHNIQUE

In this research we used convenient sampling technique. With 95% confidence level, 5% error margin, sample size has been derived b yusing www.raosoft.com sample size calculator and sample size is 319. Whereas for each of two major companies the quota was fixed to 40 respondents (319/10=31.9) this was done in order to distribute the questionnaire randomly and to avoid chance to collect major portion of data just from one place as is the case normally in convenient sampling. The population for this study is the staff of supply chain department of pharmaceutical industries of Quaid-E-Azam industrial state Lahore Pakistan. Respondents could easily comprehend the questionnaire (in English language) so that content validity of questionnaire was assured. Through convenient sampling method, sample size 319 for this study was selected.

## QUESTIONNAIRE

Questionnaire for this study adopted from the study of Hsin, (2013) the questionnaire was consist of following items; E-procurement (its four dimensions i.e. 5 e-design, 4 e-sourcing, 3 e-negotiation, 3 e-evaluation), information sharing (i.e. 8 Information flow and 6 information quality), 9 supply chain integration and 11 supply chain performance.

A five point Likert Scale was used for this purpose ranking from 1= strongly disagree to 5 = strongly agree.

## RESULT AND ANALYSIS

| Gender | Frequency | Percent |
|--------|-----------|---------|
| Male | 299 | 93.73 |
| Female | 20 | 6.269 |
| Total | 319 | 100.0 |

**Table 1: Gender of participant**

There were 319 respondent of this survey; the distribution frequency of participant was male 299 out of 319 & female 20 out of 319. The percentage of respondent is male 93.73% and female 6.27%.

| Age Group | Frequency | Percent |
|---|---|---|
| 26-35 | 109 | 34.169 |
| 36-45 | 92 | 28.840 |
| above45 | 118 | 36.990 |
| **Total** | **319** | **100.0** |

**Table 2: Age group of respondent**

There were 4-age groups mentioned in the questionnaire that are 18-25, 26-35, 36-45, and above 45. 109 respondent were of age between 26-35, 92 respondent were of age between 36-45, 118 respondent were of age between above 45 and there is no (zero) respondent of age group between 15-25.

| Experience | Frequency | Percent |
|---|---|---|
| 0-3 | 35 | 10.971 |
| 3-10 | 108 | 33.855 |
| above10 | 176 | 55.172 |
| **Total** | **319** | **100.0** |

**Table 3: Experience of participant**

According to above table results, 35 participants were experience of between 0-3 years, 108 participants were experience of between 3-10 year experience and 176 participants were experience of above 10 years.

| | EP | IS | SCI | SCP |
|---|---|---|---|---|
| EP | 1 | | | |
| IS | 369** | 1 | | |
| SCI | 374** | .413** | 1 | |
| SCP | 496** | .249** | .333** | 1 |

**Table 4: Correlation analysis**

To analyze the correlation between two variables, "Pearson Correlation" analysis is used in this study. Table 4.5 shows, the correlation among variables. Correlation among EP (e-procurement) and IS (Info. Sharing) is **0.369, which shows positive and significant relationship between these variables. Correlation between EP & SCI (supply chain integration) is .374**, which shows negative relationship between these variables.

```
***********************************************************
                      Outcome: SCI
                    Model Summary
```

| R | R-sq | F | df1 | df2 | p |
|------|------|--------|--------|---------|-------|
| .2314 | .0535 | 1.8100 | 3.0000 | 96.0000 | .1505 |

```
                         Model
```

| | coeff | se | t | p | LLCI | ULCI |
|----------|--------|-------|----------|-------|--------|--------|
| Constant | 4.3218 | .0270 | 160.0969 | .0000 | 4.2682 | 4.3754 |
| EP | -.1799 | .1130 | -1.5923 | .1146 | -.4042 | .0444 |
| IS | .1144 | .1683 | .6797 | .4983 | -.2197 | .4486 |
| int_1 | -.2781 | .3075 | -.9044 | .3680 | -.8884 | .3322 |

```
                     Interactions:
                  int_1   EP     X    IS
***********************************************************
                      Outcome: SCP
                    Model Summary
```

| R | R-sq | F | df1 | df2 | p |
|-------|-------|---------|--------|---------|-------|
| .7910 | .6257 | 81.0715 | 2.0000 | 97.0000 | .0000 |

```
                         Model
```

| | coeff | se | t | p | LLCI | ULCI |
|----------|--------|-------|---------|-------|--------|--------|
| Constant | 2.5130 | .3628 | 6.9272 | .0000 | 1.7930 | 3.2330 |
| SCI | .5092 | .0842 | 6.0488 | .0000 | .3421 | .6763 |
| EP | .6716 | .0581 | 11.5535 | .0000 | .5562 | .7870 |

```
**************** DIRECT AND INDIRECT EFFECTS *********
                   Direct effect of X on Y
```

| Effect | SE | t | p | LLCI | ULCI |
|--------|-------|---------|-------|-------|-------|
| .6716 | .0581 | 11.5535 | .0000 | .5562 | .7870 |

Conditional indirect effect(s) of X on Y at values of the moderator(s)

```
                       Mediator
```

| IS | | Effect | Boot SE | BootLLCI | BootULCI |
|----|--------|--------|---------|----------|----------|
| SCI | -.2769 | -.0524 | .1002 | -.2544 | .1298 |
| SCI | .0000 | -.0916 | .0596 | -.2257 | .0129 |
| SCI | .2769 | -.1308 | .0560 | -.2662 | -.0451 |

Values for quantitative moderators are the mean and plus/minus one SD from mean. Values for dichotomous moderators are the two values of the moderator.

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*****************************************************************
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Correlation between EP & SCP (Supply Chain Performance) is 0.496**, which shows positive and significant relationship between these variables. Correlation between IS & SCI is .413**, which shows positive relationship

between these variables. Correlation between SCP &IS is 0.249**, which indicates positive and significant relationship among these variables. Correlation among SCP & SCI is 0.333**, which indicates positive and significant relationship among these variable.The table shows the results of moderated mediation by using model 7 as developed by Andew F. Hayes in SPSS. The first part of the table is showing the results of E- procurement with interaction effect on supply chain integration. As it can be seen all results are presenting insignificant values as p>0.05 for 95% level of significance. So nothing happening in term of moderation it means information sharing does not produce any moderation effect on supply chain integration. Similarly the value of R square is also very poor and insignificant meaning that model is suffering from a poor fit. The second part of table is showing the results of supply chain integration and E- procurement on Supply chain performance as outcome variable. As it can be seen that the value of R square is almost 63% and it is significant meaning that model is having a good fit. Moreover both predictors like supply chain integration and E-procurement causing positive and significant change in supply chain performance as all the values in this case are statistically significant. All these results show that supply chain performance is significantly influenced by E-Procurement and supply chain integration but nothing happening in term of moderated mediation.

## DISCUSSION AND CONCLUSION

The results of present study show that E- procurement and supply chain integration both influence supply chain performance positively and significantly but the results of present study failed to prove the claim of moderated mediation effect of information sharing and supply chain integration on supply chain performance in pharmaceutical sector of Pakistan. To the extent of E- Procurement, supply chain integration and supply chain performance, these results are in accordance with previous researchers like Hsin., & Hsu, (2013), who did the study on e-procurement in telecommunication, Hard disk and Biochemistry industries.

## CONTRIBUTIONS

The present study has some important contribution for policy makers in the field of pharmaceutical sector of Pakistan. As showed by the results of the study that E-Procurement has a positive impact on supply chain performance so the policy makers are suggested focus on this aspect if they want to increase supply chain performance of their organizations. Similarly the researcher also conclude that supply chain integration is also a significant predictor of supply chain performance so the policy makers are suggested to integrate the functions of supply chain in order to obtain better results.

## LIMITATIONS AND FUTURE RESEARCH DIRECTION

This study is not without limitations; the first limitation is that data was collected only from Quaid E Azam industrial state that does not represent the whole pharmaceutical sector of Pakistan so generizability is an issue here. Future researchers need to remove these limitations. Another limitation is that data was cross sectional in nature so future

researchers need to repeat the same research with longitudinal data. Finally as the value of R square is not excellent meaning that there are other variables needed to be included in model in order to better measure supply chain performance construct.

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# A comparative study on Accounting Based Measures and Economic Based Measures to determine Shareholder Value Creation

**Anum Shahid** [1]
Department of Management Sciences, Air University, Pakistan
**Dr. Sadia Irshad** [2]
Department of Management Sciences, Air University, Pakistan
**Maria Shams khakwani** [3]
Department of Management Sciences, Air University**,** Pakistan

## ABSTRACT

This study examines the industry specific determinants of non-financial firms listed on Pakistan stock exchange in Pakistan. As goal of each firm is to maximize its shareholder's value, for this purpose numerous prior studies, on the determinants of shareholder value creation, have been conducted by taking into consideration the homogenous sample of firms and a few internal value drivers, either accounting based measures or economic based measures. But these prior studies have been reported to deliver confusing results. So there is an imperative need to conduct a study based on the heterogeneous sample of firms and to establish a set of better and significant shareholder value drivers for each industrial sector. Market value added serves as an indicator in determining shareholder value creation measures and is employed as a dependent variable. While accounting based measures including return on assets, return on equity, earning per share, net income, net operating profit and economic based measures such as economic value added and return on capital employed, are the independent variables.

The results showed that each industry has unique and different set of internal factors which determines shareholder value creation. For cement sector, economic value added and net income are significant value drivers and for food and personal care sector, return on capital employed, earning per share and net income are significant value drivers. But for fertilizer sector, return on assets and return on equity are significant value drivers. In case of oil and gas sector and textile sector only net income is the significant value driver. This research serves as a road map for stock analyst, management and shareholders by guiding them the factors which they must have to keep in mind, while making any investment decision or to make recommendation to their clients.

## INTRODUCTION

Corporate sector plays a central role in shareholder's value creation by undertaking various profitability ratios. Corporate business involves various activities for maximizing shareholder value creation. On the other hand, shareholder is any entity or a person who purchases share of a company. Purchasing a share means putting your money at risk and becoming an owner of the company. Shareholders wealth dependent on market value of firm, and have the right to reap the benefit of company's success when stock value increases. If company does not perform well then shareholder can lose their money, if the price of share decreases. The shareholder value theory

was first proposed by Milton Friedman (1970). According to this theory, the responsibility of business is to maximize its profits to serve the interest of shareholder. In this study we will identify unique set of measures that will help the management to direct their efforts to maximize shareholder value. Any how the goal of every firm is to maximize the shareholder value. So in order to maximize shareholder value numerous studies have taken homogenous group of companies, to answer this question i.e. how shareholder value creation can be explained and accurately measured. But answer to this question is challenging because value creation measures are not same in whole business world. In other words value creation measures are different for different firms belonging to a particular industry. Therefore, we conclude that results of such studies were conflicting and did not assist the firms in determining the significant shareholder value creation measure.

The purpose of this study is to determine the value creation measure for each sector and to reveal measures that can prove to be the best set of significant value driver of shareholder value creation for a particular industry. To find out accurate and significant measures of shareholder value creation, limited studies like (Biddle and Seow, 1990) and (Lee and Kim, 2009) have taken heterogeneous sample of companies, to identify significant measure for each industry.
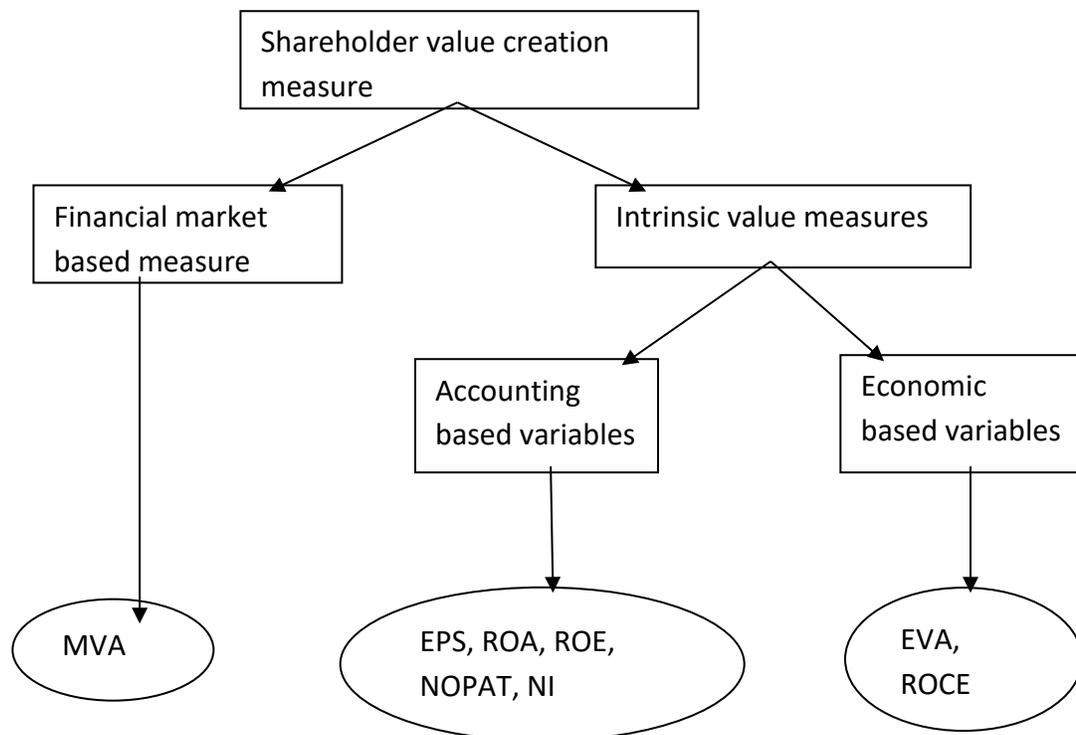


This study will explore determinants of shareholder value creation by incorporating more dependent and independent variables and by analyzing data of five industries of Pakistan, included in this study are: food and personal care products, cement, sugar and allied, oil and refinery, and textile weaving. Different industries with

large sample size are selected because aim of this study is to identify different and significant measures for different industries, as one size-fits- all approach is inadequate.

An approach by Chari and Mohanty (2009) is used to identify shareholder value creation measures for publically listed companies based on market price of shares. These measures are classified under the heading of financial market based measures, while other measures are known as intrinsic value measures in which shareholder value creation measures are identified by using accounting information and expected performance. Brief explanation of these measures is shown in the model.

**THEORETICAL ANALYSIS AND HYPOTHESIS DEVELOPMENT**

Determining the significant measure of shareholder value creation has a very special significance in enterprise world, one such reason is the economic turmoil in 2008 due to which firms focus on shareholder value creation has been increased, as it also generate awareness among stock analysts and portfolio managers about difference in variables or measures that create shareholder value for different types of industries in which they plan to invest. As goal of every firm is to maximize its shareholder value, this can be achieved by getting higher profitability ratios (Hall, 2013). To sort out this, the determinants for shareholder value creation measure depend on traditional based measure (i.e. accounting based measure) and economic based measure. There is a need to understand both measures. Various studies were conducted on data collected from various countries, to determine whether accounting based measures or economic based measures is more useful in determining shareholder value, these accounting based measures or economic based measures were measured by MVA (Sharma, 2010). Accounting based measures are also known as traditional based measures (EPS, NOPAT, ROA and ROE), are extended by economic based measure (EVA, ROCE and spread). Fruhan (1979), Rappaport (1986) and Stewart (1991), have developed economic based measures which has developed battle line against accounting based measure. Shareholders are concerned with abnormal returns means that they want more returns as compared to expected returns. When they earn more than the expected return then their opportunity cost as a capital is covered. If returns are negative then it means that their opportunity cost as a capital is not covered. Therefore there should be a good correlation between shareholder wealth and performance of a firm, which will lead to higher profitability ratios (Jeffrey, 1997).

The critical point here is to choose the one measure that is the best determinant of shareholder value creation for a particular industry. According to Stewart (1991, 1994), Stern (1993), Milunovich and Tsuei (1996), O'Byrne (1996), Bacidore et al. (1997), Chen and Dodd (1997, 2001), economic based measures were more useful. While according to Biddle et al. (1997), Salvaiy (1997), Bao and Bao (1998), De Villiers and Auret (1998), De Wet (2005), Ismail (2006), Maditinos et al. (2006, 2009), accounting based measures are more useful. Prior studies on determinant of shareholder value creation have shown conflicting and confusing results because some of these studies found

economic based measures to be more useful as compare to accounting based measures. In this study we will use all independent and dependent variables that were identified by Hall (2013).

To resolve these inconsistent results, we will take heterogeneous groups of industries instead of homogenous group of companies. In this study we will increase number of dependent and independent variables to get more precise and significant determinants for different companies belonging to different industries, because we know that one shareholder value creation measure is not universally accepted.

Ho: There is a significant impact of accounting based measures on shareholder value creation (MVA).

Ho: There is a significant impact of economic based measures on shareholder value creation (MVA).

Ho:    Accounting and economic based measures have different impact on shareholder value creation in different industries.

## RESEARCH METHODOLOGY

We start with a base sample consisting of non-financial firms listed on Pakistan stock exchange. We then identify determinants of shareholder value creation based on a sample consists of five industrial sectors that have been included in this study consist of cement, food and personal care, fertilizers, textile, oil and gas sector. Secondary data has been used and is derived from annual reports of companies for last ten years from 2006 till 2015. Our final sample consist of 30 non-financial firms.MVA is a performance measure, having aim of magnification of shareholder's value creation, is determined by taking difference between capital contributed by investors and the current market value of firm. If value of MVA is positive then it means that firm has added value or if its value is negative then it means that firm has destroyed value. Generally shareholder's value creation is represented by MVA (Aloy Niresh, 2014). In each firm aim of one manager is to earn higher MVA, this can be achieved by earning return that is greater than cost of capital (Nikhil Chandra, 2009). MVA will help all non financial firms to better know about whether accounting based measure or economic based measure will determine shareholder's value creation. MVA will also help the stock analyst and portfolio managers in making right investment decisions for their clients and generate awareness among them about differences in characteristics of firms which leads to differences in value drivers for different firms belonging to particular industries (John Henry, 2014). In present study, focus is to use MVA as dependent variable to determine whether accounting based measure or economic based measure is a better indicator in determining shareholder value.

## INDEPENDENT VARIABLES

Accounting based measures are traditional measures, which were mostly used by firms to determine shareholders value creation. These accounting based measures include: EPS, ROA, ROE, NI and NOPAT. These traditional measures were used for homogenous sample of companies, due to which inconsistent and conflicting results were

produced (John Henry, 2014). The reasons for confusing results were the country whose data for analysis was conducted,statistical technique used and characteristics of an industry. But now these traditional based measures are further amplified by economic based measures, including EVA and ROCE. Fruhan (1979), Rappaport (1986) and Stewart (1991) have developed economic based measures which have developed battle line against accounting based measure.

## MODEL SPECIFICATION

A conceptual model is developed to examine that whether accounting based measures or economic based measures will better explain shareholder value creation as measured by MVA. According to the hypotheses developed and the variables defined above, the following multiple linear regression model is employed to examine the relationship between dependent and independent variables:

$$mva_{its} = \beta_0 + \beta_1\,eva_{its} + \beta_2\,roce_{its} + \beta_3 spread_{its} + \beta_4\,nopat_{its} + \beta_5 ni_{its} + \beta_6\,roa_{its} + \beta_7\,eps_{its} + \beta_8\,roe_{its} + \beta_9 roe_{its}$$

## RESULTS OF ANALYSIS

For a quick description of data summary statistics is used. Summary statistics for the independent variables and dependent variables are provided in Table 1. Here in this table summary statistics of overall data is given. Our total number of observations are 290.Over all data for shareholder value creation is being analyzed. Over all mean of MVA is 24.6.In case of EVA mean is 13.7. Moving onwards, over all mean of ROCE is 16.4. For ROA over all mean comes out to be 7.40 and ROE mean of overall data is 12.6. For EPS mean is 18.4. Similarly mean for NI is 14.7 and in case of NOPAT mean is 14.6. Next comes, the standard deviation. For MVA it comes out to be 1.94.

In case of EVA standard deviation is 2.10. Standard deviation of ROCE is 16.6. For ROA it is 9.05. And standard deviation of ROE is 16.3. Moving onwards, standard deviation of EPS is 33.4. Similarly standard deviation of NI is 2.80 and in case of NOPAT it is 1.91.

**Table1** Summary statistics of key variables.

| Variable | N | Mean | Sd | Median | Min | Max |
|---|---|---|---|---|---|---|
| MVA | 290 | 24.67239 | 1.946335 | 24.58372 | 21.45796 | 27.60733 |
| EVA | 290 | 13.75854 | 2.102475 | 13.5472 | 8.927447 | 17.68225 |
| ROCE | 290 | 16.47069 | 16.60572 | 14.095 | -8.57 | 55.53 |
| ROA | 290 | 7.40915 | 9.051855 | 4.405 | -5.72 | 28 |
| ROE | 290 | 12.61314 | 16.34487 | 7.145 | -15.1 | 53.35 |
| EPS | 290 | 18.48634 | 33.48102 | 7.68 | -5.9 | 161.57 |
| NI | 290 | 14.79326 | 2.806645 | 14.75808 | 7.972466 | 21.54576 |
| NOPAT | 290 | 14.65655 | 1.911675 | 15.35992 | 8.041482 | 16.10554 |

In summary statistics table minimum and maximum values are also mentioned. Minimum MVA out to 21.4 and maximum is 27.6 in overall data. EVA minimum value is 8.92 and maximum is 17.6. ROCE minimum value is -8.57 whereas maximum is 55.53. Moving onwards to next variable is ROA, its minimum value is -5.72 and maximum is 28.

ROE is having a minimum value of -15.1 and maximum value of 53.35. EPS is having minimum value of -5.9 and maximum value of 161.5. Similarly NI minimum value is 7.97 and maximum is 21.5, NOPAT minimum value is 8.04 and maximum value is 16.1.

## CORRELATION ANALYSIS

Correlation analysis is carried out to analyze the serial correlation among independent variables. Table shown below reveals the results of correlation.

**Table 2: Correlation analysis**

| Variables | MVA | EVA | ROCE | ROA | ROE | EPS | NI | NOPAT |
|---|---|---|---|---|---|---|---|---|
| MVA | 1 | | | | | | | |
| EVA | 0.2622 | 1 | | | | | | |
| ROCE | -0.0472 | 0.1183 | 1 | | | | | |
| ROA | -0.0038 | 0.0692 | 0.6934 | 1 | | | | |
| ROE | 0.0186 | -0.0598 | 0.5986 | 0.6472 | 1 | | | |
| EPS | 0.087 | 0.399 | 0.3456 | 0.3797 | 0.0222 | 1 | | |
| NI | 0.3678 | -0.0804 | 0.0042 | 0.133 | 0.114 | 0.0915 | 1 | |
| NOPAT | -0.1981 | -0.4653 | 0.0247 | -0.0429 | 0.1122 | -0.2317 | 0.123 | 1 |

A Positive correlation indicates the positive relation between the variables, if one variable increases the other variable also increases due to increase in that variable. Similarly a negative correlation indicates negative relationship between the variables. That if one variable decreases then other variable also decreases due to that variable. The correlation value should be less than 0.6, if it is greater than 0.6 then it is problematic for our analysis because there is an indication of correlation. Then we will use VIF to resolve the problem of correlation in our data.

Table 2 shows over all correlation analysis of data of shareholder value creation. We can see from results that MVA and EVA are positively related to each other. MVA and ROCE are negatively correlated with each other. MVA is also negatively correlated to ROA and NOPAT. But MVA is positively correlated to ROE, EPS and NI.

**REGRESSION RESULTS**

In order to test the hypotheses developed on the basis of theoretical framework, we regress the model for non-financial firms listed on Pakistan stock exchange. The result of each sector is reported in the following tables.

| MVA | Coef. | Std. Err. | T | P>t |
|-----|-------|-----------|---|-----|
| EVA | 0.217 | 0.112 | 1.940 | 0.056 |
| ROCE | -0.022 | 0.030 | -0.750 | 0.457 |
| ROA | 0.019 | 0.047 | 0.400 | 0.691 |
| ROE | -0.002 | 0.020 | -0.120 | 0.908 |
| EPS | 0.026 | 0.032 | 0.820 | 0.413 |
| NI | 0.454 | 0.108 | 4.210 | 0.000 |
| NOPAT | -0.070 | 0.318 | -0.220 | 0.825 |
| _cons | 15.911 | 4.914 | 3.240 | 0.002 |

**Table 3: Regression**

Table 3 shows regression result of cement sector. As it is evident from the result that some accounting and economic based measures have probability less than 0.05. So these variables EVA and NI have probability less than 0.05 and have shown significant results.

From the above regression results of cement sector, the alternate hypotheses are approved from two of the hypotheses. These hypotheses are shown below:

Ho: There is a significant impact of accounting based measures on shareholder value creation (MVA).

Ho: There is a significant impact of economic based measures on shareholder value creation (MVA).

| MVA | Coef. | Std. Err. | T | P>t |
|-----|-------|-----------|---|-----|
| EVA | 0.254 | 0.165 | 1.540 | 0.130 |
| ROCE | -0.081 | 0.014 | -5.880 | 0.000 |
| ROE | 0.054 | 0.034 | 1.610 | 0.114 |
| EPS | 0.015 | 0.005 | 2.930 | 0.005 |
| NI | -0.370 | 0.206 | -1.800 | 0.079 |
| NOPAT | -0.106 | 0.071 | -1.500 | 0.141 |
| _cons | 27.679 | 2.718 | 10.180 | 0.000 |

**Table 4: Regression- (Food & personal care sector)**

Table 4 shows regression result of food & personal care sector. As it is evident from the results that some accounting and economic based measures have probability less than 0.05.

| MVA | Coef. | Std. Err. | T | P>t |
|------|-------|-----------|-------|-------|
| EVA | 0.002 | 0.178 | 0.010 | 0.990 |
| ROCE | -0.008 | 0.016 | -0.470 | 0.638 |
| ROA | 0.097 | 0.040 | 2.450 | 0.018 |
| ROE | -0.034 | 0.019 | -1.770 | 0.083 |
| EPS | 0.021 | 0.015 | 1.450 | 0.154 |
| NI | 0.025 | 0.072 | 0.340 | 0.733 |
| NOPAT | -0.429 | 0.304 | -1.410 | 0.164 |
| _cons | 31.005 | 5.289 | 5.860 | 0.000 |

**Table 5 Regression- (Fertilizer sector)**

So these variables EVA, NI, ROA and EPS have probability less than 0.05 and have shown significant results. From the above regression results of food & personal care sector, the alternate hypotheses are approved from two of the hypotheses. Table 5 shows regression result of fertilizer sector. As it is evident from the result that some accounting and economic based measures have probability less than 0.05. Only variable ROA has probability less than 0.05 and has shown significant result. From the above regression results of fertilizer sector, the alternate hypotheses are approved from two of the hypotheses. These hypotheses are shown below:

Ho: There is a significant impact of accounting based measures on shareholder value creation (MVA).

Ho: There is a significant impact of economic based measures on shareholder value creation (MVA).

Table 6 shows regression results of oil & gas sector. As it is evident from the results that some accounting and economic based measures have probability less than 0.05. An only variable NI has probability less than 0.05 and has shown significant results.

| MVA | Coef. | Std. Err. | T | P>t |
|------|-------|-----------|-------|-------|
| EVA | 0.117 | 0.173 | 0.680 | 0.501 |
| ROCE | -0.009 | 0.014 | -0.680 | 0.499 |
| EPS | -0.005 | 0.016 | -0.310 | 0.762 |
| NI | 0.443 | 0.069 | 6.420 | 0.000 |
| NOPAT | 0.231 | 0.171 | 1.350 | 0.185 |
| _cons | 14.010 | 4.437 | 3.160 | 0.003 |

**Table 6: Regression- (Oil & gas sector)**

Only variable NI has probability less than 0.05 and has shown significant results. EVA, NI and NOPAT have probability less than 0.05 and have shown significant results. The results showed that among economic based

variables, EVA serve as a yardstick in determining shareholder value (Rappaport, 1999).As EVA is a performance metric, so it tell investors that how much value company has generated for them over a year.

**CONCLUSION**

This study is designed to see relationship between accounting or economic based variables with MVA of non-financial firms in Pakistan. An unbalanced panel of 30 non-financial firms is designed for different econometric analysis. The present study focus on the post transition period that started from 2006 and continues till 2015. ROA, ROE, NI, NOPAT, EPS are accounting based measures, while EVA and ROCE are economic based measures. MVA is a dependent variable, which has determined that accounting and economic based measures have explained shareholder value creation to some extent. Adjusted R square shows goodness of fitness of overall model. Based on overall regression results, value of adjusted R square is 0.25, this show that only 25% of the shareholder value creation is explained by these accounting and economic based measures, as these measures are internal value drivers. These accounting based measures and economic based measures are quantifiable and are under the control of corporation's management. That is why management can manipulate them by making adjustments in balance sheet and income statements. But the EVA and NI, among the internal value drivers have served as yardstick in determining shareholders value creation, based on the regression results. While 75% of the shareholder value creation is explained by other factors that are external value drivers. These external value drivers include macroeconomic factors political factors, exchange rates and inflation rates (Rappaport, 1999). While market factor also play an important role because information in financial market also fluctuate, that effects the shareholder value creation (Phuoc Luong, 2011).

However, this study has some limitations. Firstly, because most of the data used have to be hand-collected. Secondly, our sample only includes listed non-financial firms, which only account for a small portion of the whole non-financial firms in Pakistan. Therefore, caution should be exercised in generalizing these results to the non-financial firms of the all. Finally, scope of this study can be expanded by including data from other countries. We have taken only five industries because of limitation. We have selected only those non-financial companies whose shareholder value creation is significant. The time span is limited to only 10 years. In conclusion, the results of this study suggest that as shareholder value creation is not completely explained by accounting based measures and economic based measures, as there is no winning set of independent variable and value creation do not follow one size fit for all approach. So in future to get significant results more independent variables like Tobin Q and market to book value ratio can be added (John, 2016).

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# ASSESSING TOTAL QUALITY MANAGEMENT PRACTICES TO PREDICT PERFORMANCE OF HEALTHCARE SECTOR IN PAKISTAN

**Babar Sohail[1]**
MBA Student, Lahore Leads University
**Rana Tahir Naveed[2]**
University Putra Malaysia (UPM)
**Naveed Ahmad[3]**
Lahore Leads University, Pakistan
**Mohammad Adnan [4]**
University of Bolton (UK)

**Corresponding Email:** naveeddgk2010@gmail.com

## ABSTRACT

The focus of the study was to probe the relationship of Total Quality Management Practices and Performance of Healthcare Organizations in Private Hospitals of Pakistan. The study was conducted in Private Hospitals of Lahore. For representation of the health sector Arif Memorial Hospital and Hameed Latif Hospital were chosen for Data collection. Total 380 Questionnaires were distributed among the employees of the hospitals out of which 274 were received for further processing. The response rate was 71.05 percent. Various statistical techniques were used like Descriptive Statistics, correlation analysis and regression analysis etc. The results showed that total quality management practices and performance of the healthcare organizations are positively related. Moreover, all dimension of the dimensions of TQM practices contributes significantly and positively to predict the performance of healthcare organization of the private sector.

*Keywords: TQM practices, organizational Performance, Healthcare sector, Pakistan.*

## INTRODUCTION

The present article contributes in the field of quality studies and enhances our understanding of important practical problem named by effectiveness and validity of quality management and probes the variance in the provision of quality of healthcare services provided by private hospitals. Total quality management is setting emerging trends all over the world particularly in the manufacturing industries (Sadikoglu, & Zehir, 2010). Moreover, TQM practices are also increasing the effectiveness of quality healthcare and minimizing the variance in services provision. Our local health regulatory bodies have paid attentions to rapidly escalating the medical errors and patient safety. Today organizations are appreciating the employee initiative that contributes to enhancing the healthcare quality management program.

The main focus of quality management programs in the healthcare sector is workforce commitment and control initiatives. According to an analysis conducted in US in 2003-2004 to probe the commitment of the employees and

no of patients there was increase in number 91 to 97.6 percent, on the other hand, the commitment of the workforce has dropped from 99.7 to 97.6 percent (Talib, Rahman, & Qureshi, 2013). Quality not only discusses the ways by which organizations design the healthcare services but it also discusses the ways by which customers are being served. Increasing globalization is inspiring the competition in manufacturing and services organizations; today the competition has become more challenging than before. The expectations are high regarding service quality than before.

Now and onward quality management will no longer the privilege of a developed country. First international conference on quality held in Pakistan. Crosby in 1995 stated that quality plays a vital role in the economic survival of developing nations, particularly in Pakistan (Malik et al., 2010). A few years ago, a conference held with the same theme" Competitiveness and Performance" in Pakistan (ICQI, 2011). Therefore Government of Pakistan launched Prime Minister Quality award, by the help of assessment and technical grounds inspection may be carried out that will be based on TQM standards similar to international standards. So the Government of Pakistan formulated national industrial policy to implement a framework based on TQM practices. Prime objectives of this exercise were to make the Industry of Pakistan error free. As well as in services sector Government of Pakistan developed the minimum services delivery standard to ensure patient safety and satisfaction in the health sector. As a result performance of Manufacturing and service providing organizations can be raised.

Existing literature is evident that very little attention is given to the field of TQM and its different practices in relation of healthcare service organizations. Majority of studies on TQM domains were conducted in manufacturing sector. As private healthcare sector in Pakistan is grooming with a fast pace and patients are having good knowledge about the delivery of healthcare services and they are very careful in this regard while choosing a hospital for their treatment. So when looked into this perspective, it clearly highlights the importance of present topic in the perspective of Pakistan.

## LITERATURE REVIEW

A standout amongst the most powerful people in the quality unrest was Dr. Edwards Deming. In 1980, NBC TV delivered a unique program entitled on the off chance that Japan Can. Why Can't We? The broadly saw program uncovered Deming's key part in the improvement of Japanese quality. As business and industry started to concentrate on quality, the US government perceived that quality is basic to the country's monetary wellbeing. In 1987, the Malcolm Baldrige National Quality Award MBNQA was set up as an announcement of national expectation to give quality administration. Comparative quality honors and structures were made in other industrialized nations. Other key influencers in the good 'old days, who made critical commitments to the improvement of both the applied furthermore, useful sides of value administration were Crosby 1979.

## DEVELOPMENT OF TQM

Easton 1993. States: "TQM in the US is far from developing. It is vital that TQM approaches keep on being created, refined, and extended, indeed, even in organizations that have as of now accomplished impressive victory. Generally the upper hand that TQM guarantees won't be acknowledged and many organizations will be left battling against focused decrease without and brought together or reasonable begin for revitalization." Although these subjective perspectives in view of commonsense experience are of generous esteem, the observational proof is additionally required in light of what Black and Porter 1996 alluded to as "logically based' 'structures. Through measurable investigation is required with a specific end goal to meet proficient benchmarks of unwavering quality and legitimacy.

## LEADERSHIP AND ORGANIZATIONAL PERFORMANCE

In the current literature the leadership is identified as one of the most dynamic element during individual and organizational interaction. In the other words the ability of management to execute the "collaborative efforts" based on leadership capability. In an article Mr. Lee and Chuang (2009), explained that the leader not only inspire their sub-ordinate's potential to increase the efficiency but meet the requirements of the process that are necessary in achieving the organizational goals. Fry (2003) explains that the leadership is a tool that is used in leading strategy to offer the inspiring motives and to increase the overall potential of the staff for growth and development of an organization. A number of reasons indicate that there must be a relationship between leadership and performance of an organization.

**H1-** Leadership has positive and significant impact on Performance of organization.

## PEOPLE MANAGEMENT AND ORGANIZATIONAL PERFORMANCE

The main area of the study discussed in this element is how well the practices of human resources are tied with the strategic directions of the organizations. The competitive advantage of this study is, it's the voice of the people (Gravin 1991). The questions included in the survey questionnaire are particularly related to employees training, development, communication safety, multiple skills and employee flexibility, employee's responsibilities and measuring the employee satisfaction. The response of such type of questions is usually remain at bottom line of the Human resources management because they give a combined impact on TQM's training , employee communication and people involvement. It is usually heard in the organizations that "People are everything" and "People are our critical source".

Such statement leads towards an assumption that this dimension will significantly explain that people affect the performance of the organization.

**H2-**Pepole Management has positive and significant impact on Performance of organization.

## CUSTOMER FOCUS AND ORGANIZATIONAL PERFORMANCE

The main area of the study discussed in this element is how well the practices related to customer focus determine the performance of the organization by meeting the requirements and expectations of the customers. It also examined that the effective customer relationship management determines the customer satisfaction and performance of the organizations (Evans & Lindsay, 1995).

**H3-**Customer focus has positive and significant impact on Performance of organization.

## STRATEGIC PLANNING AND ORGANIZATIONAL PERFORMANCE

This element is explained by various scholar in different ways but Arasa, & K'Obonyo, (2012) explained that strategic is management of plans. It is an analytical process focused on making the ideal strategic decision. Later on other writers expanded the definition of duckers "Conceptualizes the strategic planning as the process of seeking a better match between firm's products and technology and its increasingly turbulent markets" Galbreath, (2010).

**H4-**Strategic Planning and performance of organization has a positive correlation.

## PROCESS MANAGEMENT AND ORGANIZATIONAL PERFORMANCE

The main area of the study discussed in this element is how well the practices related to process management determine the performance of the organization and how the structure of the organization provide the products or services in particular area Trkman, (2010).It also integrates the products and services delivery requirements and performance of the organization that facilitates the organization performance. Various organizations gained imaginary performance by improving their process design and process reengineering (Walker et al.,2010).This literature leads towards an assumption that this area of study will significantly explain that process management effect the performance of the organization.

**H5-**Process Management has positive and significant impact on Performance of organization.

**Figure1: Proposed Research Model**
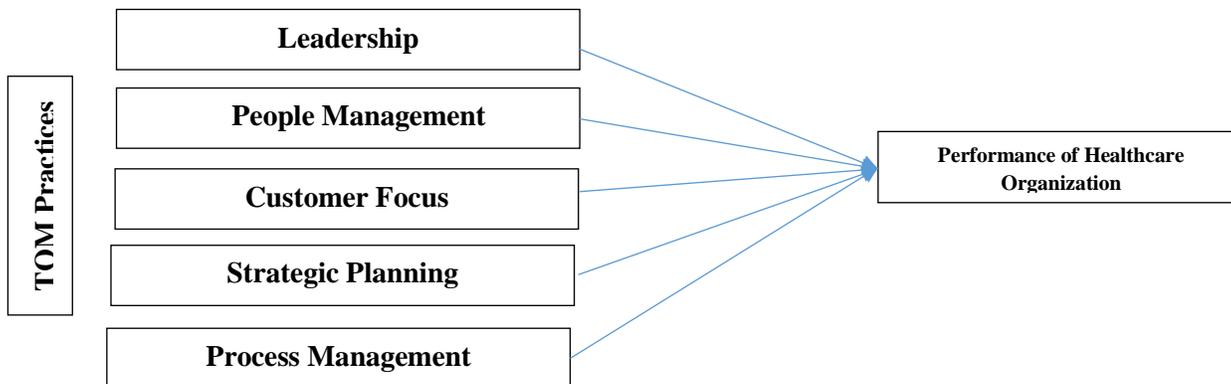
**METHODOLOGY**

An adapted questionnaire was used for data collection developed by Samson, & Terziovski, (1999). The questionnaire was having two sections. The first section required general information of respondent and the second section was for collecting responses from respondents for a total of six constructs in which five were taken as independent variable (leadership, people management, customer focus, strategic planning, and process management) and one construct was taken as dependent variable that was organizational performance. All the items were rated on Likert scale ranging from 1= strongly disagree to 5 = strongly agree. Private Healthcare sector of Pakistan was the target sector for present study and to represent the healthcare sector, two large private hospitals of Lahore (Arif Memorial Teaching Hospital and Hameed Latif Hospital) were chosen for data collection. A total of 380 questionnaires were distributed among respondents of these two hospitals and 274 effective responses were collected that were used in data analysis.

**RESULTS & ANALYSIS OF DATA**

**Table 1: Gender of Participants**

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male   | 159       | 58.0       |
| Female | 115       | 42.0       |
| **Total** | **274** | **100.0** |

There were 74 respondents of this survey. There were 159 male respondents out of 274 respondents and 115 females out of 274 respondents. The percentage of respondents is male 58% and female 42%.

**Table 2: Age Group of Participants**

| Age Group | Frequency | Percentage |
|-----------|-----------|------------|
| 18-25     | 71        | 25.9       |
| 26-35     | 63        | 22.9       |
| 36-45     | 86        | 31.3       |
| Above 45  | 54        | 19.8       |
| **Total** | **274**   | **100.0**  |

**Table 3: Category of Participants**

| Category      | Frequency | Percent |
|---------------|-----------|---------|
| Medical       | 191       | 69.7    |
| General Admin | 83        | 30.3    |
| **Total**     | **274**   | **100.0** |

There were 4-age groups as mentioned in the questionnaire that are 18-25, 26-35, 36-45 and above 45. According to above descriptive 71 respondents were of age between 18-25, 63 respondents were of age between 26-35, 86 respondents were in age group between 46-45 and finally 54 respondents were above 45 years old.

According to results of above table, in this survey 191 respondents were from medical field like doctors, nurses and 83 were from general administration category so in term of percentage, almost 70 percent were from medical category and 30 percent were from general administration.

## RELIABILITY AND VALIDITY

In this study, "KMO & Bartlett's Test" is also used to check the acceptability of the sample.

**Table 4: Factor Analysis**

| Variable | Item/ Factor | Factor Loading (EFA) | Cronbach's Alpha |
|---|---|---|---|
| Leadership (LD) | LD1 | .714 | .847 |
| | LD2 | .821 | |
| | LD3 | .633 | |
| | LD4 | .749 | |
| | LD5 | .673 | |
| | LD6 | .743 | |
| People Management(P PM) | PPM1 | .728 | .931 |
| | PPM2 | .697 | |
| | PPM3 | .772 | |
| | PPM4 | .820 | |
| | PPM5 | .722 | |
| | PPM6 | .741 | |
| | PPM7 | .852 | |
| Customer Focus(CSF) | CSF1 | .749 | .784 |
| | CSF2 | .497 | |
| | CSF3 | .735 | |
| | CSF4 | .519 | |
| | CSF5 | .536 | |
| | CSF6 | .551 | |
| Strategic Planning (STP) | STP1 | .638 | .741 |
| | STP2 | .687 | |
| | STP3 | .539 | |
| | STP4 | .770 | |
| | STP5 | .611 | |
| | STP6 | .592 | |
| Process Management (PM) | PM1 | .741 | .767 |
| | PM2 | .632 | |
| | PM3 | .596 | |
| | PM4 | .734 | |
| | PM5 | .793 | |

Many researchers used "KMO & Bartlett's Test" for adequacy of the sample. 0-1 is the range of KMO and acceptable value is more than 0.6. Table 4 is showing the outcomes of KMO & Bartlett's Test" of this study.

### Table 6: Correlation Analysis

|  | LD | PPM | CSF | STP | PM |
|---|---|---|---|---|---|
| **Leadership (LD)** | 1 |  |  |  |  |
| **People Management (PPM)** | .329** | 1 |  |  |  |
| **Customer Focus (CSF)** | .244** | .411** | 1 |  |  |
| **Strategic Planning (STP)** | .461** | .346** | .336** | 1 |  |
| **Process Mgt. (PM)** | .339* | .246** | .381* | .355** | 1 |

**. Correlation is significant at the 0.01 level (1-tailed).
*. Correlation is significant at the 0.05 level (1-tailed).

To check the correlation among the different variables, "Pearson Correlation" analysis is used in this study. Table 6 is showing the correlation among variables. Correlation between "Leadership & people management" variables is 0.329** which shows positive and significant relationship between these variables. Correlation between "Leadership & Customer Focus" variables is 0.244** which show positive relationship between these variables. Correlation between "Leadership & Strategic Planning" variables is 0.461** which show positive relationship between these variables. Correlation between "Leadership & Process Mgt" variables is 0.339** which show positive relationship between these variables. Similarly all results of correlation analysis are confirming positive and significant relations among variables and noticeably all results are showing a moderate relation that is indicative that data is free from the issue of multi-collinearity issue.

### Table 7: Overall Results of Regression Analysis

| Hypothesis | R | R-Square | F | Beta Value (B) | Standard Error (Std. Error) | t-value | p-value | Significant/ Insignificant | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |  |  | Tolerance | VIF |
| **H1** | .732a | .54 | 32.639 | .421 | .069 | 6.10 | .000 | Significant | 1.000 | 1.000 |
| **H2** | .413a | .171 | 39.856 | .389 | .048 | 8.11 | .000 | Significant | 1.000 | 1.000 |
| **H3** | .486 | .236 | 293.51 | .268 | .037 | 7.24 | .000 | Significant | 1.000 | 1.000 |
| **H4** | .398 | .158 | 49.440 | .221 | .042 | 5.262 | .000 | Significant | 1.000 | 1.000 |
| **H5** | .563 | .317 | 28.561 | .181 | .063 | 2.873 | .000 | Significant | 1.000 | 1.000 |

To check the "cause and effect" relationship between independent variable "Leadership and dependent variable "organizational performance", Regression Analysis, Model Summary & ANOVA was run by researcher. Above

table 7 is showing that R-Square Value is 0.54. This value of R-Square is significant positive which shows that there is 54% change in dependent variable "organizational performance" is due to this independent variable "Leadership". The value of β is 0.421 (positive), T-Value is 6.10 (greater than 2.00) and P-value is 0.000 (less than 0.05). Hence by keeping in view these results, researcher concluded that "Leadership positively predicts organizational performance in healthcare sector of Pakistan. Based on this conclusion, null hypothesis is rejected and alternative hypothesis H1 is accepted.

In case of relationship between independent variable "People management" and dependent variable "organizational performance", above table 7 is showing that R-Square Value is 0.171. This value of R-Square is significant positive which shows that there is 17.1% change in dependent variable "organizational performance" is due to this independent variable people management. The value of β is 0.389 (positive), T-Value is 8.11 (greater than 2.00) and P-value is 0.000 (less than 0.05). Hence by keeping in view these results, researcher concluded that "People Management" has positive and significant impact on organizational performance that is in line with the alternative hypothesis 2. Based on this conclusion, null hypothesis is rejected and alternative hypothesis H2 is accepted. Similarly all the predictors are showing positive and significant values according to above table and it can be stated that all hypothesis are stand to be true in this regard but leadership practice is most significant TQM practice to predict organizational performance as indicated by highest beta value in comparison to other four variables. So all hypotheses like H1, H2, H3, H4 and H5 are statistically proved to be true in this regard and hence it is statistically proved that TQM practices are predicting the performance of private healthcare sector of Pakistan.

## DISCUSSION AND CONCLUSION

The results of present study provide sufficient ground to accept the hypothesis that TQM practices and performance of healthcare organizations are positively associated with each other. Similarly all other hypothesis are true and accepted at 95 Percent level of significance. The results of present study are consistent with the results of (Danny Samson & Mile Terziovski,1999), who assessed the relationship between TQM Practices and operational performance of an organization but his study was conducted in manufacturing organizations and found an increase in organizational performance and performance of those organizations was enhanced and his findings were similar to the findings are assessed by Abd El-Moneim et al.,(2015),who reported that TQM practices are the strong predictors of hospital performance it contributes to enhance overall effectiveness of the healthcare organizations. The achievement usage of TQM in the industry has urged healthcare pioneers to think about whether it can be executed in the healthcare segment. Considerations show that the TQM activities prompt to predict Leadership, People Management, Customer focus, strategic planning and process management that contribute in enhanced health mind association execution (Alexander et al., 2006; Macinati., 2008). Finally the results of present study are in line with results of (Danny Samson a,), Mile Terziovski1999), who reported that TQM practices and operational performance are positively associated with each other. Moreover, leadership has significant impact in increasing the performance of an organization among other variables as proved by the article's analysis.

## Theoretical and Practical Implications.

The review tended to the quality issues that how human services part manages and gives quality to their clients. Clinics are contributing their part towards quality administration in light of the fact that these days client request quality from the private healthcare organizations, so with a specific end goal to keep patients satisfied and loyal with healthcare institutes' so it is essential for healing facilities' administration to look at the nature of administrations gave by them. Because of effective staff and reasonable organizational structure, particularly in private division, clinical facilities can actualize TQM improves all the more adequately as contrasted with open area of clinical facilities. Henceforth, this successful execution can help the doctor's facility administration in conquering the obstacles in administration conveyance forms. The TQM practices improve the efficiency and effectiveness of clinical facilities, if practices are appropriately planned and actualized, can unquestionably help in building confidence. Along these lines, this review will assist approach and procedure with focusing on human services benefit methodologies which can help in building reliability intensions for clinical care providers. Before executing TQM in human services settings it is important for clinical facility staff to consider the criticism and assessments of the patients, since consistent observing of patients criticism that assists the specialist in managing their quality through viable route with a specific end goal to actualize the fruitful quality administration practices.

## LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

There are sure limitations related with this exploration that should be tended to, particularly generalizability. The review was led in just two major hospitals of Lahore, Pakistan, so the response collected from a specific portion of the general public. The present study concentrated on indoor patients just so in future reviews open air patients ought to likewise be drawn nearer.

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# IMPACT OF BRAND IMAGE AND BRAND AWARENESS ON CONSUMER PURCHASE INTENTION

**Syed Bilal Hussain[1], Rana Tahir Naveed[2], Naveed Ahmad[3], Mohammad Adnan [4]**

1: MS Scholar, Lahore Leads University

2: University Putra Malaysia (UPM)

3: Faculty of Management Sciences, Lahore Leads University, Pakistan

4: University of Bolton (UK)

Corresponding Email: naveeddgk2010@gmail.com

**ABSTRACT**

The purpose of the present study was to investigate the effect of brand image and brand awareness on purchase intentions of consumers in the service sector of Pakistan. To represent service sector we selected the customers of TCS in the city of Lahore. For data collection, a total of 377 questionnaires were distributed among respondents out of which 259 questionnaires were returned that were considered for further analysis. SPSS software was used for data analysis and the results proved that both independent variables like brand image and brand awareness have positive impact on purchase intention of customers. This study will help managers and policy makers in crafting decent branding strategies.

*Keywords: Brand Image1, Brand Awareness2, Purchase Intentions3, TCS4*

## INTRODUCTION

The priority of all organizations is to sell their products or services for the purpose of achieving their objectives (benefits, welfare, value of stock, etc.), it is not surprising that most valuable measures used in market research survey are consumer loyalty measures. Regarding marketers, the significance of comprehension of consumers' processes and activities to which people are engaged in the form of searching for, choosing, purchasing, utilizing, assessing and disposing of products and services for the purpose of satisfying their needs and wants; are definitely acknowledged (Cova, Dalli, & Zwick, 2011). The comprehension has utmost importance concerning the guidance of marketers for the purpose of discovering those stimuli through which motivation of customer is created in the form of positive perception, belief and stance which are concerned with image of company and products' consumer loyalty. Briefly, this comprehension provides assistance to the marketers for the predication of behavior of consumer in the process of consumption.

Intangibility is considered as one of the fundamental feature of services, its mean that we cannot physical touch service, we cannot taste it, we cannot smell it (Parasuraman, Zeithaml, & Berry, 1985). From the service provider's

perspective, researchers contend that because of intangibility, communication regarding services is inconvenient and necessitate the unique contemplation concerning copy strategy and creative execution and from the perspective of customers, services' intangibility prompts the uncertainty regarding facets and advantages of the service (Javalgi, Martin, & Young, 2006) and makes the assessment of quality of service difficult (Parasuraman et al., 1985). Incomplete and asymmetric information results in the origin of uncertainty which assert that typifies service markets, that is, the providers of services have more understanding regarding their services as compared to customers.

## LITERATURE REVIEW

Brand products or services are generally publicized as well as capture the focus of targeted customers. Brand marketing is the way through which the emotional link among people and brand is exploited more than the advantages of the products. Now the brand is extensively accepted as a pivotal factor in customer purchase. Brand play a crucial part that it necessitates the distinctive identity of firm products/services, dissimilar from the rivals. Consumers have no definite information regarding products or services as they face a lot of products and services in market. This results in creation of uncertainty in consumers' mind. The signals are utilized by firms/customers for the purpose of communicating the information when there is availability of asymmetric information in the market (Constitution, Join, Grants, & Listserv, 1999). In such sorts of circumstances, brand can go about as symbol or signals (Erdem & Swait, 2004) and there should be credibility concerning signals (Erdem & Swait, 2004). The commencement of brand credibility is source of credibility literature, when brands involve credibility as an inevitable part then it represents the brand credibility. Brand credibility refers that there is credibility in the facets of brand (Product, Services) information.

## BRAND AWARENESS (BAW)

There are two main reasons for which brand awareness is seen an important concept, first, brand awareness influence the consumer's attitude toward the purchase of product or service and second is, relationship between "Cause Related Marketing" & brand awareness (Shabbir, Kaufmann, Ahmad, & Qureshi, 2010). Brand awareness is the ability of customers to remember or call to mind a brand among the huge number of competitor's brands (Keller, 1993). Keller also discussed that there are two component of brand awareness, one is brand recognition and second is brand recall performance. Keller defined brand recognition as "consumers' capability to confirm their prior exposure to the brand when given the brand as a cue" and brand recall as "brand recall refers to whether consumers can retrieve the brand from memory when given the product category as a cue". To get the maximum benefits, organizations are using different strategies for the purpose of creating brand awareness among their customers (Esch, Langner, Schmitt, & Geus, 2006). Macdonald & Sharp (2000) discussed that regardless consumers are willing to buy or familiar with the product, another important factor still effect the purchase decision is brand awareness. The

brand name which comes first in the mind of the customer shows the greater brand awareness. Dodds, Monroe, & Grewal (1991)&Grewal, Monroe, & Krishnan (1998) stated in their studies that, if there is greater the brand awareness, as a result, there will be greater the influence in the purchase decision of the consumers. Brand awareness play important role in capturing brand equity in business market (Davis, Golicic, & Marquardt, 2008).  Pae, Samiee, & Tai (2002) discussed that regardless of the possibility that there are no other particular brand affiliations, customers would even now want to purchase a brand that is settled and commonplace to them. Consequently, when customer see that a brand has high awareness, a sound brand would be probably going to apply a bigger effect on their brand purchase intension than when the brand's awareness is low, demonstrating a direct impact of brand awareness. Following hypothesis can be drawn based on the literature review;

**H1:** Brand Awareness has a significant positive impact on the Purchase Intension.

## BRAND IMAGE (BI)

Brand image is defined as "the set of brand associations that consumers retain in their memory about a brand" (Keller, 1993). Brand image is very important concept and discussing since 1950. Credit goes to "Gardner & Levy" (Levy 1958) who formally introduced it into marketing discipline. Brand image is a hot issue in research since 1980 (Dobni & Zinkhan, 1990). Favorable and important brand information influence positively the perceived quality, value and the willingness of customer to buy (Dodds et al., 1991). Another study evidenced the same concept that brand information or image influence the purchase intension of customers (Grewal et al., 1998). Probably customers buy famous and well known brands having positive brand image due to less perceived risks related to this brand (Akaah & Korgaonkar, 1988; Rao & Monroe, 1988). Dolich (1969) pointed out that brand image is very important factor and influence the consumer's decision regarding the purchasing of a particular brand, and it also influence the next step that is consumer's buying behavior (Fishbein, 1967; Johnson & Puto, 1987).

Strategically good communicated brand image ought to assistance to set up a brand's position, protect the brand from rivalry, upgrade the brand's market execution, and subsequently plays important roles in building long term brand equity. An all around conveyed mark picture ought to assistance to set up a brand's position, protect the brand from rivalry, improve the brand's market execution, and in this manner assumes a necessary part in building long haul mark value (Aaker & Keller, 1990; Feldwick, 1996; Keller, 1993; Park & Srinivasan, 1994; Park, Milberg, & Lawson, 1991). Brand image is important signal in purchase decision making process of consumer (Wang & Tsai, 2014) . It can be distinguished by uniqueness of association, favorability and strength (Keller, Parameswaran, & Jacob, 2011). Furthermore, the purchase intension of customers can be highly influenced by the brand image (Esch et al., 2006). To set premium prices for your product, it is important that your product must have favorable and unique brand image, then customer will agree to pay premium price for your product (Faircloth, Capella, & Alford, 2001; Lassar, Mittal, & Sharma, 1995). Consistence with previous researches on brand credibility, it could be summarized that a credible brand would likely apply a bigger effect on consumers brand purchase intention when the brand image is seen as strong, positive, and novel, while such an impact is weaker when the brand image is seen

as less solid, great, and extraordinary, consequently showing the moderating role of brand image (O'Cass & Lim, 2002). Following hypothesis can be drawn based on the literature review;

**H2:** Brand Image has a significant positive impact on the Purchase Intension.

## PURCHASE INTENTION (PI)

Purchase intension is the chance that a consumer will purchase a specific product (Dodds et al., 1991; M. Fishbein & Ajzen, 1977; Schiffman & Kanuk, 2000). Bagozzi & Burnkrant (1979) defined purchase intension as "personal behavioral tendency to a particular product". While Spears & Singh (2004) argued that "an individual's conscious plan to make an effort to purchase a brand". It can be judge by customer's perceived value and benefits (Dodds et al., 1991; Grewal et al., 1998; Xu, Summers, & Belleau, 2004; Zeithaml, 1988). Purchase Intention likewise demonstrates how likely it is that the individual would buy an item (Phelps & Hoy, 1996). Purchase Intension has been used by many previous studies as dependent variable (Brown, Pope, & Voges, 2003; Goldsmith, Lafferty, & Newell, 2000; Li, Daugherty, & Biocca, 2002). It is vital to comprehend purchase intention since customer behavior can more often than not be anticipated by their intention. As an essential measure in comprehension loyalty of customers, purchase intention has been viewed as crucial in this unwaveringness develop (Dick & Basu, 1994; Jacoby & Chestnut, 1978). An online survey conducted by Jeong, Oh, & Gregoire (2003) figured out that satisfaction of customer is very important factor of online purchase behavioral intension. 1743 participated in this survey and researcher concluded that quality of website is essential for information satisfaction.

## EFFECTS OF BRAND IMAGE AND AWARENESS ON PURCHASE INTENTION

Chen & Chang (2010) stated that there is a positive relationship between brand image and customer's purchase intention, moreover brand image enhance customer's purchase intention. Tseng & Tsai (2011) compared that there are two level of income, one is "lower income bracket consumers" and second is "higher income bracket consumers", researcher concluded that "higher income bracket consumers show higher purchase intention as a result of perceived value".

Favorable brand image is important factor in purchasing intention and provide base to customers to purchase intention (Jo, Nakamoto, & Nelson, 2003; Keller, 1993). On the other hand Macdonald & Sharp (2000) discussed that famous brand image could be major choice of purchasing a specific product. Based on the above-mentioned literature review, the following theoretical model framework has been developed.
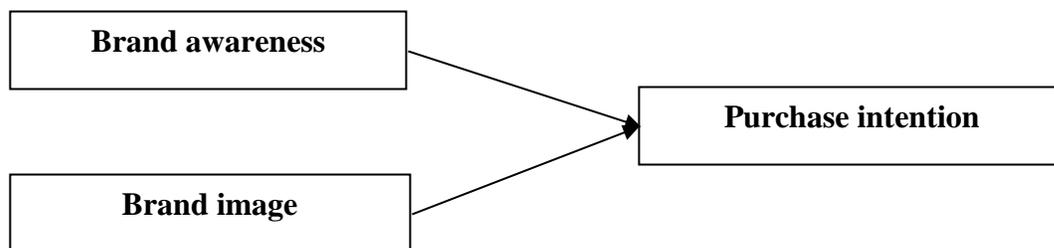
**Figure 1: Proposed Research Model**

## METHODOLOGY

### VARIABLES AND ITEMS

This study adapted questionnaire of Brand awareness from Oliver and Bearden's (1995) three-item scale, The General Brand Image (GBI) scale proposed by Aaker (1996b), which has been extensively used (e.g., Martinez & Chernatony, 2004), was adapted to measure brand image whereas purchase intentions scale was adapted from Pavlou, (2003). All the responses were taken on five point Likert Scale ranging from 1 to 5. 1 for strongly disagree and 5 for strongly agree.

### SAMPLE AND POPULATION

The population for this study will be the people having knowledge of the services of TCS in Pakistan from the city of Lahore. Respondents could easily comprehend the questionnaire (in English language) so that content validity of questionnaire is assured. Sample for this study was 377, respondents selected through convenient sampling method and 259 fully filled questionnaires were returned that were useable for further analysis.

**Table 1: Gender of Participants**

| Gender | Frequency | Percentage |
|---|---|---|
| Male | 166 | 64.0 |
| Female | 93 | 35.9 |
| **Total** | **259** | **100.0** |

There were 259 respondents of this survey. There were 166 male respondents out of 259 respondents and 93 females out of 259 respondents. The percentage of respondents is male 64% and female 35.9%.

**Table 2: Age Group of Participant**

| Age Group | Frequency | Percentage |
|---|---|---|
| 15-25 | 124 | 47.8 |
| 26-35 | 76 | 29.3 |
| Above 36 | 59 | 22.7 |
| **Total** | **259** | **100.0** |

There were 3-age groups mentioned in the questionnaire that are 15-25, 26-35, and above 36. 124 respondents were of age between 15-25, 76 respondents were of age between 26-35, and 59-respondents were above 36 years old.

**Table 3: Education of Participant**

| Education Level | Frequency | Percent |
|---|---|---|
| Under Graduate | 47 | 18.1 |
| Graduate | 168 | 64.8 |
| Post Graduate | 44 | 16.9 |
| **Total** | **259** | **100.0** |

According to results of above table 47 participants were under graduates, 168 participants were graduates and 44 participants were post graduates. Percentage of education level of respondents is 18.1% participants were under graduates, 64.8% participants were graduates, and 16.9% participants were post graduates.

## RESULTS & ANALYSIS OF DATA

Gerbing & Anderson (1988) described many general and basic guidelines for the measurement of reliability and validity that are used in different studies. To reduce questions, factor analysis as data reduction method was used. To examine common variance, all items were analyzed. "Varimax Rotation" must be used in rotation of every factor in factor loading, and a criteria of cut-off value is 0.5 in exploratory factor analysis (Hair, 2007). After the analysis, the results showed good reliability because all values of this study were above the cut-off criterion which was 0.5. With the help of "Cronbach's alpha", scale's reliability was checked and set criterion of 0.70.

In this study, "KMO & Bartlett's Test" is also used to check the acceptability of the sample. Many researchers used "KMO & Bartlett's Test" for adequacy of the sample. 0-1 is the range of KMO and acceptable value is more than 0.6. Table 4 is showing the outcomes of KMO & Bartlett's Test" of this study. The KMO value of this study is 0.763 which is more than the acceptable value i.e. 0.7. On the other hand, "Bartlett's Test" provided us the value 0.000 which indicates that this analysis is perfect to perform the factor analysis.

**Table 4: KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .763 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1354.673 |
| | Df | 120 |
| | Sig. | .000 |

**Table 5: Factor Analysis**

| Variable | Item/ Factor | Factor Loading (EFA) | Cronbach's Alpha |
|---|---|---|---|
| **Brand awareness (BAW)** | BAW1 | .728 | |
| | BAW2 | .841 | .713 |
| | BAW3 | .680 | |
| **Brand image (BI)** | BI1 | .711 | |
| | BI2 | .759 | .759 |
| | BI3 | .892 | |
| **Purchase intention (PI)** | PI1 | .539 | |
| | PI2 | .620 | .791 |
| | PI3 | .781 | |

9 factors of this all 3-variables i.e. Brand Awareness (BAW), Brand Image (BI) and Purchase Intention (PI) were loaded above the criterion of cut-off value.

**Table 6: Descriptive Statistics and Correlation Analysis**

| | Correlation | | |
|---|---|---|---|
| | Brand Awareness | Brand Image | Purchase Intention |
| Brand Awareness | 1 | | |
| Brand Image | .249** | 1 | |
| Purchase Intention | .392** | .416** | 1 |

To check the correlation among the different variables, "Pearson Correlation" analysis is used in this study. Table 6 is showing the correlation among variables. Correlation between "Brand Image & Brand Awareness" variables is 0.249** which shows positive relationship between these variables. Correlation between "Purchase Intention & Brand Awareness" variables is 0.392** which show positive relationship between these variables. Correlation between "Purchase Intention & Brand Image" variables is 0.416** which show positive relationship between these variables.

**Table 7: Test for Normality**

| | Kolmogorov–Smirnov[a] | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
| | Statistics | Df | Sig. | Statistics | df | Sig. |
| Brand Awareness | .083 | 319 | .265 | .925 | 319 | .311 |
| Brand Image | .150 | 319 | .122 | .901 | 319 | .752 |
| Purchase Intention | .159 | 319 | .653 | .909 | 319 | .533 |

Table 7 is showing result of "Normality Test" of variable "Work Place Spirituality (WPS)" and its three dimensions. Two famous tests "Kolmogorov–Smirnov[a] & Shapiro-Wilk" were performed in this test. These both tests are used in research for the purpose of normality test. In above table, both tests are showing p-value greater than 0.05, this is authentication against the alternate hypothesis. So null hypothesis is accepted which is, the data is normally distributed. Based on this authentication, researcher is sure that data is normally distributed and regression analysis can be executed.

**Table 8: Overall Results of Regression Analysis**

| Hypothesis | R | R-Square | F | Beta Value (B) | Standard Error (Std. Error) | t-value | p-value | Significant/ Insignificant | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Tolerance | VIF |
| H1 | .811[a] | .657 | | .31 | .071 | 4.38 | .000 | Significant | 1.000 | 1.000 |
| H2 | .513[a] | .263 | 39.856 | .491 | .043 | 11.41 | .000 | Significant | 1.000 | 1.000 |

To check the "cause and effect" relationship between independent variable "Brand Awareness (BAW)" and dependent variable "Purchase Intention (PI)", Regression Analysis, Model Summary & ANOVA was run by researcher. Above table 8 is showing that R-Square Value is 0.657. This value of R-Square is significant positive which shows that there is 65.7% change in dependent variable "Purchase Intention (PI)" is due to this independent variable "Brand Awareness (BAW)". The value of β is 0.311 (positive), T-Value is 4.38 (greater than 2.00) and P-value is 0.000 (less than 0.05). Hence by keeping in view these results, researcher concluded that "Brand Awareness (BAW)" and "Purchase Intention (PI)" has highly significant positive relationship. Based on this conclusion, null hypothesis is rejected and alternative hypothesis H1 is accepted.

In case of relationship between independent variable "Brand Image (BI)" and dependent variable "Purchase Intention (PI)", above table 8 is showing that R-Square Value is 0.263. This value of R-Square is significant positive which shows that there is 26.3% change in dependent variable "Purchase Intention (PI)" is due to this independent variable "Brand Image (BI)". The value of β is 0.491 (positive), T-Value is 11.41 (greater than 2.00) and P-value is 0.000 (less than 0.05). Hence by keeping in view these results, researcher concluded that "Brand Image (BI)" and "Purchase Intention (PI)" has highly significant positive relationship. Based on this conclusion, null hypothesis is rejected and alternative hypothesis H2 is accepted.

## CONCLUSION AND SUGGESTION

The study finds that brand awareness is positively related to purchase intention. It signifies that consumers will buy a familiar and well know product (Jacoby & Chestnut, 1978; Keller, 1993; Macdonald & Sharp, 2000). In other words, the higher the brand awareness, the higher the purchase intention. Results of this study are same as concluded and discussed by many previous researchers in their studies. This study shows that brand awareness is important factor that effect the purchase attention, same results was discussed by Macdonald & Sharp (2000). The brand name which comes first in the mind of the customer shows the greater brand awareness. Dodds et al. (1991)&Grewal et al. (1998) concluded that, if there is greater the brand awareness, as a result, there will be greater the influence in the purchase decision of the consumers. Brand awareness play important role in capturing brand equity in business market (Davis et al., 2008). The study suggests that organizations should pay attention to the influences of brand awareness on purchase intention. The study finds that if consumers can identify a brand name when they want to buy a product or service, it means that the product or service hold higher brand awareness. When a product has a well known brand name, it can win consumers' preferences and increase their purchase intention. Thus, organizations ought to build a brand and promote its brand awareness through sales promotion, advertising, and other marketing activities. When brand awareness is high, its brand loyalty will also increase.

The study finds that brand image is positively related to purchase intention. The results show that brand image does influence consumer's purchase intentions. As, Aghekyan-Simonian, Forsythe, Kwon, & Chattaraman (2012)

emphasized that brand image has a positive impact on purchase intentions in both the physical store environment and the online environment. It is observed that brand image influences quality and trust perceived by customers. Finding of current study is consistent with previous studies that brand image significantly affects quality and trust perceived by consumers (Chiang & Jang, 2007). As TCS is well know due to their quick delivery and safety to the parcels. This study conform it, as, customers look for less perceived risk related to product or service. Same results backed by previous researches that customers buy famous and well known brands having positive brand image due to less perceived risks related to this brand (Akaah & Korgaonkar, 1988; Rao & Monroe, 1988). Dolich (1969) confirms the findings of this study that brand image is very important factor and influence the consumer's decision regarding the purchasing of a particular brand, and it also influence the next step that is consumer's buying behavior (Fishbein, 1967; Johnson & Puto, 1987).

## LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The focus of this study is only service sector of Pakistan specifically courier service. Further research can be in other sectors like telecom, automobiles etc. Sampling techniques was convenient sampling that is not without biasness so future research studies on same area should use probability sampling if possible. The research was limited to the variables of brand awareness and brand image; proposed model can be changed by taking other variables like price, quality, and consumer trust can be taken as mediator.

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# DOES WORK FAMILY CONFLICT AND FAMILY TO WORK CONFLICT CAUSE NEGATIVE IMPACT ON JOB SATISFACTION?

## A Study From Higher Education Sector Of Pakistan

**Naveed Ahmad[1], Mubashar Ghani[2], Rana Tahir Naveed[3]**

1: Faculty of Management Sciences, Lahore Leads University, Pakistan

2: MBA Student, Lahore Leads University

3: University Putra Malaysia (UPM)

**Corresponding Email:** naveeddgk2010@gmail.com

**ABSTRACT**

The present study aims at investigating the impact of two constructs like work family conflict (WFC) and family to work conflict (FWC) on job satisfaction of university teachers of Pakistan. Mainly the study was conducted in private education sector of Pakistan and data was collected from university teachers of different universities in Lahore. A total of 300 questionnaires were distributed among respondents of study and 221 fully filled questionnaires were returned. SPSS software was used for data analysis purpose and the results revealed that work family conflict is not negatively associated with job satisfaction however family to work conflict creates negative impact on job satisfaction in higher education sector of Pakistan.

*Keywords:* Work Family Conflict1, Job Satisfaction2, Pakistan3, University Teachers4

## INTRODUCTION

Deadly effects of Work-family conflict on an employee's daily life, has been observed by scholars, administrators and establishments with lot of concern (Allen, & Sutton, 2000; Amstad et al. & Semmer, 2011; Kalliath & Brough, 2008). A substantial rise, in single parent category who is engaged in doing two jobs simultaneously while looking after their homes as well, dangerously disturbed the equilibrium between work and family areas (Korabik, & Whitehead, 2008). Being social obligation, mostly woman folk, is responsible to manage domestic affairs (Healy & Lonne, 2010), put lot of pressure and supplement extra load on them (Craig, 2006). A new concept has been developed and emerging in Europe, "Work from home" due to the advancement in the field of information technology. It has significant effects on the fitness of worker, as there is hardly any difference between work area and any other place (Brady, 2002). This state of mind very deeply effects the worker's fitness during that job (Allen et al., 2000).

Main reason, of work family conflict, is that when one try to carry out so many tasks single handedly, could not find the means to accomplish those tasks neither at office or at the residence and some task slips out of one's mind (O'Driscoll, & Kalliath, 2004). It has been identified that the domestic conflicts have direct bearing in the outcome

of the worker (e.g. less work happiness), domestic issues, concerning results (e.g. less domestic fulfilment) and tension based living (e.g. enlarged mental and emotional stress) (Allen et al., 2000; Major, & Erhart, 2002). To the extent, number of scholarly researchers have identified that the work will show less results who are mentally pre occupied (Faragher, & Cooper, 2005). Due to these reasons that this research is being conducted to identify the arbitrating properties of work fulfillment in relation to work family conflict clash in Pakistan's educational system.

## LITERATURE REVIEW AND HYPOTHESIS

Work family conflict can be narrated as once the assigned tasks are not completed neither at office nor at home and persons fail to strike balance in these two (Greenhaus & Beutell, 1985, ). Work family conflict has three main areas of conflict as described by Greenhaus and Beutell (1985) i.e. "time-based conflict, behavior based conflict and strain-based conflict." "Time-based conflict" means once other partner failed to turn up for a specific task from his or her office, for example, a worker did not report at given time to complete his child's exercise given by teacher to the kid due to official constraints. "Behaviour- based" conflict occurs once the other partner uses a similar behavior not required at a specific place either at home or work e.g. an employee displays a conduct in domestic environment which he should have displayed at work area. "Strain-based" conflict takes place once the person is already in tension, restless and pre occupied in the office and displays similar attitude domestically, will further aggravate the situation. Work family conflict (WFC) can be theorized as multidirectional thing which has a harmful results in family to work (FWC) outputs or vice versa (Greenhaus & Beutell, 1985). Thus, a more disturbed person gets more impact of office or domestic disturbance and similarly a person having assistance at home, enjoy his work at office and have better relationship at home as well with maximum job satisfaction (Frone et al., 1997; Voydanoff, 2002). Various researches have indicated that a damaging relationship in work family conflict or vice versa can be linked directly with work family conflict, whereas more work family conflict, minimize job satisfaction (e.g. Aryee, Srinivas, & Tan, 2005; Howard, Donofirio, & Boles, 2004). Similarly, optimistic relations indicate that an improved work family conflict and mental stress further aggravate the situation that means more domestic stress more mental stress (e.g. Franche et al., 2006; Gareis et al., 2009; Noor, 2004).

## RELATIONSHIPS BETWEEN WORK-FAMILY CONFLICTS AND JOB SATISFACTION

People give lot of weightage towards Work and family roles. As an employee indulge in a high degree of work and family conflict, that surely effect his job satisfaction. Once a "work role conflicts" with a "non-work role", it minimize the "role satisfaction" (Boyar et al., 2003; Zhao & Namasivayam, 2012). Zhao and Namasivayam (2012) explained that hotel employee, once convinced that his nature of job hindered with his role at home, his job satisfaction reduced. Moreover, Boyar et al. (2003) also identified that once an employee finds out his "work interfering" with "non-work", job evaluation is minimized, and it helps in reducing job satisfaction. On the other hand, we can say that, an employee does not get the role as per his family roles, and which is not in line with his work, it effects the job, and it may minimize job satisfaction. Any other activity like, overtime, working in shifts,

doing work on holidays etc, can deny individual's time with the family (Tsaur, & Hsu, 2012). As a result, employee may assume, dissatisfied with his work because it may not be possible to meet the family requirements. Few other studies have also discussed that "non-work role aspects interfering with work role" may minimize job satisfaction. Zhao and Namasivayam (2012) have identified, that once the employees are unable to get desired results during the job, and desired objectives are not achieved, this make them frustrated and they feel dissatisfied. Similarly, Boyar et al. (2003) also reach to this decision that when a "non-work role" interfered with a "work role", an employ will individual would through all the guilt to the organization which is the source of discomfort, and it decreases the job satisfaction level. On the other hand, once, "when the work role is interfered with by the family role, i.e. when the family interferes with the work," that will minimize employee's job satisfaction.
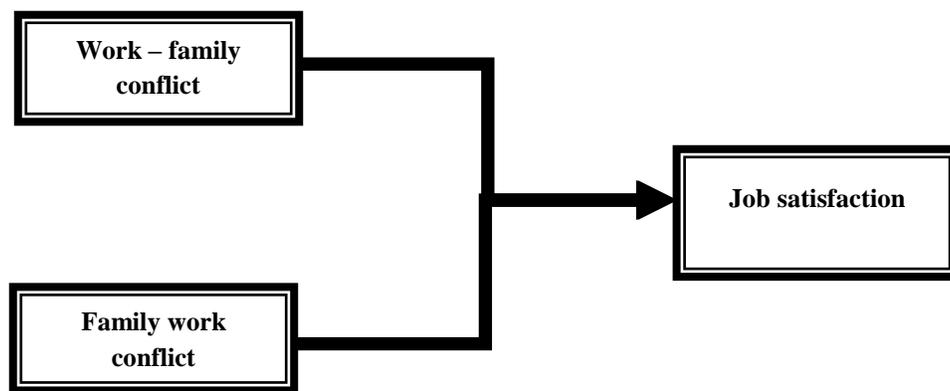


**Figure 1: Proposed Research Model**

A more time is spent with family, surely reduces his working hours which he spends at work place (Tsaur et al., 2012). Thus, an employee does not get appropriate response and do not achieve desired goal and will slowly gets dissatisfied with his job. So based on above literature the following hypotheses are stated as :

**H1:** Work to Family Conflict (WFC) have a negative significant impact on job satisfaction that is higher the level of work family conflict lesser will be job satisfaction

**H2:** Family to work conflict have a negative significant impact on job satisfaction that is higher the level of family to work conflict (FWC) lesser will be job satisfaction

**SAMPLING TECHNIQUE**

The measuring scale, containing 9 segments referring to work-Family Conflict and family to work conflict which was developed by Carlson et al., (2000) used to evaluate both types of conflicts. . Job Satisfaction was tested by applying O'Driscoll (2000) scale. All responses were collected on a five-point Likert scale ranging from 1 strongly disagree to 5 strongly agree.

**RESULTS AND ANALYSIS**

### Table 1: Gender of participants

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 119 | 53.8 |
| Female | 102 | 46.2 |
| **Total** | 221 | 100.0 |

In the present study, the author used convenient sampling method for data collection that is non probability sampling and the reason for choosing non probability sampling was the author was not having access to sampling frame. A total of 300 questionnaires were distributed among teachers of different universities in the city of Lahore and 221fully completed questionnaires were returned and hence the response rate remained 73.6% that was reasonable.

### Table 2: Age of participants

| Age Group | Frequency | Percentage |
|-----------|-----------|------------|
| 25-30 | 33 | 14.9 |
| 31-35 | 96 | 43.4 |
| 36-45 | 48 | 21.7 |
| above 45 | 44 | 10.5 |
| **Total** | 221 | 100 |

There are a total of 221 respondents in this study the frequency distribution was male 119 out of 221 & female 102 out of 221. The respondents' percentage of the male is 53.8 % and female 46.2%.

In questionnaire total 4 groups of age are mentioned and that are: 25 to 30, 31 to 35, 36 to 45 & above 45. The frequency of age is 33, 96, 48 and 44 respectively. Similarly in term of parentage, these are 14.9 for age group 25-30, 43.4 for age group 31-35, 21.7 for age group 36-45 and finally 10.5 for age group above 45. The age group 31-35 is highest in this survey that is almost 44 percent and above 45 group is lowest in this regard.

### Table 3: Level of Education

| Education | Frequency | Percentage |
|-----------|-----------|------------|
| Masters | 41 | 18.5 |
| MS/ MPhil | 126 | 57.0 |
| PhD | 54 | 24.5 |
| **Total** | 221 | 100.0 |

The above table shows the descriptive of Education, there are total of 221 respondents in which 41 respondents are having Masters degree, 126 respondents were having MS/MPhil and 54 respondents were having doctorate degree. Whereas in terms of percentage they are 18.5, 57.0 and 24.5 respectively.

**Table 4: Correlation Analysis**

|  | WFC | FWC | JS |
|---|---|---|---|
|  | 1 |  |  |
| FWC | .224** | 1 |  |
| JS | .119** | -.331** | 1 |

In the current study "Pearson correlation" analysis technique used to see the correlation between different variables. Above Table shows the correlation between variables. Correlation between e-work to family conflict (WFC) and family to work conflict (FWC) is .224** which shows positive significant relationship between work to family conflict (WFC) and family to work conflict (FWC) variables. Correlation between WFC and job satisfaction variables is .119** which shows a positive significant relationship between WFC and job satisfaction variables. Correlation between FWC and JS variables is -.331** which shows a negative significant relationship between FWC and job satisfaction (JS) variables.

**RELIABILITY AND VALIDITY**

In this study, "KMO & Bartlett's Test" is also used to check the acceptability of the sample. Many researchers used "KMO & Bartlett's Test" for adequacy of the sample. 0-1 is the range of KMO and acceptable value is more than 0.6. Table 5 is showing the outcomes of KMO & Bartlett's Test" of this study.

The KMO value of this study is 0.735 is more than the acceptable value i.e. 0.7. On the other hand, "Bartlett's Test" provided us the value 0.000 which indicates that this analysis is perfect to perform the factor analysis.

**Table 5: KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |  | .735 |
|---|---|---|
|  | Approx. Chi-Square | 1238.233 |
| Bartlett's Test of Sphericity | Df | 221 |
|  | Sig. | .000 |

**Table 6: FACTOR ANALYSIS**

| Variable | Item/ Factor | Factor Loading (EFA) | Cronbach's Alpha |
|---|---|---|---|
| **Work-Family Conflict (WFC)** | WFC1 | .561 | .729 |
|  | WFC2 | .638 |  |
|  | WFC3 | .592 |  |
|  | WFC4 | .538 |  |
|  | WFC5 | .611 |  |
|  | WFC6 | .732 |  |

| | | |
|---|---|---|
| | WFC7 | .528 |
| | WFC8 | .733 |
| | WFC9 | .639 |
| **Family to Work Conflict (FWC)** | FWC1 | .730 |
| | FWC2 | .511 |
| | FWC3 | .674 |
| | FWC4 | .573 |
| | FWC5 | .843 |
| | FWC6 | .643 |
| | FWC7 | .596 |
| | FWC8 | .739 |
| | FWC9 | .694 |
| **Job Satisfaction (JS)** | JS1 | .592 |
| | JS2 | .841 |
| | JS3 | .569 |

(The .791 value appears aligned with the FWC block, and .783 aligned with the JS block in a separate reliability column.)

21 factors of all 3-variables i.e. Work to family conflict (WFC), Family to work conflict (FWC) and Job Satisfaction (JS) loaded in this analysis and all factor were well above the criterion of cut-off value 0.5 so these result provide sufficient ground to accept the statistics of factor analysis.

Similarly the reliability value for all three variables is also above 0.7 that mean there is no issue of reliability in this analysis and we can proceed analysis towards hypothesis testing.

## Table 7: Results of Regression Analysis

| Hypo-thesis | Structural Path | | Beta Value | T-Value | P-Value | Proved/ Rejected |
|---|---|---|---|---|---|---|
| **H1** | WFC | JS | -.031 | .492 | .133** | **Rejected** |
| **H2** | FWC | JS | -.262 | -8.45 | .0000** | **Proved** |

**1:WFC (R=0.481    $R^2 = 0.230$ F= 41.89   P<0.05) ; 2:FWC (R= .621    $R^2= 0.386$ F= 39.856  P<0.05)**

The above table describes the results of all two hypotheses. As it can be seen from above table that the predictor variable work to family conflict (WFC) is causing a negative change in criterion variable job satisfaction (JS) as its value is -.031 that means one unit change in predictor variable brings -.031 unit of change in criterion. But as the result is not significant as the value of P is .133 that is greater than the cut- off value at 95 percent level of significant. So our hypothesis H1 is not true and acceptable its mean work to family conflict is not causing a negative impact on job satisfaction. So null hypothesis in this regard is accepted here.

Similarly, the results of hypothesis 2 are also shown in the above table and beta value is -.262 that is again negative and showing family to work conflict is causing a negative change in job satisfaction variable. Interestingly this result is significant as the p value is less than 0.05 in this case that mean the hypothesis 2 is statistically proved to be true and family to work conflict is a negative predictor of job satisfaction in higher education sector of Pakistan for this survey.

## DISCUSSION AND CONCLUSION

Most of the studies revealed a great impact of work family conflict on job satisfaction. Study also disclosed that it has no bad impact on job satisfaction in the context of WFC. We can say, after returning from a job a teacher observes that his professional effort affects the domestic environment e.g. "I feel very tired mentally when I come home after finishing professional a tour group" or "my job takes me away from my family"). That does not decrease their job satisfaction. So It is presumed that, hypothesis 1 has no bearing. An argument in this regard could be that job satisfaction mostly results from work-related factors, such as support from the supervisor (Karatepe & Kilic, 2007). It is important to know, that the effect of official matters on domestic environment, if truly observed that it shows, domestic environment which gets disturbed more, relatively than the work which gets affected. So, job satisfaction has no bad impact. As an outcome, it relates to the research carried out before by Karatepe and Bekteshi (2008). On the other hand, once an educational employee assumes that "I am worried about whether I should reduce my working hours, and spend more time with my family" or "when I am working, I need to spend a lot of effort on family affairs", this type of attitude minimize their job satisfaction. That is why, hypothesis 2 has been proved statistically, once the job of an educational employee like teacher gets effected by the domestic matters e.g. the teacher has to minimize the working time or lacks attention on their job due to domestic issues, will feel unpleased from his job as indicated by Lapierre et al. (2008) who identified that stress-related and attitude-related family-work conflict will badly effect job satisfaction.

## MANAGEMENT IMPLICATIONS AND SUGGESTIONS

Various studies revealed that an educational employee's family-work conflict held, it also had some relation with his work and effected the job satisfaction to minimum. Administrators need to view this serious problem with lot of concern that unpleased employees are serious threat to an educational institute. Satisfied employees will focus more and they produce satisfied customer, which in result, enhance educational institute performance. Educational employees remain absent during the official activities for quite a sometime at a stretch. In brief, if an educational employee can manage his official and domestic matters nicely, than it can become very fruitful to the business. Institutions should make strategies to develop the domestic life of their educational employees so that it does not affect their official routine, this will be developing a healthy atmosphere.

## LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

It was based on the information gathered through questionnaire. The outcome can be biased by common method variance. It is recommended that alternate information gathering tools may be developed to reduce common method variance. Another issue can be this research only considered work family conflict to measure job satisfaction and there could be a lot of other factors that influence job satisfaction. It is recommended that more deliberate researches with more variables may be carried out to find out inter related combinations. Yet another issue worth mentioning is related to the skills and length of time the workers possess, may affect differences in outcome of the study. It is recommended that more detailed research be carried out to evaluate this issue in detail. Finally this research study took data from both private and public university teachers of Lahore city the future researchers are suggested to have a comparison of these two constructs in order to know which sector is more prominent in relation to WFC and FWC and job satisfaction.

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# Mediating Role of Partner Relationship on E-Procurement and Supply Chain Performance
# A study from pharmaceutical sector of Pakistan

**Naveed Ahmad[1], Abbas Ashraf[2], MohammadAdnan[3]**
1: Faculty of Management Sciences, Lahore Leads University, Pakistan
2: MBA Student, Lahore Leads University
3: University of Bolton (UK)
**Corresponding Email:** naveeddgk2010@gmail.com
Abbasashraf45143@gmail.com

## ABSTRACT

The aim of this study was to explore the relationship of E-procurement and supply chain performance and how partner relationship plays a mediating role in this relationship in pharmaceutical sector of Pakistan. Mainly, the research was conducted in pharmaceutical companies of Lahore. To represent pharmaceutical sector in Lahore sunder industrial estate was selected for data acquiring. Total of 384 questionnaires were moved among respondents. Total 267 questionnaires were collected which were applicable for further processing. Different statistical tools and techniques are used like Descriptive statistics, Regression and correlation analysis. Results show that E-procurement has positive and significant impact on supply chain performance and partner relationship plays partial mediating role. This study will guide the top management and policy makers in crafting supply chain related strategies especially in pharmaceutical sector of Pakistan.

*Keywords***:** E-procurement1, partner relationship2, supply chain performance3, Pakistan4

## INTRODUCTION

The large part of supply chain management is the assessment of e-procurement (Michiel et al. 1997; Handfield, 2006). Information technology traditionally supported procurement in a supply chain. In 1980 after the use of (ERP) enterprise resource planning system a connection with suppliers was established through electronic data interchange. To reduce the original procurement cost organizations use e-procurement. E - Procurement can also help organizations to enhance the efficiency, better contract compliance, cut down cycle time and minimize human error. In modern years the e-procurement adoption increased rapidly (Dolmetsch,. 2000). E-procurement advantages on supply chain performance have discussed in past studies (Presutti, 2003; Gunasekaran, & McGaughey, 2004; Turban, & Gehrke, 2000). Moon, & Kim, 2005; and Bendoly, & Schoenherr, 2005) explained the benefits of e-procurement. Benefits include: (1) Transaction costs cut down, (2) quick ordering, (3) large area of dealer preference, (4) Easy procurement processes, (5) access to further different buyers.

However, e-procurement process by which e-procurement adds to supply chain performance is still a secret issue. In the new study, the partner relationships are the most important process by which e-procurement add to supply chain performance because without a good partner relationship we cannot share information and integrate the supply chain (Hsin, 2013). The author suggests that partner relationships, express the reason for the relationship between supply chain performance and e-procurement. For example, Supply chain management and inventory system of Wal-Mart's benefits not only Wal-Mart's but also the partners of Wal-Mart's ( Johnson, & Whang 2002).

## PROBLEM STATEMENT

Mostly in Pakistan, many organizations look e-procurement simply is just the use of (IT), information technology for information sharing with suppliers, but they fail to check out other strategic and planned benefits. This nonappearance of understanding could discourage the admission of e-procurement. Barriers like, over amount of technology, absence of technical ability, less knowledge of e-procurement, will shut down the acceptance of e-procurement (Hawking et al. (2004). In Pakistan, Every organization wants to achieve competitive advantage because we are living in competitive environment and every organization is struggling to discover new ways for cost cutting tactics so that they can minimize their cost in this regard when we look into the perspective of e procurement it introduces the factor of information technology that can influence supply chain performance so the reason for this particular research is very clear.

## LITERATURE REVIEW

## E-PROCUREMENT

In the literature mostly e-procurement definitions recommend that it's a computerized electronic purchasing process. Many companies are finding e-Procurement to be an effective way to maintain their supplier lists. E-Procurement gives companies the ability to compare supplier prices, service levels, and product quality. Muffatto, & Payaro, (2004) explains that E –business is a system in which internet technology is used to organize the company business process to enhance efficiency and productivity. This system of communication is the better combination of suppliers, customers, and buyers See the E-procurement as a most important and powerful mechanism for achieving productivity improvement and cost reduction. (Peleg, & Hausman, 2002)

## DIMENSIONS OF E-PROCUREMENT

In the present study, the author explains the four dimensions of e-procurement that are: e-negotiation, e-sourcing, e- evaluation, and e-design (Croom et al. 2000; Kim, 2004; Presutti ,2003; Abu-ELSamen, & Warren, 2010; Arende, 2015). The process of organizing negotiation by using electronic path between the business partners is called E-negotiation. E-negotiation provides more potential and efficient processes to business partners to

abstract better contracts in minimum time. In E-sourcing through electronic procurement an organization choose its suppliers and through individual online portal bids are collecting from many different supplies in e-sourcing.E-sourcing advantages include minimizing prices by raising supplier competition, organize the sourcing process, and construct a repository because of sourcing information.

## SUPPLY CHAIN PERFORMANCE

A supply chain is basically a system of activities, organizations, people, resources, and information involved a process of moving a goods and services from one or more suppliers to customers. The performance of supply chain crosses boundaries of the company after it includes components, basic material, distribution, subassemblies, and finished products through many mediums to the last customer. Supply chain performance also crosses historic practical lines like procurement, distribution, manufacturing, research and development and sales & marketing. The system of e-procurement improves and enhance the operation processes effectiveness and supply chain transparency (Puschmann, & Alt. 2005). When studying the supply chain performance it could easily see that the system of electronic procurement is more important than other e- business functions.

## RELATION OF E-PROCUREMENT AND SUPPLY CHAIN PERFORMANCE IN ORGANIZATION

E-procurement is the electronic process of purchasing the stock and services that are necessary for every organization to run their operation.
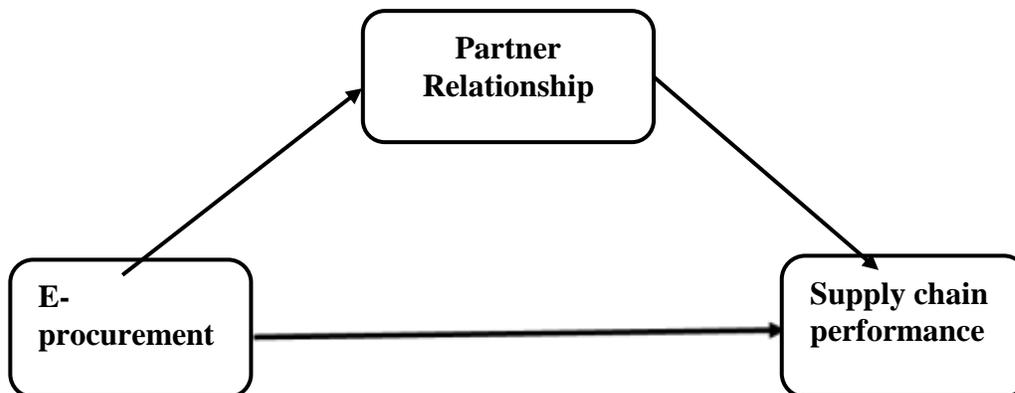


**Figure1: Research Model of the study**

E-procurement offers a certain-time platform for running the business, and also providing a suggestive opportunity to enhance organizational effectiveness, cut the costs, and upgrade customer services (Gunasekaran, & Ngai, 2008).

## METHODOLOGY

In the above model, it clearly examines the impact of e-procurement on the supply chain performance. Author research model identifies the impact of e-procurement on partner relationships. This model firstly tells the factors

which can influence on the e- procurement and secondly it helps to adopt the right way of using e-procurement to enhance the supply chain performance and make the better relationship with their suppliers. E-procurement system upgrades the efficiency of operations and the clarity of supply chain (Puschmann, & 2005). E-procurement and practices for just in time delivery may help to increase responsiveness as well as cut down the lead time of delivery and thus deliver competitive advantage.

The above discussion leads us to state the following hypothesis:

**H-1**: **E-procurement has the positive significant impact on supply chain performance**.

E-procurement is positively relevant to (IS) information sharing that arise between an organization and its suppliers, partners, and members of a channel. E-procurement system supports an organization to communicate more smoothly to its suppliers (Eng, 2004). By the use of technology that based on internet facilitated the flows of information among organizations and maintained the quality (Cagliano et al., 2003; Johnson, & Klassen, 2005). Powerful commitment, superior trust levels and large information sharing between the partners of a supply chain are the most important elements to gain flourishing supply chain achievement. Based on above literature it can be stated:

**H-2: There is the positive significant relationship between e-procurement and partner relationship.**

Partnership in the supply chain is a synergetic relationship between seller and a buyer which address some property of interdependence and compliance on a particular project or purchase agreement (Ellram,. 1991; van 2001). Furthermore, a partnership expresses direct, long-term fellowship, efforts for problem-solving and encouraging shared planning (Maloni & Benton, 1997; Gunasekaran et al. 2004).

**H-3: There is positive significant relationship between partner relationships and supply chain performance.**

The positive impact of SCM on the performance of business will be cut down if ignored the partnership. Thus, when organizations encourage e-process, they must value their proposition partnerships to take an absolute performance of the business through SCM that's why Partner relationships express the reason for the relationship between supply chain performance and e-procurement. E-SCM's execution and adoption have the important impact on non- financial and financial performance of the organization (Wu & Chuang (2010). The above discussion paves the way to the following proposition:

**H-4: Partner relationships work as a mediator between e-procurement and supply chain performance.**

The author selected pharmaceutical organizations which are situated in Lahore sunder industrial estate and which depend on supply chain management (SCM) to get a competitive advantage. The population of the study is the personnel of different pharmaceutical companies working at sunder industrial estate. The sample size was 384 calculated with the help of online sample calculator.

**SAMPLING TECHNIQUE & SAMPLE SIZE**

In the present study, the author used convenient sampling technique for collecting data as the author has no perfect sampling frame with 5% percent error margin, 95% percent confidence, the size of the sample has been received by using the www.raosoft.com online calculator of sample size and the sample size is 384.

**QUESTIONNAIRE**

Questionnaire was containing four compounds. Items for e-procurement, Its 4 dimensions, partner relationships and supply chain performance. Items of e-procurement and supply chain performance were collected from Hsin , (2013) 3 of e-negotiation, 4 of e-sourcing, 3 of e-evaluation, 4 of e-design, 3 of supply chain performance and partner relationships included 6 items adapted from Lin, & Kuan. (2010). Items were used to compile data. For this object, a Likert scale of five points was used 1= for strongly disagree to 5=strongly agree.

**RESULTS AND ANALYSIS**

**Table 1: Gender of participants**

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 183 | 68.5 |
| Female | 84 | 31.5 |
| **Total** | 267 | 100.0 |

There is total 267 respondents in this study the frequency distribution was male 183 out of 267 & female 84 out of 267. The respondent percentage of the male is 68.5 % and female 31.5%.

**Table 2: Age of participants**

| Age Group | requency | Percentage |
|-----------|----------|------------|
| 5-25 | 3 | 16.1 |
| 26-35 | 36 | 50.9 |
| 36-45 | 60 | 22.5 |
| above 45 | 28 | 10.5 |
| **Total** | 267 | 100.0 |

**Table 3: Experience of participants**

| Experience | Frequency | Percentage |
|------------|-----------|------------|
| 0-3 | 78 | 29.2 |
| 3-10 | 130 | 48.7 |
| above 10 | 59 | 22.1 |
| **Total** | 267 | 100.0 |

In questionnaire total 4 groups of ages are mentioned and that are: 15 to 25, 26 to 35, 36 to 45 & above 45. The age of 43 respondents is between15 to 25, 136 respondents were age 26 to 35, 60 were 36 to 45 and 28 respondent are above 45. Experience table shows that there are total 267 respondents in which 78 respondents under 0 to 3 years' experience, 130 respondents were 3-10 years' experience and 59 respondents were above 10 years' experience.

### RELIABILITY AND VALIDITY

In this study, "KMO & Bartlett's Test" is also used to check the acceptability of the sample.

**Table 4: KMO and Bartlett's Test**

| | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .761 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1318.233 |
| | Df | 228 |
| | Sig. | .000 |

Many researchers used "KMO & Bartlett's Test" for adequacy of the sample. 0-1 is the range of KMO and acceptable value is more than 0.6. Table 4 is showing the outcomes of KMO & Bartlett's Test" of this study. The KMO value of this study is 0.761 which is more than the acceptable value i.e. 0.7. On the other hand, "Bartlett's Test" provided us the value 0.000 which indicates that this analysis is perfect to perform the factor analysis.

**Table 5: Reliability Analysis**

| Variable | No. of Item | Alpha Value |
|---|---|---|
| E- Procurement | 14 | 0.732 |
| Supply Chain performance | 3 | 0.751 |
| Partner Relation | 6 | 0.839 |

The above table shows the results of reliability analysis. For this, the value of Cronbach's alpha was obtained and according to Hair & Black, (2006), the cutoff value for alpha value is 0.70. As in our case all the values are greater than 0.70 so the criteria of reliability are verified and test of reliability is successfully done.

**Table 6: Correlation Analysis**

| | E-PRO | Part- Rel | SCP |
|---|---|---|---|
| E-PRO | 1 | | |
| Part- Rel | .412** | 1 | |
| SCP | .341** | .545** | 1 |

In the current study "Pearson correlation" analysis technique used to see the correlation between different variables. Table 5 shows the correlation between variables.

**Table 7: Results of Regression Analysis**

| Hypo-thesis | Structural Path | Beta Value | T-Value | P-Value | proved/ Rejected |
|---|---|---|---|---|---|
| **H1** | EP ⟶ SCP | .1361 | 2.64 | .0064* | **Proved** |
| **H2** | EP ⟶ PR | .3420 | 4.721 | .0000** | **Proved** |
| **H3** | PR ⟶ SCP | .1531 | 5.85 | .0000** | **Proved** |
| **H4** | EP ⟶ PR ⟶ SCP | .0735 | 3.64 | .0003** | **Proved** |

Correlation between e-procurement and partner relationships variables is .412** which shows positive significant relationship between e-procurement & e- partner relationships variables. Correlation between e-procurement and SCP variables is .341** which shows a positive significant relationship between e-procurement and SCP variables. Correlation between partner relationship and SCP variables is .545** which shows a positive significant relationship between partner relationship & SCP variables.

The above table describes the results of all hypothesis and results of mediation analysis. For hypothesis testing and mediation analysis the process macro developed by Andrew F. Hayes was used in SPSS and model 4 was chosen from the list of 74 models as model 4 is for simple mediation analysis. As it can be seen from above table that the direct impact of E- Procurement on Supply chain performance is positive and significant (0.1361).

Similarly the indirect effect of E-Procurement on supply chain performance through partner relation (0.735) is positive but reduced that mean partial mediation is happening here. This is also confirmed from the findings of sobel test and z value. Similarly, the effect of E-procurement on partner relation is positive and significant (0.342) and same is the case with partner relation and supply chain performance (0.153). So all results are positive and significant (P value <0.05) and all hypothesis are statistically proved to be true. Hence it is proved that E- procurement has the positive impact on supply chain performance whereas partner relation mediates this relationship positively.

**DISCUSSION AND CONCLUSION**

The conclusion and results of the current study give enough space to accepting the hypothesis that E-procurement and supply chain performance are positively related with each other. The other sub-hypothesis are accepted and true at 95 % of significance level. Results of current study are similar to the results of Hsin, & Hsu, (2013), who did the study on e-procurement in telecommunication, Hard disk and Biochemistry industries. The current study explains the effect of E-procurement and on supply chain performance. According to the current study results, the organizational directors, especially in the pharmaceutical sector of Pakistan, should recognize E-procurement and its four major dimensions in making (HRM) human resource management strategies and policies. Furthermore, it is also evident from the discovering of the current study that management and directors of the organizations perform the organizational task in a nice manner and enhance the performance of supply chain management by adopting e-

procurement. As in the pharmaceutical sector and other sectors the organizations and their leaders are not able to enhance the supply chain performance in a positive way and achieve competitive advantage whenever they are not adopting the e-procurement system.

## THEORETICAL AND PRACTICAL IMPLICATIONS

In term of practice and theory, there are some important implications of the present study. The current study discusses the e-procurement in Pakistan perspective whereas previous studies discuss the e-procurement in developed countries perspective. The present study also adds in current literature to investigate the e-procurement result in pharmaceutical sector of Pakistan whereas other previous research studies in other sectors like telecommunication, computer technology and Biochemistry etc. Furthermore, the current study suggested the managers and supervisors of the organizations should adopt the e-procurement system and enhance the organization supply chain performance: First, organizations must know about the use of e-procurement system so that by the help of this system organization could easily collaborate and documented with partners.

The managers of the organizations should executing the e-procurement system because they provide some advantages like overcasting of procurement and process costs (Puschmann & Alt, 2005). The present research study recommends when managers analyzing the application of e-procurement structure, the manager should evaluate the affairs of partner relationships, end user contention and shaping in order to acquire supply chain performance (Hsin, 2013).

## LIMITATIONS AND FUTURE DIRECTIONS

The author thinks that the limitation of the current study is a space for coming research studies. The first limitation of the study is that the current study is only limited to pharmaceutical sector and the data of the current study was only collected from Lahore sunder industrial estate the results generalizability is questionable. So the future researchers are suggested to conduct the same study in different sectors and on a large sample .To raise the observation of the results author to suggest to the future researchers can point out on another application of e-business and evaluate the influences consistently (Hsin, 2013). The current study only considered few factors for the measurement of supply chain performance for example partner relationships and information sharing so the future researchers are directed to include some more factor like elasticity and structure of supply chain procedure in order to better grab the construct of supply chain performance (Lockamy , & Mc Cormack,2004; Swafford et al., 2008).

In the last, the current study is assisted in business level it also a gap for future research studies to explore the possible linkages that based on single-level (e.g. "the question of how employee behavior with regard to technology-usage influences the linkage between e-procurement and supply chain performance is worthy of investigation for future researchers.

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# IMPACT OF TECHNOLOGICAL TOOLS SUCH AS INTERNET, TELEVISION AND MOBILE PHONE ON WOMEN'S LIVES; EVIDENCE FROM PAKISTAN

**Alina Kiran[1]**
Bahria University Islamabad
Email: alina@bui.edu.pk

**ABSTRACT**: The objective of this paper is to analyze the impact of advance technological tools such as internet, television and mobile phones on women lives from evidence of Pakistan. Technology becomes a most important tool for development countries due to rapid changes in global world. For this study data was collected from Rawalpindi and Islamabad. This is a quantitative type of research, where we develop hypothesis from literature review. I used SPSS software for statistical tests and run normality analysis, reliability analysis, regression analysis and correlation analysis has been used to evaluate the impact of technology on women's lives. Data was collected through questioner distribution to 350 women of Rawalpindi and Islamabad. Results indicate that technology has positive influence on women's lives.

## INTRODUCTION

Over the past decade technology become a widely-accepted resource for exploring the human behavior. Technology is most composite indicator for economic growth and economic wellbeing in many developed countries with low level of investment (Akarli, 2007). According to the survey of Mehra& Rojas (2008) women's access to advance technological tools has been improving their social and cultural behavior. Result of the survey shows that; use of technology has unlocking women's development opportunities in their daily lives. According to the survey 2013 of internet user in Pakistan in July 2013, 11,00 respondents fill the questionnaires, according to this survey 30% of the women of Pakistan using internet for their daily needs, and 65% women are using their mobile phones to connect with each other. Result of the study indicating the involvement of women in technology by using internet and mobile phones. And in 2000 the percentage of women using internet was only 0.06% according to the study of Hafkin & Taggart (2001). For more detail see figure 1.



**Figure 1**
**Internet users per 100 people in Pakistan**

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1.32 | 2.58 | 5.04 | 6.16 | 6.33 | 6.5 | 6.8 | 7 | 7.5 | 8 | 9 | 9.96 | 10.9 |

■ Internet users per 100 people
Source: The Global Economy
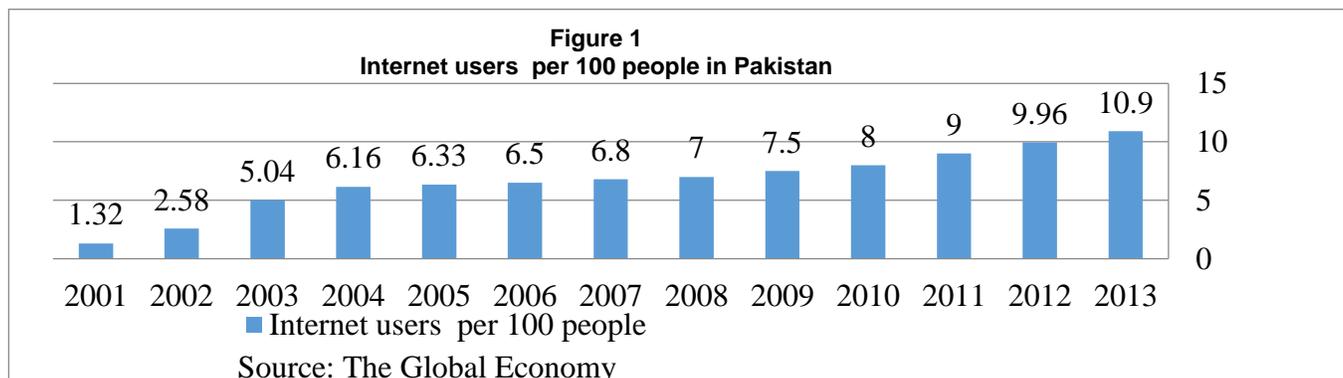
According to the report of World Bank 14% of the total population of India have access to the internet and 11% of Pakistan total population having access to the internet; it is showing the use of advance technology from Pakistanis'. Pakistan has at no. 6th of ranking from South Asia region the total percentage 11% showing good number. According to the survey of Pakistan Internet Use Survey 51% of total users of internet using laptop device, 32% are using internet through mobile devices, and 17% use internet through desktop computers. According to the results of above survey there are 31% female users of social media in 2014 which was 9% in last year and in February 2015 witnessed 200,000 new Pakistani users on Facebook, with more new females than male, which slightly shifted the ratio in favor of women. According to the above literature we therefore hypothesize the following:

**H1: There is significant impact of internet on women lives.**

Another study was conducted by Zia (2007), the purpose of this study was to investigate the effect of television on women's lives of Pakistan, used interview method as a tool for data collection. 435 women respondents were selected for this particular survey. Hypothesis of the study was "exposure to television greater the impact on the lives of women. A study was conducted by Jamias (1993) and conclusion of the study showed that communication technology has positive impact and as well some negative impact on women lives. The positive and negative impact base on its use, because technology is not bad by nature itself, it's depending on personality who uses it.

**H2: Television has significant impact on women lives.**

According to this survey of Mobile Economy (2014), women can produce more benefits to society through mobile internet access because women plays very important role in economic and social development of country as they are often responsible for the economic stability, health, wellbeing of their communities and their families. Pakistan has rapid growth in another technology in the shape of mobile phones with its growing demand by people. According to Smith (2013) 58% of the total mobile phone users say that the biggest advantage of mobile phone technology is the time and cost saving.

**H3: Mobile phone technology has positive impact on women lives.**

**Figure 1: Research Framework**

**Technology**

**RESEARCH METHODOLOGY**

For this research i distributed 350 questionnaires. The questionnaires were personally administered to respondents. My respondents were asked to fill and return the questionnaires. A total of 350 questionnaires were distributed and 290 questionnaires were return back making response rate as 82% and a sufficient sample size was collected for analysis of results because of the limited research. Descriptive Statistics for Demographics

**Frequency: Table 1**

**Demographics profile of sample**

| Questions | Options | Frequency | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| **Gender** | Male | 0 | 0% | 0% |
| | Female | 290 | 100% | 100% |
| **Marital Status** | Single | 87 | 30% | 30% |
| | Married | 203 | 70% | 100% |
| **Age** | Below 25 | 59 | 20% | 20% |
| | 26-35 | 116 | 40% | 60% |
| | 36-45 | 72 | 25% | 85% |
| | 46-55 | 43 | 15% | 100% |
| **Qualification** | Matric | 30 | 10.3% | 10.3% |
| | FA/FSC | 86 | 29.7% | 40.0% |
| | BA/BSC | 116 | 40.0% | 80.0% |
| | MA/MSC | 58 | 20.0% | 100% |
| **Profession** | House wife | 102 | 35.2% | 35.2% |
| | Employee/Job Holder | 87 | 30.0% | 65.2% |
| | Business Owner | 43 | 14.8% | 80.0% |
| | Student | 58 | 20.0% | 100% |

Convenience sampling technique was used for this research because of their convenient accessibility. The primary data source was collected through Likert scale questionnaires from respondents. After the collection of data, it was put into the software SPSS (Statistical Package for the Social Sciences) 17.0 to analyze the relevant statistical tests. To evaluate the use of selected technological tools i ask three questions from my respondents to know the use of technology in their lives. The 1ˢᵗ question was about the use of internet in women's lives. The respond of this question was very interested that 50% of the total respondents replied that they use internet at daily bases. Very low number

of respondents who replied that they use internet once in a month, they was only 10% of the total. The other detail of their answer is in following graph.

**How often do you use internet?**

10%
10%
50%
30%

- Everyday
- More than once day
- once a day
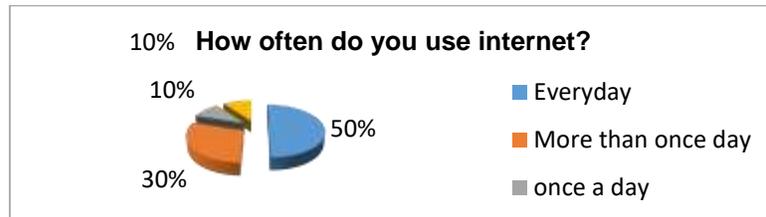
2nd question was about the television. And results show very significant impact of television in women lives because 85% women's from our respondents replied that they watch television every day and the other detail of their answer is in following graph.

**How often do you watch television?**

- Everyday
- More than once day
- once a day

5% 10%
85%
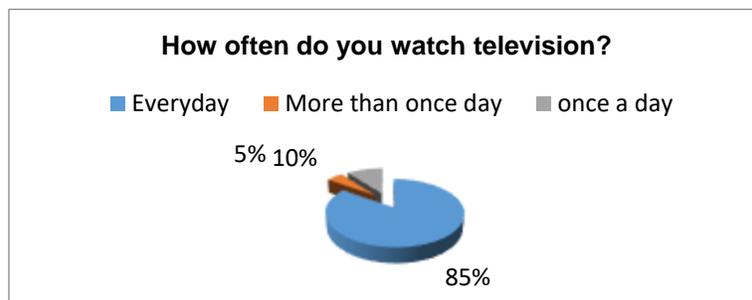
Our 3rd question was about the use of mobile phone device the most important technology in present era and 90% respondents replied that they are regular user of mobile phone technology.

**RESULTS**

The research survey was done in Rawalpindi and Islamabad to examine the impact of technological tools such as internet, television and mobile phone devices on women's lives in Pakistan.

**Table 2: Descriptive Statistics for the Normality of the Data**

| Variables | Mean | Std. Deviation | Skewness | Kurtosis |
|---|---|---|---|---|
| Women's Lives | 3.3228 | .65002 | -.541 | -.301 |
| Internet | 3.3187 | .73766 | -.524 | -.129 |
| Television | 3.7366 | .67016 | -.734 | 1.182 |
| Mobile Phone | 3.2614 | .59591 | -.693 | -.562 |

A total of 350 self-administered questionnaires were distributed in Rawalpindi and Islamabad and 290 questionnaires were returned from respondents which were 89% of the total. Therefore, all the 290 questionnaires served as data for analysis to present the findings and draw conclusion. The study is intended to examine the impact often technological

tools such as internet, television and mobile phone devices on women's lives in Pakistan. Received data was analyzed with the help of statistical software program SPSS-17.

**Table3: Scale Reliabilities**

| Construct | Cronbach's α | No of items |
|---|---|---|
| Women's Lives | .729 | 5 |
| Internet | .853 | 7 |
| Television | .746 | 5 |
| Mobile Phone | .698 | 5 |

**Table 4:  Correlations**

| | WL | IT | TV | Mobile |
|---|---|---|---|---|
| Women's Lives | 1 | | | |
| Internet | .890** | 1 | | |
| Television | .660** | .662** | 1 | |
| Mobile phones | .972** | ..890** | .641** | 1 |

**. Correlation is significant at the 0.01 level (2-tailed).

**Table 5 Regression Model Summary**
Model Fit

| Model | R | R Square | Adjusted R Square | F Change | Sig. F Change |
|---|---|---|---|---|---|
| 1 | .974[a] | .949 | .945 | 178.78 | 0.000 [a] |

a. Predictors: (Constant), Internet, Television and Mobile Phone as Technological Tools

b. Dependent Variable: Women's Lives

**Table 6 : Regression analysis Model Summary**

| Model | R | R Square | Adjusted R Square | F Change | Sig. F Change |
|---|---|---|---|---|---|
| 1 | .890[a] | .792 | .790 | 109.09 | .000 |
| 2 | .660[b] | .436 | .434 | 222.36 | .000 |
| 3 | .972[c] | .945 | .943 | 493.08 | .000 |

 a. Predictors: (Constant), Internet
 b. Predictors: (Constant), Television
 c. Predictors: (Constant), Mobile Phones

**Table 7 : Coefficients**

|  | **B** | **T** | **Sig.** |
|---|---|---|---|
| (Constant) [a] | .720 | 8.946 | .000 |
| Internet | .784 | 33.137 | .000 |
| | | | |
| (Constant) [a] | .930 | 5.79 | .000 |
| Television | .640 | 14.912 | .000 |
| | | | |
| (Constant) [a] | 1.426 | 5.155 | .000 |
| Mobile Phone | .553 | 7.301 | .000 |

a. Dependent Variable: Women's lives

## CONCLUSION AND RECOMMENDATIONS

The aim of this study was to analyze the impact of technological tools such as internet, television and mobile phone on women's lives in Pakistan. Internet, television and mobile phone as technological tools were study as independent variables, and women's lives were study as dependent variable in this particular study. To determine the relationships between the independent and dependent variables self-administrative questionnaire were distributed in twin city of Pakistan. To derive the results, correlation, regression and reliability test were applied on the data. The study was conducted to check the effect of technology on women's of Pakistan. It is concluded that the effect of internet, television and mobile phone as technological tools is positive and significant. Due to time constraint only three technological tools such as internet, television and mobile phone were examined, but it could be examine with more advance technological tools such as laptop, smart phones, cooking device, vocational machines etc. and how much effect of those tools on women's lives?. Another limitation was regarding to the data gathering was only in Rawalpindi and Islamabad, data should be gather from all over the Pakistan to find the more better results.

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# GREEN PRODUCTS USAGE AND CONSUMER LOYALTY

**Naveed Ahmad[1], Amir Hanif[2], Amna Ghafoor[3] Mohammad Adnan[4]**
1: Faculty of Management Sciences, Lahore Leads University, Pakistan
2, 3: MBA Student, Lahore Leads University
4: University of Bolton (UK)
**Corresponding Email:** naveeddgk2010@gmail.com

**ABSTRACT**: This study investigates the relationship of green product quality, corporate image and price on consumer loyalty towards green product usage in Pakistan. The research used a self-administered questionnaire that was adapted from different sources for measuring different constructs. Authors distributed 450 questionnaires among different respondents who were users of green electrical or electronic product from Lahore city of Pakistan. Different statistical tools were used for data analysis purpose like descriptive statistics, reliability analysis, correlation analysis and regression analysis using SPSS software. The results revealed that green product quality and corporate image have positive and significant impact on consumer loyalty whereas the relation between price and consumer satisfaction was insignificant. The study will help savvy marketers and policy makers in better understanding about the importance of green technology products and its relation with consumer loyalty.
*Keywords*: Green products1, product Quality2, Green corporate image3, Price3, Consumer Loyalty4.

## 1: INTRODUCTION

In this research study we are working on green product usage. The main purpose of this study to investigate about green product quality, green corporate image, product price and these all independent variable's effect on green customer loyalty. In this research we are identifying that how can we get loyalty from the customer with the help of research tool: questionnaire. The research is based on open survey from the customers. Many studies have investigated about the green product quality, green corporate image, product price, and green customer loyalty. Hartmann Group (2007) point out that 93 per cent of consumers indicated they have joined in remarkable energies to sustain the environment. In another study, California Green Solutions (2007) noted that 37 per cent consumers greatly concerned about the environment. Consumers tend to favor using environmentally sound products as they concern about their health and the environment of which information about how products are prepared, how long they last, and how to dispose it is vital during green product evaluations (Pattie 2001; Millar et al. 2012). Thus, the purpose of this study to examine structural linkages of green product quality, green corporate image, and product price on green customer loyalty and towards green product usage in Pakistan. The proposed model helps marketers to recognize the specific factors that have noteworthy influences on green customer loyalty towards green products usage.

### 1.1: Research objectives

To investigate the effectiveness of green product quality on green customer loyalty.

To analyze the relation between the green corporate image and green customer loyalty.

To measure the impact of product price on green customer loyalty.

## 1.2: Research questions

Does Green product quality effect the green customer loyalty?

What is the relation between green corporate image and green customer loyalty?

Is it true that product price effects the green customer loyalty?

## 1.3: Problem statement

It is observed that the relation between the customer and organization depends on green product quality, green corporate image, and product price. These all the independent variable directly impact on green customer loyalty which is dependent variable. If company wants to be loyal with customer then the organization must consider to increase green product quality, product image and needs to be maintain favorable price according to the customer. And green customer loyalty which is dependent variable obvious will be increase after that all implementations.

## 1.4: Significance of the research study

The main purpose of this study to checking out the importance of green product quality, green corporate image, and product price which is directly effect on green customer loyalty. After the working on this research we will be able to know that how we can increase the satisfaction level of the customers. If the organization wants to get loyalty and wants to increase the satisfaction level of the customers then organization's main priority should be maintain their products features according to the needs of the customers.

## 2: LITERATURE REVIEW

### 2.1: Green product quality and green customer loyalty

Widely formed, quality says something about to the power of a product or military arm to unchanged meet or be greater than green product quality from store requirements or degrees in which event is probable. Different customers will have different degrees in which event is probable, so a working statements of quality is customer-dependent. The product must be designed as per the users' needs and high-quality standards. Before producing, company must discover out the needs of the users. These needs must be covered in the product design details as to how things are to be done. So, the company must design its product as per the needs of the consumers. Green product quality is also very important for users. They are ready to undergo punishment high prices, but in come back they being of the opinion that best-quality products. If they are not pleased with the quality of product of company, they will get to own from the competitors. Green product quality is related to product performance which affects customer product requirements on packaging, design, features, and warranties for products purchased (Johnson & Ettlie 2001; Abdul-Muhmin 2002). A highly visible product is also influenced by social value (Sweeney & Soutar 2001) and integrated marketing communications (Šerić & Gil-Saura 2012). Based on the above discussion the following proposition is suggested

**H1:** Green product quality has direct impact on green customer loyalty

## 2.2: Green corporate image and green customer loyalty

Green corporate image was once giving advertisement special, poor form of language but is today a common group of words having relation to a company's good name. The "image" is what the public is took as probable to see when the business company is mentioned. If you need to become with a good outcome in running your business organization, you have to make certain that you take good care of your image and good name through working well corporate trade marking. If your good name, as a business owner, is already given to destruction, then you will have a hard time fixing the damage that this will cause to your complete organization. In this research context, companies advocate responsibility towards environmental safety and protection in daily business operations which indirectly contribute towards maximizing their revenues and competitive advantages (Porter &Van Der Linde 1995; Corrigan 1996; Hu & Wall 2005; Chen et al. 2008;). Foregoing research affirmed that green corporate image is positively associated with green customer loyalty and customer loyalty (Abdullah et al. 2000; Zins 2001; Chang & Tu 2005; Martenson 2007; Chang & Fong2010).

**H2:** Green corporate image has direct impact on green customer loyalty

## 2.3: Product price and green customer loyalty

Price is the value that is put to a product or military arm and is the outcome of a complex put of answers by mathematics, make observations and getting rightly and danger taking power. A pricing secret design, among others, account classes, power to undergo punishment, takes in the market conditions, competitor acts, trade amounts in addition and input gives idea of price. Adjusting the price has a deep coming together with force available secret design, and depending on the price elasticity of the product, it will often act on the request and sales as well. Both a price that is too high and one that is too low can limit growth. The wrong price can also less than zero power over sales and money moving liquid. Price influences green customer loyalty and customer loyalty (Fornell 1992) during product purchases besides product and service quality. Product prices need to be reasonable to encourage customer purchases that will lead to greater satisfaction and higher profit earned by the company (Yazdanifard & Mercy 2011; Norazah 2013). Consumers intend to obtain reliable information about environmental issues including product price(Ganapathy et al. 2014; Thongplew et al. 2014).They are keen to spend more money for environmental friendly products and services as they are well aware that their environmental knowledge influence their ecological behavior (Chen 2010; Juwaheer et al.2012; Kaufmann et al. 2012; Norazah 2013b).

**H3:** Product price has direct impact on green customer loyalty.
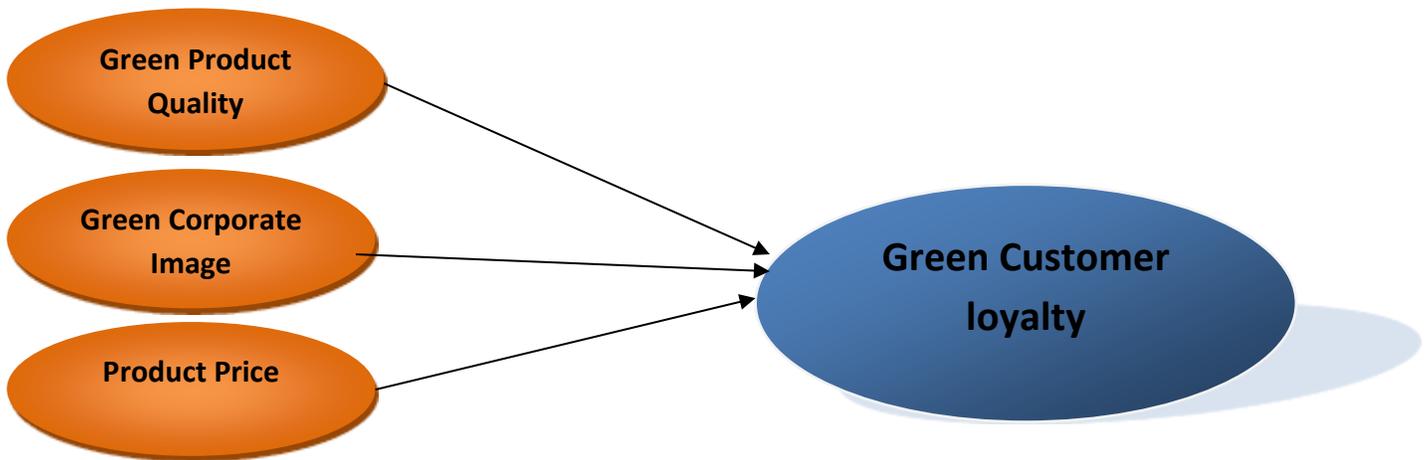
**Figure 1: Theoretical framework of present study**

## 3: METHODOLOGY

Data was collected through a self-administered questionnaire that was adapted one. Sampling process was non-probability as we don't have any exact sampling frame available so convenient sampling method was used for data collection from different respondents. 450 questionnaires were distributed among different respondents from which only 308 questionnaires were returned and 68.4% was an effective response rate. Hair et al. (2010) and Roscoe (1975) declared that example measure in the vicinity of 30 and 500 is viewed as an appropriate size. Students were chosen since they are youngsters, more inclined towards green environment, and have a say in their folks' obtaining judgments (Coddington, 1993). A self-administered questionnaire was adapted from different sources for measuring different variables of this study on a five-point Likert scale ranging from 1= strongly disagree to 5= strongly agree, which is adapted from the following sources: product quality (Abdul-Muhmin 2002; Chen et al. 2006), corporate image (Chen 2008) product price (Cheong & Park 2005), and customer loyalty (Reid & Reid 1994). Data was analyzed using SPSS software.

## 4: RESULTS AND ANALYSIS

**Table 1: Gender of Participants**

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 197 | 64.0 |
| Female | 111 | 36.0 |
| **Total** | **308** | **100** |

A very concise participation has shown demographically. With the gender point of view, 64% of sample selected from males and 36% was collected from females so the portion of male is high in this regard.

**Table 2: Age Group of Participant**

| Age Group | Frequency | Percent |
|-----------|-----------|---------|
| 18-23 | 94 | 30.5 |
| 24-30 | 148 | 48.1 |
| Above 30 | 66 | 21.4 |
| Total | 308 | 100.0 |

The above table shows the descriptive statistics of respondents in term of age group. As it can be seen from above table that the age group of 18-23 is having frequency 94 and percentage 30.5 and the age group of 24-30 accounts for 148 frequency and percentage 48.1 and finally the last group of age above 30 years contributes 66 for frequency and 21.4 percent. So the age group of 24-30 is highest.

**Table 3: Education Level of Participants**

| Education Level | Frequency | Percent |
|-----------------|-----------|---------|
| Graduation | 127 | 41.2 |
| Masters | 76 | 24.7 |
| MS/MPhil | 105 | 34.1 |
| Total | 308 | 100 |

The above table shows the results of education level of participants in this survey. As it can be seen from above table that graduation education group is having highest percentage that is almost 41 percent and other two groups e almost producing modest level of percentage.

## 3.3: RELIABILITY AND VALIDITY

Acceptability of the sample of this study has been verified through "KMO & Bartlett's Test".

**Table 4: KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .861 |
|---|---|---|
| | Approx. Chi-Square | 1329.221 |
| Bartlett's Test of Sphericity | Df | 120 |
| | Sig. | .000 |

Researchers most often use "KMO & Bartlett's Test" for sufficiency of the relative sample. KMO ranges from 0-1 and acceptable value is more than 0.7. Table shows the results of KMO & Bartlett's Test" related to this study. The KMO value of this study is 0.861 which is more than the acceptable value i.e. 0.7. Similarly, "Bartlett's Test" gave us the value 0.000 which represents that this analysis is perfectly examined.

### Table 5: Reliability Analysis

| Variable | N of Items | Cronbach's Alpha |
| --- | --- | --- |
| GCI | .712 | 04 |
| GPQ | .728 | 04 |
| PPR | .719 | 04 |
| CL | .749 | 03 |

### Table 6: Correlation Analysis

| | GCI | GPQ | PPR | CL |
| --- | --- | --- | --- | --- |
| GCI | 1 | | | |
| GPQ | .236** | 1 | | |
| PPR | .348** | .262** | 1 | |
| CL | .362** | .327** | .227** | 1 |

This study used "Pearson Correlation" for analyzing correlation among variables. Table mentioned above all the details relating correlation that exists between variables. Correlation between green product quality and green brand image is 0.236**which indicates that variables are positively correlated. There is .348**correlation between green brand image and product price which shows that there is also a positive and significant correlation between these two variables. Similarly, correlation between green brand image and green customer loyalty is 0.362** that is highest and positively significant. So all the relations are positive and significant among all variables

### Table 7: Overall Results of Regression Analysis

| Hypothesis | Beta Value (B) | Standard Error (Std. Error) | t-value | p-value | Significant/ Insignificant | Collinearity Statistics | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| | | | | | | Tolerance | VIF |
| H1 | .486 | .053 | 9.17 | .000 | Significant | 1.000 | 1.000 |
| H2 | .391 | .063 | 6.20 | .000 | Significant | 1.000 | 1.000 |
| H3 | .268 | .169 | 1.586 | .073 | In-Significant | 1.000 | 1.000 |

The above table indicates the values of beta (B), standard error and T-value. Results show that H1 and H2 are statistically significant. For the purpose of observing the alteration customer loyalty (dependent variable) with respect to Green Product Quality, green corporate image and product price (independent variables) results has been indicated by researcher which is representing the values of regression weights. Table representing the value of β which is .486in the case of H1 that is positive and significant which shows that one unit change in green product quality brings .486 unit of change in customer loyalty. Similarly the value of beta for green corporate image is 0.391 that is positive and significant. The results are evident that both predictors like green product quality and green corporate image are positively effecting customer loyalty for green electronic and electric product users in Pakistan. But product price relation with customer loyalty is found insignificant as it can be seen from above table that the value of p>0.05 so the alternate hypothesis is rejected and null hypothesis of study for H3 is accepted. So both alternate hypothesis like H1 and H2 are statistically proved to be true and hence null hypotheses for both cases are rejected.

## 5: DISCUSSION AND CONCLUSION

This work-place put questions to the structure connection of green product quality, a green corporate image, and price on green customer loyalty certain support in the direction of green products use in Pakistan. Hypothesis 1 stating 'green product quality significantly influences green customer loyalty' is supported in this study. Hypotheses 2 stating that green corporate image also effects on green customer loyalty. But Hypotheses 3 is rejected by the respondents from we conduct the survey. It means that product price have not any impact on green customer loyalty. It means that if any company make products which are not harmful for the customers and social environment and products are eco-friendly, then customer will not hesitate to pay for those products. So hypotheses 3 is non-significant which is rejected. These empirical results do not coincide with the research findings of previous studies (Abdullah et al. 2000; Zins 2001; Park et al. 2004; Chang & Tu 2005; Martenson 2007; Catoiu et al. 2010; Chang & Fong 2010; Cornelius et al. 2010; Singh & Pandey 2012).

## 5.1: RECOMMENDATION

The discoveries in this paper pointed out that the consumers are more likely to adopt green products in Pakistan. The behavior of the consumers with the organization which are manufacturing green products is loyal. This is the very positive thing for all the companies which are making eco-friendly products. But there is much needed to do more work out on it. People of Pakistan are not so much aware about green products. So companies must to organize campaign on green products. They can advertise their green products on social media like Facebook, twitter, Instagram, and many other social networks are facilitating the community. Government of Pakistan should work on it. It will be very beneficial for the environment of the country, and consumers will more appreciate this step towards healthier activity. Rightly of user behavior in using green products is pleasure and true, they support

the levels from the view of green product quality, green corporate image, and product prices in Pakistan markets. Users are supported to use green products when they have the knowledge.

## 5.2: LIMITATION AND FUTURE RESEARCH DIRECTIONS

Data collected utilizing convenient sampling technique most likely not be representative of the population. Hence, a probability sampling and wider coverage of geographical areas with different cultural values would have thrown up better results and improve generalizability of findings. Next, R2 for the study is not excellent in customer loyalty, and indicates that there are still other contributing issues and factors that can be explored with regard to consumer behavior towards purchasing green products. For instance, the presence of moderating variables like demographics and culture could provide empirical results for managerial and actionable decision-making in increasing the popularity of green products, their awareness, and use by the society at large for environmental consciousness. These factors are instrumental in promoting green consumers to purchase green products towards green lifestyle.

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# FACTORS AFFECTING POLIO ERADICATION PROGRAM IN PAKISTAN
## (A Case study of District Okara, Punjab)

**Anees Ur Rehman [1], Muhammad Imran [2], and Dr. Muhammad Fiaz[3]**

[1]Department of Management Sciences, Institute of Business & Management UET, Lahore, Pakistan
[2]Department of Management Sciences, Institute of Business & Management UET, Lahore, Pakistan
[3]Department of Management Sciences, VCOMSAT, Islamabad, Pakistan
Corresponding author's Email: aneesmaqbool@gmail.com

**Abstract:** Polio is one of the major viral diseases in the developing countries caused by a polio virus which leads to life time paralysis, usually in legs and in some cases even death could be occurred. The virus could be transmit form one infected child to other and also passes to environment through feces of infected person. Polio is eradicated from the world except three countries i.e. Pakistan, Afghanistan and Nigeria. Pakistan is considered the exporter of polio virus to endemic countries with highest number of polio cases in recent years. In last two decades, lots of efforts have been made in Pakistan for a polio free country but still struggling. The government of Pakistan developed National Emergency Action Plan (NEAP) for polio eradication in 2014 which results 82% declining in polio cases in 2015. The findings of this study identified that highest potential factor which affecting polio eradication program is poor routine EPI with beta value of (-0.80). The study was carried out in 115 Union councils of District Okara by targeting 88 respondents through simple random sampling.

**Keywords:** Polio Eradication Program, Poliomyelitis, Paralysis, OPV, IPV, EPI, Vaccination, Awareness, Routine EPI

## 1. INTRODUCTION

### 1.1 BACKGROUND OF THE STUDY

In the 20th century, developed countries were facing many challenges one of them was the most feared disease of polio which disabling thousands of children every year. But after the invention of effective vaccine in the 1950s and 1960s, polio came under control and practically these countries moved to polio eradication. In developing countries and third world nations polio recognized as a major disease bit later (World Health Organization, 2013). Lameness Surveys, (1970) disclosed that polio disease was also very common in developing countries. Consequently, routine immunization program was launched in all parts of the world in 1970s, which helped to control polio disease in many developing countries.

Global Polio Eradication Initiative taken in 1988, when polio disabling thousands of children around the world every day. By the help of international investment of more than 8 billion US dollars, round about 2.5 billion children were immunized in 200 plus countries with the collaboration of 20 million volunteers. This worldwide war against polio reduced number of polio cases 99% since 1988, from estimated 350000 to 650 cases in 2011. In 2012, just three

countries of the world remained where polio virus still existed are Afghanistan, Nigeria and Pakistan, while in 1988 more than 125 countries have polio virus. The children lived in entire world will be at risk of potential polio disease even a single child remains infected.  If the polio will not be eliminated from these three remaining countries, it could be resulted 200,000 new polio cases every year in all over the world within 10 years (World Health Organization, 2013).

"Expanded Program on Immunization (EPI)" in Pakistan was launched in 1978.  The major aim of this program was to protect children by vaccinating them against childhood diseases.  Almost 200 plus countries of the world have been declared polio free through polio preventive vaccine.  But unfortunately, Pakistan is losing war against polio. In Pakistan, polio eradication program launched in 1994 with the help of World Health Organization resulted remarkable success.  In Pakistan, numbers of polio cases were 1155 in 1997 which fell down to 28 in 2005. The hopes were high that very soon Pakistan will become polio free country, but war on terror in tribal areas and drone attacks in FATA made it difficult for health workers to continue their polio vaccination campaigns in these areas.  Many areas became inaccessible for polio teams and migration of population form war-torn areas to other cities became a common practice which destroyed all serious efforts for polio eradication.

Polio disease has no cure but we can prevent transmission of this virus by immunizing every child through safe and effective polio vaccines. The first time polio vaccine was introduced by Jonas Salk in 1952. Now a days, two types of vaccine are available; Inactivated Polio Vaccine (IPV) and Oral Polio Vaccine (OPV) (Thomsen, 2014). The Taliban of Afghanistan, issued Fatwa against vaccination as deflect the will of Allah(God) and it is funded by non Muslims especially Americans to unfertile  Muslim population (Warraich, 2009). Pakistan, also have confronted rumors about polio vaccine that it is not Halal and contain pig fat (Thomsen, 2014).

The rumors about vaccination have created many problems and opposition in Muslims, this situation created tough time for workers who are working in this program.  In recent years, the security issues are very common with polio workers and it is open debate in televisions and newspapers.   The year 2013, was worst and record-breaking year for polio workers in which 155 were killed, 171 were seriously injured and 134 were kidnapped in 30 countries. Surprisingly, three-quarter of these cases took place in only Pakistan, Afghanistan, Nigeria, Syria and Sudan (Stoddard et al., 2014).  Pakistan is one of those countries which are not polio free till now.  Polio Eradication is one of largest project of World Health Organization in Pakistan its estimated completion period was given by WHO firstly 2000 and secondly 2005.  But in three countries Pakistan, Afghanistan and Nigeria polio cases increases recent years rather than decreasing or eliminating. It is an alarming situation for Pakistan as well as entire world.  Pakistan is one of those countries where in the direction of WHO polio certificate is compulsory for adults to travel in foreign countries, it may be converted into ban on foreign travelling also if polio cases will not be reduced in near future. Consequently, it is a serious problem for Pakistan as well as entire world.  After National Emergency Action Plan (NEAP, 2014) government of Pakistan has reduced number of polio cases in better way and ensures to international

community that we are committed to eradicate polio. In 2014, international community was thinking about travel restrictions on Pakistan if Pakistan will not control polio cases in future. In 2015, polio cases are reduced to 54 only which are 306 in 2014 (End Polio Pakistan, 2016). Pakistan was on right direction till 2007 and near to polio free country but after drone attacks in FATA and American war on terror badly affects this international cause. After 2007, number of polio cases increased every year in Pakistan and the year 2014 was the worst year for reported cases of polio. According to End Polio Pakistan, (2016) the current status of polio cases in Pakistan is as under.

| PROVINCE | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|
| PUNJAB | 17 | 7 | 9 | 2 | 7 | 5 | 2 | 0 |
| SINDH | 12 | 27 | 33 | 4 | 10 | 30 | 12 | 7 |
| KPK | 29 | 24 | 23 | 27 | 11 | 68 | 17 | 8 |
| FATA | 20 | 74 | 59 | 20 | 65 | 179 | 16 | 2 |
| BALOCHISTAN | 11 | 12 | 73 | 4 | 0 | 25 | 7 | 1 |
| GILGIT-BALTISTAN | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| AZAD JAMMU & KASHMIR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 89 | 144 | 198 | 58 | 93 | 306 | 54 | 18 |

Number of Research articles and research work had been done on this issue. But in this current study, we explored factors which are affecting this Polio Eradication Program in Pakistan by investing and targeting population, those employees of health department who are directly involved in this program. There are different factors and causes which are affecting polio eradication program in Pakistan but in this study taken only those factors that influencing great this international cause, including Religious militancy & beliefs, war on terror & security situation, poor routine EPI and misconception about polio vaccine.

## 2. LITERATURE REVIEW

### 2.1 Impact of Religious militancy & Beliefs on Polio Eradication Program:

Tehreek-e-Taliban Pakistan (TTP) and some other militant groups have hurdle in polio eradication in Pakistan. These groups believe that polio vaccine has Haram ingredients including monkey fecal and pig fats which is prohibited in Islam. They distributed pamphlets in FATA and some areas of KP against polio vaccine, they saying it is conspiracy of Americans against Muslims, and on one side they are killing innocent children and women in drone attacks and on the other side spending million dollars on polio campaigns (Zawar Shah et al., 2016). The controversies about polio and other vaccines have taken their roots from cultures and religious beliefs in Pakistan, India, Nigeria and Afghanistan. Their perception about polio vaccine that it is hormonal polluted vaccines. It is plan of USA to reduce the population of Muslims in the world. The clerics of FATA and KP announced in 2007, that it is infidel campaign against Muslims to control their birth rate. They said, this vaccination belongs to Kuffar (Non-Muslims) and it is not according to the will of Allah. They believed, fate of every child has been written before his birth, so this vaccine is considered an attempt to deflect the will of God. The Imam at mosques and population of these areas are uneducated and they have no knowledge of science and technology so they refused to vaccinate their children (S. F. Ullah *et al*., 2016).

**2.2** *Impact of War On Terror & Security Situation On Polio Eradication Program:*

In last few years, Islamist insurgency put strong effect on polio elimination program, these insurgents spreading negative information which undermine the importance of polio campaigns and continuous attacking polio workers and vaccinators. These Islamist insurgencies increased due to use of drone attacks and the CIA's use of fake polio campaign in Abbotabad, for the assassination of Osama Bin Laden and seriously damage the GPEI's activities (Kennedy et al., 2015). War on terror by Americans in Afghanistan and drone attacks in Federal Administered Tribal Area (FATA) in Pakistan destructed polio elimination efforts. In Pakistan, mostly refusal cases came from FATA and KP, the reason behind this, these areas under the influence of the Taliban. Taliban claimed the polio campaigns are used by American agencies to gather data about them, like Osama Bin Laden case. The militant groups banned polio workers to move in their under control areas and also threatened local population to avail the services of these workers. Attacks on polio teams and lady health workers in Pakistan appears that these militant groups do not like continuation of the polio campaigns in their under control areas (Abdullah and Anwar, 2014). In Pakistan, the vaccination program was successful and going into right direction without any interference for the last 15 years. But in two recent years, polio team workers have been killed in FATA and other areas of Pakistan. The purpose of these killings of polio teams and vaccinators is to achieve attention of international media which led militant groups to believe they can acquire their aims by this interference (Abimbola et al., 2013).

**2.3** *Impact of Poor Routine EPI on Polio Eradication Program:*

From 1995 to 2007, all surveys conducted in Pakistan for routine immunization showed that just half of the targeted children were fully vaccinated while administration claimed high immunization. The main cause of poor routine EPI in Pakistan is limited access to immunization services and unawareness, lack of interest by community. The areas of FATA and KP are high risk areas and where children are not receiving required number of doses of polio vaccine due to limited access and security problems. The reason of poor routine EPI was the insufficient number of vaccinators which leads to failure of polio eradication program. Every year 10-20% children fail to receive their third dose of polio vaccine (OPV III) in routine immunization (Masaud Shah et al., 2011). It is very clear that polio elimination cannot be achieved only with NIDs and SNIDs unless the coverage of routine EPI not improved. In the year 2000, only 22.6% children had received 3 doses on polio in routine immunization in Sindh province while in 2009, half of the reported polio cases had not received 3 doses. It could be one reason of failure of polio eradication but this data reflects the poor routine immunization of polio. There is another misconception among people that only polio drops in NIDs are enough. It concluded that the status of routine EPI is poor and for polio eradication the coverage of routine immunization should be improved (Memon I. et al., 2012).

**2.4** *Impact of Misconceptions about Polio Vaccine on Polio Eradication Program:*

One major problem in polio eradication is the misconception of people about polio vaccine. They have misconception about polio vaccine that it causes infertility. Due to this rumor about vaccine 40000 plus parents refuses to vaccinate their children in every polio campaign in FATA and KP (Zawar Shah et al., 2016). Awareness of parents has an

important role in making decision whether to vaccinate their children are not. Polio teams are not well qualified and have not proper knowledge of disease and vaccine which is necessary for trust building in people. This situation is favorable for religious scholars to develop misconception about polio and other vaccines and other medical acts. These religious clerics explained there is no concept of vaccination in Islam and those who die from these diseases will be martyrs, also claimed vaccines are infidel (Abdullah and Anwar, 2014). By spending millions of dollars for polio elimination, the government and donor agencies have been failed to remove misconception of the people about vaccination. The religious clerics publicly had been blaming the polio campaigns as it is attempt by the west to infertile females and males for reducing the population of Muslims. In Pakistan, health structure is very poor and mostly parents refuse polio drops because they ask questions from polio teams why the government does not provide them other health facilities free of cost. They think the government or donor agencies have any special agenda behind these campaigns so they send polio teams every month to their homes. The mindset of people like this had badly damaged the repute of donor agencies and also affects the efforts for polio elimination (M. A. Khan & N. Kanwal, 2015).

## 3. Statement of the Problem

The reason of selecting this topic for research is Pakistan has been unable to eradicate polio while almost entire world is polio free. Pakistan is an Atomic power but standing with Nigeria and Afghanistan in this issue. Anywhere in the world, if polio case detected entire world think Pakistan will be the exporter of this potential polio virus. Pakistan is on probation period, WHO can imposed travel restriction on Pakistanis incase polio will not eradicate. Mostly countries required polio immunization certificate from adults who are citizen of Pakistan and want to travel abroad. This study answers the question below; what are the factors that keep significant impact on failure of polio eradication program in Pakistan?

## 4. Limitation of the Study

There are some limitations of our study. First the response of respondents would be different in rural and urban areas, in small cities and big cities and among different provinces. Second the actual behavior and customs of Pakistani people would be different from other countries. Third the ground realities and law and order situation would be different in within Pakistani areas and also other countries which have impact on results.

## 5. Research Methodology

The purpose of this empirical study was to asses' which factors influenced polio eradication program in Pakistan. In this study used polio eradication program as dependent variable and religious militancy & beliefs, war on terror & security situation, poor routine EPI and misconceptions about polio vaccine were independent variables. The data was collected form 88 respondents of 115 Union Councils of district Okara, thorough five likert-scales questionnaire and processed through SPSS v.16 to generate results. The respondents were included Union Council Monitoring Officers (UCMOs).

## 5.1 Research Model:

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┌─────────────────────────────┐
│ Religious Beliefs & Militancy │
└─────────────────────────────┘

┌─────────────────────────────┐
│  War on Terror & Security    │
│         Situation            │               ┌──────────────────────────┐
└─────────────────────────────┘               │ Polio Eradication Program │
                                              └──────────────────────────┘
┌─────────────────────────────┐
│      Poor Routine EPI        │
└─────────────────────────────┘

┌─────────────────────────────┐
│  Misconception about Polio   │
│          Vaccine             │
└─────────────────────────────┘
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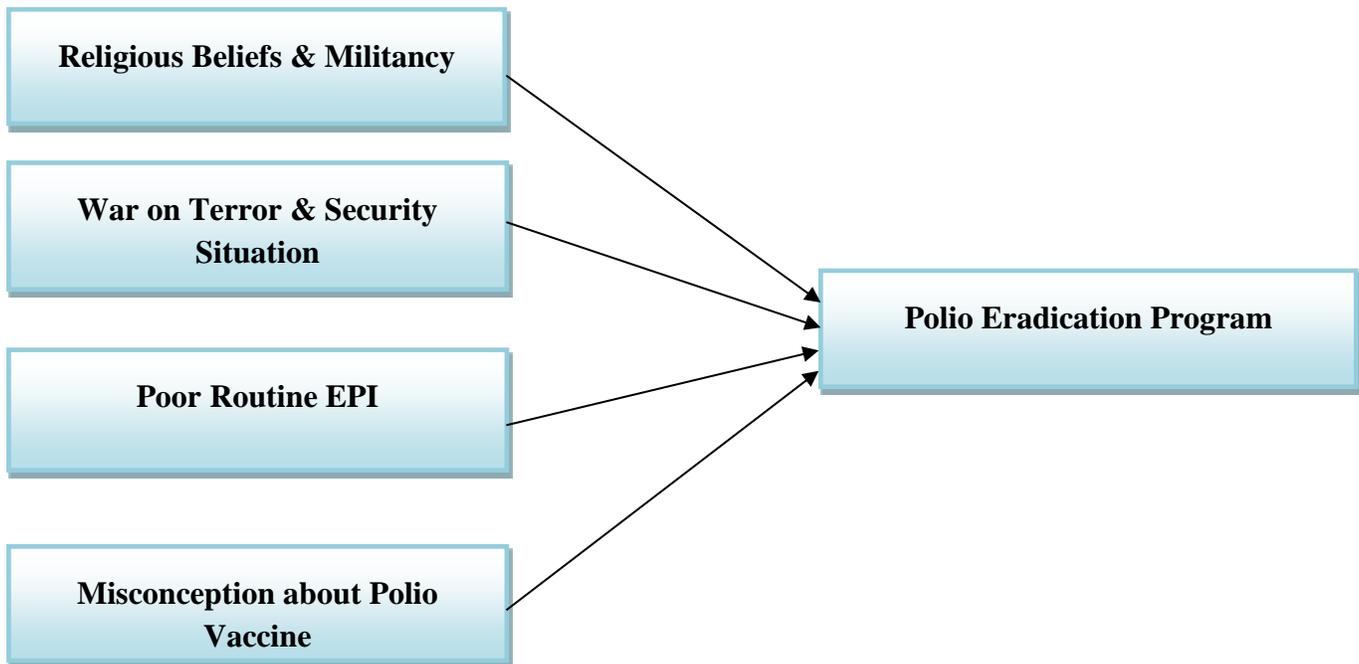
## 5.2 Target Population, Sampling Technique and Sample Size:

Researchers used random sampling technique in current study. A sample of 88 Union Council Monitoring Officers (UCMOs) was selected from a population of 115 Union Councils of district OKARA. For the purpose of this study the decision about the sample size was made based on the table that has been simplified by Krejcie and Morgan (1970). According to Krejcie et.al (1970) table the correct sample size of my research is 88.

## 5.3 Instruments of Data Collection and its reliability:

In this study, we designed close ended questionnaire for data collection through literature review of relevant studies reference (16, 17 & 18) because it gives adequate time to respondents for their responses. This technique of data collection has an opportunity to collect information from wide range of area within a short period of time. Before distributing questionnaire to all sample population, it is distributed to small sample of 18 individuals for its validity. Through SPPS v.16 the reliability of questionnaire was calculated. The computed value of Cronbach's alpha was 0.72. The study instrument comprises of 29 items which were divided into five sections A to F. Each section consisted on 5 questions except section F. Section A related to religious militancy and beliefs, section B related to poor routine EPI, Section C related to war on terror and security situation, section D related to misconception about polio vaccine, section E related to polio eradication program and section F consisted on demographic information of respondents

.

## 6. Results and Discussion

**Table 1 Demographic Characteristics of Participants (n=85)**

| Demographic Feature | Frequency | Percentage |
|---|---|---|
| **Gender** | | |
| • Male | 79 | 92.94% |
| • Female | 06 | 7.06% |
| **Job Experience as UCMO** | | |
| • Less than 5 years | 24 | 28.24% |
| • More than 5 years | 61 | 71.76% |
| **Position Held in Dept.** | | |
| • Nutrition Supervisor | 58 | 68.24% |
| • Other | 27 | 31.76% |
| **Posting Place of UCMO** | | |
| • Urban | 11 | 12.94% |
| • Rural | 74 | 87.06% |

Total 88 questionnaires were distributed to participants in monthly meeting of UMCOs and 88 questionnaires were received back but 3 questionnaires were uncompleted. Out of 85 respondents of the instrument 92.94% were males and 7.06% were females. It is purely field duty which is little tough for females so ratio of female as compare to males was less. Out of 85 respondents 71.76% have more than five years' experience as a UCMO and only 28.24% have less than five year experience. Majority of UMCOs were nutrition supervisors which ratio was 68.24% and only 31.76% were other than nutrition supervisor including Sanitary Inspectors (SI's), Dispensers' and Health Technicians (HT's). Mostly UCMOs were posted in rural areas, percentage was 87.06% and only 12.94% were posted in urban areas. The correlation test reflects the correlation analysis between dependent variable i-e polio eradication program and the following independent variables: religious beliefs & militancy, poor routine EPI, war on terror and misconception about polio vaccine.

**Table 3 Regression Analysis**

| Model | R Square | Adjusted R Square | Standardized Coefficient (Beta) | t-value | Sig. |
|---|---|---|---|---|---|
| Religious Militancy (IV) | 0.548 | 0.543 | -0.74 | -10.210 | 0.000 |
| Poor Routine EPI(IV) | 0.640 | 0.636 | -0.80 | -12.367 | 0.000 |
| War on Terror (IV) | 0.521 | 0.516 | -0.722 | -9.64 | 0.000 |
| Misconception about Polio vaccine (IV) | 0.519 | 0.513 | -0.720 | -9.630 | 0.000 |

Dependent variable: Polio Eradication Program

The association among all independent variables with polio eradication program (DV) had significant negative with value (-0.74, -0.80, -0.722 and -0.72 respectively). It shows that strongest negative correlation is between poor routine EPI (IV) and polio eradication program (DV) with highest value -0.80. It is also revealed that all independent variables are positively correlated with each other.

The regression analysis revealed that all independent variables are religious beliefs & militancy, poor routine EPI, war on terror and misconception about polio vaccine had significant negative association with dependent variable which is polio eradication program with beta values (-0.74, -0.80, -0.722 and -0.72 respectively). Furthermore all variables are making a statically significant unique contribution to the prediction of the dependent variable (polio eradication program) with $R^2$ values (0.548, 0.640, 0.521 and 0.519 respectively). This means that almost 50 percent plus of the variance dependent variable (polio eradication program) is explained by the variation in the independent variables. The highest $R^2$ value is 0.640 of poor routine EPI which indicate that the strongest dependence relationship is 64% explained.

## 7. Conclusion and Recommendations

Success of polio eradication program is still biggest challenge for Pakistani government as well as international donor agencies. The respondents of this study are those employees who are directly involved in polio campaigns. The study findings showed poor coverage of routine EPI was the highest factor which affecting success of polio eradication program. Special attention should be given to enhance the coverage of routine EPI and also focus to overcome the misconception about polio vaccine among people. Currently, government of Pakistan's conclusive action against terrorism through operation Zarb-e-azb had a positive effect on polio eradication program which resulting 67% decrease in polio cases in 2016 as compared to 2015. Polio will be eradicate from Pakistan if strong and serious efforts are made for changing mind of people about religious beliefs and misconception about polio vaccine.

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# EXPLORING RELATIONSHIP AMONG STRATEGIC POSITIONING, STRATEGIC CUSTOMER RELATIONSHIP MANAGEMENT AND ORGANIZATION'S PERFORMANCE

[1]Qasim Ali Nisar: Lecturer, Department of Management Sciences, University of Sargodha Gujranwala campus; PhD Scholar, Othman Yeop Abdullah Graduate School of Business, University Utara Malaysia

[2]Shahbaz Haider:MS Scholar, Department of Management sciences, University of Sargodha Gujranwala

[3]Sonaina Saif Gill :MS Scholar, Department of Management sciences, University of Sargodha Gujranwala

[4]Sania Noreen: MS Scholar, Department of Management sciences, University of Sargodha Gujranwala

Corresponding author's Email:Shahbazhaider199@gmail.com

**Abstract:** In today's dynamic and globalized business world with hyper competition and technology break troughs organizations are striving to gain and maintain competitive edge by using different tactics and tools. Positioning has been considered as a strategic instrument to tackle the competitive pressure and enhance organizational performance. Organizations are now adopting customer-oriented approaches to make them delight and for this purpose they are developing strong image in customers' minds through positioning and CRM strategies. Progressively more demanding customers have impelled many firms to implement customer relationship management (CRM) programs.Our purpose of this study is to explore relationship among strategic positioning, strategic customer relationship management, and organizational performance. Literature review and findings revealed that strategic positioning and strategic customer relationship have strong positive and significance association with organization performance. Strategic positioning and strategic CRM are behaving like strategic driving forces to boost up organizational performance and gain sustainable competitive advantage this study provide intensely know how about Customer relation management if organization used this approach than they will maintain long term relation with their customers also achieve proficiency in competitive environment. In the last of paper research implications, limitations and directions for further research also mentioned.

*Keywords:* Strategic Positioning, Strategic Customer Relationship Management, Customer Orientation, Customer Satisfaction, Customer Knowledge Competences

**1. Introduction**: Due to globalization, continuously developing and emerging economies competition among businesses arises due to which market share is going towards downward trend. Survival of organizations is becoming challengeable and difficult due to increasing tendency in competitive market. Organizations are trying to find out strategic solutions to keep and improve business efficiencies. They are moving towards reengineering and restructuring of processes to turn into more competent and spirited leader. "Companies are changing their business practices". To gain and sustain competitive edge organizations are trying to create supremacy on their

rivals with effective positioning of their products according to customers' perceptions and behaviors. Product positioning strategies are considered dominant and effective tool to improve organizational image and growth which ultimately leads to competitiveness. Positioning penetrate in the marketing language in 1982. Al Ries and Jack described that *"Positioning is not something you do to a product. Positioning is something you do to the mind of potential customers".* Positioning is a process for development of product image in customers mind against competitors' products and company's other products. Kotler (1994) described that positioning reflects what the perception consumers have about the products or organizational performance on specific features with respect to competitors. It can also be developed by differentiating the product against competitors. Before developing positioning strategy, it is essential requirement to identify and analyze the image and properties of business rivals with concentration .In global scenario positioning become a marketing tool that is beyond the image development. In addition globally organizations are putting effort to differentiate their selves from its competitors with a view to be superior firm for specific segment. Positioning establish and maintain a unique position and image in market for product with a view that target market appreciate and give extra value to organization than competitors (Ries and Trout, 1986). In Pakistan scenario organizations are also striving to gain competitive advantage by using positioning and CRM approaches with a view to enjoy sustainable growth and competitive advantage. Due to intensive competition, Organizations at local levels also using positioning strategies with respect to specific attribute benefits, features, or usage of the product. Customer relationship management (CRM) is a strategic loom to manage customers' interconnected in order and then operate this valuable information to retain existing customers, attain new prospects and to maximize customers' life time value. CRM is a keystone for strategic position for organization. This strategic approach helps organizations to keep their customers loyal and delight (Raghu Ramakrishnan, 2005). At global level organizations are so much conscious regarding customers' satisfaction and loyalty and they are adopting customer orientation approaches with a view to manage customer relationship strategically. In Pakistan organizations are also moving their selves towards customer orientation due to competitive environment. Companies are now customizing their products & services recognizing their customers' needs by using strategic CRM tools. The growing importance of strategic positioning and strategic customer relationship management motivated us to conduct study on these approaches. Our core objective of this study is to explore relationship nature among strategic positioning, strategic CRM, and organizational performance.

## 2. Literature Review:

**2.1 Strategic positioning:** Kim *et al* (2008) summed up that strategic positioning has significant influence on organizations' performance. Strategic positioning exist in e-business environment and its performance influenced by its positioning strategies. Innovative & creative differentiate positioning strategies with available technological resources effects the firm's performance in e-business context as technology matter a lot in e-business environment. Environmental factors and resources also influenced the positioning strategies. In addition Karadeniz (2009) mentioned that due to globalization and rapid changing in economic environment rivalry between competitive

enterprises increased due to which markets shares are going in downward trend. To capture the market share organizations are now trying to improve their product positioning to bring the positive change in consumers' perceptions and behaviors. Product positioning strategies have emergence in marketing management as they are considered cornerstone to maximize the performance and to gain competitive advantage. Before designing the product positioning strategy, organizations firstly should understanding and clarity about the competitors' image and attributes. Similarly Mokaya *et al.* (2012) described that market positioning strategies have significant association with organizational performance in airline industry. Pricing strategies have significant effect on cost strategies, perceived services quality, innovation, and organizational performance. In addition Baraskova (2010) argued that strategic positioning can be developed by building association with product on the basis of its competitive edge and existing strength. Kalafatis *et al* (2000) mentioned that strategic positioning plays an important role in business markets. Positioning can be determined by product quality, personal contacts, geographical coverage, breadth of offering and degree of integration. Boyd et al (1998) explained different market-positioning strategies which relates to different situations. Mono segment and multi segment positioning, imitative, standby, anticipatory, adaptive, and defensive positioning strategies are useful in different situations.

**2.2 Customer relationship management:** Peppers & Rogers (1993) mentioned that CRM is famous approach with application of information technology in which focus should be on one to one relationship with customers that integrate knowledge database with long term customer retention and strategic growth. Jayashree *et al* (2010) summed up that organizations with effective and successful CRM strategies have financial and non-financial growth. Improvement in information technology and organizational change in customer centric procedures have positive and significant effect in development of customer relationship management. Organizations with effective implementation of CRM gain the customer loyalty and satisfaction. Nasir *et al* (2013) purposed that customer relationship management (CRM) is a tactical instrument and helpful to make strategic marketing decisions. CRM has positive impact on performance of banks. Customer relationship management is a source of competitive distinction as it's a method to handle the customer based information and then use it obtains novel customers, retain existing customers, plus enhance their life time value. Customer knowledge competence plays an important role to managing customers relations strategically. Customer information process, Marketing-IT interface, Senior Management Involvement and employees rewards, and evaluation system play significant role to enhance customers' knowledge competence. More attention should be paid on different processes of creating customer knowledge rather than to focus on the processes to integrate that knowledge within organization (Campbell, 2003). In addition Abdullateef *et al* (2011) described the strategic impact of technology based CRM on call centers performance. They summed up that technology based CRM significantly affects perceived services quality and first call resolution but weakly influence the satisfaction of customers. In call centers technology based CRM application can influence the satisfaction of customers through services quality and first call resolution. Furthermore Saini *et al* (2008) explained that Knowledge improvement and development is important to gain

competitive advantage. Technology & relational knowledge stores and technology assimilation leads to enhance superior CRM performance. CRM technology assimilation and top management championship relates with each other. Similarly Soliman (2011) said that there is a positive association between customer relationship management and marketing performance. Organizational efficiency, focus on customers and customer knowledge management have significant association with marketing performance. Coltman *et al* (2011) explained that superior customer relationship management has significant and positive association with firm performance. Effective CRM capabilities have significant association with business architecture and human analytics. Bolton & Tarasi (2010) argued that customer relationship management is an integral part of organizations' strategy.

Organizations can enhance their struggles and processes to be a cost leader through effective use of CRM data and Information. Companies can decrease their sales and services cost and enhance customers' retentions. CRM improve the customer and company relationship and due to long term relationship, client management costs can be reduced. CRM also helps to control & evaluate relationship cost to identify the profits associate with each customer due to which organizations recognize on profitable customers (MartinReimann & Oliver Schilke & Jacquelyn S. Thomas, 2010). In addition technology is the vital  to a victorious management of customer relationships they embraces organizational submissions at the bottom of rigid dissections such as sales accounting finance and marketing, along with back-office applications that help to analyze the data (Greenberg .,2001).

Customer Relation Management (CRM) used as a tactic for getting advantage by most of the firms in below stated zones.

I.   Low-grade expense drafting of clients: The expense of attracting customer can be efficiently managed by the tactics of CRM.
II.  The need for engaging too many customer who are not loyal decreases.
III. Expenses for sale also decreased: The costs concerning vending are decreased be indebted to those present clients who are regular and cost decreased because of improved relationship among distribution channel.
IV.  High level of customer profitability : "The customer profitability will get higher since the customer-wallet share increases, there are increases in up-selling, cross-selling and follow up sales, and more recommendations comes with higher customer satisfaction among customers".
V.   Increased clients quashing and trustworthiness: The customer are retained and customer faithfulness increases. (Swift et al.,2001)

**3. Research Questions:** By reading extensive literature review about Customer Relationship Management (CRM), Strategic Positioning (SP) and organizational performance we depicts some research questions mentioned below are;

1. Does strategic positioning (SP) influenced Organizational Performance (OP)?

2. What is the basically relationship lies between strategic Customer Relationship Management (CRM) and Organizational Performance (OP)?

3. What the impact of strategic positioning (SP) on strategic Customer Relationship Management (CRM)?

**4. Research Objectives:** The main objective of present study to investigates the Relationship among Strategic Positioning, Strategic Customer Relationship Management and Organization's Performance here are we deposits some research objectives

1. .To determines the relationship lies between strategic positioning and Organizational Performance.
2. To check the link between strategic Customer Relationship Management and Organizational Performance.
3. To explore the emergence between strategic positioning and strategic Customer Relationship Management.

**5. Theoretical Framework**
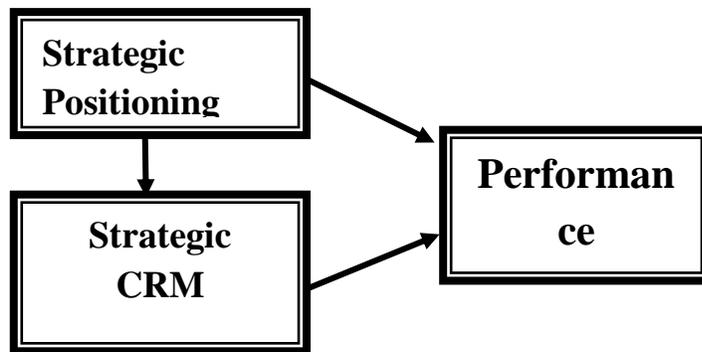


**6. Hypothesis:**

P1; There is a significance association between strategic positioning and Organizational Performance.

P2; There is a significance association between strategic Customer Relationship Management and Organizational Performance.

P3; There is significance association between strategic positioning and strategic Customer Relationship Management.

**7. Problems Statement:** Organizations are striving to enhance their growth rate and profitability. Survival of organizations is becoming challengeable and difficult due to increasing tendency in competitive market. Organizations are trying to find out strategic solutions to keep and improve business efficiencies. They are moving towards reengineering and restructuring of processes to become more efficient and competitive leader.

**8. Purpose of our Study:** our core purpose of our study is to explore relationship among strategic positioning, strategic CRM and organizational performance. We are going to examine that how much positioning and CRM have influence on organizational performance.

**10. Conclusion:** Customer relationship management is important to gain competitive edge. In the light of literature review we concluded that strategic positioning and strategic customer relationship management have strong, positive and significance association with organizational performance. Product positioning and marketing positioning have positive influence on performance. In the light of literature findings technology based CRM and customer knowledge competence also have significance association with organizational performance. Improvement in information technology and organizational change in customers' centric procedures have positive and significant effect in development of customer relationship management.

Organizations and multinational companies can utilize these findings to improve their performance in terms of growth, profitability, and customers' satisfaction by introducing and implementing effective poisoning and CRM strategies and also to reduce fluctuation in their stability and growth. Comparative study of different service sector firms may be considered. Interview based analysis can be applied to get more realistic and generalized results.

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# THE IMPACT OF MATERIALISM AND SELF CONSCIOUSNESS ON COMPULSIVE SPENDING

**Maira Ghaffar[1]**

Hailey College of banking and finance, University of the Punjab

Corresponding author's Email:. Mairaghaffar97@gmail.com

**ABSTRACT**

This study aims at empirically investigating ''the impact of materialism and self-consciousness on compulsive spending''. Further it explores the dimensions of self-consciousness i.e. private self-consciousness, public self-consciousness and social anxiety. This study is an attempt to figure out the relationship between the concerned variables. In order to collect data, sample size of 250 persons was taken belonged to different age groups but main focus was on people of age group between 16 to 20 years. Findings revealed that there exists significant positive relation among variables, females are slightly more compulsive spenders and compulsive spending behavior also changes with respect to age. This study contributes to existing literature by analyzing the impacts of independent variables on compulsive spending along with its consequences.

**Keywords:** compulsive spending, materialism, public self-consciousness, private self-consciousness and social anxiety.

## 1.1: Introduction

For most of the people shopping is a normal and routine part of everyday life. However when it becomes excessive or obsessive habit of a person then it will cause several problems for individual and his/her family may also suffer a lot. Such a habit of obsessive shopping is compulsive spending. Youngsters are more embedded in this situation. People belong to this age group are more trendy, fashionable and ambitious about their style, appearance and status. There are several reasons for increasing shopping habit among people like role of media, launching of marvelous brands, internet access to any market of world and increasing numbers of malls etc. But compulsive spending may be resulted into several negative consequences. Persons indulge in it may suffer from stress, psychological disorders, and financial problems. People do compulsive spending in order to raise good impression on their relatives, friends and peers. In this way they become materialistic. Compulsive spending has a positive relation with materialism. Concept of materialism is focused on success, happiness and possession Dawson (1992). Individuals having habit of compulsive spending are definitely indulge in materialism. Such people are also very conscious about themselves. In fact they are conscious about their status, style and appearance. For this purpose they indulge in compulsive shopping. Hence, compulsive spending has positive relation with both materialism and self-consciousness. Self-consciousness is further divided into public self-consciousness, private self-consciousness and social anxiety.

## 2: LITERATURE REVIEW

Young generation is more inclined towards shopping. Specifically people of age group (18 to 25 years) shows the wealthiest group with respect to excessive shopping (Xu, 2007). Gardyn (2002) suggested that, per month average students have $287 to spend, or have $3,444 per year which shows this group has buying power of $200 billion per year. Compulsive spending behavior arises in people who are immensely conscious about their appearance and attempt to acceptable others Krueger (1988). Several negative consequences are resulted of compulsive buying, are financial debt, personal insolvencies depression, anxiety, frustration, and low self-esteem. (Penman and McNeill, 2008; Pirog and Roberts, 2007; Xu, 2007) describes that according to materialistic people, materialistic life style can be promoted by image consciousness as it gives success identity.

### 2.1: Compulsive Spending

Compulsive buying is the excessive shopping habit and may have several negative consequences .It is not very well explained but a developing behavior among people that may lead to post regret, insolvency and stress (Dittmar, 2005b). It is stated that at greater extent compulsive buying and uncontrollable debt is violent between youth of this era (Penman and McNeill, 2008; Pirog and Roberts, 2007; Xu, 2007). One of the reasons of increasing compulsive buying is availability of bank credit cards as it has promoted the aimless purchasing. From 2006 to 2007 credit card insolvency in youth of Malaysia has increased from 2.10% to 7.63% (Goi and Nee, 2008). In last decade compulsive buying tendencies have raised (Neuner et al., 2005) and are more intense in youth. Dittmar testified that compulsive buying behavior is influenced by materialism and self-esteem. Researches of (Rindfleisch et al., 1997; Roberts, 1998; Roberts, 2000; Dittmar, 2005a, b) found that factors like demographic, socio-environmental (such as family structure), and psychographic have remarkable influence on compulsive buying.

According to Jose and Brown, 2008, females are more stress takers than males and indulge in passive thinking about problems. And so females are more indulge in compulsive buying as compared to males. Researchers have proved that between age and compulsive buying there exist inverse relation. While as compared to old people, young people show more compulsiveness because they are more trendy and materialistic in nature (O'Guinn and Faber, 1989; Roberts, 1998; Dittmar, 2005b). It was suggested by Neuner et al. (2005) that people who suffer tensions, stress and grievance use compulsive shopping as a tool for remedy.

### 2.2: Materialism :Word materialism is derived from a Latin stem 'materia' means signifying matter. Materialism is the attitude that advocates money and possessions are the most vital things to life. Materialism acts as a train of thought behind compulsive buying. Such people are mostly careless about their budget expansion. They actually try to satisfy their mind by showing themselves superior. And this is the stage when you are badly caught up in insolvency. "Materialism is an identity crisis" (McGill). It gives you temporary satisfaction and a permanent addiction. It is the greed to have too many possessions. As a philosopher George Carlin said gathering useless possessions is just like an attempt to entertain hunger by taping sandwiches around the body. Materialistic

consumers show compulsive buying habit. It is said that through material possessions people search for happiness and satisfaction (Belk, 1985). Lives of materialistic people are central towards possessions.

**H1: Materialism has impact on compulsive spending**

**2.3: Self-Consciousness:** Self-consciousness means excessively aware about your appearance and behavior. A self-conscious person might worry about how he looks or whether he's saying the right things. (www.vocabulary.com). The thought that societal compliance can ample the scarcity of self-respect with in individuals is called self-consciousness (Xu, 2007). Throughout our walking life we are conscious about several things like cars, watches, clothes, etc. and also about their certain features like color, shape and brand name etc. Sometimes people are more sensitive about themselves, their features and events that take place within them. So that they become conscious about themselves in specific situations as they feel them panic or anxious. It is feasible to predict that people who are more self-conscious about themselves are more indulge in compulsive shopping to create favorable impressions on other people. They experience themselves as distinct from their environment. They are in habit of paying consistently direct attention towards themselves.

**H2: Self-consciousness has impact on compulsive spending:**Self-consciousness scale (SCS) produced by Fenigstein, Scheier, & Buss (1975) is used in order to measure individual differences in self-consciousness. It was of great interest for researchers generally because it offers multidimensional view of self-consciousness. Scale was divided into three factors: private self-consciousness, public self-consciousness and social anxiety. First two have been studied by researchers.

**2.3.1: Private Self-Consciousness:**Private Self-consciousness concerns the contemplation paid by a person to his anticipation and perception. It is the habit to be aware of the private, inward attitude of yours. It is also associated with emotional experience. It may results in negative emotions.

**H3: Private self-consciousness has significant impact on compulsive spending**

**2.3.2: Public Self-Consciousness** : Public self-consciousness is the susceptibility to be familiar of yours inner feelings and aspects that are presented in social situations emphasizes to the recognition of the self as a social object. As compared to the people having low public self-consciousness, people who are highly self-conscious, face more group pressure. They perceive accurately what other persons have perceptions about them. In this way they experience aversive social emotions such as shyness and social anxiety.

**H4: Public self-consciousness has significant impact on compulsive spending**

**2.3.3: Social Anxiety :** As suggested by (Ching-Hsuan Yeha, Yi-Shun Wanga, Kaili Yiehb) consumer perception is generally specified by functional, social and emotional value. Social anxiety is also called social fear or phobia, is an anxiety disorder in which a person has a superfluous and irrational phobia of society and occurring situations. Anxiety (intense nervousness) and self-consciousness develop from a fear of being nearly observed,

evaluate, and negatively pointed by others. Thus, in this way it creates depression among people. And we can say that public self-consciousness is a former condition that develops social anxiety.

**H5: Social anxiety has significantly positive impact on compulsive spending**

**3: Theoretical Framework of Study**
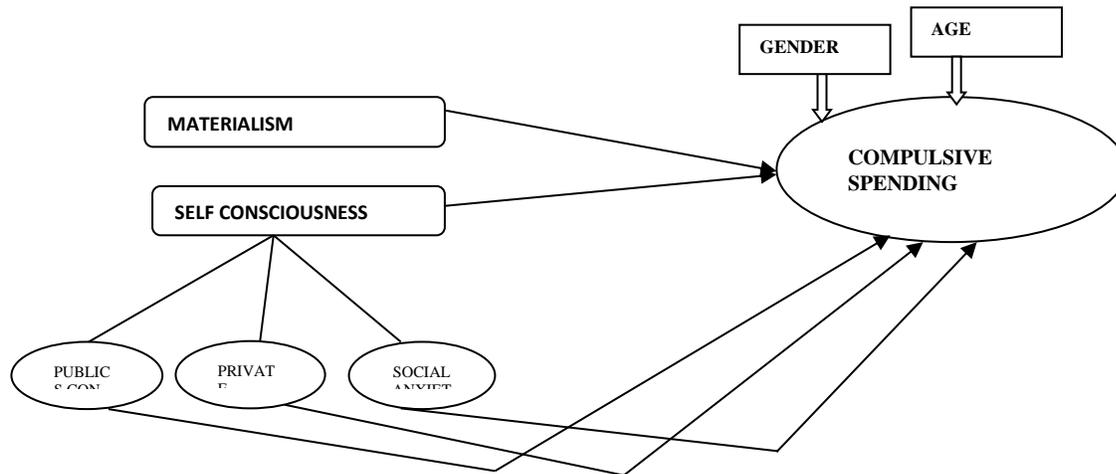


**4: METHODOLOGY**

This is a quantitative research and data was collected through questionnaires. Population of the study is mainly consisted of individuals of age group 16 to 25 years. Most of the data has collected from college students, employees of different organizations and house hold ladies.Here the unit of analysis is the Individual.The total sample size of 250 respondents was taken for the study. Initially for the purpose of pilot study, data was collected by 100 people. Non-probability sampling technique is used which provides a non-zero chance of selection for each population element.

**4.1: Measures**

To measure compulsive spending (dependent variable) compulsive buying scale was taken from (J. A. Roberts &C. Roberts, 2012). Materialism (independent variable) In order to measure materialism, constructs of (Joung, 2013) were used. Self-Consciousness (independent variable) is further divided into public self-consciousness, private self-consciousness and social anxiety. To measure these, self-consciousness scale of (Fenigstein et al., 1975) was used.

**4.2:DATA ANALYSIS AND RESULTS**

**4.2.1: Data Normality Analysis**

**Cronbach's alpha :** Reliability test has showed Cronbach's alpha value is 81.9%.

**Histogram:** Majority of bars were inside the bell shaped curve so data is normally distributed

**Probability plot:** On plotting the data according to the theoretical distribution, approximately straight line was obtained by joining the points which indicates data is normally distributed.

**4.2.2: Pearson Correlation**

Table 4.1: Pearson Correlation

| Variables | CS | M | SCON |
|---|---|---|---|
| CS | 1 | | |
| M | .419** | 1 | |
| SCON | .407** | .484** | 1** |

Note: 'CS' stands for compulsive spending; 'M' stands for materialism; 'SCON' stands for self-consciousness    *p<0.05; **p<0.01

**Compulsive spending vs. materialism:** Results in above mentioned table showed that, there exists relation between compulsive spending and materialism. Materialism has 41.9% impact on compulsive spending. Hence our hypothesis has proved that materialism has impact on compulsive spending.

**Compulsive spending vs. self-consciousness:** Results in above mentioned table showed that there exists relation among compulsive spending and self-consciousness. Self-consciousness has 40.7% impact on compulsive spending. Hence our hypothesis has proved that materialism has impact on compulsive spending.

**4.2.3: Regression Analysis**

**Materialism vs. compulsive spending :** Correlation value R=.419 and R-square = .175 which shows that materialism contributes 17.5% towards compulsive spending. B value 0.402 shows that 1% increase in independent variable (materialism) will bring 40.2% increase in compulsive spending.

**Self-consciousness vs. compulsive spending :** Correlation value R=.407 and R square = 0.166 shows that self-consciousness contributes only 16% towards compulsive spending.B value 0.445 shows that 1% increase in self-consciousness will bring about 44.5% increase in compulsive spending.

**Private self-consciousnesses Vs. compulsive spending :** The correlation value between private self-consciousness and compulsive spending is R=.337. Private self-consciousness contributes 11.4% towards compulsive spending.B value .313 shows that 1% increase in private self-consciousness will bring 31.3% increase in compulsive spending.

**Public self-consciousness vs. compulsive spending :** Compulsive spending is contributed by Public self-consciousness 7%. B value =0.223 shows that 1% increase in public self-consciousness will bring about 22.3% increase in compulsive spending.

**Social anxiety vs. compulsive spending :** Correlation value among social anxiety and compulsive spending is R=.292.Whereas R-Square=0.085 shows social anxiety contributes 8% towards compulsive spending.B value=0.205 shows that 1% increase in social anxiety will bring 20% increase in compulsive spending.

**4.3: FINDINGS AND DISCUSSIONS:**

**RQ1: Materialism has impact on compulsive spending?**

**H1:Materialism has positive impact on compulsive spending :**Regression test showed that materialism has impact on compulsive spending. Materialism contributes 17.5% towards compulsive spending. Correlation test showed that there exists positive relation among materialism and compulsive spending.

**RQ2: Materialistic people are more indulge in compulsive spending? :** Regression analysis has showed that there is direct relation among materialism and compulsive spending. So, materialistic people are more indulge in compulsive spending.

**RQ3: Self-consciousness raises compulsive buying behavior or not?**

**H2:Self-consciousness has impact on compulsive spending :** Materialism contributes 16.2% (positive impact) towards compulsive spending. Correlation test showed that there exists positive relation among self-consciousness and compulsive spending.

**H3: Public self-consciousness has significant impact on compulsive spending:** Public Self-consciousness and compulsive spending have positive relation among them. Compulsive spending is contributed by Public self-consciousness 7%.

**H4: Private self-consciousness has significant impact on compulsive spending :** Private Self-consciousness and compulsive spending have positive relation among them. Private Self-consciousness contributes 11.4% towards compulsive spending.

**H5: Social anxiety has impact on compulsive spending :** Social anxiety contributes 8% (positive impact) towards compulsive spending. 1% increase in social anxiety brings 20% increase in compulsive spending.

**RQ4: Females are more compulsive spenders than males?**

**H6: Females are more compulsive spenders than male :**Mean and standard deviation of males is (3.103 and 0.4286) while females have mean value 3.226 and standard deviation 0.04858. Mean values shows that females are more compulsive than males. But there does not exist a huge difference among behaviors of male and female of Pakistan.

**RQ5: Teenagers are more indulge in compulsive spending?**

**H7: People of age group between 16-20 are more compulsive:**Mean values of age group between (16-20) shows highest mean value i.e. 3.2144 it shows respondents belong to this group are more compulsive.

**5.1: Implications and Contribution of Study:** This study is helpful to understand the reasons behind compulsive spending and its consequences. It throws light on how materialism and self-consciousness raises compulsive behavior among people. This ultimately enhances anxiety and financial problems. It is helpful to create rational approach among people to condemn their compulsive shopping habit and to promote saving habit.

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# REVALUATION OF FIXED ASSETS AND FUTURE FIRM PERFORMANCE: EVIDENCE FROM CEMENT SECTOR OF PAKISTAN

Anam Fazal [1,] Sayyed Khawar Abbas[2]

[1 & 2]  Hailey College of Commerce, University of Punjab, Lahore, Pakistan

Corresponding author's Email: anamfazal106@gmail.com

**Abstract:** General purpose of financial reporting is to assist investors in their decision making. Fixed assets constitute a major proportion in the value of firms. IAS16 provides two accounting treatments for fixed assets. One offer to report them on historical value and other one allows recording fixed assets on fair market value. Revaluation of fixed assets put an impact on future performance of firms. This article has explored this relationship in cement sector of Pakistan.  Results revealed that revaluation of fixed assets puts a negative impact on future firm performance in cement companies. Investors do not perceive such accounting treatment fair. This study can be extended to other sectors.

*Keywords:* Revaluation, Fixed Assets, Firm Performance, Cement Sector

## 1. Introduction

Financial statements, besides representing the state of affairs of a business, are an important means to communicate firm performance to outside investors. The FASB states that "the objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders, and other creditors in making decisions about providing resources to the entity. Those decisions involve buying, selling, or holding equity and debt instruments and providing or settling loans and other forms of credit. " Moreover the decisions by the investors to buy or sell the equity depend upon the expected return from the investment (FASB, Statement of Financial Accounting Concepts No. 8 OB2. – OB3.).

As financial statements should reflect the true picture of a business, the choice of accounting treatment rests on management's discretion. This selection is a vehicle towards providing information about the financial health of business. Revaluation of fixed assets puts a significant impact on financial statements of companies .According to Helay&Palepu (2001), the requirement of accountancy information determines informational asymmetry and economic conflicts existing between the management and the investors. So, in this environment, accounting practice helps bridging the gap and shows the exact state of business (Piera, 2007).

Fixed assets lead to the generation of operational revenue which speaks of their crucial importance. Hence, the need of their proper valuation arises. International standards issued by IASB which also address the need of

converging the accounting practices, issued IAS 16, the standard for the accounting of fixed assets. IAS 16 provides two models for the valuation of fixed assets: recording the assets on historical basis or revaluing them on market value. When a firm makes a decision to revalue its assets, then it should be done on regular periods of time so that the asset should not be valued at a price different form its market value. Other principles are also mentioned in standard regarding revaluation (Summary of IAS 16). The focus of information disclosure is to assist investors in generating a portfolio structure of the investments. The problem of information asymmetry is solved by revaluing the fixed assets and it also provides the means for signaling the information to investors (Brown, Izan, & Loh, 1992).

Easton, Eddey, & Harris (1993) reported that motive behind revaluing assets by Australian managers is to present true and fair financial statements. Revaluation of fixed assets shows the true value of fixed assets and thus, helps to raise the market value of firm. There are a number of studies which have proved that revaluing the fixed assets is an important mean for raising the future performance of the firm (Aboody , Barth, & Kasznik, 1999), (Barth & Clinch, 1996) (Barth & Clinch, 1998) (Emaneul, 1989).

IAS 16 is applicable since January 2005. Pakistani companies also face the discretion of recording assets on book value or revaluing them on market value. Before this, no study has been conducted in Pakistani context to see whether there is an impact of revaluation of fixed assets on performance of firms. Therefore, this study in intended to see the effect of fixed asset revaluation on future firm performance of Pakistani companies. Only cement sector has been chosen.

Cement industry is a major industry of Pakistan which was in existence before the partition. At this time, the production has increased more than 3 times which was at the time of independence. The major support of this industry is the presence of inexhaustible raw materials for manufacturing. British Standard BS 12: standard for Portland cement is in regulation and followed in Pakistan (Analysis of Pakistani Cement Industry – A Report, 2015).

So the actual question is whether Revaluation of fixed assets determines the future performance of firms in Cement Sector of Pakistan. So in the light of the problem identified this study objective are: to explain the need of financial reporting, to understand how the existing and potential investors' evaluation effects and more importantly to find out the relationship between fixed assets revaluation and future firm performance in cement sector of Pakistan.

Study of revaluation of fixed assets in Pakistan will worth significantly as it will be an addition to work carried out in other countries. Further, the results will assist the managers as well as investors about the importance of assets revaluations and its impact on the assessment of firm's performance.

## 2. Literature Review

The main focus of research on revaluation of fixed assets has been its impact on the market value of firm. A handful of studies are available which has tested the relation of fixed assets revaluation and its influence on firm's

performance. Aboody , Barth, & Kasznik (1999) advocated that upward revaluation of fixed assets by UK firms has a positive relationship with changes in future performance when measured by operating income and cash from operations. They also found that current year revaluations (revaluation balance) are significantly positive related to annual returns (prices). Courtenay & Cahan (2004) studied the firms in New Zealand and found a positive relation between revaluation and returns. Similar study was conducted by Vafeas (2007)who examined the motives of fixed assets valuations for companies listed on the Swiss stock exchange and concluded that revaluations improve the perceptions of international stakeholders and borrowers about firm's financial position.

Barth & Clinch (1998) investigated the association between Australian asset revaluation and share prices and non-market-based firm value estimates. They found stronger value relevance for revalued plant and equipment. While in their previous research of U.S., U.K., Australian, and Canadian firms, Barth & Clinch (1996) concluded that asset revaluations are uncorrelated with information which is relevant for investors. Same results were explained by Bernard (1993) who determined relation between asset revaluations and future operating performance and he pointed out that market- based tests only provide indirect evidence about this association.

Another point of view is that revaluation of fixed assets puts a negative impact on firm performance. Lopes& Walker (2012) analyzed the relationship between fixed asset revaluation and future firm performance. This study covered the time period of 1998-2004. Results revealed that assets revaluation is done only to improve equity position and investors do not consider it realistic. Thus, they found negative association between revaluation of fixed assets and future firm performance.

As the choice of revaluation lies on management's discretion, researchers have also tried to find the objective of management behind revaluing the assets. Jaggi&Tsui (2001) studied the motivation of Hong Kong's managers for upward revaluation of fixed assets. The results indicated that the objective of revaluation by managers is to provide fair assessment of firm's market value and also to increase the borrowing capacity of firms.

The two accounting treatments historical cost vs. market value draws the attention towards suitability of each method. As market value approach shows true picture of business, the problem of increased depreciation and management's motives poses questions to its appropriateness. Varga (2011) attempted to prove that the method of historical cost accounting is much suitable than the revaluation model. By discussing the point of converging U.S.GAAP with IAS 16, the author believed that using the market value is not a reliable attempt to show the actual deterioration of assets, rather it correlates market value and usage of asset. Moreover, as the choice of accounting method relies on management's discretion, biasness and scandals can be very common in this regard. Results further argued that if investors and creditors determine intrinsic value by market value of assets, there are other intangible items necessary for correct valuation of equity. Cheng & Lin stated that those firms report their assets at fair market value which experience good market performance. Upward revaluation shows good values for companies when investors consider the good position of firm in market.

By considering all these theories, the current study is aimed at evaluating the effect of fixed assets revaluation on future firm performance in Pakistani cement sector.

## 3. Research Methodology

### 3.1. Data

This research is aimed at analyzing effect of fixed asset revaluation on future performance of companies in cement sector of Pakistan. There are 16 members cement companies of All Pakistan Cement Manufacturers Associations. Due to data collection problems, only 9 companies were chosen. Out of them, only 3 revalue their assets on market values.

Hand- collected quantitative data from published financial statements of companies has been used. Financial statements were taken from websites of companies. The study covers the time period of 2010-2014.

### 3.2. Variables

This study aims at analyzing the impact of revaluation of fixed assets on future performance of Pakistani cement companies. Performance of companies is measured by operating income. Variables has been modified to arrive at exact conclusion. **Table** shows variables, symbols and their methods of calculation.

Table 1. Variables

| Variables | Symbol | Description |
|---|---|---|
| **Dependent variable** | | |
| Change in operating income | $\Delta OPINC_{t+\tau,i}$ | change in operating income from year t to year t+$\tau$ where $\tau$=1. |
| **Independent variables** | | |
| Surplus on Revaluation | $REV_{ti}$ | revaluation increase in year t. |
| Logarithm of total assets | $ASSETS_{ti}$ | Value of total assets are taken excluding revaluation balance. These values are in logarithms. |
| Debt to equity ratio | $DE_{ti}$ | Companies debts relative to equity. |
| Market to book value | $MB_{ti}$ | Market value of equity relative to book value. |

### 3.3. Model

The study has used the following equation in order to evaluate the relationship between revaluation of fixed assets and future firm performance. Changes in future performance will be analyzed by OPERATING INCOME.

$$\Delta OPINC_{t+\tau,i} = \alpha_0 + \alpha_1 REV_{ti} + \alpha_2 ASSETS_{ti} + \alpha_3 DE_{ti} + \alpha_4 MB_{ti} + \epsilon_{it}$$

**…………………………. (1)**

**Whereas,**

$\Delta OPINC_{t+\tau,i}$ = change in operating income from year t to year t+$\tau$ where $\tau$=1

$REV_{ti}$ = Revaluation in year t i.e. increase in revaluation reserve.

$ASSETS_{ti}$ = sum of total assets at the end of year t excluding the revaluation balance

$$DE = debttoequityratio$$

$MB_{ti}$ = market to book ratio of equity. According to Fama & French (1992), cross-sectional variations in average stock returns are captured by book to market equity.

For discussion of variables, refer to Aboody , Barth, & Kasznik(1999).

### 3.4. Data analysis

The above equations are analyzed by OLS and panel regression estimation techniques (Fixed effects model and Random effects models) using STATA software. For details of these models, refer to (Wooldridge, 2002) (Gujrati & Porter, 2009).

### 4. Discussion of results

Following table presents the summary statistics of used variables.

Table 2.Summary Statistics of Variables

| Variables | Obs | Mean | Std. Dev. | Min | Max |
| --- | --- | --- | --- | --- | --- |
| $\Delta OPINC$ | 55 | 9.48e+08 | 1.19e+09 | -4.07e+08 | 5.01e+09 |
| $REV_{ti}$ | 29 | 3.03e+09 | 1.40e+09 | 1.56e+09 | 5.55e+09 |
| $ASSETS_{ti}$ | 66 | 10.05822 | .4301516 | 9.076495 | 10.90234 |
| $DE_{ti}$ | 66 | 4181927 | 1.27e+07 | 0 | 8.53e+07 |
| $MB_{ti}$ | 66 | 1.632721 | 1.471635 | .0152837 | 6.425767 |

Study variables demonstration can be observed in above table OPINC average is 948000000, standard deviation is 1190000000 whereas it shows too that it will ranges -407000000 to 5010000000.Surplus on revaluation mean value is 3030000000, its spread from average is 1400000000 so its range is between 1560000000 to 5550000000. Log of Assets average remains 10.05822 whereas its spread from average is 0.4301516 and its range is between9.076495 to 10.90234.

Debt to equity ratio shows average of 4181927 with the spread 12700000 so it develops the range 0 to 85300000. Market to Book ratio mean value is 1.632721 and its spread from mean is 1.471635, so its range is 0.0152837 to 6.425767.

**Model:**$\Delta OPINC_{t+\tau,i} = \alpha_0 + \alpha_1 REV_{ti} + \alpha_2 ASSETS_{ti} + \alpha_3 \Delta DE_{ti} + \alpha_4 MB_{ti} + \in_{it}$

Table 3.Table Regression Results

| Dep. Variable: Change in operating income | Ordinary Least Square | Fixed Effects Model | Random Effects Model |
|---|---|---|---|
| $\Delta OPINC$ | -.7939052* | 1.569636 | -.7939052** |
| | (.3595126) | (1.312404) | (.3595126) |
| $REV_{ti}$ | 5.95e+09** | 7.89e+09 | 5.95e+09*** |
| | (1.95e+09) | (4.64e+09) | (1.95e+09) |
| $ASSETS_{ti}$ | 5.225942 | 1.146248 | 5.225942 |
| | (14.46418) | (13.50444) | (14.46418) |
| $DE_{ti}$ | -1.10e+09** | -4.61e+08 | -1.10e+09*** |
| | (3.98e+08) | (5.43e+08) | (3.98e+08) |
| Constant | -5.58e+10** | -8.20e+10 | -5.58e+10*** |
| | (1.82e+10) | (4.55e+10) | (1.82e+10) |
| Hausman Test | | [b]4.52 | |
| R-squared | 0.7054 | 0.4517 | 0.7054 |

*Notes:*, **, *** indicates significance at 10%, 5% and 1% respectively. Estimations are done by using pooled OLS and panel regression commands in Stata. In REM, value of Wald Chi has been mentioned instead of F-test.* [b]*FEM and REM estimators do not differ substantially.*

According to regression results, fixed assets revaluation has negative impact on firm performance as represented by OLS and random effects model. Hasuman test has showed that there is no systematic difference between fixed effects and random effects models. Log of assets having positive significant relationship with change in operating income at 5% level of significance. Debt to equity ratio have no significant relationship. Market to book ratio have

negative significant relationship at 5% level of significance in OLS and in random effects model at 1% level of significance.

## 5. Conclusion

This research article was written with the intention of analyzing the effect of revaluation of fixed assets on future firm performance in cement sector of Pakistan. Our results showed that revaluations put a negative impact on the performance of firms which means companies revaluation strategy is not changing the overall effect of decrease in value of assets which actually comes through the depreciation. The underlying reason is that investors do not perceive increase in the value of assets as significantly related to firm performance.

Increase in surplus on revaluation will ultimately come with the change of decrease in operating income. Investors are quite mature and has access to proper information so they knew about the revaluation truth. So, that's why operating income having the negative effect of market to book ratio of equity while the surplus on revaluation is given. These results are in line with. This study will help companies to understand that it is not feasible to revalue assets at fair market values and to incur high expenses in revaluation or in audit. Main limitation of this study was time constraint. This study should be extended to other sectors to arrive at general conclusion.

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# PROJECT MANAGEMENT OF OIL AND GAS EXPLORATION USING STRUCTURAL EQUATION MODELING

Farhaj Ishtiaq*, Mirza Jahanzaib, Wasim Ahmad, and Salman Hussain
Industrial Engineering Department, U.E.T Taxila, Pakistan
*Corresponding author's Email: farhajch619@yahoo.com

**Abstract:** Projects of oil and gas exploration are considered as highly risky and complex. Therefore these projects demand a great attention for their completion and functioning, which can be implemented by using project management tools and techniques. Hence this study is made to explore the factors which influence project management performance of oil and gas exploration. A statistical technique known as structural equation modeling is used to explore the interrelationship between variables of exploration project management. Hypothetical model is developed using structural equation modeling technique based on four constructs which include soundness of project workforce, effective project planning, project quality assessment and project management performance. Data collection is made from a public sector oil and gas industry of Pakistan which is considered as a case study for this research. Analysis of data has highlighted the factors which significantly affect success of project management performance of oil and gas exploration.

*Keywords:*Oil and gas exploration*, Project management, Structural equation modeling

## 1. Introduction

The economic development and employment is highly dependent on petroleum sector in countries enriched with oil and gas resources. Therefore the success of oil and gas projects is very essential to meet rising demands of oil and gas as well as to gain economic benefits. Oil and gas industry has distinguish characteristics which include large investments, high risk (safety, health and environment), high rewards, multidiscipline experts and global impact. It has three main sectors which includes upstream, mid-stream and downstream. Upstream sector deals with licensing, exploration, appraisal, development and production. Midstream deals with storage and transportation, whereas downstream deals with refining and marketing of petroleum products.

Project management is widely used by many organizations to meet their requirements with in the defined framework.  Its tools and techniques also play an important role for the success of oil and gas projects. These tools and techniques include scope management, risk management, quality management, adequate planning and control, problem identification and solution, time management and scheduling of resources and workforce (Badiru & Osisanya, 2016). The use of these project management tools and techniques is industry specific.

A high level of risk exists for oil and gas exploration projects due to the involvement of huge volume of resources, machinery and man power. Failure of which is a cause of huge loss to stakeholders. The complexities of these projects due to environmental influences and completion of projects with in the given time and budget is also an important issue. Due to which these projects demand proper monitoring and control to meet all the objectives

with in the defined timeline and budget. Project management is widely used to manage the projects of oil and gas exploration while managing all the constraints. Therefore the objective of this study is to explore the factors which are essential for the successful project management performance of oil and gas exploration by using structural equation modeling (SEM).

## 2. Literature review

Project management is essential for organizations to meet their strategic objectives as well as to achieve growth according to the potential of market in a focused manner. The organizations which use project management techniques has a strong ability to predict the crisis. Hence it can be concluded that project management practices lead towards the successful execution of projects while handling the uncertainty due to crisis (Vrchota & Řehoř, 2016).To handle complicated projects or activities, it is observed that project management is a very useful and effective tool. The new arising demands and orders lead organizations to manage day to day activities. Therefore many organizations have implemented project management tools and techniques to make decision making faster as well as to manage critical activities leading towards project success. It is essential to define the role of project management with in the contexts of the project for its successful execution and completion (Munns & Bjeirmi, 1996). A study carried out in United Arab Emirates (U.A.E) explored the value of project management by analyzing the relationship project success and project management performance. After which it is concluded that a positive relationship exists between project management performance and project success (Mir & Pinnington, 2014). The use of project management practices is dependent on the context of the project. Whereas project success is dependent on the level of usage of project management tools, techniques and practices (Papke-Shields, Beise, & Quan, 2010). Project success is usually measured by its objective which are achieved whereas project management success is measured by the defined criteria defined according to time, cost and quality.

The development of oil and gas sector of a country is an indicator of boost in its economic conditions. (Weijermars, 2009).The development projects of oil and gas involve huge amount of investment as well as technical and non-technical staff. These mega projects usually face challenges like market conditions, environmental issues, trained staff and many other. Many time these projects experience schedule and cost overrun. Main reasons for cost and schedule over run for these projects include inappropriate material, design, testing, procurement, budgeting, activities control and planning (Jergeas & Ruwanpura, 2009). Project management skills in oil and gas sector have become matured due to their enhanced utilization by exploration companies. These skills include multicultural workforce management, leadership skills and risk management (Weijermars, 2009). The projects oil and gas exploration are considered as high risky as well as complex due to geological uncertainty (Jahn, Cook, & Graham, 2008). This uncertainty exists due to the characteristics of cap rock and sudden fluctuations in cash flow. So economic risk also exists for exploration projects due to their irreversibility which makes these project more complex (Wagner & Armstrong, 2010). So considering the previous studies, no significant research is made about project management of oil and gas exploration expect a hypothetical model based on a case study of Brazil (Salazar-

Aramayo, Rodrigues-da-Silveira, Rodrigues-de-Almeida, & de Castro-Dantas, 2013). Therefore keeping in view the complexities faced by exploration sector this study is made by using SEM to analyze the factors which influence project management performance of exploration projects in Pakistan.

3. **Research Method:** Two methods were used**.** First one was a questionnaire based survey and second was a statistical technique known as structural equation modeling. A conceptual framework was developed based upon proposed hypothesis. After which questionnaire was designed based upon Likert scale to carry out the industrial survey. A well-known public organization was selected for this case study. A total of 109 responses were collected from industrial experts for further analysis.

**3.1     Hypothetical framework**

Hypothetical framework was made regarding this study by following steps.

**3.1.1 Defining latent variables and corresponding measurement components**

The methodological procedure discussed in literature  (Hair, Anderson, Babin, & Black, 2010) was followed at this step. The latent variables chosen have multidimensional interactions. Based on literature review carried out in previous section four latent variables were selected which includes "soundness of project workforce", effective project planning", "project quality performance" and "project management performance".

Observed variables for each construct were determined by comprehensive literature review. Several studies indicated that technical knowledge, collaboration between technical and non-technical staff and leadership skills of team are essential for "soundness of project workforce" (Doloi, Iyer, & Sawhney, 2011; Fortune & White, 2006; Salazar-Aramayo et al., 2013; Weijermars, 2009). Whereas for project planning, clarity of objectives, meeting time deadlines and work norms and standards are important indicators (Doloi et al., 2011; Salazar-Aramayo et al., 2013; Xia, Xiong, Skitmore, Wu, & Hu, 2015; Xiong et al., 2014). Several investigations have concluded project quality assessment is based upon implementation of quality control programs, ability to respond quickly for queries and adequacy of risk analysis. (Doloi et al., 2011; Li, Arditi, & Wang, 2012; Salazar-Aramayo et al., 2013; Xiong et al., 2014). Project management performance is always measured by its cost and schedule performance i.e. project completion within time and budget estimated (Andersen, Dyrhaug, & Jessen, 2002; Atkinson, 1999; Doloi et al., 2011; Li et al., 2012; Salazar-Aramayo et al., 2013; Xia et al., 2015).

**3.1.2 Defining the hypothesis**

Project planning is dependent upon the project managers involved in projects as well as workforce involved. Besides this effective planning always lead towards projects success (Dvir, Raz, & Shenhar, 2003). Development projects of oil and gas exploration involves huge investments as well as technical and non-technical staff. So project

management success is also dependent on staff/workforce involved in it (Jergeas & Ruwanpura, 2009). Besides this project success is always measured in terms of its cost, schedule and quality performance (Atkinson, 1999).

So following hypothesis were formulated to meet research objectives.

**H1**: Soundness of project workforce has direct positive effect on adequate project planning

**H2**: Soundness of project workforce has direct positive effect on project management performance

**H3**: Soundness of project workforce has direct positive effect on project quality assessment

**H4**: Effective project planning has direct positive effect on project quality assessment

**H5**: Effective project planning has direct positive effect on project management performance

**H6**: Better assessment of quality has direct positive effect on project management success

Hypothetical model comprises of interrelationship between latent variables which is also regarded as structural component of SEM is shown in figure 1.
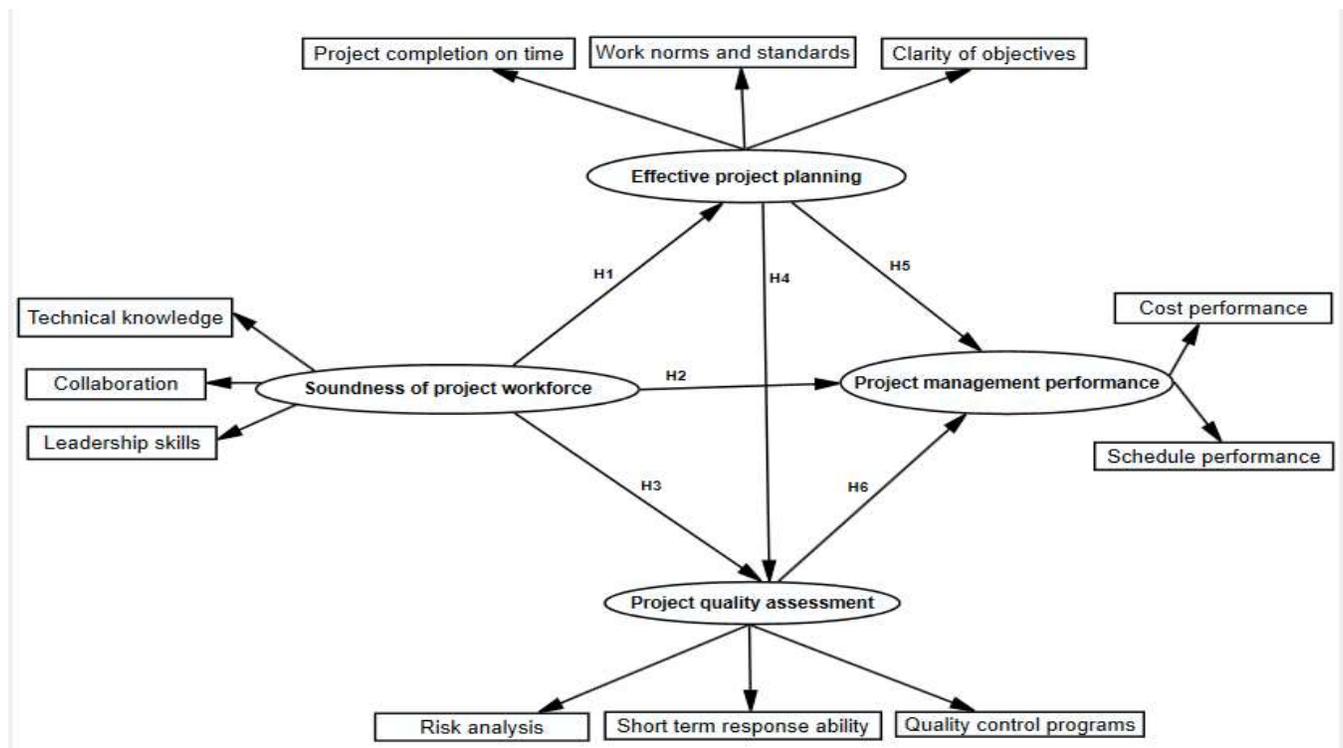


Figure 1: Hypothetical model for project management performance

## 3.2 Structural equation modeling

Structural equation modeling is a multivariate statistical technique used for analyzing the relationships between latent variables of a hypothetical model. Latent variables can't be measured directly so these are measured through observed variables. SEM has two basic components, one is measurement model which analyzes that how well observed variables are measuring latent variable whereas, second component is structural model which analyzes the relationship between latent variables (Chen, Zhang, Liu, & Mo, 2011). Basic statistical techniques can deal only with limited number of variables whereas SEM can test complex hypothetical models which normal

regression can't examine in simultaneous analysis. Therefore, SEM is also used to estimate multiple and interrelated dependent relationships (Schumacker & Lomax, 2004).

### 3.3 Data collection and reliability test

A leading public sector oil and gas industry was selected as a case study to carry out the survey. Data collection was made by a questionnaire survey. Questionnaire was based on theoretical framework given in figure 1. There were two portions of questionnaire , first section aimed to collect demographic information and second section was designed for  questions relevant to observed variable measuring a construct using 5 point based Likert scale (1=Strongly Agree to 5= Strongly Disagree). Before carrying out the survey, questionnaire was approved by industrial experts. A total of 109 valid responses were collected from exploration sector experts which included project managers, exploration engineers, geologists and geophysicists. The reliability of constructs were measured by using Chronbach's alpha reliability test. A cut off value of 0.70 of Chronbach's alpha reliability test indicates acceptable internal consistency. Its value ranges from 0 to 1. In table 2, reliability test of constructs indicated good internal consistency for analysis with alpha values greater than 0.70.

Table 1: Goodness of fit measures of initial and final model

| Goodness-of-fit (GOF) measure | Recommended level of GOF measures | Initial model | Final model |
|---|---|---|---|
| $X^2$ / degree of freedom | <5 | 1.198 | 1.144 |
| **Absolute fit indices** | | | |
| Goodness-of-fit index (GFI) | >0.9 | 0.937 | 0.937 |
| Adjusted goodness-of-fit (AGFI ) | >0.8 | 0.891 | 0.896 |
| **Parsimonious fit indices** | | | |
| Tucker–Lewis index (TLI) | >0.9 | 0.976 | 0.982 |
| Incremental fit index (IFI) | >0.9 | 0.984 | 0.988 |
| **Incremental fit indices** | | | |
| Parsimonious normed fit index( PNFI) | >0.5 | 0.629 | 0.662 |
| Parsimony goodness-of-fit index (PGFI) | >0.5 | 0.540 | 0.568 |

### 3.4 Data analysis

SEM analysis is performed in two steps. First, confirmatory factor analysis (CFA) is performed which demonstrates an acceptable level of goodness of fit (GOF) measures. After attaining satisfactory level of GOF measures, in next step relationship between latent variables is analyzed i.e. hypothesis testing.

The structural model hypothesized in figure 1 was analyzed using SEM software i.e. AMOS. Measurement model was analyzed using CFA. Many GOF criteria's have been developed but mostly three types of measures are used to access fitness of hypothetical model. These measures include absolute fit, parsimonious fit and incremental

fit (Xiong et al., 2014). GOF measures of initial and final model are given in table 1 which indicated that satisfactory level of GOF measured was attained. Besides this, all the standardized regression weights were significant with value more than 0.4 as indicated by table 2. The standardized regression weights have value ranging from 0 to 1 with higher values explaining better indication of latent variable (Lei & Wu, 2007). After the validation of measurement model by CFA, hypothetical relationships between constructs were analyzed which all indicated direct positive effect of variables according to the hypothesis.

Table 2: Latent and observed variables with Chronbach's alpha values and standardized regression weights

| Latent variables | Measured variables | | Standardized regression weights | Chronbach's alpha Value |
|---|---|---|---|---|
| **Soundness of project workforce** | Technical knowledge | X11 | 0.64 | |
| | Collaboration | X12 | 0.94 | 0.752 |
| | Leadership skills | X13 | 0.58 | |
| **Effective project planning** | Project completion on time | X21 | 0.98 | |
| | Work norms and standards | X22 | 0.40 | 0.712 |
| | Clarity of objectives | X23 | 0.72 | |
| **Project quality assessment** | Quality control programs | X31 | 0.87 | |
| | Short term response ability | X32 | 0.73 | 0.789 |
| | Risk analysis | X33 | 0.61 | |
| **Project management performance** | Cost performance | X41 | 0.92 | |
| | Schedule performance | X42 | 0.81 | 0.858 |

## 4. Results and discussion

The final structural equation model with all coefficient is shown below in figure 2. Out of six proposed hypothesis four hypothesis were accepted where two hypothesis were rejected based on critical ratio. Paths having critical ratio more than 1.96 are regarded as significant. The hypothesized positive relationship between soundness of workforce and project planning (H1) is significant at p= 0.004 with β= 0.31. The positive relationship between soundness of project workforce and project management performance (H2) is insignificant at p=0.631 but it has positive direct effect with β= 0.04.

Moreover impact of soundness of workforce on project quality assessment (H3) is significant at p=0.038 with β= 0.16. The positive impact of project planning on quality assessment (H4) is also significant at p= 0.007 with β=0.32. The positive relationship between project planning and project management performance is not significant at p=0.957 with β= 0.005, so hypothesis (H5) is rejected. Whereas relationship between assessment of quality and project management performance (H6) is significant at p< 0.001 with β=0.79. Soundness of project

workforce and project planning also have indirect effect on project management performance through project quality assessment.
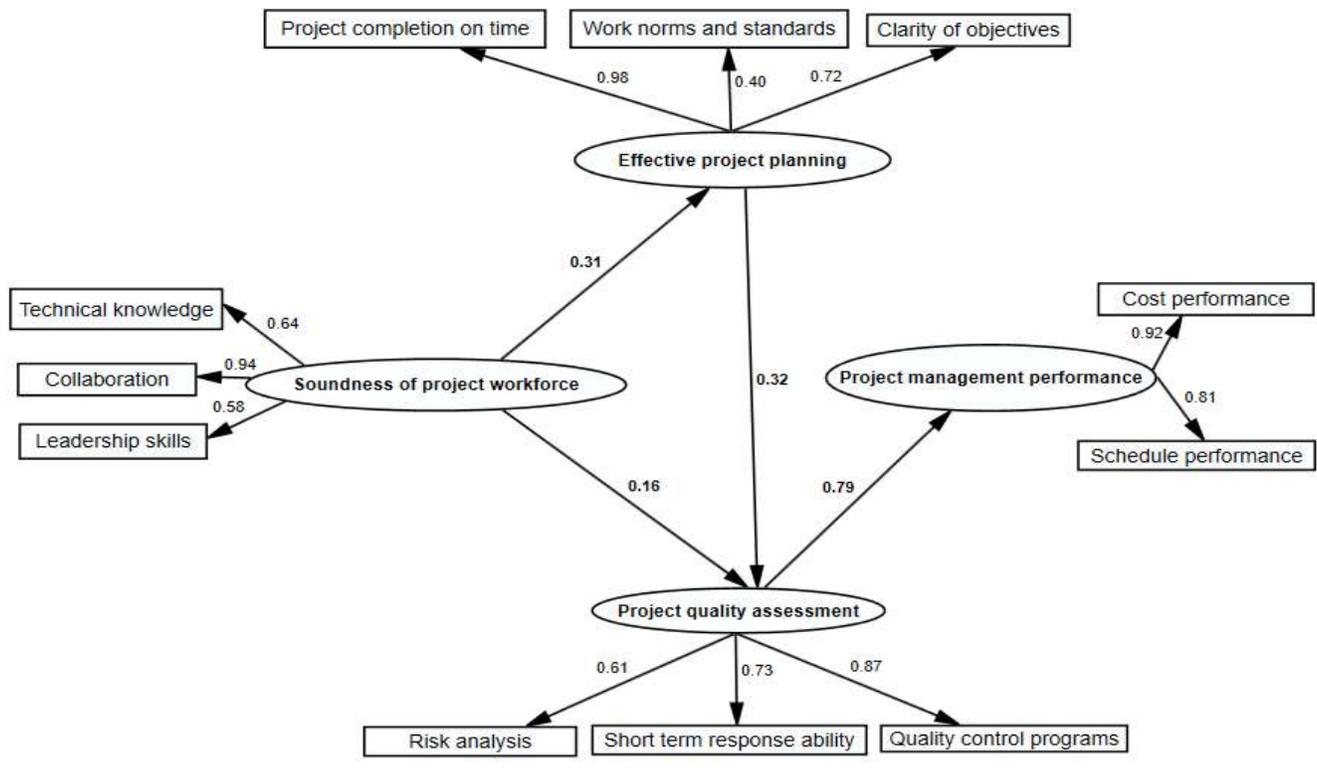


Figure 2: Final structural equation model for project management performance

5. **Conclusion:** Based upon data collection from exploration experts of an oil and gas industry of Pakistan, it was concluded that project quality assessment has positive and direct influence on project management performance. Whereas soundness of project workforce and project planning have indirect effect on project management performance. Moreover soundness of workforce also has positive effect on project planning. This study has provided the opportunity to experts for effective management of oil and gas exploration projects by prioritizing significant factor. In future, constructs like organizational complexities, environmental performance and financial outcomes can also be incorporated. Moreover sample size can also be enhanced for more accurate results. Indicators for constructs can also be increased for better evaluation of latent variable.

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# A FRAMEWORK FOR CATERGORIZING CHANGES IN BEHAVIOR OF BANKS: BORROWERS' PERSPECTIVE

**Abdul Aziz Khan Niazi (Corresponding Author)**
**Assistant Professor**
**Institute of Business and Management,**
**University of Engineering and Technology, Lahore, Pakistan**
Email: azizniazi@uet.edu.pk

**Temina Fiaz Qazi**
**Assistant Professor**
**Institute of Business and Management,**
**University of Engineering and Technology, Lahore, Pakistan**
Email: tehmina.qazi@gmail.com

## Abstract

The literature of banking and organizational behavior largely focuses on some selective changes in behavior of banks before, during and after lending with exclusion of many interrelated changes. This paper develops a framework for categorizing (with reasoning) the changes in behavior of banks faced by the borrower firms and it also outlines the possibilities of the ideal one. The study analyzes phase-wise changes in behavior and it accounts for the major factors which contribute towards the changes. This study proceeds stepwise and as a first step, three phases of banks' behavior (i.e. pre, during and post lending) have been identified from literature and behaviors from within each phase have been classified and tabulated. As a second step, phase-wise reasons of changes have been accounted for and categorized. As a third step, expected ideal behaviors of banks have been classified and as a fourth step, the ways of changing it have been tabulated. Finally, overall framework has been constructed and represented in form of a conjoint of said classifications. It is a conceptual paper that underpins vital dimensions of organizational behavior of banks from view point of customers, the evidences of which can be explored in future studies.

## Introduction

Banking is a business of loans that is one of the leveraged types of businesses. The banks borrow and lend money hence both assets and liabilities of the bank emerge as different forms of loans. Banks obtain the loans on lower rates of interest and lend the same money at higher rates and consequently retain differential as profit margin of this leveraged business. It can conveniently be visualized that the banks have two halves: the front office and back office. Functionally, as well as, behaviorally both halves are antonyms. Front office functionally consists of marketing, credit, administration, foreign exchange, general banking, finance, accounts, audit, legal, senior management, and so on. The back office consists of special asset management, monitoring, litigation, information technology, and senior

management. There are three identifiable phases of organizational behavior of banks while during conduct of their business.

**Literature Review**

Despite of the utmost importance of the financial sector to country's economy relatively there is little research about organizational behavior of banks (Leng, Hanum and Nasaruddin 2006). Banking is highly behavior sensitive business but research in this domain is at infant stage. Thinking about a bank draws a typical concept about behavior of the banks. The questions like: "How the bank behaves? Is its behavior towards customers justified? Can it be changed? Should it be changed? How can it be changed?" are the research worthy questions and need to be explored rather thoroughly.

There is an active research to deal with marketing, accounts, finance, monitoring, development and introduction of new banking products but little research published in the area of organizational behavior of banks particularly on the behavior of back office Ito (2002). There are few behavioral analysis models advanced by researchers for banking which have been reviewed as a part of this research study. Ito (2002) also argues:

"Many banks do not document the process that lead up to closing the deal with customers. That means that know-how such as to how to interact with customer, what information to obtain and what proposal to make successfully conclude the deal has not been formulated into tangible knowledge. Needless to say this type of knowledge is most useful to our frontline employees. So we need a system that transform that valuable information into explicit knowledge and share it across the branches and organizations smoothly".

Banks pay more attention on the face of the transaction than concluding it over the period of time. Team building among employees so as to empower them to take timely decisions is one of the main reasons to study behavior in banks (Ali & Ahmed 2006). As the economies of the world gradually changed from industrialization to information and from information to knowledge, therefore, it has become imperative to study behavior of the banks. Good and positive behavior is called intangible asset of banks (Leng and Nasaruddin 2006). Now days, through development of state of the art information technology, information can be ready with few clicks (Leng and Nasaruddin 2006). Banks do not recognize the issue of organizational behavior seriously and it is ostensibly dear that the benefits of the positive behavior should be no longer limited to larger global banking institutions. The positive behavior can lead to better return on investments in the banks (Jayasundara 2008). Conceptual framework can be advantageous tool to be implemented in the banking and insurance industry for bringing changes in behavior of banks towards customers (Fourie and Schilawa 2004). These phases are pre-lending, during lending and post lending behaviors.

This paper gives an alternative solution to the suboptimal approach of dealing the changes in banks' behavior in isolation from one another. Therefore the next section develops a framework for categorizing the changes in behavior of banks faced by the borrower firms. Subsequent portion of the paper spells out the reasons and desired behavior of the banks. Final section contains the conjoint framework of behavior of banks before, during and after lending and it also elaborates practical implications this consolidated perspective.

**Methodology**

The latest research articles published about the behavior of banks have been critically reviewed. The variables have been categorized, tabulated and juxtaposed on the bases of simple logic. The study analyzes phase-wise changes in behavior of banks and it accounts for the major factors which contribute towards the changes. This study proceeds stepwise and as a first step, three phases of banks' behavior (i.e. pre, during and post lending) have been identified and behaviors from within each phase have been classified and tabulated. As a second step, phase-wise reasons of changes have been accounted for and categorized. As a third step, expected ideal behaviors of banks have been classified and as a fourth step, the ways of changing it have been tabulated.

Finally, overall framework has been constructed and represented in form of a conjoint of said classifications. The categorical classification has been represented in simple tables and a representation of every variable classified in tables has discussion in relevant section with the support of relevant literature. The climax of the argument has also been presented in a conjoint the tables.

**Step1: Categorization of Bank Behaviors**

There are three phases of the behavior of banks i.e. pre-lending, during lending and post lending behavior. Each of these phases encompasses a number of changes. Wide range of review of literature revealed different components which are included in the typification given in this section. The banks' behavior, however, does not necessarily change systematically according to these phases. The behavior may vary across the time from bank to bank and firm to firm depending on their respective corporate policies.

*Phase-1: Pre-Lending Behavior:*The banks market their products and services to attract the customers. So their behavior while during marketing is soft, persuasive, co-operative, supportive, compromising, respectful, and service oriented. This stage is noted here as "pre-lending behavior" of banks.

The products and services are mainly loan related. Either the bank markets to attract deposits or offer loan products. This study is concerned with loans of the banks. It in fact analyzes the change in behavior of banks while lending. Various forms of present pre lending behavior of banks are summarized in Table 1.

**Table 1**
**Present Pre-Lending Behavior of Banks**

- Soft,
- Persuasive,
- Co-operative,
- Supportive,
- Compromising,
- Service oriented, and
- Respectful

***Phase-2: During Lending Behavior:*** When the customer decides to have a business transaction with banks, and formally applies for loan, the behavior of banks changes. Behavior of the bank becomes interrogatives, bank interest meticulous, careful, secure, possessive, and apprehensive but cooperative. This phase is noted as "during lending behavior". Various forms of present during lending behavior of banks are summarized in Table 2.

**Table 2**
**Present During Lending Behavior of Banks**

- Careful,
- Secure,
- Possessive,
- Interrogative,
- Bank interest meticulous,
- Apprehensive, but
- Co-operative

***Phase-3: Post Lending Behavior:*** After the bank has advanced the loan, the performance part of the customer starts.

**Table 3**
**Present Post Lending Behavior of Banks**

**Present**
- **Regular**
  - Superficial,
  - Irresponsible,
  - Indifferent,
  - Non-Co-operative, and
  - Petulant.
- **Irregular**
  - Dis-owning,
  - Dis-respectful.
  - Twisting,
  - Obnoxious, and
  - Taunting.

The behavior of a customer affects the behavior of the bank. Customer might be "regular" in repayment of loans or might be "irregular". In both of the situations, bank as an organization behaves differently. But even if, the customer is regular, the behavior of the bank still changes and becomes non-cooperative, irresponsible, indifferent, petulant, and superficial. If the situation is other way round i.e. the customer is irregular in repayments of loans, the banks become disowning, obnoxious, twisting, taunting and disrespectful. This phase of the organizational behavior of the bank is noted as "post lending behavior". Various forms of present post lending behavior of banks are summarized in Table 3.

Present pre, during and post lending behavior of banks are summarized and conjoined in Table 4.

**Table 4**
**Framework of Present Pre, During and Post Lending Behavior of Banks**

| Pre-Lending Behavior | Overall | During Lending Behavior | Overall | Post Lending Behavior | Overall |
|---|---|---|---|---|---|
| Soft, persuasive, co-operative, supportive, compromising, service oriented, and respectful | Positive | Careful, secure, possessive, interrogative, bank interest meticulous, apprehensive, but co-operative. | Negative | **Regular:** Superficial, irresponsible, indifferent, non-co-operative, and petulant.<br><br>**Irregular:** Dis-owning, dis-respectful. twisting, obnoxious, and taunting. | Negative<br><br>Highly Negative → Negative |

This paper also analyzes reasons of present behavior, ideal behavior for banks and how to change the behavior

**Step2: Category Wise Reasons of Bank Behaviors**

It is imperative to pin point that there are certain underling of reasons which attribute the changes in behavior of banks. Credit/advances/ lending is authoritative and mostly, bankers respect few reputable customers only. Banks have stereo type behavior with customers. Banks pretend that if they become lenient then the customers may twist the banks. There different pressures which affect the behavior of the banks in different ways.

The behavior of banks might be attributed to certain external environmental reasons and the reasons may be capped as political influences, economic circumstances, grouping, individual interests versus organizational interests, competitors behavior, government policies in general, nature of business, level of satisfaction of employees in bank, previous experiences and international practices and norms. It is worthwhile to classify those reasons as well. The classification scheme given in forgoing section indicates relevant dimensions of changes in behavior of banks faced by the borrowing firms. This section provides an overview of the reasons of the phase wise changes in behavior of banks.

*Phase-1: Reasons for Present Pre-Lending Behavior:* Various reasons of present pre lending behavior of banks are summarized in Table 5.

**Table 5**
**Reasons for Present Pre-Lending Behavior of Banks**

- Target achievement pressure,
- Recommendation,
- Win from competitors,
- Regulatory pressure,
- Bribery,

***Phase-2: Reasons for Present during Lending Behavior:*** Various reasons of present during lending behavior of banks are summarized in Table 6.

**Table 6**
**Reasons for Present during Lending Behavior of Banks**

- Fear of fraud,
- Fear of loss on transaction,
- Chances of bad debts,
- Possibilities of faking,
- Completion of documentation,
- Chances of misleading,
- Chances of mis-communication,
- Chances of mis-commitment,

***Phase-3: Reasons for Present Post Lending: Behavior:*** Various reasons of present post lending behavior of banks are summarized in Table 7.

**Table 7**
**Reasons for Present Post Lending Behavior of Banks**

- Recovery pressures,
- Marketing & processing by some other people,
- Banker feel authoritative and on driving seat
- The client is helpless,
- Authority rests with bank,
- Client is weak because of mis-overstatement,
- Confusing documents,
- Cash follows of client not supportive, and
- Focus of bank management is on more recovery least consider bank repute.

Various reasons of present pre, during and post lending behavior of banks are summarized in Table 8.

**Table 8**
**Framework of Reasons of Present Behavior of Banks**

| Pre-Lending Behavior | Overall | During Lending Behavior | Overall | Post Lending Behavior | Overall |
|---|---|---|---|---|---|
| Target achievement pressure, recommendation, win from competitors, regulatory pressure, bribery, | | Fear of fraud, fear of loss on transaction, chances of bad debts, possibilities of faking, completion of documentation, chances of misleading, chances of mis-communication, chances of mis-commitment. | | Recovery pressures, marketing & processing by some other people, banker feel authoritative and on driving seat, the client is helpless, authority rests with bank, client is weak because of mis-overstatement, confusing documents, cash follows of client not supportive and focus of bank management is on more recovery least consider bank repute; | |

## Step 3: Expected Ideal Behaviors of Banks

The customers, governments, regulators and public at large expect certain set of behaviors from banks as they have specific role in economic and non economic development of a nation. These expected behaviors can also be classified according to same scheme.

***Phase-1: Ideal Expected Pre Lending Behavior:*** Various forms of ideal pre lending behavior of banks are summarized in Table 9.

**Table 9**
**Ideal Pre Lending Behavior of Banks**

- Soft,
- Persuasive,
- Co-operative,
- Supportive,
- Realistic,
- Respectful

***Phase-2: Ideal During Lending Behavior***: Various forms of ideal during behavior of banks are summarized in Table 10.

**Table 10**
**Ideal During Lending Behavior of Banks**

- Soft,
- Co-operative,
- Careful,
- Secure,
- Co-operative,
- Supportive, and
- Guiding

***Phase-3: Ideal Post Lending Behavior:*** Various forms of ideal post lending behavior of banks are summarized in Table 11.

**Table 11**
**Ideal Post Lending Behavior of Banks**

- Co-operative,
- Supportive,
- Realistic,
- Secure,
- Owning,
- Respectful

Various forms of ideal pre, during and post lending behavior of banks are summarized in Table 12.

**Table 12**
**Framework of Ideal Behavior of Banks**

| Pre-Lending Behavior | Overall | During Lending Behavior | Overall | Post Lending Behavior | Overall |
|---|---|---|---|---|---|
| Soft, persuasive, co-operative, supportive, realistic, respectful | Positive | Soft, co-operative, careful, secure, co-operative, supportive, guiding, | Positive | Co-operative, supportive, realistic, secure, owning, respectful, | Positive |

**Step 4: Changing the Behavior of Banks**

***Phase-1: How to Change Pre-Lending Behavior***: Various ways pre-lending behavior of banks are summarized in Table 13.

**Table 13**
**How to Change Pre-Lending Behavior of Banks**

- Realistic,
- Business partnership impression,
- Clarity.

*Phase-2: How to Change during Lending Behavior:*Various ways of changing during lending behavior of banks are summarized in Table 14.

**Table 14**
**How to Change During Lending Behavior of Banks**

- No un-necessary documentation,
- No twisting documentation / information,
- Let the client read / understand every document,
- Alignment of business with credit,
- Minimum time,
- Fair assessment, and
- Minimum documentation.

*Phase-3: How to Change Post Lending Behavior:*Various ways to change post lending behavior of banks are summarized in Table 15.

**Table 15**
**How to Change Post Lending Behavior of Banks**

- Outer pressure with knowledge,
- Balanced approach,
- Exercise soft options first,
- Exercise powers to solve problems,
- Educative,
- Tactful.

Various reasons of present pre-borrowing behavior of banks are summarized in Table 16.

**Table 16**
**Framework of Changing Behavior of Banks**

| Pre Lending Behavior | Overall | During Lending Behavior | Overall | Post Lending Behavior | Overall |
|---|---|---|---|---|---|
| Realistic, business partnership impression, clarity. | Positive | No un-necessary documentation, no twisting documentation / information, let the client read / understand every document, alignment of business with credit, minimum time, fair assessment minimum documentation for processing. | Positive | Counter pressure with knowledge, balanced approach, exercise soft options first, exercise powers to solve problems, educative, tactful. | Positive |

**Conjoint of Frameworks of Behavior of Banks Before, During and After Lending**

Various reasons of present pre-lending behavior of banks are summarized in Table 17.

**Table 17**
**Framework of Behavior of Banks**

| Parameters | Pre-Lending Behavior | Overall | During Lending Behavior | Overall | Post Lending Behavior | Overall |
|---|---|---|---|---|---|---|
| Present | Soft, persuasive, co-operative, supportive, compromising, service oriented, and respectful | Positive | Careful, secure, possessive, interrogative, bank interest meticulous, apprehensive, but co-operative. | Negative | **Regular:** Superficial, irresponsible, indifferent, non-co-operative, and petulant. | Negative |
|  |  |  |  |  | **Irregular:** Dis-owning, dis-respectful. twisting, obnoxious, and taunting. | Highly Negative |

| Reasons | Target achievement pressure, recommendation, win from competitors, regulatory pressure, bribery, | | Fear of fraud, fear of loss on transaction, chances of bad debts, possibilities of faking, completion of documentation, chances of misleading, chances of mis-communication, chances of mis-commitment. | | Recovery pressures, marketing & processing by some other people, banker feel authoritative and on driving seat, the client is helpless, authority rests with bank, client is weak because of mis-overstatement, confusing documents, cash follows of client not supportive and focus of bank management is on more recovery least consider bank repute; | |
|---|---|---|---|---|---|---|
| Ideal | Soft, persuasive, co-operative, supportive, realistic, respectful | Positive | Soft, co-operative, careful, secure, co-operative, supportive, guiding, | Positive | Co-operative, supportive, realistic, secure, owning, respectful, | Positive |
| How to change | Realistic, business partnership impression, clarity. | Positive | No un-necessary documentation, no twisting documentation / information, let the client read / understand every document, alignment of business with credit, minimum time, fair assessment minimum documentation for processing. | Positive | Counter pressure with knowledge, balanced approach, exercise soft options first, exercise powers to solve problems, educative, tactful. | Positive |

**Practical Implications of the Study**

**For Firms:** Firms can transform their organizational and employee behaviors in the light of framework of behavior of banks proposed in this study.

**For Banks:** Banks can transform their organizational and employee behaviors in the light of framework of behavior of banks proposed in this study.

**For Future Research:** This typification provides the bases for developing and empirically testing hypotheses relating to different categories of changes in behavior of banks. However more rigorous theory is needed to entail this phenomenon.

**Conclusion**

It is concluded that isolated study of different categories of changes in behavior of banks does not give adequate bases for analyzing the phenomenon of behavior of banks. In contrast, holistic approach provides a framework for analyzing the behavior of banks. Framework gives the bases for comprehensive and precisely hypothesize the relations between different variables of change in behavior of banks. Researchers should incorporate change in behavior of banks as outcome variable while conducting studies in the domain of banking organizational behaviors.    This study asserts that the behavior of banks can be identified and divided in the three stages. These are pre lending, during lending and post lending stages. The main reasons, inter alia, is a paradigm shift of customer handling from one department to some other departments of bank.

Future research may be conducted on this topic and the reasons in change in behavior of banks may be proved statistically multiple techniques of analysis. It could not be done by the researchers due to shortage of time and lack of resources.

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# BIG FIVE PERSONALITIES AND JOB PERFORMANCE

**Naveed Ahmad[1], Huma Maryam[2],**

**Corresponding Email:** naveeddgk2010@gmail.com

1: Faculty of Management Sciences, Lahore Leads University, Pakistan

2: MBA Student, Lahore Leads University

## ABSTRACT

The purpose of this research paper is to analyze the impact of Big Five personalities such as openness to experience, conscientiousness, extraversion, agreeableness, neuroticism on faculty's performance in higher education sector of Pakistan. To perform a broad theoretical study of personalities and job performance were also considered. This research paper specified as logical model based on expert theory built a theoretical framework that has been developed with the Big Five Personalities and job performance relationship. Through random Sampling, the data was collected from principals and professors in Public and Private Universities in Lahore city, a total of 450 questionnaires were distributed among the respondents of study and 338 fully completed questionnaires were returned. The data has been collected through questionnaire and statistically evaluated by SPSS software. All Data analyzed through Pearson correlation coefficient, linear regression, one way analysis of variance (ANOVA). Result showed there is a significant positive relationship among faculty's job performance and Big Five Personalities, such as personality is a significant module of job performance in the higher education sector of Pakistan.

*Keywords:* Openness to Experience1, Conscientiousness2, Extraversion3, Agreeableness4, neuroticism5, Job Performance6.

## INTRODUCTION

Education plays a vital role in the growth of any nation & dependable for its success. Education offers skills that help to prepare as mentally, materially and socially for professional lives (Kumar & Jain, 2010). Normally, the education system is divided into five levels: primary level education (up to 5th class); middle (class 6th to 8th); high (class 9th & 10th); then intermediate and university level (including graduation, masters and advanced professional degrees). In current century, higher education has become a huge service sector (Carmela, 2010). The main purpose of education is to educate the society to qualify and prepare them to face daily challenges (Kumar & Jain, 2010). The professors act like a mentor, who not only convey their knowledge but also taking the responsibilities of student's mental and physical health care. Hence the professors must have certain personality to mentor, counselor, guide and advisor to the students and act as a role model for the students. In addition, the valuation of moderator performance is depending upon the student's awareness in higher education system (Huseyin, 2010).

The Lahore's education system is formulated along with the specific modern, religious, cultural, social, psychological and scientific rulings. Lahore is the Pakistan's largest producer of professionals in the fields of science, technology, IT, engineering, medicine, nuclear sciences, pharmacology, telecommunication, biotechnology and microelectronics. Most of the reliable universities are public, but in recent years there has also been an increase in the number of private universities. The current literacy rate of Lahore is 60% (Education in Pakistan, 2016). Lahore has a wide range of schools, colleges and universities that caters to diverse streams. The standard of education system is generally inspired from the British system. All academic institutions are the responsibility of the provincial governments of the Pakistan. In this study, the scholar tries to investigate on instructive leaders' performance in the educational, professional, managerial, administrative and social relationship facets as showing the consideration of lecturers at three stages: basic, middle and high institutes. All that which are associated to each other and knows very well about their responsibilities. Earlier, we observe leaders' Big Five personalities including openness to experience, conscientiousness, extraversion, agreeableness, neuroticism, or OCEAN. Then, we discover an imaginable relationships and their performances.

Big Five Personalities will cause an influence on employee's job performance. This study is to observe that how personality influence the job performance in the education sector. Personality contains an individual's quite stable feelings, thoughts, and behavioral patterns. Everyone has a unique personality that differentiates them from others, and someone's personality gives us a sign show that person is behave and feel in different situations. Having this knowledge it is helpful to understand the different personalities of professors for hiring them into jobs and organizations according to their skills. As observed before, education is an important service sector and higher education sector has received much attention in current year.

**RESEARCH OBJECTIVES:**

- To find out the result of openness to experience on job performance in education sectors.
- To analyze the influence of conscientiousness on job performance in education sectors.
- To understand the impact of extraversion on job performance in education sectors.
- To find out the effect of agreeableness on job performance in education sectors.
- To determine the outcomes of neuroticism on job performance in education sectors.

**RESEARCH QUESTIONS:**

- Does job performance get influenced by the employees who has personality of openness to experience?
- Does conscientiousness impact on job performance in education sectors?
- Is there a major influence between extraversion and job performance of the employees in education sectors?
- Is there a correlation between agreeableness and faculty's job performance?

- Does the neuroticism of a personnel disturbs the job performance?

## LITERATURE REVIEW

**Openness to Experience And Job Performance:**

Openness is an independent factor that familiar with the Big Five personality's model development (Digman, 1990; McCrae & Costa, 1987). A person scoring high in openness who likes to discover new things and enjoy new experiences. Openness to experience personality consider information seeking attitude, creativity, imagination, broad-minded, intellectual curiosity, and multiplicity of interests (Bozionelos et al., 2014; Sharma et al., 2010). Openness to experience is also related with the results like employees' commitment and managerial efficiency in their work (Srivastava et al., 2015). In short, extra training will ultimately conducts a better performance. Yet in this study, analysts gathered the information from the targeted respondents those are professors who teaching in the public and private sectors. In the light of above discussion following hypotheses is developed:

**H₁:** Openness to experience will have a significant positive impact on faculty's Job performance in higher educational sector, Lahore.

**Conscientiousness And Job Performance:**

The second trait of the personality which is based on hard working, being reliable, organized, prompt and punctual and result oriented and determined people (Barrick & Mount, 1991). A person with high level of conscientiousness personality is diverse as determinant, focused person with having a high spirit. A high conscientiousness person would have success in educational and professional life while a person with low Conscientiousness is described as careless, improvised, and irresponsible, less thorough, senseless and more disorganized in his/her personality (McShane & Glinow, 2010). A few scientists think about Conscientiousness as a broad personality features which consist of two edges: encouragement and loyalty. Different scientist's described a significant relationship amongst conscientiousness and job performance. In this literature, there is a positive relationship between conscientiousness and job performance (Organ & Lingl, 1995). A study has been shown that high level of conscientiousness might not be positive all the time as conscientiousness could be negative to positive when failure is qualified (Boyce, et al., 2010; & Li et al., 2015). Hence, following hypotheses is developed.

**H₂:** Conscientiousness will have a significant positive impact on faculty's Job performance in higher educational sector, Lahore.

**Extraversion And Job Performance:**

Extraversion is the interpersonal personality characteristic that described as the person who is highly self-confident, ambitious, and action-oriented, talkative, outgoing, sociable and act as a counselors for getting advice about their

achievements by which they are able to resolve any problem (Barrick & Mount, 1991; Judge et al., 1999; Bozionelos & Bozionelos, 2010; Uppal et al., 2014; Migliore, 2011). Extravert's for the most part idealistic behavior may convey them to concentrate on the moral and positive side of their skills. Moreover, extraversion is a true predictor of Job Performance and also has a tendency to relate with critical thinking adapting, level-headedness, reassessment and looking for social interaction such as agent and manager (Bing & Lounsbury, 2000; Thoresen, et al., 2004). There is a constructive relation among extraversion and job performance of staff and this relation can be clarified as far as the high state of announcement in the laws (Rothmann and Coetzer, 2003). Following Hypotheses is developed.

**H₃:** Extraversion will have a significant positive impact on faculty's Job performance in higher educational sector, Lahore.

## Agreeableness And Job Performance:

Agreeableness is a prime indicator of interpersonal trait as stated that those who are polite, soft hearted, cooperative, well-mannered, trusting, caring and sympathetic to others. Various experts describe that these person as "friendly obedience" rather than its opposed presence "aggressive disobedience" (Kumar & Rani, 2009; Sharma et al., 2010). Agreeableness is associated with grooming of prosperity. Those helpful natures from Agreeableness people might quick achievement in the group work and client management need appropriate aid (Rothmann & Coetzer, 2003). Many researches has been described that people with positive agreeableness trait will improve their public relationships that will motivate them to work in a group due to positive emotionality in obliging environments (Panaccio & Vandenberghe, 2012). Agreeableness should be seen as reliable and might more help person produce positivity, agreeable working relations. Many criticisms on agreeableness is forbid person's willingness should determine strong challenges and detect personality by a person also impact or control on others. Agreeableness may be a good predictor and can effectively supposed on particular performance (Tett et al. 1991; Mount et al. (1998).Following hypotheses is developed.

**H₄:** Agreeableness will have a significant positive impact on faculty's Job performance in higher educational sector, Lahore.

## Neuroticism And Job Performance:

Neuroticism is also known as Emotional Stability. This facet tells one's emotional stability stand up to stress, anxiety and depression (Robbinset al., 2013). Moreover, those that scoring high on neuroticism means highly neurotic and cannot handle complex working situation (Barrick & Mount, 1991). Common traits include being a moody, irritable, angry and anxious, temperamental, discouragement, self-consciousness and helplessness (McCrae & Costa, 1997). Neuroticism has been found to identify with overall performance throughout many occupations. Along these lines, this quality can be viewed as broad or general sable predictor since it is related in all or almost

all occupations (Barrick, et al., 2001). Neuroticism was a vital predictor of personal performance. People who has high neuroticism are still calm, composed, and have patients. Yet, it looks to be sensible that this quality would bring about higher quality working influences (Mount et al., 1998). Person with low level of emotional stability could not handle stress, illogical thoughts, poor impulse control and worry being linked to low job performance (Judge and Ilies, 2002; Ono,etal.,2011). Following hypotheses is developed:

**H₅:** Neuroticism will have a significant negative impact on faculty's Job performance in higher educational sector, Lahore.



**(INDEPENDENT VARIABLE)**                                  **(DEPENDENT VARIABLE)**
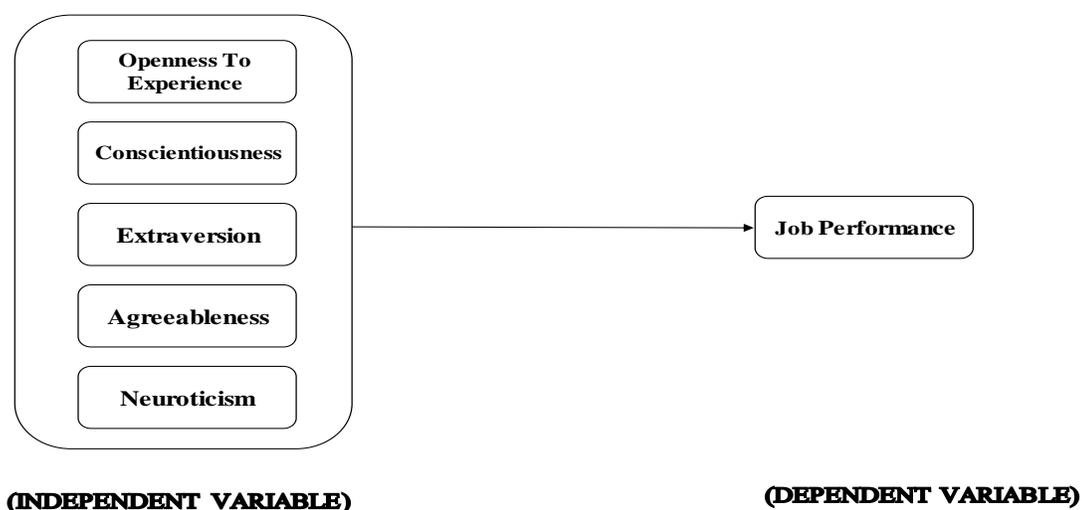
**Figure 1: Proposed Research Model of the Study**

## METHODOLOGY

### Sampling and population

University teachers were the target population of this research article and in the present study, the author used convenient sampling technique for collecting data that is non probability sampling method and the reason for choosing this method was the author was not allowed to access sampling frame. With 5% percent error margin, 95% percent confidence, the size of the sample has been received by using the *www.raosoft.com* calculator of sample size and the sample size is 377. So the author distributed a total of 450 questionnaire to reach this size but only 338 questionnaire were returned from respondents that were useful for further analysis.

### Measures

Questionnaire was containing five component of Big Five Personalities and Job Performance. There were 6 Items for Openness to Experience, 6 items were for Conscientiousness, 6 for Extraversion, 6 for Agreeableness and 6 for

Neuroticism adapted from the study of Teh, et al. (2011) which discussed about the issues of Big Five Personality with other factors. The construct of Job Performance was measured through 6 items and it was adapted from Touliatos, Bedeian, & barkman (1984). All responses were taken on Likert scale ranging from 1 to **5** whereas 1= for strongly disagree to 5=strongly agree.

**RESULTS AND ANALYSIS OF DATA**

**Table 1: Gender of Participants**

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 143 | 42.3 |
| Female | 195 | 57.7 |
| **Total** | 338 | 100.0 |

There were total 338 respondents of this review the distribution of frequency was male 143 out of 338 &female 195 out of 338. The percentage of respondents is 42% for male and 58% for female.

**Table 2: Age Group of Participants**

| Age Group | Frequency | Percentage |
|-----------|-----------|------------|
| 26-35 | 133 | 33.4 |
| 36-45 | 114 | 33.7 |
| above 45 | 91 | 26.9 |
| **Total** | 338 | 100 |

There were 3 age groups stated in the questionnaire that are 26-35, 36-45 and above 45. There were 133 respondents between the ages of 26-35, 114 respondents were between the ages of 36-45, and 91 respondents were above 45years old. In term of percentage these are 33.4%, 33.7% and 26.9 % respectively.

**Table 3: Level of Education**

| Education | Frequency | Percentage |
|-----------|-----------|------------|
| Masters | 71 | 21.00 |
| MS/ MPhil | 193 | 57.1 |
| PhD | 74 | 21.8 |
| **Total** | 338 | 100.0 |

From the results of above table 71 participants were having Master's Degree, 193 participants were having MS/ M.Phil. Degree in different disciplines and finally the respondents having PhD degree were 74 in term of frequency. Percentage of education level of respondents is 21% participants were Masters, MS/ M.Phil. Respondents are 57.1% and finally 21.8% were PhD qualified.

### Table 4: KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .732 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1233.211 |
| | Df | 338 |
| | Sig. | .000 |

In this study, "KMO & Bartlett's Test" is also used to check the acceptability of the sample. Many researchers used "KMO & Bartlett's Test" for adequacy of the sample. 0-1 is the range of KMO and acceptable value is more than 0.7. Table 4 is showing the outcomes of KMO & Bartlett's Test" of this study. The KMO value of this study is 0.732 which is more than the acceptable value i.e. 0.7. On the other hand, "Bartlett's Test" provided us the value 0.000 which indicates that this analysis is perfect and we can proceed further.

### Table 5: Reliability Analysis

| Variable | No. of Item | Alpha Value |
|---|---|---|
| **Openness to Experience** | 06 | 0.752 |
| **Conscientiousness** | 06 | 0.739 |
| **Extraversion** | 06 | 0.821 |
| **Agreeableness** | 06 | 0.784 |
| **Neuroticism** | 06 | 0.881 |

The above table shows the results of reliability analysis. For this, the value of cronbach's alpha was obtained and according to Hair, Tatham, Anderson, & Black, (2006), the cutoff value for alpha value is 0.70. As in our case all the values are greater than 0.70 so the criteria of reliability is verified and test of reliability is successfully done here.

### Table 6: Correlation Analysis

| | OTE | Cons | Ext | Agr | Neuro | Job_Prf |
|---|---|---|---|---|---|---|
| **Openness To Experience (OTE)** | 1 | | | | | |
| **Conscientiousness (Cons)** | .552** | 1 | | | | |
| **Extraversion (Ext)** | .638** | .591** | 1 | | | |
| **Agreeableness (Agr)** | .457** | .342** | .390** | 1 | | |
| **Neuroticism (Neuro)** | -.190* | -.146** | .232* | -.303** | 1 | |
| **Job Performance (Job_Prf)** | .478** | .531** | .433** | .350** | -.460** | 1 |

To verify the correlation between different variables, "Pearson Correlation" is used for this analysis. A Pearson Correlation means to measure the strength and direction of the linear relationship between two different variables and also defines the amount of degree that the variables are related to others (Sorana-Daniela & Lorentz (2006). In the Pearson Correlation analysis the values are from -0.1 to +0.1. If value is +0.1 then there will be a strong correlation between variables, but if the value is -0.1 then there will be a weak correlation. Table is showing the correlation between "OTE" and "Cons" variables is .552**which shows a positive relationship between these two variables. Correlation between "OTE" and "Ext" variables is .638**which shows a positive relationship between these two variables. Correlation between "OTE" and "Agr" variables is .457**which shows a positive relationship between these two variables. Correlation between "OTE" and "Neuro" variables is -.190*which shows a negative and weak relationship between these two variables. Correlation between "OTE" and "Job_Prf" variables is .478**which shows a positive relationship between these two variables. Correlation between "Cons" and "Ext" variables is .591**which shows a positive relationship between these two variables. Correlation between "Cons" and "Agr" variables is .342**which shows a positive relationship between these two variables. Correlation between "Cons" and "Neuro" variables is -.146which shows a negative and weak relationship between these two variables. Correlation between "Cons" and "Job_Prf" variables is .531**which shows a positive relationship between these two variables. Correlation between "Ext" and "Agr" variables is .390**which shows a positive relationship between these two variables. Correlation between "Ext" and "Neuro" variables is .232*which shows a positive relationship between these two variables. Correlation between "Ext" and "Job_Prf" variables is .433**which shows a positive relationship between these two variables. Correlation between "Agr" and "Neuro" variables is -.303**which shows a negative and weak relationship between these two variables. Correlation between "Agr" and "Job_Prf" variables is .350**which shows a positive relationship between these two variables. Correlation between "Neuro" and "Job_Prf" variables is -.460**which shows a negative relationship between these two variables

**Table 7: Overall Results Of Regression Analysis**

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t-value | p-value | Sig. |
|---|---|---|---|---|---|---|
| | B | Std. Error | Beta | | | |
| OTE | 1.028 | .039 | .921 | 26.642 | .000 | .000 |
| Cons | .549 | .053 | .173 | 10.354 | .000 | .000 |
| Ext | 1.967 | .055 | 1.215 | 35.618 | .000 | .000 |
| Agr | 1.239 | .069 | 1.322 | 17.946 | .000 | .000 |
| Neuro | -1.324 | .032 | -.942 | -40.763 | .000 | .000 |

From the above table the value of β is +0.921, that means one unit change in OTE causes 0.921 unit of change in dependent variable Job Performance. T-Value is 26.642 (greater than 2.00) and P-value is 0.000 (less than 0.05). Therefore by analyze these results, observer determined that Openness to Experience has a positive and significant impact on Job so null hypothesis is rejected and alternative hypothesis H1 is accepted. Similarly the regression analysis was carried out on remaining independent variables in order to evaluate the effect of each variable on job performance. According to the results, it is statistically verified that all variables are positively and significantly predicting dependent variable despite neuroticism that is having a negative significant impact on job performance but this is in line with the statement of hypothesis so all hypotheses $H_1$, $H_2$, $H_3$, $H_4$ and $H_5$ are statistically verified and accepted.

## DISCUSSION AND CONCLUSION

In term of the significant relationship among Big Five Personalities and job performance, the professors should look for the methods by which a person hired according to their personality and job capacities. The results of current study provide an appropriate ground to accept all hypothesis that Big Five Personalities and Job Performance are positively related to each other. Hence, in education sector the efficiency and effectiveness will significantly enhance by considering the personality characteristics of a person. Based on the results and analysis of the direct and indirect impacts, it is determined that the conscientiousness has the highest influence on the job performance of the professors of educational institutions. Altogether, we have learned from this study that how Big Five Personalities can influence the job performance when job autonomy is put-on in the higher education institutions. Based on the analysis and findings discussed, Job autonomy and Big Five Personalities (openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism) show a vital role to influencing the faculty's job performance in higher education institutions (Barrick et al., 2005). Furthermore, those who have high conscientious tend to emphasis on planning, organizing and perform better job. Besides people who have more agreeableness tend to resolve personal and professional conflict through cooperation. Although, to evaluate the student opinion about quality of lecture openness to experience is also compulsory. This study develops our understanding about the personality modules that makes a person to have high sense of belonging and proficiency, so his/her job performance may increase.

## MANAGERIAL IMPLICATIONS

This study has given significant information of the public and private universities to the management about how the faculty's personality can effect on job performance. Most of the universities are interested in conscientiousness, extraversion and agreeableness personalities on which they assume academic staff must hold them (Barrick & Mount, 2002). Therefore, this study is encouraged by the management to show aspirant qualities especially for

higher education sectors. Also, the aspirants must be aware about jobs which is right for them. According to Neubert (2004), marketers must require a lot of energy and social interaction hence they have high level of extraversion. Professors do not need massive social interaction, thus with high extraversion professors will not have improved their job performance. To hire the aspirants, the management must be concerned with high agreeableness, conscientiousness, neuroticism and openness to experience. A conscientiousness person with high agreeableness are most responsible, reliable, cooperative and helpful thus the academic personnel are required to have such personalities in their job. Later, if a person shows wrong emotion throughout the lecture that can effect on students' perception of lecture quality. Hence, professors must have sound emotion and make sure that the stress which they face need not to explore. If a person stay calm in tense situation then they may minor effected from stress at job. Moreover, the management of public and private universities are focused on those aspirants who have openness to experience personality. Because one of the job opportunities of a professor is research so the applicants must show their interest in the research. As this study, the professors can have awareness about how Big Five Personalities could influence on Job Performance. Moreover, management of private and public universities should select a right aspirant according to their personality who will be best suitable for job.

## LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Although conducting the study, there are some limitations of the study that make hinders in the success for the study. Therefore, the limitations of the study will be elaborated in order to meet the quality of the study. In this study, there is only limited sample size. The population of educational sectors are much higher than the sample size of our study but due to the short time period and cost, the scholars may not do the study on the entire population of the educational sector. Due t o the shortage of time, in this study the number of respondent to be participated are limited and data were collected within a specific time period. So the targeted outcomes are only for short time through which it will vary as time goes on. Hence, accurate outcomes are obtained at that precise time. In this study authors used non probability sampling as we were unable to access sampling frame due to security and other reasons. Although it is tried to avoid any biasness in data collection but it is problem with any non probability sampling that data is does not truly represent population so the future researchers are suggested to incorporate probability sampling. The data for present study was cross sectional in nature, it is also recommended for the researcher to conduct longitudinal research methods which made up of three components which are trend, cohort and panel study in the future research. By using the longitudinal method, the researcher can ease on analyzing data at different point of time. Therefore, the researcher can look at the changes of the research from time to time and make comparison out of them.

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# DIGITAL HEROIN- THE I MPACT OF DIGITAL GADGETS ON DEVELOPING MINDS- AN EMPIRICAL STUDY ON GROWING CHILDREN OF LAHORE

**SHAH ALI MURTAZA[1]**

Institute of Business & Management- UET Lahore Pakistan

Email: shahalimurtaxa@gmail.com

## ABSTRACT

This quantitative survey examines the relationship between digital gadgets and the mental health of developing children. It examines the young children's usage of personal computers, mobile phones and tablet PCs. The objective of the study were to determine the impacts of digital gadget usage on developing minds studying in primary and Montessori levels at the top Montessori schools of Lahore. 300 respondents of Lahore, mainly parents of children with age between 0-8 years in Lahore have been surveyed. The parents were asked about the availability of digital products like smart phones, ipads and tablet pc's in their homes. The children were asked about their access to the digital gadgets ,whether they seek permission from parents as well as parental rules with regard to the usage. 55% of the parents surveyed reported to have smart phones and tablet devices at home for their kids. Around 70% children had started using tablet devices/smart phone when they were less than 3 years old which was a shocking evidence for me. Mothers have also reported the increase of aggression, stubbornness and mood tantrums in their children after excessive usage of tablet devices. Research into smart phone addiction in children has followed the scientific literature on problematic mobile phone use developed during the last decade, with valid screening scales being developed to identify maladaptive behavior with this technology, usually in adolescent populations(Olatz Lopez-Fernandez,2015). Gymboree(a Montessori academy by Beaconhouse), LGS and Learning Alliance was selected for the survey. Results of this study show that the heavy use of digital gadgets has a significant and direct impact on the child health. This study can contribute a lot in social sciences and technology management industry, through understanding the drivers of child's psychological problems, cognitive learning and mood tantrums and the role of these gadgets in impacting the child's behavior.

**KeyWords:** Digital technology, digital gadgets, digital heroin, developing minds, child health.

## INTRODUCTION

A physical or psychological need for a habit-forming substance, such as a drug or alcohol. In physical addiction, the body adapts to the substance being used and gradually requires increased amounts to reproduce the effects originally produced by smaller doses. A habitual or compulsive involvement in an activity, such as gambling (The American Heritage®,2005)[1] . We now know that those iPads, smartphones and Xboxes are a form of digital drug. Recent brain imaging research is showing that they affect the brain's frontal cortex — which controls executive functioning, including impulse control — in exactly the same way that cocaine does. Technology is so hyper-

arousing that it raises dopamine levels — the feel-good neurotransmitter most involved in the addiction dynamic — as much as sex. (Dr. Nicholas Kardaras, 2016).

This addictive effect is why Dr. Peter Whybrow, director of neuroscience at UCLA, calls screens "electronic cocaine" and Chinese researchers call them "**digital heroin**." In fact, Dr. Andrew Doan, the head of addiction research for the Pentagon and the US Navy — who has been researching video game addiction — calls video games and screen technologies "digital pharmakeia" (Greek for drug).(Dr. Nicholas Kardaras, 2016) Now-a-days children are spending an average of seven hours a day on entertainment media, including televisions, computers, phones and other electronic devices. We all know the effects of addiction, whether it is the addiction of tobacco, alcohol, drugs or gadgets.  It takes a great deal of effort for a person to come out of the addiction devoid of age, sex and type of addiction. Only time and good methods can help a person to get rid of addiction. Same is true with addiction of gadgets, especially in toddlers and kids towards the modern touch screen gadgets. (Dr. M.V. Vivakran, 2015). Developmental psychologists understand that children's healthy development involves social interaction, creative imaginative play and an engagement with the real, natural world. Unfortunately, the immersive and addictive world of screens dampens and stunts those developmental processes. (Dr. Nicholas Kardaras, 2016). Given that children now spend more than seven hours a day with their TV's, computers, cell phones, and other electronic media—more time than they spend with family and more than many of them sleep—Parents also have got to get smart about their children's media use and how it affects their physical and mental health, and they need to develop a family strategy for managing media.( (Dr. M.V. Vivakran, 2015). "Most parents are clueless," says Victor Strasburger, a professor of paediatrics at the University of New Mexico, who led the study. "They have no idea about media effects. They probably have no idea what their children are watching. Parents need to understand that media can have an impact on everything they're concerned about with their children's health and development: school performance, learning disabilities, sex, drugs, aggressive behaviour.(Victor Strasburger,2006)

**LITERATURE REVIEW**

 **Digital Gadgets:** Have you ever pondered what our lives would be without the electronic gadgets? Our lives would come to a standstill without the use of electric devices. Digital gadgets, nowadays, is no doubt, a blessing of God. Thanks to the development in Science and Technology. Brand new technology gadgets are being sold like hot-cakes in the market-places. Consumer electronics consist of electronic equipment intended for everyday use like communications,              education,              work              productivity              and              entertainment. Hand held devices like iPods, iPads, Tablets, GPS Navigators and devices, pocket PCs, portable DVD player, USB are some of the important digital gadgets are popular in the present world. Pocket PCs or tablets have got the world closer in a more compact way. The hand-held computers operate on similar line of desktop PCs. But tablets/ipads allow us to be in touch with the world while we are on travelling trip! Play stations, PC games 3G mobile phones

and smart phones are the latest in the line of trend-setters for the new generation. (Kathy Fernandes, 2011)**.** On one hand these gadgets are a necessity of our daily lives and makes things easy for us, on the other hand, we have actually become slaves to these digital gadgets. Grownups like us who are sensible enough to manage our time and priorities, fall victim to gadget addiction but when it comes to kids, it is more harmful than we can even think of. Kids are very much attracted to these fancy digital gadgets and get glued to them which effects their health, as well as their psychological behaviors. (Dr. M. Vivakaran,2015)

**Developing Minds and Child Health:** Children under the age of the 12 are growing and learning this rapidly. The cognitive ability of a toddler is improving day by day as he gets exposed to new things and new experiences in life and we as parents have to make sure that these experiences are positive ones. Electronic media, particularly television, have long been criticized for their potential impact on children. One area for concern is how early media exposure influences cognitive development and academic achievement. Heather Kirkorian, Ellen Wartella, and Daniel Anderson research provides suggestions for maximizing the positive effects of media and minimizing the negative effects.

One focus of the authors is the seemingly unique effect of television on children under age two. Although research clearly demonstrates that well-designed, age-appropriate, educational television can be beneficial to children of preschool age, studies on infants and toddlers suggest that these young children may better understand and learn from real-life experiences than they do from video.( Heather L. Kirkorian, Ellen A. Wartella, and Daniel R. Anderson, 2008)**.**They have found that children under two suffer from a video deficit such that they learn substantially less from video than from comparable real-life experiences. Moreover, weak but nonetheless worrying evidence suggests a negative association between exposures to television younger than age two and later cognitive development. Given the dramatic increase in media now being produced for infants and toddlers, it has become particularly important to understand the effect of media during the first few years of life.Children need to be involved in more physical activities instead of being glued to the electronic gadget for their mental and physical development. Kids whose media usage is not monitored may fall victim to behavioural disorders like defiant disorder, conduct disorder, autism and so on.

**THEORETICAL FRAMEWORK**

The framework of this study consists of 2 variables, one is independent and the other is dependent. As we will study the impact of digital gadget usage on young children, digital gadgets will be independent variable in this framework and child health will be the dependent variable
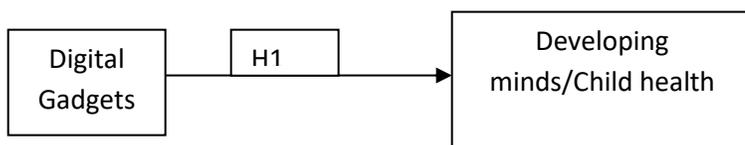
Child health and behavior is dependent on the use of digital gadgets. This indicates that when the child have extensive use of digital gadgets, the child behavior in terms of aggression and mood tantrums was effected. Based on above literature review, the objective and hypothesis H1 is written below.

**Objective:** To discover the relationship involving service quality and purchase intention

**H1:** There is a positive relationship between Digital Gadget Usage and Child Health.

**METHODOLOGY/DESIGN:**

**Population:** We considered children of Montessori and primary classes of 3 different schools (Gymboree, Learning Alliance & LGS) 2 branches each located and in DHA and Gulberg.Random sampling was done and 50 surveys were filled from each branch making it a total of 300 successful surveys filled by their moms.This survey took two weeks to get completed. Children of all ages were covered to get unbiased and results.A questionnaire comprising of 15 items adapted from a previous study was used as a research tool.

**DATA ANALYSIS:**
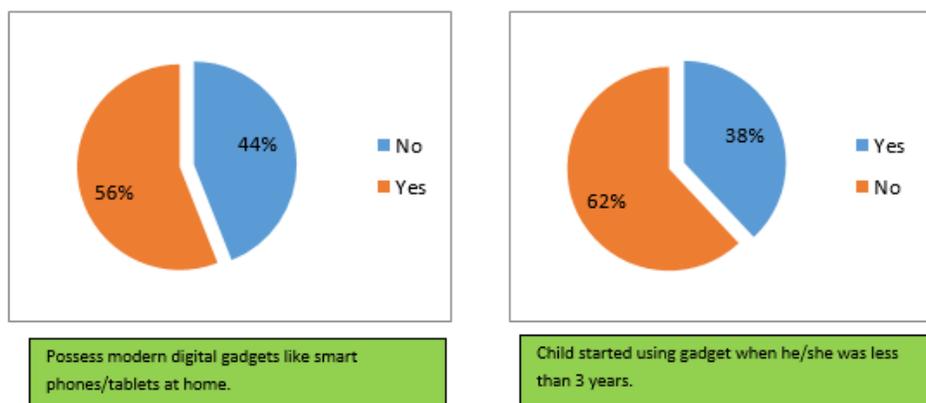


**Table 6.1. Descriptive Statistics**

| Variables | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| DigitalGadget | 300 | 1.38 | 4.5 | 3.0092 | 0.77082 |
| ChildHealth | 300 | 1.57 | 4.43 | 2.8076 | 0.87799 |
| Valid N (listwise) | 300 | | | | |

After tabulating the data from questionnaires into SPSS version 20, the missing values were replaced with series mean. As a heuristic, we need Cronbach's Alpha to be more 0.7 or higher in order to be used as an instrument(Nunally, J C, 1978). On computation of these variables, the Cronbach's Alpha value of Digital Gadgets and Child health were found to be 0.71 and 0.87 respectively as shown in the table. Thus the selected scales fulfill the requirement of reliability test.

**Table 6.2. Reliability**

| Variables | Mean | Std. Deviation | Cronbach's Alpha |
|---|---|---|---|
| DigitalGadget | 3.0383 | 0.77082 | 0.74 |
| ChildHealth | 2.8076 | 0.87799 | 0.79 |
| Valid N (listwise) | 300 | | |

The relationship between two variables is indicated by correlation coefficient. The correlation table below shows a positive relation involving digital gadgets and child health.

**Table 6.3 Correlations**

| | | DigitalGadget | ChildHealth |
|---|---|---|---|
| DigitalGadget | Pearson Correlation | 1 | .976[**] |
| | Sig. (2-tailed) | | .000 |
| | N | 300 | 300 |
| ChildHealth | Pearson Correlation | .876[**] | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 300 | 300 |

Upon running linear regression analysis by keeping digital gadgets as independent variable and child health as dependent variable. As you can see that the durbin Watson value is between 0 and 4 which is in the acceptable range.

**Table 6.4 Linear Regression**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .976[a] | .752 | .752 | .19254 | 1.317 |

a. Predictors: (Constant), DigitalGadget

b. Dependent Variable: ChildHealth

Moreover, you can see in the Table 6.4 that the R squared value is 0.752 i.e 95.2%. A value close to 100% depicts that the model explains all the variability of the response data around its mean. The ANOVA table 6.5 shows that the significance is less than 0.05 which justices that the independent variable has an effect on dependent variable.

**Table 6.5 ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 219.441 | 1 | 219.441 | 5919.204 | .000[b] |
| | Residual | 11.048 | 298 | .037 | | |
| | Total | 230.489 | 299 | | | |

a. Dependent Variable: ChildHealth

b. Predictors: (Constant), DigitalGadget

**Results:**

**Hypothesis1:** There is a positive relation between Digital Gadget usage and Child Health.

The correlation involving Digital Gadgets and Child health is 0.976 and significant. Digital gadget usage has positive relation with Child health with unstandardized regression coefficient value 1.11. Therefore, we can say that the greater the usage of digital gadgets, the greater the behavioral problems seen in children with developing minds. Mobile phone which is turning into a basic need of every human being now-a-days, touch screen mobiles has the maximum amount of addiction rate among kids and toddlers. Following mobiles, I pads/tablets stands next in the addiction rate. This is due to the easy usage facility found in touch screen devices which make the kids learn and understand the device very quickly. Children are getting exposed to modern gadgets at a very early age commonly around 2-4 years of age. Sometimes toddler's less than one year old gets access to these gadgets. Parents being the hero for their kids are the main inspiration for kids who tries to use these gadgets. Most of the kids learn by observing their parents when they are using these gadgets. Kids are using these gadgets on daily basis for upto 3 hours a day. They get irritated when asked to leave the gadget.

**Conclusion**

I am still trying to figure out how we feel about children and technology -- especially when it comes to younger kids, like toddlers. How much is too much? Should they avoid tech toys altogether?  By now it seems like most parents let their toddlers have at least a taste of screen time every so often. And then there are the parents who give their kids loads of screen time. Doctors are starting to see the dangerous effects of IPad addiction in toddlers**.** Parents are starting to seek therapy to treat their electronics-addicted children. These kids spend hours on tablets daily --

and when those tablets get taken away, they may become **"distressed and inconsolable."**Additionally, research has shown that the light emitted from iPad's negatively affects melatonin production in adults making it difficult to sleep. So it can have a double or triple amount of effects on toddlers. Hence it is always better to just remove these modern gadgets and replace with exercise, games, toys and human interaction. I will further enhance the research in future and would also want to prove how these gadgets have effected parenting and the increase in medical cases in hospital's paediatric departments.

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# EVALUATION OF FIRM PERFORMANCE ON THE BASIS OF FINANCIAL LEVERAGE: EVIDENCE FROM SERVICE SECTOR OF PAKISTAN

**Masood Ahmad Khan**[1]**, Dr. Muhammad Ishtiaq** [2]**, Anisa Shamim** [3]**, Samra Subhani** [4]

[1]Lecturer Business Administration University of Agriculture Faisalabad masoodahmadkhan60@yahoo.com
[2]Assistant Professor Department of Banking and Finance, Government College University, Faisalabad
[3]Lecturer Department of Economics, Government College University Faisalabad
[4]Lecturer Department of Economics, Government College University Faisalabad

**ABSTRACT:** Financial leverage is the amount to which an investor of the company is utilizing the money by borrowing from the financial institution. It also tells us about the ratio of using the capital portion and debt portion in order to run the business in effective and efficient way. As the amount of loans rises, the financial leverage of the company will also be raised. It is a main decisional area in the financial management. This study describes the relationship between financial leverage factors and financial performance of firms of service sector of Pakistan. The exploratory research design is adopted in this study which employs the secondary data. For studying purpose, financial data of 129 companies in service sector for the period from 2009-2014 have been gathered from the financial statement and statistical analysis done by State Bank of Pakistan. The collected data has been tabulated and analyzed by using descriptive study, correlation matrix, regression analysis, and ratio analysis. Financial performance measures return on assets has been used as dependent variables. Financial leverage measures debt to equity ratio, capitalization ratio, and interest coverage ratio, total debt to total assets, and degree of financial leverage has been used as independent variables. The results show that a moderate correlation is found between the capitalization ratio and return on asset showing positive relationship with each other and capitalization ratio has also a significant impact on the return on asset. It has a significant positive impact of total debt to total assets on the return on asset. This indicates that debt to equity ratio; capitalization ratio, and total debt to total assets are the significant determinants of financial leverage. The liquidity portion of companies of this sector is satisfactory. As per financing strategy, these companies have used less debt capital as compare to equity capital. So, the companies of service sector have not taken advantage from leverage.

*Keywords:* Financial Leverage, Financial Performance

## INTRODUCTION

Financial leverage can be defined as the amount to which an investor of the company is utilizing the money by borrowing from the financial institution. Financial leverage also tells us about the ratio of using the capital portion and loan portion in order to run the business in effective and efficient way. As the amount of loans rises, the financial leverage of the company will also be raised.

Financial leverage happens while a firm chooses to finance a maximum of its assets by taking up loan. Companies use this strategy whilst they are incapable to raise sufficient capital by issuing shares inside the market as a way to

meet their enterprise necessities. Whilst a firm used the financing facility, it turns into a legal responsibility on which the employer will need to pay interest. An organization will not ignore the amount of loan while it believes that its return on assets (ROA) might be more than the interest at the finance amount.

Service sector is the largest and quickest developing location within the global economy, accounting the largest proportion in overall output and employment within the maximum superior international locations. On the idea of above discussion, it suggests that service region plays a vital function for the improvement of the economy of Pakistan. Therefore, it is a vital to take a look at the service sector in the context of financial factor of view. But there is study gap to be able to see the influence of financial leverage elements on the financial performance of the firms in service sector of Pakistan.

Basic purpose of research was as follows:

- Determination of the firm's performance on the basis of financial Leverage factors of Pakistan service industry.
- To analyze influence of financial risk on the financial performance of companies of Pakistan service industry.
- To identify appropriate determinants of financial Leverage in Service Sector of Pakistan.

The research questions which will be used to explore the current study are as follows:

➢ What is the influence of financial risk on performance of companies of Pakistan service sector?
➢ Which are the appropriate determinants of financial Leverage of Pakistan service sector?

The study will be important because the interest of the stakeholders have been increased in the service sector of Pakistan from the last five years. It will be helpful for the financial managers for making the financial structure of the company. It will be useful for the management in making the financial policies.

It will be used in identifying the factors of leverage.

**REVIEW OF LITERATURE**

Ojo (2012) in his study of the effect of financial Leverage on company overall performance of a few decided on organizations in Nigeria empirically examines the influence of financial leverage on selected signs of company performance in Nigeria. The financial findings in this study imply that leverage (debt/equity ratio) has a sizable effect on company overall performance mainly while the net assets in step with percentage is used as an gauge of corporate performance in Nigeria for the period included via this take a look at. Mirza & Javed (2013) studied the determinants of financial performance of firms listed at Pakistani Stock Exchange and found that there exists a significant positive relationship between capital structure and firm financial performance and shareholders wealth. Rehman (2013) investigated the relationship between Financial Leverage and Financial Performance by collecting data of Listed Sugar Companies of Pakistan. The findings show that there is a positive relationship of debt equity ratio with return on asset and sales growth, and negative relationship of debt equity ratio with earning per share, net profit margin and return on equity. Gatsi et al. (2013) investigated how profitability of insurance firms in Ghana is influenced by working capital management and leverage by collecting data from 18 firms.

Moreover, the results show that there is inverse relationship between degree of financial leverage, liquidity and profitability while there is a positive relationship between operating leverage and profitability. Rajkumar (2014) studied the impact of financial leverage on financial performance with a special reference to John Keells holdings plc in Sri Lanka. The results of the study show a negative relationship between the financial leverage and the financial performance of the John Keells Holdings plc. But the financial leverage has a significant influence on the financial performance of the John Keells Holdings plc in Sri Lanka.     Tauseef et al. (2015) found that there exists an insignificant relationship between debt financing (TDR) and financial performance (ROE) of a firm. But firm's sales growth has a positive significant whereas firm's size has no significant impact on the firm performance (ROE) by evaluating the effect of debt financing on corporate financial performance from textile firms in Pakistan. They used Total debt ratio (TDR) as independent variable and Return on equity (ROE) as a dependent variable.

## RESEARCH METHODOLOGY

### DATA AND TECHNIQUES

For studying purpose, data of 129 companies in service sector for the period from 2009-2014 was gathered in order to find the influence of financial leverage factors on the financial performance of firms doing empirical analysis. The data obtained from these companies was tabulated and analyzed by using the multiple regression models.

### VARIABLES IDENTIFICATION

Table 1. Variables presentation financial leverage and performance of firms

| Independent Variables | Dependent Variables |
| --- | --- |
| **Financial Leverage** | **Firm's Performance** |
| Degree of Financial Leverage (DFL) | Return on Assets (ROA) |
| Total Debt to Total Assets (TDTA) | |
| Capitalization Ratio | |
| Debt to Equity Ratio (DER) | |
| Interest Coverage Ratio | |

Secondary quantitative data was collected from the annual reports of firms in service sector individually and the remaining was taken from the financial statement analysis of financial organizations from years 2009-2014 done by statement bank of Pakistan. Ratio analysis was done in order to find out financial leverage factors and Financial Performance of firms in service sector after collecting data. Data was collected by reading various research papers for literature review.

### MODEL SPECIFICATION

Multiple regression models are used to find out the impact of independent variables debt to equity ratio, capitalization ratio, interest coverage ratio, Total debt to total assets ratio and degree of financial leverage

representing the financial leverage on the dependent variables which is performance as measured by Return on Equity (ROE) and Return on asset (ROA) in the context of Pakistan. Regression model will be formulated in order to measure the relationship between the financial leverage factors and the financial performance of companies of service sector of Pakistan. The base model takes the following form:

$$ROA_{it} = \beta 0_{it} + \beta 1 DTE_{it} + \beta 2 CAPTR_{it} + \beta 3 INTCOVR_{it} + \beta 4 TDTA_{it} + \beta 5 DFL_{it} + \mu it$$

## HYPOTHESIS DEVELOPMENT

The following hypothesis was formulated for this study:

H01: Debt to equity ratio has positive impact on performance of the firms.
H02: Capitalization Ratio has positive impact on performance of the firms.
H03: Interest Coverage ratio has positive impact on performance of the firms.
H04: Total Debt to Total Assets has positive impact on performance of the firms.
H05: Degree of Financial Leverage has positive impact on performance of the firms.

### Table No. 2 Descriptive Statistics

|  | Range | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| ROA | 7.8339 | -.9468 | 6.8871 | .500643 | 1.1523991 |
| DTE_RATIO | 11.4143 | -4.2852 | 7.1291 | .523807 | .7781373 |
| CAP_RATIO | 4.4052 | .0001 | 4.4054 | .594465 | .8000913 |
| INT_COV | 50.8864 | -8.5800 | 42.3063 | 1.188491 | 2.8610244 |
| TDTA | 9.2833 | .0012 | 9.2845 | .768069 | 1.0586523 |
| DFL | 33.1509 | -9.0715 | 24.0794 | .685693 | 2.2423395 |
| Valid N (listwise) |  |  |  |  |  |

### Table 3. Correlation Matrix

|  |  | ROA | CURRENT_RATIO | DOL_RATIO | DTE_RATIO | CAP_RATIO | INT_COV | TDTA | DFL |
|---|---|---|---|---|---|---|---|---|---|
| ROA | Sig. (2-tailed) |  |  |  |  |  |  |  |  |
|  | Pearson Correlation | 1 |  |  |  |  |  |  |  |
|  | Sig. (2-tailed) |  |  |  |  |  |  |  |  |
|  | Sig. (2-tailed) | .652 | .428 |  |  |  |  |  |  |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| DTE_RATIO | Pearson Correlation | .161** | -.140** | .076 | 1 | | | |
| | Sig. (2-tailed) | .000 | .000 | .053 | | | | |
| CAP_RATIO | Pearson Correlation | .483** | -.109** | .028 | .159** | 1 | | |
| | Sig. (2-tailed) | .000 | .005 | .478 | .000 | | | |
| INT_COV | Pearson Correlation | .096* | -.012 | .016 | -.067 | .060 | 1 | |
| | Sig. (2-tailed) | .015 | .770 | .692 | .090 | .128 | | |
| TDT | Pearson Correlation | .256** | -.053 | .057 | .078* | .399** | .119** | 1 |
| | Sig. (2-tailed) | .000 | .178 | .151 | .047 | .000 | .002 | |
| DFL | Pearson Correlation | -.076 | -.015 | .047 | -.031 | -.086* | -.018 | -.035 | 1 |
| | Sig. (2-tailed) | .053 | .704 | .230 | .429 | .028 | .641 | .374 | |

Source: Computer from the statistical analysis of firms done by state bank of Pakistan, balance sheets and income statements of the companies of service sector of Pakistan

Table no. 4 Regression analysis on the basis of Return on Assets

Dependent variable. Profitability(ROA)

| Independent variables | coefficient | Std. Error | T-Stat | P-Value |
|---|---|---|---|---|
| Intercept | 0.1388 | 0.0810 | 1.7140 | 0.0870 |
| Debt to Equity Ratio | -0.3504 | 0.0504 | -6.9554 | 0.0000 |
| Capitalization Ratio | 0.7043 | 0.0529 | 13.3200 | 0.0000 |
| Interest Coverage Ratio | 0.0167 | 0.0135 | 1.2395 | 0.2156 |
| TDTA | 0.0833 | 0.0396 | 2.1036 | 0.0358 |
| DFL | -0.0188 | 0.0171 | -1.0995 | 0.2720 |

R square =.3015 , F value = 39.288 (p = 0.000) N = 645

R square indicates that 30 percent variation in dependent variable is explained by the independent variables. From the ANNOVA test table, the significant level is at 0.001, which is less than the significant level of 1 percent and 5 percent. The model F statistics indicates that the model is fit and the results indicate the reliable source of impact. Debt to equity ratio has a significant negative impact on ROA whereas capitalization and Total Debt to Total Assets has positive significant impact on ROA. The results indicate that debt to equity ratio; capitalization ratio and Total Debt to Total Assets are the significant determinants of financial leverage for service sector of Pakistan.

**DISCUSSION OF RESULTS**

Debt to equity ratio has positive impact on the Return on Assets and is positively related. The Pearson's correlation matrix shows that debt to equity ratio and return on asset are negatively correlated with each other and weak correlation is found between them. The regression model is showing a significant negative impact of debt to equity ratio on the return on asset of the companies of service of Pakistan. This hypothesis is rejected. Capitalization Ratio has positive impact on the Return on Assets and is positively related. As per correlation matrix, a moderate correlation is found between the capitalization ratio and return on asset of the companies of service industry and these are positively related with each other. While the regression analysis indicates that capitalization ratio has a significant impact on the return on asset of the companies of service industry of Pakistan. So, this hypothesis is accepted. Interest Coverage ratio has positive impact on the Return on Assets and is positively related. The correlation analysis show that weak correlation and relationship is found between the interest coverage ratio and return on asset of firms and this is a positively related with each other. On the other hand, the regression model indicates no significant impact of interest coverage ratio on the return on asset of companies of service sector of Pakistan. So, this hypothesis is rejected. Total debt to Total Assets has positive impact on the Return on Equity and is positively related.

The correlation analysis show that weak correlation and relationship is found between the total debt to total assets and return on asset of firms and this is a positively related with each other. On the other hand, the regression model indicates that it has a significant positive impact of total Debt to total assets on the return on asset of companies of service sector of Pakistan. So, this hypothesis is accepted. Degree of Financial Leverage has positive impact on the Return on Equity and is positively related. As per correlation matrix, a negative correlation is found between the degree of financial leverage and return on asset of the companies of service industry. While the regression analysis indicates that degree of financial leverage has no significant impact on the return on asset of the companies of service industry of Pakistan. So, this hypothesis is rejected.

**FINDINGS AND CONCLUSION**

The results indicate that debt to equity ratio; capitalization ratio, and total debt to total assets are the significant determinants of financial leverage for service sector of Pakistan.

Financial leverage has a significant impact on the financial performance of the forms of service sector of Pakistan. The average financial leverage of the sector is 0.68. It indicates that the companies of this sector are not maintaining the optimum financial leverage. A moderate financial leverage is favorable for the companies. The liquidity portion of companies of this sector is satisfactory. So these companies are able to meet the requirements of their obligation. As per financing strategy, these companies have used less debt capital as compare to equity capital. So, the companies of service sector have not taken advantage from leverage.

This indicates that the companies should use debt to equity ratio, capitalization ratio, and total debt to total assets as financial leverage factors to evaluate their performance. As per performance point of view, the performance of companies of service sector of Pakistan is not satisfactory with respect to financial leverage because this is not at the optimum level. There is need of adopting the strategy of keeping financial leverage at moderate level.

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# GREEN PRODUCT QUALITY AND GREEN BRAND IMAGE AS PREDICTORS OF GREEN CUSTOMER SATISFACTION

**Misbah Shaheen[1], Naveed Ahmad[2] , Hina Shaheen[3], Mohammad Adnan [4]**

**Corresponding Email:** naveeddgk2010@gmail.com

1: MBA Student, Lahore Leads University

2: Faculty of Management Sciences, Lahore Leads University, Pakistan

3: Faculty member of CIIT, Vehari Pakistan

4: University of Bolton (UK)

## ABSTRACT

The research study was carried out to examine the influencing behavior of green product quality and green brand image on green customer satisfaction. This study directed the investigation on the issue regarding greenism and its impact on green customer satisfaction and aimed the results of following questions such as how does green environment influences green customer satisfaction? And determine the effect of green product quality on green customer satisfaction? For the collection of response, the instrument used was questionnaire with the format of Likert scale. The sample size of the population was about 300 participants from which 212 were responded effectively. After the preparation of results the tables consisting descriptive and other statistical were taken for analysis and then regression, ANOVA and correlation analysis were assembled. Results indicated that there is a positive relation between green product quality and green customer satisfaction and same is true in the case of green brand image and green customer satisfaction. However green product quality is having stronger relationship with green customer satisfaction.

**Keywords:** Green Product Quality, Green Brand Image, Green Customer Satisfaction

## INTRODUCTION

Greenism has acquired popularity in market. It has become the new demand of consumers. Organization are about to build pillars on it. Organizations retaining social responsibility and green environmentalism are becoming building blocks of future. However, it has become crucial for every commercial and interior project (Jeong, et al, 2014). Moreover, for purpose of promising guidelines relating green building, architects and specialists are searching green products of high quality. Green-management or corporate-environmentalism emanated in 1990s and captured admiration overseas in the 2000s. Green management is all about, capability of being sustained for business without conciliating future need. A research by Ogilvy and Mather's (2011) demonstrated that 82 percent of customers possess green intentions. Nevertheless, only 16 percent may have dedication to work out on these intentions. Wong (2011)

resumed 12 key steps that can lead consumers to green actions. Ben Tran (2009; Namkung & Jang, 2013; Lorenzini, 1994) reasoned out that green management does not concern Repacking, the reinvesting ideas to business. It is about rethinking or approximately being more thoughtful about how firms are functioning with respect to greenism. The latest century discussed two major aspects, green management and corporate social responsibility very often. Consumer products trade and a group of companies in electronics have developed green standards in their commercial policy after the approval of European Union (EU) directives on electronic equipment (WEEE) and waste electrical by the European Union (EU) parliament. Some researchers consider the green management as a weapon which helps in organizing and improving their effectiveness and competitiveness (Dewald et al., 2014; Ham & Lee, 2011). Product stewardship, pollution prevention and corporate social responsibility are the concepts required to be in organization for green management in order to get regulatory approval (Hart, 2005). Many researchers have gone through the direct relationship among product quality, brand image and customer satisfaction (Eskildsen et al., 2004; Mittal & Walfried, 1998). Recent studies also paid significant attention to uncover the issues related customer satisfaction but green or environmental problems remained beyond approach of research grounds. People begin to pay attention toward problems relating environmental pollution and environmental destruction. However, individual lives have positive impact through ecological awareness (Han et al., 2009; Kalafatis et al., 1999). As greenism is becoming predominant, it is expected that customers will sooner or later change their preference towards green products. IISD (International Institute for Sustainable Development: 2012) businesses are inspired to modify their management work outs into green practices. Climate change effects and reduction in non-recyclable natural resources along with ascending pollution has inclined to environmental awareness (Douglas 2006). Customer pressure groups and Government regulatory bodies have sharply lobbied to follow green practices for businesses (Jones et al., 2010; Chen et al., 2013). Customers are becoming environment conscious due to which their purchase consideration is about to contribute to green environment and they directly show their willingness to pay for green products even when they find them expensive. However, considerable number of customers suspect green product and are cautious of environmental usefulness of a specific brand or product. So this study has conducted in order to discover the relationship among green product quality, green brand image and green customer satisfaction and also reveal multiple senses of customer satisfaction emphasizing the Green Dimension (Sima & Gheorghe, 2009) through an organized research structure.

**PROBLEM STATEMENT**

Engle (2008) declares that considerable advancement has made by South Africa by the help of green management in last decade by enforcing strategies and laws that direct on green issues. Although all the prospects of green brand have gone through many studies and researches but there is still deficiency of empirical knowledge about augmenting customer satisfaction for green products (Polonsky, 1994 and Kilbourne, 2008). Moreover, more relentless concentration on customer market accompanied with environmentally positioned issues that are being practiced by market place (Chou et al., 2012). Previous studies and researches have not focused at green brand image, green product quality and green customer satisfaction. However no researches have focused all these together. Hence, by regarding

above mentioned issued green environmentalism is crucial aspect that should be focused by industries to entail opportunities regarding green productivity.

## SIGNIFICANCE OF STUDY

It's crucial to be aware of the benefits of green management regarding short run and long run which is possible through researches and studies on this topic. This research study is made to uncover the bright side of future through green environmentalism. As per as the concern of short run benefits, green management can ameliorate air quality by obviating the harmful cleaning liquids and chemicals. Company's mission to be environment friendly make their employees more confident. Through green management wastes can be reduced by transitioning their product which can be recycled and costs can also be reduced. This study also uncovers the long run benefits of green management. Companies are improving their brand image by having significant attention towards green aspects of productivity and customers get more satisfied with their products as greenism has viewed as socially responsible and giving value to their communities. With the help of this the relationship with government agencies, media and customers can also be improved. Industries must replace their machinery which is energy-efficient by replacing them with green alternative products due to which go green standards can also be improved. In nutshell, this study signifies the effect of green management on industries, businesses, environment and lifestyles of consumers to develop and secure the present and future progress as well.

## LITERATURE REVIEW

### Green customer satisfaction

Customer satisfaction is being the most crucial issue for the marketers and researches theoretically and practically in the duration of last four centuries (Jamal, 2004). Satisfaction is mentioned as the judgment of consumers about the feature of a product or a service that is sufficiently providing the consumer's expected benefits or value as well as fulfillment or more than their expectations (Oliver, 1997).Consumers experience and depict objectives of consumption that must be fulfilled for sake of customer satisfaction (Oliver, 2006). Cumulative and specific transaction is the two formulation factors, occurrence of which is depicted in recent studies (Anderson, 1973; Anderson et al., 1994; Fornell, 1992). Customer satisfaction in transaction specific is the evaluation of the product after consumption experience (Kim et al, 2008). On the other hand, overall evaluation of customer satisfaction directed by the overall experience after consumption of product and services with the passage of time is referred as cumulative-customer satisfaction (Oliver, 1980). Companies are now forced to modify their perspective toward environmentalism. Many of the firms have taken noticeable action to encourage the green management in order to make them environment friendly (Bansal, 2005; Barnet, 2007). With the ascension of environmentalism, society and consumers have become more concerned with environmental friendliness and show their purchase willingness towards the product that have positive impact on environment. Moreover, international regulation relating environmentalism has also become hard-and-fast dramatically back in few years. In this paragraph, this study have made a remarkable concept of green customer

satisfaction and referred it as customer signified that some needs, desires and goals relating green concerns are fulfilled by consumption which give the customer a pleasurable feel. As the result of consumption, performance accomplishes and flourished the green-needs of consumer, the requisites of green regulations and green perception of society.

**Positive impact of Green Product Quality on Green Customer Satisfaction**

Product quality can be an effective initiative for rendering customer satisfaction. Johnson & Ettlie (2001) demonstrated that product quality is the customized attribute of a product which labels an item without defects and reliable enough to meet the level of customer perceived satisfaction. Product quality involves product-packaging, product-design, product-features, warranties and so on (Abdul-Muhmin, 2002). Customer is more attracted towards products of high quality and suppliers are satisfied as well (Schellhase et al., 2000). The product quality directly influences the customer satisfaction (Mittal & Walfried, 1998; Eskildsen et al., 2004). Moreover, number of studies is evident about the positive impact of product quality on customer satisfaction and guided that by keeping possession on high product quality companies will enhance the customer satisfaction (Chumpitaz & Paparoidamis, 2004; Kotler et al., 2005). Surrounded by the tendency of democratic consumer environmentalism also with the hard-and-fast regulations relating international environment, it's not the only requisite of firms to substantiate the green concept in product characteristics, designing and packaging, but also adding green effects to their product for sake of green customer satisfaction and to gain competitive advantage (Chen et al., 2006; Hart, 1995; Peattie, 1992; Porter & van, 1995; Shrivastava, 1995).

**Hypothesis 1: Green customer satisfaction is positively influenced by green product quality.**

**Positive effect of Green Brand Image on Green Customer Satisfaction**

Brand image contribute a vital function in the market where product and services are difficult to identify for their quality in first time (Mudambi et al., 1997). Brand image is based on figurative or notation meaning that unite with the particular features of a brand and referred as a customer's imagination of a brand that is associated with the certain product or service (Cretu & Brodie, 2007; Padgett & Allen, 1997). Moreover, brand image is a group of perceived attributes associated with an offering by the consumer (Cretu and Brodie, 2007; Keller, 1993). Hence, Park et al. (1986) claimed that operational benefits, symbolical benefits and experimental benefits are covered by the brand image. Considering the above concept this study anticipate a new approach named as green brand image and defined as, "a group of perceived attributes in customer's mind about a brand associated with the commitments relating green or environmental issues."

Satisfaction is referred as a delicate feeling of perceived evaluation or a delightful level of fulfillment through consumption (Oliver, 1996; Paulssen & Birk, 2007; Ruyter & Bloemer, 1999). Therefore, satisfaction is a grade of overall delightfulness interpreted by customers, as a result of product or service quality to meet the customer's perceived attributes (Mai and Ness, 1999). On the basis of above approach green customer satisfaction can be referred as, "delicate degree of consumption associated with fulfillness to meet the customer's needs and satisfaction level by adding green and environmental attributes in it."Since the promotion of green image Ireland had considerable growth

(Corrigan, 1996). In addition, Hu & Wall (2005) declared that competitive advantage can be gained through tourism by improving environmental image. Likewise, due to the hard-and-fast international-regulations relating environmental-protection and increasing consumer's consciousness, it becomes crucial for the companies to pay significant attention towards green brand image. Moreover, companies are entailing efforts to maintain the brand image not only to prevent the problem of green protests but also to meet the green need of consumers in order to get green satisfaction. This study present that brand image positively influence consumer satisfaction (Chang & Tu, 2005; Martenson, 2007).

**Hypothesis 2: Green brand image has positive impact on green customer satisfaction**.

This study has been conducted to examine the association of green customer satisfaction with green brand image and green product quality. Figure 1 has represented the schematic diagram of this relationship.
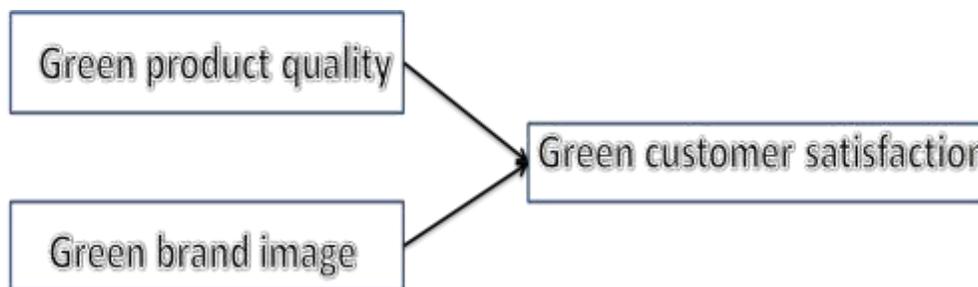


**Figure: 1: Research Model of the study**

**METHODOLOGY**

**Data Collection and Sampling Process**

To investigate the research structure and hypotheses this study has thoroughly been conducted. The participants were customers who were willing to purchase green electrical or electronic products. Data was collected through a self administered questionnaire that was adapted one. Sampling process was non probability as we don't have any exact sampling frame available so convenient sampling method was used for data collection from different respondents. 300 questionnaires were distributed among different respondents from which 212 questionnaires were returned and 70.6% was an effective response rate.

**Variables and items**

For green brand image, the researcher used the scale of Chen's (2008) which consisted of four items and similarly the researcher adapted the questionnaire of Chen's (2010) four items on five-point Likert scale and similarly the scale of green product quality was adapted from the study of Chen (2006) that was consisting of four items for measuring green product quality. All the items were rated on Likert scale ranging from 1 (= strongly disagree) to 5 (= strongly agree).

## RESULTS AND ANALYSIS

### Table 1: Gender of Participants

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 121 | 57.0 |
| Female | 91 | 43.0 |
| **Total** | **212** | **100** |

A very concise participation has shown demographically. With the gender point of view, 57% of sample selected from males and 43% was collected from females so the portion of male is high in this regard.

### Table 2: Age Group of Participant

| Age Group | Frequency | Percent |
|-----------|-----------|---------|
| **18-23** | 64 | 30.1 |
| **24-30** | 97 | 45.7 |
| **Above 30** | 51 | 24.0 |
| **Total** | **212** | **100.0** |

The above table shows the descriptive statistics of respondents in term of age group. As it can be seen from above table that the age group of 18-23 is having frequency 64 and percentage 30.1 and the age group of 24-30 accounts for 97 frequency and percentage 45.7 and finally the last group of age above 30 years contributes 51 for frequency and 24 percent. So the age group of 24-30 is highest.

### Table 3: Education Level of Participants

| Education Level | Frequency | Percent |
|-----------------|-----------|---------|
| Under Graduation | 61 | 28.7 |
| Graduation | 88 | 41.5 |
| Post Graduation | 63 | 29.7 |
| **Total** | **212** | **100** |

The above table shows the results of education level of participants in this survey. As it can be seen from above table that graduation education group is having highest percentage that is almost 42 percent and other two groups are almost producing same percentage.

### RELIABILITY AND VALIDITY

Acceptability of the sample of this study has been verified through "KMO & Bartlett's Test". Researchers most often use "KMO & Bartlett's Test" for sufficiency of the relative sample. KMO ranges from 0-1 and acceptable value is more than 0.7. Table shows the results of KMO & Bartlett's Test" related to this study. The KMO value of this study is 0.738 which is more than the acceptable value i.e. 0.7. Similarly, "Bartlett's Test" gave us the value 0.000 which represents that this analysis is perfectly examined.

### Table 4: KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .738 |
|---|---|---|
| | Approx. Chi-Square | 1231.431 |
| Bartlett's Test of Sphericity | Df | 212 |
| | Sig. | .000 |

**Table 5: Reliability Analysis**

| Variable | N of Items | Cronbach's Alpha |
|----------|-----------|------------------|
| GBI | .751 | 04 |
| GPQ | .721 | 04 |
| GCS | .729 | 04 |

**Table 6: Correlation Analysis**

| | Green Brand Image | Green Product Quality | Green Customer Satisfaction |
|---|---|---|---|
| **Green Brand Image** | 1 | | |
| **Green Product Quality** | .211** | 1 | |
| **Green Customer Satisfaction** | .367** | .462** | 1 |

**. Correlation is significant at the 0.01 level (1-tailed).
*. Correlation is significant at the 0.05 level (1-tailed).

This study used "Pearson Correlation" for analyzing correlation among variables. Table mentioned above all the details relating correlation that exists between variables. Correlation between green product quality and green brand image is 0.211**which indicates that variables are positively correlated. There is .367** correlation between green brand image and green customer satisfaction which shows that there is also a positive and significant correlation between these two variables. Similarly, correlation between green brand quality and green customer satisfaction is 0.462** that is highest and positively significant.

**Table 7: Test of Normality**

| | Kolmogorov–Smirnov[a] | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
| | *Statistics* | *Df* | *Sig.* | *Statistics* | *Df* | *Sig.* |
| **GBI** | .084 | 212 | .116 | .925 | 212 | .411 |
| **GPQ** | .160 | 212 | .128 | .901 | 212 | .731 |
| **GCS** | .139 | 212 | .634 | .909 | 212 | .542 |

Table 7 is showing results of "Normality Test" of all three variables " like green brand image(GBI), green product quality (GPQ) and green customer satisfaction (GCS) .Two famous tests "Kolmogorov–Smirnov[a] & Shapiro-Wilk" were performed in this regard. These both tests are used in research for the purpose of normality test. In above table, both tests are showing p-value greater than 0.05, this is authentication against the alternate hypothesis. So null hypothesis is accepted which is, the data is normally distributed. Based on this authentication, researcher is sure that data is normally distributed for all three variables and regression analysis can be executed.

**Table 8: Overall Results Of Regression Analysis**

| Hypothesis | Beta Value (B) | Standard Error (Std. Error) | t-value | p-value | Significant/ Insignificant | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|
| | | | | | | Tolerance | VIF |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **H1** | 2.12 | .165 | 12.8 | .000 | Significant | 1.000 | 1.000 |
| **H2** | .231 | .041 | 5.4 | .000 | Significant | 1.000 | 1.000 |

The above table indicates the values of beta (B), standard error and T-value. Results show that H1 and H2 are statistically significant. For the purpose of observing the alteration in Green Customer Satisfaction (dependent variable) with respect to Green Product Quality and Green Customer Satisfaction (independent variables) results has been indicated by researcher which is representing the values of regression weights. Table representing the value of β which is 2.12 in the case of H1 that is positive and significant which shows that one unit change in green product quality brings 2.12 unit of change in green customer satisfaction. Similarly the value of beta for green brand image is 0.231 that is positive and significant. So the results are evident that both predictors like green product quality and green brand image are positively effecting green customer satisfaction for green electronic and electric product users in Pakistan. So both alternate hypothesis like H1 and H2 are statistically proved to be true and hence null hypotheses for both cases are rejected.

## DISCUSSION AND CONCLUSION

In the past few years ethics relating business, social responsibility, green development and issues regarding environmentalism have been crucial over strategic matters among different companies. On the other hand it has become essential for companies to have main focus on green aspects for a competitive survival globally as in current era customers are consistently concerned with the social and green values for the products. Hence companies are paying more attention to bring the green features in their products and the green management as well. As per my research, results show that green customer satisfaction affected more via product's image in customers mind and influenced a little bit by the quality of the product.A research frame work was developed by this study to discover the correlation between the quality of green product, image of green brand and green customer contentment. Firstly, this research explored that the quality of green product does not have encouraging effects on the satisfaction of green customer. This research work had been continued with the past researches 'literature (Mittal & Walfried, 1998; Schellhase et al., 2000; Eskildsen et al., 2004). Nevertheless, recent researches also evaluated that companies can have more customer satisfaction and competitive advantage by being associated with green production concerns. This study also explored the positive relationship between green brand image and green customer satisfaction.

## THEORETICAL AND PRACTICAL IMPLICATIONS

Green management in the context of developing countries like Pakistan which had first been made in developed countries. This study captures identification of green product and the practical implications of green product quality and green brand image on green customer satisfaction but in a brief way it takes all about greenism in companies or businesses. Similarly the present study will help the top management and policy makers in crafting decent branding strategies in the context of green brand image and green product quality in order to increase green customer loyalty.

## LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

This research study also has combined influences of all recent or past studies and has few crucial implications that are not without limitations. The researches consider it as a resistance to direct the future researches. Research study has prepared by following basic research technique which can be implicated to all grounds relating business to direct to environmentalism. Future research studies should be based on applied research so that can clearly exemplify the situation according to the green aspect and ensure the basic research results. The data involved for observation has taken as a customer point of view so it's suggested that future research studies must observe directions, customers and organizations. Another major limitation is that this study has not discussed the influence of moderator or mediator towards variables but future researches can add one of them or both for more acknowledgements about factors effecting green management. Finally data was cross sectional in nature that is another limitation of present study so the future researchers are suggested to conduct the research on longitudinal data if possible.

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# Information technology Capabilities and Firm Performance: A Study of SMEs Manufacturing Sector

Nabeel Rehman[1], University of Malaya
Dr. Quah Chee Heong[2], University of Malaya
Dr. Nazri Mohammad Nor[3], University of Malaya

## Abstract

This research integrates different aspects of literature link between IT alignment, IT infrastructure and IT agility. It provides the comprehensive framework to understand the mechanism through which IT capabilities affect the IT system and IT information agility and firm's output. Strategic IT alignment which is inevitable for IT applications as well as business strategy has been analysed in the current study along with IT infrastructure to predict the effects of these two variable on firm performance through the mediating impact of IT application agility and IT system ability. Data was collected from SME's, specifically from Textile sector of Punjab and sample size was 378 which was gathered through mail after discarding unfilled questionnaires. In this research cluster sampling is used and CEO's of SME's have been taken as a sample unit. For normality, correlation and reliability checks SPSS is used, further analysis is done with the help of AMOS. Results of structural modelling showed that all relations are statistically significant in the hypothesized direction.

**Key words:** IT alignment, IT infrastructure, IT agility and firm performance

## Introduction

Business competition has been increased due to globalization and technological advancement (Berchicci, 2013). The value of information technology (IT) has flourished over the recent decade, therefore IT capabilities are an indispensable component for firms aiming to achieve the competitive advantage (Ordanini & Rubera, 2014). Strategic IT alignment is the combination of IT strategy and business scheme (Ismail, N. A., & King, M. (2005), hence business strategy and strategic IT alignment has been given great attention by researchers from last few years (Cragg, P., King, M., & Hussin, H. (2002). In the past, Pearsons (1983) was the initiator of IT who conducted studies on the ability of firms. In relation to that many researchers advised that strategic IT alignment is beneficial for organizations, therefore many firms try to accomplish IT alignment in their business domain (Yayla, A. A., & Hu, Q. (2012). Top level businesses use practices related to IT alignment and relate information systems strategies with their business (Computer Sciences Corporation 1996). If business are not alignment with IT strategies then a firm may be affected by such misalignment as the capabilities of IT may offer businesses with profits and stability of business strategies Levy, M. (2009).

Davis, D. F., & Golicic, S. L. (2010) analysed structural capabilities as technological infrastructure where networks, records, and applications are the components of IT infrastructure (Kim, G., Shin, B., Kim, K. K., & Lee, H. G. (2011), along with IT personnel skills, to be incorporated for a successful business. Masrek, M. N., & Jusoff, K. (2009) recommended IT infrastructure as the foundation of IT capabilities and entire business depends on this foundation. Hence, investment in IT infrastructure is the main critical factor in business firms. In Pakistan, despite several initiatives taken by the government, SMEs performance is decreasing and failure rate is also high (Hussain et al., 2014). The problems of decreasing performance and failure, have been arising due to ignoring the role of IT capabilities (Ahmed et al., 2010; Shahid & Manarvi, 2016). When firms show positive behaviour towards IT agility (Sambamurthy et al. 2015), then IT abilities can influence firm performance (Mithas, Tafti, Bardhan, & Goh, 2016). In this regard, firms with similar level of resources may have different performance levels, additionally, changes in technologies and business environment are creating the hurdle for firms to update themselves and get competitive advantages. So, it is necessary for firms to detect the threats and respond to opportunities in order to perform well. The agility of IT in SME's, manufacturing sector is an under researched area and there is need to develop a mechanism through which IT capabilities effect the firm performance by using the role of IT system agility and IT information agility that is ignored previously (Sambamurthy et al.2015). There is also need to explore how IT capabilities affect firm's performance in Pakistani context, hence so far limited studies have been carried out exploring this relationship in manufacturing sector of SMEs (Rai and Tang, 2015).

**Literature Review**

Business strategy and strategic IT alignment is being given great attention from researchers since last few years (Cragr & Hussin 2002). Strategic IT alignment is the combination of IT strategy and business scheme. (Ismail, N. A. & King, M. 2005). Pearsons (1983) was the initiator of IT that effects the ability of firm. Then many researchers create a combination of IT strategies and business strategies (Chan & Reich, 2007). Also many researchers advised that strategic IT alignment is beneficial for organizations. Even that mostly firms tries to accomplish IT alignment (Yayla, A. A, & Hu, Q. 2012) in addition to that; many researchers did work on the relationship between profitability, productivity, sales growth and alignment and get positive significant results (Coltman, T., Tallon, P., Sharma, R., & Queiroz, M. 2015). It helps organizations with the use of IT resources that are affective and supportive for their business strategies and activate them to exploit the effect of their IT integration, enhance profitability and competitiveness, (Yayla, A., & Hu, Q. 2009). For instance (Chan, Y.E., Huff, S.L., MM, Yuan Y & Chan YE 2011) found a significant positive relationship among strategic IT alignment and organizational performance, also Jenkin, TA & Chan, YE (2010) find that there is positive correlation between strategic IT alignment (not IT use) and firm performance suggested by (Chan, YE 2010). So, many firms successfully accomplish such type of alignment (Abdi Mussa, M. Dominic, P. D. D., Downe, A. G., Loke, S. P., & Thamaraiselvan, N. 2013). There is a significance of strategic IT alignment (Galliers, R. D., & Leidner, D. E. 2014). Furthermore, the connection between IT, business scheme and organizational performance has been investigated (Liang et al. 2010) also found the results that although it is risky to invest in IT innovations or strategy but in the long term it is highly beneficial for those who adopt IT innovation and Strategic alignment (Straub & Ang, 2011; Klein and Rowe, 2008; Roseman & Vessey, 2008), hence; the participation of IT helps into accomplishing the business goals that are important for management.

The general function of agility is very clear in terms of efficiency and effectiveness in various business procedures (Schrage, 2004; Baskerville, et al., 2005), whereas agility means the ability to detect continuous and unanticipated change and react quickly to this rapidly change in a competitive environment, including overall markets that are supervised by organized challengers with predictable access towards overall assembling framework that is driven by the request of extraordinary quality, maximum performance, low level of cost, client designed services as well as products (Mondragon et al., 2004). This shows that agile Information Technology systems provide flexibility to various instabilities. In this case, the use IT in alignment is its principal function as stated by Sabherwal and Chan; Tallon (2008), it may facilitates the promotion of IT information agility by identifying some new usage of IT resources, and how such resources may join with non-IT resources in innovative ways (He and Wong 2004). There is research work that builds up direct connection between Information Technology foundation and also Information Technology framework agility in the general (Zhang and Shariff Tiwana and Konsynski, 2010). When interrelations between Information Technology framework agility are characterized, then speculations about connections between IT framework agility and IT foundation can be suggested.

**IT-Infrastructure**

Nowadays, organizations are recognizing the important role of Information Technology (IT) infrastructure, additionally it plays an imperative role in the day to day operational activities of every firm (Mari Nyrhinen, 2006). IT infrastructure entails technology components like communication technology and data, utilized by the workforce equipped with technical skills and those work in the capacity of mangers/supervisors at any level and finally yield standard and shared services according to the business requirements (Mari Nyrhinen, 2006). According to Kayworth and Chatterjee et al. (2001), IT infrastructure has the potential for creating value through responsiveness (which is the capability of firms to speedily adapt products and services as a result of changing business environment), innovativeness (which is the ability of the firm to involve in the process of innovation in successful way) and economies of scope (which is the ability to lessen the cost and time consumed when competing with other firms/organizations). Byrd and Turner in (2000) conducted a study in which the value assessment of IT infrastructure is determined by multiple properties, and the most significant is the factor of flexibility hence the sooner companies recognize the significance to build as well as leverage IT infrastructure, the great value it can deliver with high returns.

**IT-Alignment**

IT alignment is viewed as the good fit between information technology strategy as well as business strategy. Business information technology Alignment means to what extent businesses are incorporating IT usage, considering it as a critical factor in business techniques and procedures. The requirement and desirability to align industry needs and information technology (IT) capabilities has been studied in numerous articles (P Yburn, P.J. 1983; R Eich, B.H. and B Enbasat, I. 1996) and its prominence is well acknowledged. IS alignment is a central and no doubt an intangible goal to achieve (Hirschheim and Sabherwal, 2001 and

Chan, 2002). Additionally from the perspective of the technology implementation, the strategic fit between the external articulation of Information technology strategy and internally implemented infrastructure of IT and core practices including the consistent effect on the general organizational infrastructure and procedures is imperative for an organization (Henderson and Venkatraman 1994 p. 211)." Hence, the mentioned perspective is linking the Information Technology infrastructure and Information Technology strategy, then afterwards, it is linked to business strategy.

## IT-System Agility

Agility covers capabilities of a firm associated with interacting customers, arrangement of internal operations, and ecosystem utilization for external business allies, additionally it ensures that a firm can speedily redesign prevailing procedures and creating new procedures on order to exploit dynamic marketplace environments (Sambamurthy, Bharadwaj, & Grover, 2003). Agility is also responsible for the changes in business processes that are essential to the organization as part of organizational change in an open and distinguishing capacity. In this way the IT system agility is the ability that accommodates all the possible changes in information systems with no incurring substantial disadvantage related time or cost, for example reducing system modification or enhancement costs, developing applications faster (Conboy and Fitzgerald, 2004 and Gebauer and Schober, 2006). According to Sambamurthy et al (2003) "agility is the capacity to recognize open doors for development and grab those aggressive market openings by collecting imperative resources, learning opportunities, and associations with speed and surprise." (Gartner, 2008) defined agility as "the capacity to react rapidly and viably to fast change and high ambiguity." (Weill et al., 2002; Dove 2001 and Sambamurthy et al., 2003)."

## IT-Information Agility

In the light of definition of agility from (Sambamuthy et al., 2003) characterized agility in terms of the capacity to identify open doors to development and grab those aggressive market openings through gathering essential resources, information, and associations ". The ability of information agility is to straightforwardly accommodating alterations in different ways organizational employees' access the firm resources and use other information resources like faster retrieval of information, increasing the flexibility of information requests (Bajgoric, 2000 and Chang and King, 2005). Li et al. (2008) explored the collected works of agility and characterized agility in light of two variables from the perspective of information that is described by the speed and the capabilities of firms in utilizing assets to react to modifications.

**Theoretical framework and hypotheses Development**

*H1: IT infrastructure is significantly associative with the firm performance.*

IT infrastructure has enabled the planning and reforms of business processes, it also supports the development of new organizational forms, helps in improving connectivity, hence globalization can be achieved (Evaristo and Munkvold, 2002; Sääksjärvi, 2000 and Xia and King, 2002). IT infrastructure makes

it possible to attain sustainable competitive advantage which is the core competency of any firm, and, sets base for a flexible platform, which allows swift implementation of innovations and cost efficient modifications of current applications (Byrd, 2001; Kayworth and Chatterjee et al., 2001). The IT infrastructure's value from strategic perspective can be seen as the support it offers explicitly for innovations in a firm. According to Dos Santos and Peffers et al. (1993), innovative related general IT investments have an influence on the market value of a firm.

### H2: Relationship of strategic IT alignment is positively related with firm output.

Similarly, JR Kale, E Reis, A Venkateswaran (2009) concentrated efforts on the alignment between key introductions of business units and prevailing set up of IS application and revealed that the IT alignment positively affects market development (RD Banker, N Hu, PA Pavlou, J Luftman, 2011) with another study, M Cao, Q Zhang (2011) considered impact of the strategic alignment on apparent business performance. Afterward, Cragg et al (2002) examined strategic alignment impact on performance which further validated its positive impact.

### H3: IT system agility is significantly associated with the firm performance.

IT system agility is employed by firms for competitiveness. This allows the firm for smooth streaming of information regarding order, products, and inventory (K. Zhu, K.L. Kraemer, V. Gurbaxani, 2006; Patnayakuni, N. Seth 2006). Sambamurthy et al. (2003) stated that agility capabilities are the company's capacities that are identified by having communication with clients, and usage of its ecosystems of outer business accomplices. In this way IT system agility guarantees that organizations may quickly upgrade existing procedures and make new procedures for commercially compatible situations."

### H4: IT information agility is significantly associated with firm performance.

The contemporary firms for the most part are usually IT empowered (Ferrier et al. 2007; Pavlou and El Sawy 2010). Today company's activities are not really executed without a data innovation therefore IT foundation adaptability offers methods for Information Technology divisions to quickly react to adjustment offers through practical and efficient channels. In this way, from frameworks hypothesis point of view, Information Technology foundation is another Information Technology-related forerunner to Information Technology framework readiness as IT framework may allow company to reconfigure and incorporate outer and inner assets monetarily and rapidly according to changing demands. R.E. Ployhart, C.H. Van Iddekinge, W.I. Mackenzie 2011;S. Chung, R. Rainer, B. Lewis, 2003). Such measured quality additionally helps firm in the adjustment of its IT usage and incorporate IT frameworks to build IT information agility.

### H5: IT Infrastructure is positively associated with IT System Agility

IT infrastructure along with the help of agility also supports the organizational fundamental activities and make information, data, and learning promptly accessible in the firm (S. Chung, R. Rainer, B. Lewis, 2003). The study was conducted on manufacturing firms and the concluding results showed that inter-departmental coordination was the basic enabler of firms coordinated responses to environmental changes in firm surroundings (Braunscheidel & Suresh, 2009).

Most of the literature available concentrates on the centrality of vital IT business arrangement (Hirschheim & Sabherwal, 2001; Sabherwal &Chan, 2001). Improvising IT infrastructure also simplifies the coordination activities in different processes, which is applicable on a firm and with its business partners as well as customers (Barki & Pinsonneault, 2005; Saraf, Langdon, & Gosain, 2007) and hence IT system agility is enhanced; additionally, data technology foundation adaptability, and information technology framework agility may enhance a company's capacity to reply to or performance in various aggressive situations whether changes are through clients, operations or accomplices Pavlou and El Sawy 2010).

### H6: IT Infrastructure is positively associated with IT Information Agility

IT infrastructure arrangement is a noteworthy, yet tricky goal (Chan, 2002; Hirschheim and Sabherwal, 2001). IT- infrastructure can be a reason that can offer support for IT innovations, in this regard the value of IT infrastructure can uplift the stock price of the company which in turn enables IT information agility gives the capacity to oversee and explore learning opportunities, so that a business can possibly flourish in a nonstop changing environment. This compatibility empowers the company's coordinated efforts by channeling collaborators that can perform as complex activities which in turn encourage the advancement of IT information agility. As a result a high level of measured quality, empowers interoperability among different IT parts to encourage the quick improvement of new applications.(R.E. Ployhart, C.H. Van Iddekinge, W.I. Mackenzie 2011)

### H7: IT Alignment is positively associated with IT System Agility

Literature has shown links between IT alignment and system agility and suggested a positive association between the two variables (Sambamurthy et al., 2003; Tallon & Pinsonneault, 2011). IT was also found to let firms sense the core needs of their customers hence firms respond to those needs through the close alliance with firm suppliers (Rai et al., 2006). In this regard, Dell employed IT to blur the organizational boundaries with its associated suppliers and made improvements in its ability in sensing and responding to the opportunities and threats they encounter (Magretta, 1998). IT alignment affects agility as it brings different organizational units' perspectives in one place for the better performance (Gattiker & Goodhue, 2005), also it facilitated the efficient and effective communication along with the involvement of specified knowledge among distinct organizational departments (internal integration) and with suppliers, additionally it also allowed knowledge exploitation (which means using and sharing existing knowledge within the firm) and knowledge exploration (which includes acquisition of new knowledge from the environment). Firms, by achieving excellence in IT alignment have an impact on agility as it uplifts the capability of firms in terms of coordination process and seamlessly synchronized activities (Espinosa, Slaughter, Kraut, & Herbsleb, 2007) additionally it also executes the multifaceted tasks that draw upon the specialized proficiency often spread across the firms.

*H8: IT Alignment is positively associated with Information technology Agility*

IT alignment permits a firm to reconfigure a processes due to system modularity and standardized communication routines (Malone et al., 1999). Business partners in an exchange relationship modify their processes and insure that specialized routines are adaptive to each other's' requirements. In fact, research indicates that companies that achieved high levels of internal process coupling were better able to combine and use internal resources to improve flexibility in product development (Antonio, Richard, & Tang, 2009), additionally IT alignment seems to be an important key factor in connecting business processes and refining response capabilities by enhancing system agility. According to (Setia, Sambamurthy, & Closs, 2008) those firms using IT to connect their processes can easily reconfigure their procedures, rescheduled tasks, and reallocate resources in order to adjust external demands.

**Conceptual Model**

The conceptual model contains five variable on which he confirmatory factor analysis (CFA) was run where a variable are IT infrastructure, IT alignment, IT-system agility, IT-information agility and firm performance.

**Figure 1. Conceptual Model**
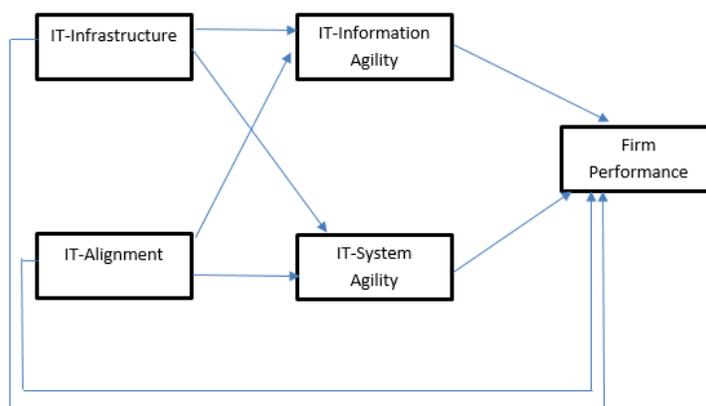


**Research Methodology and Measures**

In methodology section the explanation of sample size and sampling technique will be given and then later on after providing the operationalization of each variable with reference to the structural model, the statistical analysis will be elaborated This research is based on quantitative methodology. Numbers of previous studies (Aquino et al. 2007; Osofsky, Bandura, and Zimbardo 2005; Pelton et al. 2004; Vollum, Buffington-Vollum, and Longmire 2004) applied quantitative approach for research purpose. SME's are contributing to economic growth through supporting many businesses (Martin, Martin and Minnillo, 2009; Terziovski, 2010). In manufacturing sector of Pakistan, the SMEs' are taken as target population by selecting medium

sized firms for data collection, who have a usage of high technology with the capacity to have an impact of the IT usage from different perspectives on their production process (Fontes, 2005; Martin-de-Castro, López-Sáez, & Navas-López, 2008). In this study CEO's are selected as respondents throughout the Punjab to enhance the representativeness and increase the generalizability of sample, through receiving the list of registered medium size firms in small and medium enterprises development authority (SMEDA).

The suitable sampling technique used in the context of our study is cluster sampling. According to SMEDA, clusters of industries have been made in major cities of Pakistan (Punjab). In this research setting we have selected six major cities which are Lahore, Faisalabad, Multan, Gujranwala, Sialkot and Rawalpindi from Punjab province on the basis of concentration of industries (e.g. sixty-five percent of all industries in Punjab). Besides this criteria; we have selected industries having maximum contribution in GDP, employment and exports.

Firms included in our study are textile, leather, sports, food and beverages, metal and wood & furniture, also 56% of industry were of the age more than five years and 44% were below the age of five years. A pilot study was conducted based on simple random sampling, on each stratum in order to find out characteristics of each industry. We acquired data from ten firms of each city by using the systemic sampling technique in each stratum. We also ensured the confidentiality of data regarding questionnaire that were sent to all 60 CEOs in order to analyze the variables. At that point a comparison was made on the basis of industry characteristics and then we compared with non-responding business so as to decrease the non-response bias. There was no noteworthy difference between non- respondents and respondents based on the question equity return, assets return, return on sales and market growth from the results we analysed. Additionally, to avoid the common method bias we applied Harman's test. Five variables are used in this study setting where as four item scales was employed to measure the IT infrastructure and scale was adopted from (Ray et al., 2005; Saraf, Langdon, & Gosain, 2007). Firm performance we have measured by using five item scale established by (Murray & Kotabe, 1999).

**Date Analysis**

The values for other normality checks are also within the range e.g. the values of mean, standard deviation, variance and range are meeting the criteria of normality.

**Table 3.  Descriptive Statistics**

|  |  | ITINF | ITSA | ITIAlign | ITIAgility | FPERFM |
|---|---|---|---|---|---|---|
| N | Valid | 391 | 391 | 391 | 391 | 391 |
|  | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean |  | 5.9252 | 5.9714 | 5.9714 | 5.9642 | 6.0092 |
| Std. Deviation |  | .60367 | .47678 | .48590 | .57796 | .46290 |
| Variance |  | .364 | .227 | .236 | .334 | .214 |
| Range |  | 3.00 | 3.00 | 2.60 | 3.00 | 2.40 |

The table 4, depicts correlation values between variables. The correlation between IT-infrastructure and IT-system agility is .133** which shows a positive relationship between these two variables. Correlation values

between IT infrastructure and IT alignment is .201** which again shows a positive relationship between these two variables. Similarly, correlation between IT system agility and IT alignment is .572**which shows a positive relationship between these two variables. All the values are showing a relationship between all the existing variables and shows that they have a positive relationship. The table 5, shows the results of reliability analysis. The values of Cronbach's alpha obtained were according to Hair, Tatham, Anderson, & Black, (2006), and the minimum cutoff value for alpha value is 0.70.

In this case all the values are greater than 0.70 hence the criteria of reliability has been verified. In detail, the Cronbach alpha value for IT infrastructure is 0.891 with four item scale. The Cronbach alpha value of IT alignment is 0.845 with 5 item scale.

### Table 4. Correlations

| | | ITINF | ITSA | ITIAlign | ITIAgility | FPERFM |
|---|---|---|---|---|---|---|
| ITINF | Pearson Correlation | 1 | .133** | .201** | .182** | .264** |
| | Sig. (2-tailed) | | .009 | .000 | .000 | .000 |
| | N | 391 | 391 | 391 | 391 | 391 |
| ITSA | Pearson Correlation | .133** | 1 | .572** | .200** | .505** |
| | Sig. (2-tailed) | .009 | | .000 | .000 | .000 |
| | N | 391 | 391 | 391 | 391 | 391 |
| ITIAlign | Pearson Correlation | .201** | .572** | 1 | .194** | .566** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 |
| | N | 391 | 391 | 391 | 391 | 391 |
| ITIAgility | Pearson Correlation | .182** | .200** | .194** | 1 | .246** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .000 |
| | N | 391 | 391 | 391 | 391 | 391 |
| FPERFM | Pearson Correlation | .264** | .505** | .566** | .246** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | |
| | N | 391 | 391 | 391 | 391 | 391 |

**. Correlation is significant at the 0.01 level (2-tailed).

### Table 5. Reliability

| Variable | No. of Item | Alpha Value |
|---|---|---|
| IT infrastructure | 4 | 0.891 |
| IT alignment | 5 | 0.845 |
| IT-system agility | 6 | 0.913 |
| IT-information agility | 6 | 0.866 |
| Firm performance | 5 | 0.842 |

In the same way Cronbach alpha value for IT system agility and IT information agility is 0.913 and 0.866 respectively. The measure, firm performance has the reliability score of 0.842. Result of this shows that all constructs fulfilling the criteria of convergent validity and discriminant validity.

**Confirmatory Factor Analysis**

Initially the data was assessment by using the statistical package for Social Science (SPSS) version 22.0. by calculating mean, standard deviations and frequencies. Then in the next step on SEM was be used to analyze the research model and stated hypothesis in the study. Results showed that all five measurement models are fulfilling the basic criteria of model fit indices.

The confirmatory factor analysis (CFA) of full structural model includes IT infrastructure, IT alignment, IT-system agility, IT-information agility and firm performance. The CFA in figure 2, depicts that all the items are loaded into its respective factors. The loading value of an items is higher in its relevant factor. Analysis of moment structures software has been used for the rest of the analysis that is, we have calculated factor loading value, Beta coefficient values of the variables involved in the model, then CFA- Confirmatory factor analysis was run and model fitness indices then confirmed the model fitness. In the Table 10 shows all the factor loadings that we estimated were the indicators of basic constructs.
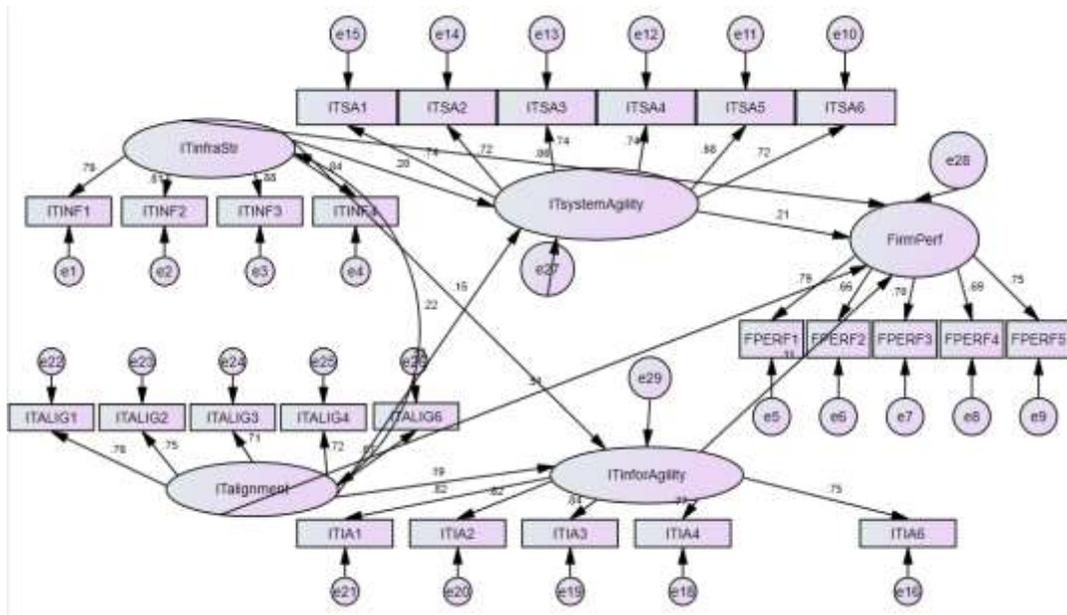


**Figure 2. Confirmatory Factor Analysis**

All loading values are significant greater than the (minimum) lowest value of .50 threshold (Fornell & Larcker, 1981). Results of confirmatory factor analysis for the individual measurement models show that for IT-infrastructure, Chi-square value = 2.804, GFI = .993, NFI = .994, CFI = .996 and RMSEA = .068.

For the other variable that is IT system agility, Chi-square value = 3.196, GFI = .976, NFI = .970, CFI = .979 and RMSEA = .074. The model fitness indices for the Information technology alignment e.g. Chi-square value = 1.521, GFI = .992, NFI = .990, CFI = .996 and RMSEA = .037. The model fitness indices for the Information technology Agility are e.g. Chi-square value = 1.042, GFI = .995, NFI = .995, CFI = .999 and RMSEA = .036. For the dependent variable firm performance the model fitness indices are within the range which shows the good measurement model fit with Chi-square value = 1.285, GFI = .993, NFI = .991, CFI = .998 and RMSEA = .010. This table shows the result of values regarding model fitness. These values are the from the individual measurement model. The results show that individual measurement models are fulfilling the model fitness criteria with reference to model fitness indices. These values are from the complete structural model. The results show that model is a good fit e.g. Chi-square value = 1.519, GFI = .924, NFI = .921, CFI = .971 and RMSEA = .036.

**Hypothesis Results**

In table 7, the result of H1 shows that the regression weight for IT infrastructure in the prediction of firm performance is not significantly different from zero at the 0.05 level (two-tailed), so it is rejected. H2 result shows that when IT alignment goes up by 1 standard deviation, firm performance goes up by 0.514 standard deviations and the regression weight for IT alignment in the prediction of firm performance is significantly different from zero at the 0.001 level (two-tailed), hence H2 is accepted. H3 result shows that When IT system agility goes up by 1 standard deviation, firm performance goes up by 0.213 standard deviations and the regression weight for IT system agility in the prediction of firm performance is significantly different from zero at the 0.001 level (two-tailed).Similarly, H4 to H8; all hypothesis are accepted at different significance levels.

**Table 7.  Research Hypotheses and Results**

| Hypotheses | Standardized Paths Estimates | P-Value | Results |
|---|---|---|---|
| H1: IT infrastructure →Firm performance | 0.630 | 0.200 | Not-Supported |
| H2: IT alignment → Firm performance | 0.514 | *** | Supported |
| H3:IT system agility →Firm performance | 0.213 | 0.020 | Supported |
| H4: IT information agility → Firm performance | 0.111 | *** | Supported |
| H5: IT infrastructure → IT system agility | 0.202 | *** | Supported |
| H6: IT infrastructure → IT information agility | 0.149 | 0.009 | Supported |

| H7: IT alignment → IT system agility | 0.527 | *** | Supported |
|---|---|---|---|
| H8: IT alignment → IT information agility | 0.190 | 0.001 | Supported |

Note.  *p < .05; **p < .01; ***p < .001

## Discussion and future directions

The results of the measurement models for the model fitness showed the explanatory power of the model, the full structural model including five latent variables was studied by employing the same goodness of model fit criteria, similarly as we analysed measurement models. Data analysis on the basis or correlation value, reliability values and model fitness indices we have concluded our analysis by providing the hypothesis summary is provided in the table 7. Hypothesis results in table t. are concluded by the values of model fitness indices given in measurement models explanation and on the basis of overall structural model, whereas the results show that overall structural model is a good fit e.g. Chi-square value = 1.519, GFI = .924, NFI = .921, CFI = .971 and RMSEA = .036. By considering these tests together combined with the CFAs mentioned above, provide sustenance of our measurement model.

Study conclusions can be simply made from table 7, result of H1 depicts that regression coefficients results of both IVs are significant and positive for DV (firm performance) (Table 5). Findings showed that the regression coefficients of mediating variables (PACAP and RACAP) are significant for firm performance (Table 5). Results of a complete theoretical model explained that regression coefficients of direct paths from all IVs to DV failed to reach statistical significance. However, the paths from all IVs to mediator 1 (PACAP), from mediator 1 (PACAP) to mediator 2 (RACAP), and from mediator 2 (RACAP) to DV (firm performance) are positive and significant (Table 5). In summing up, these tests supported the full mediating role of process alignment and process flexibility.

## Discussion and Future Research

Strategic IT alignment, as an important area of business strategies that needs a lot of research in under developed countries. Presently, the information systems agility and along with the dynamic environment of a firm is essentially needed for the firm and it has been a challenges for organizations as well. In this regard information system research offers important understandings that how can IT affects firm agility (Tallon & Pinsonneault, 2011, Overby et al., 2006; Sambamurthy et al., 2003). It is very imperative to better comprehend the mediating variables role in an interactive situation where other processes are simultaneously taking place. When firms have information agility then the firm's responsiveness towards many unpredictable situations is improved by allowing firms to coordinate and integrate internal activities which enables a form to act as an up to date and responding firm. Hence, (Venkatraman, 1991) by improvising IT system agility and IT information agility, a firm starts cultivating in terms of its IT infrastructure and afterwards improvements can be made through the organizational boundaries. (Barki & Pinsonneault, 2005)

the over-all agility can be gained by integrating internal units and its processes in such a way that they show responsiveness to each other's requirements and start performing as a cohesive unit as a whole.

Our paper contributes to research and business practices different ways. Firstly, we have focused the dimension wise role of IT. Research suggested that rather than studying the overall factor of agility, the consideration of dimensional role of IT in terms of agility is of crucial concern, which enables firms to develop the capability in terms of sensing and responding promptly (Overby et al., 2006). It was investigated how certain features of IT, rather than the broad IT construct, can have an impact; although there might be a number of important IT characteristics of interest like scalability, re-configurability etc., but the main focus is on the integration which is enabled by IT that can enables a frim to respond with information technology agility and IT system agility. The impact of IT related applications in-terms of agility, that is dependent on the type of integration required in a firm. In this regard, we have presented a comprehensive but detailed understanding of this relationship by conceptualizing the relation between two dimensions of agility, information technology agility and information technology system agility by further emphasizing the two elements of firm agility: sensing and responding. Second, our paper provides a better understanding of how electronic integration might affect outcomes other than efficiency-oriented ones, such as number of policies sold (Venkatraman & Zaheer, 1990), operating costs, and shipment errors (Srinivasan, Kekre, & Mukhopadhyay, 1994), and different process efficiency measures (Barki & Pinsonneault, 2005).

However, research on how IT affects firm ability to be responsive to the environment is limited. This paper fills this important gap by providing an explanation of how IT can affect firm agility in an integrated framework. Numerous firms pursue electronic integration and firm agility in parallel without clearly understanding how they are related and how they can create synergies between these two goals. Our paper can help managers better understand the differential and complementary impacts of two dimensions of IT on firm agility from the perspective of IT and may forewarn them of the possible pitfall of focusing too much on any one type of electronic integration whether from the view point of infrastructure or alignment instead we emphasized to focus both variable as Predictors. Additionally, in the competitive era of turbulent environmental and with the expectancy of costumer volatile demand, and increased rate of undesirability of a product after using it within a certain time span, now the organizations prefer to be more concerned with agility, which is the capability of sensing and responding to the upcoming opportunities and threats with easiness (D'Aveni, 1994; Goldman, Nagel, & Preiss, 1995). Firms have to keep investing money in IT with the hope of achieving increased productivity, efficiency, effectiveness and profits (Davamanirajan, Kauffman, Kriebel, & Mukhopadhyay, 2006, Banker, Bardhan, Chang, & Lin, 2006; Mukhopadhyay & Kekre, 2002; Oh & Pinsonneault, 2007).

This paper also offer future research work directions. For instance, it might be possible that a few factors are associated with IT like routinization of processes and short-term goals, (Nazir & Pinsonneault, 2012) and when one narrows the strategic repertoire it might act as obstacle to agility (Tallon & Pinsonneault, 2011). The study done here can be replicated with a survey of a broader sample collected from companies in several industries. The impact of the mediating variables could be tested by using mediation analysis techniques, such as nested model analysis and mediation analysis (Chin, Marcolin, & Newsted, 2003; Subramani, 2004). Finally, future research should assess the impression of a few contingent influences on

the IT-agility connection like firm size might be important as a moderator, for example, smaller firms might not get significant new insights from internal electronic integration and knowledge exploitation, and most new knowledge is likely to come from external exploration. In large multinational firms, internal electronic integration and knowledge exploitation might bring significant insights. Because of their breadth and diversity (e.g., a multitude of product lines, business units in different countries, different cultures and ways of doing things), large firms are likely to have many disparate viewpoints and perspectives internally. Environment uncertainty might be another contingent factor. Uncertainty can arise from various sources, such as market turbulence, competitive intensity or technological change (Jap, 2001; Jaworski & Kohli, 1993). All these factors have an inherent ability to change the environmental conditions of the firm, as each might have different effects on the IT-agility relationship. Hence, it is important that future research assesses how these factors affect the relationship between IT and agility. Further studies with respect to impact of IT alignment and IT capability on strategic alignment by different organizations, are required in this field especially in the developing countries whether it is manufacturing industry or service industry.

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# BRAND CREDIBILITY DIMENSIONS AS PREDICTOR OF CUSTOMER RETENTION
## A CASE STUDY OF NISHAT FABRICS

**Naveed Ahmad[1], Rabia Riaz[2], Muhammad Ishfaq[3], Mohammad Adnan[4]**

1: Faculty of Management Sciences, Lahore Leads University, Pakistan

2, 3: MS Scholar, Lahore Leads University

4: University of Bolton (UK)

**Corresponding Email:** naveeddgk2010@gmail.com

## Abstract

The main objective of the present study was to investigate the impact of three dimensions like attractiveness, expertise, and trustworthiness on customer retention in fabric sector of Pakistan. Mainly the study collected data from different outlets of Nishat outlets in the city of Lahore. The results showed that all three dimensions of brand credibility were significant predictors of customer retention but expertise dimension was the most significant predictor of customer retentions. The respondents of the survey were of the opinion that due to high brand credibility element they are the repeated buyers of Nishat fabrics. A total of 300 questionnaires were distributed among different respondents and a total of 211 respondents gave effective response hence the response rate remained 70% that was reasonable. Different statistical tools were executed for data analysis like Regression, correlation and descriptive analysis etc.

*Keywords*: Brand credibility, attractiveness, expertise, trustworthiness, Customer retention.

## INTRODUCTION

All the organization in order to attain their goals and aims (profit, welfare, stock value etc.) have to sell their product and services, it is not enquire that consumer loyalty measures used on the large scale in market. The importance of figure out all the activities , process and cycles in which a consumer is politick in when he start search, find, choose, select, purchase, use, evaluate and then dispose of the product and services in order to satisfy their needs and demands to marketers is very well profess in market (Taflinger, 1996). In order to create a good judgment, belief and perception about the company's name, its image and the consumer loyalty, it is essential to understand to guide the marketers to get the goods information that they can create to prompt to the consumer. As crux we may say that in consumption process the work out helps the marketers in order to outguess the behavior and attitude of consumer. One of the essence feature of service is intangibility, bring up the information that service cannot be catch sight, smack, mat or skim over, like one can feel the tangible items (Parasuraman, Zeithaml, & Berry, 1985). From the panoramic view of the service provider, they lay out that because of the intangibility ,human activity related with the service is quiet difficult and it needs thoughtfulness in order to transcript strategy and creative burning (Day, 1992; Grove, PIckett, & LaBand, 1995; Legg & Baker, 1987). Intangibility of the service guide or lead us to the dubiety about the service features ,

characteristics and benefits according to the customer panoramic view (Erdem, Swait, & Valenzuela, 2006) and it make it difficult to assess or bill the service quality. The whole dubiety gets up from the information that is flawed and loop wholes it state that symbolizes service markets, that is, service providers are supplementary conversant roughly their services than their customers.Branded products/services are customarily broadcast and it wholly internment the bull's eye consumer's thoughtfulness. Brand marketing adventures the close link between people and brand it is supplementary than the product features and its attributes. On the large scale it is admitted that the key feature or important factor in the customer buying is brand. As far the brand is concern it involves a distinctive identity of firm products or services, which is completely different from competitors, so it plays vital role in customer purchase. Consumers takes on many product or services in the market, as matter of fact they don't have complete information about particular product. This scenario creates the dubiety in the mind of the consumers. So in the case when the loopholes information is present in the market environment then the consumer and the marketers recycle or reprocess their signals to communicate with the information (Spence, 1974). ). So in the particular situations brand may oblige as symbols or signals (Erdem & Swait, 2004) and signal should be credible (Tirole, 1990). Brand credibility's foundation is source credibility literature, when brands necessitate credibility then it stands for brand credibility. Brand credibility refers to trustworthiness in brands attributes (Product, Services) information.

## LITERATURE REVIEW
## BRAND CREDIBILITY

A brand is a name and/or symbol-like logo, trademark and package design that ambiguously categories the product or the services of a person/ seller, and it distinguish it from the rivals of the particular product (Aaker, 1991). As far service industry is concern, a company's name is the prime brand (Berry, 2000; Davis et al.,2007). In the service branding background, in consumer evaluations of brands the researchers have renowned the importance or significance of the brand name, as it backings the consumer in eliciting brand paybacks and profits (Grace and O'Cass, 2005;Keller, 2003).In fact, it is argued that the brand name is more important when there is alack of available information (as is often the case with services) due to the brand name becoming a complete and ultimate back-up for missing aspect information (Grace & O'Cass, 2005). Even though research is partial in the range of web site brands, it is rational to argue that the name of the retailer's web site is its brand. From the source credibility creek brand credibility may be calculated. Source  credibility may demarcated as symbolizing a sender's positive characteristics that power the message acceptance of a receiver (Ohanian, 1990) or the trustworthiness of an individual's objectives (Erdem &Swait, 2004). This sender or entity could be a real person (Frieden, 1984), animation character (Stafford, Stafford, & Day, 2002), an establishment (Keller, 2000) or a trademark (Erdem &Swait, 2004). Considerable aforementioned research (Hovland et al., 1953; Keller &Aaker, 1998) make known that the source credibility be made up of trustworthiness, proficiency, and charm/likeableness.Thus, brand credibility bring up the trustworthiness of the concerned product's information in the flesh in a brand and it is proposed to hold three elements, i.e., trustworthiness,

proficiency, and charm/ likeableness (Hovland et al., 1953; Keller &Aaker, 1998; Sternthal& Craig, 1982). Trustworthiness refers to a receiver's trust in a sender. Proficiency denotes to a source's perceived skills. Charm/likeableness is linked with the source's image. From now, brand credibility have need of consumers in order to distinguish that the brand is eager (trustworthiness), has the talent (i.e., expertise), and is steadfast (i.e., appeal/ likeableness) to dependably convey whatever has been undertaken (Erdem &Swait, 2004). Herbig & Milewicz (1995) put forward an antique side related to the brand credibility to the upshot that bygone and contemporaneous activities can stimulus up-to-date and future brand credibility. Trustworthiness, proficiency, and charm of a brand as a result replicate the aggregate the effects of bygone and up-to-date marketing investments. Different studies have inspected the upshot and outcomes of brand credibility. For example, Erdem, & Louviere (2002) put forward that brand credibility may perhaps action as a moderating variable in the influence of product price on consumer utility. Maathuis et al., (2004) spot that brand credibility is ominously correlated to emotion and the motive in consumers' decision making, even though the significance possibly will fluctuate from corner to corner poles apart trademarks

## DIMENSIONS OF BRAND CREDIBILITY

### Trustworthiness:

The furthermost dimension in the evaluation of believability is trustworthiness it is because it's the insubstantial charmed of brand which the whole kit and caboodle in arrears to trust (Benedicktus, Brady, Darke, & Voorhees, 2010). Consistency, Steadiness, rectitude, earnestness and fidelity are the apparatus of the trustworthiness. in the scenario habitually the youngsters are steadfast as compare to the old ones for the reason that the want to trail the trend by brands.(Pandey, 2011). A person who tin can certainly or destructively influence the consumer's attitude is entitled as reference group and for the new ones seniors who reliance on a explicit brand are consider as the utmost unswerving reference group (Escalas & Bettman, 2005). The illustration of the different researches also explains that the conviction of the lady is more on brand that related with their usage then the gentleman. (Sliburyte, 2009). As it was bestowing to sexual characteristics but it is obvious that at the poles apart junctures of consumer the trust and trustworthiness level is same (Sutter & Kocher, 2007).Companies can also secure the pro of product high credibility that hail from high repute, attractiveness, from top to toe public image and trustworthiness and at that juncture-count it by means of other item for consumption and parent brand (Song, Chaipoopiratana, & Combs, 2008).

### Expertise

The products part a kin glow- slung contribution and the product that validated by a proficiency by way of worthy facts and assistances consuming an experience, for the consumers it has partakes an encouraging effect on meanings to good deal(Yoon, Guffey, & Kijewski, 1993). Disputes related with engrossment , (Petty, Cacioppo, & Goldman, 1981) the memo volume to stimulus consumer (Maheswaran & Sternthal, 1990)programming for developmental comeback, (DHOLAKIA & STERNTHA, Mar., 1977) timing of foundation acknowledgment(Homer & Kahle, 1990; Sternthal, Dholakia, & Leavitt, 1978). Conferring in the direction ofCharbonneau and Garland (2005) the word "Fit"

is very well correlated by way of the term expertise for instance the athletes will solitary sensation fitness using the sports products or brand relatively than the company which is not show proficiency in sports and it often move towards unrelated diversification. Ohanian (1990) found that the expertise has prevailing upshot than the further two factors of credibility as well as trustworthiness and attractiveness. Permitting to (Spry, Pappu, & Cornwell, 2011)the unseen effect on the brand is the result of greater than before trust in brand and it upturns the credibility and trust on brand. The consumer jerry can shift through the bigger intentions to buy, in the case when the rival is proposing the high ease and trust too.(Ngobo, 2004). A trickle of studies explored the effect of brand credibility on attitude in the direction of brand (Lafferty et al., 2002). Brand credibility results in upturns consumer effectiveness, brand credibility is positively connected with emotions and feelings and ins and outs in consumer assessment. Prior research had inspected that the source credibility influence the attitude of consumers on the road to the source.Goldsmith, Lafferty, and Newell (2000) concluded that corporate credibility has a direct impact on attitude toward brand. In this study it can be considered in terms of brand.

**Attractiveness:**

As the traditional concept says that good appearance makes sense in people to purchase something (Kahle & Homer, 1985) and create a positive approach in the direction of purchase intention, the graphical essentials of any flyer produce a wisdom of attractiveness. (Clow, James, Kranenburg, & Berry, 2006). the whole kit and caboodle of many researchers demonstrated that the point of view and physical attractiveness is consider a special element over and done with which the efficiency of brand distinctiveness in terms of personality is calculated(Kahle & Homer, 1985; Till & Busler, 2000). But rendering with(Bower & Landreth, 2001)in the way of publicity or promotion exceedingly attractive brands are not so much effective for the reason that in this approach the brands are producing an mock identity.

Several dimensions of attractiveness are there which are problematic to define, as the attractiveness cannot be well-defined from end to end a single dimension.(Caballero & Solomon, 1984). The attractive faces are the finest signal aimed at prompting social findings. (O'Doherty et al., 2003). The splendor, stand point and stance are not only staple but non-physical features also play an imperative role in efficiency of brand identical attainments in worth, brand assets worth, admiration, approval, acceptance, duration, agreements with others companies (Kamins, 1990; Sliburyte, 2009) and from time to time linking to the traditional group of consumer (Deshpandé & Stayman, 1994)

**Customer Retention:**

As long as the competition in market deepens with lowering loyalty of customers, the companies are now looking for innovative ways to enhance customer retention (Roberts et al., 2003). The existing research show that earlier experience of a customer quite importantly affects their mind in order to decide whether to further maintain their

association with the company (e.g., Boulding et al., 1999; Yi and La, 2004). Seeking to know how various customers think the future association is, very significant as far as customer retention is concerned (White et al., 2007). Customer, retention has differently been defined in the previous studies. In relationship marketing wider research the focal point has always been that how quality and relationships influence customer's retention (Lin & Wu, 2011). For retaining a customer a company must identify as to how it is going to serve its customers. Lin and Wu (2011) stated that a strong relationship exists among quality of service and customer retention.

**Figure 1: Proposed Theoretical framework**
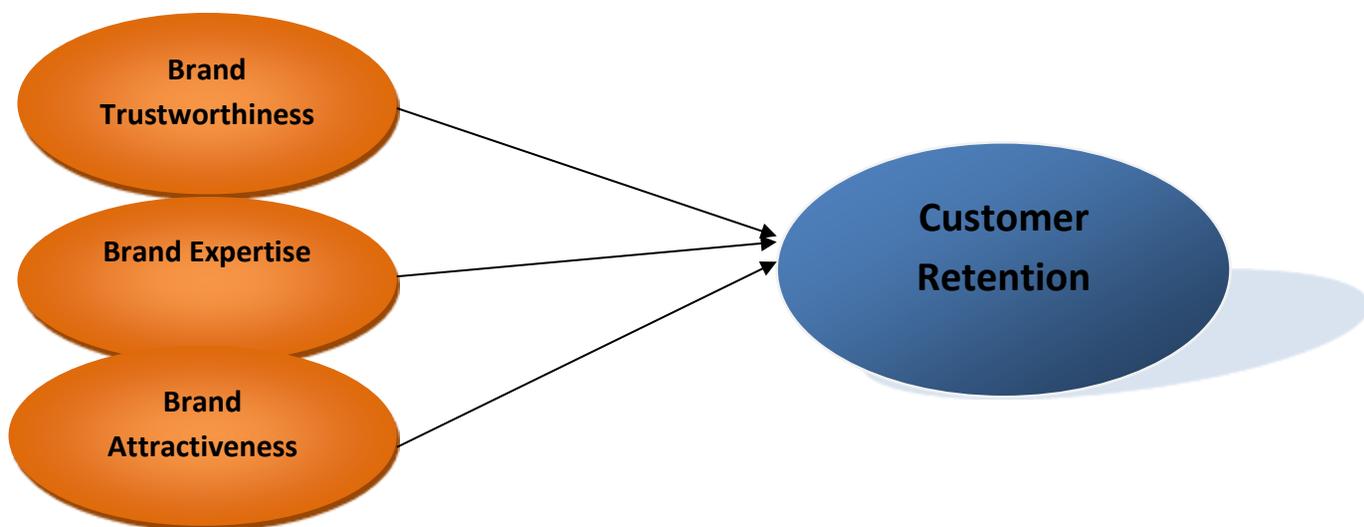


**Hypothesis of Study:**

**H1:** There is positive and significant impact of trustworthiness on customer retention

**H2:** Expertise of brand positively and significantly associated with customer retention

**H3:** Brand Attractiveness is positively and significantly associated with customer retention

**METHODOLOGY**

**POPULATION AND SAMPLE:**

The population for this study is the customers who use or have experience of green or eco friendly electrical/ electronic products from Lahore. Respondents could easily comprehend the questionnaire (in English language) so that content validity of questionnaire is assured. Sample size for this study was 300 that was selected through convenient sampling method. Among those 300 questionnaires, 211 were useable for further analysis.

**DATA COLLECTION AND UNIT OF ANALYSIS**

Data was collected through questionnaire and primary data was obtained from respondents. The nature of study is quantitative and cross sectional. The unit of analysis was individual.

## VARIABLES AND ITEMS

This study adapted questionnaire of brand credibility from Erdem and Swait (2004) and Wang and Yang (2010) studies about brand credibility and the items representing customer retention was adapted from Hennig-Thurau et al. (2002), respectively. All the items were measured on five point Likert scale.

### 3.    RESULTS & Analysis of Data

#### Table 1: Gender of Participants

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 68 | 32.2 |
| Female | 143 | 67.8 |
| **Total** | **211** | **100.0** |

There were 211 respondents of this survey. There were 68 male respondents out of 211 respondents and 143 females out of 211 respondents. The percentage of respondents is male 32.2% and female 67.8%.

#### Table 2: Age Group of Participant

| Age Group | Frequency | Percentage |
|-----------|-----------|------------|
| 15-25 | 93 | 44.0 |
| 26-35 | 74 | 35.0 |
| Above 36 | 44 | 20.8 |
| **Total** | **211** | **100.0** |

There were 3-age groups mentioned in the questionnaire that are 15-25, 26-35, and above 36. 93 respondents were of age between 15-25, 74 respondents were of age between 26-35, and 44-respondents were above 36 years old.

#### Table 3: Education of Participant

| Education Level | Frequency | Percent |
|-----------------|-----------|---------|
| Under Graduate | 79 | 37.4 |
| Graduate | 87 | 41.2 |
| Post Graduate | 45 | 21.3 |
| **Total** | **211** | **100.0** |

According to results of above table 79 participants were under graduates, 87 participants were graduates and 45 participants were post graduates. Percentage of education level of respondents is 37.4% participants were under graduates, 41.2% participants were graduates, and 21.3% participants were post graduates.

## RELIABILITY AND VALIDITY

Gerbing & Anderson, (1988) described many general and basic guidelines for the measurement of reliability and validity that are used in different studies. To reduce questions, factor analysis as data reduction method was used.

**Table 2: KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .781 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1354.673 |
| | Df | 120 |
| | Sig. | .000 |

**Table 3: Factor Analysis and Alpha values**

| Variable | Item/ Factor | Factor Loading (EFA) | Cronbach's Alpha |
|---|---|---|---|
| TRUSTWORTHINESS (TRW) | TRW1 | .732 | .753 |
| | TRW2 | .511 | |
| | TRW3 | .773 | |
| | TRW4 | .539 | |
| | TRW5 | .620 | |
| EXPERTISE (EXP) | EXP1 | .523 | .673 |
| | EXP2 | .514 | |
| ATTRACTIVENESS (ATTR) | ATTR1 | .481 | .691 |
| | ATTR2 | .711 | |
| | ATTR3 | .759 | |
| CUSTOMER RETENTION (CR) | CR1 | .631 | .735 |
| | CR2 | .597 | |
| | CR3 | .738 | |
| | CR4 | .643 | |

14 factors of this all 4-variables i.e. Trustworthiness (TRW), Expertise (EXP), Attractiveness (ATTR) and Customer Retention (CR) were loaded above the criterion of cut-off value.

To examine common variance, all items were analyzed. "Varimax Rotation" must be used in rotation of every factor in factor loading, and a criteria of cut-off value is 0.5 in exploratory factor analysis (Hair, 2007). After the analysis, the results showed good reliability because all values of this study were above the cut-off criterion which was 0.5. With the help of "Cronbach's alpha", scale's reliability was checked and set criterion of 0.70. In this study, "KMO & Bartlett's Test" is also used to check the acceptability of the sample. Many researchers used "KMO & Bartlett's Test" for adequacy of the sample. 0-1 is the range of KMO and acceptable value is more than 0.6. Table 4.3 is showing the outcomes of KMO & Bartlett's Test" of this study. The KMO value of this study is 0.781 which is more than the

acceptable value i.e. 0.7. On the other hand, "Bartlett's Test" provided us the value 0.000 which indicates that this analysis is perfect to perform the factor analysis.

**Table 4: Correlation Analysis**

| | Correlation | | | |
|---|---|---|---|---|
| | **ATTR** | **EXP** | **TRW** | **CR** |
| **ATTR** | 1 | | | |
| **EXP** | .211** | 1 | | |
| **TRW** | .381** | .316** | 1 | |
| **CR** | .413** | .531** | .311** | 1 |

**. Correlation is significant at the 0.01 level (1-tailed).
*. Correlation is significant at the 0.05 level (1-tailed).

To check the correlation among the different variables, "Pearson Correlation" analysis is used in this study. Table 6 is showing the correlation among variables. Correlation between "Attractiveness (ATTR) & Expertise (EXP)" variables is .211** which shows positive relationship between these variables. Correlation between "Attractiveness (ATTR) & Trustworthiness (TRW)" variables is .381** which show positive relationship between these variables. Correlation between "Attractiveness (ATTR) & Customer Retention (CR)" variables is .413** which show positive relationship between these variables. Correlation between "Expertise (EXP) & Trustworthiness (TRW)" variables is .316** which shows positive relationship between these variables. Correlation between "Expertise (EXP) & Customer Retention (CR)" variables is .531** which shows positive relationship between these variables. And correlation between "Trustworthiness (TRW) & Customer Retention (CR)" variables is .311** which shows positive relationship between these variables.

To check the "cause and effect" relationship between independent variable "Trustworthiness (TRW)" and dependent variable "Customer Retention (CR)", Regression Analysis, Model Summary & ANOVA was run by researcher.

**Table 7: Overall Results of Regression Analysis**

| Hypothesis | R | R-Square | F | Beta Value (B) | Standard Error (Std. Error) | t-value | p-value | Significant/ Insignificant | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Tolerance | VIF |
| H1 | .724a | .524 | 33.85 | .359 | .061 | 5.88 | .000 | Significant | 1.000 | 1.000 |
| H2 | .416a | .173 | 48.51 | .259 | .051 | 5.07 | .000 | Significant | 1.000 | 1.000 |
| H3 | .391a | .153 | 42.34 | .287 | .068 | 4.22 | .000 | Significant | 1.000 | 1.000 |

Above table 7 is showing that R-Square Value is 0.173. This value of R-Square is significant positive which shows that there is 17.3% change in dependent variable "Customer Retention (CR)" is due to this independent variable "Trustworthiness (TRW)". The value of β is 0.359 (positive), T-Value is 5.88 (greater than 2.00) and P-value is 0.000 (less than 0.05). Hence by keeping in view these results, researcher concluded that "Trustworthiness (TRW)" and "Customer Retention (CR)" has highly significant positive relationship. Based on this conclusion, null hypothesis is rejected and alternative hypothesis H1 is accepted.

In case of relationship between independent variable "Expertise (EXP)" and dependent variable "Customer Retention (CR)", Regression Analysis, Model Summary & ANOVA was run by researcher. Above table 7 is showing that R-Square Value is 0.173. This value of R-Square is significant positive which shows that there is 17.3% change in dependent variable "Customer Retention (CR)" is due to this independent variable "Expertise (EXP)". The value of β is 0.259 (positive), T-Value is 5.07 (greater than 2.00) and P-value is 0.000 (less than 0.05). Hence by keeping in view these results, researcher concluded that "Expertise (EXP)" and "Customer Retention (CR)" has highly significant positive relationship. Based on this conclusion, null hypothesis is rejected and alternative hypothesis H2 is accepted.To check the "cause and effect" relationship between independent variable "Attractiveness (ATTR)" and dependent variable "Customer Retention (CR)", Regression Analysis, Model Summary & ANOVA was run by researcher. Above table 7 is showing that R-Square Value is 0.153. This value of R-Square is significant positive which shows that there is 15.3% change in dependent variable "Customer Retention (CR)" is due to this independent variable "Attractiveness (ATTR)". The value of β is 0.287 (positive), T-Value is 4.22 (greater than 2.00) and P-value is 0.000 (less than 0.05). Hence by keeping in view these results, researcher concluded that "Attractiveness (ATTR)" and "Customer Retention (CR)" has highly significant positive relationship. Based on this conclusion, null hypothesis is rejected and alternative hypothesis H3 is accepted.

## DISCUSSION AND CONCLUSION

Brand credibility matters much for the acquiring of a particular brand. As indicated by Erdem et al, (2004) Brand credibility can make a thought set in the brains of customers and this thought drives them toa brand in a positive heading for obtaining. Progressively the place caught in the psyche of buyer more will be the uplifting state of mind towards a brand. So the main proposition of this study is turned out to be valid and acknowledged. The discoveries of this review match with the discoveries of Erdem et al, (2004). The respondents of the review consider Nishat Fabrics as sound on the basis of their quality and conveyance. They additionally consider the products of Nishat Fabrics trustworthy and dependable. Similarly the buyers of Nishat Fabrics also consider this organization as an expert one in the field of fabrics as it is proved in result part of this study. Finally the customers also give importance to attractiveness dimension of brand credibility in the matter of Nishat fabrics. They were of the opinion that the products of Nishat are very attractive and have eye catching element and due to all these reasons they are the repeat customer of Nishat

Fabrics. Hence it is proved that all these three major dimensions of brand credibility predicts customer dimension positively and significantly.

## PRACTICAL IMPLICATION:

The discoveries of this review lead towards numerous essential common sense ramifications. As in branding, the noteworthiness of item traits is turning out to be less critical on one hand and then again significance of administrations given by the brands is accepting more significance. It's truly imperative for organizations about the situating of a brand with service related characteristics. This review will help the supervisors in making the promoting methodology uncommonly commercial technique like advertising strategy. Visual promotions of organizations are generally not furnished with the component of attractiveness. Supervisors ought to be all the more concentrating on the component of attractiveness, expertise, and trustworthiness.

Managers can convey the one of a kind advantages and separated ascribes to the buyers for making brand credible. It is likewise vital in Pakistan where organizations are utilizing technique of presenting new people and shabby advertisements to decrease cost. author is of the sentiment that this sort of methodology won't help a brand to end up distinctly sound as it doesn't impart data through trustworthy sources and it is examined over that source credibility matters much for brand credibility as it happens in the case of Nishat Fabrics. So it is proposed that high source credibility will lead a particular brand towards high believability which ultimately impact customer retention positively.

## LIMITATIONS AND FUTURE RESEARCH DIRECTIONS:

The concentration of this review is just limited to Nishat Fabrics of Pakistan particularly. Additionally research can be in different divisions like telecom, autos and so forth. The setting was business to consumer for checking brand credibility on consumer loyalty that is the reason it can't be summed up to entire population. Thus the setting can be changed from business-to to business since credibility additionally matters for retailers and wholesalers. Land restriction constrains this examination in the range of Lahore only DG Khan. There is more need to go to other region and cities to test the same. Besides, study data is cross sectional in nature so the future researchers are suggested to repeat the same on time series data if possible. The exploration was restricted to only three factors of brand credibility but it is complex and multifaceted concept so more factors need to be added in order to more accurately describe the concept of brand credibility .

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# Milk Marketing and Value Chain Constraint

Iqra khalid[1], Waseem Ahmad[2]

[1]Graduate Student, Institute of Business Management Sciences, University of Agriculture, Faisalabad, Pakistan.
iqrakhalid260@gmail.com
[2]Assistant Professor, Institute of Business Management Sciences, University of Agriculture, Faisalabad.
waseem@uaf.edu.pk

## ABSTRACT

Milk provide comparatively immediate return for small-scale livestock. Present condition of traditional milk marketing is very low and failed to add up value in every stage of supply chain in Pakistan. There was need to supply value in different level of value chain but there were many problems existing in traditional milk marketing system. Traditional milk marketing was highly unsatisfactory in Pakistan particularly in rural areas. Because most of the dairy farmers were belonged to rural areas. The objective of the present study is to analyze the existing traditional milk marketing chain in Faisalabad and discuss various constraints that may affect the value chain and create existing opportunities for stakeholder. Primary data were collected through farm level survey from district Faisalabad. Convenience sampling techniques was used to collect data from each stakeholder. The findings of the study showed that the collector adds form utility, time utility and place utility. The present study proposes different policy implications such as capacity building of small-holder farmer regarding the value addition, development of quality standards and developed of milk cooperative agencies.

*Keywords: Traditional milk supply, Value chain, Environment, Marketing Margin*

## INTRODUCTION

Milk is perceived by consumers as an important source of nutrients, especially calcium for good bone and teeth health (Bus and Worsley 2003; Wham and Worsley 2003).

**Milk Retailers:** They run retail shops mostly in urban centers. They buy fresh milk at wholesale prices primarily from dodhiand sell to consumers.

**Consumers:** Consumers are located in urban and rural areas.

### Marketing Margin of Different Stakeholder in the value chain of Fresh Milk

| Stakeholder | Producer to Consumer | Producer to Dhodi | Collector to consumer | Collector to Retailer | Retailer to consumer |
|---|---|---|---|---|---|
| Marketing Margin | 57.4% | 47.37% | 26.5% | 13% | 16.9% |

(Marketing Margin of Different Stakeholder in the value Chain of Fresh Milk marketing in Faisalabad)

| Distribution OF Sampled Respondent According to their Age | | | | | |
|---|---|---|---|---|---|
| **Dairy Former** | | **Milk Collector** | | **Retailer** | |
| Categories | Frequency | Categories | Frequency | Categories | Frequency |
| Less Than 30 | - | less than 25 | 0 | Less Than 27 | 1 |
| 30-40 | 3 | 25-30 | 3 | 26-36 | 4 |
| 40-50 | 5 | 31-45 | 6 | 36-46 | 2 |
| Above 50 | 2 | Above 46 | 1 | Above 45 | 3 |
| **Distribution OF Sampled Respondent According to their Education** | | | | | |
| Primary | 2 | Primary | 2 | Primary | 2 |
| Middle | 1 | Middle | 2 | Middle | 5 |
| Matric | 6 | Matric | 6 | Matric | 3 |
| Graduate | 1 | Graduate | - | Graduate | - |
| **Distribution OF Sampled Respondent According to their Income** | | | | | |
| 21,000-30,000 | 3 | less Then30,000 | 1 | Less Than 20,000 | 4 |
| 31,000-40,000 | 1 | 31,000-39,000 | 4 | 26,000-34,000 | 2 |
| 41,000-50,000 | 3 | 40,000-49,000 | 3 | 35,000-40,000 | 2 |
| Above 50,000 | 3 | Above 50,000 | 2 | Above 40,000 | 2 |
| **Distribution OF Sampled Respondent According to their Occupation** | | | | | |
| Only Dairy Farming | 7 | Only Milk Selling | 6 | only Milk selling | 10 |
| Dairy Farming & Zamindar | 3 | Other | 4 | other | 0 |
| **Distribution OF Sampled Respondent According to their Ownership** | | | | | |

Row labels on the left (outside the table): Age (Years), Education, Income(Rs), Occupation, Ownership

## Marketing Margins of Different Stakeholders

Marketing margin can be a useful descriptive statistic if use to show how the consumer's expenditure is alienated among market stakeholder at different levels of the marketing system. A lot of studies analyzed the marketing margin for different type of commodities to examine the performance of agricultural product marketing.

**Milk Marketing:** Advertising and marketing of milk is a critical pastime that regulates call for and supply of a commodity.

Milk Pricing. In Faisalabad, milk costs are distinctly high as compared with small towns. The milk price was quite excessive in villages well linked with urban facilities compared with the ones situated inside the remote areas.

**Milk Transportation:** The physical transportation of milk begins from producer at village level where local milk traders collect milk from the milk producers located in different places. They use various types of utensils like metallic buckets, cans and containers depending upon the volume of milk and mode of transportation. From small towns/highways the milk is transported to big cities through buses, the transported cost of milk through buses is lower as compared to other transported by vans, pickups.

**Quality of Milk:** The more the number of intermediates, the higher would be the chances of milk contagion and higher will be the cost. The marketing of raw liquid milk, chiefly produced by a large number of small livestock holders, is a difficult and time consuming task, especially due to poor infrastructure, adverse climatic conditions during a major part of a year and low technology level

**Cost of Milk :** The most important factors which influence marketing costs are distance between production and consumption market, condition of the roads, seasonality, perishability, storage and processing. Cost of milk borne by milk producers is higher which is more than 30 rupees per litre is. This cost includes fodder, concentrate, medicine, spices and other miscellaneous costs incurred on milking animals for producing milk. Cost of market intermediaries includes transportation, handling and storage costs shop rent. The farm level, the traditional marketplace is represented by using the mainly which includes middlemen like dodhi. Dodhies are center men who accumulate milk from farmer and transfer onward to client

**Marketing Channel of Traditional Milk marketing chain in Faisalabad**

**Value Addition at Producer/Small Dairy Farmer Level**.

Dairy farmer is the sole point of milk Production. They are responsible for 90 percent of the milk produced. Milk producers starting point of value chain. They are selling fresh milk to consumer and collector in fresh form at the average price of Rs. 70.5 litre and Rs. 57 litre.

**Value Addition at Milk Collector/Dodhi/Trader Level.**

Milk collectors provide the market linkages. Dodhies collect milk from farmer's doorstep. The collected milk is sold to urban consumers, retailers and milk companies. The averagepurchase value of the milk collector/Dodhi is Rs. 57 litre and average sale value, whenmilk sold to a consumer is 77.5litre.

**Conceptual Model**
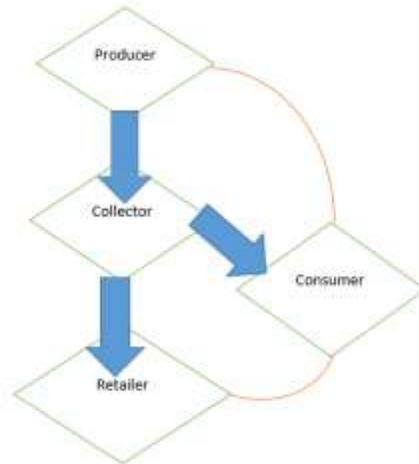


**Value Addition at Milk Retail Level**

Milk retailer shops were mostly in urban centers. They buy fresh milk at whole sale prices primary from Dodhies & traders and sold to consumers. They were making products from fresh milk like yogurt and lassi, khoya and others products so they are adding form value in fresh milk. The average purchase value of the milk is Rs. 66.5/litre, the average sale value, when sell to consumers is Rs.80/litre.

**Problems Faced by the Dairy Farmers**

Major constraint being faced by the dairy farmers was lack of veterinary services in their areas. They claimed that they hired private veterinary doctor for animals. According to them veterinary doctor charged high fees and medicines were also costly.

Lack of solid input provider and capital support; lack of production education; far distance between farm and milk collection center / processor; seasonal price and production fluctuation are the major problems faced by the farmers: access to capital; irregular power supply; poor equipment; low demand for processed products (processors only); high operating costs are the issue faced by the farmers at farm level.Livestock activities demand 24-hour labor, Faisalabad is an industrial city. Moreover, people get jobs in mills for their livelihood where they have to work only for 8 hours.

 **Major Problems of Milk Collectors/Dodhi.**

Long distances and poor road infrastructure to reach markets, high cost of transportation and lack of chilling facilities (for most of individual traders) were found to be important constraints in marketing liquid milk in the study areas.

**Recommendations**

It was observed that most of the milk wasted due to poor infrastructure, and management. Marketing infrastructure especially access to roads and cool chain system must be provided to facilitate milk collection from remote areas and at the same time training should be given to small landholder for dairy farm management and milk handling . Milk yield is very low partly due to poor breeds and partly due to poor management practices including extensions services. Milk is highly perishable and therefore requires special attention for safe handling and quick delivery to the point of use or processing. The marketing infrastructure especially cool chain system in Faisalabad is almost non-existent. Whatever limited facilities exist they are confined to the processing plants. So, there is a need of cool supply chain in the traditional sector to facilitate milk collection and distribution of fresh/raw milk. It is observed in the study that supply demand also gives positive price signals for investing in the sector.Therefore, the profit margins are quite reasonable at all levels in the dairy value chain, but access to credit is limited in this sector, the institutional credit network should be expanded. The procedure should be simplified and one window operation be prompted.

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# The Effect of E-Marketing Uses and TOE Factors on the Performance of Textile Sector in Pakistan: An Empirical Investigation

**'Adnan Ahmed Sheikh'**
adnanucp@gmail.com (Corresponding author)
Ph.D Scholar, Othman Yeop Abdullah, Graduate School of Business,
Universiti Utara Malaysia (UUM)

**'Arfan Shahzad' (PRESENTER)**
arfan@uum.edu.my
Senior Lecturer, Othman Yeop Abdullah, Graduate School of Business,
Universiti Utara Malaysia (UUM)

**'Awanis Binti ku Ishak'**
awanis@uum.edu.my
Senior Lecturer, School of Business Management (SBM),
Universiti Utara Malaysia (UUM)

*Abstract*

The emergence of E-Marketing brought new landscapes in conducting the business. Therefore to understand diverse perspectives of technology diffusion, this study examines the effect of technological factor which is relative advantage (RA), organizational factor which is Market Orientation (MO), environmental factor which is pressure from trading partners (TP) on the performance of textile sector in Pakistan with the significant role of e-marketing uses as a mediating variable. Though the study employs partial least squares structural equation modeling (PLS-SEM) 3.2.6 for analysis of survey data (n = 257) which has been collected from general manager marketing working in textile mills of Pakistan. The results revealed that out of seven (7) direct hypotheses, six (6) have a direct and significant relationship with mediation (use of e-marketing) and the dependent variable (firm performance). Finally, in terms of e-marketing uses as mediating variable, all three (3) hypothesis have shown mediated relationship. However only market orientation has found insignificant with firm performance.

**Keywords:** Textile Performance, Pakistan, E-marketing, Technological, Organizational, Environmental factors, PLS (SEM)

## I. Introduction

The use of internet minimizes the uncertainty of operating the business in foreign markets and thus accelerates the internationalization process to gain competitive advantage as well as to enhance firm performance. Previously, the main source of initiating the contact with several firms were to participate in costly trade shows, which took place at different countries in the world. However, today, the trend has been hanged and firms have started contacting via web pages and through search engines (Samii, 2004). Consistent with the argument, internet-mediated communication brought up the easier access into the international market and motivated the firms to overcome communication barriers. While, moving to e-marketing tools rather than physical marketing activities minimize the costs of marketing-communication, that allows companies, for easier access to perform certain actions (Brodie, Winklhofer, Coviello, & Johnston, 2007; Mosawi, Shahzad, Golamdin, Pasha, & Sheikh, 2016). A part of better efficiency, e-marketing enable the firms to diversify their business strategy to introduce newly accepted business model and to embrace globalization. Actually, the critical question is not whether the firms can adopt e-marketing, but its how they will deploy e-marketing in order to obtain competitive advantage or firm performance (Eid & El-Gohary, 2013; Sheikh et al., 2016). This paper applies the DOI and RBV theory to examine the complementary effects of TOE factors on a potential mediator (i.e., Use of e-marketing) on business performance.

## II. Literature Review

### A. Technological Factor (Relative Advantage) and Firm Performance

In the study by Ahmad, Rahim, Bakar and Mohamed (2014) and a few other studies have highlighted that, relative advantage positively affects the firm's performance, such as growth, financial gain and competitive advantage. However, the current study is focused to investigate that, how the textile firms perceives those benefits such as; increase of profits & revenues, cost reduction, customer service quality, business operation stability and lastly, the development of new local and foreign market segments. Based on the above discussed literature the recommended proposition is;

**H1:** Relative advantage significant positively impact on the firm performance.

## B. Organizational Factors (Market Orientation) & Firm Performance

Empirical studies has found sturdy evidence that, market-orientation is a crucial strategic determinant of a firm's long-term competitive position e.g., (Homburg & Pflesser, 2000; Narver & Slater, 1990), because it upsurges the customer satisfaction, new products success, and customer loyalty. So it needs to address that, how the market orientation will help the firms to fill the gap between customers and firms. Hence, based on the literature the recommended hypotheses is;

**H2:** Market Orientation significant positively impact on the firm performance.

## C. Environmental Factor (Pressure from Trading Partners) and Firm Performance

A study by Ahmad, Rahim, Bakar and Mohamed (2014) mentioned that, companies major focus is on the sales, profitability and global reach in order to achieve competitive advantage. Hence, sometime organization feels lot of pressure from their trading partners. Moreover, previous studies have shown that, trading partners play an important role in sharing information between the firms and this sharing of information plays an essential role in increasing the firm performance and lead the firms towards cost effectiveness (Porterfield, 2008). Therefore, based on the above discussed literature the recommended proposition is;

**H3:** Pressure from Trading Partners significant positively impact on the firm performance

## D. Use of E-Marketing (Mediating variable) and firm Performance

A recent study by Ahmad et al. (2014) revealed that, the most significant expansion trends in the last decade are the large use of the Internet as a platform for steering business activities and new prospects for transactions due to the potential profits to companies, similar to this study Barwise and Farley (2005) have claimed that, there has been less empirical studies about the e-marketing, that actually influence on marketing-practice and performance. Moreover, Barwise and Farley (2005) found that, there is seen to be an increase in the diffusion of electronic marketing. Thus, following relationship can be proposed as;

**H4:** Use of E-Marketing significant positively associated with firm performance.

## E. Use of E-Marketing relationship with relative advantage and firm performance

Based on the literature, it has been clearly acknowledged that, there is a relationship between technological factors, for instance; relative advantage with firm performance. Additionally, relative advantage has been tested in the recent studies as a predictor of technology adoption in the context of

SME's and service sectors of western countries (Sürer & Mutlu, 2015). Therefore, based on the above discussed literature the recommended propositions are;

**H5:** Relative advantage significant positively impact on the firm performance.

**H6:** Use of E-Marketing significant positive mediates the relationship between relative advantage and firm performance.

### F. Use of E-Marketing relationship with Market Orientation and firm performance

The study by Rapp, Schillewaert and Hao (2008) also suggests that, how different corporate factors influence the firm orientation towards market as well as its customers to gain deep understanding of overall market orientation → innovation → performance framework. However, it is also important to look on further particular outcomes of business performance and its effectiveness. For example, an analysis of the influence of market orientation and innovation on organizational performance should prove a worthwhile effort. Hence, based on the literature the recommended hypotheses are;

**H7:** Market Orientation significant positively impact on the firm performance.

**H8:** Use of E-Marketing significant positively mediates the relation between Market Orientation and firm performance.

### G. Use of E-Marketing relationship with Pressure from Trading Partners and firm performance

According to Ahmad et al. (2014) demonstrates that, the success of the Internet initiatives of an organization depends not only on its own effort, but also on the willingness of its trading partners like suppliers, vendors and customers in order to engage in electronic interactions and transactions to achieve the competitive advantage. Also previous studies has also upheld this statement that, firm may uses a technology due to the pressure applied by its trading partners (Kuan & Chau, 2001). Hence, based on the literature the recommended hypotheses are;

**H9:** Pressure from trading partners significant positively impact on the firm performance.

**H10:** Use of E-Marketing significant positively mediates the relationship between pressure from trading partners and firm performance

**Fig 1: Conceptual Framework:**

```
┌─────────────────┐
│  Technological  │
│     Factor      │
│                 │
│  ➢ Relative     │
└─────────────────┘
                              ┌──────────────┐        ┌──────────────┐
┌─────────────────┐           │   Use of     │        │   Textile    │
│  Organizational │ ────────▶ │ E-Marketing  │ ─────▶ │ Performance  │
│     Factors     │           └──────────────┘        └──────────────┘
│                 │
│  ➢ Market       │
│    Orientation  │
└─────────────────┘

┌─────────────────┐
│  Environmental  │
│     Factor      │
│                 │
│  ➢ Pressure from│
│    Trading      │
└─────────────────┘
```
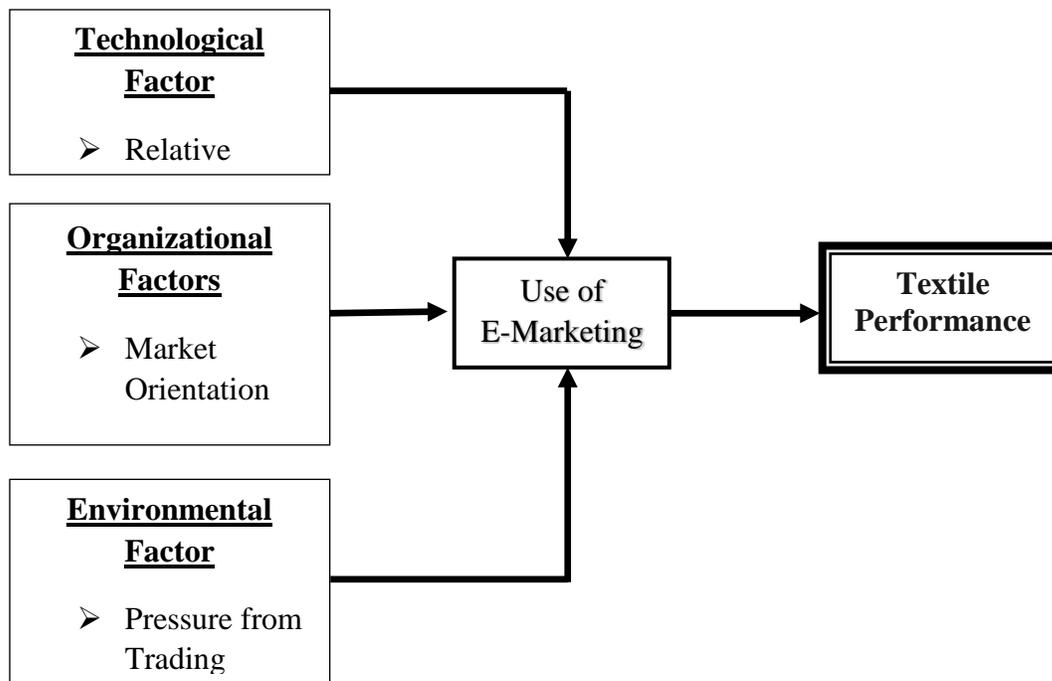
## III. Research Methodology

### A. Data collection

The respondents nominated for the current study are general manager marketing working in various textile related firms, largely located in Punjab and Sindh province of Pakistan. According to "All Pakistan Textile Mills Association (APTMA)" and "All Pakistan Bedsheets and Upholstery Manufacturers Association (APBUMA)" (2015-2016) report, there are 954 textile firms countrywide. However, only 257 textile firms have been selected from Punjab and Sindh province to satisfy the need of current study by using the cluster proportionate sampling technique.

## IV. Data analysis and results

### A. Assessment of the measurement model

Furthermore, the PLS-SEM technique has been used for the theory confirmation and also recommends, where the relationship may exist. However, in evaluating the model, the measurement model

has undertaken to insure the model reliability as well as validity. Based on PLS (SEM), the assessment of measurement model has been analysed properly by using SmartPLS 3.0 (Ringle et al., 2015). However, out of 31 items only 7 items has been deleted in PLS to maintain the AVE and overall measurement model as explained by (Hair et al., 2014). Moreover, to conclude the measurement model discriminant validity, reliability and convergent validity of the measurement of constructs was observed and keenly examined. The table 1 demonstrates the measurement model of current study.

**Table 1:** *Findings of the Measurement Model*

| Construct | Item | Loadings | Cronbach's Alpha | Composite Reliability | Average Variance Extracted |
|---|---|---|---|---|---|
| Firm Performance (FP) | FP1 | 0.89 | 0.82 | 0.87 | 0.58 |
| | FP2 | 0.63 | | | |
| | FP3 | 0.71 | | | |
| | FP4 | 0.85 | | | |
| | FP7 | 0.71 | | | |
| Market Orientation (MO) | MO1 | 0.74 | **0.90** | **0.91** | **0.54** |
| | MO10 | 0.74 | | | |
| | MO11 | 0.79 | | | |
| | MO2 | 0.68 | | | |
| | MO4 | 0.74 | | | |
| | MO5 | 0.80 | | | |
| | MO6 | 0.67 | | | |
| | MO7 | 0.68 | | | |
| | MO9 | 0.79 | | | |
| Relative Advantage (RA) | RA1 | 0.84 | 0.78 | 0.85 | 0.60 |
| | RA2 | 0.67 | | | |
| | RA3 | 0.89 | | | |
| | RA4 | 0.67 | | | |
| Pressure from Trading Partners (TP) | TP1 | 0.85 | **0.70** | **0.87** | **0.77** |
| | TP2 | 0.91 | | | |
| Use of E-Marketing (UEM) | UEM1 | 0.82 | **0.89** | **0.92** | **0.65** |
| | UEM2 | 0.63 | | | |
| | UEM3 | 0.81 | | | |
| | UEM4 | 0.88 | | | |
| | UEM5 | 0.87 | | | |
| | UEM8 | 0.80 | | | |

Before examining the convergent validity, the researcher examined the loadings and cross loading of all the given items of current study variables in order to point out the problems that work as a pre-requirements for the measurement model. Concerning this study, loadings are above the threshold of 0.5 as mentioned by Hair et al. (2010;14), and shown in Table 2. Moreover, Table1 explains the composite reliability, the average variance extracted (AVE) and Cronbach's alpha values of all the study constructs. Moreover, according to Fornell and Larcker (1981) and Hair et al. (2014), the AVE should be atleast 0.50, further, the composite reliability and Cronbach alpha acceptable range is atleast 0.70 and higher. However, as explained in the given Table 1, all the variables have the high reliability and the average-variance-extracted (AVE) is higher than the threshold value of 0.50 which indicates the reliability of measurement model. So this reveals that, all study variables have a good consistency.

Furthermore, discriminant validity was analyzed to determine the model external consistency, on the basis of correlation among the latent variables, however, the value of the variables were compared with the square root of AVE's. Finally, as explained in table 2 all the correlations among the variables are lower than square root-averages (AVEs) as which are bolded in crosswise.

**Table 2:** *Discriminent-validity of the Constructs*

|      | FP     | MO     | RA    | TP    | UEM   |
|------|--------|--------|-------|-------|-------|
| FP   | **0.761** |        |       |       |       |
| MO   | 0.121  | **0.737** |       |       |       |
| RA   | -0.140 | 0.003  | **0.772** |       |       |
| TP   | 0.265  | -0.020 | 0.048 | **0.878** |       |
| UEM  | 0.364  | 0.131  | 0.179 | 0.277 | **0.806** |

## B. Structural Model Assessment

After the assessment of the measurement model, the structural model was assessed by using SmartPLS 3.0. However, following tests in the structural model has taken place which includes; "hypothesis testing with path coefficient and T-value, effect size and predictive relevance of the model were examined".

## C. Direct Effect and Hypothesis Testing

In SmartPLS, structure model gave an inner - modeling analysis of the direct association between the variables of the study including t-values and path coefficients. However, on the basis of rule of thumb revealed by Hair et al. (2014) explains that the bootstrapping method was performed with 5000 sampling

iterations for 257 cases / observations to determine the beta-values of the coefficient of the regression and also the t-values which must be greater than 1.64 in order to considered resulted value significantly. However, in the current study, nine (07) hypotheses having direct relationships were analyzed, from which six (6) out of seven (07) were resulted supported and only two (01) were resulted not supported which is market orientation and firm performance.

**Table 3:** Summary of Direct Hypothesis Testing

| S-No | Direct Relationships | Beta Values | Standard Deviation | T Stats | P Values | Decision | F-Square | Q-Square | R Square |
|------|---------------------|-------------|--------------------|---------|----------|----------|----------|----------|----------|
| 1 | **MO -> FP** | 0.08 | 0.06 | 1.33 | 0.09 | Not supported | 0.008 | 0.107 | 0.211 |
| 2 | **MO -> UEM** | 0.14 | 0.06 | 2.30 | 0.01 | Supported | 0.021 | 0.071 | 0.123 |
| 3 | **RA -> FP** | -0.21 | 0.06 | 3.75 | 0.00 | Supported | 0.054 | | |
| 4 | **RA -> UEM** | 0.17 | 0.06 | 2.76 | 0.00 | Supported | 0.031 | | |
| 5 | **TP -> FP** | 0.18 | 0.06 | 3.03 | 0.00 | Supported | 0.039 | | |
| 6 | **TP -> UEM** | 0.27 | 0.06 | 4.41 | 0.00 | Supported | 0.084 | | |
| 7 | **UEM -> FP** | 0.34 | 0.06 | 5.61 | 0.00 | Supported | 0.129 | | |

## D. Mediation Model

Resampling mediation-technique (bootstrapping) has used in current study to examines the indirect effects of each variable. Furthermore, as recommended by Hair et al. (2014) that, PLS (SEM) bootstrapping technique for mediation analysis is known as best suited for quantitative studies because it is appropriate for small samples as well.

In the current study, after examining the assessment of structural model it has been found that, all three (3) independent variables included in the structural model three independent variables which are top management support, competitive pressure, and relative advantage were significantly associated with the use of e-marketing and firm performance. While, organization resources showed insignificant results. However, Table 4 shows the results of the mediation effect of the use of e-marketing on the relationships between latent variables and a dependent variable.

Table 4 explains that, all three hypothesized relationships has resulted mediation which includes RA with the t-value of 3.04, MO with t-value of 2.56 and TP with t-value of 3.17.

**Table 4:** *Mediation results*

| Indirect Relationships | Beta Values | Standard Deviation | T Stats | P Values | 5.0% | 95.0% | Results |
|---|---|---|---|---|---|---|---|
| MO -> UEM -> FP | 0.051 | 0.022 | 2.257 | 0.012 | 0.029 | 0.094 | Mediation |
| RA -> UEM ->FP | 0.060 | 0.020 | 3.044 | 0.001 | 0.036 | 0.097 | Mediation |
| TP -> UEM ->FP | 0.099 | 0.031 | 3.173 | 0.001 | 0.055 | 0.157 | Mediation |

## V. Discussion and Conclusion

The main objective of the study was to find out whether use of E-Marketing mediates the relationship between technological, organizational, environmental factors and firm performance. However, the central hypothesis stipulated that the use of e-marketing mediates the relationship among the main determinants and the firm performance. The results proved that use of e-marketing by firms positively affects the adoption of technology; thus, we can conclude that, higher the firm's use of e-marketing, higher the probability of increased firm performance also explained by previous studies (Sheikh et al., 2016). The results depicted that relative advantage (RA) market orientation (MO) and pressure from trading partners (TP) indirectly linked to firm performance, through intervening variable which is "use of e-marketing", supporting our hypothesis that use of e-marketing mediates the relationship between technological, organizational and environmental predictors.

Lastly, another main objective of the study was to examine whether technological, organizational, environmental factors have a direct influence on firm performance. Therefore, with regard to direct hypotheses, study results provided evidence that RA, MO and TP are significantly positively associated with the use of e-marketing. Furthermore, TP has shown significant positive association with firm performance, but RA have shown a negative but significant relationship with firm performance. But unfortunately, MO was insignificant in direct hypothesis.

## VI. Limitation and Future Recommendations

This study adds to the body of knowledge and the growing literature on use of e-marketing & firm performance. The limited  sample which is 257 respondents (general manager marketing) used in current study highlights that carefulness is required in the interpretation of the results because these results are not applicable on other region or provinces of the country as well as on any other international textile firms.Iit is also recommended that, future studies can use longitudinal data. More future directions

occurred from our findings are to investigate the use of e-marketing and firm performance with different theories and determinants by selecting other sizes of businesses for instance micro enterprises, medium size enterprises or even large companies depends on the projected factors produced in the current study.

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# IMPACT OF SERVICE QUALITY ON CUSTOMER'S RE-PATRONAGE INTENTIONS AND WORD OF MOUTH WITH THE MEDIATING EFFECT OF CUSTOMER SATISFACTION

**Arslan Tayyab**

Institute of Business & Management, UET Lahore

**Dr. Asif Mehmood**

Institute of Business & Management, UET Lahore

## ABSTRACT

This study aims at identifying the impact that service quality has on customer's re-patronage intentions and word of mouth with the mediating effect of customer satisfaction in the retailing context of retail stores in Pakistan. Due to the increase rate of retail store services in this region it is the matter of utmost attention to find some competitive edge that leads to the success of these stores. That is why this study aims in identifying the extent of importance of these factors for customers. This study is quantitative in nature which empirically tests the relationship between above described variables. For this purpose, a sample of 204 respondents is used to check the impact between variables. For the collection of data, survey technique is used with the help of questionnaire to gather data from respondents. For the analysis of data SPSS 20 and SMARTPLS3 is used through structural equation modeling (SEM) to measure inner and outer model including variables under consideration. After the careful evaluation of the results significant relationship is found between service quality and customer's re-patronage intention and word of mouth respectively and customer satisfaction is found to partially mediate the relationship between service quality and customer's re-patronage intention and word of mouth. So, we can conclude that the manager should improve the service quality in order to generate customer satisfaction that will lead to customer's re-patronage intentions and word of mouth.

*Keywords:* Service quality, customer satisfaction, customer's re-patronage intentions, word of mouth, SPSS,SEM, SMARTPLS.

## INTRODUCTION

Customer attitudes and behaviors are changing day by day and marketers should measure the satisfaction of customer and consumer and handle complains and feedback effectively and efficiently (Yap & Kew, 2007). It is believed that retaining a customer is easy and less costly than acquiring a new customer that leads to more difficulty in that level. For this purpose, management should consider customer satisfaction as its main component (Caruana, 2000) so that it can do to its best to satisfy customers that leads to customer re-patronage actions and positive word of mouth and will result in customer loyalty.

**PROBLEM STATEMENT**

What is the effect of service quality on customer's re-patronage intentions and word of mouth with the mediating effect of customer satisfaction?

**RESEARCH GAP**

In the marketing literature there is a gap related to the impact of service quality on repurchase intention, word of mouth and satisfaction as identified by (Kitapeci, 2014) so in order to fill that gap we empirically will test the impact of service quality on customer's re-patronage intentions and word of mouth with the mediating effect of customer satisfaction as customer satisfaction is not taken as a mediating variable between service quality and other two variables.

**THEORETICAL FRAMEWORK**
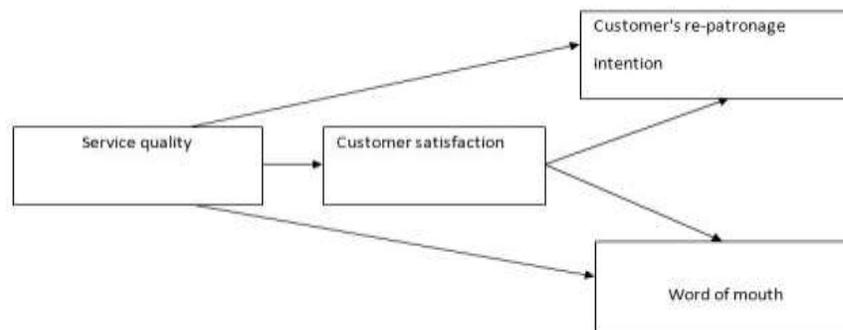


**Figure 1. Theoretical Framework**

**LITERATURE REVIEW**

According to Shen et al., (2000) quality is defined as identifying customer expectation and needs and satisfying those needs and the customer will himself evaluate about the product quality. Harris (2000) stated that one of the most efficient and cost effective way of promoting business is through providing excellent services. According to Gronroos (1984), service quality is perceived service quality in which consumers compare the services they expect and services they receive. Kao (2015) worked on service quality in the online context and found that e-service quality has a significant relationship with trust, loyalty and satisfaction.

According to Abubakar et al., (2001) customer satisfaction is the post purchase judgement of consumers experience of a shopping process associated with service. Satisfaction is analyzed as a feeling from purchase or as factors of transactions that fulfill customer needs and expectations (Zeithaml and Bitner, 2000). Mohsan et al., (2011) stated that customer satisfaction is very important these days as it as influences the customer's re purchase intentions. Customer satisfaction is the post evaluation of the product after purchase (Majid et al. 2011).

Re-patronage intention is the key element in determining the customer's repurchase behaviors (Dongjin et al., 2008). Consumer re-patronage intention is defined as the customer's chances that he or she will revisit the service provider (Hellier et al., 2003). Intentions are subjective evaluations about how a individual will react in the future and it is also a dependent variable in many researches (Soderlund and Ohman, 2003).

Word of mouth can be defined as any positive or negative statement about a product or service that is given by any type of customer, being given to him for sale in the online or offline context (Karjaluoto, 2016). Kotler (2000) states that word of mouth extends from one customer to another and is the only method of marketing that is of very low cost. According to Kim and Hanssens (2016) blog posting a form of word of mouth create more interest of the customers rather than advertising.Sivadas & Baker (2000) states that service quality effects the satisfaction and satisfaction effects the re-patronage intentions but it has no effect on store loyalty. It has been proven by an author that "an organization that consistently satisfies its customers, enjoy higher retention levels and greater profitability due to increase customer loyalty" (Wicks and Roethlein, 2009). Butcher (2005) agreed that re-patronage intention is kind of service result that can be anticipated. According to Lin et al., (2009) service quality helps the firm's growth by supporting behavioral intentions of the customers.

H1: There is a significant relationship between service quality and customer's re-patronage intentions.

Chaniotakis (2009) in his study of health care industry identified that one dimension of service quality i.e. empathy is found to affect the WOM of patients directly while other four variables indirectly affect WOM.

Through customer satisfaction. Moreira & Silva (2016) in their study identified that service quality is the key to positive word of mouth. Macintosh (2007) in his study stated that positive word of mouth occurs only when you have high level of relationship quality but this does not mean all the time in case of high quality there will be positive word of mouth.

 H2: There is a significant relationship between service quality and word of mouth.

According to Hung et al., (2015) customer satisfaction is known to be the descendants of customer re-patronage intentions and customer loyalty in the marketing literature. In a study by Kannan and Thavamin (2015) in the area of banking sector found the relationship between service quality and customer satisfaction and identified customer satisfaction as the role of mediator between service quality and customer loyalty.

H3: There is a relationship between service quality and customer satisfaction

H4: There is a significant relationship between customer satisfaction and customer's re-patronage intentions

H5: There is a significant relationship between customer satisfaction and word of mouth.

H6: Customer satisfaction mediates the relationship between service quality and customer's re-patronage intentions.

H7: Customer satisfaction mediates the relationship between service quality and word of mouth.

## RESEARCH METHODOLOGY

The area of our study is urban population of Faisalabad including both male and female with of twenty five thousand and above. We are taking eight stores from which we will gather data from our samples. We used convenience sampling to collect data from the respondents as according to Given (2008) convenience sampling is referred to sampling in which researcher investigates the samples of the population that are easily available to them.

We used survey method through questionnaires for gathering data and information gathered from the samples can be comprehensively be spreader to the whole population (Kerlinger & Lee, 2000) An approximate of 68% response rate was generated in the collection of data. For the analysis of data SPSS 20 is used for recording the information in the tabular form and Structural equation modeling (SEM) is used for the analysis of data and testing the hypothesis through SmartPLS 3 (Ringle, Wende & Backer, 2015). According to Suhr (2006) defined it as "Structural equation modeling (SEM) is a methodology for representing, estimating, and testing a network of relationships between variables (measured variables and latent constructs).

## DATA ANALYSIS

As we are adopting reflective model for all our four variables we will do the following analysis according to Hair et al., (2011). Our model is shown in the figure 2. **Reflective measurement model**

As a rule of thumb the Composite reliability should be more than 0.7 (Hair et al., 2011). The average variance extracted (AVE) must be higher than 0.7 for each variable (Hair et al., 2011). Fornell and Larcker (1981) criterion is used for the evaluation of discriminant validity. According to them discriminant validity can be established if the square root of the AVE is more than the correlation values among the latent variables. From the table above and below we compared the AVE and Fornell Larcker criterion and found that square root of AVE is higher than the correlation values among the latent variables so our instrument is discriminately valid.

**Figure 2. Reflective Model**
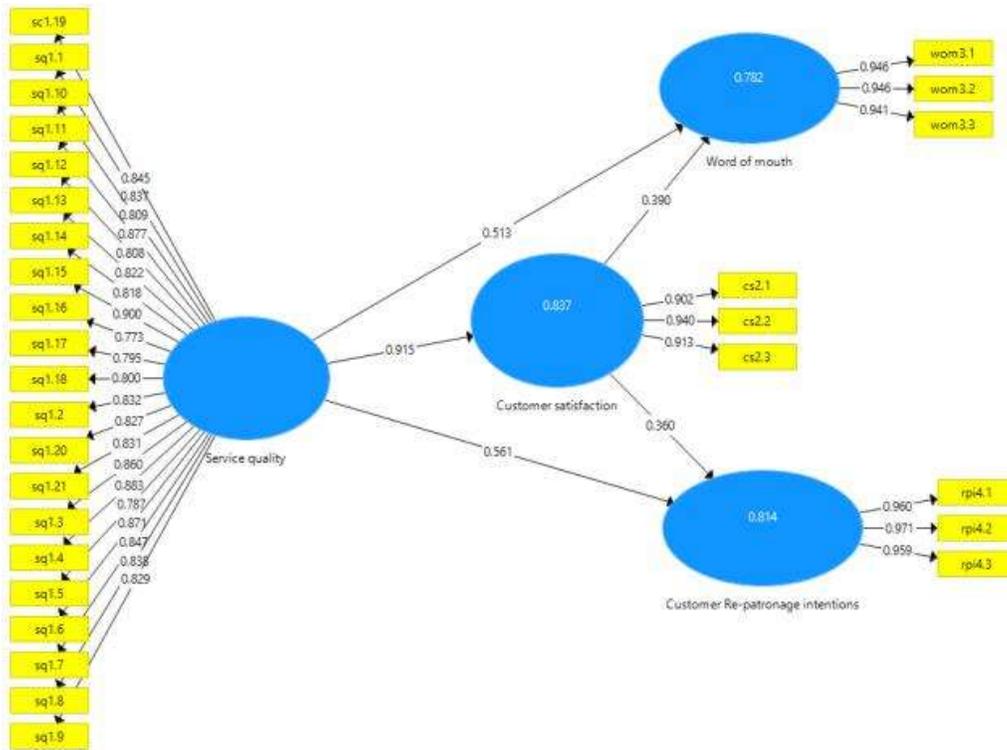


## Hypothesis testing

To check the hypothesis we have developed in our study we have performed bootstrapping with 5000 samples (Hair et al., 2011) to identify the following:

## Path Coefficients

We have done bootstrapping with the significance level of 5% and the critical t-value for two tailed test is 1.96 (Hair et al., 2011) and all five of our hypothesis are significant as ρ<α. Moreover our bootstrapping confidence intervals do not includes a zero and are tight. As we have used customer satisfaction as a mediator so according to Baron and Kenny (1986) a mediator should fulfill the following steps: The regression in which dependent variable is predicted through independent variable, A regression in which mediator is predicted through independent variable , A regression in which dependent variable is predicted through independent variable while controlling independent variable, The regression in model three as shown in step three should produce low coefficients than model one as shown in step 1.

In our model direct effect between exogenous and endogenous variables show more than results than through mediation by customer satisfaction. Moreover mediator is also predicted through exogenous variable. So we can conclude that partial mediation exists between service quality and customer's re-patronage intentions and word of mouth (Baron and Kenny, 1986).

The R square values in all the independent and mediating variables show the results of more than 0.75 which is substantial according Hair et al., 2011 and in marketing studies this criteria is used as a threshold value. After applying blindfolding in the SmartPLS 3 we found the Q square values which show the cross-validated redundancy measures of each construct (Hair et al., 2011). In doing so we found that all the $Q^2$ values to be more than 0 which shows that the dependent variable has a predictive relevance for the independent and mediating variables.

**CONCLUSION**

All our hypothesis are supported in the data analysis and are consistent with the previous researches. This has helped us to conclude our research in evaluating the uncommon effect of service quality and customer satisfaction in case of retail stores. This has shown its effect in creating good customers repurchasing intentions and generating positive word of mouth in the context of city of Faisalabad. In the today's era customers has much choice regarding the purchase of goods and services found in the retail stores. Everyone is competing on very small margins and try to maximize themselves from others. So we have proved that in order to survive in the today's competitive environment we need to provide excellent service quality and satisfy our customers that leads to creating repurchasing intentions of customers and positive word of mouth. In case we are unable to provide these factors to our customer's they will be switch to other stores and skip our store that will lead to reducing margins for our store.

Our research covered the area of Faisalabad with just eight stores. Future research can be done on the basis of covering a vast geographical area covering other cities of the country and extending the population so that more accurate and precise results can be achieved. It will be helpful for retail stores also to define how they can create repurchasing intentions of the customer along with word of mouth. Our research was deficient in terms of financial resources. It can go to a large extent in different geographical boundaries with large population in other service industries including retail stores. In order to survive in the retailing sector manager need to give very high attention to service quality and customer satisfaction in order to generate customer's re-patronage intentions and word of mouth. By improving service quality and satisfying customers we can achieve positive word of mouth and re-patronage intentions of customers. By delivering the things that customer wants and satisfying the innate needs of customer managers can achieve a competitive advantage in the environment of retailing and survive in the business. In order to generate repurchase intention and positive word of mouth managers need to improve the way

they provide services to customers, reduce the time of each transaction, escort the customer to its conveyance, give help to disabled customers, help customers in finding their items, make the atmosphere of the store clean and tidy. All this will lead to satisfy all the needs of the customer so do will create customer satisfaction and will achieve the desired results.

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# ENTREPRENEURSHIP IN TOURISM AND HOSPITALITY

**Syeda Warda Batool** [1]
IB&M (UET) Lahore, Pakistan
Wardanaqvi8@gmail.com

**Dr. Muhammad Fiaz** [2]
IB&M (UET) Lahore, Pakistan
Corresponding author: dr.fiaz@uet.edu.pk

## ABSTRACT

This study puts a light on the basic entrepreneurial components that plays an important and fundamental role in enhancing the tourism and brightening the hospitality industry. This study examines entrepreneurship articles published in seven leading hospitality and tourism management journals from 2004 to till now. However the amount of journals and researches in this sector publishes less than the expectations. The research also explains about some of the rural points and how terrorism affects that sector. The factors like terrorism and other economic issues like electricity, inflation etc. have affected very intensely tourism in Pakistan which ultimately declines the economic graph in Pakistan. Moreover the research will analyze the points on management of risk by the strategists in this sector that how they manage risk in case of any kind of threats or risky situations.

**Key words:** Entrepreneurship, Risk management, hospitality, tourism, Economic instability.

## INTRODUCTION

The research involves a detailed view on entrepreneurship and its development in tourism and hospitality industry. The word 'entrepreneur comes from the French word 'entreprendre' which means 'to undertake'. According to The Merriam Webster Dictionary entrepreneurs as one who organizes, manages and assumes the risk of a business or enterprise. Joseph Schumpeter defines entrepreneur as an ''**innovator who implements change in an economy by introducing new goods or new methods of production''.** The management guru Peter Drucker defines the entrepreneur and reveals the difference by the small businesses and the entrepreneurs "Admittedly, all new small businesses have many factors in common. But to be entrepreneurial, an enterprise has to have special characteristics over and above being new and small. The Babson College defined it as "a way of thinking and acting that is opportunity obsessed, holistic in approach, and leadership balanced."NACCE's definition defined it as ''entrepreneurship involves consistently thinking and acting in ways designed to uncover new opportunities that are then applied to provide value''. From this it is concluded that entrepreneurship

provides a pathway in every fields and discipline to run in an entrepreneurial way and as a result of these applications and study of entrepreneurship great entrepreneurs, the self-employed, small business set ups and entrepreneurs. Entrepreneurial activities play an important role in the development of the economy of a country. The entrepreneurial activities in this sector of tourism and hospitality have more nurtured and nourished in almost all of the developed countries. I'll discuss about some of the great examples and implementation of entrepreneurship phenomena across the different countries of the world. The reason behind the economic instability is the economic issues in our country that are inflation, load shedding of electricity and gas and especially terrorism in Pakistan that is a great hurdle in the way of succession of tourism and hospitality industry there. So the research will put some light on the reason behind the decline in tourism and hospitality sector in Pakistan in the previous years due to these factors and the revival of this industry across the country. Economic growth requires institutional prerequisites which support human transactions; these prerequisites are those that human civilization has evolved over the years – rule of law, democratic institutions, sound legal framework including an efficient and independent judiciary, modern economic governance including property rights and market developing regulations, and a free and open media (Haque, 2007). The areas of Pakistan being very rich in natural beauty though, still facing the lack of the resources and are underdeveloped so that the access to these areas is not as easy as to the other areas. But by using some of the entrepreneurial techniques and concepts we can make these areas as developed as the other are. The factors behind the great examples of the countries who have developed there tourism and hospitality industries will be highlighted. The business success of these countries due to this sector and the economical affects after the introduction of entrepreneurship will be highlighted. The survey will provides suggestions to the policy makers, attempts to establish the critical factors behind the success.

## LITERATURE REVIEW

Tourism and friendliness area here there must be some clarification about what really tourism and cordiality are and what's the contrast amongst them and what is there fundamental birthplace and history. "According to the WTO/Joined Countries Proposals on Tourism Measurements, Tourism contains the exercises of people venturing out to and remaining in spots outside their typical surroundings for not more than one successive year for recreation, business and different purposes." Tourism was declined to consider as an industry however then Trembly (1998) characterizes it as 'an intricate market or a minimal utilization action super forced on genuine development enterprises.' After that Wilson adds some more to this definition "A gathering of firms which work comparative procedures and could deliver in fact indistinguishable items (or administrations) inside a given arranging skylines. There was another gathering who expressed that tourism industry ought to be looked as an

industry since it's monetarily essential. This gathering was driving by Leiper (2000). He presents 3 classifications of tourism. One gathering was for the basic utilize, the second one was for subjective research and the third one was for the specialized quantitative research. He said that tourism ought to be considered as an industry and it contains 10% of the economy and on the off chance that we don't considered it as an industry then we will wreck the 10% work of our industry. The tourism development in this division have expanded in everywhere throughout the world yet in Pakistan shockingly it diminished so severely because of fear based oppression and particularly after the 9/11 episode in USA. As per WTTC's yearly research, it demonstrates travel and tourism added to the Gross domestic product of world's economy to 9.8% and reliably expanding for a long time. Around 284 million individuals on the planet utilized in this segment imply each 1 individual in 11 people. As per UNWTO overview in current advancements and figure in tourism in everywhere throughout the world. 'International visitor entries developed by 4.6 % in 2015 to 1,184 million. In 2015, worldwide tourism created US$ 1.5 trillion in fare profit. Presently putting some light on cordiality what precisely accommodation is, it's an exceptionally more extensive industry than alternate ventures. This industry particularly concentrates on the consumer loyalty and addressing their needs. This industry mostly worries with the joy of consumer loyalty. This is on account of this business in light of giving extravagance administrations. A couple of neighborliness administrations additionally give fundamental administrations like sustenance or attire. The lion's shares of these organizations are for the sightseers and for the exclusive class. In the event of subsidence and any sort of catastrophes these organizations are the first to endure in light of the fact that clients don't have additional cash to appreciate in these sorts of circumstances. Accommodation doesn't just include just inns. Inns are the only one divisions of this industry. There are many types of transportation that includes in friendliness that provides food the visitors this incorporates the carriers, journey ships, fancier trains and so on. Eateries, occasion arranging and general sort of tourism additionally includes in this industry. The variable of brand steadfastness is of extraordinary significance in this industry as they need to ensure that their client is completely fulfilled and glad from their friendliness and administrations else they will dismiss that eatery if there should be an occurrence of most exceedingly bad experience. I'd get a kick out of the chance to highlight the distinction in these two segments i.e. tourism and cordiality. As indicated by an exploration directed by friendliness organization the distinction amongst tourism and neighborliness is "those working in the accommodation business act as inn assistants, eatery administrators, bar directors, voyage deliver agents and many different positions. While a few people find that diligent work can help them excel, others need a larger amount position appropriate out of school. Before you settle on an advanced education program, consider the contrast between a neighborliness and tourism degree. The principle contrast alludes to where those people work. With a tourism degree, you can work at a state or national stop, in an exhibition hall or a private visit organization. Those with a neighborliness degree regularly work in inns, motels

and resorts." Tourism includes the exercises starts from the direction to the voyagers for their attractions, while cordiality industry how to oblige their clients in resorts, lodgings, bars and so on. Sightseers industry incorporates administration and showcasing of travelers from various regions including offices identified with their goals. In the other hand neighborliness alludes to the administration of eateries, offices and lodging organizations and different establishments which manage the cordiality business. The tourism and cordiality in Pakistan is stacked with delightful and uncovered locales particularly at Mohenjo-Daro and taxila known as the most intriguing archeological disclosure there, the considerable landmarks of Mughals, the Khyber Pass, the antiquated Kafir Valley of Kalash in Chitral, the dry treats of Sindh, the energizing daring destinations in Karakorum, the colossal and beautiful urban communities of Lahore, Karachi and Peshawar. These all are the genuine quintessence of our nation. Innumerable vacationers went by Pakistan to appreciate the genuine taste of these destinations however because of some genuine monetary issues in Pakistan that incorporates swelling, stack shading of power and gas backwardness of a few ranges and particularly psychological oppression the rate of voyagers went to Pakistan consistently influenced seriously. The principle reason is fear mongering there. After the Al-Qaida assaults in America and after the start of war and dread against fear based oppression in Pakistan; recognition about our nation has created by the world. These assaults significantly affect the tourism part of Pakistan as well as the economy of our nation. The war and psychological warfare and the cataclysmic events make the visitor from outside the nations far from Pakistan that has taken a colossal lump of our GNP. As indicated by a study "Pakistan has confronting loss of 100 billion dollar against war on dread. This harm has a ton of perspectives, first is the tourism business that has unsalvageable been harmed. As indicated by a factual report by Pakistan Relationship of Tourism before 2000, more than 1 million vacationers went by Pakistan. However, after 9/11 this number remains 10, 000 which is very lesser. Only just in Gilgit-Baltistan before 9/11 20 to 25 thousand vacationers went by Gilgit-Baltistan. In any case, after the occurrence of 9/11 it stays to 5 thousand every year. Amid gushing year this number was again achieving 10 to 12 thousand. Around 300, 000 individuals of Gilgit-Baltistan have immediate or aberrant relations with the tourism sector. "Malaysian sightseers industry has been portrayed as one of the considerable examples of overcoming adversity in the advanced history of the generally youthful Asian state.

Malaysia as indicated by the WTO indicator, made into the main 10 nations in the terms of global sightseers landing in 2009 and it was a testing year for some nations because of different monetary and social emergencies. In the Asia advertise positioning, Malaysia comes after China as far as visitor's landing. Since its improvement by an office in 1999 "Malaysia: really Asia"- Media crusade which has been consistently redesigned and revived in the consequent years, has won a greater number of honors from this for the nation than whatever other tourism

battle ever. The accomplishment behind the ad of battle is that it concentrates on portraying a genuine picture of their way of life, customs and they demonstrates the genuine excellence of their nation and their country with the mottos, for example, "multi-social agreement", "Rulers of Natural products", customer's heaven", "One of the world's best jump locales" and "130 million-year-old-rainforest". It additionally offers marine parks; water sports exercises, perfect shorelines, strip malls, a few celebrations and different cooking styles, for example, Malay, Chinese and Indian director, screw group."

## CONCEPTUAL FRAMEWORK

The conceptual framework is supposed to help the reader make logical sense of the relationships of the variables and factors that have been deemed relevant to the problem. It provides definition of relationships between all the variables so the reader can understand the theorized relationships between them. As far as my research is concerned, I have adopted the following conceptual framework:
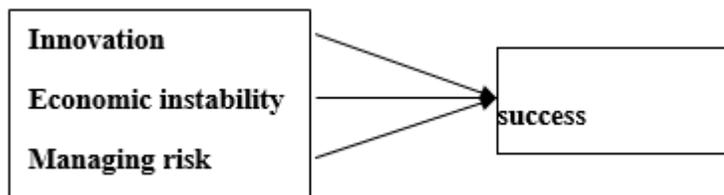


**Figure 1: Conceptual Model**

Dependent variable: Business success

Independent variables: Innovation, Economic instability and Managing risk

The four variables in the study are:

i. **Business Success:**

Every person defines success in her or his own perspective according to their experiences and dilemma. According to me, success is fulfillment and accomplishment of your goals and desires. To an entrepreneur, it could be finally making that big sale, obtaining a contract or completing a first year in business and preparing for the next. Everyone who starts or has a business wants to be successful.

ii. **Innovation:**

This variable will describe the impact of innovation on the business sector in tourism and hospitality industry.

iii. **Economical condition:**

It will describe how economic factors in Pakistan especially terrorism affects the tourism and hospitality sector there that results in declining of business in this sector.

**iv.     Managing risk:**

It describes how the entrepreneurs manage the risk take the suitable decisions at the right time, how to deals and manage the risks by using realistic approach. It includes producing the excessive results by utilizing the in-hand resources.

## RESEARCH DESIGN

Primary data has been collected through the questionnaires. The factors has been tested using Likert scale method the questionnaire has been adopted through different studies and researches Major enterprises from  where the data has been collected through questionnaires are PCHL and Flatties in Lahore whereas some  were collected through the students of COTHM. The sample size covers about 100 respondents from which 95 gives the valid reviews and answers. After coding the data statistical techniques, regression and correlation were applied to analyze the data with the help of Software SPSS version 19.

$H_{oa:}$  Innovation is not a critical success factor in business
$H_{1a}$:  Innovation is a critical success factor in business
$H_{ob:}$ Economic instability is not a critical success factor in business
$H_{1b}$:  Economic instability is a critical success factor in business
$H_{oc}$: Managing risk is not a critical success factor in business
$H_{1c}$: Managing risk is a critical success factor in business

## REGRESSION ANALYSIS

The results for the three factors tested significantly through the questionnaires suggest that the entrepreneurs give significant weight to these factors.

### Table 2: Pearson Correlation

|  |  | Innovation | Managing Risk | Economic Instability | Business Success |
|---|---|---|---|---|---|
| **Innovation** | Pearson Correlation | 1 | -.050 | .248* | .297** |
|  | Sig. (2-tailed) |  | .633 | .015 | .003 |
|  | N | 95 | 95 | 95 | 95 |
| **Managing Risk** | Pearson Correlation | -.050 | 1 | .424** | .704** |
|  | Sig. (2-tailed) | .633 |  | .000 | .000 |
|  | N | 95 | 95 | 95 | 95 |
| **Econmoc Instability** | Pearson Correlation | .248* | .424** | 1 | .573** |
|  | Sig. (2-tailed) | .015 | .000 |  | .000 |
|  | N | 95 | 95 | 95 | 95 |
| **Business Success** | Pearson Correlation | .297** | .704** | .573** | 1 |
|  | Sig. (2-tailed) | .003 | .000 | .000 |  |
|  | N | 95 | 95 | 95 | 95 |

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

**Table 3: Mean and Standard Deviation**

|  | Mean | Std. Deviation | N |
|---|---|---|---|
| Innovation | 3.8632 | .80702 | 95 |
| Managing Risk | 3.8211 | 1.14835 | 95 |
| Economic Instability | 3.6947 | .95732 | 95 |
| Business Success | 3.8579 | .55021 | 95 |

As the Cronbach's alpha shows the value of .701 which shows that the items relatively has neither high consistency nor low. The level of significance is kept 0.05.except for managing risks; all other variables were found to be significant if Pearson correlation test. Hence the hypothesis $H_{1C}$, $H_{oa}$, $H_{ob}$ rejected and $H_{1a}$ $H_{1b}$ $H_{oc}$ accepted.

**Table 4: Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| .701 | 15 |

## CONCLUSION AND RECOMMENDATIONS

The study evaluates the relationship by entrepreneurs of factors that determine and contribute significantly to the success of enterprises. The results for the three factors tested significantly through the questionnaires suggest that the entrepreneurs give significant weight to these factors. The factor of business success has determined after a detailed discussion and literature review of many articles. So after this research it is recommended that govt. should take steps to promote entrepreneurship in this sector and establish the institutes for the training and development of management of decisions in this industry. The backward areas where there is lack of modern facilities and technology, small businesses owners and entrepreneurs should motivated to improve those areas.

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Christos Akrivos[a,], Panayiotis Reklitis[b], Maria Theodoroyiani[c] [a] Athens University, MITHE D. Solomou 8, P. Iraklio 14122, Greece [b] Technological Education Institution of Chalkis [c] Hellenic Open University

Lan Li, Hospitality Administration, School of Family, Consumer and Nutrition Sciences, Northern Illinois University, DeKalb, IL 60115, USA.

Donald Getz[a, ,], Tage Petersen[b] [a] Haskayne School of Business, Faculty of Management, University of Calgary, 2500 University Drive,NW, Calgary, Alberta, Canada [b] Regional and Tourism Research Centre, Stenbrudsvej 55-3730, Nexo, Bornholm, Denmark.

Abby Liu Aletheia University, Taiwan Geoffrey Wall University of Waterloo, Canada.

Mr. Harris Rosen, Conversation with Drs. Sandra Naipaul and Youcheng Wang Rosen College of Hospitality Management, University of Central Florida, 9907 Universal Boulevard, Orlando, FL 32819.

Rhodri Thomas Leeds Beckett University, Macaulay Hall, Headingley Campus, Leeds, LS6 3QN, United Kingdom.

School of Hospitality, Tourism & Culinary Arts, Taylor's University, Malaysia (e-mail: anshul.garg@taylors.edu.my) 2010.

Christos Akrivosa, Panayiotis Reklitisb, Maria Theodoroyianic aAthens University, MITHE D. Solomou 8, P. Iraklio 14122, Greece bTechnological Education Institution of Chalkis cHellenic Open University

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# THE IMPACT OF SOCIAL MEDIA MOBILE ADVERTISING ON CONSUMER PERCEPTION AND CONSUMER MOTIVATION BY CONSIDERING MEDIATING ROLE AS BRAND IMAGE AND BRAND EQUITY

## Anam Bhatti[1], Maraim[2], Sumbal Arif[3]

University of Sargodha Gujranwala, Pakistan

Email:gujranwalaanam091@gamil.com

**ABSTRACT:** The resolution of this study to discover the impact of social media mobile advertising on consumer motivation and consumer perception by concentrating mediating role as brand image and brand equity. Simple random sampling technique was used to collect data. Adopting the questionnaire survey method, data was collected from 150 respondents from the general public. All the tests were applied to Amos software and SPSS. Results showed that social media mobile advertising positively impacts on consumer motivation and consumer perception. Brand image and brand equity partially mediate the relationship between social media digital mobile advertising & consumer motivation and consumer perception. The study also revealed the relationship of consumer motivation on brand image. Brand equity mediates the relationship between consumer motivation and consumer perception. This research will helpful in organizations to understand how to deal with customers in different ways so they can enhance profit, boost equity and image of the corporation and consumer motivation and consumer perception in the favor of organization and do not an impairment to their organization.

**Keywords:** Social media[1], Consumer perception[2], Consumer motivation[3]

**INTRODUCTION:** The dominance of social media has increased the users due to which social media now essential. It is a medium which includes both consumers and organization association with each other's as well as consumer to consumer and organization to organization. The consumer uses social media to see new trends, variety, and new brands, companies using social media to disseminate, publicize and expose the information and persuade the consumers in order to verify the response from the target spectators. All along with predictable resources of phone call social media has been determining globally. This effectual repute is due to the viral distribution of the brand's information all over the world due to mobile base technology. Additionally social media not only provide information it also gives the opportunity to customers to provide feedback about brands after using and availing services. Social media also can be enhanced the brand image and equity through online emails, texts, posts, and calls or through viral marketing.

CBBE model of Keller supports because due to the social media brand image will be created, brand equity will be developed and afterward, consumer perception will be increased in the intellections of the user. Therefore online sources are a tool of distributing information among the users. Effect of mobile adverting on brand image, brand equity, consumer perception and consumer motivation are very effective because nowadays technology has come and people are more conscious than before and they want to know about the product before purchase. Advertisers and specialists now using social media to advertise a product to attract and peruse consumer's attention and increase the brand awareness and build brand image in consumer mind, hence, it is important to explore why are a social media using as a marketing tool? What advantages of media advertising? And it becomes our primary need from waking to sleep? We see ads around us through a different medium including social advertisement. Social media communicates us about products and it is a source of information as well as entertainment. Different organizations, companies, and service providers are continuously focused on using digital media to promote and enhance the brand image due to which altimetry brand equity and consumer perception and with positive perception about the brand they become motivate to buy branded products.

In addition, brands have a cynical and beneficial influence on the awareness of the efficiency of the connected goods and services. Mobile seem to interrupt into many new aspects of the digital world performance the enlightenment to superfluity of company opportunities for all the means cast list in the wireless expertise such as handset users, association operators, admittance providers, substance providers, corporate organizations, advertising and media agencies, cell phone consultants, function developers, project capitalists. Due to easiness of mobile technology brand image in consumer's mind enhanced as well as they are more conscious about brands due to which increase the brand equity and if a company have positive brand equity in consumer mind then can generate positive word of mouth and due to positive brand image consumer perception will be positive and they will be more conscious, aware and loyal with brand. The determination of this paper is to discover and examine the impact of social media mobile advertisement on consumer perception and consumer motivation by concentrating brand image and brand equity as a mediating role. We took a model from the future direction they said that mobile advertising should be taken for further study so we select these variables.

**LITERATURE REVIEW**

    i)   **Mobile advertising:** Mobile advertising is a wireless connection, through mobile advertising target well-recognized potential customers with text, a phone call to raising the response of advertisement fraction (Lin, Paragas, Goh, & Bautista, 2016). It is the form of support or sales encouragement action expected at customers and conducts more over a mobile channel (Liu, Sinkovics, Pezderka, & Haghirian, 2012). We advertise through mobile to encourage consumers to buy products and services,

mobile as a medium is a source of communication with target audience via handset and it creates the interest and increases the buying intention(Grewal, Bart, Spann, & Zubcsek, 2016). Today mobile is considered as a crucial mean for communication. It has taken a collection of designations to itself like as a medium, style proclamation, truly delicate asset, proficient supporter and amusement source or device (Kontsevaia & Berger, 2016).

ii) **Brand image:** A brand is a mark, sign or design through which one seller differentiate their product with competitors (Reza Jalilvand & Samiei, 2012). Brand image can't be developed in some days or months, its develop with the passage of time through different and innovative advertisement, communication, customer services, direct customer understanding (Claiborne & Sirgy, 2015). Brand image is a general perception about the brand in costumer's mind and evokes by asking customers the first provisos that come in their minds when an assured brand name is mentioned (called "top of intellect") (Chan, Leung Ng, & Luk, 2013).Brand image communicates product personality and character in an efficient and different ways from competitors. A positive brand image enhances and maximizes the worthy will and value of the brand, mobile advertising enhances the brand image positively (Freling & Forbes, 2005).

iii) **Brand equity:** The consideration gain by customer discernment by the brand name of scrupulous product or services rather than itself products or services (Rahman & Areni, 2016). A brand is not only a mark, sign, symbol, slogan or design but also has the potential to produce value itself is called as brand equity (Vomberg, Homburg, & Bornemann, 2015). Brand equity can be worn out to pass on the brand explanation or consumer aspect to brand. It is also recompensed to demonstrate brand strong point from buyer relation to persist brand. Keller's brand equity theory also support brand equity (Theurer, Tumasjan, Welpe, & Lievens, 2016).

iv) **Consumer perception:** Perception is impressive of confining the effects in intelligence by understanding, explanation, and feelings (Khan & Ahmed, 2016). It is the mindful identification and enlightenment of sensory stimuli that is the basis of sympathetic, understanding, knowledge, awareness, shimmer and meaningful as well as inspiring in-depth action or reactions (Hennigs et al., 2015). In the standard system of study stimuli and measuring response to them were personal to systematical and analytical the five senses, at the present time on the supplementary hand over, the observation that perception uses merely view, study, smell flavor and stroke to realize the surroundings is not enough (Lessa, Zulueta, Esteve, & Frigola, 2017). Every person has their own perception about things take for granted two friends might go to see the same picture but leave with different considerate of the picture

the border of circumstance,knowledge, and expectations are bounded by the factors that examine their evaluations (Bilgihan, Barreda, Okumus, & Nusair, 2016).

v) **Consumer motivation:** Motivation is the primary piece and an inside force that reveal goal-directed raid individuals that push to them to achievement (R. Yuan, Liu, Chong, & Tan, 2016). It is the power that stirs us to do or to do not inspirational (Yang, Stamatogiannakis, & Chattopadhyay, 2015). This dynamic force is produced by uncomfortable tensions which are existing due to the dissatisfaction of needs, all persons have basic desires to requirements as well as needs (Royne, Thieme, Levy, Oakley, & Alderson, 2016). As a result, various attitudes to enthusiasm focus on cognitive behaviors and non-cognitive phase vice versa (monitoring), (beliefs, and attitudes), or both. Motivation is the engagement, which defines as "intentional uses of peak self, involvement, association, planning along with monitoring" (Funk, Beaton, & Alexandris, 2012). Keller's theory also supports consumer motivation.

## RELATIONSHIP LITERATURE

a) **Social media and consumer perception:** Social media provide awareness about new, modified and existing brands so due to current knowledge of brands change the consumer perception positively about products (Bilgihan et al., 2016). Social media positively effect on consumer perception and through social media we know, how consumer perceive about the brand. Social media affect the opinion of customers by using different tools it effects the worldwide consumers (Schivinski & Dabrowski, 2016).

**H1: There is a positive relation between digital mobile advertising and consumer perception.**

b) **Social media and consumer motivation:** Social media not only change the perception of the consumer but also motivate them toward products. When an organization makes positive perception in consumer mind then they can easily motivate them for buying as well as to viral (Saridakis, Baltas, Oghazi, & Hultman, 2016). Positive motivation is a reaction which includes satisfaction, enjoyment, optimism and confidence about the tasks that you are concerned about(Chi, 2011). Positive motivation induces to do work in the best possible manner and to advance their performance (C. L. Yuan, Kim, & Kim, 2016). Under this better service and rewards are provide for their better presentation (Ma & Chan, 2014).

**H2: There is a significant relationship between digital mobile advertising and consumer motivation.**

c) **Social media and brand image:** Due to increasing technology day by day companies use social media to promote their brands and services like messaging, calls, emails etc. Social media creates a positive image in consumer mind so it means social media has a positive image with brand image (Hutter, Hautz, Dennhardt, & Füller, 2013). Brand image in the mind of consumers framed by marketers brand associations branding process brand the real image of the firm in the consumer's mind (Hudson, Huang, Roth, &

Madden, 2016). The brand is produced in regularly developing brand relationships where the customer forms a differentiated image of a merchandise and service based on all kind of brand associates that the consumer is exposed to (Habibi, Laroche, & Richard, 2014).

**H3: There is significant relationship between digital mobile advertising and brand image**

d) **Social media and brand equity:** Social media also has a positive effect on brand equity in the way an organization can create an image in consumer mind by repeating their ads so then ultimately also generates brand equity (Agnihotri, 2016). Social media develops brand equity thru enhancing the prospect to brand will be integrated into the buyer's deliberation set, so limitation the method of brand decision making and resolving that select into a practice (Gürhan-Canli, 2016).

**H4: Digital mobile advertising has positive relationship with brand equity**

e) **Brand image and consumer perception:** Social media change and innovate every day so by the new way social media easy create an image in consumer mind (Sasmita, 2015). A positive brand image comes positive perception. Customers incline to explain the core and exterior attributes of products and the viewpoint of the image, in addition to the viewpoints of emotion and perception (Bilgihan, 2016). Brand image constructs dimension variables with user image, product image, and enterprise image that consumer perception and brand image show remarkably constructive relation (Dehghani, 2015).

**H5: There is positive relationship between brand image and consumer perception**

f) **Brand image and consumer motivation:** If an organization creates a positive image then can easily motivate consumers for their products (Agnihotri, 2016). A market could basically be won by gaining customers. With service quality, the biggest trust of consumers was obtained, and the brand image was entirely set up to acquire consumer motivation and loyalty(Gürhan-Canli, 2016).

**H6: Brand image has significant impact on consumer motivation**

g) **Brand equity and consumer perception:** Positive brand equity change perception of consumers about products positively (Vidal, 2016). Brand equity improves awareness, trustworthiness, power and defense against arrival (Sasmita, 2015). Brand equity also directly affects consumer perception of a brand by building them willing to pay greater prices to raise the value of products and escalations the sustainability of capital and competition (Bilgihan, 2016).

**H7: There is positive relationship between brand equity and consumer perception**

h) **Brand equity and consumer motivation:** Particular names of product or brand generate the value itself in consumer mind and motivate them and provide confidence about products to purchase and use (Dehghani, 2015). Consumer motivation and brand equity accessible significantly relative that consumer perception was the provided sophisticated service than the expectation of the customer so that the customer

was satisfied. Whereas, if the provided service was inferior to the service probability of the customer, he/she would then impression very disillusioned (Neirotti, 2016).

**H8: Brand equity and consumer motivation has significant relation**

**H9: Brand image and Brand equity significantly mediate the relationship between digital mobile advertising and consumer motivation and consumer perception.**

## METHODOLOGY:

i)   **Theoretical framework**
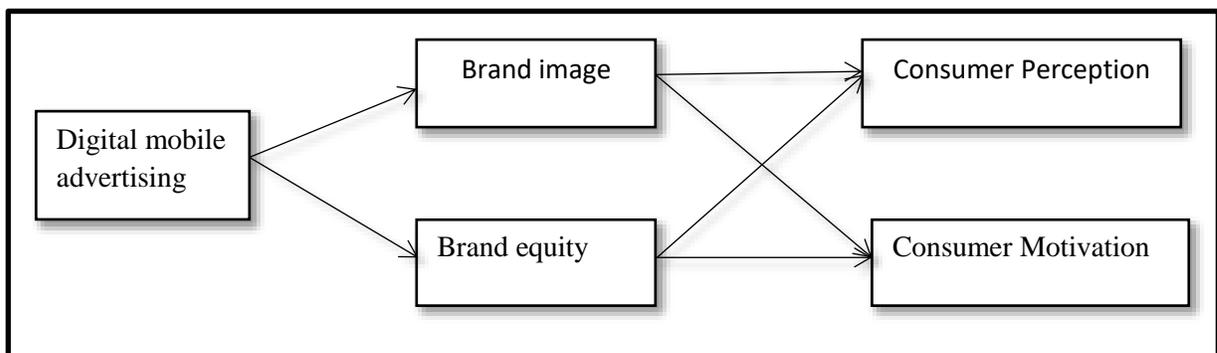


**Figure1. Theoretical framework**

ii.   **Research Philosophy:** Our study is positivism in this viewpoint results are impartial and idyllic because in this type research spectator interpret and deliberate on facts and information and cannot interpret by their own opinion or individual attention, a positivism value stick to the vision that only "factual" knowledge gain through scrutiny (the senses), counting measurement, is conscientious.

iii.   **Research approach:** In this cram 'deductive approach" is used as theory is trying in the deductive approach and move the general problem to specific like how generally mobile advertising impact on the consumer perception and consumer motivation specifically.

iv.   **Research design:** This study contain on quantitative research design because quantitative methods focus objective quantities and the statistical, mathematical, or numerical analysis of data collected through polls, questionnaires, and surveys, or by manipulating pre-existing statistical data using the computational method.

v.   **Sampling:** In our study non-probability convenience sampling is used because by this method data is selected by people due to the easiness of their volunteering or selecting unit because of their accessibility or easy access.

vi. **Data collection Method:** The data collection method was survey method by using questionnaire design

vii. **Measures:** Mobile advertisement scale adopted by Julia Friedman which has 11 items consumer motivation scale adopted by Kaiser MeyeyOlkin which has 22 items consumer perception scale adopted by Kaiser MeyeyOlkin which has 4 items brand image scale adopted by Prashant Raj Baniya which has 10 items brand equity scale adopted by Prashant Raj Baniya which has 16 items and its alpha value greater than 0.7.

viii. **Demographics:** Demographic portion showed the information about respondents' maleness, age, and edification level, nature of employ and length of service. We distributed 200 questionnaires to the responses of respondents out of which 153applicable questionnairesconventional.79 filled by males and 74 filled by female respondents whose prerogative is 51.6% and 48.8%respectively. More often than not respondents were between the age group of 46-55 whose percentage is 0% .next to this 28.1% and 71.9% be age set of 26-45 and age group of up to 25 correspondingly. Furthermore, respondents were 36.6%, 53.6%, and 9.8% belong to Bachelor's, Master's and Ph.D.'s in that order

## RESULTS

**Table 1: Correlations Among and Descriptive Statistics** table is representing the descriptive figures, consistency and Pearson correlation among all understudies variables. The maximum correlation exists between digital mobile advertising and brand image which is valued at 0.534. It is listening to digital mobile advertising and brand image is positively related to each other with a moderate standard deviation. Results indicate that alpha values for all variables are under satisfactory range to prove data consistency.

**Table 2: Fit Indices for CFA Model** illustrate the good of Fit Chi Square and other value to conclude that whether the chosen model has been unsuitable fit for reliability and validity ensure or not. The outcome assessment of our measurement model being GFI=0.937, AGFI=0.826, CFI=0.947, RMSEA=0.053 being in ordinary range of acceptance prove than our model is fit to ensure the reliability and validity of scale being used provided that a green signal to progress

**Table 3: Measurement of a model for Confirmatory Factor Analysis** illustrates that the preponderance values of factor loading are greater than 0.7 and significant at 0.001. While the CR and AVE values are all greater than 0.8 and 0.5. Thus, this result determines our scale convergent being reliable and proves the discriminate validity, which technique that the items showing variances are for their possess variables that the other. This adds to the reliability and validity aspect of the study and association of the variables involved.

**Table 4: Fit Indices** is presenting AGFI is adjusted GFI whose value is greater than 0.8 which is relatively fine to prove that model is a good fit. CFI is instead of the comparative fit index which is screening more rational values that are proving that model is near to absolute fit due to bigger than 0.9 values. RMSEA is root signify square error of approximation whose value is lesser than 0.10 so that is also representing the good fitness of model. The values of NFI, PGFI, and PNFI are also lying in good range so they are also contributing that the understudy model is quite fit in arithmetical terms.

**Table 5: SEM Regression Weights** shows regression weights significance level for connection hypothesized in H1, H2, H3, H4, H5, H6, and H7. The results give evidence that digital mobile advertising and brand image positive effect on consumer motivation and positive contact on consumer motivation and brand image Therefore H1, H2, H3, H4, and H5 supported. Whereas brand equity significantly in relative with dependent variables while consumer motivation and consumer perception. Thus H6, H7, andH8 positively correlated. Hence H9 also supported.

**Table 6: Path Analysis** is used to test the hypothesis through direct and indirect effect. Direct effect of DMA on CM and CP is .397 and .448 respectively. Similarly, total effect .467 and .516 respectively. This indicates that DMA partially and significantly mediates between CM, CP, BI and BE.

This proves that brand image mediates the relationship between digital mobile advertising and consumer motivation and brand equity mediates the relationship between digital mobile advertising and consumer perception.

**CONCLUSION AND DISCUSSION**

The purpose of the study is to examine that the digital mobile advertising influence consumer motivation and customer perception by concentrating brand image and brand equity. The study proved that there is a significant positive relationship between digital mobile advertising and consumer motivation and consumer perception. Supported by H1 and H2 digital mobile advertising positive effect on consumer motivation and digital mobile advertising positively effect on consumer perception. Brand image have a positive impact on consumer motivation and consumer perception and brand equity also have consumer motivation and consumer perception. Brand image and brand equity significantly mediate the relationship between digital mobile advertising and consumer motivation and consumer perception. Organizations firstly target specific market of the area then according to targeted market they make ads and motivate consumers and consumer perception. sometimes one ad is made to cover all area and sometimes different ads use for different specific areas due to different culture, different industries use different effective tools like communication, informative and according to consumer and multi difference in culture use in ads to make it more effective and memorable in consumer mind and set perception of consumers according to their ad and motivate them to use or buy that product.

## PRACTICAL IMPLICATION

Our study will be very helpful for marketers and corporations while making an ad for a product and in this way, they can motivate consumers and brand image can be strong in consumer mind and enhance brand equity also can be enhanced. This could be useful to estimate a model for mobile advertising that captures the dynamic relationship between consumer decision-making and mobile advertising through apps.

## LIMITATION & FUTURE DIRECTIONS

The study has many limitations that have to be recognized. Firstly, we are aware that the number of sample size could not completely apply to the whole people that using mobile. second is we use a limited number of factors further research can conduct by considering more factors like LinkedIn and Twitter. Future researchers can expand the sample size. Data can be collected from other sectors also. More concise demographic analysis can help to find results more accurately. Similarly, longitudinal study can be designed in future

**Appendix:**

### Table 1: Fit Indices for CFA Model

| Index of fit | Cmin/df | P | GFI | AGFI | CFI | RMSEA |
|---|---|---|---|---|---|---|
| Value | 3.04 | .07 | .937 | .826 | .947 | .053 |

### Table 2: Fit Indices

| Fit Indices | CFA | SEM |
|---|---|---|
| Chi-square/df | 3.07 | 3.05 |
| GFI | 0.945 | 0.847 |
| AGFI | 0.804 | 0.826 |
| CFI | 0.950 | 0.949 |
| RMSEA | 0.06 | 0.07 |

**Table 3: SEM Regression Weights**

|  |  |  | Estimate | S.E. | C.R. | P |
|---|---|---|---|---|---|---|
| Consumer motivation | <--- | Digital mobile advertising | .441 | .05 | .017 | .01 |
| Consumer perception | <--- | Digital mobile advertising | .424 | .07 | 0.20 | .00 |
| Brand image | <--- | Digital mobile advertising | .336 | .04 | 0.34 | .002 |
| Brand equity | <--- | Digital mobile advertising | .346 | .09 | 0.45 | .01 |
| Consumer motivation | <--- | Brand image | .319 | .09 | 0.98 | .00 |
| Consumer motivation | <--- | Brand equity | .317 | .08 | 0.95 | .00 |

**Table 4: Path Analysis**

| Independent Variables | Effects | Consumer motivation | Consumer perception |
|---|---|---|---|
|  | Direct Effect | .397* | .448* |
|  | Indirect Effect | .318* | .356* |
| Digital mobile advertising | Total Effect | .467* | .516* |

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# IMPRESSION OF WORKING ENVIRONMENT ON EMPLOYEE PERFORMANCE WITH MEDIATING EFFECT OF JOB SATISFACTION IN HOTEL SECTOR OF AZAD KASHMIR, PAKISTAN

**Ghazal Arif[1], Gulfam Hussain[2]**

**[1]University of Poonch, Azad Kashmir, PAKISTAN**

**[2]Post graduate of Institute of Business & Management, U.E.T. Lahore, PAKISTAN**

**Corresponding author's email:** gulfamhussain05@gmail.com

Abstract: Globally, in extremely competitive and complex business settings, a gorgeous workplace environment inspires employees to perform well. Facts explained that employee's performance has a solid relationship with work environment which leads to enhance job satisfaction. This study explained the relationship between working environment and employee performance along with mediating effect of job satisfaction. For this purpose data is collected from 120 hotels of Azad Kashmir, Pakistan using self-administered questionnaires via convenience based sampling method. The variables are correlated with each other, while results showed that partial mediation of job satisfaction prevails between work environment and employees' performance. Importance of job satisfaction can't be ignored in any case. It will not be wrong to say that the job satisfaction provides base for the success of any organization.

*Keywords:* Employees, performance, job satisfaction, working environment

## 1. INTRODUCTION

Employee performance is an important element in the profitability of the organization (Bevan, 2012). If employees are not performing up to the mark then it can lead organization to lower its productivity, profitability and ultimately weakens the overall effectiveness of organizational goals (Cooke, 2000; Okoyo & Ezejiofor, 2013).

Viswesvaran and Ones (2000) explained that performance is the main paradigm of the workplace. Employees' performance can be elaborated as the activities, behaviors and actions which are performed to attain organizational goals (Motowidlo, Borman, & Schmit, 1999). Performance is much significant because it is a basic pillar of job satisfaction (Muchhal, 2014).

Currently research has found a strong relationship in employee performance and work environment (Fine & Kobrick, 1978; Davis, 1984; Brill, Margulis, & Konar, 1985; Dolden & Ward, 1986; Mohapatra & Srivastava,

2003; Vischer, 2008; Chandrasekarr, 2011; Naharuddin & Sadegi, 2013). Higher employee performance might be the result of healthy workplace environment either psychological or tangible (Buhter, 1997; Chandrasekar, 2011). A lot of studies are explaining the fact relating employee performance with work environment. For instance, in a study it is proposed that organizations should invest in office inventory like chairs & tables in order to increase productivity of employees (Miles, 2000). Moreover some studies explained the impact of workplace environment related factors like furniture, working area partitions, file keeping system on performance (Visher 2008).

In hotel sector, studies have shown that work environment is poor (Wight & Pollert 2006). There is a dearth of research related to work environment conditions and employees' performance. By pinpointing the impact of workplace related environment on employee performance in hotel sector will contribute to learn more ideas to enhance employees' performance and job satisfaction. Therefore in an effort to saturate research gap, this study probes the impact of work environment on employee performance with having mediating effect of job satisfaction in hotel sector of Azad Kashmir, Pakistan.

## 2. LITATURE REVIEW

An important element in job performance is its association with motivation. Motivation leads employees' behavior to gain certain goals (Sansone & Harackiewicz, 2000). Literature has shown that motivated workers perform better than non-motivated ones (Chaudhary & Sharma, 2012; Afful-broni, 2012).  (Aisha and colleagues, 2013) explained that work environment, motivation and incentives has a major impact on job performance. They found the moderation and mediation role of work environment and performance (Carr, Schmidt, Ford, & Deshon, 2003; Ostroff, 2003). Kuvaas (2006) described that internal motivation moderated and mediated the association job performance and job satisfaction.

Workplace outline must be kept in mind to deal various issues. An attractive and comfortable workplace will create a good behavior of employees which will drive their performance high (Chandrasekar, 2011).In 1999 survey of employees was conducted to know the significant of workplace environment in which employees identified workplace utilization ways to get full utilization of space to increase performance. Visually appealing and comfortability were the important aspects which were described. High level of job satisfaction for employees is significant factor for success and good performance of an organization. It is postulated that satisfied employees perform more efficiently than the dissatisfied with their work (Judge et al., 2001). (Cohen-Charash and Spector 2001; Colquitt, 2001) described that job satisfaction and justice in organization are highly correlated.  (Locke, 1976:1300; Spector, 1997) explained that job satisfaction has a positive or negative emotional attachment with their performance. Job satisfaction has cognitive and emotional aspects, where emotional aspect deals with individual

moods and cognitive aspects deals with intellectual evaluation and expectations and values (Organ, 1988:547). Generally employees of high job satisfaction act positively and productive, while the employees having low job satisfaction have alternate feelings (Greenberg and Baron, 2000:43). Employees perform better who are comfortable with their work environment. Normally people face problems with their work environment. Study showed a positive relationship between job performance and workplace environment (Thushel Jayaweera, 2015).

## 3. RESEARCH METHODOLOGY

### 3.1. Sample and data collection:

The population of the study was employees of hotels of Azad Kashmir. The data was collected by distributing questionnaires among employees of various hotels of Azad Kashmir who were randomly selected. 200 questionnaires were distributed, out of which 120 were received completely suitable for analysis.

### 3.2. Measures:

In this study the respondents were asked about the demographics (age, gender, & education). While independent variable was Work Environment, dependent variable was Employee Performance, and Job Satisfaction was Mediating variable. Data is collected on 5-point Likert scale ranging from 1 to 5. (1 means Strongly Disagree and 5 means Strongly Agree).

Work environment was measured by using ten items tools created by (Ruchi J. & Kaur S., 2014). Cornbach's Alpha value for these items was .925 which shows an excellent internal consistency of the questionnaire items. Job satisfaction was measured by using five items created by (Brayfield & Rothe's, 1951). Value of Cornbach's Alpha for this part was .810, which shows good reliability of these items. Employee Performance was computed by using a tool of (Babin & Boles, 1996). Cornbach's Alpha is .853 for this part of tool which is also good. This tool is widely used for hotel industry research like; Karatepe & Kilic, 2007, Karatepe & Bekteshi, 2008, and Yavas et al., 2008).

### 3.3. Theoretical Framework:



**Figure 2**

## 4. RESULTS

### 4.1. Descriptive analysis

Results of the demographics gained from respondents are shown in Table: 1. as per the table, 102 males (85%) took part in study while 18 respondents were female (15%). Majority of the respondents (30%) were of 26 to 35 years of age, while 28% of respondents were of 36 to 45 years old. 39% of the respondents were of under graduate qualification, while 25% respondents were graduates.

### 4.2. Correlation analysis

Correlation analysis describes the relationship of all variables in the study. Table: 2. shows that all variables are correlated with each other and the relationship is also significant.

**Table 5: Demographics**

| VARIABLE | CATEGORY | FREQUENCY | PERCENTAGE |
|----------|----------|-----------|------------|
| **AGE** | 18-25 | 18 | 15% |
| | 26-35 | 36 | 30% |
| | 36-45 | 34 | 28% |
| | 46-55 | 21 | 18% |
| | 56-65 | 10 | 8% |
| | ≥65 | 1 | 1% |
| **GENDER** | MALE | 102 | 85% |
| | FEMALE | 18 | 15% |
| **EDUCATION** | DIPLOMA | 25 | 21% |
| | UNDERGRADUATE | 47 | 39% |
| | GRADUATE | 30 | 25% |
| | POST GRADUATE | 18 | 15% |

**Table 6: Correlation analysis**

| Pearson Correlation Matrix | Work Environment | Job Satisfaction | Employee Performance |
|---|---|---|---|
| **Work Environment** | 1 | .860[**] | .825[**] |
| **Job Satisfaction** | .860[**] | 1 | .828[**] |
| **Employee Performance** | .825[**] | .828[**] | 1 |

## 4.3. Regression analysis

Regression analysis was conducted as per to check the impact of Work Environment on Job Satisfaction, Job Satisfaction on Employee Performance and Work Environment on Employee Performance. Process macro of Dr. Andrew F. Hayes regression was done, to check the mediation effect of Job Satisfaction on Work Environment and Employee Performance. All the regression results are significant so the partial mediation exists between the variables. Table: 3 show the results of regression.

### Table 7: Regression Results

| Step | Independent Variable | Dependent Variable | Beta | t-Value | Sig. | F-Value | R square | Std. Error |
|---|---|---|---|---|---|---|---|---|
| **1 a** | Work Environment | Job Satisfaction | .8396 | 18.2735 | .000 | 333.920 | .738 | .0459 |
| **2 b** | Job Satisfaction | Employee Performance | .4381 | 4.8567 | .000 | 162.032 | .734 | .0902 |
| **3 c** | Work Environment | Employee Performance | .4126 | 4.6828 | .000 | 162.032 | .734 | .0881 |
| **4 c'** | Indirect Effect (Sobel) | | **Effect** | **z-Value** | | ----- | ----- | |
| | Work Environment | Emp. Performance with JS | .3678 | 4.6872 | .000 | | | .0785 |

## 4.4. Outcome comparison

The conditions for the partial mediation are completely fulfilling its criteria. As the model a, b, and c (Direct effect) are significant. While c' (indirect effect) is also significant which is proposed in Sobel test to

analyse and measure the indirect effect of model structural equation. It is frequently used for estimation of indirect effect. If the Sobel test results are significant then significant mediation exists. While in our study Sobel effect value is significant so the mediation is significant.

## 5. CONCLUSION

Results described that work environment has a positive relationship with employee performance, while job satisfaction playing its significant role as mediator between them. Workers of hotel industry have concern with their workplace which is directly linked with job satisfaction. Previous studies are consistently shown similar results (Fine & Kobrick, 1978); (Mohapatra & Srivastava, 2003); (Naharuddin & Sadegi, 2013); (Thushel Jayaweer, 2015). Job satisfaction is correlating work environment and employee performance as correlation coefficient= .860*** & .828***. We suggest that employers of hotel industry should focus on employees' motivation which is linked with good work environment leading to increase job satisfaction and ultimately better performance. Good working environment will create commitment, loyalty and increased job satisfaction. In future the same study with same preferences can be conducted in another industry or with different location in any country.

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