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Editor GMJACS

Editorial

Education is the most powerful weapon which you can use to change the world – Nelson Mandela

The overwhelming response in contributions by authors/researchers is commendable. Contributors are requested to follow the guidelines given to frame their research papers in letter and spirit. I sincerely hope that the emphasis on building bridges will continue to guide us in selecting the most important research for publication in GMJACS. I am particularly intent on making sure that any academic and corporate research endeavor finds its due place in the journal. With a review board that is larger and more diverse than before, we are ready to accept quality submissions. We invite authors to take a more active part in the assessment process; it will be an honor and privilege for me and my team to help you make that work known by our distinguished readership. We encourage to consider submitting your best work to GMJACS.

As we know, a great journal is recognized not only as one where authors choose to send their most exciting findings, but also as one handed to students to illustrate the sorts of important questions management science students should be asking and the methodologies that need to be adopted. In a time when interdisciplinary research is ubiquitous, it can be difficult to define what truly bridges disciplines and simultaneously combine theory and application. Academicians, researchers and managers value interdisciplinary research because it challenges assumptions, interrogates as to which questions are most important, which methods are most appropriate, and what evidence should constrain the interpretation of any given research finding.

The current issue of GMJACS contains fourteen research papers. Out of the total received research papers, only thirty three percent research papers were found publishable after passing through our rigorous evaluation process. Rejection rate of sixty six percent by this journal is evident of the quality standard in higher education maintained by Business Studies Department, Bahria University Karachi Campus. We congratulate and appreciate the efforts of all authors whose manuscripts could make space in the current issue.

I would like to thank all members of the editorial board, review board, contributors, and all colleagues and staff members who have extended their support that made this edition of GMJACS possible. We expect our readers to send us their precious feedback at gmjacs@gmail.com, so that we can assimilate value in order to further enhance the quality of the journal.

Dr. Sayma Zia
Editor

Mediating role of Job Satisfaction between Organizational Justice and Organizational Citizenship Behavior: Empirical Evidence from Pharmaceutical industry of Pakistan

Mohsin Yasin Khan¹, Waqar Akbar ^{*1, 2} and Madiha Shaikh¹

Abstract

In this modern era where organizations are realizing the real strategic worth of employees and how employees with the right skills and attitude plays the vital role in the success of any organization, the role of organizational justice and organizational citizenship behavior is also being realized by organizations. This study aims to add in literature by highlighting the importance of organizational justice and organizational citizenship behavior and how organizational justice leads to job satisfaction which ultimately leads to Organizational Citizenship Behavior. 334 employees from 3 pharmaceutical companies participated in the study. Using Structural Equation Modeling (SEM), the study results clearly show that job satisfaction partially mediates the relationship between organizational justice and organizational citizenship behavior and mediation value is significant for path organizational justice to job satisfaction whereas for job satisfaction to organizational citizenship behavior is insignificant. The result provides the useful insights for organizational behavior practitioners and policy makers to craft workplace policies and appropriate trainings designs. Future areas of study are suggested at the end.

Keywords: Organizational Justice, Organizational Citizenship Behaviors, Job Satisfaction, Organizational behavior,

1. Introduction

In this modern era where organizations are realizing the real strategic worth of employees and how employees with the right skills and attitude play the vital role in the success of any organization, the role of organizational justice and organizational citizenship behavior is also being realized by organizations (Bhatti, Waris, & Zaheer, 2011; Cullen, Edwards, Casper & Gue, 2014; Peus, Frey, Gerkhardt, Fischer, & Traut-Mattausch, 2009). In this era of realization of organizational behavior, organization are highly interested to know that how they can turn their employees towards positive attitudes and behaviors which can eventually lead to better performance of employees and organization. Organizational citizenship behavior is one of the key element in modern era through which an organization can expect to increase productivity of groups of employees and to enhance a positive and attractive culture of the organization. Employees motivation to assist and help other colleagues, to go extra mile for the organization like by giving extra time, performing tasks not mentioned in their job descriptions, defending and praising organization's reputation etc. are all falls under the organizational citizenship behavior and in this time of high competition for best productivity in limited resources, the organizational citizenship behavior plays an important role in assisting organizations to achieve this goal (Bolino et al., 2018). However, the behavior of employees largely shaped by how fair they are treated at work by their employers and this perception of employees of being treated fairly or unfairly effects the attitude and behavior of the employees in an organization (Cohen & Diamant, 2019; Yean, 2016).

Studies have shown that there are number of positive and negative outcomes of the perception of organizational justice. As such Jafari and Bidarian (2012) concluded that lack of organizational justice effects the employee's job satisfaction that eventually effects the employee's productivity. Thus organizational justice indirectly leads to job satisfaction which eventually result in positive psychological behaviors such as organizational citizenship behavior. Job satisfaction has been studied since decades and studies have concluded that many factors leading to job satisfaction. In this regards, Dappa, Bhatti and Aljarah (2019) investigated the role of transformation leadership on job satisfaction. Similarly, Vratskikh, Al-Lozi and Maqableh (2016) found the mediating role of job satisfaction between emotional intelligence and job performance. Many studies related to organizational citizenship behavior, job satisfaction has also been acknowledged as one of the main contributing factor in achieving organizational citizenship behavior. As such, a study of Imran, Majeed and Ayub (2015) has taken job satisfaction as mediating effect of organizational justice which eventually leads to organizational citizenship behavior. However, the study has limited with operationalization of variables in terms of its analysis. Thus a contemporary literature demands

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an empirical study to fill this gap with better operationalization and methodological approach to generalize the results for the stakeholders. As studies like Imran, Majeed and Ayub (2015) and Halil and Cem (2010) have shown that perceived organizational justice has strong relationship with job satisfaction and organizational citizenship behavior. However, with respect to Pakistan there is a great variation in the presence of organizational justice in organizations which needs to be investigated. Thus the present study fills this gap by investigating the impact of organizational justice on organizational citizenship behavior with the mediating role of job satisfaction.

2. Literature Review

2.1 Organizational Justice

The concept of organizational justice explains what employee perceives as fairness in the workplace when they are at their job. The way employee perceives this fairness can be further divided into four categories which are: Distributive: It is the fairness in outcomes. Procedural: how the outcomes are achieved, the perception towards processes. Informational: the records provided for justice-related events. Interactional: how the interpersonal reactions are judged. (Gerald, Martha & Robert, 2005). The idea of organization justice came into being because of Greenberg (1987) which means that the way the employee perceives organizational behavior and its impacts on employees' behavior and attitude, for instance if an employee witnesses the exception of half of the workers who were not needed by the firm anymore so he might get the feeling of injustice and his attitude towards work will ultimately change and his efficiency and effectiveness will highly be impacted due to this reason (Imran, Majeed, & Ayub, 2015).

The concept of justice is well known and explained through a lot of literature, it is basically some action taken keeping in consideration several personal and societal factors such as religion, ethics, being fair, equity and law, the action taken are considered to be morally right. People notice justice in different situations very closely in their day to day events, this is a natural phenomenon (Halil & Cem, 2010). Actions taken by different firms are also taken in consideration by the people on daily basis and they do relate to them and react upon them accordingly. The behavior of a person depends on how they see the actions of the firm as of if they consider them to be fair or unfair and then their attitudes change accordingly. Organizations do keep fairness or justice as of their high concerns because once the impact of injustice is created on the people of organization so this could impact their work and attitude towards the job highly. There are several aspects in an organization in a workplace environment where the concept of justice and fair play comes in. Some of the basic factors which we could say that are counted into opportunities for promotion, behavior towards employees from top management and selection procedures (Imran, Majeed, & Ayub, 2015). Many researchers have studied organizational justice along with its outcomes mostly in the subject of industrial/organizational psychology (Colquitt et al., 2001; Masuda et al., 2012; Schneider, González-Romá, Ostroff & West, 2017).

Literature suggests that the judgments which are drawn on justice are correlated but they can only be predicted according to the type of work and the outcomes achieved from it (Miller, 2017). However, the classification is also proven by the literature which provides a criterion to know the outcomes of fairness and other types of justice. It is said that the research on contemporary justice analyzes the major aspects for why do employee worry about justice and the criteria which leads to creation of fairness (Gerald, Martha & Robert, 2005). By learning from the literature it can be deduced that the major share literature on justice has emphasized on the employee perception of viewing the things happening with them in the workplace are they fairly treated or not, however some recent researches also claim to understand and learn the employee reaction on treatment with others. Due to which researchers also got to come across the concept of corporate social responsibility and how the employees tend to react towards it. To sum it up it can be said that justice research has many steps to it, when it is explored in detail many chapters and areas are uncovered. Justice perceptions are different from person to person, within different work groups and in different work climate and are also effected by different cultural groups (Daniel & Gary, 1997).

2.2 Distributive justice

Distributive justice has been studied a lot in the fields of philosophy and social sciences (Keren-Paz, 2018; Lamont, 2017). The process is the major element which reaches to the final outcome, process is worked according to the administration of law. In the field of philosophy and social sciences, this theory is said to be the perception of fairness in the distribution of rewards and cost across the members. For instance, if there is a group of people who are doing similar everyday tasks but are paid differently, few are given high wages however few are on lower so here there is inequality and the group members would

definitely notice the distributive justice has been neglected (Khan & Ullah).. There are certain norms which are developed by the groups to deduct whether there is any injustice occurring or not. So when distributive justice occurs these norms are viewed. Norms are basically a threshold maintained by the group that is what they want and require and is considered to be normal (Lubatkin, Ling & Schulze, 2007).

2.3 Procedural justice

When there is calculated fairness in processes that manages disagreement and resolves it and also properly divide the resources that is known to be procedural justice. Procedural justice is studied as management of justice in a certain organization with consideration of law and also the management of events taking place legally (Bottoms & Tankebe, 2012). It is quite appropriate to apply the concept of procedural justice in the areas where legal activities are not involved such as the process which is required to resolve any conflict in an organization or to allocate benefits between the employees (Imran, Majeed, & Ayub, 2015). The major meaning or work of procedural justice is to evaluate the fairness of processes by which the organization heads tend to take decisions, it can also be connected to other types of justice easily such as distributive justice where the fairness of rightly allocation of resources is done and of retributive justice where punishments are given to the ones who deserve. Before taking any decisions it is important to see both the sides of the picture that is to know the stories of all parties and then summing them up and evaluating to take proper and fair decision, this process is then categorized as fair with respect to procedural justice. If the procedure that is taking place properly it would ultimately lead to fair results as suggested by some of the theories, moreover in such case it is not even compulsory to consider distributive and restorative justice. Interpersonal interactions are also one of the impacting factors of procedural justice, the result of such interactions have strong impact on conflict management. (Halil & Cem, 2010).

2.3.1 Categories of Procedural Justice

There are several theories in the context of procedural justice different researchers have found different things about this subject. To sum it up the entire subject could be categorized in three sub topics which are the outcomes model, the balancing model, and the participation mode (Yochi & Paul, 2001). While outcomes model explains that if there is a need to evaluate the fairness of the procedure of the process then the outcome needs to be considered, if the result is correct that means the procedural justice is rightly used. However, the model has quite a lot of limitations for instance if two processes have similar outcomes then both are correct. Further is explained in the following topics as of what other factors impact the fairness of a process (Halil & Cem, 2010). Whereas, balancing model discusses that processes do cost a lot sometimes, this theory explains the balance between the cost of the process and its outcomes. It is said the process is called to be fair if the cost of the process is equally balanced by the outcomes and benefits received from the process. There is high chance of biasness in this model as to avoid some unwanted costs their might be false verdicts (Joy & Margaret, 2009). Finally, the participation model explains that procedure is considered to be fair where the people who are directed impacted by a certain procedure have the rights to participate in the decision making. Besides, having three well known model, another model which has received the attention in literature is Group engagement model (Adamovic, 2018) Group engagement can be considered as both mandatory and optional attitude for an individual. Studies have explained the mandatory behavior as something which is compulsory for the group and it is encouraged by giving in rewards for doing so otherwise punish if the individual doesn't follow it (Tyler & Blader, 2003). Similarly, the optional behavior also known as discretionary behavior is derived by one's internal values and is considered to be valuable for a group. It all depends on the processes of group which influence the social identity of its members in which different values are considered. It totally depends on the member how they could relate themselves to the procedural justice of the group, it is important that they use it wisely to know and understand the group better. Due to this the person can relate themselves more towards the group and adopt its procedures, attitudes and values easily. A circular relation is maintained between the member and group's procedural justice processes, this impacts the members to know what is fair and unfair with respect to the values of the group. Furthermore, this will make the individual more involved in their groups (Judith, 2003).

2.3 Interactional Justice

This type of justice depends upon interactions made by a certain individual as to how they are conveying their word. It's also how the person is treated when they are told about certain decisions along with the clear justification for a particular action or decision. A study conducted by Yochi and Paul (2001)

explains that there are two elements of interactional justice namely interpersonal and informational justice. Interpersonal justice means how a person is being treated, what kind of respect he sees in the eyes of their fellow when they are getting into some sort of transaction. It means what attitude and behavior a person receives for higher authorities and other people involved in the process to determine the results however in informational justice it is how the acceptability of justifications is given out to a person with respect to timeliness, specificity, and truthfulness also in this kind of justice explanations are given out as to tell the individual why a specific process is used and what outcomes would be received by it (Halil & Cem, 2010).

2.4 Job satisfaction

Literature has many other definitions of job satisfaction which could be summarized as it as simply how secure, peaceful and happy a person is at their workplace with their job. These factors are analyzed and studied at two levels one is global which is if the person is overall happy with the job or not, second is on the level of different aspects that is if a person is happy with different elements at job (Liu, Aunguroch & Yunibhand, 2016).

By the term job satisfaction, it can be deduced that how much a person is happy with their job, it can be said that the satisfaction is higher when a person is more involved into their work and love their work, this satisfaction could be because of incentives and rewards received or maybe by the nature of work. Satisfaction can also be because of the co-workers or a very supportive management, to sum it up when a job doesn't seem like a burden then it is counted to be a good job where the employee is satisfied. While discussing the relationship between job satisfaction, organizational justice and organizational citizenship behavior, a recent study by Swaminathan & Jawahar (2013) identifies the significant relationship between job satisfaction and organizational citizenship behavior among staff at public school at Jakarta, Malaysia. Similarly, Tharikh, Ying & Saad (2016) find the positive significant results among teachers at Perak. The three major components to major the satisfaction level of a job could be: (i) Cognitive: Evaluation could be done based on some assessment. (ii) Affective: that is emotional (iii) Behavioral: which is how one acts when on job. Researchers who studied the components, deduced that the satisfaction level could be different in all the three components (Halil & Cem, 2010).

2.5 Organizational Citizenship Behavior

This is a concept which defines that why an employee has a voluntary behavior towards something and it is not related to the rewards offered to him by the organization, also known as extrinsic rewards. This behavior basically implies to the people who voluntary help others and want to contribute more and more in the organizational work, they want to put in lots of efforts due to which they perform extra tasks voluntarily, the tasks which are not even in their job descriptions and they are also not forced to do such tasks (Sussana, 2016). The employee having such behavior is not directly getting any sort of rewards or recognition for this behavior but this behavior altogether benefits the organization and the team.

Literature has found a relationship between organizational citizenship behavior with different attributes which are courtesy, altruism and conscientiousness of an organization. It can also be said that this behavior comes from within the employee that is it could be counted as part of employees' personality but some researchers have also claimed that it could also be because of good characteristics of the organization (Rasool & Rajput, 2017; Sussana, 2016). Due to which seeing the good image of the organization employees are ultimately motivated to work effortlessly for their organization to gain benefit for the organization itself.

2.7 Conceptual framework

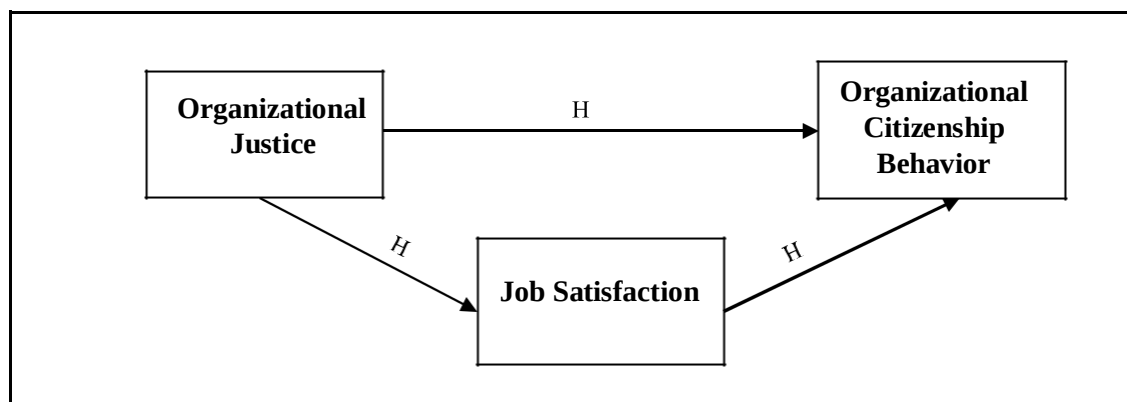


Figure 1: Conceptual Framework

3. Methodology

3.1 Research Design

While discussing the research design, research philosophy is the first stage in research where researcher decides his position regarding epistemology and ontology. There are specific set of stand which a researcher can take carry out a research, these sets of assumption / positions are called Research Paradigm (Ormston, Spencer, Barnard, & Snape, 2014). These paradigms also dictate research methodology the researcher has to follow. The methodology and research paradigm must go complement each other only such research can produce knowledge that is valid or make sense. While research philosophy is one aspect, another consideration is Research Paradigm. It is a set of beliefs, concepts and shared assumptions held by community of researchers (Mertens, 2012). Selection of suitable research paradigm will lead the way of researcher for the whole research. Adopted research paradigm also justify the methodological and technical choices of the research.

The present study adopts positivist approach due to quantitative nature of work (Antwi, & Hamza, 2015). Further, in this research ontological stand will be that there is single reality as this research seeks to study the single reality of relationship between Corporate Social Responsibility and Organizational Citizenship Behavior (opposite to intepretivism where reality can be multiple). The variables which we studied here have objective characteristics and tangible realities; they also exist separate or independent of the subject (opposite to interpretivism where reality is claimed to be socially constructed and researcher and research are one). As this research is quantitative in nature (Interpretivist is used for qualitative researches) and to fulfill the objective of this research which is to investigate the relationship of corporate social responsibility practices and organizational citizenship behavior, hypotheses were made and tested (scientific method). The data was collected using self administrated questionnaire and that data was statistically checked for the relationships and its validity was also checked statistically (in interpretivist the data is validated thru interviews). This research also aims to generalize it finding to other pharmaceutical companies (in qualitative researches one cannot easily generalize or compare the research). Thus this research is best suits to positivist paradigm. Similarly, the study is based on deductive approach as hypothesis are developed on the basis facts produced by another study (McCusker & Gunaydin, 2015)

3.4 Sample and instrument Selection

The population of this study consists of employees of three pharmaceutical companies located in Karachi. The size of the sample determines the statistical precision of the findings. The size of the sample is a function of change in the population parameters under study and the estimation of the quality that is needed by the researcher. Generally, larger samples result in more precise statistical findings (Sussana, 2016). Three pharmaceutical companies of Karachi, the required sample size is calculated. (Total No. of Employees of all three companies: 3400 = Sample Size Calculated: 357). However, final sample is 334 due to non-responsive data by the respondents. Structured questionnaire is used to collect primary data. Questionnaire has been adopted from the study of (Imran, Majeed, & Ayub, 2015) and validated through

pilot testing. Reliability and validity is established through experts' feedback on the questionnaire and all changes are incorporated for before final collection of data.

4. Results

4.1 Demographic Profile

The results show in table 1 describes demographic profiling of respondents in terms of their age, gender, qualification and study specific questions related to their job experience and managerial level of current working. These questions were asked to determine the diversified characteristics of data. The results disclose that around 183 respondents were male and 151 were female comprising of 45% and 54% of sample respectively. Majority of the respondents have graduate to master's level degree which constitute around 74% of the respondents. Out of 334 respondents, employees having 1-9 years' experience remain significant for our study results. Based on managerial level, 7.8% were non managerial employees, 38.3 were junior level managers and remaining 50% were associated with middle to senior level of management.

Table 1: Respondents Demographic Characteristics (N=334)

Variable	Category	Percentage
Gender	Female	45.2%
	Male	54.8%
Age	20-25	32.9%
	26-35	46.7%
	36-45	12.9%
	45 & above	7.9%
		0.6%
Qualification	Matric or O-Levels	24.3%
	Undergraduate	38.8%
	Graduate	36%
	Masters	
Job Experience		18.3%
	Less Than a Year	28.7%
	1-3 Year	32.3%
	4-6 Years	17.4%
	7-9 Years	3.3%
	More than 10 Years	
Managerial Level	Non Managerial Employees	7.8%
	Junior Level Managers	38.3%
	Middle level Managers	38%
	Senior Level Managers	12.3%

4.2 Descriptive and Correlation Statistics

Descriptive statistics is used to define basic feature of the observation on the basis of results collected for each variable (Terre, Blanche & Durrheim, 1999). Table 2 point up descriptive statistics in terms of mean, standard deviation and measures to calculate data normality. As per the results, mean value for organizational justice was 3.22 that disclose that majority of the participants were have neutral to agree views for their organizational justice with standard deviation .651 which shows a large distance from the mean or vast spread of data. Besides mean value of job satisfaction being an independent variable was 3.0130 which endorse respondent's positive to neutral response towards job satisfaction with a large standard deviation 0.817. Further organizational citizenship behavior which is the dependent variable of our study depicts a mean score and standard deviation 3.613 and 0.670 respectively and shows that participants agreed upon organizational justice and job satisfaction positive impact on their organizational citizenship behavior. According to George & Mallery (2010), Skewness and kurtosis values are used to determine whether the data is normally distributed to further run regression test. The standard value should fall between +3.5 to -3.5, and in our results, the calculated values meets the criteria and proves normal distribution.

Table 2: Descriptive Statistics (N=334)

	Mean	S.D	Skewness	Kurtosis
Organizational Justice	3.2295	.65138	-.422	.666
Job Satisfaction	3.0130	.81741	-.097	-.321
Organizational Citizenship Behavior	3.6183	.67096	-.899	1.659

In Table 3, Pearson correlation was performed to measure the relation and the direction of relation between independent, mediating and independent variable. All results of correlation analysis show positive and strong correlation between organizational justice, job satisfaction and organizational citizenship behavior which is significant at 0.01 confidence level.

Table 3: Correlation Analysis

	Organizational Justice	Job Satisfaction	Organizational Citizenship Behavior
Organizational Justice	1		
Job Satisfaction	0.624	1	
Organizational Citizenship Behavior	0.543	0.436	1

4.3 Reliability Analysis

To find out the consistency of our research instrument, reliability test was used to measure data reliability. The reliability results of Organizational Justice, Job Satisfaction and Organizational Citizenship Behavior point up reliable results as it meets the standardized criteria of Cronbach alpha which falls under 0.6 to 0.9 range (Terre, Blanche & Durrheim, 1999).

Table 4: Reliability Test

Variable	No of items	Cronbach Alpha
Organizational Justice	6	0.743
Job Satisfaction	3	0.683
Organizational Citizenship Behavior	6	0.816

4.4 Confirmatory Factor Analysis (CFA)

Confirmatory factor analysis used to confirm the items validity on related constructs whereas path analysis was performed to determine mediation relationship of job satisfaction between organizational justice and organizational citizenship behavior and to test study developed hypothesis. The below figure indicates the results of CFA in terms of standardized factor loading of each item on constructs. This method attempts to measure the association between pre- established theories and factor loadings of the study. Convergent validity was the basic objective to perform confirmatory factor analysis and to measure the correlation of different items on specific construct (Büyüköztürk, 2007). In Table 5, organizational justice and organizational citizenship behavior included 6, 6 items respectively, and all items loaded on its original factor. Besides, 6 items are also allocated to measure job satisfaction but only three items are loaded on its original construct and remaining three items were excluded from the study because of low factor loading.

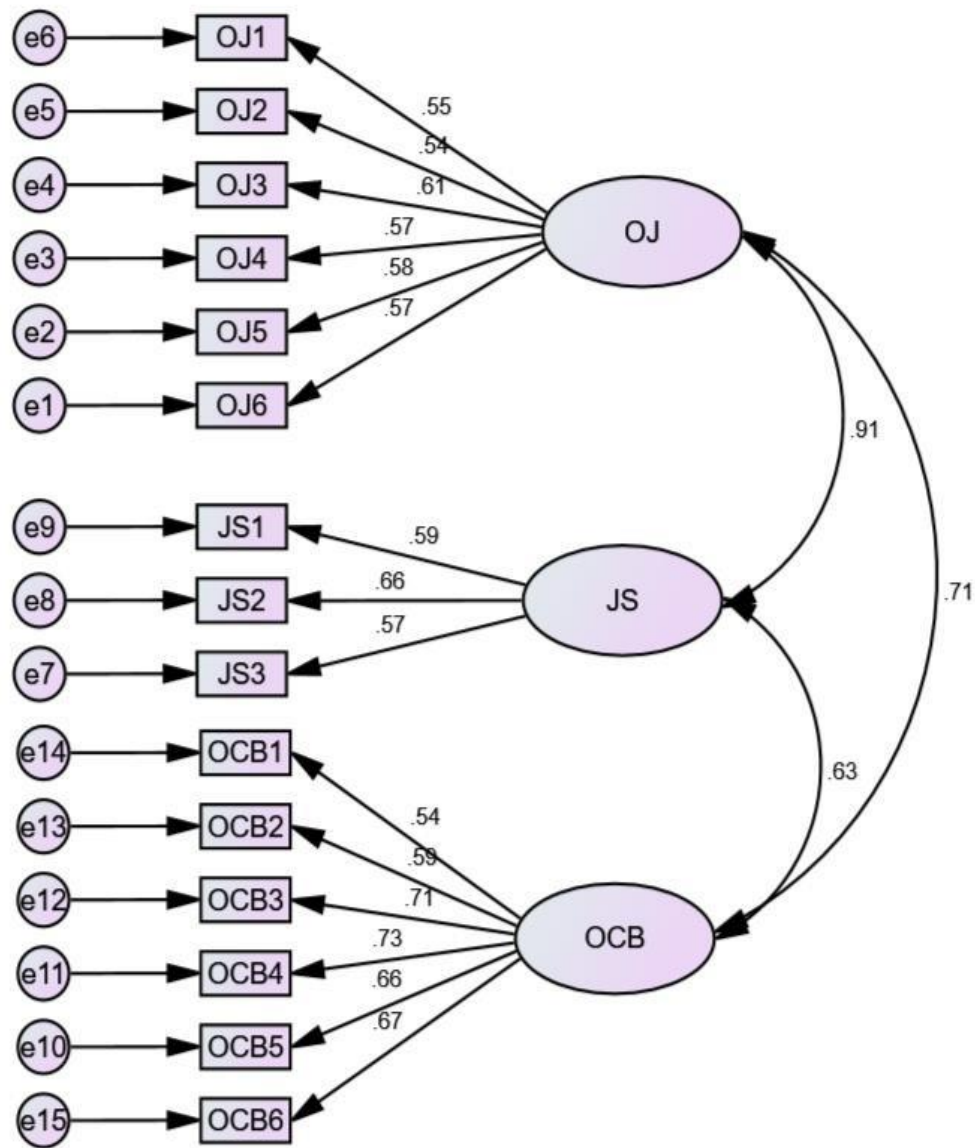


Figure 2: Confirmatory Factor Analysis

Table 5: Results of Confirmatory Factor Analysis (CFA)

Variable	Item	factor Loadings
Organizational Justice	OJ1	.55
	OJ2	.54
	OJ3	.61
	OJ4	.57
	OJ5	.58
	OJ6	.57
Job Satisfaction	JS1	.59
	JS2	.57
	JS3	.57

Organizational Citizenship Behavior	OCB1	.55
	OCB2	.59
	OCB3	.71
	OCB4	.73
	OCB5	.66
	OCB6	.67

4.5 Model Fitness Results of Factor Analysis

Model fitness of factor analysis could be assessed on various measurement models. We consider different indices to evaluate whether the model is a good fit for the data. For this study, we have adopted eight parameters which assess model fitness (Hair, Black, Babin, Anderson, & Tatham, 2006) including Adjusted Goodness of Fit Index, P. Value, Chi-square/df, Goodness-of-Fit Index (GFI), Root Mean Square Error of Approximation (RMSEA) and Tucker-Lewis Index (TLI). Majority of the values meet the criteria set by Hair et al., (2006) though the value of RMSEA and CMIN/DF shows a little deviation from the set threshold.

Table 6: Model Fitness

Model fit Indices	Measurement	Threshold
CMIN/DF	2.609	< 3 good ; < 5 permissible
CFI	0.903	Closer to 1 ; good
GFI	0.916	>0.90
AGFI	0.984	>0.80
RMR	0.053	< 0.08
TLI	0.9	>0.90
RMSEA	0.070	< 0.08
PCLOSE	0.002	> 0.05

4.6 Mediation Analysis

Mediation analysis was used to test research hypothesis. Organizational justice has selected as independent variable and organizational citizenship behavior as a dependent variable, further job satisfaction has been attested as mediator in this proposed model. AMOS 22.0 (Analysis of Moment Structures) is used to administer Structural Equation Modelling (SEM). This technique helps to analyze data through linear model and common factor analysis methods (Arbuckle, 2007). The error terms (D1 and D2) depicts errors corresponding to the variables in model. The following figure illustrates the tested research model. The variables involved in the model are organizational justice, job satisfaction and organizational citizenship behavior. The relationships among variables are determined through model fitness and its associating measures. The below table shows the values of overall fitness of the model. Model fitness shows better results after mediation analysis. The fitness measures illustrate chi square value (226.948) being the significant ($p < 0.05$). The model fit was administered through Goodness of Fit Index (GFI), Adjusted Goodness of Fit Index (AGFI), Comparative Fit Index (CFI) and Root Mean Square Error of Approximation (RMSEA) for measuring model fit. The values for model fit measure enumerate as follows: GFI (0.90), AGFI (0.90), CFI (0.90), TLI (0.88), and RMSEA (0.70). All the values show good fit since all the values are close to 1 (Gallagher, Ting & Palmer, 2008). Finally, Table 8 provides the results of hypotheses testing.

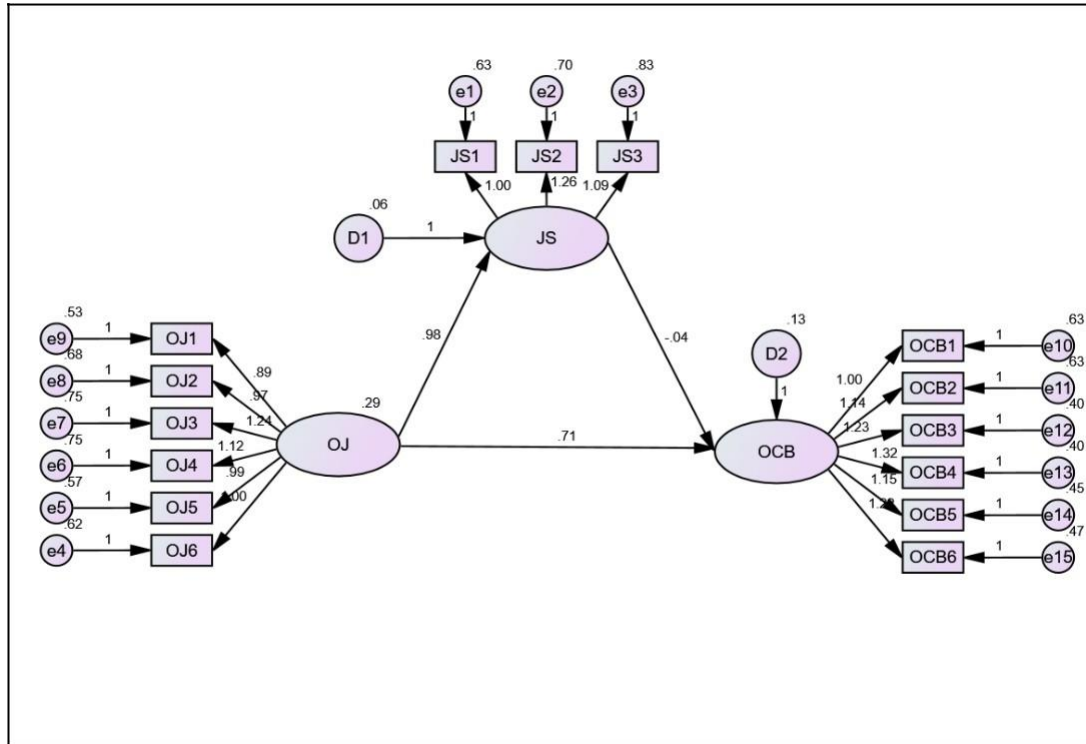


Figure 3: Indirect Relation of Organizational Justice with Organizational Citizenship Behavior through Job Satisfaction

Table 7: Model Fitness Values

PCLOSE	TLI	RMSEA	AGFI	GFI	CFI	CMIN/DF
0.002	0.88	0.70	0.88	0.90	0.90	2.609
Chi-square = 226.948						

Table 8: Hypotheses Testing: Results of Path Analysis

		Estimate	S.E	C.R	P	Result
Job Satisfaction <---	Organizational Justice	.976	.130	7.527	0.000	Accepted
Organizational citizenship behavior <---	Job satisfaction	-.042	.281	-1.49	0.881	Rejected
Organizational Citizenship Behavior <---	Organizational Justice	.709	.311	2.282	.022	Accepted

5. Discussion

The study results clearly show that job satisfaction partially mediates the relationship between organizational justice and organizational citizenship behavior and mediation value is significant for path organizational justice to job satisfaction whereas for job satisfaction to organizational citizenship behavior it is insignificant.

Table 8 of path analysis shows organizational justice and job satisfaction regression results with beta coefficient ($\beta = 0.975$) at ($p = 0.000 < 0.05$) signifies positive impact of organizational justice on the job satisfaction of the employees working in diversified organizations in Pakistan. So the null hypothesis hence is rejected. Many researches have been conducted to find the importance of employee perception of organizational justice in different parameters and its ultimate impact on job satisfaction. Hence, our research finding also supports the results of Greenberg, (1987), who recognized that fair justice will impact on employee perception of the organization, helps in social development and nature satisfaction and loyalty

towards the job and organization. Similarly, different other researchers also dig out that organization efforts for developing a fair justice system could impact on job related outcomes such as loyalty, satisfaction and better commitment toward job (Wu & Wang, 2008).

While discussing the relation between job satisfaction and organizational citizenship behavior, Table 8 also shows path analysis regression results point up negative coefficient value (-.042) which is insignificant at ($p=0.881 > 0.05$) endeavors job satisfaction to have no impact on organizational citizenship behavior. So the null hypothesis fails to be rejected. A study conducted by Kamal (2015) in electricity and Gas Corporation in Algeria also disclosed greater role of job satisfaction in cultivating organizational citizenship behavior in employees. The level of OCB will be determined by the extent to which employee are satisfied with their job and organization. However, our study differs from the findings of Kamal (2015) and shows a negative relation between job satisfaction and organizational citizenship behavior. One of the possible explanations is Pakistani workplace culture where the leadership has significant role in shaping employee behavior. However, the power distance is high which causes the uncertainty among employees and do not allow to reflect citizenship behavior in employees at workplace.

Similarly, Organizational justice and Organizational Citizenship Behavior regression results also included in above table and instills positive influence of organizational justice in harnessing Organizational Citizenship Behavior practices in employees and nurture positive image of organization support within its workers. So the null hypothesis is rejected with coefficient value 0.709 which is significant at 0.022. In literature, we discussed various studies that inferred that employee puts an extra efforts and goes a mile beyond the typical job responsibilities only if they the perception that organization provides them recognition and it's fair and honest in its working. Moorman (1993) also organization justice is a significant trigger in producing self-less and citizenship behavior in employees. Our study results also match with the findings of Moorman (1993) which was conducted by taking 270 employees from different diverse organizations. Study results also shows resemblances with study of Chegini (2009), who performed the study with large sample of blue-collar employees from different manufacturing companies and level of organizational citizenship behavior they have, and also recognized the role organizational justice in motivating them.

6. Limitations and future area of the study

While conducting this research, we have also found limitations to conduct this study. First, as this study is limited to one city of Pakistan i.e. Karachi and only industry of organizations i.e. Pharmaceutical so its results can also be generalized at same level. Though, Karachi is a hub of Pakistan and reflects high diversity in term of different ethnicity, we still suggest to incorporate other provisions of Pakistan. Similarly, other industries and cross industries result may gauge the better insight in future. Second, this study takes officers and above level of employees into account and non-management employees are not be taken into account in this study. Though employees at managerial positions provide the better insights about organization, we do suggest to collect data from non-managerial employees to receive holistic picture of the variable of interest. Third the study has employed quantitative approach for generalizability, qualitative study may be used get further insights from employees. Fourth, the study has used employees inputs on the topic, employers' perspective will help to get other side of the coin. Further both perspectives may help the policy makers to craft the better policies for workplace. Fifth, the study is cross sectional and conducted at a single point of time. Future study may be conducted using longitudinal data to find the better causality.

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Financial Development and Economic Growth; A Comparative Analysis of Autocratic and Democratic era of Pakistan

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Abstract

This paper conducted co-integration and causality tests among real GDP per capita (RGDP) and financial development index (FDI), openness of trade, real interest rate, gross capital formation, and two political regimes using annual time series data from 1958 to 2018. We used real GDP per capita as dependent variables whereas the financial development index and political regimes (Dummy variable) are our focused variables and rest trade openness, real interest rate, and gross capital formation are our control variables. We employed the ARDL bound testing approach and Johansen test to check co-integration or predict long term relationship and (VECM) Vector error correction model Granger-Causality test to check the relationship direction among variables. Our results show that only trade openness is significantly impacted economic growth whereas rest variables such as financial development index, real interest rate, gross capital formation, and political regimes impacts are insignificant so accordingly we can provide little support to the view that financial sector growth in two different political regimes leads economic progress. We also do not find considerable evidence of a bi-directional and unidirectional relationship between financial segment growth and economic progress in both political regimes. This research highlights a new dimension for future research and gives new insight for policymaking.

Keywords:

Financial Development; Economic Growth; Political Regime; Autocracy; Democracy;

1. Introduction

Does financial development play a significant role in improving economic growth in two different political regimes in a country like Pakistan?" as far as the political regime is concern Pakistan history faced two regimes one is autocracy and the second is a democracy. Democracy refers to a political system where nations of the country are allowed to take participation in selcting governmnet of the country through an elect representative in government. The studies illustrate and support theories of negative, positive, and no association between democratic government and economic growth. Lipset (1959) and Barro (1999) found a positive relationship. Basu, D., Mitra, S., & Purohit, A. (2020) studied the impact of democratic government on economic growth and foreign investment and they found a positive linear association between them. They also explained that democracy attracts multinational entities. Colagrossi, M., Rossignoli, D., & Maggioni, M. A. (2020) did the meta-analysis to find the association between democratic government of the country and economic growth. Their findings suggested that democratic government has a positive and direct effect on economic growth. Whereas Alesina and Rodrik (1994) initiate an adverse association between democratic government and economic growth and Sirowy and Inkeles (1990) found no or conditional connection between them.

An Autocracy refers to a political system where the political command is held by a single person or government. Similarly, studies support three different theories of the relationship such as negative, positive, and no association between autocratic government and economic growth (EG). Landau (1986) concluded that autocracy is healthier for economic growth (EG) than democracy. Stockemer, D., & Kailitz, S. (2020) considered the effect of economic development of the country on the survival of autocratic government. They found that economic development of the country contribute in endurance for both democratic and autocratic government. Emery, T., Spruk, R., Gilchrist, D. J., & Garoupa, N. (2020) tried to find out the answer to the question that, "Do autocracy leaders hamper economic growth"? Results indicated that yes they do but subject to some conditions. Haan and Siermann (1996) said that the form of government does not impact economic growth (EG).

If broadly says economic development is one of the most pertinent and stimulating sub-area of economics. The problem of slow economic growth is a key concern for every country because this is what indicates and measures the overall well-being of the country and its residents. Various countries have grown rapidly

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like in the western Europe region, while some others still struggling for rapid growth like in some parts of Asian and African regimes. These dissimilarities in countries' growth rates generate a huge gap between countries' national income per capita and living standards of the population of the countries. Economic growth has the power to reduce this gap as demonstrated by the experiences of countries like Japan, Singapore, and most recently China. Thus the small percent increase in the growth rate of the country can have a huge impact on the living standard of their population and national income of the country. Finally, economic growth becomes a large empirical field where more researchers have initiated to investigate answered of new questions.

As compared to the previous era thanks to the innovation in technology now we have rich-information and multiple ranges of data on the distance of a single click, to investigate the underpinning process of economic progression. Economic progress refers to the increase in the market value of goods and services, that must be inflation-adjusted, produced by an economy of the country over time. Economic progress generally can be measured with the help of the gross domestic product (GDP) of the country. Real Gross domestic product (RGDP) is the more frequent way to measure the economic progression of the country because it eliminates the effect of inflation and measures the actual increase in goods and services produced within the country. Whereas some studies used real GDP per capita which reflects the inflation-adjusted average level of national income per person and measure the living standard of the population. It contains all goods and services, must be finished, produced within the country for sale either locally or export to the international market it doesn't comprise those parts manufactured or produced by the country to make finished goods. It doesn't make any difference whether they are sold domestically or overseas what matters is they need to be produced within the country to be taken in GDP.

Usually, economic growth has two phases or periods, the best phase is economic expansion when economic activities of the country are on a rising path, but when inflation intervene in the economy and does not control or absorb by the economy it overheats the economic activities and creates assets bubble such as happened in back 2005-2006 to the housing sector of the United State. This is like when too much money chasing too few goods and services. The Second phase comes when more people prefer to sell than buy and then the economy starts contracting and becomes recession such as happened during "The Great Depression of 1929". In both phases, the financial sector plays an important role because if the financial sector does not work efficiently it may deteriorate the economic condition of the country whether it is economic expansion phase or contraction phase such as a stock market crash in 1929 that further collapsed banking system and resultantly reduction in lending by banks and purchasing power of people cause less and fewer spendings. But usually, the prominence of the financial sector growth to any economy is subject to the conditions.

From 1947 to the end of 1980 Pakistan's financial sector was controlled where the interest rate was set administratively. Direct allocation of credit to government priority sectors without considering their profitability was the primary tool of monetary policy. Entire financial sector assets, investment, and deposits were significantly held by state-owned financial organizations including both financial institutions whether it is banking or non-banking sector. The money market of the country was under the process of development and the bond market as well as the equity market were almost absent. If we talk about the Pakistan banking system until 1970 it consisted of private banks and in 1971 Pakistani government nationalized them, but later in 1980, the government reprivatized most of them. From 1991 financial liberalization policy was initiated, the objective behind these financial reforms was to make a more efficient and market-based monetary and credit mechanism that was previously administered and control by the government. Unlike various studies conducted in Pakistan in respect of the financial growth and economic progress relationship but in this study, we chose a different path of analysis, this study is an effort to see the effect of two different nature of variables simultaneously on the economic growth such as political regime and financial sector growth of Pakistan.

An effectively functioning financial market and efficiently working financial system can be reflected as the basic substance on which persistent economic progress can be constructed Ahad, M., Dar, A. A., & Imran, M. (2019). It takes extensive time to construct a sound and efficient financial system by enabling access to long term loans in order to grow major sectors that significantly contribute to the country's economy. Similarly, saving takes many years and efforts to convert into effective investment opportunities. A well-organized financial structure deals with not only risk management but also ensure the efficient allocation of funds. Development in the financial sector of the country may cause in increased savings and consequently, the prospect of extraordinary returns. Development in the financial sector has been widely considered in the literature. Katircioglu, S., & Zabolotnov, A. (2020) argued that development in the financial

sector is a significant driver in economic progression. Wu, C. F., Huang, S. C., Chang, T., Chiou, C. C., & Hsueh, H. P. (2020) found a positive bi-directional relationship between economic growth and financial development. Belazreg, W., & Mtar, K. (2020) found a unidirectional association between development in the financial sector and economic progression.

We can measure financial sector progression in various ways, for instance, we can do it by considering different dynamics relevant to the financial sector growth, some of the major aspects that can be assessed such as the magnitude of the sector, deepness of the sector, access to the financial sector, and accuracy of the financial system. Another way to measure is by studying the various activities of banks, regulatory bodies, and stock exchange markets. Out of these major considerations, many are relevant to the economic progress in both direct or indirect way and most of them has been considered in the literature. Chaudhry, I. S., Sabir, & Gulzar, F. (2019), they studied financial development impact on economic growth along with technology and human capital and found their impact on economic growth positive and significant. Similarly, Wang, N., Haroon Shah, M., Ali, K., Abbas, S., & Ullah, S. (2019) studied the impact of the financial structure along with misery index, which contains two variables, and interest rate prevails in the country, openness of trade of the country, and remittances of the country, on the economic progression of Pakistan. Their results indicated the existence of a long term association between them.

Dolgoplova (2011) considered the connections between financial progression and economic progress in the context of China. Their outcomes endorse the long run association among financial development index (FDX) and economic progress. This is obvious that economic progress is connected with investments, capital allocations. The above-mentioned functions are considered while savings and investment choices made by investors. King and Levine (1993a) argued that financial sector growth stimulates economic progress with the help of increasing the capital accumulation rate. He proposed ways through which the development in financial segment affects economic progression of the country. They are, selecting a business with higher-quality and less risky for financing, external finance mobilization for them, diversification of activities with a high risk of innovation. Gerschenkron (1962) argued that countries with developing economies need a more efficient and active financial system to provide fuel to the economic engine.

This study is a small effort to probe the financial growth-based economic progress in Pakistan while considering the comparison between autocratic and democratic era. The seventy-two years of Pakistan history faced many seesaws between democracy and autocracy government rules. There are different types of autocracy and democracy prevailed in the world however Pakistan confronted military takeover as autocracy and parliamentary government as a democracy. Since the inception (1947) Pakistan's political instability affects economic growth due to the existence of different economic policies and priorities in two different government rules (Autocracy and Democracy). The first eleven years (1947 to 1958) were the years of settling down the Pakistan economy and was the era of development of economic policies and planning some people refer that period "The teething years". Pakistan predominantly had an agrarian economy in 1947 evident by the 53% contribution in GDP and 99.2% in exports. This period is not covered in this study because it is neither a perfectly democratic nor autocratic era.

Pakistan's sixty-year history from 1958 to 2018 can be split between autocracy and democracy periods. The first Autocratic period (Autocracy-1) starts from the end of 1958 and remained till the end of 1971 that consist of thirteen years of autocracy (1958-1971). This era is known as a golden era in terms of economic growth and industrialization the annual average growth rate of real GDP was 6.8% and that is achieved with the significant contribution of the Manufacturing sector 9.9% and agriculture sector 5% growth rates. Zaidi (2005) Pakistan was considered a model capitalist economy. Pakistan also faced the Indo-Pak war in this era. But interestingly Pakistan's annual average real GDP per capita growth rate was 4.35 percent while the financial market was immature and facing restrictive financial policies that remained till the early 1990s.

Similarly first democratic period (Democracy-1) begins from 1971 to the mid of 1977 that consists of six-year democracy (1971-1977), which was elected via public voting. This period is considered to be the second significant period in terms of social and economic reforms there main goal was to increase the quality of life of the people and self-sustaining economic growth. This government took nationalization measures and all banks were nationalized in 1974 that badly affect small and private industrial firms and discourage private investors. The annual average real GDP per capita growth rate was 1.17 percent. Two major events occur in this period that further deteriorates the situation, first is known as the fall of Dhaka where the country was divided into two separate states i.e. Pakistan and Bangladesh, and consequently

trade balance distorted due to loss of exports from East Pakistan. The second was the Arab-Israel conflict that rose inflation to the level of 20% due to raised oil prices.

The second Autocratic period (Autocracy-2) starts from late 1977 to mid of 1988 that consists of eleven years of Autocracy (1977-1988). The yearly mean growth rate of real GDP was 6.6% and that is achieved with the significant contribution of the Manufacturing sector 8.8% and agriculture sector 5.4% growth rates. In this period reversal of nationalization occurred that restore the private sector investment in the economy. Correspondingly second democratic period (Democracy-2) begins once again from 1988 to 1999 that consists of eleven years of democracy (1989-1999). In this period four general elections were held and two political parties came into power twice, the annual average real GDP per capita growth rate was 1.14 percent whereas major financial reforms take place during this period.

The third Autocratic period (Autocracy-3) starts from 1999 to remains till the end of 2008 that consists of nine years of autocracy (2000-2008). The yearly mean real GDP per capita growth rate was 2.21 during this period. Likewise third democratic period (Democracy-3) arises from 2008 and this study cover to 2018 that consists of ten years of democracy (2009-2018). The yearly mean real GDP per capita growth rate was 1.93 during this period. Resultantly as per the study covered period which starts from 1959 to the end of 2018 Pakistan faced a total of thirty-three years of autocracy and a total of twenty- seven years of democracy.

1.1 Research Problem

In contemporary globalization of the world, it does not doubt that economic progress of the country performs an important role in the overall progress of the country and provides a competitive edge concerning the rest of the world. To increase in economic upgrading, is financial growth needs to be the major concern among other issues of the country? Or if a country's financial system is not efficient to allocate available funds to available opportunities, is the economic activities of the country will slow down? And what are the Pakistan experiences and learnings concerning the progress in real gross domestic product (RGDP) per capita and financial sector growth from a history of sixty years that swings between democracy and autocracy government rules and what are the concerning causes that hamper the economic progression of the country?

"Does financial development play a significant role in improving economic growth in two different political regimes in a country like Pakistan?"

Research Questions

- 1- What is the impact of development of the financial sector on the economic growth of Pakistan?
- 2- In Which political regimes, autocracy or democracy, financial developments contribute more to the economic growth of Pakistan?

1.2 Study Objectives

- To find the impact of financial growth (FDX) on the economic progress (EG) of Pakistan.
- To identify in which political regimes, autocracy or democracy, financial developments contribute more to the economic growth of Pakistan.

1.3 Financial Growth and Economic Progress

One of the significant causes that captured the attention of many scholars is the financial sector development of the country. This is because more developed countries have the more developed financial sector, therefore we can argue that government policies directed to develop the financial sector of the country may hold powers to spur economic growth as well but in the same time, more financial deepening may cause inflation and financial liberalization that might create financial crises as happened in past. So the point of concern is that we can hold this assumption that anyhow the financial sector growth impacts economic progress whether it is in a positive direction or a negative direction but this assumption is subject to the inherent problems of the economy that varies country to country. Thus governments need to ensure the development of sound and stable policies for their financial segment and at the same time ensure the well-functioning of the financial sector.

Financial development occurs when the financial segment of the country is functioning well enough and enables effective allocation of funds and conversion of individuals saving into profitable investment

opportunities. This is why many economists hold consensus and theories supported by empirical evidence that financial segment growth is positively related to economic progress. In contrary to that some economist suggests the different direction of this relationship. The debate about the direction of causality between financial segment growth and economic progress is still progressing. The significance of financial segment growth for economic progress can be found back from 1873, where Bagehot (1873) claimed that the financial sector is a vital facilitator in the development of the industries of England through smoothing in channelizing and ensuring a large number of funds for “massive” work.

In the modern era Schumpeter (1911) similarly argued that a the financial segment well functioning can encourage industrial modernization by not only identifying and selecting the needs of financing but also ensure that their finance needs are fullfills and benefits those capitalists that would be expected to successfully implement their products and productive processes but limited by funds. In other words, financial intermediation services are fundamentals for economic growth. Well if we discuss some recent studies it includes King and Levine (1993), they did cross country analysis and see the pre and post-financial reforms effect on economic progress, they found a major positive association between the financial system of the country and economic progress, they claimed that improved financial system increase likelihood of successful innovation and accelerate economic progress. But at the same time, any distortion can also reduce economic growth by hindering effective innovation. They suggest a mechanism by which the financial system impacts economic growth. In their mechanism, they claimed that the financial system affects entrepreneurial activities in four ways that further lead to economic growth.

In other wards developed financial system must have at least four features; the first financial system must be able to select quality entrepreneurs with most promising investments opportunities, second enables effective mobilize of resources to finance those opportunities, third enables investors to diversify their risk, and fourth reveal the potential profit-related with the uncertain business of innovation. Similarly, Rousseau (1998), Zingales (1998), and Okedokun (1998) all established that a positive association between financial segment growth and economic progress exists. Studies supported the same conclusion also conducted on Asian countries such as Md. Qamruzzaman & Wei Jianguo (2017) studied Bangladesh, they selected credit to domestic private sector as the ratio of GDP, and Broad-to- Narrow money as the ratio of GDP as financial innovation proxies from 1980 to 2016 and gross capital formation and openness of trade as economic progress proxies.

They adopted the two statistical techniques, first is known as “Autoregressive Distributed Lag (ARDL) bound testing” to capture long term co-integration and second is the Granger causality Error Correction Model (ECM) to capture the directional association between them. The test of co-integration satisfied the presence of long term link between financial innovation and economic progress. They found a optimistic and statistically significant coefficient of innovation in financial segment. Similarly Madhu Sehrawat and A. K. Giri (2017) studied on India's economy, he constructed a FDI for the Indian economy and try to find its impact on economic progression along with the openness of trade. The study covers periods from 1982 to 2014. Through employing principal component method (PCM) they selected four financial development indicators.

All indicators are taken as a ratio of GDP. These indicators included a loan to the domestic private sector, market capitalization of the listed companies, the entire bank deposit, and broad money. Whereas openness of the trade is measured through total imports of the country plus exports of the country as the ratio of GDP and economic progress is measured through real GDP per capita. This study also incorporated the real interest rate of the country as a control variable. This study used two methods, one is the “Autoregressive distributed lag (ARDL)” approach to co-integration to check the long term association between variables and second is the Granger-causality test to check the causality direction. The results suggested the presence of long term association among variables and financial growth has unidirectional causality with economic progress however causality test among openness of trade and economic progress shows bi-directional causality effect. Adnan Hye and Dolgoplova (2011) studied China and Ang and Mckibbin (2007) studied Malaysia.

These studies used pure time-series data and were based on country case studies. There are some cross country studies as well such as Mckinnon (1973), who studied seven countries and taken the post World War II period to investigate, he also concluded the same relationship between financial growth and economic progression. He said that the liberalization of financial segment deepens the financial market and resultantly promotes economic progression. He also claimed that money and capital are complementary therefore positive relationships exist between financial depth and level of output.

As far as a country like Pakistan is concerned Jalila (2011) inspect the relationship of financial sector growth with economic progress, they cover a large period that is from 1975 to 2008 and used economic progress proxy which is real GDP calculated through dividing Nominal GDP by GDP deflator and used following variables as a proxy of financial sector growth, all variables were taken as a ratio of nominal GDP, first one is liquid liabilities calculated through M2 minus currency in circulation, second is a loan to the private sector that particularly measure financial depth, the third one is an asset held by a commercial bank to the sum of assets held by both commercial and central bank, that particularly measures the effectiveness of financial intermediaries which is how effectively they are channeling savings into investment. They also take real interest rates calculated by subtracting the Lending rate from inflation rate, capital-stock, and openness of trade as control variables. Resultantly through applying statistical techniques such as the “Autoregressive distributed lag (ARDL) bound testing approach to co-integration, they suggested the presence of an affirmative and substantial connection between financial growth and economic progress. Similarly, another case study of Pakistan that documented a positive connection, Wang, Haroon Shah, and Ali, (2019). They cover a period from 1987 to 2017 and take annual real GDP per capita in constant dollars as the measure of economic progress and use principal component analysis (PCA) to construct financial growth index which included capitalization of the market, local loan to the private sector, overall bank deposit, M2, a local loan provided by the financial segment as a GDP ratio.

They developed an index and labeled that index is a misery index that is the grouping of unemployment and inflation rate to capture the economic aspects of the country. Further personal remittances, the openness of trade taken as a ratio of GDP, and real interest rates are taken as control variables. This study also used a simple linear autoregressive distributed lag (ARDL) bound testing methodology of co-integration to measure both short and long term association among variables. They concluded the existence of long term associations between variables. Few other studies such as Khan et al. (2005), investigated the period from 1971 to 2004 using the “Autoregressive distributed lag (ARDL) technique”. The results concluded that financial deepness and the real interest rate have a optimistic impact on the economic progress of Pakistan in both the long term, and in the short run, they still have a similar positive but in contrast insignificant impact on economic progress. Khan and Qayyum (2007) have also explored the financial sector growth association with Pakistan's economic progress.

However, if we talk about the other side of the picture, there are some scholars standing on the opposite side of the road and present different conclusions contrary to the above conclusions such as Robinson (1952) who is one of them and argued that economic progress leads the financial segment growth but this is not the case when consider vice versa situation and Lucas (1988) is one of those scholars those argued that some economist badly overstates the importance of financial sector growth concerning economic progress. Even literature provides us some studies that concluded the adverse association between financial expansion and economic progress such as Kuznets (1955), Friedman (1963), and Lucas (1988). In the middle of two extreme sides, some scholars talked in favor of a bidirectional relationship between financial sector growth and economic progress such as Demetriades and Hussein (1996) and Rousseau and Vuthipadadorn (2005). Some research did similar studies but they split the financial sector into two parts one is a banking based and second is a non-banking based system to considerably investigate them separately such as banking based financial structures in countries like Japan and Germany and market based financial structures in countries like U.S and U.K. The stock market and banks are two alternate sources for corporate finance. Recently financial deepening literature incorporated the stock exchange as a measure of financial segment growth. Thorsten Beck and Ross Levine (2004) investigate the independent impact of the stock exchange of the country and banking sector on economic progress using panel data set of forty countries from 1976 to 1998. Similarly, Philip Arestis, Panicos O. Demetriades, and Kul B (2001) compared the banking based financial structure and stock exchange based financial structure of the country to promote economic progress and found that both are absolutely related to economic progress. Whereas Barth, Caprio, and Levine (2000) suggest that instead of comparison between banking and market based financial scheme, a legal environment need to establish that protect investor rights is more important because both banking and markets have optimistic implication for economic progress.

1.4 Financial Sector Reforms in Pakistan Pre-Reform Structure

Before financial reform Pakistan financial sector was greatly controlled by the government, high government's borrowings due to budget and fiscal deficit, interest rate control through the introduction of

the floor on deposit rates and ceilings on lending rates that cause negative real interest rate and discouraged saving, the government directed allocation of credits on subsidies rates to their priority sectors and intervention in loan recovery decision caused large non-performing loans and further, deteriorate the profitability of banks, government holding ninety percent of total assets and deposits of banking sector due to nationalization, and financial sector supervisory authorities were divided between three bodies that created conflict between bodies, were the major causes of controlled financial sectors. As far as the equity market is a concern, it remained small, restrictions of foreign exchange movement, restrictions on investments by foreign nationals, the supervisory conflict between bodies, lack of proper infrastructure for trading and settlements, corporate sector was relayed on development finance institutions (DFIs) for financing need, cost of equity was significantly higher than interest on loans, and information disclosures were the key factors hampered equity market developments.

Post-Reform Structure

The major reform was as follows: Privatization process initiated through 1974 Nationalization Act amendments that allowed the central government to sell share capital of nationalized commercial banks through a stock exchange that significantly helped to develop equity market and increased market depth, Introduction of fresh banking and non-banking financial institutions to increase competition and efficiency in financial market but in 1995 introduction of new banks was freeze however in contrary to that, nationalized banking sector that were restricted to introduce new branches and to must close branches those were unprofitable, private and foreign banks branch policy was eased, the introduction of interest rate based on market where interest rate is determined through demand and supply conditions within the market of the country. Similarly, the introduction of open market operations as an instrument of monetary policy.

Establishment of the Securities and Exchange Commission of Pakistan, that proactively streamline capital market activities and protect investor's interest. To increased market activities and modernized settlement processes, the central depository company of Pakistan was created by the stock exchange that facilitates the stock electronic transfer. To encourage capital inflows foreign national and overseas Pakistanis citizens were allowed to invest without prior approval that improved inflow of foreign capital and overseas Pakistanis were also allowed to open foreign currency account with facilities like, income and wealth tax exemptions, freely transferable to abroad, loan in rupees can be obtained against those foreign currency accounts, and no questions regarding foreign currency sources to be asked. Adoption of exchange rate system based on market that applicable floating inter-bank exchange rate to all foreign exchange rate transactions.

1.5 Research Methodology

1.5.1 Data and Variables

In this study, we attempt to investigate the long-run association between our focused variables such as financial development and political regime (autocracy and democracy) with the economic growth (EG) of Pakistan. This study is based on annual time series data casing the period from 1959 to 2018 (Sixty Years) collected from World Development Indicators (WDI) and State Bank of Pakistan (SBP).

The covered period is subdivided into two sections the first section contains three autocracy eras of total thirty-three years defined as (Autocracy-1) from 1959 to 1971 thirteen years, (Autocracy-2) from 1978 to 1988 eleven years, and (Autocracy-3) from 2000 to 2008 nine years. Similarly, the second section contains three democracy eras of total twenty-seven years defined as (Democracy-1) from 1972 to 1977 six years, (Democracy-2) from 1989 to 1999 eleven years, and (Democracy-3) from 2009 to 2018 ten years. And according to this, we defined a dummy variable (Dum) in our model to capture the effect of both regimes on real GDP per capita. We defined 0 for autocracy and 1 for democracy. In this context, our null hypothesis is that the autocracy or democracy era significantly affects the economic growth of Pakistan.

The motivation behind this null hypothesis is that whether financial policies developed in any of both regimes significantly influence economic growth or not. Based on theoretical assumptions about the relationship of the variables with gross domestic product supported by various researcher empirical results we can define the relationship between Real GDP per capita (RGDP) proxy for economic growth, financial development index (FDX) proxy for financial sector growth, real interest rate (RIR) proxy for cost of capital, trade openness (TOP) proxy for trade liberalization and trade openness with rest of the world, gross capital formation (GCF) proxy for investment and dummy variables as follows:

$$RGDP = f(FDX, TOP, GCF, RIR, Dum,) \dots\dots\dots (1)$$

Whereas the linear equation used in empirical estimation is as follows:

$$RGDP_t = \alpha_0 + \beta_1 FDX_t + \beta_2 TOP_t + \beta_3 GCF_t + \beta_4 RIR_t + \beta_5 DUM_t + \varepsilon_t \dots\dots\dots (2)$$

Where α_0 is a constant that represents the expected mean value of RGDP when our independent variables are equal to zero and β represents the coefficients that indicate the direction of correlation between each independent and dependent variable. As per the standard practice by King and Levine (1993a,b) and Gelb (1989) RGDP is our dependent variable which is the annual growth rate of real GDP per capita at constant local currency from 1959 to 2018. We have two focused variables which are financial development index (FDX) and dummy variable (Dum).

The null hypothesis concerning the second focus variable (FDX) is that financial development does not significantly affect the economic growth of Pakistan. The rationale behind this null hypothesis is to check whether financial development significantly explains variation in economic growth or not. The basic reason behind the construction of financial development index is that single proxy can not appropriately measure the development in the financial sector, therefore we use the financial development index as a single measure of overall financial sector development that includes three financial development indicators selected based on principal component analysis (PCA). The first component was selected because it explains 66 percent of variance with eigenvalues of 2.644.

This component contains three financial development indicators taken from 1960 to 2018, first indicators is the growth rate in private loan by deposit money banks and other financial institutions to GDP ratio (TPC), the second indicator is the growth rate in financial systems deposits to GDP ratio (FSD) which is the time, demand, and saving deposits of both deposit money bank and other financial institutions, the third indicator is the growth rate in bank deposits to GDP ratio (BD). For robustness purposes, we included control variables to capture the effect of other macroeconomic factors on economic growth. We included real interest rate (RIR) which is calculated through 12-month treasury bills rate minus inflation rate is taken from 1960 to 2018, trade openness (TOP) which is calculated through additions of both export and imports growth rates taken from 1959 to 2018, together it represents an overall growth rate of trade openness that measures the economy openness concerning to the rest of the world, a growth rate of gross capital formation (GCF) taken from 1961 to 2018. DUM is a dummy variable that is defined as 0 for autocracy and 1 for democracy. ε is an error term.

1.5.2 Methodological Framework

Initially, we used (PCA) to select the most favorable indicator used to develop the financial development index. In this study, we used time series data that contain unit root so we used method, augmented Dickey-Fuller (ADF) unit root test, to check the stationarity of the variables. Vector Autoregression Estimates (VAR) is used for the lag order selection.

Further based on ADF test outcomes we decided to use both the "Autoregressive Distributive Lag" or ARDL bound testing approach and Johansen cointegration test approaches to check and determine the long term co-integration among variables of the model. A co-integration technique known as the "Autoregressive Distributive Lag" or ARDL bound testing hosted by Pesaran and Shin (1995) and (1997) has been applied to check co-integration among variables. The reason for selecting the ARDL approach is its advantages over conventional techniques. The first advantage is that it can be applied or appropriately use regardless of the nature of variables that are purely stationary at a level $I(0)$, $I(1)$, or a mix of both.

Secondly, its performance is better than conventional techniques with small samples. Thirdly, we can say that its automatic or appropriate selection of the sufficient number of lags for the model. Finally, it provides information about structural breaks in time series data. Lastly, we used a Vector Error Correction Model Granger-Causality (VECM) test to find the direction of causation among variables.

2. Data Analysis and Findings

According to the Quattara (2004), employment of test known as "unit root test" is necessary to find the order of integration of the variables because ARDL holds the assumption that none of the variables in the model are integrated in order of $I(2)$ or beyond because it can cause invalid computation of F-statistic, therefore, we chose to apply unit root test. For this purpose method, augmented Dickey-Fuller (ADF) unit root test, is applied. Where the null hypothesis of this test is that variables in equation 2 contain a unit root

and the alternative hypothesis is that variables in trend stationery. Table 1 presents the ADF test, according to the results entire variables are stationary at the level $I(0)$ at the 5 percent level of significance. These results allow us to apply the ARDL bounds testing approach to find co-integration between variables. Before the bound test approach to co-integration, we determined the optimal lag length of our model through Vector Autoregression Estimates (VAR) lag order selection criteria based on the Akaike information criterion (AIC) because Lutkepohl (2006) suggested that AIC is superior to others lag length criteria for the small sample data set. Therefore, we follow AIC for the rest of the estimations. The optimal lag length is observed to be one for the model because it has the minimum Akaike's Information Criteria (AIC) value now we can use an observed lag structure for the rest of the estimation.

Table 1- Unit Root Test Results

Variables	Augmented Dickey-Fuller test statistic t-Statistic (At Level)	Augmented Dickey-Fuller test statistic P-Value (At Level)	Test critical values at 5% level
RGDP	-6.305973	0.0000	-3.487845
FDX	-5.632524	0.0001	-3.487845
TOP	-7.473428	0.0000	-3.487845
GCF	-3.972844	0.0153	-3.487845
RIR	-3.867005	0.0197	-3.487845

Table 2 demonstrates the outcomes of the ARDL bound test that rejects the null hypothesis that says that no long run link exists among variables because F-statistic is higher than the upper bound critical value at a 1 percent significance level. Therefore, we can conclude that a long run link exists between RGDP and FDX, TOP, GCF, RIR, and Dum from 1959 to 2018. In terms of RGDP and FDX results are consistent with McCaig and Stengos (2005).

Table 2- Test Results of ARDL Bounds

F-statistic	10.95267	
Critical Value of Bounds		
levels of Significance	Lower Bound	Upper Bound
10%	2.45	3.52
5%	2.86	4.01
2.50%	3.25	4.49
1%	3.74	5.06

To perceive the robustness of the results, we also apply the Johansen Test for Co-integrating. According to statistics mentioned in table 3, we may conclude that there is a long run co-integration between variables of equation 2, based on P-value of trace and max eigenvalue test and their statistics are more than 5 percent critical value thus we can reject the null hypothesis of no co-integration at a 5 percent significance level.

Table 3- Johansen Test for Co-integrating Results

Tests	Hypothesized No. of CE(s)	Eigen-value	Statistic	0.05 Critical Value	P-Value
Trace Test	None *	0.624767	161.3010	69.81889	0.0000
Max-eigenvalue test	None *	0.624767	56.85209	33.87687	0.0000

Table 4 discloses the effect of explanatory variables on the real GDP per capita in the long run. We find that the openness of trade (TOP) has a progressive and statistically significant influence on economic progression at 5 percent levels of significance; results predict that 1 percent growth in trade openness contributes 7.7 percent growth in real GDP per capita of Pakistan. Darrat (1999), Levine (1997), and Shaw (1973) whereas other control variables such as GCF and RIR found to be statistically insignificant.

This predicts that growth in both gross capital formation and real interest rate does not move together with growth in real GDP per capita in the long run. Our focus variables such as FDX and DUM are also found statistically insignificant therefore we can conclude that growth in financial development in alternate political regimes does not affect real GDP per capita of Pakistan as Demetriades and Hussein (1996) and Husain, I. (2009) suggested the same conclusion about finance-led growth.

The rationale behind the results is that financial developments in both political regimes of Pakistan do not play a significant role in financing the agriculture activities which constitutes a significant portion of Pakistan's gross domestic product. Instead, agriculture financing extensively relies on “curb market” or informal financial markets.

Table 4- ARDL Model (1, 1, 2, 0, 0) Long Run Coefficients of Dependent Variable: RGDP

Regressor	Co-efficient	Standard Error	T-Statistic	P-Value
Constant	1.767283	0.548094	3.22442	0.0023
FDX	0.153329	0.366473	0.418391	0.6775
TOP	0.077348	0.029026	2.664743	0.0105
GCF	0.039185	0.024059	1.628722	0.1099
RIR	-0.053169	0.048983	-1.085459	0.2831
DUM	-0.622539	0.595691	-1.045071	0.3012

Similarly, table 4 discloses the outcomes of the short term coefficients of the ARDL model. Error correction term (ECT) points to an adverse sign and significance p-value at a 1 percent level of significance which is a desirable condition to place reliance on the interpretation of results based on the ECT coefficient. The ECT coefficient indicates the speed of convergence of variables toward long run equilibrium from short run disequilibrium, in other words, it suggests that the deviance from long run economic progression is corrected by 94 percent over each year.

Results of the short term observations are consistent with the long run results, there is only trade openness that significantly affects real GDP per capita but the marginal impact is 4.8 percent which is less than 7.7 percent in the long run. Other variables are found to be insignificant in a short span of time. The rationale behind the insignificance of our focused variables (FDX and Dum) in the short run is that financial activities and government policies take time to produced results than those results take additional time to be reflected in macroeconomic variables.

Table 5- ARDL Model (1, 1, 2, 0, 0) Error Correction Representation of the selected Dependent Variable: RGDP

Regressor	Coefficient	Standard Error	T-Statistic	P-Value
FDXt-1	-0.433956	0.300318	-1.444991	0.155
TOPt-1	0.048996	0.013274	3.691211	0.0006
TOPt-2	-0.028554	0.013283	-2.149685	0.0366
GCF	0.036866	0.023344	1.579258	0.1208
RIR	-0.050023	0.045892	-1.090006	0.2812
DUM	-0.585703	0.581364	-1.007464	0.3188
ECT(-1)	-0.940829	0.126221	-7.45383	0.0000

To find the causality direction, we used the (VECM) Granger-causality test under the Granger-causality context because our variables are co-integrated with each other and this satisfies the precondition of VECM. Results presented in Table 6 displays that we are impotent to reject the null hypothesis of no causation at 5 percent level of significance for financial development index, real interest rate, and political regime, whereas openness of trade and gross capital formation are statistically substantial and have a unidirectional and bidirectional association at ten percent and five percent significance level respectively. Therefore we may conclude that real GDP per capita has a unidirectional relationship with trade openness (TOP) and bidirectional relationship with gross capital formation (GCF) only.

Table 6- Results of VECM Granger-Causality

Dependent variable: D(RGDP)			
Variables	Chi-sq	df	P-Value
D(FDX)	0.027163	1	0.8691
D(TOP)	3.273792	1	0.0704
D(RIR)	1.387867	1	0.2388
D(GCF)	7.355669	1	0.0067
D(DUM)	1.416306	1	0.2340

Sensitivity Analysis and Stability Tests

The outcomes of heteroskedasticity, normality, and serial correlation (sensitivity analysis) are present in table 5 respectively. A Lagrange Multiplier test (LM) is performed to examine the serial correlation in the residuals. We have no evidence of serial correlation on both, first and second orders. Observed R-squared probability value is 0.74 which is higher than 0.05 hence we are unable to reject the null hypothesis that there is no serial correlation.

These results demonstrate that the model passed three diagnostic tests and found no serial correlation and heteroskedasticity and the error term is also proved to be normally distributed. Finally, the cumulative sum (CUSUM) and cumulative sum of square (CUSUMSQ) are employed to investigate the steadiness of long run and short run factors in the model. The graphical presentation of (CUSUM) and (CUSUMSQ) is shown in fig 1 and 2 respectively. To be stable coefficients, the plot of their statistic needs to be within critical boundaries at a five percent significance level. We found that CUSUM and CUSUMSQ statistic stays within the range of critical bound of a 5% level of significance. Hence we can conclude that the coefficient of the regressor that affects real GDP is stable.

Table 7- Sensitivity Analysis

Diagnostic Tests	Statistic	P-Value
Lagrange Multiplier (LM) Test	0.103724	0.7474
Jarque-Bera	1.086116	0.5809
Heteroskedasticity Test	10.95054	0.2791

3. Discussion

Based on the findings we can answer our research questions that in any political regime financial progress has no substantial impact on the economic progression of Pakistan. The results contradict the claims of many scholars who suggested a substantial association between financial progress, political regime, and economic progression. Although most of the studies conducted using these variables separately which makes this study unique as we tried to see the combined impact of both variables on economic progression. But still, our results are consistent with these studies such as in terms of political regime Sirowy and Inkeles (1990) Haan and Siermann (1996) in terms of financial progress Mahmood, A. (2013).

4. Conclusions and Recommendation

According to the empirical evidence of this study, we may conclude that financial development in different political regimes is not the principal cause in the process of economic progress, therefore, we cannot accept the view that financial expansion has a substantial impact on economic growth in any political regime. Evidence also supports the view that financial reforms commenced under wider macroeconomics structural in the early nineties did not make any significant differences. Because the primary focus was the enhancement of regulatory and profitability of the banking sector rather than ensuring easy finance to individuals SBP Financial Sector Assessment Report, 2000.

There might be many other reasons for this insignificance impact but some of them are related to the inherent factors of the specific economy such as Pakistan. Pakistan “undocumented or hidden economy” is one of them, according to many research the hidden economy of Pakistan is approximately 36 percent of its overall economy which is not taken into consideration while calculating the gross domestic product. Another issue that promotes this hidden economy is “Black money” and government amnesty schemes endorsed the existence of this issue in Pakistan.

Based on this factors, we may argue that significant finance generated from Black money contribute indirectly in the economy of Pakistan without being documented and skip banking channels so it can be assumed that we are studying white money impact on total economic growth generated by both sources black and white money rather than studying total finance impact including both black and white money. There are so many motives that promote hidden economy and Black money such as tax avoidance. To avoid this significance issues government need to develop strong and stable policies regarding the motives behind these issues.

Similar to the above issue another justification that supports the results of this study is that the sector-wise structure of Pakistan GDP. Agriculture contributes approximately 26 percent in GDP and agriculture financing extensively relies on “curb market” or informal financial markets Tressel T. (2003). In this regard, government policies should be specifically designed after getting a deep understanding of the sector-wise structure of GDP and only concentrate on the significant contributor to the GDP. As far as the insignificance role of political regime is concern it can be assumed that policies developed by any government reflect mix effects due to the required time of transformation of results in macroeconomic variables. Probably favorable policies design and implemented by one government give results in another government tenor and consequently, the second government enjoys benefits or vice versa.

Both favorable and unfavorable external and natural factors are beyond the control of governments such as Security concerns, natural disasters, energy crises, and worldwide economic rescission. However, these assumptions and rationales suggested in favor of this study outcomes highlight a new dimension for future research work. Thus we can conclude that the economic development of Pakistan does not evolve around financial development and political regimes some other broader issues influenced economic growth as well.

APPENDIX-A

Fig. 1. A (CUSUM) Cumulative Sum of Recursive Residuals plot

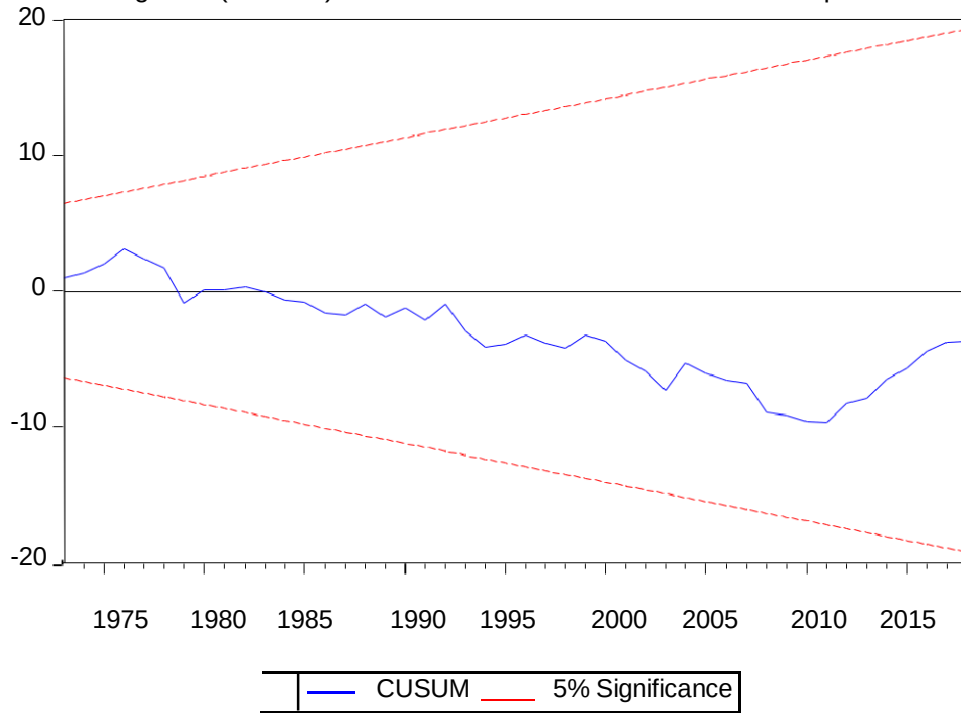
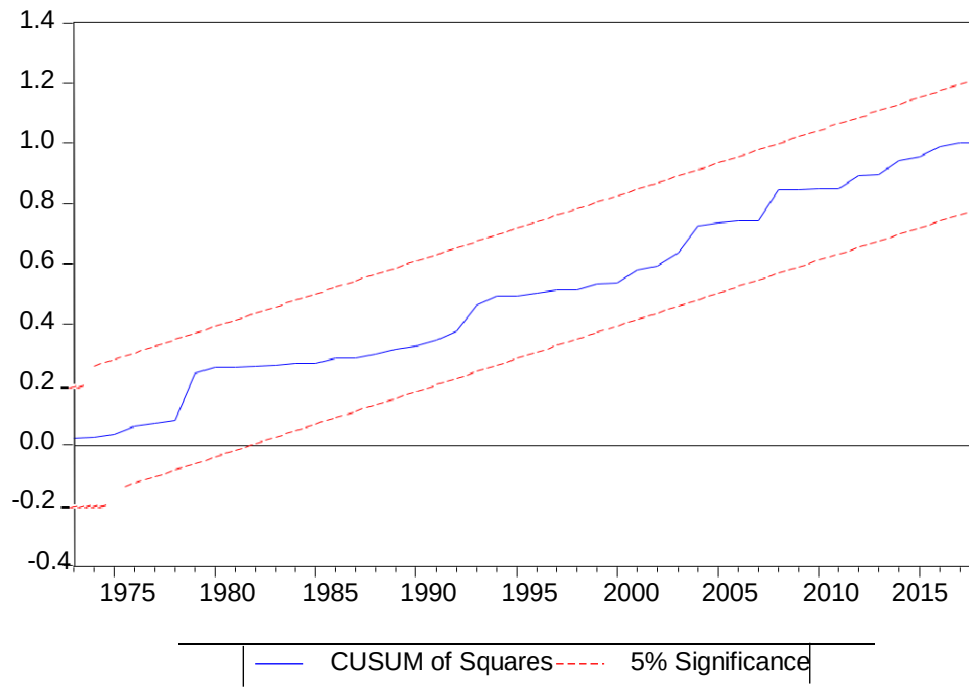


Fig. 2. A (CUSUMSQ) Cumulative Sum of Squares of Recursive Residuals plot



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Factors having an impact on consumer attitude and intention towards the mobile advertisement

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Abstract

The rapid increase in the mobile phone usage opened new opportunities to the marketers, who are operating mobile phone as a communication instrument to disseminate their brand's messages and this is known as mobile phone advertising (MPA). The main aim of this study is to pinpoint the effect of different factors on consumer attitude and intention to accept mobile advertising. In this explanatory research a data of 400 smartphone users from Karachi was gathered through a self-administered questionnaire selected by using convenience sampling approach. This study used SEM analysis on AMOS to obtain empirical findings. The findings of the paper suggest that consumer attitude towards mobile advertising (CATMA) positively influence the consumer intention to accept the mobile advertising. This paper also verifies that perceived usefulness (PU), perceived ease of use (PEOU), entertainment, credibility have positive impact, while irritation has a negative impact on CATMA. Besides, Informativeness showed no effect on attitude of consumer towards the mobile phone advertisement. Thus, this research suggest that marketers should do maximum efforts to influence the consumers' attitude positively, as this would ultimately enhance the mobile advertising acceptance (penetration).

Keywords: TAM, Mobile advertising, Intention to accept mobile advertising, Structure EquationModelling.

1. Introduction

The high pace advancement in the mobile technology make it a lucrative platform for brands promotion and giving companies new promotional opportunities to convey messages to greater number of consumers. The exponential rise in mobile usage brought out new channel of communication for marketers, when planning promotional mix to reach the customers (Aydin, g. 2017). Advancement at communication technology has helped the marketers to use new marketing tactics and tools in the promotional campaigns (Gutierrez, 2018)

Nowadays, people use mobiles for different type of communications services, such as receiving / sending text messages, data sharing, location-based services, graphics, music, videos (Muk & Chung, 2015). The mobile phones marketing has gained importance rapidly because of users' availability at any moment and at any place. The use of wireless technology makes mobile advertising more attractive, while devising the marketing strategy. Currently, it was noticed that mobile advertising got marketers' preference as the advertising tool ((Lamberton & Stephen, 2016). It's easier for the consumers to carry their mobile phone with them, even when they are not staying at home / offices. This is crucial to the advertiser to calculate the customer's attitude and opinion regarding mobile marketing, as it would be more helpful for them to use this tool effectively. It has also been disclosed that mobile advertising helps the marketers to cover the wide range of audience (Barwis and Strong, 2002).

The emerging trend of mobile advertising in Pakistan requires a good understating of consumer behavior towards mobile advertisement. It has got substantial attention of researchers in recent years, especially regarding end users' attitude and their acknowledgement of mobile advertisement (Grewal et al., 2016). This research would try to investigate the factors which may be influencing the consumer attitude and their preference towards mobile advertisement. This understanding would help the marketers to design their advertising campaign and include the attributes in the content which make it more acceptable for the consumers.

2. Theoretical background

2.1 Technology acceptance model (TAM)

TAM is the referred as among the most influential model to describe people technology acceptance. TAM described that there are two primary elements that compel an individual to adopt the new technology; PU and PEOU (Davis, 1989). In early days, TAM was adopted specifically in the IS management but after many researches it has been demonstrated that TAM can forecast the customer adoption of mobile

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advertisement (Bouwmanetal.2007). Therefore, the technology acceptance model is extended in this research for assessing the effect of Entertainment, Informativeness, Irritation, Credibility, PU & PEOU on consumer attitude and consumers' intention of accepting mobile advertisement.

"Mobile advertisement" is kind of communication through handset to the target audiences. Mobile advertising has many types and its popularity is increases over period of time. It was predicted that the profit generated from these tools will raise rapidly in the near future. (Mobi thinking, 2013)

Attitude towards the MPA is explained as the individual evaluation and guided feedback towards the mobile advertisement in an approvable or refusal manner in general (Chowdhury, 2006). The success of MPA is directly related to its acceptance by the targeted population. In developing countries mobile advertising is still new tool for the marketers (Laetitia, 2010), so marketer need to know the factors which may influence the users' intention of mobile advertising acceptance. It was reported that consumer attitude and consumer intention to accept mobile advertisement has a significant relationship, and it has also been known that intention influence consumer behaviors significantly (Tsang and Liang 2004). In a study Malkanthie (2018) reported that the products are bought due to mobile advertising but companies usually do not seek permission from users of mobile phones before sending MPA to the consumers, which may irritate the consumers.

2.2 Perceived usefulness (PU)

Perceived usefulness is people's belief that the product will support them to do their work better or not, which helps people to decide whether to use the product or not (Pfeffer, 1982). Focusing perceived usefulness can support marketers to reduce customers' irritation towards mobile advertising, resulting positive customer attitude towards mobile advertising (Jose, 2013). Perceived usefulness has been used as a stimulus of intention to use in many studies (sandra, 2010) and found to have a significant impact on it (Viswanath, 2000). PU is the most influential factor of intention, whereas attitude turn out the clear mediator among the PU of mobile advertisement and its acceptance.(Jose, 2013)

H1: The PU has a positive impact on consumer attitude towards mobile advertisement.

Perceived ease of use (PEOU):

PEOU can be referred as the peoples' belief about the particular product that the using this product would require less effort (Pfeffer, 1982). One of the previous study result support that PEOU of particular system will increase the user acceptance (Raafat, 2005). Marketers should identify the external factors that impact the PU towards the acknowledgment of particular mobile advertisement.(Nafsaniath, 2015). Study found that PU was more strongly linked towards the acceptance of mobile advertisement than the PEOU (Abdulla, 2016)

H2: The PEOU has a positive impact on consumer attitude towards mobile advertising.

2.3 Entertainment

The entertainment factor was founded to be the utmost important element among many factors, having a significant impact on CATMA (Aydin, 2017). The consumers refer entertainment as how enjoyable and pleasant the message is. In a survey, (Xu, 2007) found that more entertaining advertisements were ranked higher by most of the consumers. Entertainment leads to the high level of consumer involvement and satisfaction and also have a positive effect on consumer mood. (Nasco, 2008) reported that more entertaining and funny mobile messages are more likely to increase the purchase intention. Study suggest that marketers needs to be work on entertainment to satisfy the consumer desire of pleasure (JAMES, 2014)

H3: The entertainment factor in mobile advertisement has a positive impact on CATMA.

2.4 Informativeness

The information delivered to the selected customer through mobile advertisement should be accurate, quickly accessible and useful for the customers (Daugherty, et al. 2008). Informativeness factor in mobile advertisement helps to obtain customer satisfaction and also positively affect their buying decision (JAMES, 2014). Informative content used in the mobile advertisement support marketers for creating the right awareness about the brand, product and service offering (AKTAN, 2016). In the previous studies

information provided in the mobile advertisement was founded to have a symbolic impact on consumers attitude (Patricio, 2013) and the provision of accurate information leads to positive result such as person buy mobile from store after receiving the mobile advertisement (David, 2007).

H4: The Informativeness factor in mobile advertisement has a positive impact on CATMA.

2.5 Irritation

Irritation is the only dimension of MPA that creates the negative impact on customer attitude (Altuna, et. al., 2009). Irritation refers things that create unhappiness, annoyance and intolerance and it is one of the biggest issue which compel people to criticize the mobile advertisement. Companies used mobile advertisement because it is the cheapest method of advertisement without considering the receivers of these ads (Nattharika, 2009), but when the freedom of the people is intruded, they take it as invasion in their privacy which irritates them and they respond negatively (Rittippant, et. al., 2009). In a study (Madawa, 2014) reported that negative impact of irritation enhances the rejection intention in consumers' mind, which can be reduced by taking permission from consumers.

H5: The Irritation factor in mobile advertisement has a negative impact on CATMA.

2.6 Credibility

This study focusing about different factors having impact on CATMA, it was reported that credibility is the element that has a positive leverage on CATMA (Rudaina, 2012). Credibility is the customer trust and confidence on the advertiser, regarding the advertising claims shown in ads about their brands (Chowdhury et al. 2006). In a research finding (Humayun, 2006) reported that advertising medium also influence the consumer perception about the advertisement credibility and people perceived internet messages less credible than the print messages. The marketers using mobile advertising need to understand that to increase the value of mobile advertisement, credibility plays an important role. The higher the customer perceive the mobile ads credible, the higher chance to increase the mobile advertisement value and acceptance (Okazaki, et al. 2007).

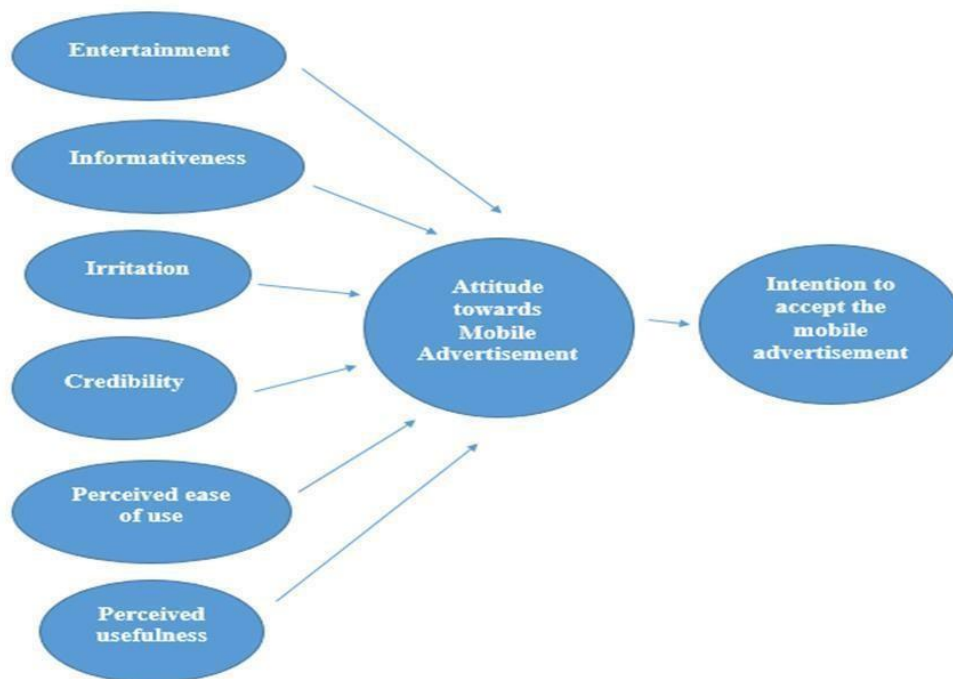
H6: The credibility factor in mobile advertisement has a positive impact on CATMA.

H7: Consumer's attitudes toward mobile advertisement affect consumer intentions to receive mobile ads.

3. Methods

3.1 Sample and data collection

This study is focusing to find out the factors having an impact on CATMA, which results the higher intention to accept the mobile phone advertising. Being a quantitative study deductive approach was followed in the research. The targeted population of this study are the users of mobile phones, living in Karachi. A sample of 400 respondents was considered to be appropriate for this study (Sekaran, 2011) and online questionnaire was distributed among the targeted population by using digital platforms (emails, SMS, WhatsApp groups, Facebook contacts etc).



Questionnaire had two major portions, the initial part was developed to collect demographic information of participants, while second part had questions related to variables in the research framework. Non-probability random sampling base method was used to collect data and it took around 23 days to obtain the desired number of responses. Initially 411 total responses were collected but during the initial scrutiny 23 were found unsuitable to include in the analysis (incomplete / outliers), leaving 388 respondents. The 388 respondents were having the following demographic details: 173 (44.5%) were males and 215 (55.5%) were females; 254 (65.4%) were aging between 18 to 25 years and most of them were university going students, 123 (31.8%) were aging between 26 to 34 years and 11 (2.8%) respondents were aging above 35 years. Majority of the people having age 25 and above were office employee / business executives. The details are shown in table # 1

3.2 Measures.

Measurement scales used in the questionnaire were taken from earlier studies to find out the consumer response for each factor of mobile advertisement. All the measurement scales were rank on 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). Entertainment was measured by using a 3 items scale of Tsang et al., (2004); Informativeness was ranked by using 6 items scale of Tsang et al., (2004); Irritation was measured by 4 items scale of Ducoffe (1996); Credibility and PU were measured by 3 items scale of (Paul.A, 2000) and 5 items scale of Karjaluoto et al. (2012) respectively; 4 items scale of Taylor and Todd (1995) was used to rank Consumer Attitude; PEOU was measured by 5 items scale of Karjaluoto et al.

(2012) and Consumer Intention was measured by using 3 items scale of Taylor and Todd (1995). Although all the measurements were taken related literature but the reliability and validity were checked and has been reported in result section.

Table1: Demographics

DEMOGRAPHICS	POSSIBILITIES	FREQUENCY	PERCENTAGE
GENDER	MALE	173	44.5
	FEMALE	215	55.5
AGE	18-25	254	65.4
	26-34	123	31.8
	35 and Above	11	2.8
OCCUPATION	STUDENT	209	53.8
	EMPLOYESS	90	23.2
	STUDENT AND EMPLOYEE	64	16.5
	BUSINESS	25	6.5
	EXECUTIVE		

NO	ITEMS	Factor Loadings	ALPHA
ENT-1	Mobile advertising is entertaining	0.854	0.901
ENT-2	Mobile advertising is fun	0.891	
ENT-3	Mobile advertising is pleasant	0.846	
INF-1	Mobile advertising is a good source of up-to-date product information	0.787	0.909
INF-2	Mobile advertising provide timely information	0.816	
INF-3	Mobile advertising makes product information immediately accessible	0.760	
INF-4	Mobile advertising is a good source of product information	0.830	
INF5	Mobile advertising is a convenient source of product information	0.808	
INF-6	Mobile advertising supplies relevant product information	0.713	
IRR-1	Mobile advertising is irritating	0.773	0.855
IRR-2	Mobile advertising is deceptive	0.793	
IRR-3	Mobile advertising is confusing	0.637	
IRR-4	Mobile advertising is annoying	0.876	
CRD-1	Mobile advertising is trustworthy	0.830	0.879
CRD-2	Mobile advertising is believable	0.889	
CRD-3	Mobile advertising is credible	0.800	
PU-1	Through mobile advertising I receive timely information	0.731	0.885
PU-2	Through mobile advertising I receive exclusive information	0.781	
PU-3	Mobile advertising saves me money	0.669	
PU-4	Mobile advertising saves me time	0.781	
PU-5	I can benefit from mobile advertising	0.849	
PEU-1	Mobile advertising is easy to use	0.792	0.889
PEU-2	It is easy to become skillful at using the mobile advertising	0.814	
PEU-3	Mobile advertising is flexible to interact with	0.760	
PEU-4	My interaction with mobile advertising is clear and understandable	0.758	
PEU-5	It is easy to interact with mobile advertising	0.740	
ATT-1	I like mobile advertising	0.855	0.908
ATT-2	I think mobile advertising is an interesting thing	0.847	
ATT-3	I think mobile advertising is a good idea	0.792	
ATT-4	Mobile advertising seems something positive to me	0.858	
INT-1	I will use mobile advertising to consume whenever I have a chance	0.795	0.873
INT-2	I intend to use mobile advertising for shopping after I receive it	0.837	
INT-3	I expect to use mobile advertising to purchase after receiving it	0.851	

4. Analysis and Results

4.1 Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis (CFA) and Structure Equation Modeling (SEM) were run to analyze the data and check the hypotheses. Initially, CFA was run on 33 items of 8 variables to check the measurement scales reliability and validity. It was decided to remove all the items from the model having factor loading values less than 0.60 (Tatham, 2006). All the items of 8 latent variables exhibited factor loading values > 0.60 ranging from 0.669 to 0.89, ensuring the validity and reliability of the measurements. Different indices were used to check the model fitness of the measurement model, having values $\chi^2 = 1192.06$; $df = 466$; $p < .000$; CFI = 0.915; TLI=0.904; IFI=.916; RMSEA=.066. All the values were found satisfactory and well above the recommended criteria showing the good model fitness. Table II presents all the model values with the recommended bench marks values.

Construct reliability and convergent validity were checked by calculating composite reliability (CR) and Average Variance Extract (AVE) values. The CR is used to measure the internal consistency of scale items with Cronbach's alpha (Netemeyer, 2003). All the Constructs showed CR values greater than 0.80, showing a high level of internal consistency in measures as far above the recommended value 0.70 of Hair et al. (2014). Average Variance Extract (AVE) values were higher than the 0.50 (Dillon & Goldstein, 1984), indicating that there is no issue of construct validity.

Table 2 : CFA Model Fitness

FIT INDEX	VALUES	ACCEPTABLE FIT
CMIN	1192.062	
DF	466	
P VALUE	0.000	Less than 0.05
CMIN/DF	2.558	Less than 3
IFI	0.916	Equal or Greater than 0.90
TLI	0.904	Equal or Greater than 0.90 Hu and Bentler (1999)
CFI	0.915	Equal or Greater than 0.90 (Byrne, 1998),
RMSEA	0.066	Less than 0.08 (Turner and Reisinger, 2001).

4.2 SEM Analysis and Hypotheses Testing

The result suggests that the path between entertainment and attitude towards mobile phone advertisement was significant ($\beta = .338$; $p < .05$), concluding that when there is an element of entertainment in the mobile ads, the CATMA would be influenced positively. Thus H1 was supported. The association between information and attitude towards mobile advertisement was found insignificant ($\beta = -0.009$; $p < .819$). The result concludes that level of information has no significant impact on CATMA, although the negative beta sign indicates that higher level of information may have a inverse effect on consumer attitude. Thus H2 was not supported. The path between Irritation and CATMA was found significant ($\beta = -0.073$; $p < .044$), suggesting that inclusion of content causing irritation may have a negative impact on CATMA, supporting H3. Similarly, the research findings propose that credibility has a significant impact on CATMA ($\beta = 0.134$; $p < .002$). Thus H4 of the research was also supported.

HYPOTHESIS	PATH	ESTIMATE	P-VALE	RESULT
H1	ENT $\longrightarrow$ ATT	0.338	***	supported
H2	INF $\longrightarrow$ ATT	-0.009	0.819	Not supported
H3	IRR $\longrightarrow$ ATT	-0.073	0.044	Supported
H4	CRD $\longrightarrow$ ATT	0.134	0.002	Supported
H5	PU $\longrightarrow$ ATT	0.345	***	Supported
H6	PEU $\longrightarrow$ ATT	0.450	***	Supported
H7	ATT $\longrightarrow$ INT	0.728	***	Supported

Notes: *Significant at the 0.05 level; ** Significant at the 0.01 level.

The H5 of the research stating that PU has a direct impact on customer attitude was also supported ($\beta = 0.345$; $p < .05$), showing that when consumers find the mobile ads content useful for them, consumers tend to show positive attitude towards MPA. The result proposed that PEOU has a positive impact on CATMA ($\beta = 0.450$; $p < .05$), supporting H6. It suggested that when consumers find no difficulty in dealing with the mobile advertising, a positive response may be expected from the CATMA. Consumers attitude towards mobile advertising has a positive influence on consumer intention to acknowledge MPA ($\beta = 0.728$; $p < .05$). It can be said that if the consumer has a clear attitude towards mobile advertising, his intention to accept the mobile advertising would be higher, thus support H7.

5. Discussion and Conclusion

5.1 Discussion

The increasing number of mobile phone users in Pakistan since last decade, makes it very attractive medium for companies to disseminate their marketing messages through mobile phones. Currently, companies need to and also trying to analysis the customer attitude towards the mobile advertisement, before make it a compulsory vehicle in their marketing campaigns (Mohammed, Z. 2016). The cost efficiency factor of mobile advertisement also influences marketers to adopt mobile phone advertisement. Probably, findings of this study would guide the marketers while deciding their advertising tools.

The prime purpose of this study is to discuss the CATMA and the impact of different elements on CATMA. The elements proposed in the research framework include Entertainment, Informativeness, Irritability, Credibility, PEOU and PU. The findings of the research suggest that entertainment is the factor which may compel the consumer to pay attention to the MPA. The more entertaining mobile ads were found to be more noticeable among the consumers (Feng, X. (2016). Also found that the information factor has no impact on CATMA, so it can be inferred that instead using mobile advertising to spread information, it can be used to give the reminders and reinforcement. The findings of the research give an insight that while designing the content for mobile advertising, it must be considered that overloaded information in an ad may have an adverse effect on users' attitude.

Irritation from advertisement is a factor which makes consumers to zap / skip the ads. Zapping or skipping the ad has always been a very serious concern for the advertisers (Gao, T. a. 2010). The format of ad and high volume of information may irritate the consumers, consequently develop a negative attitude towards the ads (Jose, 2013). In case of mobile advertising, being unsolicited, an ad may be takes as invasion in privacy (Julia, F. 2010). The solution of this issue may be to seek consumers consent before sending them ads. The impact of credibility on consumer attitude was found positive, showing that the content and sources use in mobile advertising must be credible. If anything shown in the mobile advertising

found to have a credibility issue, it may destroy the brand image, and simultaneously may develop negative feelings towards mobile advertisement (María, 2017).

It was also found that if a consumer receiving mobile ad considers it useful, it may generate a positive attitude and vice versa. So instead of sending mobile ads to masses without knowing them, it would be better to send the ads to the targeted audience with customized messages. The findings of the research suggest that people showed more favorable attitude towards the mobile advertisement than the traditional marketing. Marketers trying to attract customers through mobile advertising should be mindful that ads must be entertaining, credible and have useful information only. Whenever customer permission was taken before sending the mobile ads, customers showed more positive response to mobile phone advertisement. Consumer attitude and customer intention to accept mobile advertisement are positively related and customer intention is significantly related to mobile advertisement acceptance / rejection.

5.2 Research implications

The outcome of this research will help the companies in designing effective mobile advertisement campaigns to attract more audience at very low cost. Companies need to build customer trust on mobile advertising and diminish negative attitude of consumer towards mobile advertisement and make them friendlier towards mobile advertisement. The results of this research validate that the entertainment, credibility, irritation, PU & PEOU have positive influence on CATMA, so companies using mobile advertising need to pay special attention to the above factors while developing the mobile advertisement content. Companies should determine their target audience before sending the mobile ads so it would be less irritating for the consumers, as getting unwanted and uninterested things create more irritation (Sheikh, 2015). Secondly, sending messages after taking permission generate the higher acceptance rate in mobile advertising.

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Investigating Antecedents of Online Shopping Behavior of Young Pakistani Consumers through Mediating Role of Online Purchase Intentions

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Abstract

The purpose of this study was to investigate the antecedents of online buying behavior and preference of young consumers in Pakistan towards e shopping. With the proliferation of internet online shopping is gaining popularity around the globe. However the factors affecting the online buying decision are not fully explored. This study investigates how online purchase intentions mediates the impact of antecedents of online purchase behavior on actual purchase behavior through a model based on Theory of Planned Behavior (TPB). By using convenience sampling, data was collected through self administered questionnaire from young consumers living in Karachi, Pakistan. Data was examined by using partial least square structural equation modelling. Study reveals that all antecedents of online purchase behavior are significant. It was also found that online purchase intentions partially mediates the relationship the impact of attitude, normative influence and perceived website quality on online purchase behavior. This study has significant implications for e-retailers and vendors in order to enhance online shopping to enhance e-commerce in Pakistan.

Keywords: online shopping, young consumers, purchase intentions, users' attitude

1. Introduction

Customers are motivated by affective and interesting e-commerce websites to involve in online shopping (Ganesh et al., 2010). Online shopping helps customer to buy products through the internet (Gaol et al., 2014). With world being a global village consumers prefer online channels for buying and selling (Teo, 2006). Recent studies shows that e-commerce businesses and consumer markets as well eliminating many intermediaries (Leung, 2013). With changing business atmosphere by the advent of technology many firms have acknowledged the vigorous role of social media as a new prospect (A. J. Kim & Ko, 2012). Due to multiple factors like convenience, charm and social pressure online shopping is gaining popularity among youth (Doherty & Ellis-Chadwick, 2010). Organizations develop innovative features to their website to provide high quality online experience to persuade new and hold old customers. Therefore, organizations should consider consumer's opinion about website quality by keeping in view the prevailing competition in the relevant industry (Barnes & Vidgen, 2003)

Multiple factors affect consumer's perception about designing of the website established on characteristics that fulfil customers need and provides pleasant experience of the website. Website quality measures include, user-friendliness, fun, safety, information quality and service quality. However, website design is also perceived as essential factor of website feature (Afshardost et al., 2013)

Literature suggests that behavior is formulated based on factors like attitude, peer pressure and perceived behavioral control (Ajzen, 1991). Events, objects and persons are evaluated based on positive or negative perception which leads towards attitude formation (Peter & Olson, 2010). Attitude formed by behavioral belief leads toward intention which ultimately leads toward behavior (Ajzen & Fishbein, 2011). Customers' purchase intention predicts actual behavior (Bai et al., 2008)

There is a need to understand the trust process of consumer especially for e-commerce websites with low reputation (Pengnate & Sarathy, 2017). Trust shows a vital role in modelling purchase intentions of consumers especially in countries like Pakistan where e-commerce is in infancy stage. There is dire need to understand factors affecting e-commerce business and factors that can effect e-commerce transactions in Pakistan. Therefore this study explores the antecedents of online shopping behavior in Pakistan by focusing on factors like trust, attitude, social pressure and perceived website quality. Contextual differences among developed countries and developing countries there's need to check predictors on online shopping behavior in Pakistan (Panagariya, 2002)

Extensive review of literature reveals that influence of factors like attitude, normative influence and website quality has not given due importance which makes it difficult to understand and implement in e-commerce

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network. This study fills the gap by presenting a framework based on theory of planned behavior (Ajzen, 1991)

1.1 Problem Statement

With the advent of internet, online shopping received a very favourable response from all around the world but unfortunately in Pakistan it is still at its infancy stage. The pivotal elements which are responsible for this gradual increase towards online shopping is the difference in basic characteristics between developed and under developing countries like Pakistan such as lack of awareness, infrastructure, internet availability and most significantly the purchasing power of consumers who make them reluctant to do online shopping. In the same way, other factors which creates the hindrance between e shopping and consumer is the presence of social pressure built by peers and acquaintances of buying or not buying online (based on their personal good or bad experience) along with absence of trust consumers have on e retailers particularly for the newly established brands or for the brands which are at its growing stage. Moreover, the quality of website also persuade the consumers attitude towards online shopping. Thus, in order to fully adopt the platform of e commerce stores for doing online shopping especially in Pakistan, all the underlying factors need to be explored in-depth.

Therefore, the main aim of the study is to examine the antecedents of online shopping and consumers online purchase intentions which acts as a mediator in identifying the actual purchase behavior of the customers in Pakistan.

1.2 Research Objectives

1. To investigate the impact of attitude, trust, social pressure and perceived website quality on consumer online purchase intentions and Online purchase behavior
2. To study the mediating role of online purchase intentions between determinants of behavior and actual behavior of online consumer

1.3 Research Questions

1. What is the impact of attitude, trust, social pressure and perceived website quality on consumer online purchase intentions?
2. What is the impact of attitude, trust, social pressure and perceived website quality on consumer online purchase behavior?

2. Literature Review

2.1 Online Purchase Intentions

Online purchase is defined as a mean of getting the product or service from retailer directly without the involvement of any intermediary with the help of online shopping websites (Jun & Jaafar, 2011). Among internet users, the popularity of online shopping is increasing day by day (Hsiao et al., 2010). In today's hyper connective world, the companies are focusing on providing superior customer value by giving the opportunity to make every product or service just a click away. This proliferation of online shopping has abundant advantages for consumers such as the products which were earlier difficult to reach, are easily available for customers to shop anytime and anywhere. Because of this reason individuals prefer to do e shopping over orthodox shopping behavior (Ahmed et al., 2017).

Another reason which is responsible for the likeness of online shopping by e shoppers is the presence of high speed and ease of use which results in significant serenity among e commerce shoppers (Katawetawaraks et al., 2011). Although all over the globe, the larger number of consumer are switched towards online shopping (Fortes et al., 2017) but still there are huge number of online shoppers who are still afraid of doing online purchases mainly due to privacy issues (Lian & Lin, 2008).

Ajzen (1991) explained attitude as "a favorable or unfavorable evaluation of an individual about the action or thing". An attitude of a consumer significantly affects the consumer's readiness towards making any buying behavior. For instance a young online game player may dislike the use of computer for playing his game, in this case his dislikness is his behavior and his own feeling is his attitude towards online game. According to (Fishbein & Ajzen, 1980) it has been found that any specific behavior of a consumer is greatly motivated by an attitude of a person.

2.2 Attitude

Attitude is also explained as a person's assessment of any entity or an event which is directed towards a particular behavior (Fishbein & Ajzen, 1980). Moreover, (Eagly & Chaiken, 1993) also describes attitude as a favorable or unfavorable reaction towards any specific product, individual or any occasion. Similarly, online shopping users also carries the optimistic or pessimistic perception related to brands they've purchased online which explains their approach towards virtual shopping. (Fortes et al., 2017). According to the theory of attitude, it is observed that positive intentions are influenced by positive attitude of an individual towards online shopping and so likely negative intentions also affects the negative attitude of an individual toward their actual buying behavior (Fishbein & Ajzen, 1980). This dual aspect of attitude leads to the path of trust on online shopping.

Trust on website plays a very pivotal role in the completion of all sort of transaction especially in the domain of e commerce (Gregg & Walczak, 2010). Trust is explained as the moral, lawful and reliable element present in website along with the potential of keeping the consumers privacy (Delafronz et al., 2011). Therefore, doing online purchase means an individual is involved in facing a risk factor of some extent. (Gefen, 2000). Website trust is also defined as the consumers professed credibility on the products or services they are buying from the retailer (Renny et al., 2013). Trust on intentions and beliefs are the two main forecasters in trusting the intentions of the retailer specifically e-retailer (Harrison McKnight et al., 2002). It has also been found that trust and usability of website has favorable and direct relationship. (Renny et al., 2013). Moreover, consumers trust on website is also expressed through their intentions of buying from that particular website as well from their loyalty towards that website (Lim et al., 2016). The level of risk and uncertainty are high when consumers are involve in doing online shopping due to physical absence of product which makes them unable to check its features. Many authors are on the view that in order to expand the numbers of online shoppers, websites should strive more focus on building the customer trust (Katawetawaraks et al., 2011). Blut et al (2015) suggested that trust on the online website minimizes the consumer's inner risks and doubt about the online shopping.

Lim et al (2016) found that trust don't only have a very favorable and important impact on the virtual purchase intentions of buyers, but it also supports in encouraging the consumers loyalty and contentment towards e commerce websites. Likely, trust is also a very pivotal aspect of the renowned Social Exchange Theory (SET) (Corrigan, 2001). Previous literature proposed that the ultimate aim of the consumers while browsing any website is to get the deep insights about the products, services, new trends following in the market, information about the competing brands (Lim et al., 2016). This phenomenon helps the consumers to build cognitive trust prior to making any actual purchase decision. (D. Kim, 2012).

According to Trust transfer theory, Trust is very contagious as it travels and expand quickly among consumers. (Belanche et al., 2014). In the same way if a person has a trust on the traditional banking system of any bank, there is a high chance the customer will trust the online banking system of the same bank very quickly. Once the individuals build trust on the online shopping either by doing purchases by himself or on the opinions of others, the power of peer pressure cannot be ignored.

2.3 Normative Influence

According to (Burnkrant & Cousineau, 1975) defined normative influence as social norms which inspires an individual behavior of doing or not doing any action. It has also defined as adoption of particular behavior which is influenced by friends, family, peers and other acquaintances to perform any behavior (Burnkrant & Cousineau, 1975). According to renowned theory of planned behavior, social pressure is defined as the predictor of intentions (Ajzen, 1991). Many authors believe that subjective norm serves as the intentions' antecedent (White Baker et al., 2007).

Prior of making any real purchase, subjective norms has the ability to be mediated by the individuals purchase intentions. ((Alalwan et al., 2016). Similarly, subjective norms doesn't have any direct effect on customers final purchase but it does have an impact on the customer's intention of purchasing (Jamil & Mat, 2011). Many previous studies also states that friends, families and media all have very minimal effect on customer's e-buying intentions. Moreover, suggestions made by peers, friends, acquaintances, family members have powerful impact on the customer's e-buying intentions (Hsiao et al., 2010). In the same way, many researchers also claim that social standards have constructive impact on the consumers intention of making purchases through internet (Leeraphong & Mardjo, 2013).

2.4 Perceived Website Quality

The quality of website as well as the social sites plays a very pivotal role for organizations as they are the most significant platform for sharing, spreading and disseminating the information between current and future buyers (Cho et al., 2016). The quality is defined as the difference between the anticipated and actual outcome. (Garvin, 1987) presented the unforgettable definition of quality which refers as the “fitness for a purpose”. Many other researchers adopted this term and explain it as the potential of a product or service to fulfill the demands of the consumers (Brophy & Coulling, 1996). Moreover, website quality implies the assessment of websites by the online users to check whether it carries all important information regarding the product or service required to satisfy the demands of the consumers or not (Hsin Chang & Wen Chen, 2008). To maintain the flow of the consumers who make online purchases, the e-vendors must concentrate on the features of the website in lieu of providing comfortable shopping experience to buyers (Law & Bai, 2008).

Many consumers believe that the website quality is measured by all the features available in the website that has the ability to fulfill all the customers' needs and wants. The various aspects of website quality includes safety, fun and quality of information and service accessible at website (Shaharudin et al., 2010). Similarly, website design is also another significant element in the website quality which involves creative presentation, navigation and properly constructed and coordinated content should be exhibit (Gregg & Walczak, 2010). In online shopping websites eye catchy and appealing effects make it more attractive to its users. Many researchers believe that features of the websites plays very important role in creating the intentions of an individual to shop online (Kouser et al., 2018). Moreover, it also allows consumer a platform where they can easily compare and evaluate the brands and their competing products under one online roof which increases the consumer contentment towards e shopping. Among all the prevailing features of a website, it has been found that quality of an information possess the most influencing effect on customer satisfaction while doing online buying.

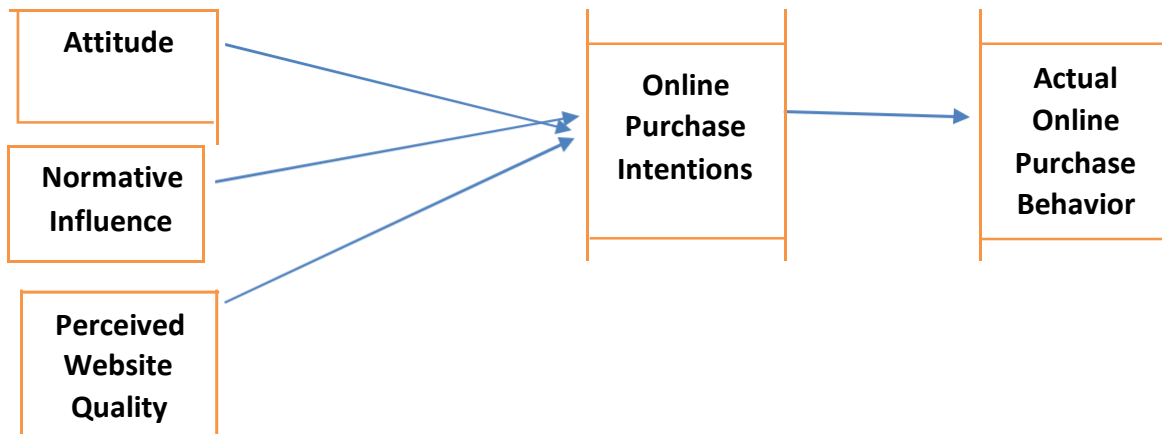
Intentions are defined as the indicators that explain how much and how many time an individual is ready to perform certain action that takes towards explicit behavior. (Ajzen, 1991). In the current studies online purchase intentions of customer was the most significantly searched domain. Customers online purchase intentions basically explain the power of consumer's willingness towards performing certain behavior specifically through internet. (Ling et al., 2010). Similarly, purchase intentions are also describes as the circumstances in which the purchase of a product takes place via internet (Pavlou, 2003). The intentional measurements are more operational as compared to the behavioral measurement because majority of the purchases made by consumers are based on some or more impediments instead of making final purchase based on their real preferences (Pavlou, 2003). Moreover, the famous theory of TRA describes that intentions forecast the consumer's behavior that are linked to their actions. (Fishbein & Ajzen, 1980). Likely, perceived behavioral control influence the intentions of consumers (Ajzen, 1991). According to Laohapensang (2009) the perceived behavioral control actually affects the buyer's willingness of making purchases online which leads towards final purchase. The intentions of online shopping will also serve as the alternative of actual purchases (Lim et al., 2016) Furthermore relevant previous literature highlights that trust has a very strong influence on the willingness of consumers specifically while doing e-commerce purchases (Delafronz et al., 2011). Many other researchers consider the security and privacy as the two other significant pillars in building the trust towards website quality.

2.5 Research Gap

Online purchase behavior is highly affected by external and internal factors but very few researches have highlighted the combined effect of cognitive and behavioral aspects (Purohit and Srivastava, 2001). Literature shows abundant research on the impact of website designing and themes on virtual buying intentions. According to Nadeem et al (2015) an affirmative and substantial link among service quality of website and virtual purchase intentions. Research on determinants of online shopping is very rare. Few studies like (Thakur & Srivastava, 2015) have analyzed customer innovativeness related to virtual buying intentions. Therefore a dire need persists to analyze the predictor of actual purchase behavior specifically in Pakistani e commerce market (Panagariya, 2002). Adnan (2014) put emphasis on identifying the relationship of psychological factors associated with e-purchase intentions with respect to Pakistani e-shoppers and establish a favorable association between both. Thus this study fills the gap in Pakistani context by providing the theoretical framework based on Theory of Planned Behavior (Ajzen, 1991). Hence it is intended to offer concrete solution to online retailers, wholesalers and investigators to enhance e-commerce in Pakistan.

3. Methodology

3.1 Research Model



3.2 Hypotheses

- Ha1: Attitude, trust, normative influence and perceived website quality have positive impact on online purchase intentions of consumers
- Ha2: Attitude, trust, normative influence and perceived website quality have positive impact on actual online purchase behavior of consumers
- Ha3: Online purchase intention of consumer has positive impact on actual purchase behavior of consumer
- Ha4: Online purchase intention has a mediating relationship between attitude and actual purchase behavior
- Ha5: Online purchase intention has a mediating relationship between Trust and actual purchase behavior
- Ha6: Online purchase intention has a mediating relationship between normative influence and actual purchase behavior
- Ha7: Online purchase intention has a mediating relationship between perceived website quality and actual purchase behavior

3.3 Data Collection

This study is based on quantitative approach. Internet user are the target population of this study. Data is collected from young university consumers as young people prefer online shopping (Bianchini & Wood, 2002). Data is collected through self-administered questionnaires. Through convenience sampling around 500 questionnaires were floated out of which only 390 were found appropriate for analysis. According to (Thornhill et al., 2009) sample of 384 is appropriate for analysis.

3.4 Instrument Measurement

Sr. No.	Item	Author
1	Attitude	Kraft, Rise, Sutton, and Røysamb (2005)
2	Normative Influence	Bearden, Netemeyer, and Teel (1989)
3	Perceived website Quality	Wolfenbarger and Gilly (2003)
4	Online Purchase Intentions	Pavlou, 2003

3.5 Statistical Technique

To examine structural components of both the measurement and causal model for reflective and formative constructs partial least square, a structural equation modelling was used. To estimate complex cause and effect relationship PLS path modelling approach is considered effective in business research (Gudergan et al., 2008).

4. Results and Data Analysis

4.1 Convergent Validity

Table 01 shows the result of convergent validity which includes Cronbach alpha, composite reliability and average variance extracted. Composite reliability must be greater than 0.7 (Nunnally, 1994). According to (Hair et al., 2011) value of AVE must be greater than 0.5. Results from the table shows that value of AVE for all variables is greater than 0.5 therefore support convergent validity threshold.

Table 01: Convergent Validity

Constructs	Items	Loading	AVE	Composite Reliability	Cronbach's Alpha
Attitude	AQ1	0.786	0.656	0.829	0.737
	AQ2	0.844			
	AQ3	0.801			
Normative Influence	NQ1	0.854	0.775	0.851	0.712
	NQ2	0.906			
Perceived Website Quality	WQ1	0.873	0.781	0.873	0.765
	WQ2	0.893			
Online Purchase Intentions	PQI1	0.881	0.680	0.864	0.722
	PQI2	0.737			
	PQI3	0.849			
Actual Purchase Behavior	ABQ1	0.741	0.618	0.877	0.721
	ABQ2	0.791			
	ABQ3	0.826			

4.2 Discriminant Validity

According to (Fornell & Larcker, 1981) AVE value of latent variable must be higher than correlation among the constructs. It is also explained by (Hair et al., 2012) that root square of AVE must be greater than the correlation among variables. Therefore this study fulfills the required criteria as shown in table below

Table 02: Discriminant Validity (Fornell-Larcker criterion)

	Actual Purchase Behavior	Attitude	Normative Influence	Online Purchase Intentions	Perceived Website Quality
Actual Purchase Behavior	0.786				
Attitude	0.763	0.810			
Normative Influence	0.714	0.464	0.880		
Online Purchase Intentions	0.573	0.747	0.477	0.825	
Perceived Website Quality	0.572	0.657	0.318	0.721	0.884

Table 03: Item wise cross loadings

	Actual Purchase Behavior	Attitude	Normative Influence	Online Purchase Intentions	Perceived Website Quality
ABQ1	0.740	0.411	0.906	0.378	0.316
ABQ2	0.791	0.590	0.331	0.417	0.507
ABQ3	0.825	0.800	0.378	0.548	0.538
AQ1	0.433	0.785	0.348	0.623	0.517
AQ2	0.551	0.843	0.412	0.666	0.549
AQ3	0.825	0.800	0.378	0.548	0.538
NQ1	0.495	0.407	0.854	0.473	0.239
NQ2	0.740	0.411	0.906	0.378	0.316
PIQ1	0.533	0.706	0.324	0.881	0.720
PIQ2	0.358	0.551	0.398	0.737	0.410
PIQ3	0.514	0.573	0.471	0.849	0.597
WQ1	0.513	0.581	0.262	0.594	0.873
WQ2	0.500	0.584	0.297	0.677	0.894

4.3 Model Fitness

Table 04 shows model fitness R² of online purchase intention and actual purchase behavior which is 0.671 and 0.775 respectively. Value of R square between 0.5 and 0.75 shows moderate and strong

association (Hair et al., 2011). Hence our results show strong association of online purchase intentions and actual purchase behavior.

Table 04: Model Fitness

	R Square	R Square Adjusted
Actual Purchase Behavior	0.775	0.772
Online Purchase Intentions	0.671	0.668

4.4 Hypothesis Testing

Results of Table 06 show association between attitude, normative influence, and perceived website quality towards online purchase intentions with actual purchase behavior.

Table 05: Indirect effect

	Original Sample (B)	Sample Mean	Standard Deviation	T-values	P-values	Decision
A-APB	0.579	0.583	0.05	11.213	0.000	Supported
NI-APB	0.497	0.494	0.045	11.102	0.000	Supported
PWQ-APB	0.214	0.212	0.047	4.558	0.000	Supported

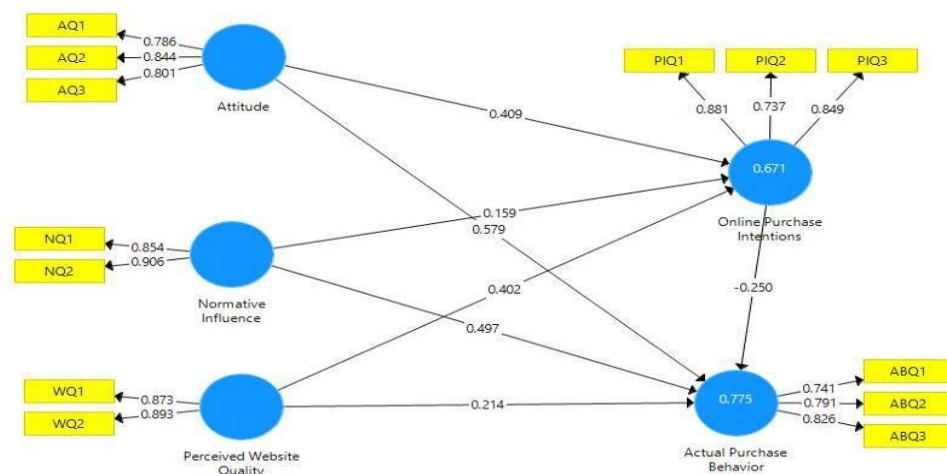
Table 06: Direct effect

	Original Sample (B)	Sample Mean	Standard Deviation	T-values	P-values	Decision
A-PI	0.409	0.407	0.056	7.271	0.000	Supported
A-APQ	-0.102	-0.102	0.030	3.393	0.000	Supported
NI-PI	0.159	0.494	0.045	11.102	0.000	Supported
NI-APB	-0.040	-0.040	0.015	2.695	0.000	Supported
PWQ-PI	0.402	0.403	0.055	4.558	0.000	Supported
PWQ-APB	-0.101	-0.102	0.032	3.148	0.000	Supported
PI-APB	-0.250	-0.252	0.068	3.678	0.000	Supported

4.5 Model analysis

Relationship between latent variables and observed behaviors were analyzed using PLS. Reliability of the constructs were measured by Cronbach alpha while convergent and discriminant validity was also carried out to assess validity of the items.

Figure 4.1: Measurement of Model



5. Discussion

The objective of this study was to explore the antecedents of online shopping behavior of young consumers in Pakistan. E-commerce is expanding in Pakistan and young consumers prefer to shop online which increases its fame all over the country that is why it is important to discover the dynamics of virtual shopping behavior. This study has empirically investigated the relation between attitude, trust, normative influence and perceived website quality on purchase intentions. The current study also explored the mediating role of online purchase intentions on actual purchase behavior of young consumers.

Drawing upon Theory of Planned Behavior, this paper has developed an extensive framework to analyze interrelationship among variables and their impact on actual online purchase behavior. As indicated earlier the relevance of TPB in model of this study, this study makes practical, theoretical and empirical contribution in predicting online purchase behavior. Model of this study also validates the theory.

All hypotheses are significantly supported. Attitude, normative influence and perceived website quality significantly predicts online purchase intention which significantly predicts online purchase behavior (Moshrefjavadi et al., 2012) and (Rehman & Ashfaq, 2011).

The findings indicate that web site quality has significant impact on online purchase intentions of young consumers (Bai et al., 2008). In Pakistan online market is growing and customers are paying attention to the quality of website as well.

Online shopping behavior is highly correlated with psychological factors like attitude, social influence and perception. These findings will help online vendors in determining online purchasing pattern of consumers. Results are same as Kim et al. (2004) and Sulaiman et al., (2007) who found psychological factors significant to online shopping behavior.

Perception regarding website quality has significant effect on online purchase intentions which suggests that technology has significant impact in shaping perception. Finally purchase intention did lead to actual transaction behavior, confirming TPB and endorsing the theoretical and practical utility of proposed model. This study provides findings that enrich the literature and provides practical utility for understanding nature of e-commerce.

Managerial implications of this study would be that e-marketers in Pakistan should focus on website quality if it provides ease and usefulness to the consumers it would encourage more customers to purchase online. Trust is another factor which needs to be analyzed in detail because it play a Vitol role in shaping attitude. Social influence is another key factors which spread through word of mouth and in this digital era electronic word of mouth (E-WOM) is another way of influencing people to shop online. Government should formulate electronic regulation procedures to keep an eye of fraudulent activities this will help to build trust among consumers and improve online retailer's performance.

Online purchase intentions partially mediates the relationship among attitude, normative influence and perceived website quality on online purchase behavior. When website offerings are reliable and trustworthy it makes customers develop positive attitude towards online shopping. Features of the website contribute in development of online purchase intentions which leads towards actual purchase behavior.

6. Conclusion

There has been a paradigm shift from conventional shopping behavior towards rapid and convenient online shopping behavior around the globe. The introduction of various online shopping platforms have increased the credibility towards online shopping behavior in Pakistani market. This study has connected the missing dots in understanding online shopping behavior among young consumers in Pakistan. It is found that there is a positive impact of attitude, normative influence and perceived website quality on online purchase intentions. However, attitude found to be most influential among all three predictors. Online purchase intentions partially mediates the relationship towards actual purchase behavior. Finding of this study are imperative and consistent with previous literature. Adnan (2014) found that psychological factors like attitude and perception play key role in shaping online purchase intentions of consumer. This study provides perfect blend of extrinsic and intrinsic factors affecting online buying behavior. It is evident from statistical analysis that young consumers have positive attitude towards e-shopping which is further strengthen by normative influence and perception about the website quality. Furthermore, online purchase intentions mediates the relationship towards actual purchase behavior.

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Intervening Influence of Non-Economic Factors between Corporate Social Responsibility and Financial Performance: A Banking Perspective

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Abstract

Corporate social responsibility implies the obligations of the business to protect the interests of the society in which they operate. This study wants to examine the intervening influence of non-economic factor between corporate social responsibility and financial performance. Moreover, this study wants to investigate the moderating role of stakeholder pressure. This study based on positivism paradigm, deductive approach, and survey strategy. Adapted questionnaires were distributed among a focal person of commercial banks and collected data monitored, screened and analyzed through emerging statistical packages. Confirmatory factor analysis explained the model goodness, fitness, and validity. Structural equation modeling confirmed the significant and positive contribution of corporate social responsibility and non-economic factor toward financial performance. Moreover, the mediating role of noneconomic also intensifies the relationship between the explanatory variable and the dependent variable. Finally, stakeholder pressure did not shown any significant contribution. The findings indicated the relevance and the implications of CSR initiatives on the bank's performance in a developing country such as Pakistan. Explicitly, the results specify that when banks invest in CSR initiatives, they are likely to achieve a competitive edge and improved financial performance.

Keywords: Corporate social responsibility; financial performance; non-economic factor; stakeholder pressure; structural equation modeling

1. Introduction

Financial performance plays a significant role in determining the growth, development, and survival of any organization (Muyambiri & Odhiambo, 2018), consequently considered an essential part of research studies of management sciences. It is an indicator which reflects the better operating and financial position of a business (Adegbite et al., 2019; Robin, Salim & Bloch, 2018; Abusharbeh, 2017). Financial performance remains vital in guiding organizational planning and development. Accordingly, literature based on financial performance delineates a cohesive correlation between financial performance and economic development (Muyambiri & Odhiambo, 2018; Musamali et al., 2014). Financial performance is operationalized via accounting base measure of ROA, ROE, return on sales, sales growth, and increase in wealth maximization. Return on asset can provide better measurement regarding financial performance (Berman et al., 1999; Griffin & Mahon 1997). The rising shareholder activism has raised the concern about dynamic and innovative policies; which boost the financial performance (Khan et al., 2017).

In the modern era, there are numerous non-economic factors which influence the financial performance of financial and nonfinancial firms. Exchange rates, inflation, gross domestic product, and liquidity significantly contributed to improved financial performance (Heffernan & Fu, 2010). However, corporate reputation, innovation, customer satisfaction, employee's commitment, research, and development have a significant influence on establishing the performance of any organization (Padgett & Moura-Leite, 2012). The companies having updated and innovative policies, products and services have a competitive edge in today's dynamic market environment (Schumpeter, 2013; Abdulai Mahmoud & Hinson, 2012). The companies which adopt innovative policies are largely considered good and well-reputed companies. It improves the corporate reputation of the organization which is antecedent of financial performance (Anser et al., 2018; Sindhu & Arif², 2017; Padgett & Moura-Leite, 2012; Padgett & Galan, 2010; Wagner, 2010). In developing economies, studies expounded different antecedents and outcomes of financial performance, but corporate social responsibility is integral factor which has been overlooked by past studies (Subair, 2018; Choongo, 2017; Crifo et al., 2016).

Corporate social responsibility (CSR) is integral and plays a vital role in the development of a corporate environment as well as the natural environment (Moon, 2004). CSR means to resolve the societal problems which include global warming, social injustice, recycling of waste materials, reduction in air and noise pollution, to the lower level of necessities, and reduction in water and energy resources. There are

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four basic elements of corporate social responsibility (Carroll & Buchholtz, 2014), which includes economic, ethical, legal and philanthropic (Carroll, 1979).

Companies can avail a better and competitive position by proposing quality outputs at a lower price through the effective, peaceful, and smooth environment (Kumar et al., 2001). As a result, companies must take initiatives in changing their perspective towards CSR by considering outside impassive philanthropy. Now the organizations are focusing on CSR to improve the image of their brand, and companies are strengthening their links with its stakeholders, like community, customers, and suppliers (Council, 2002). Vague policies, poor administration and monitoring, pathetic tax implementation systems are some of the more important factors that influence performance. So, there could be significant role of stakeholder pressure in designing the suitable policies which can contribute CSR as important determinant of financial performance.

Historical studies are limited in examining corporate social responsibility via self-reported questionnaires (Khan & Atkinson, 1987), features, policies, and practices on CSR (Arora & Puranik, 2004; Sood & Arora, 2006). There are few evidences on the relationship between CSR and performance in developing countries. This phenomenon is considered in the context of western economies having a strong financial outlook, measures and applications court. It has motivated and illuminated toward research studies focusing on corporate social responsibility and firm performance in the context of developing countries (Belal, 2001). These benchmarks and standards are lacking in Asian emerging economies which lead to demotivation and less implementation of corporate socially responsible activities in developing countries such as Pakistan (Sindhu & Arif, 2017; Mishra & Suar, 2010; Chapple & Moon, 2005). Therefore, previously identified gap motivated to examine the link between CSR and performance which is necessary for the development and growth of financial organizations.

This study has a significant theoretical and methodological contribution in banking sector of a developing economy. It is important for corporate level managers who are responsible to satisfy the stakeholders through justifying firm expenses that consist of CSR initiatives and innovative processes of improving the firm financial performance. Managers are responsible to sustain and implement CSR in maintaining the firm's advantage and community trust. This study provides evidence to support theory that there is a positive relationship between CSR and firm financial performance. It is also providing support to both stakeholders and ethical theory. Findings of this study will provide a new perspective to the management of the organization especially when they want to develop and improve their business practices (Epstein, 2018; Freeman & Hasnaoui 2011; Griffin, Bryant & Koerber, 2015; Jia & Zhang, 2014). This study is important for academicians who are interested in the literature regarding CSR.

2. Literature review

The last decade witnessed rapid growth and attention of the studies focusing on corporate social responsibility (Freeman, 1984). The economic environment has globally changed, and organizations are trying their best efforts on CSR. Corporate management is also demanding from the stakeholders to sacrifice their resources in improving CSR both in developed and developing countries. CSR includes economical, ethical, legal and philanthropic expectations of stakeholders (Carroll, 1979), and there is a need to involve in socially responsible activities for the betterment of society (Frederick, 1986). In an organization context, CSR combines the social and environmental interest in operating the business and mutual actions towards stakeholders which will not only fulfill the legal requirements but also increase to spend finance on workers and environment which will strengthen the relationships with stakeholders (Avetisyan & Ferrary, 2013).

CSR has four levels of responsibilities in business to achieve corporate objectives. Firstly, economic responsibility which supposed toward wealth maximization and earning profits by reducing cost. The successful business provides employment, produce goods and services according to customer needs. Secondly, legal responsibility includes the responsible behavior to obey the rules and regulations for achieving its goals. The business earns profit within the defined legal structure. Global stakeholders are required to meet the country's legal responsibilities (Iqbal et al., 2014). Ethical responsibilities which are expected by the society include the ethical values, fairness, and justice, equality and respect to achieve organizational goals (Sylor, 2013). Philanthropy is discretionary in nature which is pure voluntarily, to engage in social activities that are not mandatory by law (Saylor, 2013).

Research studies have investigated different perceptions of understanding the relationship between CSR and firm financial performance. Friedman (1970) finds that the firms only focusing on investors earn maximum profit but there will an adverse effect with compare to its competitors as they spend

money on philanthropy and facilitate employees which increase its cost and decrease profit (Aupperle et al., 1985). CSR in decision making is linked with ethical values, legal requirements, respect, community and environment around the world (Saylor, 2013; Khoury, Rostani & Turnbull, 1999). Studies showed the positive relationship between stakeholder management and financial performance (Godfrey, 2005).

Corporate social responsibility significantly influences firm financial performance. This dynamic relationship examined in three ways and most importantly, it is noticed that CSR significantly and positively contributing toward the financial performance of organizations (Attig & Cleary 2015; Sun & Stuebs, 2013; Rodgers, Choy, & Guiral 2013). Secondly, researchers expounded that there is no consistency in the relationship between CSR and performance (Mahoney & Roberts, 2007). Thirdly researchers proposed that CSR have a significant and negative impact on the financial performance of organizations (Oh & Park 2015; Becchetti et al. 2008).

H₁: *There is a significant impact of CSR on Financial performance*

Besides affecting organizational performance, corporate reputation is also robust to affect stakeholder's perception (Gatzert, 2015; Maden et al., 2012). It is the image of the organization in the mind of stakeholder to decide to interact with an entity. Most of the economic contracts are earned on the basis of corporate reputation. Therefore, the extending this notion, it will be thought-provoking to investigate that how and to what extent corporate reputation derive financial performance (Gatzert, 2015; Maden et al., 2012; Alniacik, Alniacik & Erdogmus, 2012). Moreover, it is also important to study that how corporate reputation is built over time by the organizations and what are the factors which composite a favorable reputation in the mind of stakeholder. Though literature revealed various antecedents of corporate reputation, however corporate social responsibility (CSR) is integral determinant (Choongo, 2017). So, the corporate reputation and innovation are important non-economic factors which can play mediating role in between CSR and performance.

H₂: *Non-economic Factors mediate between the relationship of CSR and Financial performance*

Many researchers included the customers, suppliers, employees, shareholders, the community, and government in the category of stakeholders (Buysse & Verbeke 2003; Donaldson & Preston 1995; Freeman 1983; Henriques & Sadorsky 1999). Business strategies toward CSR were improved from simply showing social responsibilities to internal and external organizational environments which are associated with stakeholders. These are the forces which influence the organizational performances in multiple ways. There is an indirect impact of losing the interest of these stakeholders on financial performance (Lee, 2008). So, hypothesis derived on the basis of above discussion;

H₃: *Stakeholder pressure moderates the relationship between CSR and Financial performance*

Theoretical aspects explain how managers maximize financial performance and stakeholder interest (Freeman & Hasnaoui, 2011). Corporate executives increase CSR due to stakeholder needs in ethics and moral values (Fatma, Rahman, & Khan, 2014). Ethical theory suggests that socially responsible organizations should deal with financial reporting virtuously (Yazdani & Murad, 2015). Legitimacy theory proposed that the business is bound by the social contract in which firms have an agreement to act according to the socially desired actions in return for approval for its objectives and other rewards continuously (Suchman, 1995; Mathews, 1993). Stakeholder theory proposed that each group have an interest in the manner in which the organization is operated. According to Akinsulire (2011), it is traditionally viewed that the organization working the best interest of shareholder's maximization wealth. However, there is another view that an organization is a coalition of various groups such as stakeholder.

2.1 Conceptual Framework

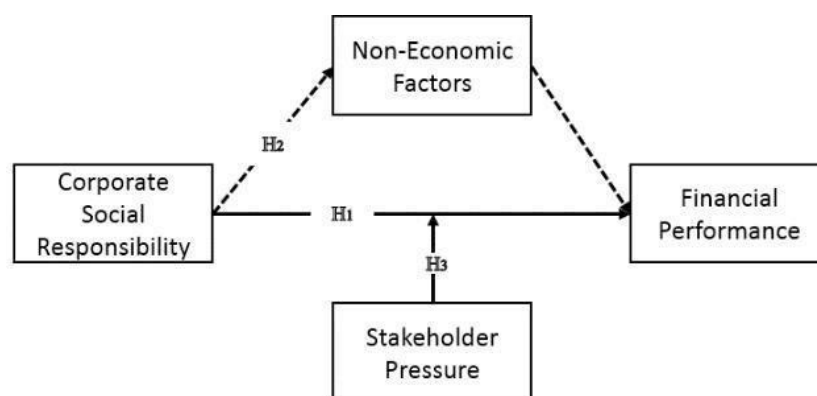


Figure 1: Conceptual Framework

3. Methodology

This study aims to examine the intervening influence of non-economic factors between CSR and financial performance of the banking sector of Pakistan. Study based on known knowledge so falls in the positivism paradigm philosophy. It is going to examine the cause and effect relationship and will apply the hypothesis testing approach which considered as deductive research. Adapted questionnaires distributed among target respondents, so it is a survey-based strategy including mono-method and cross-sectional data analysis (Robson & McCartan, 2016; Saunders et al., 2011).

In Pakistan, there is a total of 34 scheduled banks with 12,993 branches are working in Pakistan (SBP, 2016). The target population is employees working in the banking sector of central region because there is an important role of the banking sector in the Pakistani economy. One of major contribution in providing employment, dealing with financial issues, etc., so it is necessary to significant social responsibility on banking owners in the context of the welfare of stakeholders other than wealth maximization. Stratified sampling used in the selection of sample based on their number of branches working. Employees working in the banking industry are in million, so for a better result, a sample size of 245 considered suitable for reliable and accurate results. The instruments used in this study have adopted from research studies. Corporate social responsibility scale adopted from (Turker, 2009), Stakeholder pressure (Delmas & Toffel, 2008), Financial Performance (Govindarajan, 1984), Non-economic factors (Govindarajan, 1984). Furthermore, scale of financial performance and non-economic factors are validated by (Mishra & Suar, 2010).

This study is based on cause and effect relationship with the addition of moderated mediated mechanism, so firstly reliability and validity of collected response were checked. Normality tests were conducted using descriptive statistics and other suitable measurement methods. Correlation matrix explained the relationship among variables. Finally, structural equation modeling was used for analyzing the relationships (Jain et al., 2016; Valmohammadi, 2014; Urbach & Ahlemann, 2010). Confirmatory factor analysis applied for measurement and structural model fitness. The structural model was tested for examining the direct relationships between all dependent, independent, moderating and mediating variables. Preacher and Hayes (2004) macros were applied for testing moderating and mediating relationship.

4. Empirical Findings:

4.1 Descriptive Statistics and Correlation

The objective of this study is to examine the intervening influence of non-economic factors between CSR and financial performance. Firstly, the reliability analysis conducted and the values found within the defined ranges of 0.70 to 0.90. Secondly, descriptive statistics enlightened the normality of data via mean and standard deviation. Table 1 explained that the mean value of corporate social responsibility is 4.164 with a standard deviation of 0.639. The mean values of financial performance and non-economic factors are 4.223 and 4.195 with SD 0.717 and 0.759 respectively. Finally the mean value of stakeholder pressure founded as 4.102 with SD of 0.764. In the table 1, the correlation matrix suggests that the CSR has a positive and significant relationship with FP, NEF, and SP, and the degree of its magnitude is 0.760, 0.729 and 0.768 respectively. In addition, FP contributed significantly to NEF and SP with a magnitude of 0.726

and 0.677. Finally, there is a significant and positive relationship founded between NEF and SP. In general, all variables are associated significantly and positively.

Table 1: Descriptive Statistics and Correlation Matrix

	Mean	SD	1	2	3	4
CSR	4.164	0.639	1.000			
FP	4.223	0.717	.760**	1.000		
NEF	4.195	0.759	.729**	.726**	1.000	
SP	4.102	0.764	.768**	.677**	.711**	1.000

**Correlation is significant at the 0.01 level

4.2 Factor Loading and Validity

The confirmatory factor analysis was applied to examine the factor loadings of observed items on their latent factor. The standardized estimates were examined and found to be above the 0.50 limit that was considered better for loadings and validity of measurement model (Holmes, 2001). The values of the factor loadings are considered moderate and poor if their values are lower than 0.50 and 0.30 respectively (Holmes, 2001). First, the eight items of corporate social responsibility are represented in the CSR from CSR1 to CSR8 and squared factor loadings are 0.816, 0.742, 0.727, 0.756, 0.714, 0.643, 0.588 and 0.608, respectively while just one item was dropped. In the same way, financial performance has represented with four items as FP1 to FP4 and squared factor loadings are 0.863, 0.759, 0.721 and 0.639 respectively. The non-economic factors are indicated by four items as NEF1 to NEF4 and squared factor loading are 0.762, 0.801, 0.883 and 0.813 respectively.

The stakeholder pressure indicated by four elements such as SP1 to SP4 and squared factor loadings are 0.821, 0.755, 0.795 and 0.775 respectively. All the values are above standard benchmark which means the observed factors of corporate social responsibility, financial performance, non-economic factor, and stakeholder pressure are properly loading on its latent variables. The model is statistically significant with overall factor loadings more than 0.60 which is good and fit.

Table 2 Factor Loading of Standardized Estimates

Variable	Item	Loading	CR	AVE	α
Corporate Social Responsibility	CSR1	0.816	0.886	0.501	0.864
	CSR2	0.742			
	CSR3	0.727			
	CSR4	0.756			
	CSR5	0.714			
	CSR6	0.643			
	CSR7	0.588			
	CSR8	0.608			
Financial Performance	FP1	0.863	0.835	0.562	0.889
	FP2	0.759			
	FP3	0.721			
	FP4	0.639			
Non-Economic Factor	NEF1	0.762	0.888	0.666	0.843
	NEF2	0.801			
	NEF3	0.883			
	NEF4	0.813			
Stakeholder Pressure	SP1	0.821	0.867	0.619	0.888
	SP2	0.755			
	SP3	0.795			
	SP4	0.775			

AVE=Average Variance Extracted, CR=Composite Reliability, α =Cronbach Alpha

CR and AVE were calculated to analyze the validity of the measurement model and these values are computed using standardized estimates. If the $AVE \geq 0.50$ and $CR \geq 0.50$ then these are considered good and suitable for the model (Bagozzi & Yi, 1988). The CR values of CSR, FP, NEF, and SP are respectively 0.886, 0.835, 0.888, and 0.867 which are above the benchmark (Bagozzi & Yi, 1988). The AVE values of CSR, FP, NEF, and SP are respectively 0.501, 0.562, 0.666, and 0.619 that are above the benchmark (Bagozzi and Yi, 1988). The previous intended values confirmed the validity of the model, goodness, and fitness, and is appropriate for the structural model. The detailed factor analysis conducted and it is found that chi-square and normed chi-square are 573.2 and 3.379. RMR and RMSEA values are in between the defined ranges and are 0.044 and 0.099 respectively. Confirmatory fit index value is 0.891 which indicated that this measurement model is good and fit for further analysis.

4.3 Hypothesis Testing:

Structural Model explained the direct relationship between CSR and financial performance as main variables. Moreover, non-economic factors included a mediating variable and stakeholder pressure as a moderating factor in the structural model. The structural model explained the significant and positive direct relationship between CSR and financial performance with a coefficient of 0.670 that explained the degree of dependency. Secondly, it was examined that CSR contributed significantly and positively to a non-economic factor with a coefficient of 0.729. Finally, the non-economic factor had a significant and positive influence on financial performance.

Table 3 Standardized Regression Weight

			Std. Est	S.E	T-Value	P-Value			
CSR	→	FP	0.760	0.047	18.268	0.000**			
CSR	→	NEF	0.729	0.052	16.652	0.000**			
NEF	→	FP	0.726	0.042	16.481	0.000**			
Mediation Analysis									
			Effect	SE	LLCI	ULCI	R ²	ΔR ²	P-Value
CSR→ NEF→FP			0.299	0.067	0.165	0.427	0.641	0.11	0.000
Moderation Analysis									
			Effect	SE	LLCI	ULCI	R ²	ΔR ²	P-Value
CSR →FP			0.802	0.217	0.375	1.230			0.000
SP →FP			0.345	0.195	-0.039	0.729			0.078
Int 1			-0.035	0.049	-0.131	0.062	0.299	0.001	0.479

The method of Preacher and Hayes (2004) was applied to examine the mediation analysis that was considered most appropriate for moderating and mediating analysis. The empirical findings explained that non-economic factors contributed to a significant mediating role between CSR and financial performance. This relationship proposed significance in both the lower level confidence interval (LLCI) and the upper-level confidence interval (ULCI). The value of R-square proposed that 64.1% of variations in financial performance are due to CSR and NEF. The values of these relationships are as follows 0.299 [p <

Moreover, Preacher and Hayes, (2004) method adapted to analyze the moderating role of stakeholder pressure on the relationship between CSR and FP. In the first row, CSR is contributing toward performance but the involvement of stakeholder pressure did not affect the financial performance. Finally, the interaction term of SP did not contribute as a moderating variable. There is a significant difference among LLCI and ULCI because the values are showing adverse directions which confirmed the insignificance of the hypothesis. The role of SP is defined in between CSR and FP because there is significant difference have shown at a lower, moderate and higher pressure level of stakeholder pressure.

5. Discussion and Conclusion

The main objective was to examine how financial performance is determined by non-financial factors. The rising shareholder activism and increased regulatory control forced the companies to comply and meet the expectations of stakeholder (Jo & Harjoto, 2012). The ongoing debate of socially responsible investment posits that organizations which remain concerned about the environment are also subject to have a good financial track record (Schumpeter, 2013; Abdulai Mahmoud & Hinson, 2012; Moon, 2004; Kumar et al., 2001). The social outlook of the organization also affects the stakeholder perception and builds a positive image. Most of the studies relevant to CSR have been examined in the context of developed economies.

Therefore, there is limited evidence that how corporate reputation results into material benefits in the context of developing economies (Choongo, 2017; Crifo et al., 2016). By addressing this gap, the study by using primary data inspected the potential impact of CSR on financial performance (Adegbite et al., 2019). Non-economic factor and stakeholder pressure were incorporated as mediating and moderating variable. The structural equation modeling result delineates a positive significant impact of CSR on financial performance in the context of the banking sector of Pakistan. Beside the one-way relationship, the two-way relation always remains significant. The moderating role of stakeholder pressure remains insignificant and the magnitude of the relationship between the explanatory variable and the dependent variable.

The result asserts the view held by previous studies that the stakeholder pressure remains significant to affect the organizational policies and procedures. However, it is also evident that excessive pressure leads to an increase in the cost of philanthropic activities (Lim & Greenwood, 2017). Therefore, there should be an optimal limit for such activities to regulate while staying profitable. The excessive stakeholder pressure would lead to negatively affect the firm operating performance. Accordingly, the mediating role of non-economic factor remains pivotal and affects the bank's financial performance effectively. The cohesive dependency of financial performance on the socioeconomic variable is an insight which should be considered with caution. The stakeholder remains robust toward society at large and expects that their resources should be utilized in the best interests of society.

The noneconomic factor along with CSR initiatives remains conducive to affect the financial performance. Therefore, financial companies particularly banks should remain vigilant about their social and community obligations. The CSR initiatives not only result in improved financial performance but also build the organization image. The image of the organization or reputation remains a precursor to improved financial performance. Most of the economic contract is earned based on reputation because investor or believes that good investment opportunities are derived from highly repeated firms. Therefore, CSR initiatives not only improve material performance but also result in improved corporate reputation. Conclusively, findings indicated that CSR and non-economic factors are a potential determinant of financial performance (Sindhu & Arif, 2017).

The results of this study are best aligned with (Choongo, 2017; Crifo et al., 2016) who proclaim that CSR remains the potential determinant of financial performance in the context of the banking sector. Similarly, the findings of the (Choongo, 2017; Crifo et al., 2016) are also closely related with our viewpoint by positing that CSR and noneconomic factor have a potential impact on the market and firm performance. The findings of the study also deviates from (Peloza & Shang 2011; McWilliams, Siegel & Teoh, 1999), adhere to the notion that stakeholder pressure and activism is a potential factor to enforce and regulate the socially responsible behavior of the organization.

In current scenario, the findings of stakeholder pressure are insignificant but historical studies recommended that it can play a central role in governing the organization behavior about their social obligation. However, future studies should consider how excessive stakeholder pressure effect firm financial performance and increase the cost of noneconomic activities. The role of noneconomic factor reflects the long-term going concern and indicates the organizational efforts to fulfill their community obligation in which they are operating. The banking sector in the context of Pakistan should pay attention to their noneconomic and social duties to meet the stakeholder expectation.

Accordingly, the stakeholder theory holds the notion that stakeholder insight should be incorporated to achieve financial goals effectively. The study has thoughtful policy implication for top-level management to incorporate the voice of stakeholder in their strategic planning. Management should pay close attention to CSR and philanthropic initiatives to gain a positive economic return. Moreover, improved social image results in the improved corporate image which in turn have various economic benefits. In this age of

dynamic and fierce competition investors are largely attracted due to corporate reputation because most of the investor believes that good investment hail from good companies.

Limitations and Future Directions

The study is subject to certain limitation because the research process is considered persistent and continuous over a long period of time. First, the sample size involved in the analysis is limited and the data collection is based only on selected regions of the Pakistani banking sector. Second, there is a lack of generalization of findings for international economies because this study is based on a single economy. Third, there is another limitation that is based on corporate social responsibility, since it has only considered the confirmatory factorial analysis of the first order, while in future studies the second-order CFA can follow the economic, ethical, legal, economic, and philanthropic of CSR. Future studies may consider moderating the influence of non-economic factors to improve the generalizability of the findings. Finally, there is a need for longitudinal comparative studies in the context of developed, emerging and developing economies on corporate social responsibility and financial performance.

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Contours of Emerging Technology on Work Life Balance and Economic Well-Being

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Abstract

Diversity of the emerging technologies in the contemporary era is revolutionizing the world. It has overblown the salience of technology for marketers, social scientists, policy makers and new settlers. These are creating formidable new challenges in which business leaders can anticipate and plan for the effects of these new technologies on their organizations. In the prevailing environment, high growth, emerging markets, emotional intelligence, geo-economic orders and strategic use of technology indicate how vast the chasm between global investments is crucial to maintain sustainable competitive advantage. Consecutively, drawing research endeavor towards finding out gap through gathering information, making decisions, trying inferences and finally making predictions in the ambit of technology and economic well-being. Resultantly, this study aims in bridging the gap between these two variables particularly when linked with HR practices. The gap identified continues with the exploration of how technology interweaves economic well-being as well as work life balance with profound changes that are being driven by digital environment. Data collection has been carried out by using the instrument of survey questionnaire with further analysis through SPSS. The research under taken is quantitative in nature. The qualitative data has been acquired from the secondary sources. However, the primary data has also been used through applying Survey technique as mentioned. This study provided the empirical confirmation thereby supporting the framework of the technological utilization with its impact on work life balance and economic wellbeing. More specifically technology had positive effects on work life balance and economic wellbeing which are in line with the findings of the research.

Keywords: Technology, work life balance, economic wellbeing, productivity, workplace.

1. Introduction

1.1 Contextual background

In a rapidly evolving world, organizations are experiencing multiple challenges, fundamentally altered by new phenomenon such as big data, digitalization, information distribution and the extensive possibilities as a consequence of technological revolution (Zhou, Y., 2020). Technology remains a constant and indeed is the catalyst for bringing about drastic changes in the diverse environments we live and work in (Kim & Hollenbeck, 2018). Society has embraced technology like never and, with the advent of online connectivity, every household, classroom, business; public place has been virtually transformed where social media has played a key role in mobilizing people for any given cause; it can be fundraising, political campaigns or social activism, consequently setting the global landscape into fluid motion (Khemaja, M., & Khalfallah, S., 2019). With these countless benefits of technology, old rules simply don't apply it has transformed everyday life; the PC's on your desk, the cell phones next to your bed, technology-based appliances at home, Wi-Fi router etc. have revolutionized the lifestyle. In this backdrop, one comes up to the cardinal argument rather main hunch that none of the modern business society can achieve its projected targets without applying latest methodological and technological tools.

The story of the global rise of technological adaptation is a nice example for illustrating economic impact of emerging technologies and the magnitude of changes that are going to trigger in the near future (Hecht & Allen, 2009). Mohr, J. J. and Sarin, S., (2009) broadly declared Ducker's insights on management that management has to recognize that there is no one technology that pertains to any industry, on the contrary, all technologies are capable to have an impact on any industry. Most of the organizations are dependent on information technology for gaining the competitive advantage. They provide a perspective in which IT improves the decision making process particularly helping individuals as well as groupware to be more collaborative in terms of videoconferencing, emails, language translation groupware, communications, news bulletins and vice-versa. This IT revolution created an impact on digital economy and a pertinent source of increased productivity. Furthermore, their research examined the impact of technology on work life balance. It stated that work life balance is a state of equilibrium with the individual's position with the employment and personal lifestyle which indicates that both these should not

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overwhelm. Since decisions particularly in businesses are taken by human beings in everyday life. It affects an organization's capability to communicate within the business environment. First and foremost are the technological infrastructure and its relationship in a business. This infrastructure may affect firm's culture, its strategies, its efficiency and stakeholder's demands.

The vitality of emerging technology on business is well under way and impacting the parameters across large scale organisations. The digital revolution of the developed economies are entering into a new market place of smart phones, robotics and artificial intelligence. Whereas, less developed countries are quickly adopting these digital technologies. So, now it is critical for such countries to reorganize their economies around the digital transformation.

Nevertheless, despite the bright prospects of IT resolution in the digital economy, the flip side of it reveals some serious dilemmas i.e. it is expensive to invest in advanced technologies and to set up the required digital infrastructure. Additionally, the rise in fraudulent activities through such platforms require experts and trained professionals. Since, the process gets more automated, which means it requires less human resource, hence, its advancement may lead to more unemployment. Take the example of online banking itself.

In a nutshell, technology has reformed the way we work, communicate and play. This booming impact of technology on business is directly proportional to the profitability and future of rapid growth (Harris, Marett & Harris, 2011). Predictions of Ayyagari, Grover and Purvis, (2011) reveal that the development of robotics and Artificial Intelligence will be the most interruptive technological movement in the foreseeable future. New ways of thinking proactively have developed. In a retrospect, more modernized and dynamic ways of research are evolving in the market, which demonstrates the positive impact of IT along with the proven researches of Pitt-Catsoupes, Matz-Costa, & Macdermid, (2015) with the positive relationship between technology and economic wellbeing.

1.2 Problem Statement

This research endeavor towards finding out gap that how technology mingles with our work life balance and economic wellbeing through gathering information, making decisions, drawing inferences and finally making predictions with profound changes that help promoting digital environment. The fast impact of digital economy with its profound impact on IT has transformed the lives of individuals, governments and markets. Nevertheless, a cardinal argument rather question is raised that how the policy makers are swiftly and carefully devising policies to boost the productivity vis a vis digitalization while mitigating the risk of inequality and privacy concerns.

1.3 Gap Analysis:

The next wave of technological change has been emerged with the advent of big data, cloud computing and artificial intelligence (Holland & Bardoel, 2016). Researches of Holland, Cooper, and Hecker, (2015) have bridged the gap between technology and work life balance. This research endeavor towards finding out gap through gathering information, making decisions, trying inferences and finally making predictions in technology and economic well-being, that's why this study aims in bridging the gap between these two variables particularly when linked with HR practices. This identified gap continues the exploration of how technology interweaves economic well-being as well as our work life balance with profound changes that are being driven by digital environment. Becker and Huselid's, (2011) investigates the "Smart & Favorable" side of technology how it has impacted individuals inside and outside of an organization, how it has conceptualized electronic monitoring and surveillance of work particularly when linked with HR practices of organizations of high commitment trusting relationships.

From the existing literature, it has been found that technology has a positive implications on organizational performance whereas some findings of International Journal of Human Resource Management also states that IT alone have not build, sustain and extend competitive advantage, there are some "dark" sides also which needs to be addressed.

1.4 Research Objectives

RO1: To study the impact of technology on Work Life Balance

RO2: To examine the impact of technology on an Individual's economic wellbeing

RO3: To investigate how economic wellbeing mediates the relationship between technology and work life balance

1.5 Research Questions

RQ1: Does technology impacts Work Life Balance?

RQ2: What is the impact of technology on an economic well-being?

RQ3: How economic wellbeing mediates the relationship with work life balance?

1.6 Significance of the Study

Within the recent years, work life balance has been the most popular topic among employees and employers alike. Concerns of Holland, P., Bardoel and A., (2016) have been developed between the imbalance of these two spheres i.e. technological advancement and work life balance. It has shaped individuals in different situations and today's individuals make more pragmatic decisions and technological advancements have made this possible to strengthen their roles. Our current era, technology breathed life into stagnating businesses causing individuals to beat with the pulse defined by disruptions aspiring business professionals and entrepreneurs and leaders from every discipline (Holland, Cooper, & Hecker, 2015). The insights from the study of Howcroft and Taylor, (2014) shed light that the increasing pace of life and exponentially increasing volume of data; it analyses the fact that technology significantly helps in boosting productivity and finding solutions to social queries in a constantly shifting global landscape.

2. Literature Review

The existing body of literature on the subject matter is quite extended in nature due to the limitation of the study; relevant literature published in impact factor research journals has been reviewed. Excerpts rather essential aspects of the literature cited is given in the succeeding paragraphs.

2.1 Technology

Ratna, R., Kaur and T., (2016) emphasized on the importance of Information Technology, being the back-bone of industrial growth and businesses in the present era. The authors trigger the significance of business and economy while developing a direct linkage with IT. Their research work focus on the standing of IT Knowledge being base of technological advancement. The same also ponder upon learning of industrial factors, acquiring, adapting and changing the mind-set. The way things are done- regarding the workplace environment and industrial relations are considered to be the regular basis for the improvement of employment relations. With the changing pace of technology, investments associated with IT have a significant impact on any organization for maintaining a sustainable competitive advantage. Decision making simplifies the way decisions are made using IT tools. Some of the key tools include DSS (Decision Support System), AI (Artificial intelligence), OLAP (Online Analytical Process) etc. All these tools facilitate decision making process by giving you the ability to access massive amounts of data and information.

Constantly, such technologies lead an industry to manage its relationship with the modern society. As Mohr, J. J. and Sarin, S., (2018) broadly declared Ducker's insights on management to recognize that there is no single technology that pertains to any industry, on the contrary, all technologies are capable to have an impact on any industry. Most of the organizations are dependent on information technology for gaining the competitive advantage. They provide a perspective in which IT improves the decision making process particularly helping individuals as well as groupware to be more collaborative in terms of videoconferencing, emails, language translation groupware, communications, news bulletins and vice-versa. This IT revolution created an impact on digital economy and a pertinent source of increased productivity. Furthermore, their research examined the impact of technology on work life balance. It stated that work life balance is a state of equilibrium with the individual's position with the employment and personal lifestyle as both should not overwhelm. Moreover, decisions particularly in businesses are taken by human beings in everyday life. It affects an organization's capability to communicate within the business environment.

2.2 Technological Innovations

Bakker, A. B., Demerouti, and E., (2017) provide an overview of their research having impact on Job-Demands resources and increased technological innovations. They focus on some key aspects of the subject matter. However, it is pointed out that the technological devices complicate or facilitate our working life. These technological devices have somehow destroyed the relationships as the entire internet is on

fingertip, seriously affecting relationships. Now, unmeasured time is spent on texting rather than utilizing this to your direct relations. These social media apps have turned friends into foes and vice versa. Over the last few decades, devices were hard to repair but now it's easily managed. Social media apps like Facebook, WhatsApp, Instagram, snapchat and YouTube etc are just scrolling things repeatedly, which is actually keeping us away from actual life. These emergent technological innovations have made people not only lethargic but also vulnerable to multiple health risks even at the cost of life. Not realizing the fact that it has made tasks easier not lives easier. Consider an example where while sitting in a restaurant with your family you keep taking pictures of the food and then uploading it on social media to get maximum likes has not only destroyed the relationship but also it has negative consequences on individual's health. Thus, such improper way of using technology has influenced people to stop communicating. Talking about the divorce rates via Facebook, the percentage has dramatically increased from 2.18 % to 4.32 %. The conflicts particularly with your direct relations are easy to solve face to face rather it can be made more complicated through using technology. This resulted in reduction of the quality human interaction. The waves we are getting from such gadgets are creating cancerous waves that are harming individuals. This is one of the reasons of 5G cellular radiations used currently by cell phones and other similar devices becoming more saturated. The Federal Communication's Commissions (FCC) head Tom Wheeler in his press conference in June 2016 in USA identified key harmful 5G health effects with the real time dangers of such technological advancements. This is creating massive disruption on an individual's health. Plenty of studies enlists strong biological effects including DNA single and double strand breaks, generation of stress proteins, disruption to brain glucose metabolism, melatonin reduction, increased blood brain barrier permeability, disruption of cell metabolism and oxidative damage etc. In 2011, World Health Organization (WHO) classified such radiations as a possible 2B carcinogen. The most recent study of National Toxicology program concluded that \$25 million radiations are produced by the cellular devices which can cause cancer.

2.3 Work Life Balance:

Today lives are more complicated one cannot even imagine living indecently without using the technology. However, internet and mobile technologies influences flexibility, permeability, autonomy, interference, segmentation, job satisfaction, job stress of work life balance. It shapes an individual's perspective of flexibility regarding work and life balance. The technology driven connectedness have challenged the strong ideology of work and life. Whereas, some individuals wanted to do more work during their personal time while some are reluctant to do their personal work at workplace. Both these are two different dimensions to look upon the spheres of work and life. The boundary of separability and permeability exists between these two separate role domains. One role may affect the other role or behaviour in this sphere. While writing about the conceptual framework of work and life, it is evident that internet and mobile technology has created awareness among individuals at work place i.e. the smart and the dark side of these technological innovations. In these revolutionary days, technology has proved to be crucial factor that influences work life balance particularly virtual technologies. The web based communications such as emails; video-conferencing have pertinently influenced the flexibility and permeability of work and life. Individuals at work place may take advantage of this flexibility and permeability where they can complete their work at any time or anywhere regardless of any boundary via flexible working practices. It reveals another fact that work and life transform geographical locations too through both integration and segmentation of work and life. Moreover, older generations are of view that they are reluctant to use new technologies and found a threat in their jobs that these emergent technologies may take their jobs. Thus, it has reduced the likelihood of adopting new technologies.

2.4 Economic Wellbeing:

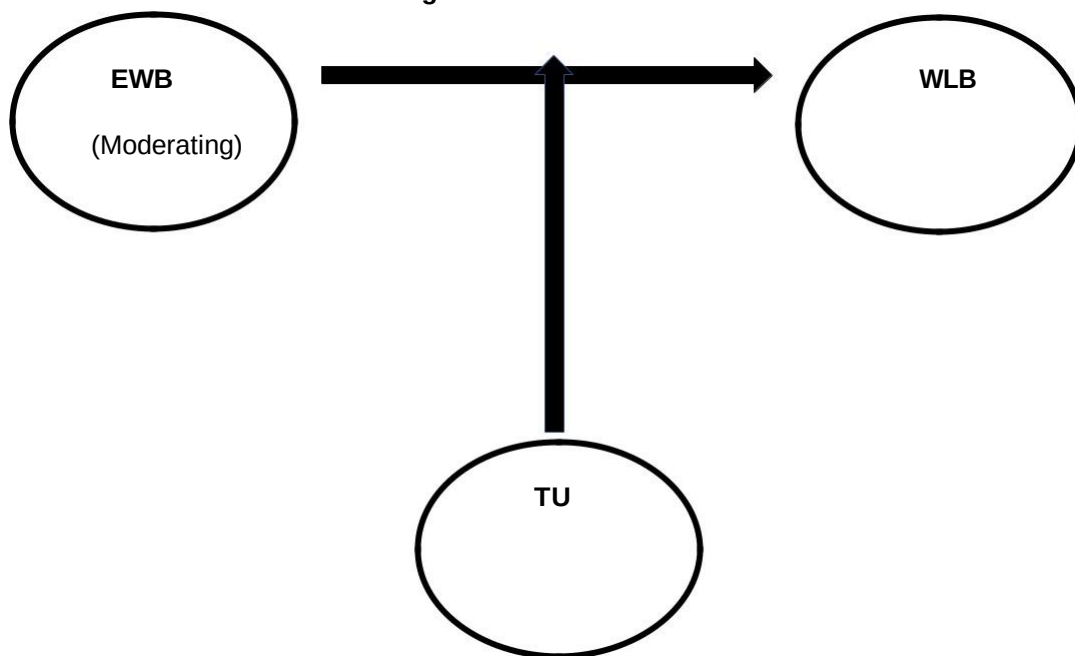
Global economy has a direct linkage with the technology and marketplace. An international trade, improved standards of living, transformation has virtually transformed the global economic culture. So, economics and financial analysts are of view that economic metrics such as GDP, GNP, productivity and corporate benefits are great areas of concern in a foreseen future. The technological advances have significantly influenced plenty of innovations and improved operational effectiveness whereas minimized the cost. Consider an example where an individual mainly a technician can easily control manufacturing plant, computer industry, robotic systems etc. This shows that the technological advancements have made individual independent in his decision making process. Now, the physical barriers can be overcome with the advent of internet and other technological advancements. Thus, online links have been developed by many of the manufacturing plants where all the demand and supply of the consumer goods have online

data base that what is required in what region and within what time frame or what product is in shortage and vice-versa. These suppliers are keeping track of production line. Since, automated systems has fast paced emergence of disruptive products and business models. Within this new context, digital technologies and transformative powers has capability of reduced costs with efficient operational business models. The term as “technology economy” is detecting the economic impact on business, society and future of individuals. According to the world economic forum whenever the companies tried to reduce the technological investments aiming to boost up the profits, the results is opposite where profits were badly slinked. This shows that technology investments is the back-bone of innovations and advancements that starts with high profits and productivity after years. As a matter of fact of large organizations, patience in technological investments is the key to success.

The research work of Dittmar, J. E., (2017) suggested that merging of work and life has been made possible with the advent of technology via internet. The concept of work life balance has changed drastically with work and life is no separate entities. With the advent of technology, now we can maintain a contact with our home lives even we are away regardless of the time and location resulting in a consistent flexibility to accommodate work and personal life. According to the research of Hill et al., (1996); Hill et al., (2001); Towers et al., (2006); and Middleton, (2008) explores the major phenomena that, greater the productivity, greater will be the efficiency by using the technology it offers.

2.5 Theoretical Framework:

Figure 1: Theoretical Framework



2.6 Hypothesis

- H1:** Technology has significant positive impact on Work Life Balance.
- H2:** Technology has significant positive impact on Economic wellbeing.
- H3:** Economic wellbeing has significant positive impact on work life balance.
- H4:** Economic wellbeing significantly positively mediates the relationship between technologies and work and life balance.

3. Research Methodology

In order to gather and generalize results, purposive sampling technique based upon quantitative research was used to collect data. This study used survey questionnaire to collect data to determine technological utilization with its impact on work life balance and economic wellbeing. Thus, the instrument

measured technological impact with its relationship with work life balance and economic wellbeing. The qualitative data has been acquired from the secondary sources i.e. already published literature (research articles published in impact factor Journals, books and relevant websites) etc. However the primary data has also been used through applying Survey technique as mentioned.

3.1 Population

This study was conducted in Islamabad, Capital Territory of Pakistan. Data was collected from the employees of Semi Government/ Private Organizations. These organizations include Pakistan Tele Communication Limited (PTCL), TCS Courier Company, Ufone, Swiss One Aviation Private Limited, Prestige International, Finca Micro Finance Bank, First Women Bank Limited. (FWBL) etc.

3.2 Sample Size

The sample size includes 205 questionnaires which were distributed among employees of private organizations. Among these questionnaires 180 were collected whereas, 25 questionnaires were not returned by the respondents.

3.3 Instrumentations

The instrument used in this research was adapted from earlier researches because this method is convenient to both respondents and researcher. It is also inexpensive and able to reduce bias. The Scale comprising of fourteen developed by Duque, R. B., Ynalvez, M., Sooryamoorthy, R., Mbatia, P., Dzorgbo, D. B. S., & Shrum, W. (2005) was used to assess technological utilization in daily life. Whereas, the second scale comprising of sixteen items developed by Pearce, P. L., & Gretzel, U. (2012) was used to measure the impact of technology on individual's economic wellbeing and work life.

The five points Likert Scale was used in the research having labels of strongly disagree, disagree, neutral, agree and strongly agree respectively. "1" represents strongly disagree, "2" represents disagree, "3" for neutral, "4" represents agree and "5" for strongly agree.

3.4 Data Analysis

Upon completion of the data collection, the collected data was entered for normality test to ascertain its normality. Subsequently, data analysis was conducted using Statistical Package for the Social Sciences (SPSS 23 version) for the data capturing and analysis. Guided by practical considerations the preference was given to SPSS software to analyze the data. Since, it is extensively used and recognized within the business, social sciences and economics. Moreover SPSS satisfied the data analysis requirement of the researcher. Among the analysis which was conducted was the validity and reliability analysis to examine the connection between the variables. Finally, multiple regression analysis was also performed to examine between dependent and independent variables.

4. Results

4.1 Reliability of Tools

Table No 1: Reliability of Tools (N=180)

Dimension	No of Items	A
Technology Utilization	14	.734
Work Life Balance	11	.688
Economic Well Being	5	.281

For data analysis, reliability of scales was tested using linear regression analysis to test the hypothesis using sample size (N=180). The table above shows reliability of Tools. The combined Cronbach's alpha value comes out to be as .693 which shows the reliability of tools. Whereas,

The table below shows correlation between all the variables. Economic Wellbeing has significant positive correlation with technological utilization i.e. ($r=.000$) as well as technological utilization has positive correlation with work life balance as described. Therefore, the means of these three variables have a positive correlation which supports our research objectives i.e. RO1,RO2 and RO3.

4.2 Correlation Table:

Table No 2: Descriptive Statistics for study variables (N=180)

Variables	Technology	Economic well being	Work Life Balance
TU	1		
EWB	.303**	1	
WLB	.636**	.367**	1

** : Correlation is significant at the 0.01 level (2-tailed), Note: TU=Technological utilization, EWB: Economic well-being, WLB: Work life balance

In regression analysis we discuss the strength of the relationship between dependent and Independent variable. From the analysis we take key important values from the overall Regression analysis. First we take which measure the variability. Then we have β standardize Coefficient compares the relative strength of different variables. Then we have significance Statistics showing the reliability. The descriptive table shows that technology was found significantly positively related with work life balance and economic wellbeing. Therefore, these results supports our RO1 and RO2.

4.3 Regression Table:

Table No 3: Linear regression analysis reflecting the impact of technology on work life (N= 180)

Variable	R ²	B	Sig
Technology	.404	.636	.000

*Dependent Variable: Work Life
Independent variable: Technology

In regression analysis we discuss the strength of the relationship between dependent and Independent variable. From the analysis we take key important values from the overall Regression analysis. First we take which measure the variability. Then we have β standardize Coefficient compares the relative strength of different variables. Then we have significance Statistics showing the reliability. The table 1 shows that technology was found significantly positively related with work life.

For Technological Utilization value r square is .404 which means that independent variable (technology) account for 40.4% of the variation in dependent variable (Work life). Beta coefficient is 0.636 which mean the regression beta coefficient is positive, also for each unit increase in the independent variable; the dependent variable will increase by 40.4%. Therefore hypothesis H1 was accepted. Furthermore, these results provide support for our RO1 and RO2.

Table No: 4: Linear regression analysis reflecting the impact of technology on economic wellbeing (N= 180)

Variable	R ²	B	Sig
Technology	.092	.303	.000

*Dependent Variable: Economic Well Being
Independent Variable: Technology

The table 4 discusses key important values from the overall regression analysis between dependent variable (Economic wellbeing) and Independent variable (Technology). The β standardize coefficient compares the relative strength of different variables. Then we have significance Statistics showing the reliability. The result shows that technology was found significantly positively related with economic wellbeing.

For Technological Utilization value of r square is .092 which means that independent variable (technology) account for 92.0% of the variation in dependent variable (Economic Wellbeing). Beta coefficient is 0.303 which mean the regression beta coefficient is positive, also for each unit increase in the independent variable; the dependent variable will increase by 92.0%.

Table No: 5: Moderated Regression Analysis reflecting the moderating impact of economic wellbeing on work life (N= 180)

Variable	R ²	B	Sig
Economic Well Being	.134	.367	.000

*dependent variable: work life

Independent variable: Economic wellbeing

The table 5 discusses key important values from the overall regression analysis between dependent variable (work life) and Independent variable (Economic wellbeing). The β standardize coefficient compares the relative strength of different variables. Then we have significance Statistics showing the reliability. The result shows that work life balance was found significantly positively related with economic wellbeing.

For economic wellbeing, value of r square is .134 which means that independent variable (Economic wellbeing) account for 36.7% of the variation in dependent variable (Work Life). Beta coefficient is 0.367 which mean the regression beta coefficient is positive, also for each unit increase in the independent variable; the dependent variable will increase by 36.7%. Therefore hypothesis H3 was accepted.

Table No 6: Descriptive Statistics for study variables (N=180)

Variables	Technology	Economic well being	Work Life Balance
TU	1		
EWB	.303**	1	
WLB	.636**	.367**	1

Hence, it is evident from the given descriptive table which shows an overall summary of the data. Here, the economic wellbeing significantly positively mediates the relationship between technology and work life balance. Therefore, hypothesis H4 was accepted.

Table No: 6 Summary of Hypotheses

Hypotheses	Results
H1: Technology has significant positive impact on Work Life Balance	Supported
H2: Technology has significant positive impact on Economic wellbeing	Supported
H3: Economic wellbeing has significant positive impact on work life balance	Supported
H4: Economic wellbeing significantly positively mediates the relationship between technology and work life balance	Supported

Table No: 7 Summary of Research Objectives

Research Objectives	Results
RO1: To study the impact of technology on Work Life Balance	Supported
RO2: To examine the impact of technology on an Individual's economic wellbeing	Supported
RO3: To examine the impact of technology on an Individual's economic wellbeing	Supported

5. Discussion and Conclusion

5.1 Conclusion

This study provides the empirical confirmation hence supports the framework of technological utilization and its impact on work life balance as well on the economic wellbeing. More specifically technology has positive effects on work life balance and economic wellbeing which are in line with the findings of previous literature. Gruber, H., and Koutroumpis, P., (2017) shed light on the magnitudes of changings that have been extensively studied of what is referred to as general purpose technology. The new modes of technology linked with the business models is directly proportional to the worthiness and has significant network externalities. Moreover, the economics literature suggests to the value of the technology usage with the implications of additional benefits coming from the IT infrastructure. This study Koutroumpis,

P., (2009) finds out IT growth of high income developed countries which is 50% higher than the low income countries. Comparing these growth countries econometric specifications, the empirical work suggests a mechanized framework that collaborates over long distances and exchange information when accessing its economic impact. More precisely Barge-Gil, A., and Modrego, A. ,(2011), firm's competitiveness has grown impressively making technology an important priority that had generous utilization for policy makers, universities technological organization, research centers and Technology institutes. Addressing the sophistication of technology, a more evidence based research Kim, S., and Hollensbe, E., (2018) suggests that professional employees always seek equilibrium between work and life

The constant access to the world via wireless technology has changed the way we connect with the world. Wireless technologies are more trending in the world even to the life which we can't even imagine. Those individuals who are utilizing this wireless technology well are exploring new dimensions and are educating themselves better for social, business and professional connections. Altogether, the research suggests that these fruitful technological advancements are a step towards fast communications contributing towards socio-economic growth. While talking towards some technologies in this category, one cannot deny the fact about Google which is simple and the renowned search engine used around the world. When it comes to downloading or exploring no other search engine can beat google in its interactive and fast-way. However, an elaborative analysis contributes well towards wireless technologies impacts our lives. It has not only simplified lifestyles well but also sorted out glitches. Some of the major contribution of wireless technologies is in spreading help during natural calamities. Food, medicine and other guidance are in reach prior short notice. Since, it had turned the world into a global village where every information is speeded within seconds without the barriers of time and distance. It is one of the major contributions or success with what is happening in the world where every news is accessible or within the reach even if you are travelling. Another major contribution of wireless technologies is the invention of smart phones. These smart phones had multiple roles from communication purpose to entertainment, education, business and profession. Moreover, it synchronizes and organizes making use of wireless technology in a more manageable way than ever. So, one can come up with a strong analysis that wireless technologies has revamped our life totally in a both good and bad manner. We cannot deny the remarkable presence of wireless technologies in growth and other sectors but with the fact that its use in a right way will lead towards business enhancements and professional activities where you can channelize them in a better way leading towards some simpler, easier and faster activities.

In a nutshell, everything we do has not only changed, but keeps changing as technology progresses further. It follows that, to keep abreast of these changes, especially through conventional mediums, is a daunting task.

5.2 Discussion of Results

The results of the current study indicates that, among individuals, technology is positively related to economic wellbeing whereas work life balance is positively related to the technology via individuals perception on person work fit. Our findings are in line with the evidence of previous researcher's Dittmar, J. E., (2011) findings that that effective utilization of latest technologies ensures economic wellbeing and have proved cost-effective outcomes. This research endeavor towards finding out gap through existing literature that technology mingles with our work life balance and economic wellbeing with profound changes that help promoting digital environment. All the four Hypothesis that are tested supports our research objectives i.e. technology has a positive implications on organizational performance and it has transformed the lives of individuals, governments and markets. These findings also discusses that IT alone have not build, sustain and extend competitive advantage, there are some "dark" sides also which needs to be addressed.

5.3 Managerial Implications

This study contributed to literature on the role of technology in economic wellbeing and work life balance. As per the knowledge of researcher the economic wellbeing model has not been previously tested whereas, some evidences of research are there in terms of work life balance, thus filling the gap that existed in the literature. The result of this study is valuable for managers in general and top management in specific. It is suggested that organizations should focus on employees work life to reduce stress and other discomforts that ultimate reduces an employee's productivity. Moreover, economic wellbeing allows employees to be good performers and exponentially decrease the volume of distress level. Employees are one of the most important assets for an organization. Thus, treating them well will make significant

changings related to employees' emotions intentions as well as will be the reason for the success of an organization. The top notch need to understand the "Smart & Favorable" side of technology that how it has impacted individuals inside and outside of an organization.

It is important for all the tiers of management to enhance the employees work life balance in the development and evolution of technology that has showed greater efficiency in the quest of business environment and find solutions to social queries in a constantly shifting global landscape.

5.4 Limitations and Future Research Directions:

The data collected for the purpose of this study Information is only cross-sectional in nature which resulted in our inability to draw strong causal deductions concerning the generality of the identified linkage. Further research with longitudinal design is required to be conducted to further validate the facts. Another limitation was the limited sample size because targeted population was limited. However, the limited resources generalization of findings is associated with this research. Only few organizations were surveyed and respondents were limited to workers of public and private sector of Islamabad region of Pakistan. Respondents of different localities may share diverse observation about the variables under consideration. Time shortage was also the limitation of this research whereas few information provided by the respondents was biased which resulted in not deducing the strong results which was evident by the existing literature.

Lastly, the researcher only explored the impact of only few mediating variables with the relationship of technology. The present findings can be expanded in number of ways. Further research is required on this subject by employing longitudinal research designs to further validate the findings. Since relationship of technology with other variables must be elaborated at macro-economic level. Future research should test the assumptions of technology at group level as well as organizational level to study the effects on individual's behavior. Lastly, it should also be conducted where samples are drawn through probabilistic sampling technique to generalize the results. Finally, the impact of other mediators like flexibility can be investigated for better employees' performance.

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ACRONYMS

AI	Artificial Intelligence
DNA	Deoxyribose nuclei Acid
DSS	Decision Support System
EWB	Economic wellbeing
FCC	Federal Communications Commissions
FWBL	First Women Bank Limited
GDMS	Group Decision making Support
GDP	Gross Domestic Product
ICTSD	International Centre for Trade and Sustainable Development
IT	Information Technology
JDR	Job Demand Resource
OECD	Organization for Economic Corporation and Development
OLAP	Online Analytical Process
ROI	Return on Investment
SPSS	Statistical Package for the Social Sciences
WHO	World Health Organization
WLB	Work Life Balance

Role of Office Furniture in Office Ergonomics & Employee Performance: Evidence from Faculty of Higher Educational Institutes of Karachi

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Abstract

Office ergonomics is treated as one of the most important aspect for maintenance of employees' job satisfaction. Most of the times studies based on office ergonomics are trying to uncover impact of several elements in a single study. Although it has evident that office furniture is the element which affects employee performance and health in a most critical manner. One of the studies in Pakistan indicated that office furniture is affecting employee performance even when other elements are seems to be absent. Hence this results conduction on more research on effect of office furniture, not only in Pakistan but all over the globe. Although most of the researchers specially from developing countries like Pakistan are still conducting studies on hybrid of office design elements. Hence the study which specifically focus on the most potent variable of office design is seems to be mandatory. The purpose of this study is focused extensively on effect of office chairs' and office tables on employee productivity. Initially the data collected for evaluation of these variables was evaluated through reliability testing through SPSS but for detailed inferential analysis Smart PLS has been used as the tool of analysis. Results of the study indicated office chairs has significant impact on employee performance although desks does not have the significant impact. On the other hand, moderation of gender is potent in creating effect of office design elements.

Key Words: Office Furniture, Office Chairs, Office Tables, Employee Performance and Office -Ergonomics

1. Introduction

Use of furniture is a tradition since Stone Age when rocks are used to craft tables and chairs (Oyewole, Haight & Freivalds, 2010) & its purpose is to make people more effective. Although office furniture is not ben designed to address individual concerns and needs (Adu Adu and Effah, 2014). It is also a requirement of management that furniture must be ergonomically sound to make employees motivated (Sarode & Shirsath, 2012). Reason being employees spend 50% percent of their life at work and thus furniture is potent enough to affect performance, mental status, actions and abilities (Sundstrom, 1994). Therefore, condition and relevance of office furniture is treated as immensely important for managing issues associated with employees' productivity and health (Mat, Yusof, Said & Ali, 2017 & Pickson, Bannerman & Ahwiring, 2017).

Moreover, office furniture is also potent for the increase in level of organizational productivity (Mat et al., 2017) and thus company even hire ergonomics experts to make their workplace better (Sarode & Shirsath, 2012).

2. Purpose and Problem Other Research

Study of Adu et al (2014) indicated that studies on role of office furniture are potent in making management inclined towards enhancement of office design facilities. Study also indicated that optimization of office design facilities resulted in saving extra production hours and legal proceedings against company etc. Study conducted by Jaffri (2015) indicated that furniture is the element which is critically affecting employee performance even when other elements are absent. Similar findings were found by the study of El-Zeiny (2012) that performance has been affected most by office furniture. In fact study conducted specifically on role of office furniture in India also highlighted the importance of furniture in optimization of employee satisfaction.

Thus there is also a requirement of studies which will focus exclusively on the role of furniture on employee performance. Especially, in Asian countries where physical aspects of work environment are not treated properly hence there it is legitimate to evaluate relationship between office furniture and employee productivity (Singh, 2018). These postulates are legitimate to believe as in Pakistan employee have to spend eight to nine hours in offices which resulted in constant interaction with office furniture (Riaz, Shoaib & Sarfraz, 2017 & Sultan, Zafar & Anila, 2016). Hence Riaz et al (2017) recommended to purchase ergonomically sound furniture's for offices which aids in making employee gel with the environment (Sarode & Shirsath, 2012).

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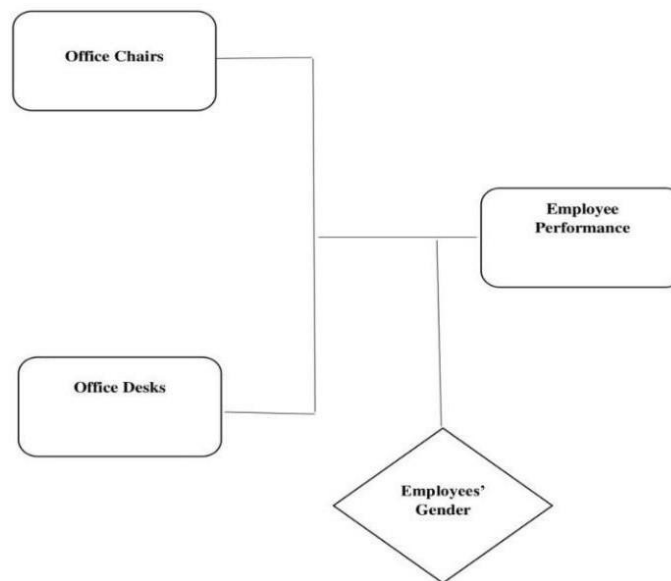
3. Theoretical Framework and Delimitations

Studies on office ergonomics mostly try to identify the impact of office design elements on employee's performance e.g. Jaffri (2015), Ojo Bailey Chater and Hewson (2018), Riaz et al (2017) and Sultan et al (2016). Although none of the prior studies tries to evaluate impact of office furniture in depth on performance of employees, although El-Zeiny (2012) indicated it is most potent variable among office design elements. However, some studies like Adu et al (2014) in Ghana, Adum Ebeze Ekwugha and Okika (2016) in Nigeria and Singh (2018) in India solely based on impact of office furniture. Although Adu et al (2014) extensively focused on office chairs, Adum et al (2016) focused on hybrid of office furniture and office equipment & Singh (2018) conducted generically on office furniture (hybrid of desks and chairs). Therefore, thought process generated from Adu et al (2014), Adum et al (2016) and Singh (2018), was correlated with other studies on office design elements, especially with those which are from Pakistan. The Process indicted that chairs and Desk (Table) are the potent variable included in the construct of office furniture. Although Saha (2016) indicated that office furniture includes desks, chairs, filing system, shelves and drawers but there are almost no studies regarding the filing system, shelves and drawers. Therefore, the upcoming literature will highlight exclusive the impact of desks and chairs used in faculty rooms of HEIs on employee performance with respect to higher educational institutes (HEIs) of Karachi city. There are mainly four (4) reasons for selecting HEIs (Asghar, 2019).

- a) Higher education sector is treated is most important sector for the development of any economy
- b) The sector is dominated by the presence of HEIs in Pakistan.
- c) In our country HEIs are also keen to invest in development of infrastructure facilities.
- d) Although products of the sector are not performing as per the requirement of the market. Hence there is significant requirement to check level of satisfaction of teachers in HEI, especially with those elements with which they are in continuous contact.

Moreover, office furniture affects performance of different genders study of Hameed and Amjad (2009) indicated furniture affect performance of males more as compared to their counterparts. Contrary to this, El-Zeiny (2012), indicated that female workers are more affected by internal office environment and lesser satisfied with the office design facilities in private sector organizations of Egypt Similarly study of Brand (2008) indicated the difference in impact of office ergonomic due to different gender and variation in weights. Therefore gender is used as the moderating variable in this study to check the impact of office furniture exclusively on the performance of both the genders.

3.1 Research Model



3.2 Research Hypotheses

H_{1A}: There is a relationship between office chairs in Higher Educational Institutes of Karachi and performance of faculty

H_{2A}: There is a relationship between office desks in Higher Educational Institutes of Karachi and performance of faculty

H_{3A}: Gender does moderates the relationship of office chairs and performance of faculty in Higher Educational Institutes of Karachi

H_{4A}: Gender does moderates the relationship of office desks and performance of faculty in Higher Educational Institutes of Karachi

3.3 Significance of the Study

Manggo (2014) indicated that it is requirement of recent era that administrative managers must have knowledge regarding impact of ergonomics furniture on performance of employees. Supplemented with the indication of Jaffri (2015) this study would be significantly impactful for administrative managers of HEIs. Through this study administrative managers might became able to convenience top management for more budget and might also gain appreciation from faculty and staff members. Moreover, this study is also beneficial for enhancement of research work on role of office furniture in other form of organizations, especially in government sector as Jaffri (2015) highlighted the significance with respect to employees of NADRA. Furthermore, this study is also potent in highlighting the perception of faculty regarding office ergonomics which might also be used by Human Resource and administrative managers to deal with the issues of productivity especially in higher education sector of Pakistan.

3.4 Literature Review

Sehgal (2012) highlighted the importance of office furniture as it might optimize productivity of employees as well as organization (Riaz et al., 2017). Although office furniture needs to be ergonomically sound as it will aid people in getting gel with the working environment (Sehgal, 2012). Use of ergonomically sound furniture results in positive feelings from employees and diminishes probability of incidents. Hence the performance rises directly with the motivation of employee which aids in better organizational performance (Sultan et al., 2016). Therefore, the upcoming literature will provide detailed review of literature associated with these two elements of office furniture.

3.5 Office Chairs:

In the era of industrial revolution the concern towards optimization of employee comfort has been increased significantly with special concern towards office chairs. In recent times lot of research work is underway to design effective office chairs in order to boost employee morale through better facilities and working conditions (Noshin, Sen Gupta & Kibria, 2018). Chair plays a significant role in job performance as most of the developed countries, 75% of office work are performed in the state of sitting (Adu et al., 2014). Therefore, a good chair is necessary which is capable of providing optimal support to back, legs, buttocks and arms & can also reduce stress ad exertions while working (Adum, et al., 2016).

Sitting posture is also associated with comfort and reduction of stress as good posture will produce lesser stress on buttocks, back and arms of employee (Adu et al., 2014), thus good chair is necessary to induce employee performance. These findings looks true as office chairs might reduce musculoskeletal function and benefit those who used to sit on the office chairs for longer period of time (Van Niekerk, Louw & Hilier, 2012). . Moreover, a good ergonomic chair must have adjustable seat and arm rest as both of these elements varies from one person to another and aid significantly in employees' comfort (Adum et al., 2016). Study of Nnanna Chukwunoso Geoffery and Otuu, J. B. (2016) also highlighted that adjustable office chairs are designed in a manner that their height might be adjusted as per the requirements of different sizes of human body. Similar found true by Noshin et al (2018) that adjustable chairs are preferred in office due to their ability to get adjusted with different physical structures.

3.6 Office Desk

Effectively designed chairs and desks are required to provide comfort to employees through linking concepts of human psychology and physiology. Study further indicated that desk must be simple and light and the surface must not be too dark or too polished (Klein, 1982). Although the appropriate height of desk cannot be estimated without knowledge about height of seat and seat pan angle (Brand, 2008). This indication is important as mismatch heights of elbow point of seat and desk might result in pain in employee's neck and shoulder (Grimes & Legg, 2004). Although effectively designed desks are the source of motivation through their support to elbow and larger space for legs (Sarode & Shirsath, 2012). Supported by Nnanna et al (2016) that adjustable office desks are recommended to optimize the productivity of workers having different body sizes.

3.7 Research Methodology

Research Methodology is treated as the manner to connect all the important points of research (Brannick & Roche, 1997). Therefore, this study combines all the important parameters highlighted by famous scholars like Saunders Lewis Thornhill and Wilson (2009) and Sekaran and Bougie (2016) etc. with the research gaps and requirement associated with office furniture in Pakistan. Though prior studies did not focus on distinguished office design elements on separate bases, therefore authors of other countries e.g. Adu et al (2014) and Singh (2018) etc. are taken into account to conduct research exclusively on impact of office furniture.

3.8 Research Design

The aim of the study is to foster knowledge regarding the impact of various elements included in office furniture therefore the philosophy indulged with it is epistemology (Saunders et al., 2015). The philosophical stance is post-positivism as the study is combining variables, indications, techniques and method so to challenge existing knowledge (John & Gray, 2010). Ponterotto (2005) indicated that the real use of post-positivism is to falsify the theory. This is coherent with this study as the study, as this study aimed to clarify the impact of office chairs and desk rather than hybrid of furniture. Strategy to conduct research is survey while method of data collection is mono-method (Saunders et al., 2015).

The study setting is non-contrived, unit of analysis is individual, researcher interference is moderate (Sekaran & Bougie, 2016) and time horizon is cross-sectional (Saunders et al., 2015 & Sekaran & Bougie, 2016). Study also follows indication of Vimalanathan and Babu (2017) to manage reliability through analyzing data descriptively before applying inferential statistics to indicate correlation among different variables, which is also the real purpose of the study (Sekaran & Bougie, 2016). Study also uses SMART PLS as this is the best software to deal with issue of theory building and small sample (Hwang, Malhotra, Kim, Tomiuk & Hong, 2010). This is the another point which assures the use of post-positivist as the philosophical stance, s prior studies on office design uses SPSS or AMOS as previous work is for theory testing.

3.9 Sampling Design

Sampling makes data collection convenient, as this is less time consuming and less costly (Sekaran & Bougie, 2016), thus this study uses simple random sampling to proceed. This method has already been used by Jaffri (2015), Mat et al (2017), Parveen Sohail Naeem Azhar and Khan, (2012), Singh (2018), Sultan et al (2016) etc for conducting research on office design elements. Although for analyzing effective sample size study uses the criterion of Parveen et al, (2012) and sample of the study is based on 150 responses (from faculty of HEI in Karachi), while the prior studies collected the data from teaching as well as non-teaching staff.

Hence this will also make this study indifferent as compared to the other nad legitimize the use of software which might aid in theory building approach. The sample has been collected from top tier higher educational institutes of Karachi include IoBM, SZABIST, KASBIT and PAF-Kiet etc. Although in order to manage with the tough schedule of faculty researchers opted to use Google Docs to send questionnaire via email to faculty. Regardless of that the data collection was not easy and it takes almost one and half month i.e. from January 2020 to February 2020.

3.10 Questionnaire

As indicated in theoretical framework there are minimal studies which specifically focused upon office furniture and most of the studies examine the impact of office design in general. Thus, in order to work specifically on elements of office furniture self-administrative questionnaire has been used in this study through transforming questions on office furniture in to specific questions associated with office chairs and office desks. More specifically researchers followed criterion of Amirazar Azarbayjani Day Thariyan Stearns and Brentrup (2017) and Parveen et al, (2012) and link the given criteria with Adu et al (2014), Singh (2018) and Ulker Yuksel Erdem (2015). The linkage was specifically developed to transform questions related with office chairs and office desks to likert scale which is treated as best option of scaling for several constructs (Revilla, Staris & Krosnick, 2014).

Although these questions were never been tested separately for office chairs and office desks therefore there was a need to check internal consistency via Pilot Testing. Litwin (1995) and Sekaran and Bougie (2010) highlighted Cronbach's Alpha is best to evaluate internal consistency of the data. Although due to some objections Cronbach's Alpha is valid only for evaluation of different constructs separately and this study is using Cronbach's Alpha as evaluator or internal consistency for different constructs separately (Tavakol & Dennick, 2011).

3.11 Statistical Testing and Evaluation

Sample size for pilot testing is of 35 respondents and the results of pilot testing have been highlighted that values for Cronbach's Alpha are more than 0.60 in every case (Table 1). Therefore it is legitimate to declare pilot testing successful and legitimate for further testing (Maiyaki & Mohd Mokhtar, 2011). Although value of Cronbach's Alpha must be 0.70 or above for further testing (Pietersen & Maree, 2007). Hence the Cronbach's Alpha has been again evaluated with the sample of 120 respondents and values are highlighted through table 2. As mentioned earlier SMART PLS has been incorporated for detailed inferential testing and also to comply with theory building approach (Hwang et al., 2010). Though there are some objections on the use of software for larger data sets (e.g. Hoyle, 1995) but according to Wong (2013), software is capable of analyzing larger data sets.

Table 1 Values of Cronbach's Alpha for Pilot Testing

Reliability Statistics		
	No of Items	Cronbach's Alpha
Office Chairs	5	0.622
Office Desks	5	0.615
Employee Performance	5	0.727
Employee Gender	3	0.650

Table 2 Values of Cronbach's Alpha for Reliability Analysis

Reliability Statistics		
	No of Items	Cronbach's Alpha
Office Chairs	5	0.709
Office Desks	5	0.760
Employee Performance	5	0.877
Employee Gender	3	0.770

Table 3 Outer Loadings for every question through SMART PLS

	Office Chairs	Office Desks * Gender	Office Desks	Office Chairs * Gender	Gender	Emp Per
Office Desks1			0.747			
Office Desks2			0.791			
Office Desks3			0.762			
Office Desks4			0.741			
Office Desks5			0.730			
Office Desks * Gender		1.000				
Office Chairs1	0.740					
Office Chairs2	0.742					
Office Chairs3	0.761					
Office Chairs4	0.757					
Office Chairs5	0.731					
Office Chairs * Gender				1.000		
Employee Gender 1					0.760	
Employee Gender 2					0.870	
Employee Gender 3					0.781	
Employee Per 1						0.901
Employee Per 2						0.802
Employee Per 3						0.890
Employee Per 4						0.763
Employee Per 5						0.779

Table 3 indicated that values of outer loading for every case is more than 0.708 which is minimal required values of outer loading (Ringle and Mena, 2012). Although elements having outer loading values lesser than 0.4 must always be deleted to improve overall composite reliability (Ab Hamid, Sami & Sidek, 2017). Researcher might also delete elements having outer loading values in between 0.4 and 0.7 to composite reliability and average variance expected (AVE) (Hair Jr, Hult, Ringle & Sarstedt, 2016).

Quality Criteria

Table 4 Quality Criteria through Values of R-Square (Predictive Accuracy)

R Square		
	R Square	R Square Adjusted
Employee Performance	0.630	0.604

Table 4 highlighted that the value of R-Square is 0.630 as the minimum acceptable value for R-Square is 0.26 (Cheah, Memon, Chuah, Ting & Ramayah, 2018). Although 0.26 is the least acceptable value and value of 0.5 is treated as moderate and value equal to or greater than 0.75 are retreated as substantial (Hair, Ringle & Sarstedt, 2013). Hence the model developed to check impact of office furniture is slightly better than moderate fit. Though researchers did not try to improve the model fit as most of the times office design studies are conducted through hybrid of variables and very few studies highlight the effect of office furniture in isolation. Therefore, it is bit difficult to make respondents understand the

significance and use of the study, although the value is said to be extremely important predictor of by exogenous variables on endogenous variables (Cheah et al., 2018).

Table 5: Construct Reliability and Validity (Convergent Validity)

Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Office Chairs	0.731	0.754	0.844	0.634
Office Chairs * Employee Gender	1.000	1.000	1.000	1.000
Office Desks	0.829	0.850	0.99	0.759
Office Desks * Employee Gender	1.000	1.000	1.000	1.000
Employee Performance	0.904	0.923	0.956	0.727
Employee Gender	0.770	0.785	0.819	0.621

Ab Hamid et al (2017), indicated that convergent validity is the tool which highlight the correlation of different indicators of the similar construct. Study also indicated that convergent validity is actually a hybrid of factor loadings, composite reliability and average variance explained (AVE). Although Ahmed and Omar (2017) uses the citation of Fornell and Larcker (1981) to indicate composite reliability and average variance explained (AVE) are the two basic and essential measure of convergent validity. Table 5 also includes Cronbach's Alpha (α) and Dillon-Goldstein's rho as the predictors of reliability. Cronbach's Alpha (α) is treated as lower level predictor of reliability (Sijtsma, 2009) and rho is treated as better indicator of reliability as compared to Cronbach's Alpha.

Cronbach's Alpha provides average correlation among the indicators of particular construct with least acceptable value of 0.70 therefore values of rho must be more than 0.70. (Ravand & Baghaei, 2016). Furthermore, AVE is one of the important element in determination of reliability of the construct and its minimum value must be 0.50 (Hair Jr. et al., 2016)

Table 6: HTMT (Heterotrait-Monotrait Ratio) Discriminate Validity

	Office Chairs	Office Chairs * Employee Gender	Office Desks	Office Desks * Employee Gender	Employee Performance	Employee Gender
Office Chairs						
Office Chairs * Employee Gender	0.350					
Office Desks	0.412	0.446				
Office Desks * Employee Gender	0.336	0.434	0.227			
Employee Performance	0.261	0.519	0.401	0.462		
Employee Gender	0.307	0.112	0.545	0.261	0.552	

Hair Jr et al (2016) posited that the purpose of discriminant validity is to highlight the difference lies among the constructs of the study. The maximum range for HTMT (association of variables with each other) is lesser than 0.85 and any value more than that indicated the constructs are overlapping each other (Alarcon, Sanchez, Olavide, 2015 & Hair Jr, Sarstedt, Ringle & Gudergan, 2017).

Table 7: Indicated Fornell and Larcker (1981) criterion associated with Discriminate Validity **Fornell and Larcker (1981) Criterion**

	Office Chairs	Office Chairs * Employee Gender	Office Desks	Office Desks * Employee Gender	Employee Performance	Employee Gender
Office Chairs	0.614					
Office Chairs * Employee Gender	0.314	1.000				
Office Desks	0.462	0.635	0.877			
Office Desks * Employee Gender	0.209	0.341	0.426	1.000		
Employee Performance	0.453	0.149	0.513	0.533	0.491	
Employee Gender	0.219	0.390	0.352	0.332	0.405	0.825

Hair Jr et al (2016) highlighted that square root of each construct's in the model must yield higher values of AVE than its correlation with other constructs.

Therefore, it is right to declare the Fornell and Larcker (1981) citation appropriate enough for testing as the diagonal values are indicating higher values as compared to the other values in its range of y-axis (diagonal values).

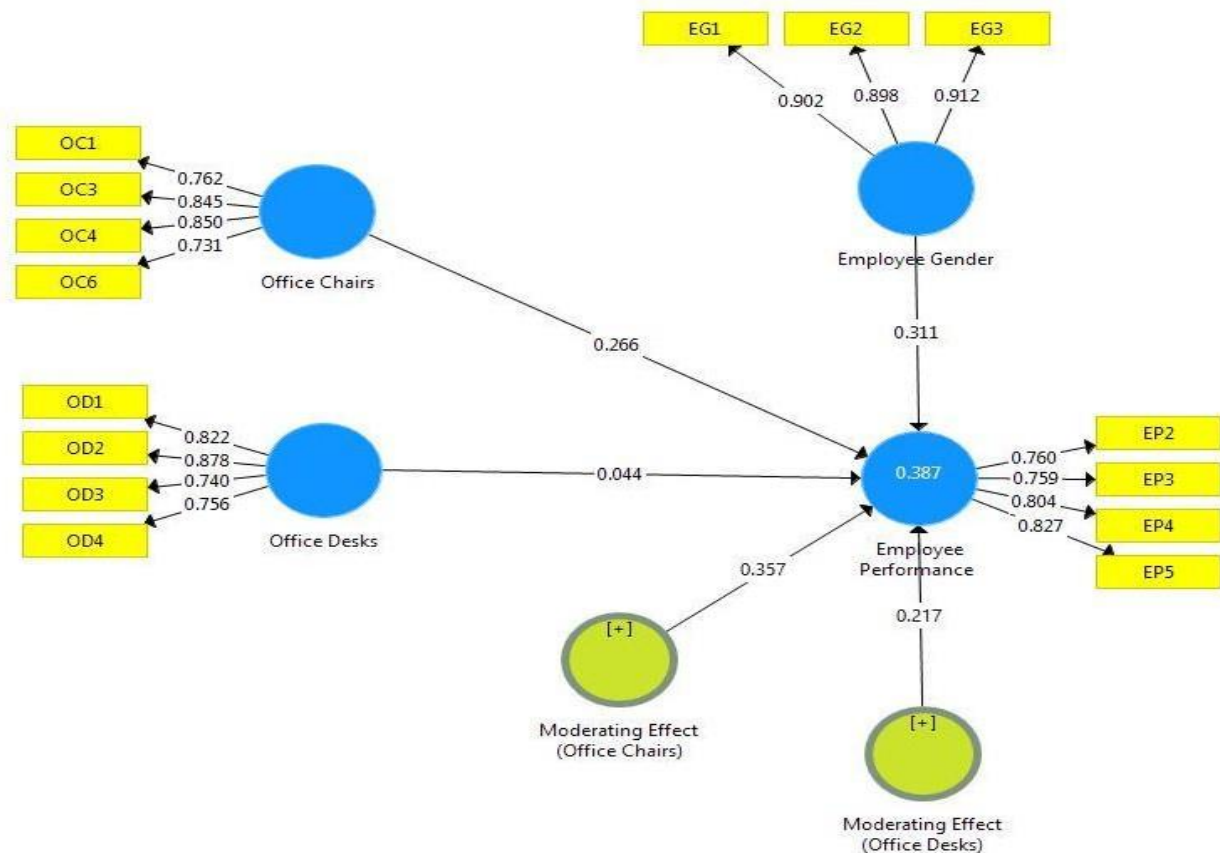


Figure 1: Research Model with outer loadings and regression weights for all the construct through SMART PLS.

Through the help of figure (1 and 2) and with the table 6 it has been indicated that the office furniture is creating significant impact on the performance of employees (i.e. Faculty members of HEIs). Office chairs are producing significant impact on the performance of both genders although office desks are only creating impact with the moderation of employee's genders. Table 6 is also reflecting the same with t-values and p-values and among all the variables (Table 6) employee gender has the most significant value to declare effect on employee performance.

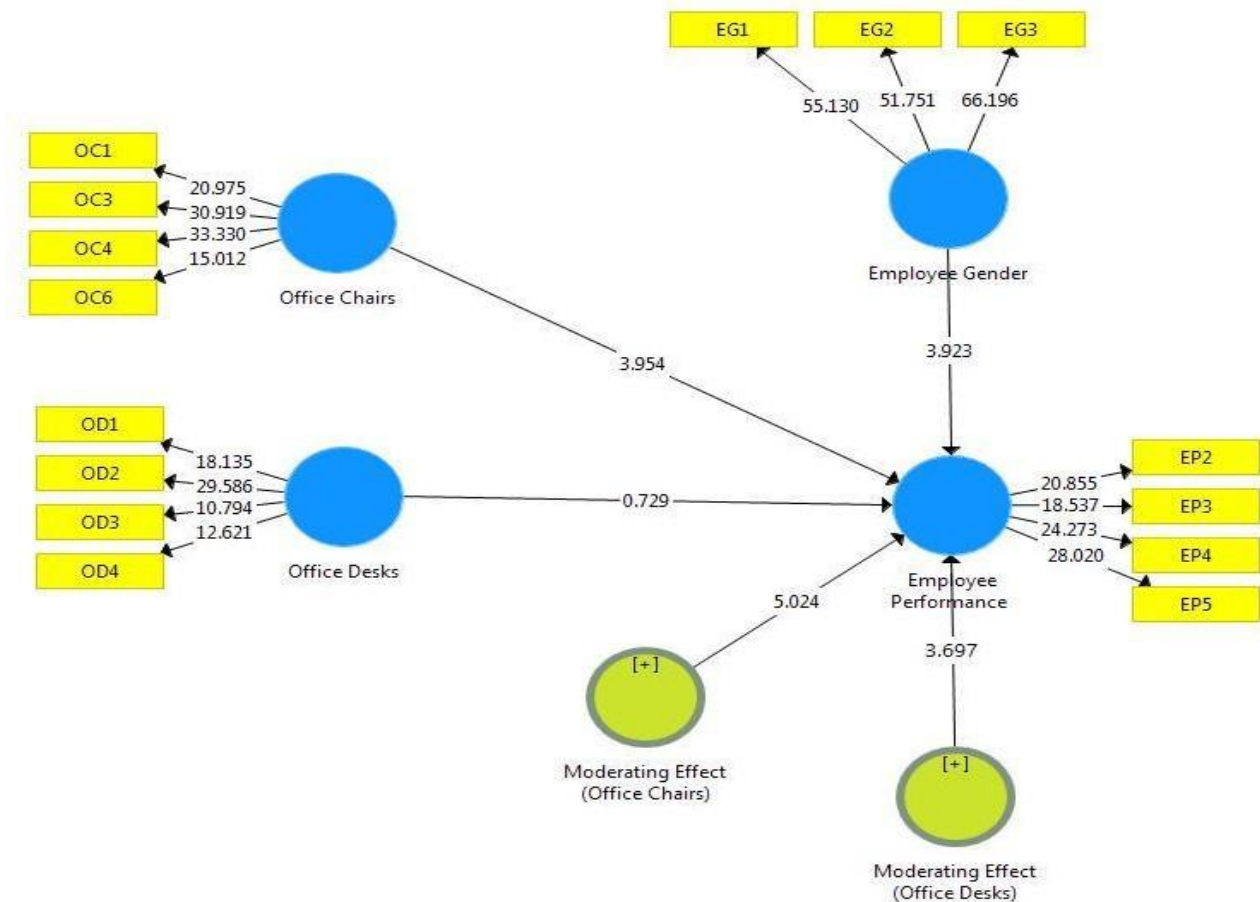


Figure 2: Research Model with t-values for all the construct through SMART PLS.

Table 8: Indicating Total Effect through Path-Coefficient with the help of t-values and p-values Mean, STDEV, T-Values, P-Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Employee Gender -> Employee Performance	0.311	0.308	0.079	3.923	0.000
Moderating Effect (Office Chairs) -> Employee Performance	0.352	0.250	0.050	5.024	0.000

Moderating Effect (Office Desks) -> Employee Performance	0.217	0.043	0.060	3.697	0.001
Office Chairs -> Employee Performance	0.266	0.273	0.067	3.954	0.000
Office Desks -> Employee Performance	0.044	0.049	0.061	0.729	0.467

4. Conclusion and Discussion

Study concluded that office chairs are treated as more important element of office furniture in comparison to office desks as variable of chair is found to be effective even without moderation of employees' gender. This is also relevant with the literature of prior studies even those who haven't check the impact of office furniture with respect to different elements e.g. Adu et al., (2014) and Adum et al (2016), El-Zeiny (2012), and Hameed and Amjad (2009).

Moreover, findings of the study also supported the indications of Ulker et al (2015) who indicate the requirement of further studies regarding office chairs in different office settings. Although difference of employee gender is also verifying the indications of Brand (2008) and moderation also makes Klein (1982) and Sarode and Shirsath (2012) fit with the findings of this study. The findings are more coherent with office chairs and their significance as most of the interaction of faculty is with office chairs and the increased impotence of chairs can also be examined from the Ulker et al (2015).

Relating the scenario with respect to higher education sector study indicated that chairs must be ergonomically sound in order to increase performance. Although table (desks) are creating effect with moderation of gender hence legitimate to declare the inclusion of moderator as right in this research.

4.1 Area for Further Studies

Researchers also like to induce importance of more studies in this regard especially those which can uncover the importance of office furniture e.g. shelves, filing systems and drawers. Moreover, the topic can also be checked in other industries which require focused work from employees or have requirement of long working e.g. Banks, Financial Institutions, HR & IT firms etc. Moreover studies which explore the effect of office furniture through anthropometric data e.g. Nnanna et al (2016) and Noshin (2018) would be much beneficial for exploring the importance of office furniture in Pakistan's work settings.

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Analysis of Gender Discriminatory Practices on Employee Motivation at Workplace: An Explanatory Study

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Abstract

This paper zooms in on the relationship between employee motivation and gender discrimination. In order to analyze this impact, correlation and regression analysis was carried out. Data collection was done from three midsize organizations in Karachi. The data is collected using questionnaire and the responses from 205 employees of three mid size organizations of Karachi.

Findings of the study suggest that gender discrimination has strong effect on employee motivation, further four factors considered separately for male and female employee. Study has concluded that Salary discrimination is the most concern of male and career advancement is the top most concern of female employee which on discrimination impacts their work badly.

This paper partakes in knowledge development and is indeed beneficial for companies that are growing by ensuring the practice of Gender equality through the factors identified in this particular research. These findings will also serve as a benchmark in developing the companies' fair and practical policies in order to run the organization successfully. However, the research is limited in its scope because the respondents only belonged to one particular area of Karachi. The aforementioned limitation might lead to variation in results if the study is conducted on a broader scale encompassing a greater geographical horizon.

Keywords: Gender Discrimination, Employee Motivation, Improvisations

1. Introduction

Discrimination poses a great deal of challenge to Human Resources (HR) practices in the work place. Although there has been improvement, gender discrimination is still deep rooted and employees, in modern workplace, are still its victim. Wayne (1995) made it intelligible that "Managing Diversity" requires the organizations to form a diverse workforce such that there exist equity for the employees to perform to their maximum potential. He also stressed that Managing diversity is essential in order to put an end to discrimination and hence, allow the workforce to compete in just and equitable environment.

Researchers have stressed enough upon the biasness faced by minority groups and the major reason triggering the discrimination but research on the impact of perceived discrimination is close to non-existent. This makes it crystal clear that researchers and psychologists need to divert their intention to this ignored aspect of discrimination.

Most popular terms being used to explain the promotion gaps between the genders is glass ceiling. (Phelps, 1972; Madden, 1985; Kahn and Crosby, 1985; Drazin and Auster, 1987; Reskin and Kalleberg, 1995; Gutek et al., 1996)

Tesfaye (2005) have conducted the research on "The Effect of Discrimination on Performance and Job Satisfaction". Tesfaye stressed that dissatisfaction should not be ignored as it has considerable impact on employee performance and productivity. Research reveals that discrimination is prevailing especially when it comes to salary package. In the context of Karachi we see organizations have both male and female working so there is a need for analyzing impacts of gender discrimination on employee motivation and how can it be best channelized so that organization remain transparent in policies and eventually be able to retain competent workforce.

This study aims at critical evaluation of impacts of gender discrimination on employee motivation in the context of Karachi for three midsized organizations. The study parameter is set based on explicit features extracted from this paper's initial literature review. The study not only aims at vindicating the link between motivation and performance, but it widens this connection by exhibiting strong and pragmatically significant relationship.

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1.1 Explanation of Key Concepts

1. Gender Discrimination at workplace:

It is the bias attitude and categorical marginalization of employees on the basis of their gender orientation.

2. **Employee Motivation:** It is the level of determination, commitment and energy level that employees exhibit while performing their duties.

1.2 Organization of the Paper

After the introduction, the conceptualization was done on the pretext of literature underpinning the discrimination factors which adversely impact employee motivation level and eventually become the factor of working lapse. Next part involved forming research hypotheses and questions leading to findings pertinent to the impact of gender discrimination on employee motivation. Four factors were considered for checking gender discrimination impact. These four factors are behavioral discrimination, training discrimination, salary and career advancement discrimination. This research aims to ensure the practice of gender equality by the factors identified in this particular research. These findings will also serve as a benchmark in developing the companies' fair and practical policies in order to run the organization successfully.

2. Literature Review and Hypothetical Framework

Based on the study at different span of time, it has been identified that there are plethora of reasons rendering Gender Discrimination. Monthly increase in the income of male and female is discriminated, salary scale in labor market, the major reason is male are enjoying high grade salary because of some additional skills than female and that all is due to less education of females, this eventually impact their career development and promotions, females get less motivation not because of salary factor, but because of career development (Gender Earning Inequality and Discrimination, 2004-2005).

Lack of equal employment causes a great sense of de-motivation, females face intense discrimination in the labor market than male. Moreover, the discriminatory practices are profound in public sector relative to private sectors in terms of behavior and training. Popular occupation for females are nurse or teacher, and are mostly deprived of senior level position which is enough reason to pay them less than men despite them having the same level of education (Channar, 2010). Gender Discrimination wreaks havoc at workplace, which necessitates formulation of some strategies, policies and law to avoid gender discrimination at workplace (Contance et al., 2011).

Akpinar (2012) states that females are not being given equal opportunity to work rather they are forced to stay at home. Women have equal right with men to have better standard of living, however, for that they need to be equally educated. Families should encourage them to take initiatives and motivate them in decision-making process. Females are comparatively more focused, hardworking, responsible and loyal towards their assigned jobs (Anwar A., 2011). Females are earning less than males with the same qualification, this difference is due to biases against females during promotions. Most women are not acknowledged by most leaders as a valuable as men in management. Gender inequality in higher education is also associated with fusing family responsibilities and professional (Okpara et al., 2005).

5.1.1 Effect of Organizational Discriminatory Behavioral Practices on Employees Motivation

Punctuality, behavior, timely delivery of tasks, and adherence to organizational policies are all taken as disciplinary practices. The basis of gender discrimination is laid on the factors like race, age, gender, and seniority are considered as the independent variables to gauge their impact on motivation level of the employees at workplace. The study brought to light that the discriminatory practices on disciplinary grounds have significant yet inverse relationship between employee motivation & the dimensions under consideration. Thus it was established that discriminatory practices on disciplinary grounds have a high impact on employee motivation level (Othman Z., 2000).

H1: Organizational Discriminatory Behavioral Practices has significant impact on Employees Motivation

5.1.2 Effect of Organizational Discriminatory Training Practices on Employees Motivation

Significant study by Othman, Z., & Othman, N. (2015) states that women are being discriminated in several HR practices and equal developmental opportunities are not being provided. Hutchings (2000) states that women do not represent as managers as compare to their counter parts in Thailand. Discrimination against women exist in training opportunities, organizational policies and their underrepresentation at managerial levels' et al (2003) states that almost 75 percent women think that gender discrimination is the biggest hurdle in getting success in their careers. The study also discussed that women in properly trained through formal and in formal training thereby not able to compete their counter parts successfully. According to Cai and Kleiner (1999), management is considered as male's occupation, therefore, it is difficult to move up for the women on career ladder due to the perception about women managers that they are not as successful as male managers. In another study Orser and Leck (2009) shows a lot of discrepancies about the number of women at high level management.

H2: Organizational Discriminatory Training Practice has significant impact on Employees Motivation

5.1.3 Effect of Organizational Discriminatory Salary Practices on Employees Motivation

Grey-Bowen, J. E., & McFarlane, D. A. (2010) maintained that Gender-based pay differences remains a pressing issue for female-intensive professions. It was also observed that male-intensive professions pay more in salaries than female-dominated jobs requiring similar skills.

Another research was conducted and research findings are using computer at work is associated with high pay (Stangor, C., Swim, J. K., Sechrist, G. B., Decoster, J., Van Allen, K. L., & Ottenbreit, A. (2003) is one of the contributing factors in wage difference between male and female. Stangor.C etal (2003) found that male are getting much pay than females and are getting high returns of their high education. Study basically unfolds the complimentary benefits taken by male from their education is enough to create a wage difference between male and female those who are computer literate and the one who are not.

Further the research held computer literacy as one of the important factor which is creating salary gap , initially male are offered a good salary package than females, eventually wage difference has a great impact and is not reducing at all.

H3: Salary Discrimination has a significant impact on employee motivation

5.1.4 Effect of Organizational Discriminatory Career Advancement Practices on Employees Motivation

The chances of women being promoted to senior management were significantly lesser than that of their male counterparts Women usually face issues while getting promoted to higher levels even though they meet performance standards while fulfilling their family's responsibilities (LaPierre, T. A. and Zimmerman, M. K., 2012). Reward and recruitment practices often aim at advancement of males over females with underscored pretext of organizational practices and culture (Reskin and McBrier, 2000).

H4: Organizational Discriminatory Career Advancement Practice has significant impact on Employees Motivation

2. Research Methodology

The study not only aims at vindicating the link between motivation and performance, but it widens this connection by exhibiting strong and pragmatically significant relationship. The findings underscores the importance for employers to considers all the aspects of employee motivation to encourage and sustain high performance levels.

This study adopted convenient sampling. Data will be primary in nature and data collection instrument is questionnaire which included structured questions. Research is explanatory in nature as focus is on cause and effect relationship between impacts of gender discrimination on employee motivation. In addition to it, research also explained these independent variables salary, behavior, promotion and training practice gender discrimination the most, lastly research end up with the suggestions to practice gender equality in the organizations.

Research population for this study is from 1st line manager of three mid size organizations, National Foods, Global Seafood and Engro Foods, they are approx 436 in number. Sample size is 204

questionnaires and data is collected from National Foods limited, Global Seafood Marketing and Engro Foods. Social lab is first line managers of these organizations. Total 436 first line managers ,therefore, the sample size is 204, Questionnaire was circulated to the respondents response turned out to be 151 responses as remaining questionnaires were not completely filled, therefore, could not be used. Response rate is 73.6%.

3. Data Analyses and Findings

The researcher employed inferential statistical techniques to find the relationships between the variables under study. The study used simple regression analysis to find the relation between variables.

3.1 Regression analysis

Analysis - Male

Table 1: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	Gender = Male (Selected)			
1	.589 ^a	.347	.314	.62804
a. Predictors: (Constant), Train, Sal, Beh, Car				

Table 2: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.315	.351		.899	.371
	Beh	.232	.101	.228	2.291	.025
	Car	.388	.133	.306	2.926	.004
	Sal	.432	.102	.394	4.221	.000
	Train	-.207	.109	-.184	-1.901	.061
a. Dependent Variable: Mot						
b. Selecting only cases for which Gender = Male						

The P-value of f-statistic is equal to 0.000 which is less than 0.05 suggesting that at least one variable is linearly related to the response variable which is employee motivation. There is enough evidence hinting at the fact that there exists a linear relationship between the independent and dependent variable. The R-squared value is $16.542/47.702 = 0.347$ which suggests that 34.7% of the variability in "Employee Motivation" variable is explained by the independent variables. The coefficients table yielded very significant results. The researcher will break down each element of the table to gauge the significance of the variables. The Behavior(.232) is statistically significantly different from 0 with the p-value equal to 0.025 which is less than 0.05. The Career advancement (.388) is statistically significantly different from 0 with the p-value equal to 0.004 which is less than 0.05. The salary (.432) is statistically significantly different from 0 with the p-value equal to 0.000 which is less than 0.05. The Training (-.207) is statistically insignificant as the p-value is equal to 0.061 which is greater than 0.05 which means that beta value for training is equal to zero.

Y=Employee Motivation, X_1 = Behavior , X_2 =Career Advancement , X_3 =Salary

$$Y = .315 + (.232)X_1 + (.388)X_2 + (.432)X_3$$

Where X_1 =Behavior, X_2 =Career , X_3 =Salary

As all the coefficients are positive, it implies that an increase in any one of the independent variables, the value of dependent variables will increase.

Analysis- Female**Table:3:Model Summary**

	R	R Square	Adjusted R Square	Std. Error of the Estimate
	Gender = Female (Selected)			
	.712 ^a	.507	.475	.39102

a. Predictors: (Constant), Train, Car, Beh, Sal

Table 4: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.310	.389		.798	.428
Beh	.224	.111	.215	2.015	.048
Car	.470	.128	.419	3.668	.001
Sal	.318	.109	.328	2.904	.005
Train	-.133	.095	-.130	-1.409	.164

a. Dependent Variable: Mot, Gender = Female

The P-value of f-statistic is equal to 0.000 which is less than 0.05 suggesting that at least one variable is linearly related to the response variable which is employee motivation. There is enough evidence hinting at the fact that there exists a linear relationship between the independent and dependent variable. The R-squared value is 0.507 which suggests that 50.7% of the variability in "Employee Motivation" variable is explained by the independent variables. The coefficients table yielded very significant results. The researcher will break down each element of the table to gauge the significance of the variables. The Behavior(.224) is statistically significantly different from 0 with the p-value equal to 0.048 which is less than 0.05. The Career advancement (.470) is statistically significantly different from 0 with the p-value equal to 0.001 which is less than 0.05. The salary (.318) is statistically significantly different from 0 with the p-value equal to 0.005 which is less than 0.05. The Training (-.133) is statistically insignificant as the p-value is equal to 0.164 which is greater than 0.05 which means that beta value for training is equal to zero.

Y=Employee Motivation, X_1 = Behavior , X_2 =Career Advancement , X_3 =Salary

$Y = .310 + (.224)X_1 + (.470)X_2 + (.318)X_3$ Where X_1 =Behavior, X_2 =Career ,

X_3 =Salary

As all the coefficients are positive, it implies that an increase in any one of the independent variables, the value of dependent variables will increase.

Thereby, it is concluded that H1,H3 and H4 are accepted and H2 is nor accepted for both the genders.

4. Discussion & Conclusion

This study is aimed to critically evaluate the impact of gender discrimination on employee motivation in the context of Karachi for three mid-sized organizations. The study parameter was being designed on the basis of revealing characteristics determined from my initial literature review, in addition to it the aim was to highlight HR functions where gender discrimination is prevailing the most. The results has to point out the need for employers to consider all aspects of motivation in their efforts to keep employees' performance high

The research boils down that Gender Discrimination exist within the organization and become one of the factor of de motivation for employees, the objective was "to melt down discrimination from salary , behavior and training and to identify which HR function observing the gender discrimination the most, where

salary, training and career advancement were taken as independent variables ,result reveals the Salary factor as most significant one and then career advancement, Gender Equality indeed improve the work environment where employee feel satisfied and become more productive, thus, organizations should take this problem into consideration and value each and every employee as investment not a cost.

After going through extensive research, it is being recommended that organizations should develop culture of discussion and one on one meeting with the employee on at least monthly or interim basis so that organization can know what employee want and equally employee would understand the employer's expectations, this leads to employee motivation and will reduce turnover rate of employee as a result, this way it can be win win situation .

The main aim of this study is to analyze the gender based discriminatory practices of HR in the selected organizations. The study yielded a very interesting observation where the factors which impact employee motivation came out to be same for both males and females. This holds an importance for HR practitioners as they may aim to minimize gender discrimination in their respective organizations which bred discriminatory notions. These factors were Behavior, Career Advancement Prospects and Salary differences in males and females. Although, the impact was also gauged for training opportunities but it didn't turn out to be significant. This implies that when aiming at filtering the discriminatory sentiment amongst both the genders, HR professionals must seek to minimize discrimination along these parameters.

The research also lays the ground work for future researchers to explore other factors which can garner gender equality. The research also suggests that onus of mitigating discrimination lies on the shoulders of HR professionals and should inculcate the culture which embeds equality with respect to behavior, salary packages and career advancement opportunities. Policies should be based on merit, regardless of the gender of the employee which will help develop equal and equitable environment at the workplace.

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Comparison of Ethical Reasoning between Accounting Student and Auditors

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Abstract

The aim of this study is to determine the accounting students and auditors' ethical reasoning in State of Azad Jammu & Kashmir. This study utilized mix methodology to find out cause and comparison. The data collected from 101 accounting students and 50 auditors by using a structured questionnaire. Additionally, in-depth interviews of four auditors, and the head of a business school were conducted. The quantitative data was analysed by using independent sample t-test by using SPSS and qualitative data by using word cloud and word tree analysis by using NVivo software. The analysis reveals that difference in the perception of accounting students and auditors is not statistically significant. It further shows that auditors have higher level of moral reasoning when confronting the moral dilemma. The study also concludes that the auditor possesses a greater level of moral reasoning as compared to the accounting students. The findings of this study will be beneficial for the audit and accounting professionals and for the heads of the business schools.

Keywords: *Ethical Reasoning, Ethics, Auditing Profession, Business Ethics, Auditing Ethics, Ethical Dilemma.*

1. Introduction

It is widely recognized that the accounting and auditing functions are essentially needed in every society (Wyatt, 2004). Accountants or auditors are bound to follow the codes of ethics which are provided by relevant professional bodies (Accountants & Accountants, 2010). In the recent decades, the auditing occupation faced different corporate frauds. These frauds got lots of attention in print and electronic media. One of the main scandal in the USA known as Enron indicates the unethical actions at executive's levels (Agacer, Valcarcel, & Vehmanen, 2016). Most of the other scandals emerged in 2002 which included global crossing, Qwest, WorldCom, Merrill, Adelphia, Tyco, AIG and Goldman Sachs (Albrecht, 2008). In current decades, there has developing fear about ethics and honesty issues in the auditing and accounting profession in the private as well public on flawed acts. This decade also has been associated chain of auditing scandals, corporate failures and carelessness of ethics both developed economics. Today's businesses primarily focus ethical dilemma, which are highly depend on corporate frauds.

The public, business's students and the accountant all admits that the ethics are very essential quality of accounts (Fatt, 1995). The wrong perception of most people that ethics is all about obeying with regulations and standards (Melé, 2005). However, ethics identifies with the moral obligation to the public good. In the current decades inspected that the unethical behaviors were harmful for business reputation. According to Veiga (2004), ethical behaviors not only identify survival of organizations, as well as help the organizations to make maintainable success.

According to Kaptein (2009), improve the culture of ethics in the organization the boss decided to develop and create ethical sessions. An ethical culture would help to set up a proficient and effective monetary system (Elango, Paul, Kundu, & Paudel, 2010). The capacity of a moral society to build up a legitimate financial system is of significance to organizations. The study suggested that morals could not make the lives of peoples excellent in the trial world that occurs, yet ethics can forestall, or decrease the measure of certain damage from transpiring. According to Tota and Shehu (2012) morals can help with modification of policy assessment and furthermore help in investigating how profound quality influences the financial Behaviors of organizations and their representatives.

Furthermore, Gaa and Thorne (2004), stated that the universities not given the certain level of importance to the educating ethics. The study inspected that in industrial sector and concluded that the ethics are not constant and integral part of education among most of students, which cause gap between starting to the professional education (Borkowski & Ugras, 1992). According to Gandz and Hayes (1988), the discussed that the head of business school has responsibility to give ethics education to the students. The responsible of accounting as well as academic profession's responsibility to imprint personal integrity and ethical behavior in the students and practitioners (Smith, 2003).

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Ethical reasoning defined as ability to identify, assess and evaluate dissimilar perspectives of ethics (Rossouw, 2002), represented as ethical reasoning (Donaldson & Werhane, 2002). Ethical reasoning defines as the reaction of peoples in word of giving reason to justify the criticized actions. Ethical reasoning defined as "the ethical or moral reasoning series of criticism, which aimed to support claims, known as conclusions, so the result is these justifications consist of conclusions and reasons." The researchers found that there is noteworthy and progressive connection between moral reasoning or moral development and educations (Evans, 2005; Freeman, 2007). A study concluded that there is high moral reasoning of auditors as compared to the students when they faced ethical dilemma (Wennerholm & Larsson, 2006).

After the mega corruption traces found in the result of Panama leaks. It became more valid to study ethical consideration in the profession of accountancy. As Pakistan went through ever-biggest investigation corruption scandals, it encourages and provides strong justification to study the ethical consideration and situation for the developing nations as well.

Now these days auditing profession emphasize increase moral and ethical demands due to the revelation of scandals in the corporate sectors. Therefore, it necessary to investigate the auditor's level of ethical reasoning in the decision-making when facing the ethical dilemmas. Discussed earlier whether the facing moral dilemma experience is very important the differences as well necessary to investigate the level of accounting students and auditors while decision making while confronting the ethical dilemmas. There are following objective which are imperative to address.

1. To determine perception of accounting students and auditors toward auditing profession. 2. To determine moral reasoning level among auditors when confront a moral dilemma. 3. To determine auditors' level of ethical reasoning as they possess higher level as compared to accounting students.

2.1 Literature Review

2.1.1 Corporate Scandals

There are lots of cases has been developed calamity of confidence in the auditing and accounting profession (Dewing & Russell, 2004). According to Cooper and Fargher (2011), when firm are rapidly fail or it is exposed to involve in fraudulent activities then annual statement of organization is questionable. If financial frauds revealed, then auditors come under inspection. Expectation of the public auditor tries to reduce corruption, If external auditor not expose corruption, then at least identify where fraud may exist (Khan, 2006).

The Enron was energy company which was established in 1985, at the 1990 the beginning life of Enron's shares rose up to 311 % (Healy & Palepu, 2003). Because of compromising the auditor's duty by December 2001, the company bankrupt. Similarly, the world most famous dairy company Parmalat was worked in 30 countries in the world (Celani, 2004). The world failed due to failures of auditor's role. In Pakistan, there are different corporate scandals in Pakistan such as Mehran bank scandals, ENGRO group of companies, crescent bank fraud, and PTCL privatization. Crescent Bank Fraud was exposed predicting amount according to External auditor 6 billion rupees were missing due to not keeping of maintenances and parallel account (Dar, Naseem, Niazi, & Rehman, 2011).

2.1.2 Ethics in Business

The word morals or ethics got from the Greek word "Ethos" it means a set of honest actions that is accepted widely. The term Business Ethic used in a different sense. According to Business morals is a type of Applied Morals (BRONI, 2010). Ethics is concept of standards or morals, somebody's ability to pick among worthy, unacceptable, among good, bad, great, and awful. Business Ethics includes moral values and moral principles (Jones, Parker, & ten Bos, 2005). A study conducted to determine the influence of business morals on the services organization in Nigeria and found the significance effect (Ebitu & Beredugo, 2015).

According to Collins (2010), stated that the making of money is not wrong itself in business but manners are the only thing which corporations conducted activities to bring up the interrogation of moral behavioral. A study concluded that the many businesses earned millions of dollars to breach the rules of ethical business (Brown & Mitchell, 2010). Guillén, Melé, and Murphy (2002), examined that it might be up to the public to ensure that a business organization operate their business in environment sticks to rectify ethics of business. As Waqas, Rehman, Munira, Shujahat, and Shazmina (2020) ethical business encourages the loyalty of customers with our business and intuitions.

The author argued that corporate ethics is the activities which companies adhere to the carrying out in its routines activities in which its operations are outer of community (Obalola, 2008). This study

examined that the moral values and social responsibility was significant for the organizational Success (Vitell & Hidalgo, 2006). Being social responsible is valid for every organization and individual in the society (Shujahat Ali, Muhammad, Syeda, & Lu, 2017).

2.1.3 Ethics in Auditing

Unethical behaviors caused corporate scandals in past few years. In Pakistani contextual auditors are facing criticism in past few years like panama leaks and PTCL privatization Carnegie and Napier (2010), Defines accounting Increasing Societal practice not increasing the technical training with the participation of the other expert occupation and groups to acquire and retain the talent. The study has been argued that there is no dissimilarity in the thinking among the respondents to no need to abided high moral standards by the auditors and it should need to shape the views of newcomers in this profession (Adeyemi & FAGBEMI, 2011).

The study describe that the auditors are performing as advisor more than profession. This issue is rise in media in past few years. If the firms have, more ability to provide services of consultancy connected to auditing profession. Most of the auditing firms are established consultancy department which gives on consultancy related services (Crane & Matten, 2004).

2.1.4 Accounting Students and Auditors

Many past studies have inspected that the student 'ethical decision making and experts' moral decision making recognize how accounting students are reacting when they confront ethical dilemmas as well as a professional's reaction when they confront moral dilemmas. Aruñada (2004), Stated that the ethics contributes vital role in the education, which is beneficial for accounting student. This study has shown that the ethics in the education will help the business schools to produce aware of ethics in the Accounting students, which will help to face the challenges, when they enter in the professional field. Some previous studied focused on comparing the students with professionals (Wennerholm & Larsson, 2006).

Richmond (2001), Explored that the ethical reasoning of accounting student was lower when the faced ethical dilemmas as compared the business professional or majors. Dunn and Shome (2009), explored the cultural differences between Canadian and Chinese Accounting student to determine the ethically different business behaviors. The author concluded that societal desirability bias is greater in the Canadian accounting student as compares the Chinese accounting students. From the above studies, we develop below hypothesis.

H1: There is no significant difference between auditors and accounting students toward the perception of Auditing profession.

2.1.5 Codes of Ethics

Codes of ethics defined Schwartz (2001), well written, formal and distinct documents in which all values and moral standards includes to give directors the employees. There are many studies conducted on codes of ethics. The miscellaneous results are provided by the relationship between ethical behaviors and codes of ethics (Loe, Ferrell, & Mansfield, 2000). According to Pflugrath, Martinov-Bennie, and Chen (2007), codes of ethics are significantly and positive influence on professional accountants and incase of student are not influence on students. The study examined that the codes of ethics not discouraging factor of unmoral behaviors, it's our thinking the codes of ethics is an essential factor orientation toward partial and ethical behavior of auditor (Somers, 2001).

2.1.6 Ethical reasoning in decision-making

A study argued due to financial failure or business failures it was important to draw attention on the decision-making. Decision naming is defined as Terry and Franklin (1972) "Decision-making is the selection based on certain criteria from two or more alternatives." The data collected from the students and the professional of banking and finance. The study argued that there is a significant dissimilarity between the two clusters. This study also founded that the teaching of ethics is more effective for the students as compared the professionals of banking and finance (Phuong, Fisher, & Mujtaba, 2014). The one more study Phuong, Fisher, and Mujtaba was conducted to check the decision making This time the data was collected from the undergraduate and post graduate in banking and finance. The study concludes that there is a statistical dissimilarity in between these two clusters in the decision-making. This study also founded that the teaching of ethics is more effective for the undergraduate students as compare the postgraduate

students. According to Hunt and Vitell (2006), there are a lot of models are developed to tackle the difficulties in the moral decision making. These models mostly constructed on the reason-based process, which has four basic stages. First one is awareness, second is judgment third is intentions and forth is behaviors (Mustamil & Quaddus, 2009). Evident in Pietilä, Nurmi, Halkoaho, and Kyngäs (2020) Ethics are based on the principles of autonomy, non-maleficence, beneficence, and justice. They would not be compromised while decision making.

2.1.7 Ethical Dilemma in Accounting/Auditing

The author defines the moral dilemma as the conflict or contention between "two similarly attractive or two similarly unfortunate decisions (Bunting & Webb, 1988). According to Pence (2004), Moral or ethical dilemma are totally different from the unmoral or non-ethical dilemma. The non-ethical dilemma is the decisional struggle in which ethics are not included and non-ethical decisions are harmful for the others. There are two types of ethical reasoning one is prescriptive and other deliberative. The prescriptive moral is telling us what should resolve the problem or ethical dilemma and on the other hand deliberative ethics tells us how resolved the moral dilemma before (Rest, 1986).

2.1.8 Cognitive moral development Theory

On making decisions ethically this theory known as a cognitive moral development theory. One theory will give a base to most of the previous and future studies. Kohlberg's Theory of moral or ethical reasoning is perfect theoretical and philosophical approach. Kohlberg (1976), categorized ethical reasoning of individuals. Their first classification of this theory is a pre - conventional level, which means self-focus and second classification, is conventional which means is focus on the group and third classification is post-conventional which means is inner self-focus. Lovett and Jordan (2010), Created model for moral decision making which explains manners that tells auditors complete ethical decision.

Kohlberg discussed that the all human and peoples are making decision but with the same base ethical values (Kohlberg, 1981), There are basically three stages in moral development theory, the first stage is known as pre-conventional stage in which humans take decision on self-esteem which occurs between 3 to 7 years, in this stage punishment are avoided and the reward are given. The second stage is Kohlberg's theory is conventional ethics or morality is conventional level which occurs between 8 to 13 years in this stage peoples make standards and individual are fully depends or individual thinks what peoples are expected from others. The third stage of Kohlberg's theory's level is Post-Conventional in which occurs between 18+ or adults. In this level the individual wants to try independent decision which are grounded on the codes or principle of truths and honesty rather than outside's effect (Crane & Matten, 2004). As the results of Kohlberg's theory is peoples or individuals are the progress from lower to higher stage sequentially in which education plays very vital role in achieving the maximum stage of ethical development. According to this theory, decision-making capabilities develop with time and experience through supporting by this theory we develop below hypothesis.

H2: Auditors possessing high ethical reasoning while facing moral dilemma.

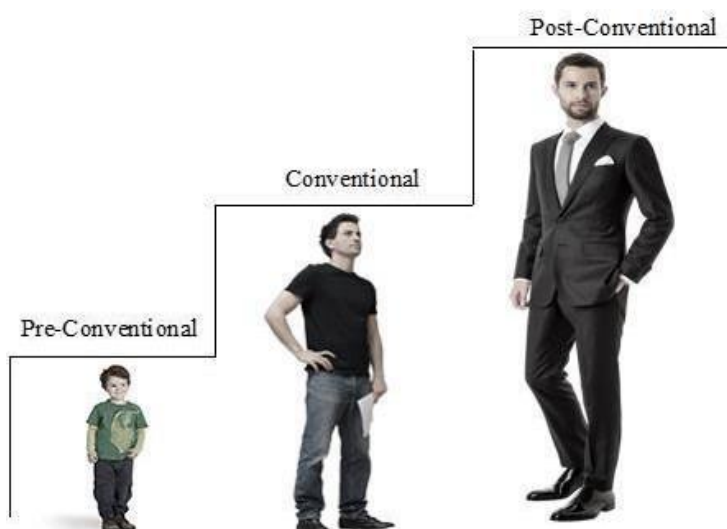


Figure 1: Cognitive Moral Development

The above **Figure 1** shows the stages of Kohlberg's moral development in a better way to understand.

3. Research Methodology

This article utilized mix methodology to find out difference and cause of difference if exists, Explanatory sequential design utilized to check difference and cause. Quantitative methods help to find out difference and qualitative methods helps to determine root cause. Population of study is Auditors, Director and treasurer officer and accounting students of Universities in Azad Kashmir. In case of quantitative method random sampling technique utilized for data collection, in case of qualitative technique study used Convenience sampling technique. The primary information collected through adapted questionnaires that distributed to the Auditors and accounting students. The data has been collected from the auditors and accounting students. The data collected from both respondents to assess that whether there is difference between two groups when there are confronting the ethical dilemma. Hence, accounting student also read same subjects which auditors read. So, students have no practical experience. Contrarily, auditors have practical experience to face ethical dilemma on daily basis, but accounting students are not face ethical dilemmas.

The 110 questionnaires distributed to Accounting Students 101 Questionnaires consider suitable filled. There are 42 questionnaires were received from MUST University, 37 were received from University of Kotli and 22 questionnaires received from University of Muzaffarabad. In case of auditors, the 60 Questionnaires were distributed, and 50 questionnaires consider suitable and 10 questionnaires deleted because of un-engagement response. Around 15 questionnaires received from MUST Auditors, 14 received from AG's Auditors, five Questionnaires received from income tax office, 16 questionnaires received from the private auditors. This study used 2:1 (101 accounting students and 50 auditors) ratios for data collection because of unavailability of auditors and easy availability of accounting students. This study conducts four in-depth interviews from the auditors, Director and treasurer officer of the universities.

This study utilizes developed questionnaires and open-ended interview questions to find out the ethical reasoning in the auditing profession. This study used eight questionnaires to find out ethical reasoning in auditing profession when facing ethical dilemma developed by Wennerholm and Larsson (2006) and also utilized nineteen in-depth open ended interview questions which is also developed by (Wennerholm & Larsson, 2006). The descriptive analysis, Reliability, and independent sample t test through the using of SPSS version 24 and on the other hand words cloud and word tree used to analyze the interview questions by utilizing of NVivo 12. The number of researchers is using starting from 1950s. The mix method studies paved way to "meaningfully engage with difference"(Greene; Levitt et al., 2018). As Anguera, Blanco-Villaseñor, Losada, Sánchez-Algarra, and Onwuegbuzie (2018) synergic approaches used for research, Johnson, Onwuegbuzie, and Turner (2007) it required a new paradigm. The researchers relied on mixed methods resources to substantiate that "mixing" can occur at any stage of the research process to bring a novelty in the findings and presentation (Tight & Huisman, 2013). Discovered by McKim (2017) mix methodologies provides deeper meaning of phenomena.

4. Analysis and Discussion

4.1 Demographics

Table 1: Gender

		Frequency	Percent	Cumulative Percent
Students	Male	69	68.3	68.3
	Female	32	31.7	100.0
	Total	101	100.0	
Auditors	Male	50	100.0	100.0

In case of students respond 68.3 % males and 31.7 % are females on the other hand 100% auditors are male. Azad Kashmir is the male dominant state that is major of the male respondents of the study.

Table 2: Age

		Frequency	Percent	Cumulative Percent
Students	20-25	6	5.9	5.9
	26-30	91	90.1	96.0
	31-35	4	4.0	100.0
	Total	101	100.0	
Auditors	26-30	2	4.0	4.0
	31-35	14	28.0	32.0
	36-40	18	36.0	68.0
	41+	16	32.0	100.0
	Total	50	100.0	

Results shows that six (5.9%) students were 20-25-year-old, 91(90.1%) were 26-30, 4(4.0%) were 31-35-year-old. Diversely, two (4.0%) auditors were 26-30-year-old, 14(28.0%) were 31-35, 18(36.0%) were 36-40 and 16(32.0%) were 41+ year old participated in current study.

Table 3: Qualification

Qualification				
		Frequency	Percent	Cumulative Percent
Students	Intermediate	7	6.9	6.9
	Graduate	26	25.7	32.7
	Master	68	67.3	100.0
	Total	101	100.0	
Valid	Graduate	3	6.0	6.0
	Master	6	12.0	18.0
	Chartered Accountant	41	82.0	100.0
	Total	50	100.0	

The above statistics indicated that the qualification of the respondents. Study shows that seven (6.9%) students were intermediate, 26(25.7%) were graduate, 68(67.3%) were master's degree students who took accounting courses on their course work. Contrarily, three (6.0%) auditors were graduate, six (12.0%) were master and 41(82.0%) were chartered accountant in different private as well as public firms.

Table 4: Reliability Analysis

	Cronbach's Alpha	N of Items
Reliability of Accounting student's response	.611	08
Reliability of Auditor's response	.735	08

Reliability of research and validity of research are influence on the quality of research (Punch & Oancea, 2014). The Reliability and the validity of the data and their findings is the most vital portion of analysis because it understands the trustworthiness of the research. Reliability analysis used to check whether the question is internally consistent or not. If the result is less than 0.60, it means the question is not reliable and if the result is greater than 0.60, its mean questions are reliable. Results indicate that this study used 14 questionnaires item's whose internal consistency is 61.1 % in student response and 73.5 % in auditor's response. According to Cohen (1960), reliability is ≥ 60 % is recommended standard. It means internally all items are consistent. To check the quality of the data, which used in this study, it is necessary to address the following things. The information should be reliable or consistent and the data should also be generalized and validated (Saunders, 2003).

Table 5: Independent Sample t test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2- tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Item 01	EVA	1.619	.205	.643	149	.521	.111	.172	-.230	.452
	EVNA			.626	91.237	.533	.111	.177	-.241	.463
Item 02	EVA	2.460	.119	1.606	149	.110	.220	.137	-.051	.490
	EVNA			1.596	96.267	.114	.220	.138	-.054	.493
Item 03	EVA	6.628	.011	4.173	149	.000	.693	.166	.365	1.021
	EVNA			4.352	109.382	.000	.693	.159	.377	1.009
Item 04	EVA	2.758	.099	4.714	149	.000	.772	.164	.449	1.096
	EVNA			5.045	117.068	.000	.772	.153	.469	1.076
Item 05	EVA	12.151	.001	4.267	149	.000	.753	.177	.405	1.102
	EVNA			4.783	131.233	.000	.753	.158	.442	1.065
Item 06	EVA	.695	.406	2.730	149	.007	.426	.156	.118	.734
	EVNA			2.782	102.807	.006	.426	.153	.122	.730
Item 07	EVA	.042	.839	1.573	149	.118	.217	.138	-.056	.491
	EVNA			1.541	92.658	.127	.217	.141	-.063	.498
Item 08	EVA	4.292	.040	-.854	149	.395	-.190	.223	-.630	.250
	EVNA			-.812	86.070	.419	-.190	.234	-.655	.275

Independent sample t-test used in this study, which will help to understand the difference between Auditors and accounting students. Levene's test shows that if significant value is less than 0.05 then read top line otherwise read the bottom line of t test. In addition, if the significant value of t test is less than 0.05 then there is difference in auditors and accounting students otherwise there will be no difference in both groups. Above results indicate that the clear difference between students and auditors is examined.

4.2 Interview Analysis

This study also used qualitative technique to examine the moral reasoning in auditing profession. The study uses the NVivo 12 for qualitative analysis. According to (Ozkan, 2004), has been identified that NVivo was very supportive in qualitative analysis. In a word cloud the non-frequents and grammatically words secreted and shows the most important frequent word in different frequencies. In the word cloud greater themes means it is more important.

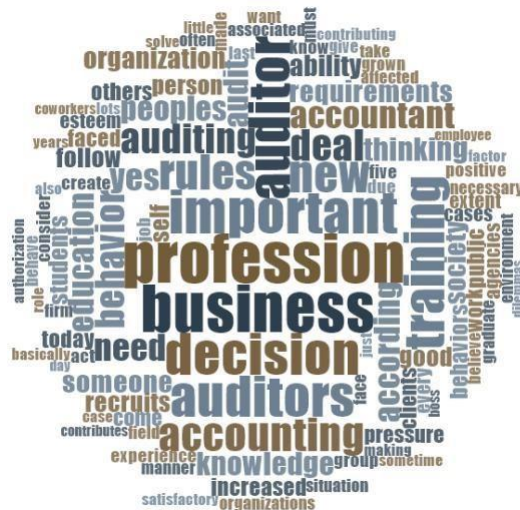


Figure 02: Word Cloud of Respondents Interview

The above Figure 02-word cloud shows the overall respondent. According to above responses that result is that the ethics are very important for society and profession. According to responses, the three auditors believe that requirements of the responses and accountant increased in last five years, but one response are disagreeing with it. Two response consider that ethics are very important for auditing profession and two responses consider ethics are important for every field. All four responses consider ethics should be included in large extent in training of accountant/auditors. Respondent believe that auditor has more ability consider ethical dilemma as compare to students and all responses say that the education is very important before starting new business or enter in professional life. 1) Response is not able to be confronting moral dilemma as compare to professional dilemma remaining three respondents have high ability to face moral dilemma. Respondents believe that the group pressure play-contributing factor to creating the unethical behaviors. Respondents also said that ethical rules could not create ethical behaviors.



Figure 03: Overall Word Tree of Respondents Interview

The above Figure 03 shows that the tree map. The word tree map shows the association among different pattern of conservation with the main word. Here in this study the central word is ethical dilemmas, which are map with words from both sides.

5. Discussion

In this study, we have investigated the role of ethical reasoning for accounting students and auditing professions. The students known to invent, create, and become active part of society and institutions. The more knowledge able they will the more they will deliver (Shujat Ali, Lu, & Wang, 2013). Our study confirms the notion of Waqas, Rehman, Shujahat, Yasir, and Ayaz (2019) that satisfaction of value system is essential to behave and perform in ethical manner for accounting student and auditing professionals. We

have revealed that ethical values are vital for students and professionals simultaneously for ethical decision-making. We have revealed the knowledge about ethical values and professional tasks encourages individuals to be more ethical. This study recommends to the responsible of the Business schools there is a need to improve Ethic's education in the syllabus of accounting students. It is important for students to know the importance of ethic is in the profession and advised the auditor to deal with client ethically, which will be beneficial for the reputation of the profession. This study recommends providing ethic's education to the auditors while in training process. The results could apply in public and private institutions where auditing and accounting practices are involved. Study found that the auditors have experience to deal with ethical dilemmas on the daily basis as compared to the accounting student. When students join the auditing profession than with passage of time, they developed skills to confronting the ethical dilemmas. Conclusively, study found that students can develop skills to face ethical dilemmas when they are working with professionals.

6. Conclusion

The goal of this study is to investigate the ethical dilemma while decision-making in auditing. At the end of this study found that the not much significant difference between auditors and the accounting student is thinking toward the auditing profession. The second question was that level of ethical reasoning among auditors when facing a moral dilemma, this study concluded that the auditors have high ability to face ethical dilemma in decision making and found that the auditors have high ethical reasoning as compared to accounting students because auditors have experience to confronting the moral dilemma. The responsible of the business school ensure to focus on ethics education, which will be beneficial for students when they enter in professional life and business. At the end of this study to reach on the results, that the auditors handle ethical dilemma comfortably because of experience which students does not have.

6.1 Practical Implication and Future Suggestion

Current study has several implications such as this study beneficial for the researchers as well as academicians. The study provides crystal clear insight to the educational institutions to pay focus on the ethical subjects and should be include in the ethical education with the accounting courses. The findings of study provide the avenue to getting prepared to face the issues and challenges in the practical life. This study draws attention on ethical reasoning in the auditing profession, a comparison between accounting students and auditors. Future suggestion for the researchers and scholars to investigate the ethical reasoning in the accounting profession while facing ethical dilemma, this study also suggested investigating the ethical reasoning amid accounting student's majors to determine some majors has established ethical reasoning as compare to others. It suggested making comparison between small and big accounting/auditing firms. This study conducted to inspect the ethical reasoning comparison with other professions. It is important to investigate the cross-country ethical reason in the auditing profession.

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**A Comparative Study of Customers Satisfaction of Microfinance in Sindh,
Pakistan.** Ghulam Yaseen Veesar¹, Mustaghis-ur-Rahman² and Masood Hassan³

Abstract

Micro-financing is an effective tool for poverty alleviation and to enhance the socio-economic status of economically disadvantaged people. Microfinance has been rapidly growing sector in Pakistan for last few decades and presently 36 registered micro-finance institutions are providing small loans to facilities throughout Pakistan to millions of people to break the cycle of poverty. The escalation in financial services has attracted not-for profit organizations as well as for-profit organizations to invest in this field. This study investigates the client satisfaction, with reference to, gender, education, age, family size and monthly household income of the borrowers of Micro Finance Institutions (MFIs) in district Tando Allahyar of Sindh where all three MFIs (belonging to public, private and not-for profit sector) are operating. Sample size of this research is 272 clients from whom data has been collected by using random sampling technique on the instrument Likert scale ranged 1 to 5. The data collected has been processed with factorial analysis, customer satisfaction index and ANOVA. Result of this study shows that the male clients are more satisfied than female, family size and education levels of the borrowers has different client satisfaction while the variation in their age and monthly income have no effect on their satisfaction. In the light of the findings, it is recommended for MFIs to initiate client centric policies, especially, female clients should be the target of MFIs in the district in particular and in whole of Pakistan in general.

Keywords: Microfinance, Client satisfaction, comparison of microfinance institutes

1. Introduction

Lending small loans through microfinance institutions to the economically disadvantaged group of people is one of the steps towards poverty reduction. Studies have shown that small loans disbursements for small/micro enterprises has positive effect on poverty reduction (Abbas, 2005). Like other developing countries, in Pakistan also, economists and policy makers find micro finance a potential source of poverty alleviation (Sani, Khan, Ahmed, & Aziz, 2017). As micro financing started mostly by the NGOs in South Asia toeing the line of Grameen Bank of Bangladesh, now getting attraction in micro financing business, some commercial banks have started coming in the field by having separate lending windows. Traditionally, NGOs started disbursing small and micro loans to the women for meeting both ends for operating small micro enterprises and further getting their family well off and leading to the women empowerment. Further, Raza (2017) found that besides, women empowerment, microfinance played important role in social development and decreasing the crime rate by generating employment. It has been witnessed that credits from institutions providing microfinance has not significantly uplift the expenditures on food, monthly income, expenses on health and education also had positive effects on households' assets (Mahmood, Abbas, & Fatima, 2017). In past one decade, this sector has got significant growth in Pakistan with a total of 36 MFIs having 11 banks offering small loans, 19 micro financing institutions registered with regulators other than State Bank of Pakistan and six rural support microfinance organizations are operating in Pakistan (Micro Finance Network Pakistan, 2017).

In the current era of competition, organizations spend tons of money to investigate about the different levels of consumer satisfaction and encourages new researches to find the determinants of customer satisfaction for their businesses. Client's satisfaction is an important element for organizations' development and expansion because it determines the stages of success. This approach support organizations to increase profit rate, in market competition and add in sales of services or products. It is a requirement of modern business to gauge the customer satisfaction in microfinance sector. Few studies on microfinance in Pakistan has been spotted in the local literature, however, some studies in past have covered the supply side of micro finance. In other words, being curious mostly about, why for-profit financial institutions decide to enter the microfinance market or how they maintain their commercial viability with microfinance businesses. Many scholars have studied commercial MFIs' motivation to begin micro finance businesses or the conditions (e.g., helpful governance or government regulation) that facilitate the profit-

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making activities of commercial MFIs. However, as one of the main issues in the commercialization of microfinance is balancing the profit-seeking nature of commercial financial institutions with their mission of providing loans to people for poverty alleviation. A pertinent question in the above backdrop is “how commercial aspects of MFIs can fulfil the social mission of such organizations and how MFIs clients will be satisfied?”

This study is focused to measure client perception and satisfaction of the microfinance services.

2. Literature Review

The stratification of customer is directly linked with the product or services of the organization, relationships of employees and customers, and business outcomes of organization (Harter, Hayes, & Schmidt, 2002). Several researches have been carried out over the last few decades focusing the different aspects of microfinance sectors. It is an accepted reality that customer friendly business has high value and attract clients in the field of microfinance. However, it is difficult to see how these MFIs operate and sustain business if these are not responsive to their customers. (Cohen, 2002). Customer satisfaction is process of evaluating, it simply defines as “it is judgement that a product or services itself or feature of product or services provided (or providing) a level of pleasure in response of consumption related fulfilment, includes levels of over or under fulfillments” (Oliver 1997, 13) cited by (Swaid 2007; Hom, 2002). Customer appreciation is discussed as positive, neutral or negative feelings against the consumed service or product (Bhattacharjee, 2001, 27) cited by (Swaid 2007). It can be reflexive response of attitude that can be quickly change according to the circumstances. So, it can be said that customers approval to a product is not a fixed attitude rather it can change when consumer feel better deal and meets his/her expectations more suiting to his/her requirements. In this context, the companies must focus on level of satisfaction of consumers, continue studying and determining levels of satisfaction, to adjust the services and products according to the needs. At this stage, satisfaction of micro finance account holders is an important concept to be understood for the upcoming strategies of the institutions. In fact, it has center point to secure market position and to touch the set goals and objectives of the organizations. (Koraus, 2002).

In the current era, microfinance entered in a phase of advancement marked by stiff competition. Having such prevailing micro business environment, MFIs must improve customer services and needs to recognize the reality that the market of micro financing is getting saturated. A strong argument put customer satisfaction at the center point of all development strategies which support MFIs to survive in the competitive environment. It is need of the business to retain their clients, to satisfy their customers and to compete in the market for long term benefits. (Khan & Akhter, 2017). Studies revealed that tools to measure client satisfaction and services quality for the microfinance business are very rare in the sector (Kanyurhi, 2017). Organizations used different strategies for the competitive advantage over competitors. The research findings reveal that satisfaction, retention and profitability of accounts holders of MFI are the most attributed contributions to the use of competitive strategies in an organization (Kisuna & DEd, 2017).

Microfinance is significant sector and has its own clientele having diversified social background. These clients are different from regular banking clients in terms of collateral giving and their borrowing capacity. With the increase of competition among the MFIs increased and it was accompanied with the similar increase in the customer bargaining power. The availability of more options in the microfinance sector provided more freedom to the customers to continue or to leave any of MFIs if it failed to meet their level of satisfaction. The case will be stronger in cooperative MFIs that the clients have more bargaining power because they have the membership of cooperative entity and clients are the owners having share in MFIs portfolios. Besides, members' saving schemes at MFIs are powerful source of the funds available at lower cost in comparison to other categories of funds. Flip side of the card is, if expectations of customer grow, the gaps will turn negative reflecting if the performance lags behind the expectations (Lone & Rehman, 2017). The quality of services and client satisfaction is strongly related with each other and there is significant positive relationship between these two indicators. (Bamfo, Dogbe, & Osei-Wusu, 2017). In multidimensional construct of customer satisfaction defines five factors: reliability, price, flexibility, accessibility and branding of the institutions. These factors of customer satisfaction reveal that a scale measurement should be both to customers' context and to sector specific. The attached value to the appearance factor stamped that microfinance sector focused to the “mission drift” that means target to the marginalized communities. The instantaneous existence of appearance and social proportions in the similar scale is an evidence that financial and social goals exists in the development for the MFIs providing microfinance services (Kanyurhi, 2017).

In the microfinance sector, client satisfaction is highly related to the collection of installments. The loan recovery process from the client has an impact on the client satisfaction. All the indicators of recovery process and dealing of recovery team with the customers are meaningful variables to gauge the satisfaction of client in whole circle of loan from borrowing to recovery (Chowdhury & Che Mohd Salleh, 2017). Volume of recovery of instalments against the issued loans indicate the satisfaction level of client. It is evident from the studies, the method of collection if considered as harassment, threatening and increase psychological pressure for the entrepreneurs, customers tends to dissatisfied and effects negatively on the borrowers' satisfaction (Bauer, Chytilova, & Morduch, 2008).

The client profile such as: education, family size, economic status and selection criteria of lending organization play important role in lending small and microfinances (Asher & Haider, 2015). The decision for taking loans from the microfinance institutes are linked with the client profile, so it is also important to measure the satisfaction status of microfinance clients against the client profile and analyze the effects of diversified indicators on client satisfaction status. The main question is whether socio-economic development effects the design that customer have for service quality? (Kanyurhi, 2017). The study will be a contribution to the marketing theories of microfinance and it further will help gauging the customer satisfaction and also compare the level of satisfaction in three different main MFIs of diverse organizational setup.

Hypothesis formulation

In the above backdrop, six hypotheses are being formulated to test customers' satisfaction level with different banks, gender, age, educational level, family size and family income wise.

Satisfaction with different banks

MFIs' should have an effective account handling and loan disbursal process for increasing the satisfaction clients' satisfaction. Various studies have found interest rate, service quality and MFI's brand are of vital importance of the account holders' satisfaction (Murray & Lynch 2003; Coleman 2006; Urquizo 2006; IFAD 2007 and Kanyurhi, 2013). Prior to these findings, easy requirements to comply with and turnaround time were ranked by the account holders as important factors of microfinance service (Seybold, 2001). Hence, on the basis of the above scholars' finding, hypothesis one is developed to check the difference of the satisfaction levels of the banking services in our research area.

H1= There is difference in satisfaction level of the customers using different banks.

Satisfaction with respect to gender

Study of comparison in context of gender satisfaction for the customers of MFIs is less discussed topic in the scientific researches. The satisfaction level of general banking consumers regarding to their gender discussed (Karapete, 2011; De Matos, Henrique, & De Rosa, 2013). They found female customers more to loyal with the banking institutions when compared with the male customers, it can be linked with the fact that male can take more risks as compare to the female customers and it is also expected in the behavior of male in social role theory. It was found consumer satisfaction as mediator in interaction quality, service environment, empathy and reliability on loyalty (Karapete 2011). The result further revealed that impact of reliability and empathy are greater on female clients as compare to the male customers of the banking industries. The female found more inclined toward the social environment where services being provided in the banks. The female client is the backbone of microfinance industry; these arguments support the formulation of 2nd hypothesis of the study defined as below;

H2= There is difference in satisfaction level of the customers respect to gender.

Satisfaction with respect to consumers' age

Very few researches have been spotted in the literature depicting the relationship between the MFI consumers' age and satisfaction. However, in South Asian context, Vikkraman, Ravi and Kumaravel (2012) studied the customer satisfaction of the MFI services in India and did not find relationship between the age and customer satisfaction of MFI services. Hence, 3rd hypothesis is based on the MFI consumers' age and satisfaction level as below.

H3= There is difference in satisfaction level of the customers' respect to age.

Satisfaction with respect to consumers' education level

Holvoet (2004) finds educated consumers of small loans have increased understanding of the project documentations, book keepings, legalities and microfinance impacts on the society. Further, according to Saad & Duasa (2011) there is a significant relationship between education and income levels among the users of microfinance loans. Hence, in order to investigate the satisfaction level of account holders and education level is hypothesized below as:

H4 = There is difference in satisfaction level of the customers' respect to education level.

Satisfaction with respect to consumers' family size

With reference to the family size customer satisfaction for MFI loans have not been spotted in the literature which made this immensely important to check in Pakistani context through the hypothesis formulated below.

H5= There is a difference in satisfaction level of the consumers' respect to family size. Satisfaction with respect to consumers' household income

There is a criticism concentrating around the factors that house hold earning of family members of the customers of MFIs did not increase. In this reference Assaduzzaman (1997), Ullah and Routray (2007), Hulme and Mosley (1999), Murdoch (1999) are of the views that MFI loans' impact on monthly incomes of the family members are not significant. Therefore, one of the hypothesis for testing satisfaction level has been formulated based on the house hold income of the MFIs' customers as follows.

H6= There is difference in satisfaction level of the customers' respect to monthly household income.

3. Research Methodology

In the current study, the survey was conducted through closed ended questionnaire from Tando Allahyar district of Sindh, Pakistan. Questionnaire was adopted from the PhD dissertation "Commercial Microfinance in Korea: Outreach, Customer Choice and Satisfaction, and Impact" by Hyunjoon Joo presented at Faculty of The USC Graduate School University of Southern California, with minor modifications according to local need. The responses were measured using likert scale 1 for Poor, 2- Not Bad, 3- Good and 4 for Excellent. The study was focused on the micro finance institutes, so the representation of all microfinance institute i.e., Public Sector, Private Sector and NGOs was carefully included. The researcher conducted the training of data collection team of MFIs through personal visits. The understanding of questionnaire and language of questions were discussed and all the related queries were answered on spot. Raosoft calculator was used for calculation of requisite sample size for the study, sample of 300 respondents were required for conducting the study. Sample of 100 customers were selected for each three microfinance institutions; Public Sector (Sindh Micro Finance Bank), Private sector bank (The First Micro Finance Bank) and Non- Government organization (NGO) NRSP to provide equal chance of participation in the study. Total 385 customers were contacted for data collection, 272 customers agreed to participate in the survey and the data was collected from agreed respondents.

4. Results and discussion

The study was focused to measure the satisfaction level against 05 important dimensions of client choice and socio-economic demographic profile. The responses importantly gauged and compared against the choice of client for selection of MFIs and satisfaction level with respect of socio-demographic profile of the client like gender, age, education level, family size and house hold income. The design of study was to compare the means of variables, sample T test for analyzing data for two variables (gender) and one way Anova for comparing data for three or more variables (all other variables of data set) were used for generating results(Brown & Forsythe, 1974).

- Comparison of satisfaction with respect to Bank selection:**

There is change in the mean of satisfaction against each bank. The ANOVA table explains that the variation in the satisfaction level of the customers is due the bank services (Mean square between groups = 4.885) and not due to their individual factors (Mean square within groups = 0.166). This also shows the high F value i.e., 29.417 which is significant. result shows those clients who borrowed loans from Micro Finance Institute (NGO) are the most satisfied (3.0864) among all the sources of microfinance. There is

very nominal difference between the private bank and NGO, however the satisfaction level of government bank is significantly low as compare to these two sources.

Descriptive

Satsf 1

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	Between-Component Variance
					Lower Bound	Upper Bound			
Micro Finance Institute (Public Bank)	87	2.6529	.48075	.05154	2.5504	2.7553	1.20	3.60	
Micro Finance Institute (Private Bank)	95	3.0295	.29459	.03022	2.9695	3.0895	2.20	3.80	
Micro Finance Institute (NGO)	88	3.0864	.43290	.04615	2.9946	3.1781	2.40	4.00	
Total	270	2.9267	.44849	.02729	2.8729	2.9804	1.20	4.00	
Model			.40750	.02480	2.8778	2.9755			
Fixed Effects				.13466	2.3473	3.5061			.05247
Random Effects									

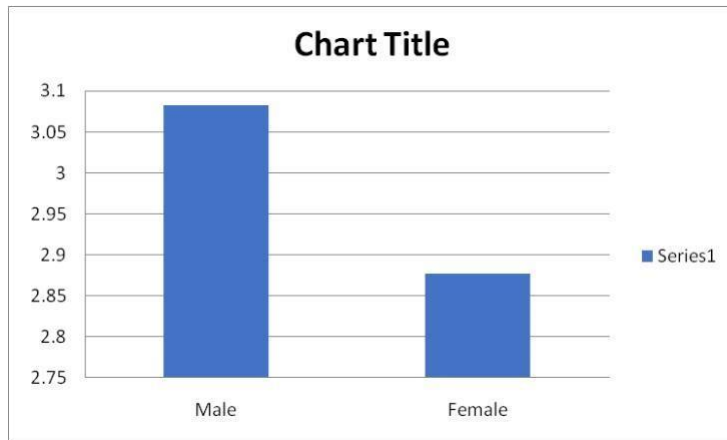
ANOVA

Satsf 2

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	9.770	2	4.885	29.417	.000
Within Groups	44.338	267	.166		
Total	54.108	269			

- Comparison of satisfaction with respect to gender**

H2 also accepted as there is change between the satisfaction level of male and female clients of microfinance institutions. The male clients are significantly more satisfied as compare to the female clients. The data was analyzed through t test, where the mean satisfaction for male is 3.0818 and for female is 2.8765. However, the t test for equality of means has P value less than .05, which show the results are significant.



Group Statistics

	What is the gender of the head of your family?	N	Mean	Std. Deviation	Std. Error Mean
Satsf	Male	66	3.0818	.31957	.03934
	Female	204	2.8765	.47274	.03310

Client satisfaction with respect to Age

The age of client during the borrowing of loan is important element for MFIs. This demographic variable was tested during this study. The result finds no significant difference in stratification level of the account holders in respect of the age. There is very nominal difference in the means and the F value is 0.408 and P value is 0.748 which is more than 0.05. Hence this hypothesis was rejected.

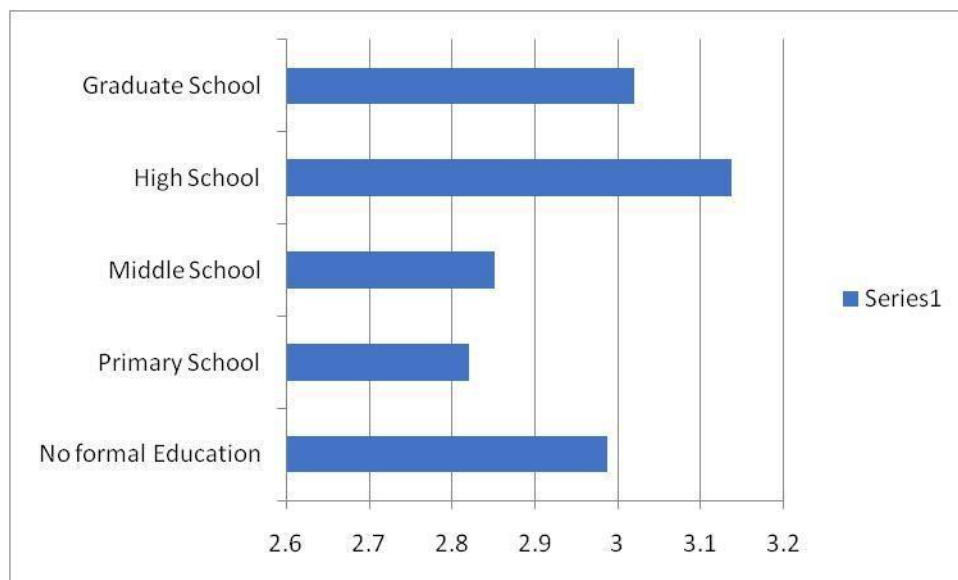
ANOVA

Satsf

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.248	3	.083	.408	.748
Within Groups	53.860	266	.202		
Total	54.108	269			

- Client satisfaction with Respect to education**

Education is another important demographic variable for MFIs as well as clients. The results show significant difference between the satisfactions of clients and their education level. Clients who attended high school and having graduate level education are more satisfied as compare to lower cadre of education. The statistical results also validating the claims as F are 4.431 and P value is 0.02 which is significant, hence the hypothesis was accepted.



ANOVA

Satsf

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	3.392	4	.848	4.431	.002
Within Groups	50.716	265	.191		
Total	54.108	269			

- Satisfaction of client with respect to Family size**

Family size is important demographic indicator and significantly considered by MFIs during lending the loans. The results presented that the client who has family size 2 to 4 members is more satisfied with the microfinance institutes. The clients who have bigger family size are comparatively less satisfied with the MFIs. This was also statistically supported as F value is 4.855 and P value is 0.000, which show significant results. Hence the hypothesis was accepted.

ANOVA

Satsf

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	5.396	6	.899	4.855	.000
Within Groups	48.712	263	.185		
Total	54.108	269			

- Satisfaction of client with respect to monthly household income of client:**

Monthly house hold income of the client is important indicator for MFIs during the lending of loans to the clients. This will help MFIs to assess the repayment capacity of clients. The results presented that there is not significant impact on the satisfaction level of client with respect to their house hold income. The mean difference was very minimal between each group of monthly house hold income. It was also statistically rejected, the F value 1.187 and P value is 0.116 which is more than 0.05, hence this hypothesis was rejected.

ANOVA

Satsf

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.486	4	.371	1.871	.116
Within Groups	52.622	265	.199		
Total	54.108	269			

5. Conclusion

This research conducted the comparative analysis of the customer satisfaction of MFI clients and provided opportunity to move toward the customers to collect their insights with involvement and ownership of MFIs. The finding of the study in the sector with scientific evidences provided solid foundation for client satisfaction. The study found that clients are more satisfied with the non-government MFIs as compare to the private and public sector MFIs. Male clients are more satisfied with comparison of female clients and more educated clients have greater satisfaction as compare to the less educated clients. It was also found that client who has family size is 2 to 4 members are more satisfied as compare the client having bigger family size and single client. However, there are evidence that there is no significant difference in satisfaction of client with respect to their age and monthly household income. This research provided initial feedback regarding the customer satisfaction in the micro finance industry. Based on the findings of this research, it suggested that public sector MFIs focus on the client satisfaction, while female clients are the backbone of the microfinance industry, MFIs devise female centric policies to increase their satisfaction level. The current study used quantitative research method through close ended questionnaire, it is recommended to initiate qualitative study for collecting detailed insights regarding satisfaction from microfinance clients.

5.1 Limitation of the study

As per our knowledge, existing research regarding determinants of customer satisfaction for microfinance sector in Pakistan is not available. For this study, the tool for client stratification was adopted from research in microfinance at Korea, so there is chance that other important elements of customer satisfaction with respect to local context were missing. The staff of the micro finance institute was used for data collection, so there are chances of biases during recording the responses, especially related with the institute and the team members.

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Annexure:

Table 01:

Satisfaction with respect to Banks**Descriptives****Satsf 1**

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	Between- Component Variance
					Lower Bound	Upper Bound			
Micro Finance Institute (Public Bank)	87	2.6529	.48075	.05154	2.5504	2.7553	1.20	3.60	
Micro Finance Institute (Private Bank)	95	3.0295	.29459	.03022	2.9695	3.0895	2.20	3.80	
Micro Finance Institute (NGO)	88	3.0864	.43290	.04615	2.9946	3.1781	2.40	4.00	
Total	270	2.9267	.44849	.02729	2.8729	2.9804	1.20	4.00	
Model			.40750	.02480	2.8778	2.9755			
Fixed Effects				.13466	2.3473	3.5061			.05247
Random Effects									

ANOVA**Satsf 2**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.770	2	4.885	29.417	.000
Within Groups	44.338	267	.166		
Total	54.108	269			

Table 02:

Gender: Comparison between Gender satisfaction/ Gender Preference**Group Statistics**

	What is the gender of the head of your family?	N	Mean	Std. Deviation	Std. Error Mean
Satsf	Male	66	3.0818	.31957	.03934
	Female	204	2.8765	.47274	.03310

	Levene's Test for Equality of Variances		t-test for Equality of Means							
	F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
								Lower	Upper	
Satsf	Equal variances assumed	8.063	.005	3.292	268	.001	.20535	.06238	.08253	.32817
				3.994	163.394	.000	.20535	.05141	.10384	.30686

Table 03:
Preference with respect to Age

Descriptive

Satsf

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	Between-Component Variance
					Lower Bound	Upper Bound			
Less tahn 20	3	2.9333	.11547	.06667	2.6465	3.2202	2.80	3.00	
20-30	57	2.9825	.44446	.05887	2.8645	3.1004	2.00	4.00	
31-40	118	2.9203	.45677	.04205	2.8371	3.0036	2.00	4.00	
41 and above	92	2.9000	.44918	.04683	2.8070	2.9930	1.20	4.00	
Total	270	2.9267	.44849	.02729	2.8729	2.9804	1.20	4.00	
Fixed Effects			.44998	.02738	2.8727	2.9806			-.00206
Model Random Effects				.02738 ^a	2.8395 ^a	3.0138 ^a			

a. Warning: Between-component variance is negative. It was replaced by 0.0 in computing this random effects measure.

ANOVA

Satsf

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.248	3	.083	.408	.748
Within Groups	53.860	266	.202		
Total	54.108	269			

Table 04:
Preference/Satisfaction with Respect to Education

Descriptives									
Satsf									
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	Between-Component Variance
					Lower Bound	Upper Bound			
No formal Education	59	2.9864	.39105	.05091	2.8845	3.0883	2.00	4.00	
Primary School	97	2.8206	.48087	.04883	2.7237	2.9175	2.00	4.00	
Middle School	47	2.8511	.50298	.07337	2.7034	2.9987	1.20	4.00	
High School	35	3.1371	.36549	.06178	3.0116	3.2627	2.40	4.00	
Graduate School	32	3.0188	.33451	.05913	2.8981	3.1394	2.20	3.80	
Total	270	2.9267	.44849	.02729	2.8729	2.9804	1.20	4.00	
Model			.43747	.02662	2.8742	2.9791			
Fixed Effects				.06121	2.7567	3.0966			.01277
Random Effects									

ANOVA

Satsf					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.392	4	.848	4.431	.002
Within Groups	50.716	265	.191		
Total	54.108	269			

Table 05:
Satisfaction/Preference with respect to Family size

Descriptives									
Satsf									
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	Between-Component Variance
					Lower Bound	Upper Bound			
1.00	5	2.8400	.26077	.11662	2.5162	3.1638	2.60	3.20	
2.00	28	3.0786	.45652	.08627	2.9016	3.2556	2.20	4.00	
3.00	29	3.0621	.40744	.07566	2.9071	3.2171	2.20	4.00	
4.00	54	3.0704	.42232	.05747	2.9551	3.1856	2.00	4.00	
5.00	50	2.9120	.43549	.06159	2.7882	3.0358	2.00	4.00	
6.00	53	2.6906	.44474	.06109	2.5680	2.8132	2.00	4.00	
7.00	51	2.8824	.42741	.05985	2.7621	3.0026	1.20	3.60	
Total	270	2.9267	.44849	.02729	2.8729	2.9804	1.20	4.00	
Model			.43037	.02619	2.8751	2.9782			
Fixed Effects				.06295	2.7726	3.0807			
Random Effects									.01914

ANOVA

Satsf

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.396	6	.899	4.855	.000
Within Groups	48.712	263	.185		
Total	54.108	269			

Table 06

Table with respect of monthly house hold income.

Descriptives

Satsf

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	Between-Component Variance
					Lower Bound	Upper Bound			
Less than 14,000	43	2.8233	.45609	.06955	2.6829	2.9636	1.20	4.00	
15000-25000	118	2.9034	.46168	.04250	2.8192	2.9876	2.00	4.00	
26000-35000	79	2.9519	.44053	.04956	2.8532	3.0506	2.00	4.00	
More than 35000	29	3.1034	.36886	.06850	2.9631	3.2438	2.20	4.00	
5.00	1	3.0000	.	.	.	.	3.00	3.00	
Total	270	2.9267	.44849	.02729	2.8729	2.9804	1.20	4.00	
Model			.44562	.02712	2.8733	2.9801			
Fixed Effects				.04365	2.8055	3.0479			.00373
Random Effects									

ANOVA

Satsf

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.486	4	.371	1.871	.116
Within Groups	52.622	265	.199		
Total	54.108	269			

Table 07:

Frequency distribution of clients against each MFI.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Micro Finance Institute (Public Bank)	89	32.7	32.7	32.7
Micro Finance Institute (Private Bank)	95	34.9	34.9	67.6
Micro Finance Institute (NGO)	88	32.4	32.4	100.0
Total	272	100.0	100.0	

Do Instruments of Monetary Policy and Fiscal Policy Affect Firm-level Leverage? Evidence from Pakistan and India

Zia ur Rehman¹, Dr. Muhammad Ayub Siddiqui², Sher Ali Khan³ and Asad Khan⁴

Abstract

Monetary and Fiscal policy instruments are important macroeconomic variables that may influence the financing choices of a firm. However, empirical evidence with respect to their influence on firm-level leverage is somewhat under researched particularly in the context of developing countries. The main objective of this study was to measure the influence of monetary and fiscal policy instruments on the leveraging of non-financial firms listed of Pakistan and India for the period 2006-2017. The findings of the study revealed that monetary and fiscal policy instruments do influence leverage decisions of listed firms in Pakistan and India, however, the extent of their influence varies in both countries. In Pakistan, except real interest rates all other monetary and fiscal policy instruments significantly influence leveraging decisions of listed firms whereas in India only real interest rates significantly influence leverage decisions of listed firms. Moreover, in Pakistan only incomes taxes negatively influences leverage whereas all other variables positively influence leverage. In India tax revenue, real interest rate and M2 negatively influence leverage whereas incomes taxes and public debt positively influences leverage.

Keywords: Monetary policy, fiscal Policy, tax revenue, public debt, real interest rate, M2, leverage
JEL Classification: E42, E52, E62, F31

1. Introduction

During the last few decades numerous theories have been presented to describe the variety of financing sources available to firm. Indeed, financing decisions by the firm is, perhaps, the most attracted area in finance for prominent researchers following the landmark study of Modigliani and Miller (1958) where they emphasize that the financing choice is irrelevant to firm value. Although, there is no theory with respect to debt to equity choice that is universally accepted, yet there are a number of theories that have been presented during the last few decades that attempted to explain firm's preferences for financing decisions. Almost all of these theories have focused on firm level characteristics while controlling for macroeconomic conditions (Bokpin, 2009). Trade-off theory assumes that firms are in search for an optimal capital structure that will maximize the wealth of the business by balancing the benefit and cost of debt and equity. Pecking order theory assumes that an order of preference is being followed by corporations while making their capital structure decisions that is internal funds are preferred over debt and debt over equity. Market timing theory is built on the concept that firms time their debt security and equity issues. However Norvaisiene and Stankeviciene (2007) noted that the selection of appropriate financing choice of every firm cannot be fully explained by existing theoretical models.

Moreover, existing theory and empirical evidence suggests that access to external financing becomes easier if the financial systems are well developed (Levine, 2004). In a study, Levy (2000) argued that "firms' that exhibit low degrees of financial constraints have pronounced counter-cyclical leverage with much of the variation attributed to varying macroeconomic conditions". He further revealed that these highly pronounced countercyclical leverages are not exhibited by firms who exhibit financial constraints of higher degree. This presumes that there is a systematic variation in financing choices as a result of variation in macroeconomic conditions. Frank and Goyal (2003) argued that internal determinants inside the country roughly contribute about 30% of the differences in capital structure. This means that there are many other factors that affect capital structure apart from the internal determinants.

Empirical literature related to the credit channel has considerably focussed on the link between macroeconomic development and access to capital markets by the firms. The principle focus of this literature is firm's dependence on external borrowing and the associated agency problems while accessing external funds. In both empirical literature and theory, the relationship between macroeconomic factors and

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security issues in various economies has been analysed mostly analysed through the credit channel (Levy, 2000).

Globalization and the integration of financial markets have not only provided opportunities for businesses to grow but also is a source of uncertainty for the firm (Oxelheim & Wihlborg, 2008). Changes in macroeconomic conditions in international markets influence domestic macroeconomic environment. No firm today can claim that it is not influence by changes in international markets (Eyraud, Singh & Sutton, 2017). Even a purely domestic firm is influence by changes international markets as a result interest rate changes, exchange rates etc. In such a scenario it has become very challenging for managers to run their businesses efficiently and effectively.

Horny, Manganelli and Mojon (2016) observed that macroeconomic stability is immensely important for the development of corporate bond market. Furthermore, he added that it is also important to control fiscal deficit and reduce the level of inflation. Nevertheless, most of capital structure theories have focussed on firm level determinants. Hackbarth, Miao and Morellec (2006) revealed that little importance has been given to macroeconomic conditions and its influence on financing decisions of the firm despite the fact there is substantial literature on capital structure determinants (see Titman and Wessels, 1988; Bokpin, 2009; Frank & Goyal, 2009; Nguyen & Wu, 2011, Keshtkar et al., 2012; Oztekin, 2015). Moreover, a vast majority of empirical studies with respect to macroeconomic condition's influence on the financing decisions have focused on developed countries whereas emerging economies are somewhat ignored (see Fan, Wei & Xu, 2011; Mokhova & Zinecker, 2014; Painer et al. 2015). This stresses the need for further research on developing countries as they are passing through different stages of economic development with varied macroeconomic conditions and behaviour of firms with respect financing choices might be different as compared to developed countries.

Firms tend to operate better if the macroeconomic environment is stable and conducive (Pal & Mittal, 2011). Monetary policy and fiscal policy are crucial to achieving macroeconomic stability. Therefore, the paper aims to comparatively analyse the impact of instruments of monetary policy and fiscal policy on the financing choices of listed firms in Pakistan and India. As the external environment is beyond the control of the firm, therefore, changes in interest rates, tax rates, inflation rates etc. domestically and internationally may affect firms both positively as well as negatively. The integration of financial markets has made interest rates and inflation rates important factors to consider because interest rates changes in international markets may lead to changes in domestic interest rates thus affecting the cost of borrowing for local as well as multinational firms. Apart from filling gap of limited research on macroeconomic conditions and their influence on capital structure in emerging economies, this study adds to the literature by using a slightly different measure of leverage i.e. economic leverage. Most of the empirical studies have used either debt divided by total assets or debt to equity ratio. Secondly, public debt an important variable has been rarely used in empirical studies particularly in the context of developing countries. Government's around the world finance their budgetary deficits through internal as well as external borrowing. Since saving rates are particularly low in developing countries, borrowing by the government from the total pool of loanable funds available leaves very little for private sector to borrow. Additionally, lending institutions also prefer to lend to the government due to lower risk of default and government willingness to pay higher interest which cannot be matched by the private sector.

This study will be helpful for managers in understanding the behaviour of these macroeconomic factors, the extent of their influence, level and direction which will help managers in making quality long-term financing decisions.

2. Literature Review

While reviewing the empirical literature, we found that a number of empirical studies have focussed on macroeconomic conditions and capital structure (see Demirguc-Kunt & Maksimovic, 1999; Korajczyk & Levy, 2003; De Jong et al., 2008; Camara, 2012; Fan, Titman & Twite, 2012; Baltaci & Ayaydin, 2014; Khanna, Srivastava & Medury, 2015; Buvanendra, Sridharan & Thiyagarajan, 2016; Pepur, Curak & Poposki, 2016). Findings of these studies revealed that macroeconomic conditions significantly influence financing decisions of the firm.

Among the macroeconomic factors, inflation rates and interest rates are probably the two most common factors that have been used while analysing the consequence of macroeconomic factors on borrowing decisions. Inflation rates and interest rates are closely related and both often move in similar direction. If inflation rate rises, so does the interest rates and vice versa. However, the empirical evidence with respect to their influence on financing decisions is rather mixed. Studies from Noguera (2001),

Hanousek and Shamshur (2011), Lemma and Negash (2013) found a positive effect of inflation rate on financing decisions. They further added that, interest rate rises as a result of rise inflation rate which provides an incentive for firm to exploit tax shield advantages thus increasing the level of borrowing by the firm. On the contrary, studies from Booth et al., (2001), Gajurel (2006), Dincergok and Yalciner (2011), Baltaci and Ayaydin (2014) concluded that financing decisions and inflation are negatively related, whereas, Bastos et al., (2009) finds no relationship between inflation rate and financing decisions.

Similarly, studies from Graham and Harvey (2001), Drobetz et al., (2006), Henderson Jedadesh and Weisbach (2006) and Amjed and Shah (2016) concluded that interest rates and leverage are negatively related. This means that the preference of the managers is to borrow when interest rates are lower and vice versa. On the contrary, Bokpin (2009) found positive impact of interest rates on leverage. In periods of rising interest rates, profit hungry banks will make additional funding available to benefit from these rising interest rates thus encouraging firms to borrow as supply of loanable funds improves. Memon, Rus and Ghazali (2015) argued that interest rates significantly influences leverage levels. However, Handoo and Sharma (2014) concluded that there is no significant effect of both short-term and long-term interest rates and leverage.

Another macroeconomic variable that has received researcher's attention in empirical studies is public debt. Governments resort to borrowing when they are faced with budgetary deficits. However, the supply of loanable funds is significantly affected by government borrowing thus leaving very little for the private sector to borrow. Dincergok and Yalciner (2011) found a positive influence government debt on leverage. Whereas as Mokhova and Zinecker (2014) found a negative influence of government debt on leverage.

M2 is another important macroeconomic variable has been used in empirical studies to measure its effect on financing decisions. M2 basically measures the supply of money in circulation. Increases in M2 leads to decline interest rates thus lowering the cost of financing and vice versa. Mokhova and Zinecker (2014) while analysing a sample of European countries concluded that in developed economies M2 positively influence leverage whereas in emerging economies it is negative. Moreover, Pao (2008) also found positive impact of M2 on leverage. Lastly, tax revenue as an external factor has also been used in empirical to measure its effect on leverage. Tax revenue an important source of revenue for the government significantly influences government demand for external funds to meet budgetary deficits and thus loanable funds in the market. Increase in tax revenue lowers the demand for borrowing from financial markets by government thus increasing the availability of loanable funds for private sector to borrow. Empirical findings from Mokhova and Zinecker (2014) confirmed positive relationship between tax revenue and leverage.

3. Data and Methodology

Since the study aims to analyse the effect of instruments of monetary and fiscal policy on the firm's capital structure, therefore, secondary data was used for this purpose for the period 2006-2017. Firm level data (leverage) was collected from State Bank of Pakistan's database and money control database for Pakistan and India respectively. Data for M2, interest rates, inflation rate (GDP deflator), tax revenue, income taxes and public debt was collected from World Bank database. The sample consisted of all listed firms of Pakistan Stock Exchange (PSX) and Bombay Stock exchange (BSE). However, only those firms were considered that remain listed throughout the study period i.e. 2006-2017. The final sample comprised of 929 firms.

Whiling collecting data we noticed that firm's distribution across various industrial sectors varied significantly in both countries. Comparatively, Indian economy is much larger in size and more diverse in terms of industrial sectors than that of Pakistan. BSE currently has more than 30 different industrial sectors whereas PSX only has 12 industrial sectors. For meaningful comparison between the two countries, firms from only those sectors were selected that were common in both countries. PSX was used as a benchmark for the selection of firms. In this regard certain reorganizations were carried out with respect to BSE listed firms and Industrial sector to make them similar to PSX. For instance, in BSE oil drilling, power generation and fuel are separate sectors whereas in PSX they are clubbed together under the head of fuel and energy. So, oil drilling, power generation and fuel sectors of BSE were also clubbed together under the head of fuel and energy.

Table 1 Break down of number of firms selected from each industrial sector

Industry	KSE(Pakistan)	BSE(India)
Textile	154	149
Cement	20	26
Sugar	31	34
Auto and Parts	22	68
Fuel and Energy	26	36
Food	16	27
Transport and Telecommunication	13	29
Paper	09	34
Pharma and Chemicals	43	192
Total	334	595

Monetary policy instruments used in the study are real interest rates (RIR) measured through nominal interest minus inflation rate (measured through GDP deflator) and M2 representing money and quasi money was measured as M2 as a percentage of GDP. Fiscal policy instruments used in this study are public debt (PD) measured through public debt as a percentage of GDP, income taxes (IT) measured incomes taxes as percentage of revenue and tax revenue as a percentage of GDP was used as measure of tax revenue (TR). Economic leverage (EL) is measure through return on equity divided by return on assets.

3.1 Estimated Model

Since the selected data contained features of both cross-sectional and time series data, therefore, panel data regression was used in this study to measure the influence of monetary and fiscal policy instruments on the financing choices of the listed firms of Pakistan and India. Panel data offers several advantages over other estimation techniques such as it offers more degrees of freedom, estimation bias is reduced or eliminated, problems of multicollinearity is limited and provides a solid foundation for aggregate level data analysis.

Where α is the intercept, β is the slope, i stands for i th cross-sectional unit and t for the t th time period, EL_{it} is leverage, IT_{it} stands for income tax as a percentage of revenue, RIR_{it} is Real interest rate, TR_{it} is tax revenue, $M2_{it}$ is money supply, PD_{it} is public debt and μ_{it} is the error term

For Pakistan

$EL_{it} = \alpha + \beta_1 IT_{it} + \beta_2 RIR_{it} + \beta_3 TR_{it} + \beta_4 M2_{it} + \beta_5 PD_{it} + \mu_{it}$

For India

$E(EL_{it} | D_{it} = 1, IT_{it}, RIR_{it}, TR_{it}, M2_{it}, PD_{it}) = (\alpha_1 + \alpha_2) + (\beta_1 + \beta_2)IT_{it} + (\beta_3 + \beta_4)RIR_{it} + (\beta_5 + \beta_6)TR_{it} + (\beta_7 + \beta_8)M2_{it} + (\beta_9 + \beta_{10})PD_{it} + \mu_{it}$

α_2 in the model is the differential intercept and $\beta_2, \beta_4, \beta_6, \beta_8, \beta_{10}$, are the differential slope coefficients indicating by how much the slope coefficients of India that receives the dummy value of 1 differs from that of Pakistan.

The multiplicative form of D_{it} helps us to distinguish between slope coefficients of the Pakistan and India, just as dummy variable introduction in the additive form assists us to differentiate between the intercepts of Pakistan and India. If α_2 which is the differential intercept coefficient is statistically significant then we can reject the hypothesis that the intercept of both regressions are same. Similarly, if β_2 which is the differential slope coefficient is statistically insignificant but α_2 is significant, we may not reject the hypothesis that the two regressions have the same slope, that is, the two regression lines are parallel (Gujarati, 2004)

In panel data we find two common models that are repeatedly used by researchers in empirical studies. They are random effects and fixed effects. Both models differ from each other, random effects, on one hand, assumes the intercept of each firm is a randomly drawn from a significantly large population

having a constant mean value. On the other hand, fixed effects model assumes that each firm's intercept is different from that of the other. Hausman test introduced in 1978 is basically a specification test that tells us whether a random effects model is more appropriate or fixed effects is more appropriate in a given data. Moreover, Hausman test also helps in eliminating selection bias associated with the selection of appropriate model. On the basis of Hausman test statistics, it is concluded that fixed effects model is more appropriate.

Table 2 Hausman Test

Test cross-section random effects

Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	48.04	5	0.002

Before estimating the panel regression equation, there are several factors like multicollinearity and heteroscedasticity that must be considered. Issues related to heteroscedasticity were handled through assigning estimated generalized least squares with cross-sectional weights. Various Inflation factors (VIF) were also calculated to determine whether multicollinearity exists or not among independent variables.

Table 3 Variance Inflation Factors

Variable	VIF
PD	1.04
RIR	1.01
M2	1.90
IT	2.13
TR	1.89

On basis of VIF statistics given in table 3, we can say that multicollinearity is not an issue here. For multicollinearity to exist, the value of VIF should be greater than 10 (Gujrati, 2004). Multicollinearity basically means high correlation between two or more independent variables. In the presence of multicollinearity, precise estimation becomes difficult because multicollinearity may lead to high R-Square, insignificant p-values and large variances and co-variances (Gujrati, 2004).

4. Results

4.1 Descriptive Statistics

Table 4 and 5 shows the descriptive statistics of the variables with respect to Pakistan and India respectively. The mean value of economic leverage is 44.21% in Pakistan whereas it 55.60% in India which shows that on average the level of leveraging is comparatively high in Indian firms as compared to Pakistani firms. Moreover, economic leverage's standard deviation is 2.57 and 2.75 in Pakistan and India respectively. The mean average of income taxes is 26.17 and 25.93 in Pakistan and India respectively. It means that income taxes amounts to 26.17% and 25.93% of total revenues in Pakistan and India respectively. Standard deviation of income taxes is 1.41 in Pakistan and 2.04 in India. The average of public debt is 61.26 % of GDP in Pakistan whereas in India it is 71.10% of GDP. Standard deviation of public debt is 2.46 in Pakistan and 3.04 in India. Average value of real interest rate is 0.86% in Pakistan whereas it is 4.23% in India. Standard deviation of real interest rate is 5.23 in Pakistan and 2.27 in India. Average of tax revenue is 9.84% of GDP in Pakistan and 14.32% of GDP whereas the standard deviation tax revenue is 0.64 and 0.59 in Pakistan and India respectively. Average of M2 (money supply) is 53.05% of GDP in Pakistan whereas it is 77.01 of GDP in India. Standard deviation of M2 is 2.81 in Pakistan and 3.03 in India.

Table 4 Descriptive Statistics: Pakistan

	EL	IT	M2	PD	RIR	TR
Mean	44.21	26.17	53.05	61.26	0.85	9.84
Median	36.93	25.70	52.34	62.00	3.65	9.98
Maximum	125.49	28.85	58.86	63.90	7.90	11.18
Minimum	0.00	24.51	48.10	56.40	-8.1	8.90
Std. Dev.	2.57	1.41	2.81	2.46	5.22	0.64
Skewness	-0.31	0.54	0.47	-0.82	-0.53	0.41
Kurtosis	9.32	2.00	3.03	2.35	1.80	2.58
Jarque-Bera	5612.20	300.87	123.54	433.17	361.82	118.79
Probability	0.00	0.00	0.00	0.00	0.00	0.00
Observations	3340	3340	3340	3340	3340	3340

Table 5 Descriptive Statistics: India

	EL	IT	M2	PD	RIR	TR
Mean	55.60	25.93	77.01	71.10	4.23	14.32
Median	48.62	26.13	78.17	69.60	4.70	14.40
Maximum	147.29	28.49	80.14	77.10	7.20	15.22
Minimum	0.00	21.68	69.53	67.50	-0.70	13.24
Std. Dev.	2.75	2.04	3.03	3.04	2.27	0.59
Skewness	1.61	-0.62	-1.52	0.67	-0.77	-0.30
Kurtosis	4.60	2.51	4.10	2.09	2.86	2.13
Jarque-Bera	3204.42	447.36	2602.79	649.50	595.42	276.03
Probability	0.00	0.00	0.00	0.00	0.00	0.00
Observations	5950	5950	5950	5950	5950	5950

4.2 Panel Regression Analysis

Table 6 shows the comparative influence of instruments of monetary and fiscal policy on the funding choices of listed firms in Pakistan and India. From table 6, it is evident that in Pakistan income taxes, tax revenue, public debt and M2 significantly influences financing decisions of firms in Pakistan whereas in India only real interest rate significantly influences financing decisions of firms in India. Moreover, in Pakistan except incomes taxes other variables have positive relationship with economic leverage whereas in India only income taxes and public debt has positive relationship with economic leverage.

Table 6 Panel Regression Analysis of Pakistan and India

Pakistan				India			
Variable	Coefficient	Std. Error	Prob.	Variable	Coefficient	Std. Error	Prob.
C	0.577	0.443	0.193	C	5.788	0.431	0.000
IT	-0.077	0.013	0.000	IT	0.005	0.006	0.445
TR	0.045	0.016	0.007	TR	-0.022	0.022	0.318
PD	0.083	0.009	0.000	PD	0.001	0.002	0.770
RIR	0.007	0.005	0.138	RIR	-0.007	0.003	0.038
M2	0.022	0.004	0.000	M2	0.001	0.003	0.955
R-squared	0.66	Adjusted R-squared		0.62	S.E. of regression		2.23
F-statistic		17.45		Prob (F-statistic)			0.00

The differential intercept given in table 7 is statistically significant which means that the intercept of both Pakistan and India is different from each other. Coefficients values with respect to India are derived through the summation of slope coefficients and differential slope coefficients. For instance, the tax coefficient for India was calculated by summing up the coefficient of tax and the differential slope coefficient DIT given in table 7. Similar process was adopted for other variables as well.

Table 7 Regression Results: Slope Coefficients and Differential Slope Coefficients

Variable	Coefficient	Prob.
C	3.914	0.000
TAX	-0.077	0.000
DIT	0.08s	0.000
TR	0.045	0.007
DTR	-0.066	0.041
PD	0.083	0.000
DPD	-0.082	0.000
RIR	0.007	0.137
DRIR	-0.014	0.031
M2	0.022	0.000
DM2	-0.022	0.000

From table 6 we can see that in Pakistan income taxes have a strong negative influence on economic leverage whereas in India it is positive but the relationship is weak statistically. Results from Pakistan are quite surprising as rise in income taxes leads to decline in leverage and vice versa. Theoretically, increase in taxes increases revenue of the government thus lowering the dependence on external funds to finance budget deficits. One possible explanation for this can be that during periods of economic growth investment opportunities tends to rise which not only increases level of employment about also the income level of employees as a result of good performance by the firm. The increase in firm profitability decreases demand for external funds as more internal funds may be available to meet firm future financing needs and vice versa. Studies from Mokhova and Zinecker (2014) also found strong negative influence of income taxes on leverage particularly in developing countries whereas in developed countries they found positive influence. Moreover, the p-value of differential slope coefficient DIT is significant which means that the influence on income taxes is significantly different in Pakistan from that of India.

Tax revenue has a strong positive influence on economic leverage in Pakistan whereas in India it is negative but weak. Since tax is the primary source of revenue for the government, therefore, increase in tax revenue lowers the demand for external funds thus improving the availability of loanable funds to private sector. Mokhova and Zinecker (2014) also found positive impact of tax revenue on leverage in France and Greece whereas in rest of the countries it was negative. The p-value of differential slope coefficient DTR given table 7 indicates that the influence of tax revenue is significantly different in Pakistan from that of India.

M2 has a strong positive relationship with economic leverage in Pakistan whereas it is negative but weak in India. As per macroeconomic theory, interest rates tend to decline as money supply increases thus encouraging firms to borrow and vice versa. During the past few years interest rates have gone down in Pakistan resulting in increased borrowing by the firms. Furthermore, decline in interest rates may result in decline tax shield advantages of debt thus discouraging firms to borrow. As a result, the tax shield advantages of using debt declines which may discourage firms to borrow as there are lower tax shields to exploit from the use of debt. Mokhova and Zinecker (2014) also found positive impact of money supply on leverage. The p-value differential slope coefficient DM2 given in table 7 demonstrates that there is a significant difference between the influence of money supply on economic leverage in Pakistan than that of India.

Theoretically, increase in public debt should lead to decline in borrowing by the private sector. But here in case of both Pakistan and India the results are not only surprising but contrary to our expectations. From table 6, we see that the coefficients of public debt are positive in Pakistan and India thus indicating that firm level leverage rises as public debt rises and vice versa. However, in Pakistan influence is strong as compared to India. One possible explanation this can be that borrowing by government increases the demand for funds in market which pushes the interest rates upwards. Upon witnessing rise in interest rates, profit oriented banks gets encouragement to increase the supply of loanable funds in the market in order to exploit and benefit from high interest rates. Improved supply of loanable funds in the financial markets not only provides an opportunity for firms to meet their financing needs but also enables firms to exploit increased tax shield advantages. The empirical findings of Dincergok and Yalciner (2011) also support our finding where they also found positive influence of public debt on leverage. The p-value of differential slope coefficient DPD given table 7 indicates that the influence of public debt is significantly different in Pakistan from that of India.

Lastly, real interest rates have positive influence on economic leverage in Pakistan whereas it is strong and negative in India. In Pakistan leverage level rises with increase in interest rates as they are more tax shield advantages to exploit but in case of India rise in interest rates leads to decline in leverage levels. One explanation for this can be that in India rise interest rates may lead to increase in tax advantages of debt but the associated cost financial distress may out weight the benefit of debt thus discouraging firms to borrow. Deesomsak et al., (2004), Drobetz et al., (2006) and Antoniou et al., (2008) also found inverse effect of interest rates on leverage and concluded that firms prefer to borrow from external sources when rates of interest are lower on borrowed funds. The p-value of differential slope coefficient DRIR given table 7 indicates that the influence of real interest rate is significantly different in Pakistan from that of India.

5. Conclusion

As the external environment is beyond the control of the firm, changes in fiscal policy and monetary policy which are important macroeconomic variables may positively or negatively influence the financing decisions of the firm. The objective of the study was to measure the influence of monetary and fiscal policy instruments on the leveraging of listed of Pakistan and India for the period 2006-2017. The study found that monetary and fiscal policy instruments do influence leverage decisions of listed firms in Pakistan and India, however, the extent of influence varies in both countries. In Pakistan, except real interest rates all other monetary and fiscal policy instruments significantly influence leveraging decisions of listed firms whereas in India only real interest rates significantly influence leverage decisions of listed firms. Moreover, in Pakistan only incomes taxes negatively influences leverage whereas all other variables positively influence leverage. In India tax revenue, real interest rate and M2 negatively influence leverage whereas incomes taxes and public debt positively influences leverage.

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Interpersonal Relationship Marketing: Role of Customer Focal Antecedents in Relationship Building and Maintenance

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Abstract

This study evaluates the relationships between customer focal antecedents (CFA)-relationship benefits, seller dependence, trustworthiness, firm reputation, relational mediators (gratitude, trust, and intimacy), and relationship outcomes (commitment, reciprocity, and repurchase intentions). Conceptual model of the study is conceptualized on the basis of interpersonal relationship marketing model and theory of interpersonal attraction. Data is collected with survey methodology. The data is collected from four sectors i.e., Apparel, Food, Financial, and Telecommunication. Variance based SEM is applied to test hypotheses. Results provide substantial support for the proposed paths and validate interpersonal relationship marketing model. Results show that CFA - relationship benefits, trustworthiness, and firm reputation are found positively significant predictor of relational mediators. Gratitude, trust, and intimacy are found significantly mediating the relationship between CFA and relationship outcomes. Furthermore, relationships within relational mediators and relationship outcomes are found positively significant. There are number of managerial and theoretical implications. This research helps sellers to understand customer motivation and reinforcements of CFA in the relational ties. It also facilitates to improve customer value, experience, and to strengthen future customer commitments.

Keywords: *Customer focal antecedents, Relational mediators, Relationship outcomes, Variance based SEM*

1. Introduction

Businesses are in dire need to build and maintain relationship with customers to achieve competitive advantage. Relationship marketing practices are part of successful business philosophy (Storbacka & Lehtinen 2001). Customers' retention and sustainable relationships are key factors of success for any business (Grönroos, 2017). Relationship marketing has evolved as important mantra of business strategy for number of motivations e.g., reduction of cost, enhance customer base, increase sales, and growth of business (Palmatier, Dant, Grewal, & Evans, 2006; Brito, 2011; Finch, O'Reilly, Hillenbrand, & Abeza, 2015; Buttle & Maklan, 2015; Debnath, Datta & Mukhopadhyay, 2016). Similar to business; the customers also have multiple benefits in close relational ties with sellers e.g., value (Buttle & Maklan, 2015), customization (Arli, Bauerb, & Palmatier, 2018) and time saving (Morgan & Hunt, 1994). In Business to customer (B2C) relationship both parties (sellers and buyers) engaged in relationship (Ogilvie, Agnihotri, Rapp, & Trainor, 2018) are benefited by reciprocal relationship. This research focuses customer focal antecedents (CFA). CFA are the antecedents when they share same perspective as relational mediators (Palmatier et al., 2006; Verma, Sharma, & Sheth, 2016). Customer focal antecedents are consistent with customer viewpoints. From theoretical perspectives relationship marketing needs new thoughts (Gummerus, von Koskull, & Kowalkowski, 2017; Grönroos, 2017; Sheth, 2017), integration and convergence of existing theories of relationship marketing (Grönroos, 2017; Sheth, 2017; Gummesson, 2017), and advances on emotive direction of relationship marketing (Sheth, 2017). Furthermore, more emphases should be imposed on interpersonal relationship perspectives (Palmatier, 2008) and to overcome limitations of interpersonal relationship marketing's research and theory (Palmatier, Jarvis, Bechhoff, & Kardes, 2009; Wulf, Odekerken-Schröder, & Iacobucci, 2001; Hassan, Mortimer, Lings, & Neale, 2017; Arli, Bauerb, & Palmatier, 2018; Ali, Rasoolimanesh, Sarstedt, Ringle, & Ryu, 2018; Chou & Chen, 2018).

Comprehensive and critical review of literature leads to conceptual model (Payne & Frow, 2005). The conceptual model of this research is composed of relationship antecedents (customer focal antecedents), relational mediators (emotive plane), and relationship outcomes. Customer focal antecedents share the same perspectives as relational mediators (Palmatier et al., 2006). Perceived customer focal antecedents conceptualized for this research are; perceived relationship benefits, perceived relationship dependence, perceived seller trustworthiness, and perceived seller reputation. The perceived customer

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emotive plane consists of; perceived customer trust, perceived customer intimacy, perceived customer gratitude constructs. The relationship outcomes are analyzed with; reciprocity, customer purchase intentions, and commitment constructs.

Following objectives are framed to support the conceptualized model of this study (1). To examine the positive relationship between customer focal antecedents and emotive plane (relational mediators). 2. To examine the positive relationship between emotive plane and relationship outcomes. 3. To investigate the mediating role of emotive plane between customer focal antecedents and relationship outcomes. 4. To investigate the relationship within emotive plane (trust, gratitude, and intimacy) and relationship outcomes (commitment, reciprocity, and repurchase intentions).

2. Literature Review

2.1 Customer Focal Antecedents

In contemporary era, there is a shift of marketing functions towards customer-centric marketing. Each customer is served individually whether directly by the organization or through the third party (Sheth, Sisodia, & Sharma, 2000). To achieve above mentioned purpose different set of CRM tools are applied in B2C context (Reinartz & Berkmann, 2018). This customer focused agenda of B2C relationship benefits the both parties engaged in relationship (Ogilvie et al., 2018). In B2C context, customer focal antecedents shared the same perspectives of relational mediators (Palmatier et al., 2006; Verma, Sharma, & Sheth, 2016). In CFA customers play active role (Palmatier et al., 2006) when CFA's are consistent with their viewpoint as a number of relationship characteristics are viewed as CFA (Sheth, Sisodia, & Sharma, 2000; Palmatier et al., 2006; Verma, Sharma, & Sheth, 2016; Hasan et al., 2017; Ryu & Lee, 2017; Reinartz & Berkmann, 2018; Ogilvie et al., 2018). However, in this research relationship benefits, Dependence on seller, Trustworthiness of seller, and Perceived reputation of seller are used to achieve the aforementioned objectives.

2.1.1 Relationship Benefits

Relationship benefits is the value created not only from the core product or service but also value obtained from relationship (Chou & Chen, 2018). Relationship benefits leads to customer value (Kumar & Reinartz, 2016). In B2C relationship, benefits are created for both parties; however, most of the focus of research is on benefits obtained by the customers (Ulaga & Eggert, 2006; Ryu & Lee, 2017; Terblanche & Taljaard, 2018; Prentice, Wang & Lin, 2018). There are number benefits in a relationship, the research have not clearly stipulated benefits. The relationship benefits may be of physical benefits, service benefits, technical support (Monroe, 1990). The classification of relationship benefits may be of relationship related and product related (Lapierre, 2000). Similarly, the benefits may be identified as financial, emotional and expertise benefits (Terblanche & Taljaard, 2018), the benefits are may be of confidence benefits, sharing benefits, identity benefits, and symbiotic benefits (Yang, Yu, & Bruwer, 2018). This research conceptualized the relationship benefits as "Benefits received, including time saving, convenience, companionship, and improved decision making" (Morgan & Hunt, 1994).

2.1.2 Dependence on Seller

Extent to which one party requires to maintain relationship with second party in order to accomplish resources and goals is called dependency (Heide & John, 1988). Dependence may lead to; e.g., heightened commitment (from one side) (Barnes, Naude, & Michell, 2005), higher switching cost and exit barriers (Mishra, Sinha, & Koul, 2017). Customer dependence on seller is defined as "Customer's evaluation of the value of seller-provided resources for which few alternatives are available from other sellers" (Morgan & Hunt, 1994). In customer dependence on seller, seller may exploit the market power and customer is less likely to have competitive price and standard negotiation (Waheed & Gaur, 2012). Customer dependence research has demonstrated variety of relationship outcomes (Qiu, 2018) e.g., trust (Hewett & Bearden, 2001; Eggert & Ulaga, 2010) and commitment (Sahadev, 2008). This research focused on B2C relationship highlight the reversal of relationship outcome in the presence of dependence (Fatima & Mascio, 2018). It is also important to note that dependence may not lead to favorable relationship outcomes (Qiu, 2018).

2.1.3 Trustworthiness of Seller

The term "Trustworthiness" often confused with term "Trust", however, these terms hold quite different psychological underpinnings. It is proffered across literature of number of disciplines that expectations and indications of trustworthiness are the foundations of trust (Hardin, 2002). Trust and

trustworthiness are both cognition and affect based (Holste & Fields, 2010). In conclusive way, Trustworthiness of seller is defined as “a trait of seller in a relationship that inspires confidence in customers (Kharouf, Lund, & Sekhon, 2014). Therefore, sellers interested to cultivate trust among customers need to demonstrate attributes of being trustworthiness (Ostrom & Walker, 2003). Moreover, sellers can control the signals of customers’ trustworthiness but not the trust in isolation (Kharouf, Lund, & Sekhon, 2014). Additionally, Cultivation of trustworthiness signals among customers may improve the social bond between service providers (sellers) and customers (Grissemann & Stokburger-Sauer, 2012). This research focuses trustworthiness (Perceived trustworthiness) as predecessor to the relational mediators (trust, gratitude and intimacy).

2.1.4 Perceived Reputation of Seller

Seller reputation is marked as powerful tool to build and maintain relational ties (Hackel & Zaki, 2018). It is based on notion that individual having reputation may have access to cooperative relationships and trust (Feinberg, Willer, & Schultz, 2014; Sylwester & Roberts, 2010). Seller reputation is defined as “customer believes that a seller is honest and concerns about its customer” (Doney & Cannon, 1997). The term is also defined as “firm’s appeal based on perception of past actions and future commitments compared to rivalry firms” (Anabela & Arnaldo, 2015). Customers’ decision making may be influenced by various factors. These factors work as clues to evoke complex and multi-dimensional customer decision making. Research has excavated such underpinnings (Hayne, Wang, & Wang, 2015). Seller reputation is important clue that influence the customer decision making (Shang, Deng, & Liu, 2018).

2.2 Emotive Plane

The research in relationship marketing theory and practice on emotive plane is scant (Sheth, 2017; Palmatier et al., 2009). In this research emotional core (relational mediators)-Emotive Plane are trust (affective), Gratitude and intimacy. Theorization of all constructs is based on affective (emotive) dimensions.

2.2.1 Gratitude

Disciplinary roots of gratitude are linked with Latin word “Gratia”, which means being thankful (Ma, Tunney, & Ferguson, 2017). Understanding of this concept is underpinned in number of disciplines e.g., religious teachings, philosophical connotations, and economic and political subjects (Ghosh & Deb, 2017). In scientific literature; gratitude is marked as emotional response, a mood, and a life trait (Ma, Tunney, & Ferguson, 2017). Moreover, gratitude is a fundamental component of human social interaction (Palmatier et al., 2009). It serves as force to maintain reciprocal obligations (Gouldner, 1960). Gratitude enables mutual giving loop that creates “web of feelings” (Komter, 2004). Trust and commitment are most widely studied relational mediators in relationship marketing theory; however, contemporary research advocates the gratitude as potential relational mediator (Palmatier, 2008; Palmatier et al., 2009; Hasan et al., 2017; Chou & Chen, 2018). Gratitude is marked as fundamental social component of human interaction. Gratitude helps to build the emotional foundation that leads to reciprocal behavior. Furthermore, reciprocal obligations are maintained with gratitude conceptualization. Gratitude is sort of intertie that helps to continue pro-social orientation of relationship (Palmatier, 2008).

2.2.2 Trust

Trust is most widely studied variable in relationship marketing context. Theoretical application of trust is unchallenged in majority of premier relationship marketing research (Chou & Chen, 2018). This relevance of trust in relationship marketing literature is continued with commencement of theory in the field. Furthermore, application of trust is evident across the forms (e.g., B2B and B2C) and context of relationship marketing literature (Palmatier, 2008). Additionally, trust has been studied in various forms of business e.g., manufacturing, services, and virtual communities. Among the most cited and referred relationship theory of Morgan and Hunt (1994) is also based on trust and commitment. Besides, the widespread application of trust in relationship marketing theory; there are also conceptual ambiguities related to theoretical underpinnings.

2.2.3 Intimacy

An interpersonal relationship is characterized as; intimate, feel for others, and inner thought for others (Balaji, Roy, & Wei, 2016). This intimate relationship helps to create sense of knowing between exchange partners beyond statue of social life roles and characteristics (Egan, 2011). Intimacy refers to the

closeness and connectedness. This is an affective internal state. In relationship, it represents a customer's affective appeal towards organization (Bügel, Verhoef & Buunk, 2011). From interpersonal relationship point of view; intimacy play central role in relationship between partners (Laurenceau, Barrett, & Pietromonaco, 1998).

2.3 Relationship Outcomes

Relationship outcomes are means to analyze the continuation of relationship between buyer and seller. As the maintenance and continuance of relationship with buyers is key for organization in the present days and organizations are striving for customer retention (Grönroos, 2017). In this research the relationship outcomes are reciprocity, commitment, and repurchase intentions. These relationship outcomes are of behavioral in nature and provide support to the view that acquiring new customers is five times more costly than to maintain the existing customer base (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994).

2.3.1 Reciprocity

Reciprocity is marked as core of marketing (Bagozzi, 1995). Reciprocity has been conceptualized in number of ways; the exchange literature highlights three major types of reciprocity: (a) it is based interdependent exchanges of transactional patterns, (b) it is a folk belief, and (c) it is marked as moral norm (Cropanzano & Mitchell, 2005). In this research reciprocity refers to "Internalized patterns of behaviors and feelings that regulate the balance of obligations between two exchange partners" (Palmatier, 2008). Moreover, reciprocity is important for interpersonal relationships (Costello, 2018).

2.3.2 Commitment

Commitment refers to "An enduring desires to maintain a valued relationship" (Palmatier, 2008). Commitment indicates a psychological attachment (Liang & Chen, 2009), which ensures continuity of relationship over time (Chou & Chen, 2018). Both parties' buyer and seller are motivated to put their efforts to maintain relationship (Theron & Terblanche, 2010). Commitment has been extensively researched in relationship literature. Hence, commitment is marked as the key element of sustained relationship and support relationship building.

2.3.3 Repurchase Intentions

The most common outcome of relationship efforts is loyalty. However, loyalty has been operationalized in many different ways. Loyalty is conceptualized as, attitude and behavior in both ways (Palmatier et al., 2006). Loyalty may also apply to various concepts e.g., repurchase intentions and word of mouth and also hold the meanings of multidimensional construct (Wulf, Odekerken-Schröder, & Iacobucci 2001). The past researches e.g., Parasuraman, Berry, and Zeithaml (1991) have studied loyalty through repeat purchase. Conceptual model suggests that emotive plane (emotions generated with relational antecedents) influence the customer behavior. The literature recommends the impact of emotional ties on behavior. Customer loyalty is source of profit and competitive advantage (Rauyruen & Miller, 2007). Thomson, MacInnis, and Park (2005) analyzed the emotions and predicted that the emotions foster brand loyalty and push customers to pay relatively higher price. Repurchase intentions refers to customer behavior to purchase from same seller over time (Chou & Chen, 2018). This research is based on premise that emotions lead to behavior and customer repurchase intentions is most desirable behavior.

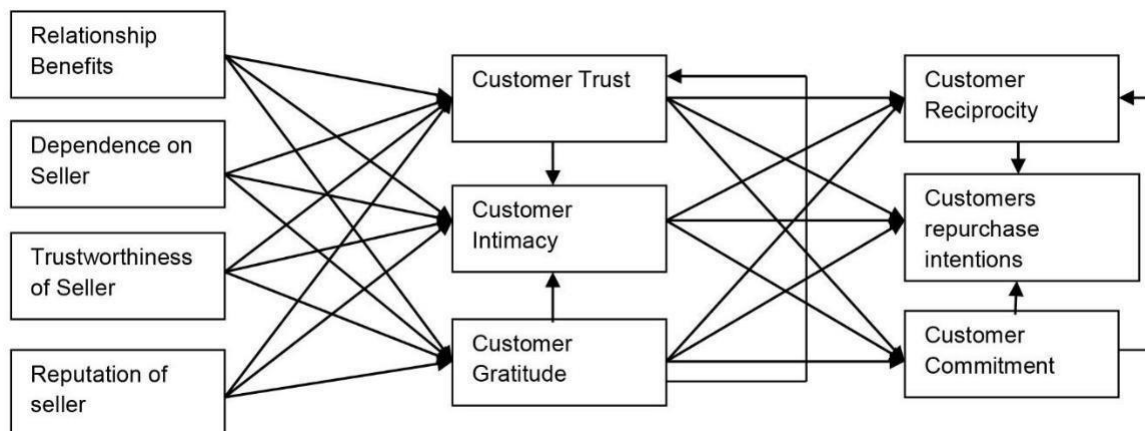
2.4 Theoretical Foundation

Relationship is a complex phenomenon which cannot be explained with a single theory. It is recommended an integration of multiple theories to explain the nature and progression of the relationship between dyad. The amalgamation of theories to understand the phenomenon and advance in the subject is always encouraged. The similar effort is carried in this research, to study the relationship B2C with interpersonal relationship perspective.

Theoretical foundation of this research is based on interpersonal relationship marketing model (Palmatier, 2008) and interpersonal attraction (Perlman & Fehr, 1986). Interpersonal relationship marketing states there are various motivations for customers (Deshpandé, Farley & Webster, 1993) e.g., relationship benefits (Palmatier et al., 2009; Hasan et al., 2017) that stimulate the customers emotions e.g., customer intimacy (Balaji, Roy & Wei, 2016) which create emotional debt and customer payoff the emotional debt in form of showing his/her commitment to organization (Palmatier, 2008). The most of literature is slant

towards trust (Bugel, Verhoef, & Buunk, 2011), and ignored the customer gratitude (Palmatier et al., 2009) and intimacy (Balaji, Roy & Wei, 2016). Therefore, this research incorporates customer gratitude and customer intimacy as relational mediators-emotive plane with customer trust.

Figure 1. Conceptual Model



3. Materials and Methods

Data is collected from Food, Apparel, financial, and Telecommunication sectors to test the hypotheses. A self-administrated survey instrument (questionnaire) is used for data collection. Established scales with sound previous reliability and validity are used to collect the data. The sources of scales are; relationship benefits four items (Brun, Rajaobelina, & Ricard, 2016); dependence on seller three items (Mishra, Sinha, & Koul, 2017), trustworthiness of seller five items (Yu, Balaji, & Khong, 2015), reputation of seller six items (Walsh, Gianfranco, & Beatty, 2007), customer trust seven items (Hui, Zhao, Fan, & Au, 2004), customer gratitude three items (Palmatier et al., 2009), customer intimacy three items (Balaji, Roy, & Wei, 2016), customer commitment three items (Wulf, Odekerken-Schroder, & Iacobucci, 2001), customer reciprocity four items (Palmatier, 2008), and customer repurchase intentions three items (Dutta, Biswas, & Grewal, 2007). The responses are obtained on five (5) points likert scale. Part-A of questionnaire dealt with demographic information (Gender, Education, age and income of the customers); whereas, Part-B is used to record the customer responses on the abovementioned variables at five point likert scale.

Instead of focusing on the single sector, this research focuses on multiple sectors. This helps to have diverse dataset from multiple sectors (Lussier & Hartmann, 2017). Therefore, four sectors are selected (Apparel, Food, Financial Services (Banks and Insurance firms) and Telecommunication sector). A variety of relationship research applied the multiple sectors (e.g., Chou & Chen, 2018). Multi-method sampling technique is used to collect the data. At first stage the sectors are considered as stratum and second stage convenience sampling is used to collect data. Each sector is given equal weight in total sample. As there four sectors, so each sector is constitute 25% of the total sample. This is to give equal worth and representation to each sector. Sample size calculation is based on criteria (item to respondents); there would be minimum ten (10) respondents for each item (McQuity, 2004). The sample size is 440 which is above the aforementioned criterion.

This research has applied (PLS-SEM) Partial least square (PLS) approach for structure equation modeling (SEM). This PLS approach is variance-based SEM (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). This type of modeling help to estimate complex cause-effect relationship models with latent variables. PLS-SEM analysis supports both formative and reflective models (Jarvis, MacKenzie & Podsakoff, 2003; Hair et al., 2014; Balaji, Roy, & Wie, 2016).

4. Results

Table1. Sample Characteristics

Gender	Frequency	Percent	Age	Frequency	Percent
Male	280	63.64	20 and Below	52	11.82
Female	160	36.36	21-30 Years	213	48.41
Income			31-40 Years	106	24.09
	Up to 50,000	103	Above 40 years	69	15.68
	50,001-100,000	177	Education		
	100,001-200,000	72	Up to Intermediate	89	20.22
	200,001-400,000	46	Graduation	173	39.32
Above 400,000	42	09.54	Master	104	23.64
			Above Master	74	16.82

Sample is comprised of 280 (63.64%) males and 160 (36.36%) females. Moreover, the respondents belong to various age categories, education level, and income group. With respect to age, majority of respondents falls in age group between 21 and 30 years. The categories wise distribution show that; 52 (11.82%) respondents fall in age category up to 20 years, 213 (48.41%) are in age group between 21 and 30 years, 106 (23.64%) are in age category between 31 and 40 years, and 69 (15.68%) are above 40 years. With respect to qualification of respondents are 89 (20.22%), Graduation 173 (39.32%), Master 104 (23.64%), and above Master 74 (16.82%). Income of respondents is categorized in five categories i.e. up to 50,000 rupees per month to above 400,000 rupees. Most of the respondents fall in income group between 50,001 to 100,000 rupees per month. With respect to income the respondents, 103 (23.41%) are in income category up to 50,000 per month, 177 (40.23%) are in income category between 50,001 to 100,000 rupees per month, 72 (16.36%) are in income category earning between 100,001 to 200,000 rupees per month, 46 (10.45%) are in income group earning between 200,001 to 400,000 rupees per month, and 42 (09.54%) are in income group earning above 400,000 rupees per month.

Table2. Reliability and Average Variance Extracted (AVE)

Construct Name	Alpha Values (α)	Composite Reliability (CR)	AVE
Relationship Benefits	0.719	0.839	0.635
Dependence on Seller	0.861	0.914	0.780
Trustworthiness	0.727	0.878	0.782
Firm Reputation	0.819	0.880	0.648
Trust	0.874	0.902	0.569
Gratitude	0.765	0.864	0.680
Intimacy	0.811	0.888	0.726
Repurchase Intentions	0.772	0.868	0.687
Commitment	0.805	0.885	0.719
Reciprocity	0.830	0.887	0.664

Cronbach's Alpha and composite reliability provides substantial support for reliability in PLS-SEM measurement model (Hair et al., 2014). The threshold value for Cronbach's Alpha and composite reliability is above 0.7 (Ali et al., 2018). AVE is the measure of convergent validity; where, qualification criterion for AVE value should above 0.5 (Hair et al., 2014; Ali et al., 2018). Cronbach's Alpha (α) are in range of 0.719 to 0.861, Composite reliability (CR) values are in range of 0.839 to 0.914, and AVE values are in range of 0.635 to 0.782. The values of all constructs are above the minimum threshold values.

Table3. Heterotrait-Monotrait Ratio (HTMT) and Fornell-Larcker Criterion

	COM	DS	FR	GRA	INT	RB	REC	RINT	TRU	TW
COM	0.848									
DS	0.159	0.883								
FR	0.559	0.216	0.805							
GRA	0.609	0.152	0.579	0.825						
INT	0.638	0.193	0.577	0.765	0.852					
RB	0.342	0.099	0.265	0.428	0.419	0.797				
REC	0.767	0.178	0.420	0.652	0.658	0.280	0.815			
RINT	0.696	0.183	0.419	0.654	0.572	0.403	0.738	0.829		
TRU	0.645	0.167	0.619	0.716	0.730	0.397	0.679	0.581	0.754	
TW	0.325	0.034	0.155	0.346	0.262	0.091	0.358	0.197	0.286	0.884

COM=Commitment; DS=Dependence on Seller; FR=Firm Reputation; GRA=Gratitude; INT=Intimacy; RB=Relationship Benefits; REC=Reciprocity; RINT=Repurchase Intentions; TRU=Trust; TW=Trustworthiness

Table-3 dealt with Heterotrait-Monotrait Ratio (HTMT) and Fornell-Larcker Criterion of measurement. The HTMT ratio values should be below 0.85, such, conditionality suggested, is verified table-3, where, values are within the threshold range. The other criterion is Fornell-Larcker Criterion that applies that value of a variable should be higher than the corresponding relationship values. This criteria is also successfully achieve, as, the values of each variable are higher than the corresponding relationship values. Here, in table-3, the Fornell-Larcker Criterion values are given (Bold and Italic).

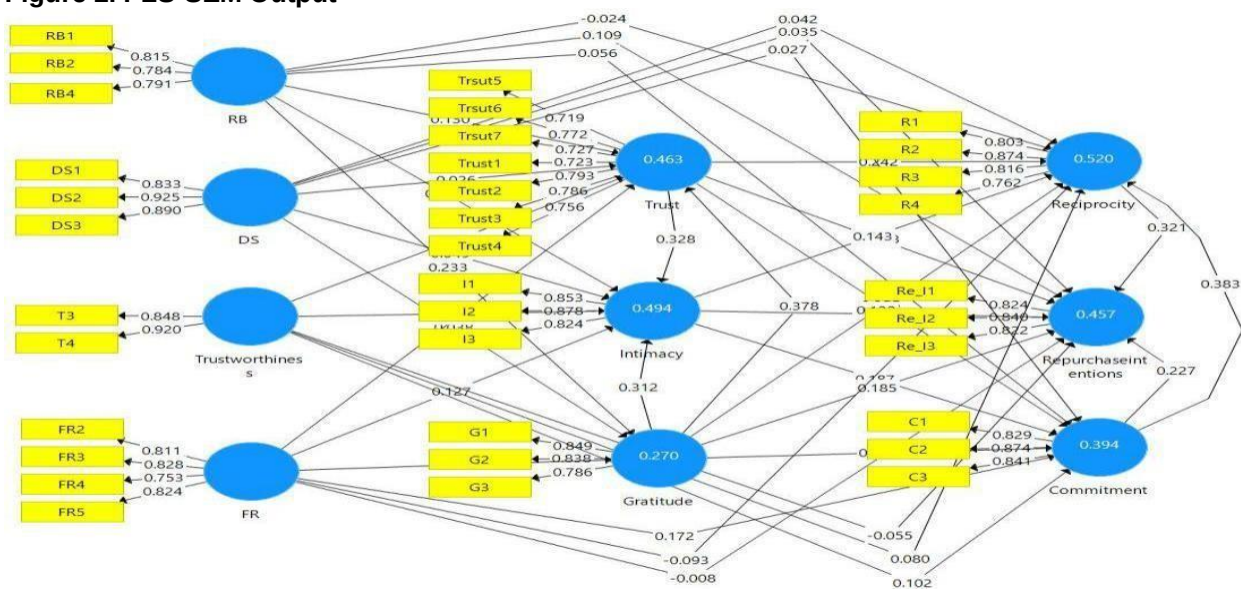
Figure 2. PLS-SEM Output

Table4. Effect Decomposition

Variable	Trust			Intimacy			Gratitude			Commitment			Reciprocity			Repurchase INT		
	D	IND	T	D	IND	T	D	IND	T	D	IND	T	D	IND	T	D	IND	T
1 .DS	0.026	0.014	0.040	0.049	0.025	0.074	0.038		0.038	0.027	0.027	0.054	0.041	0.046	0.087	0.035	0.049	0.084
2 .FR	0.316*	0.154*	0.470*	0.127*	0.281*	0.409*	0.408*		0.408*	0.172*	0.226*	0.398*	-0.093	0.286*	0.193*	-0.008	0.275*	0.267*
3 .RB	0.130*	0.088*	0.218*	0.084	0.144*	0.229*	0.233*		0.233*	0.056	0.117*	0.173*	-0.024	0.182*	0.158*	0.109*	0.141*	0.250*
4 .TW	0.095*	0.070*	0.165*	0.023	0.031*	0.054*	0.182*		0.182*	0.102*	0.032*	0.134*	0.080*	0.082*	0.162*	-0.055	0.086*	0.031*
5.TRU				0.328*		0.328*				0.225*	0.061*	0.287*	0.242*	0.157*	0.399*	0.038	0.193*	0.231*
6 .INT										0.187*		0.187*	0.143*	0.072*	0.214*	0.001	0.111*	0.111*
7.GRA	0.378*		0.378*	0.312*	0.124*	0.436*				0.106*	0.166*	0.273*	0.132*	0.258*	0.390*	0.185*	0.201*	0.386*
8.COM													0.383*		0.383*	0.227*	0.123*	0.350*
9 .REC																0.321*		0.321*

*P<0.05

D=Direct Effect, IND=Indirect Effect, T=Total Effect

DS=Dependence on Seller; FR=Firm Reputation GRA=Gratitude; INT=Intimacy; REC=Reciprocity; RINT=Repurchase Intentions; RB=Relationship Benefits; TW=Trustworthiness; TRU=Trust

In Structural model; Customer focal antecedents (Dependence on seller, Firm Reputation, Relationship Benefits, and Trustworthiness of Seller) are evaluated [(Customer focal antecedents - Emotive plane (Gratitude, Trust, and Intimacy) - and Relations outcomes (Commitment, Reciprocity, and Repurchase Intentions)]. The results of conceptual path's analysis are presented in table-4.9. Significant paths have p value (Probability value) less than 0.05. Significance value highlights that coefficient with 95 percent confidence interval.

Empirical results show that dependence on seller is found insignificant in all the direct, indirect, and total effects e.g., on trust (beta = .026), intimacy (beta = -.049), gratitude (beta = .038), commitment (beta = .027), reciprocity (beta = .041), and repurchase intentions (beta = .035) are found insignificant, as their p values are greater than 0.05. The indirect effect of dependence on trust (beta = .014), intimacy (beta = .025), commitment (beta = .027), reciprocity (beta = .046), and repurchase intentions (beta = .049) are also found insignificant, as their p values are greater than 0.05. The total effect of dependence on trust (beta = .040), intimacy (beta = .074), gratitude (beta = .038), commitment (beta = .054), reciprocity (beta = .087), and repurchase intentions (beta = .084) are also found insignificant, as their p values are greater than 0.05.

Firm reputation positively and significantly has direct impact on trust (beta = .316), Intimacy (beta = .127), Gratitude (beta = .408), and commitment (beta = .172), as their p values are less than 0.05; whereas, the firm reputation direct effect is found insignificant with reciprocity (beta = -.093) and repurchase intentions (beta = -.008) as their p values are greater than 0.05. With respect to indirect effect of firm reputation is positively significant on trust (beta = .154), intimacy (beta = .281), Commitment (beta = .226), reciprocity (beta = .379), and repurchase intentions (beta = .275), as their p values are less than 0.05. Firm reputation total effect is found positively significant on trust (beta = .470), intimacy (beta = .409), gratitude (beta = .408), commitment (beta = .398), reciprocity (beta = .193), and repurchase intentions (beta = .267), as their p values are less than 0.05.

Relationship benefits is the third customer focal antecedent. The empirical results with respect to relationship benefits show the mixed results. The direct effect on relationship benefits on trust (beta = .130), gratitude (beta = .233), and repurchase intentions (beta = .109) are found positively significant, as their p values are less than 0.05; whereas, the direct effect on intimacy ($\beta = 0.084$), commitment (beta = .056), and reciprocity (beta = -.024) are found insignificant, as their p values are greater than 0.05. The indirect effects are positively significant on trust (beta = .088), intimacy (beta = .144), commitment (beta = .117), reciprocity (beta = .182), and repurchase intentions (beta = .141), as their p values are less than 0.05. The total effects of relationships benefits are positively significant on trust (beta = .218), intimacy (beta = .229), gratitude (beta = .233), commitment (beta = .173), reciprocity (beta = .158), and repurchase intentions (beta = .250), as their p values are less than 0.05.

Trustworthiness of seller is the fourth customer focal antecedent. The empirical results show that trustworthiness has positive significant direct effect on trust (beta = .095), gratitude (beta = .182), commitment (beta = .102), and reciprocity (beta = .080), as their p values are less than 0.05; whereas, insignificant direct effect on intimacy (beta = .023), and repurchase intentions (beta = .055), as their p values are greater than 0.05. The indirect effect on trust (beta = .070), intimacy (beta = .031), commitment (beta = .032), reciprocity (beta = .082), and repurchase intentions (beta = .086) are found positively significant as their p values are less than 0.05. Total effect of trustworthiness found positively significant on trust (beta = .165), intimacy (beta = .054), gratitude (beta = .182), commitment (beta = .134), reciprocity (beta = .162), and repurchase intentions (beta = .031) as their p values are less than 0.05.

Direct effect of trust on intimacy is found positively significant with p values less than 0.05 and beta values are as .328. Furthermore, trust has direct positive significant effect on commitment (beta = .225) and reciprocity (beta = .242), whereas, insignificant direct effect on repurchase intentions (beta = .038) as the p value is greater than 0.05. Trust has indirect positively significant effect on commitment (beta = .061), reciprocity (beta = .157), and repurchase intentions (beta = .193), as their p values are less than 0.05. Total effect of trust on intimacy (beta = .328), commitment (beta = .287), reciprocity (beta = .399), and repurchase intentions (beta = .231) are found positively significant as their p values are less than 0.05.

Intimacy has direct positively significant effect on commitment (beta = .187) and reciprocity (beta = .143), as their p values are less than 0.05 whereas, insignificant direct effect on repurchase intentions (beta = .001) as their p value is greater than 0.05. Intimacy has indirect positively significant effect on reciprocity (beta = .072) and repurchases intentions (beta = .111). With respect to total effect, intimacy has positively significant effect on commitment (beta = .187), reciprocity (beta = .214), and repurchases intentions (beta = 0.111), as their p values are less than 0.05.

Gratitude has positively significant direct effect on trust ($\beta=.378$), intimacy ($\beta=.312$), commitment ($\beta=.106, p<0.05$), reciprocity ($\beta=.132$), and repurchase intentions ($\beta=.185$) as their p values are greater than 0.05. Gratitude has indirect positively significant effect (their p values are less than 0.05) on intimacy ($\beta=.124$), commitment ($\beta=.166$), reciprocity ($\beta=.258$), and repurchase intentions ($\beta=.201$). With respect to total effect, gratitude has positively significant effect on trust ($\beta=.378$), Intimacy ($\beta=.436$), commitment ($\beta=.273$), reciprocity ($\beta=.390$), and repurchase intentions ($\beta=.386$) as their p values are less than 0.05.

Commitment has positively significant (p values are less than 0.05) direct effect on reciprocity ($\beta=.383$) and repurchase intentions ($\beta=.227$). Furthermore, commitment has positive significant indirect effect on repurchase intentions ($\beta=.123$). Total effect of commitment on reciprocity ($\beta=.383$) and repurchase intentions ($\beta=.350$) are also found positively significant (p values are less than 0.05). Finally reciprocity has positively significant direct and total effect on repurchase intentions ($\beta=.321$) and p value less than 0.05.

Table5. Model Fit Summary

Measure	Value	Standard	Reference
SRMR	0.062	SRMR<0.08	Hair et al (2014)
d_ULS	2.433	d _{ULS} <95%	Dijkstra and Henseler (2015)
d_G1	1.133	bootstrap	
d_G2	0.853	d _G <95%	
Chi-Square	2,198.396	bootstrap (Complete Bootstrap)	Bentler and Bonett (1980)
NFI	0.727	Near one or <0.9	
GOF*	.546	values of 0.10 (small), 0.25 (medium), and 0.36 (large)	

* = $\sqrt{\text{Average R Square} \times \text{Average communality (AVE)}}$

This research access the goodness-of-fit from both approaches (globally and locally) of model fitness in PLS path modeling. GOF is used as global scalar for global model assessment. Whereas, SRMR, d_ULS, d_G1, d_G2, Chi-square, and NFI are used locally assessment measures of PLS path modeling. The results confirm the model fitness both at global and local model level.

5. Discussion

This research is based on argument that antecedents' reinforcements-motivations of customers create emotional ties and generate relationship outcomes. Empirical results provide insight about factors (based on theoretical congruence established) that play critical role in long-term seller and buyer relationship. This research constructs a comprehensive model based on interpersonal relationship marketing by Palmatier (2008) and theory of interpersonal attraction by Perlman and Fehr (1986). The empirical support is available in most of the hypotheses; where customer focal antecedents (Benefits, Trustworthiness, and Reputation) are found significant predictor of relational mediators (Gratitude, Trust, and Intimacy). Furthermore, the relational mediators (Gratitude, Trust, and Intimacy) are found significant predictors of relationship outcomes (Commitment, Reciprocity, and Repurchase Intentions). Additionally, relationship within relationship mediators (Gratitude, Trust, and Intimacy) and relationship within relationship outcomes (Commitment, Reciprocity, and Repurchase Intentions) is found significant. Dependence is found non-significant; because, dependence is not for-granted in relationship marketing. It is reversed in B2C context (Fatima & Mascio, 2018).

6. Conclusion

The data of this research is based on multiple sectors i.e., food, apparel, financial, and telecommunication sectors. This research contributes to existing literature in following ways: (1) customer focal antecedents are studied with respect to Large, medium, and small organizations, however; previous

research mainly focus on large and medium sized organizations (Herrero, Martín, & Collado, 2018). 2. Interpersonal relationship marketing model is extended by incorporating customer gratitude (Palmatier et al., 2009) and customer intimacy (Bugel, Verhoef, & Buunk 2011; Balaji, Roy & Wei, 2016). 3. Interpersonal attraction- customers' motivations to stay in the relationship (Perlman & Fehr, 1986) studied in interpersonal relationship marketing model (Palmatier, 2008). 4. Interpersonal relationship marketing model is tested with multiple sectors data.

Sellers with clarity of role of interpersonal relationship marketing to create relational ties, emotional bonds, and behavioral connectivity; enable them to implement interpersonal relationship marketing as their core marketing strategy; the seller can achieve and maintain relationship with most valuable customers (Morgan & Hunt, 1994; Egan, 2011; Buttle & Maklan, 2015; Chou & Chen, 2018). Furthermore, Increase experiential value of product and services that seller provide to customers (Bagozzi; 1995; Wulf, Odekerken- Schröder, Lacobucci, 2001; Egan, 2011; Buttle & Maklan, 2015). Finally, Sellers can cross-sell and up-sell to customers which are in relationship to seller (Palmatier, 2008).

Premier researches evoke thoughts and open new avenues of research. Along with significant contributions to existing theory of relationship marketing, this research also call attention for further research in the arena of interpersonal relationship marketing. This study call attention on following points that needs to be addressed. Future research may replicate this model to other contexts. The model may also be tested with data from other specific sector e.g., high contact/low contact services. Future research with longitudinal data may leads to different understanding about relationship formation, building, and maintenance.

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Exploring the influence of HRM Practices on Employee motivation in public organizations: A systematic Literature review

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Abstract

To date, much research has been done on the association between Human resource management practices and its outcomes; less consideration has been focused on the association between HRM practices and its affect on motivation of employees to produce valuable outcomes. This article presents a narrative systematic Literature review accumulating the affect of HRM practices on employee motivation in public organizations. The findings based on the 72 articles support a significant relationship of the practices with employee motivation either intrinsically or extrinsically. Moreover, the results suggested that appropriate implementation of HR practices motivate the employees to produce dynamic outcome like job satisfaction, retention, performance, commitment and OCB. This systematic literature review emerges by reviewing 72 research articles from time period 1990 to 2016 based on specific protocols and inclusion/exclusion criteria. In this review various demographic characteristics have been investigated for analysis including most frequently used research design and strategy, patterns of study context, time period, types of respondents and underpinning theories. Further, detailed analysis has been performed to explore the influence of HR practices on motivation also identifying the outcomes of this motivation in public sector organizations. In the end a model was created for illustrative presentation of the relationship between HR practices, motivation and its outcomes. This narrative systematic literature review establishes the broad vision to the scholars for further investigation in the field of HR Management.

Key words: Human resource practices, motivation, public sector motivation, public sector.

1. Introduction

All the activities linked with the management of an employees in a workplace is characterize as human resource management (Boxall, Purcell, & Wright, 2008), and these activities are stated as human resource practices. Human resources practices have been explored to hold a considerable effect on the behaviors and attitudes of employees (Collins & Smith, 2006), and promote some traits that facilitate an organization to have a "competitive advantage" over others and to increase the organizational performance (Huselid, 1995). For many years, "HR practices" positively affect organizational performance (Huselid, 1995; Pfeffer & Jeffrey, 1998), and are interchangeable termed as by many authors as "high performance work systems" (Appelbaum, Bailey, Berg, Kalleberg, & Bailey, 2000, p. 7), "best Human resource management practices" (Pfeffer & Villeneuve, 1994), and "high commitment practices" by (Owoyemi, Oyelere, Elegbede, & Gbajumo-Sheriff, 2011, p. 281). The strength of the HR system can describe how the attributes of an individual can accrue to impact the effectiveness of an organization (Bowen

& Ostroff, 2004). D. E. Guest (1999) suggests that HR practices produces good result if combined with other practices. Ingham (2007) also supports this view that a single practice would not be able to produce best result as produce by the entire HR system. Marchington and Grugulis (2000, p. 1104) stated that the idea of "best practice" that influence organizational performance is gaining attention. Bowen and Ostroff (2004) have elaborated that the link of human resources management and performance is strong where there is a "strong human resources system". Strong HR system is highly distinctive, consistent and agreed upon. In addition, strong HR system is linked with high performance.

The key to any organization's achievement is to make sure that it has contented and motivated employees. Sometimes money could be a highest form of motivator for employees for lower order need satisfaction and for some employees status and goal achievement are required to satisfy higher order needs (Raza, 2012). So, it is important to have some key HRM practices in organizations to keep employees engaged, which eventually leads to devoted and motivated workers. Motivation is the factor that promote the employee to behave in a specific way (Armstrong & Taylor, 2014; Nelson & Quick, 2013). Motivation is also explained in terms of "intrinsic" and "extrinsic" aspects that affect a person to behave in a specific way (Pinder, 2014). There is an abundance of theories of motivation to define the nature of motivation

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among employees. Further, investigation has been conducted to uncover the notion that public employees have different determinants of motivation and a concept “Public service Motivation” (PSM) coined in the year 1990 by Perry and Wise. Public service motivation is a motivational drive that promotes a person to serve the society selflessly and keen to help out others particularly in public domain (Perry & Wise, 1990). The reasons to seek employment in the public organizations and how a specified job can be done well, the specific characteristics of work, commitment to the organization and management practices have been extensively examined (Houston, 2000; Leisink & Netherlands, 2004; Moynihan & Pandey, 2007) and establish a significant relationship between motivation and performance in public organizations.

In this systematic literature review several demographic characteristics have been investigated for the analysis including most frequently used research design and strategy, the inquiry about study context, the time period and supporting theories. Therefore, this narrative systematic literature review aims to examine various HRM practices and their influence on employee’ motivation in public organizations ultimately exploring the outcomes.

1.1 Research questions

- What are the HR Practices that influence employee motivation in public sector organizations?
- What are the outcomes of motivation in public sector organizations?

2. Methodology For Review

2.1 Protocols and inclusion/exclusion criteria

Two electronic databases on the basis of relevant information were used to inquire the research questions. These are ISI web of science and Scopus. Boolean search operators ‘AND’ is used to narrow the search. The keywords for ISI web of science were “Human Resource” ‘AND’ Motivation ‘AND’ Public, where the term search was Title and 109 articles were retrieved. In Scopus the key words were Human resource ‘AND’ Motivation ‘AND’ Public sector, where the term search was Articles, Abstract, Keywords and 221 articles were retrieved. For inclusion criteria, the articles included must have to report the findings on the association between HRM practices and motivation in Public sector organizations. All relevant empirical and conceptual studies were considered that have qualitative, quantitative and mix method approaches for this narrative review. The studies that were based on original and peer reviewed journals with free accessible full text and free abstract (publish in English language) were incorporated. The time period was also limit in this criterion and includes published articles from 1990 to 2016. For exclusion criteria the articles that were not relevant to HRM practices and motivation in the public sector were disqualified. The articles that are paid; and available in other languages than English were also disqualified (excluded). In the end, for identification of relevant articles duplicates were removed from combined search databases.

Table 1: Review Protocols

Sector	Time Frame	Indexing service (Data Base)	No.of Articles	Term search	Key words	Studies Included
Public	1990-2016	ISI web of science	109	Title	“Human resource” And Motivation And Public	Conceptual and Empirical articles
Public	1990-2016	Scopus	221	Articles, Abstract, Keywords	Human resource And Motivation And Public sector	Conceptual and Empirical articles

3. Analysis and Results

This Systematic literature review is narrative in nature covering 72 articles retrieved after applying necessary protocols. Research journals that are peer-reviewed and are indexed with ISI web of science and Scopus have become part of this review. The findings and analysis are given below.

3.1 Publication years

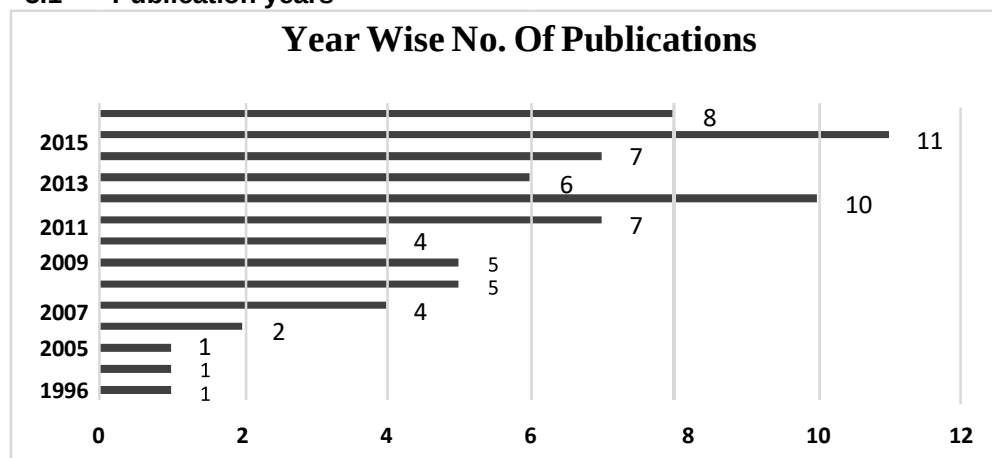


Figure 1: Number of Publications (year wise)

Most of the research work has been done in year 2015 i.e. 11 publications; the second largest number of publications was produced in the year 2012.

3.2 Study context

In this systematic review the “context” is from different geographical regions, including different countries, because the publications are from diverse countries, the articles are categorized on the basis of continents. It has been revealed from the analysis that the majority of the research work have conducted in Europe i.e. 35%, and then in Africa i.e.25%.

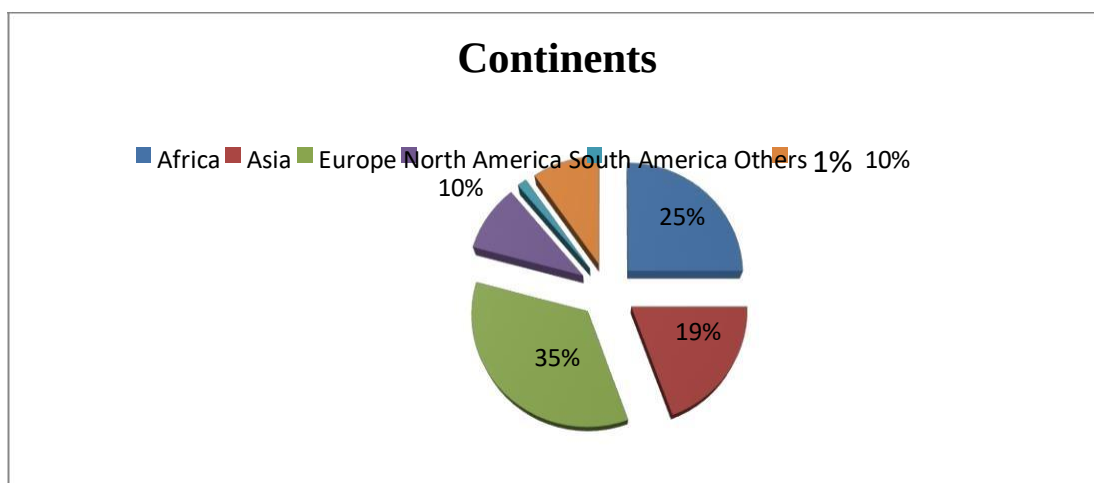


Figure 2: Study Context

3.3 Types of respondents

The findings reveal that 38% of research work addressing research questions has been done in the health sector and most other areas in the public sector are largely ignored.

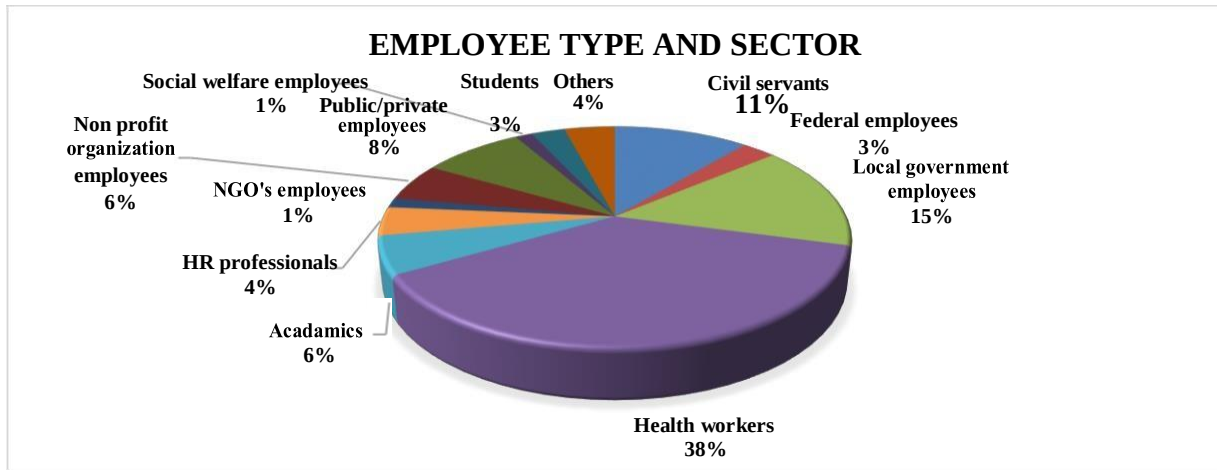


Figure 3:Types of Respondents

3.4 Research strategy

The most articles in this review reflect an epistemological orientation in the positivist. This systematic literature review concludes that most of the articles are based on quantitative strategy, i.e. 64% and 22% of the articles are qualitative in nature and the rest 14% are mixed method research.

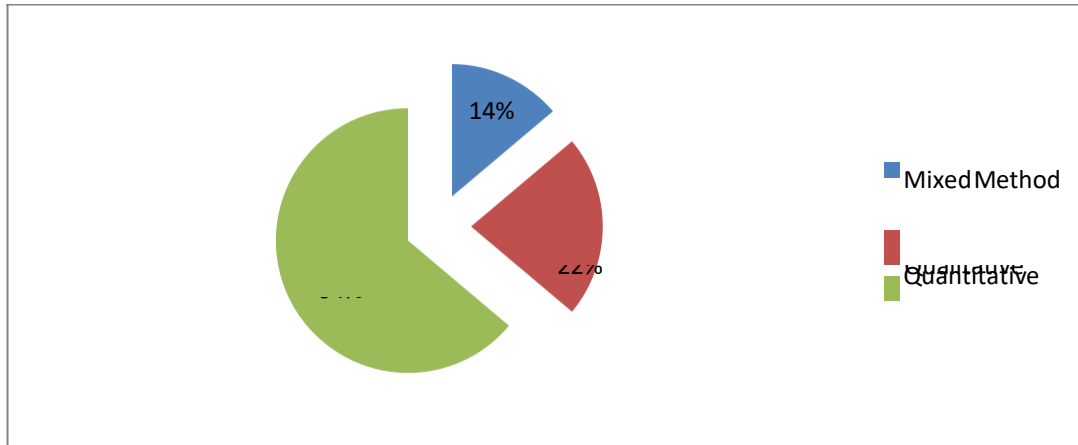


Figure 4: Research Strategy

3.5 Research design

The research design employed in most research articles was cross sectional in nature i.e.85%.Other common research designs used in the articles under study were case studies, longitudinal design and other research design.

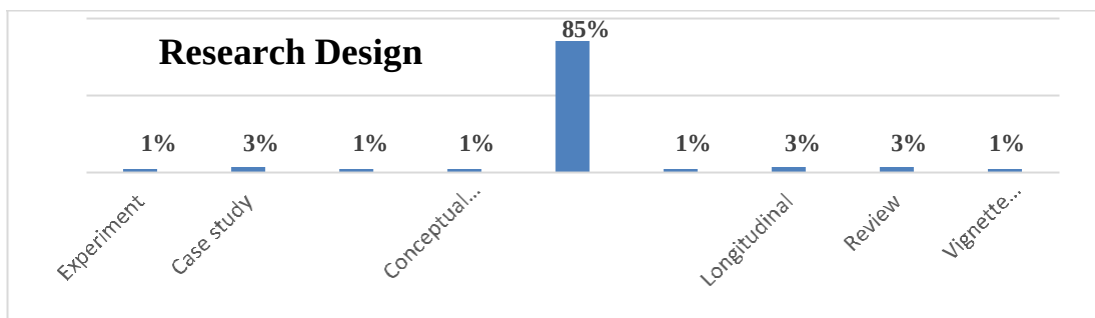


Figure 5: Research Design

3.6 Theories explaining motivation in public organizations

Comprehending the motivation of employees in relation to HRM practices is identified by 20 theories of the Social sciences. These theories fall in various disciplines like administration, Psychology, Public management, Sociology and others. The underpinned theories, with their authors and numbers are discussed below.

Table 2: Underpinning Theories

Authors(years)	Underpinning theories	Frequency
• A. M. S. Mostafa, Gould-Williams, and Bottomley (2015) • Park and Kim (2016) • Gould-Williams (2007) • Gould-Williams and F. Davies (2005) • Katou and Budhwar (2012)	Social Exchange theory	5
• A. M. S. Mostafa et al. (2015)	Process theory	1
• Schalk, Schott, and Pronk (2014) • Chen and Hsieh (2015) • Park and Kim (2016) • Tangaraja, Rasdi, Ismail, and Samah (2015)	Self-determination theory	4
• Gould-Williams et al. (2014) • Hyde, Harris, Boaden, and Cortvriend (2009)	AMO theory	2
• Giauque, S. Anderfuhren-Biget, and F. Varone (2013) • Park and Kim (2016)	Social learning theory	2
• Adzei and Atinga (2012) • Raza (2012) • E. Gaki, N. Kontodimopoulos, and D. Niakas (2013) • Steidle, Gockel, and Werth (2013)	Need based theories of motivation (ERG, Maslow, Herzberg)	4
• Giauque, Anderfuhren-Biget, and Varone (2015) • Ritz and Waldner (2011)	Person-organization fit theory (P-O fit)	2
• Battaglio Jr (2010)	New Public Management theory	1
• Battaglio Jr (2010)	Public choice theory	1
• Forest (2008) • Park and Berry (2014) • Cho and Lee (2011) • Claes and Heymans (2008)	Expectancy theory	4
• Claes and Heymans (2008)	Cognitive evaluation theory	1
• Forest (2008) • Cho and Lee (2011)	Equity theory	2
• Forest (2008)	Organizational theory	1
• Park and Berry (2014)	Skinner Reinforcement theory	1
• Cho and Lee (2011) • Claes and Heymans (2008)	Goal setting theory	2
• Tangaraja et al. (2015)	Social capital theory	1
• Forest (2008) • Claes and Heymans (2008)	Cognitive evaluation theory	2
• Katou and Budhwar (2012)	Theory of reciprocity	1
• Park and Word (2012)	Personal environment fit theory	1
• Thaler et al. (2016)	Human capital theory	1

3.7 Listing Categories

The “HRM practices” were classified into Eleven (11) broad groups according to most relevant narrative present in the literature. The following table describes the classification of “HRM practices” with the phrase (term) used in the literature along with their occurrences. The most frequent used HRM practice in the literature is the compensation and reward system that rejects the common thought that tangible

incentives are less attractive in public organizations. The result shows that compensation and rewards are the motivators for public sector employees.

Table 3: HRM Practices Categories

Sr.No.	HRM practice category	Terms for HRM practices from the literature	Frequency
1	Compensation and reward system	Performance related/performance based pay, promotions, fairness in rewards, direct compensations, high pay, salaries, income, benefits and allowances ,financial incentives, awards, remunerations, fair rewards, merit-based rewards and pay, pay for performance, bonuses , power, recognition and appreciations, workers income, and benefits.	48
2	Training and development	Learning and development, opportunities of education, facilities of education, career development, professional development, opportunities for advancement, support for career and professional development ,career opportunities and advancement ,career prospects and opportunities for growth, career prospects, training and development.	39
3	Work design	Autonomous teamwork, autonomous work design, job design, working environment and working conditions, team working, diversified and independent work task, flexible working hours, creativity, diversity and meaningful work, job enrichment.	24
4	Job security	Job security	21
5	Performance management system	Performance appraisal, performance review and appraisal system	15
6	Staffing(Recruitment &Selection)	Placement, fair staffing practice, merit-based hiring, recruitment through social network, Induction, recruitment and selection.	14
7	Employee involvement/participation/consultation	Consultation, participation in decision making, employee empowerment, delegate decision making.	10
8	Supervisory support	Recognition by supervisors, trust in managers, trust in supervisors, supervisory support and encouragement.	9
9	Work-life balance(WLB)	Work-life balance (WBL)	7
10	Communication	Inter-organizational communication and process, organizational communication, communication.	7
11	Miscellaneous	Industrial relations, fair grievance system etc.	5

The information in the HRM categories is mainly confined to the term used in the literature in exchange for the final categories.

3.8 Influence of HRM practices on employee motivation in public organizations

The following table explicates the key result of the research articles on HRM practices and its influence on motivation in public sector origins. The column of the “sample size” depicts the numeral of respondents in the articles, where as the cited times as per 28th Dec.2016 are depicted in the second column.

Table 4: Influence of HRM Practices on Motivation

Sr. No.	Author (year)	Times cited as per 28/12/16	Sample size	HRM practices and its influence	Main Findings
1	Anderfuhren-Biget, Varone, Giauque, and Ritz (2010)	77	3,754	1-Performance related pay (+) 2-Recognition by supervisors(+)	Recognition by supervisors is a strong motivator of public employees whereas performance related pay is a poor motivator.
2	A. M. S. Mostafa et al. (2015)	11	671	1-Training and development (+) 2-Promotion (+) 3-Autonomous Work design (+) 4-Job security (+) 5-Communication(+)	There found to be a positive effect of HR practices on employee motivation.
3	Schalk et al. (2014)	11	251	1-Selection process (0) 2-Training (+) 3-Consultation (+) 4-Organizational communication (0) 5-Atonomous teamwork (+) 6-Performance based pay (0)	Consultation, autonomous teamwork and training are the strong antecedent of PSM, whereas selection process, performance-based pay and organizational communication have no effect on PSM.
4	Williams et al. (2014)	24	1,755	1-Training and development (+) 2-Selection process (+) 3-Job security (+) 4-Promotions (+) 5-Fairness in rewards (+) 6-Participation in decision making (+) 7- Consultation(+)	The findings provide evidence that HCHRP regarded as an antecedent of a component of PSM and employee outcomes (via civic duty).
5	Rasheed, Humayon, Awan, and Ahmed (2016)		341	1-Compensation (+) 2-Job design and working environment(+) 3-Performance management system (+) 4-Training and development(+)	The study verifies the significant positive influence of these practices on teacher motivation.
6	D. Giauque, S. Anderfuhren-Biget, and F. Varone (2013)	31	3,131	1-Job Security (0) 2-Performance related pay (+) 3-Career development (0) 4-Fairness (+) 5-Job enrichment (+) 6- Participation(+) 7 -Individual Appraisal (+) 8 -Professional development(+)	All HRM practices (intrinsic and extrinsic incentives) are positively related to PSM except job security and career development.

7	Chen and Hsieh (2015)	10	514	1-Job security (+) 2-High Pay(0)	Job security has significantly and positively related to PSM. Whereas high pay has insignificant relationship with PSM.
8	Bellé (2015)	9	300	Performance related pay (Monetary rewards) (+)	Performance related Pay effect motivation and has a strong influence on performance.
9	Park and Kim (2016)	2	400	1-Training and development (+) 2- Performance management system(+)	It has found strong effects of HRD practices on NPSM(nonprofit PSM).
10	J. Gould-Williams (2007)	147	3,165	1-Training and development (+) 2-Employee involvement(+) 3-Team working(+)	The results show that these practices have a significant effect on motivation.
11	Adzei and Atinga (2012)	32	400	1-Financial incentives(Salary supplements ,benefits and allowances) (+) 2-Nonfinancial incentives(leadership skills and supervision, continuing professional development, availability of infrastructure and resources) (+) 3-Recognition and appreciation (0)	Financial incentives have significant effect on motivation and retention. While, from the 4-factor model of non-financial incentives only 3 factors (leadership skill and supervision, opportunities for professional development and availability of infrastructure and resources) were significantly associated with motivation and retention. Recognition and appreciation are not significant factor in this research.
12	Snyder and Osland (1996)	32	207(99= Public sector and 108= Private sector)	1-Security (+) 2-Salary and promotion (+) 3-Status (+) 4-Power (+) 5-Financial incentives(+)	These factors have positive association with motivation but have difference in preference in terms of sector.
13	Van de Walle, Steijn, and Jilke (2015)	8	15,222 (Public/ Private)	1-Job security (+) 2 High income (+) 3-Opportunity for advancement(+)	PSM and extrinsic motives (job security, high income and opportunity for advancement) play a significant role to work in public sector. However, career-based system in employment is more attention-grabbing rather than position based.
14	Kim, Henderson , and Eom (2015)		11,716	1-Job significance (+) 2-Job involvement (+)	Job significance, Job involvement and Affective Commitment affect PSM.
15	Word and Park (2015)	6	430	1-Worklife balance (+) 2-Job security (+) 3-Advancement(+)	The findings reveal that intrinsic motivation is an essential factor for job choice motivation among nonprofit workforce. Moreover, WLB, advancement and job security are also very important practices for job choice in nonprofit sector resulting in civic activities, social and community activities and professional activities.
16	Belle and Cantarelli (2015)	8	296	Monetary Incentives(0)	Financial incentives and expected efforts were negatively moderated by intrinsic motivation, positively moderated by extrinsic motivation and not affected by PSM.
17	Giauque et al. (2015)	2	6885	1-Extrinsic HR practices (Security, high wage, good career prospects, high pay for performance)(0) 2- Intrinsic HR practices (Diversified and independent	HRM practices (intrinsic) are significantly and positively associated with PSM, whereas extrinsic practices have no significant impact on PSM.

				work task, flexible working hours, participation in decision making) (+)	
18	Kernaghan (2011)	13		Fair staffing practices including merit-based hiring(+)	Employee having high level of PSM performs better than those having less level of PSM.
19	French and Emerson (2014)	3	927	1-Promotion (+) 2-Job security (+) 3-Performance award (+) 4-High income/salary(+)	The research shows that employees at local government prefer intrinsic rewards on extrinsic rewards. However, some employees also rate extrinsic rewards as significant. "Job security" was the highly rated component for motivation.
20	Zinnen, Paul, Mwisongo, Nyato, and Robert (2012)	12	4 Rural districts	1-Financial incentives (Allowances, Better salaries) 2-Nonfinancial incentives (Positive work environment, Support for career professional development)(+)	Both incentives were supportive for the motivation in health sector.
21	Weldegebriel, Ejigu, Weldegebriel, and Woldie (2016)		304	1-Performance evaluation and management (+) 2-Staffing and work schedule (+) 3-Staff development and promotion (+) 5-Ease of communication(+)	All motivational factors were found to be stronger drivers for human resource management in public health sector.
22	Songstad, Rekdal, Massay, and Blystad (2011)	41		1-Working conditions (+) 2-Salary level(+) 3-Promotions(+) 4- Training and upgrading(+)	Informant's statement reveals that unfairness with salary, promotion, allowance allocation and access to training cause demotivation.
23	Ng (2015)	1	306	1-Supervisory support (+) 2-Training transfer(+)	The results established the positive relationship between the stated variables.
24	von Bonsdorff (2011)	30	628	1-Financial(pay, pay increment, pay raise) (+) 2-Non-Financial(reward, job security, flexible hours) (+)	Financial and Non-financial both rewards were greatly valued.
25	Park, Mitsuhashi, Fey, and Björkman (2003)	182		1-Compensation system (+) 2-Promotions (+) 3-Communications (+) 4-Training(+)	Increase employee motivation will mediate the role between the synergistic system of HR practices and firm performance.
26	J. Gould-Williams and F. Davies (2005)	200	206	1-Team working (+) 2-Empowerment (+) 3-Involvement (+) 4-Fair rewards (+) 5-Trust in managers(+) 6-Job security(+)	Social exchange theory is used as a framework to predict three outcomes of HRM practices i.e. employee motivation, employee commitment and desire to retain in the organization.
27	Battaglio Jr (2010)	22	274	Job security(+)	Motivation has a strong association with Job security.
	Cho and Lewis (2012)	70		1-Merit based hiring (+) 2-Training	Results vary across the HR practices with age and experience. However, in the mid and late career the

28				opportunities(+) 3-Merit based reward(+) 4- Fair and accurate performance appraisal (+) 5-Fair grievance system (+)	extrinsic rewards drop, and intrinsic motivation become important.
29	Forest (2008)	45		Performance related pay(0)	No effect of Performance related pay has been determined on PSM.
30	Hyde et al. (2009)	37	152	1-Training (+) 2-Flexible working hours (+) 3-Induction(+)	Three themes were emerged i.e. infrastructure, HR practices, help and support regarding employee expectation for better motivation to perform by moderating public service value.
31	Mann (2006)	126		Recruitment selection (+)	Recruitment has a significant effect on PSM.
32	Moon and Roh (2010)	19	127	Work- life balance(+)	Work-life balance proved to be strongly associated with job motivation.
33	Bhatnagar and George (2016)	2	39	1-Incentives (monetary)(+) 2-Working conditions(+)	Performance based financing can be successful in motivating employees by changing in incentive system and working conditions.
34	Park and Berry (2014)	9		Pay for performance (PFP) (0)	A possible solution as an alternative to pay for performance model was suggested to develop a performance appraisal system that incorporate both the extrinsic motivation and PSM to improve reward system in public sector.
35	Perry (2010)	32		1-Direct compensation (wages, salaries, contingent pay) (+) 2-Work and job design (+) 3-Training and development(+)	Weaker extrinsic rewards are substituting intrinsic rewards. Moreover, training and development is getting high priority in workplace.
36	Word and Park (2009)	36	Public Sector =802 Non-Profit =375	Job design(job involvement) (+ for intrinsic motivation and(0) for extrinsic)	Intrinsic motivation has a significant association with job involvement. Whereas extrinsic motivation lacks a significant relationship with job involvement.
37	Ritz and Waldner (2011)	42	122	1-High Salary(+) 2-Job security(+) 3-Training(0) 4-Career(0) 5-Promotion opportunities (0) 6-Work life balance(0)	Extrinsic work motives (Job security, high salary) found to have a significant effect. Whereas development opportunities and WLB has insignificant association with public sector employment.PSM is the main component to employee attractiveness to of public administration.
38	Rasheed, Aslam, Yousaf, and Noor (2011)	91	Questionnaire=50, Interview=10	Performance appraisal system(+)	Obsolete appraisal system, lack of feedback, inexperienced evaluators and lack of motivation for the process are the factors that hinder PA system.
39	Raza (2012)		72	1-Selection(+) 2-Training (+) 3-Rewards(+) 4-Job design(+) 5-Job involvement(+) 6 -Security(+)	HR practices have significant and positive association with personal motivation.
40	Cho and Lee (2012)	22	36,926	1-Performance management system(+) 2-Trust in supervisors(+)	Performance management system promotes perceived performance and motivation and the leverage is also increased by the trust in supervisors.
41	Groeneveld (2009)	10	3,835	Career opportunities(+)	Men are relatively less intrinsically motivated than women. Men value more to promotions and salary rises for career opportunities.
42	Shah, Zaidi,			1-Inadequate remuneration(+)	Inadequate remuneration, poor working environment, political interference (transfers and posting), lack of

	Ahmed, and Rehman (2016)			2- Poor working environment (+) 3-Transfers and posting(+) 4-Transport and education(+)	facilities at home (transport and education) and inadequate trainings create lack of motivation among physicians.
43	Tangaraja, Rasdi, Ismail, and Abu Samah (2015)	13		Knowledge management(+)	Knowledge sharing is associated with extrinsic and intrinsic motivation.
44	Alhassan et al. (2013)	34	324	working conditions(0)	Public health workers are least motivated by physical working conditions.
45	Barima Antwi (2009)	5	Questionnaire=105 Interview=16	1-Pay(+) 2-Benefits(+) 3-Learning and development(+) 4-Working conditions(+)	Monetary reward will work by combining it with training schemes and programs to motivate employees. The total reward system implemented in private sector could not be implemented in public sector because of different in policy goals.
46	Awortwi and Vondee (2007)	9		1-Salaries(+) 2-Job security(+) 3-Bonus and other incentives(+) 4-Trainings (+) 5-Promotions (+) 6-Career advancement(+)	Salaries, job security, bonus and other incentives, trainings, promotions and career advancement are the motivational factors.
47	Bateganya, Hagopian, Tavrow, Luboga, and Barnhart (2009)	17		Incentives(rewards) (+)	Rewards rather than penalties are successful in motivating employees.
48	Brobeck, Odencrants, Bergh, and Hildingh (2013)	22		Training(+)	The result suggested that training enhance motivation.
49	Buchan and Evans (2008)	2		Pay system(+)	The new pay system (agenda for change) enhances new ways of working, recruitment, retention and motivation among NHS staff.
50	Claes and Heymans (2008)	75		1-Recruitment(+) 2-Selection(+) 3-Training (+) 4-Industrial relations(+)	HR practices do very on motivational basis on diversity in older employees and other employees.
51	Dolan, García, Cabezas, and Tzafirir (2008)	56		Supervisory support and encouragement(+)	The findings suggest that the relationship of these variables was significant with employee motivation.
52	Fritzen (2007)	87		1-Term of service(job security and salary)(+) 2-Career prospects(+) 3-Opportunities for growth(+) 4-Performance management(+)	The factor affecting motivation and behavior are not only to be focused the daylight aspects (Term of service, job security and salary, career prospects, opportunities for growth, performance management)but also the shadow aspect must take into consideration(Alternative source of income, informal organizational expectation and culture and professional ethics).
53	Eleni Gaki, Nick Kontodimos, and	31	200	Remuneration(+)	Motivation in nurses are not only relating to economic rewards, but also on intrinsic factors that could lead to self-actualization.

	Dimitris Niakas (2013)				
54	David R Hotchkiss, Hailom Banteyerga, and Manisha Tharaney (2015)	7	43 Primary health care facilities	Financial rewards(+)	Financial factors are vital predictor of motivation among Ethiopian health worker motivation.
55	Katou and Budhwar (2012)	20	348	1-Recruitment(+) 2-Selection(+) 3-Flexible work arrangement (+) 4-work design (+) 5-Performance appraisal (+) 6-Training and development (+) 7-Compensation (+) 8-Promotions (+) 9-Incentives (+) 10-Participations(+) 11-Involvement(+) 12-Communication (+)	These practices have a significant positive influence on organizational performance by mediating psychological contract (motivation, commitment and satisfaction).
56	Kwansah et al. (2012)	24	128	1-Career development (+) 2-Salary and allowance(+) 3-Posting (+) 4-Promotions(+) 5-Working condition(+)	The findings suggest that the relationship between these variables were significant by providing these practices the nurses will be motivated to be satisfied in rural area context.
57	Luboga, Hagopian, Ndiku, Bancroft, and McQuide (2011)	32	641	1-Professional development(+) 2-Staffing(+) 3-work load(+) 4-Salary and benefits(+)	Professional development, staffing and workload, salary and benefits and other factors motivate employees in health sector.
58	Mangham and Hanson (2008)	68		1-Salary(+) 2-Opportunities to upgrade their qualifications(+)	All attributes of the job positively affect the motivation of the nurse, however, the upgrading of the qualifications; Government housing and monthly pay increases had the greatest impact on nurses' employment choices.
59	Mathauer and Imhoff (2006)	446	Kenya = 62, Kenya = 37.	1-Supervision schemes(+) 2-Performance management(+) 3-Training and professional development(+) 4-Participation(+) 5-Intra-organizational communication processes(+)	Non-financial incentives and HRM tools proved to be the source of motivation for health professionals.
60	Schmiedeknecht et al. (2015)		Interview=30, Questionnaire=56	1-Job security (+) 2-Education(+)	Job security, desire for further persuasion of education was prime motivation for long-lasting public sector employment.
61	Songstad, Lindkvist, Moland, Chimhutu, and Blystad (2012)	20		1-Open Performance Review and Appraisal System (OPRAS) (+) 2-Pay for performance(+)	OPRAS and Pay for performance can improve important dimensions of health Motivation of workers in a context of low incomes.

62	Park and Word (2012)	9	430	1-WLB (+) 2-Job security (+) 3-Advancement(+)	These practices found to be positively correlated with intrinsic motivation and job choice.
63	Steidle et al. (2013)	6	307	Promotions and preventions(+)	The different priorities given to work characteristics explain how regulatory focus (promotions and preventions) effect attitudes, behaviors in workplace like job satisfaction and motivation.
64	Thaler, Spraul, Helmig, and Franzke (2017)		114	Trainings(+)	The results indicate a positive effect of training on one of the dimensions of PSM.
65	Waldner (2012)	16	473 (251=Public, 222=Private)	1-Recruitment(+) 2-Job advertisement(+) 3-WLB(+)	Intrinsic motivating work and WLB are the motives for recruitment in public sector.PSM considered among employees use to satisfy public service motives in the selection and recruitment process.
66	Ben-Ner and Ren (2015)	7	409 nursing homes	1-Merit pay(+) 2-Delegate decision making (+) 3-Efficiency wages(fringe benefit) (+) 4-Recruitment through social network(+) 5-Monitoring (+)	This comparative study is based on workplace design for stronger worker motivation between Non-Profit and Local Government nursing homes. The practices are positively related with motivation however varies with respect to nature of employment
67	Bonenberger, Aikins, Akweongo, and Wyss (2014)	38	256	1-Remuneration(+) 2-Work environment(+) 3-In-service training (+) 4-Job security(+)	These effective HRM practices positively affect health worker motivation.
68	Campbell, Lee, and Im (2016)	3	1,407	Performance management(+)	The findings demonstrate that if there is more central Performance management based HRM systems within an organization there would be stronger influence of transformational leadership on employee motivation.
69	Ertas (2015)	9		1-Fairness in performance appraisal and promotions (+) 2-Skill development(+) 3-Creativity(+) 4-WLB(+) 5-Meaningfulness(+) 6-Diversity of work(+)	Different results were found between the comparison of Millennial Employees in Federal Service and the older employees. However, workplace characteristics do have a significant impact on worker motivation and on turnover.
70	Hassan (2013)	14	764	1-Procedural and distributive justice (+) 2-Job involvement(+)	Justice in the allotment of rewards is a vital source of motivation for workers.
71	Witter, Kusi, and Aikins (2007)	75	374	Worker income (+)	The results show that worker income and morale is effective if managed properly even under restricted human resource setting. Moreover, employees rank from the most to least i.e. opportunity to serve, social status, training, allowances, salary and working condition respectively that motivated them to stay at their job.
72	Al Kahtani, Nawab, and Allam (2016)		210	1-Recruitment & selection(+) 2-Training & development(+) 3-Performance appraisal(+) 4-Compensation and benefits(+) 5-Working conditions(+)	The findings suggest that enthusiasm and motivation can be created among employees by implementing Fair HR practices.

				6- Security & health benefits(+) 7- Communication (+) 8-Co-worker relation practices(+)	
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(Note: (+) indicates positive association, (0) indicates no relationship exist).

Literature analysis reveals that most of the different HRM practices used in the literature have a positive (+) influence on employees 'motivation. While some human resource practices appear to have no effect (0) on public sector employees.

3.9 Outcomes of motivation

The following table describes the outcomes identified along with their occurrence frequencies, explaining the influence of HR practices on motivation resulting in employee commitment, OCB, job satisfaction, employee performance and retention.

Table 5: Outcomes

Author (year)	Outcomes	Frequency
- Ahmed Mohammed Sayed Mostafa, Gould-Williams, and Bolland et al. (2015) - Gould-Williams and F. Davies (2005) Gould-Williams et al. (2014)	Employee commitment	3
Ahmed Mohammed Sayed Mostafa et al. (2015)	Organizational citizenship behavior (OCB)	1
- Gould-Williams et al. (2014) - Kernaghan (2011) - Groeneveld (2009) - Gaki et al. (2013) D. R. Hotchkiss, H. Banteyerga, and M. Tharaney (2015) - Kwansah et al. (2012) - Luboga et al. (2011) - Mathauer and Imhoff (2006) - Schmiedeknecht et al. (2015) - Thaler et al. (2016) - Bonenberger et al., (2014) - Ertas (2015)	Job satisfaction	12
- Bellé (2015) - Kernaghan (2011) - Moon and Roh (2010) - Rasheed et al. (2011) - Raza (2012) - Katou and Budhwar (2012) - Mathauer and Imhoff (2006) - Songstad et al. (2012) - Park et al. (2003)	Performance	9
- Adzei and Atinga (2012) - Zinnen et al. (2012) - Shah et al. (2016) - Gould-Williams and Davies (2005) - Cho and Lewis (2012) - Shah et al. (2016) - Buchan and Evans (2008)	Retention	11

• Claes and Heymans (2008) • Luboga et al. (2011) • Schmiedeknecht et al. (2015) • Bonenberger et al. (2014)		
• Kernaghan (2011) • Weldegebriel et al. (2016) • Tangaraja et al. (2015)	Organizational commitment	3

4. Conclusion

This Systematic literature review analyzes a diverse set of HRM practices focusing on the motivational processes in public organizations and examines all those HR practices that have a considerable influence on employees' motivation and can also become the drivers of improved performance, job satisfaction, retention and organizational commitment. The effective HRM would be guaranteed when HR practices are present, judged effectively and properly implemented (D. Guest & Conway, 2011).

The findings of this narrative systematic literature review reveal some unexpected results that much of research work has been done in the health sector while neglecting other sectors that need to be addressed to enhance working in public organizations. Secondly, the research is done largely at one point in time (cross-section); the other research designs might also be employed for efficiently addressing the research problem. The findings also uncover that most articles follow the quantitative approach as a research strategy and neglects the interpretivism approach. In addition, to the identification of publication patterns; human resource practices that affect motivation and the results of motivation have been identified and integrated into a simple process model. This model describes the association amongst human resource practices, motivation and its outcomes. Subsequently, this model could be validated by suitable statistical techniques in an empirical investigation by researchers.

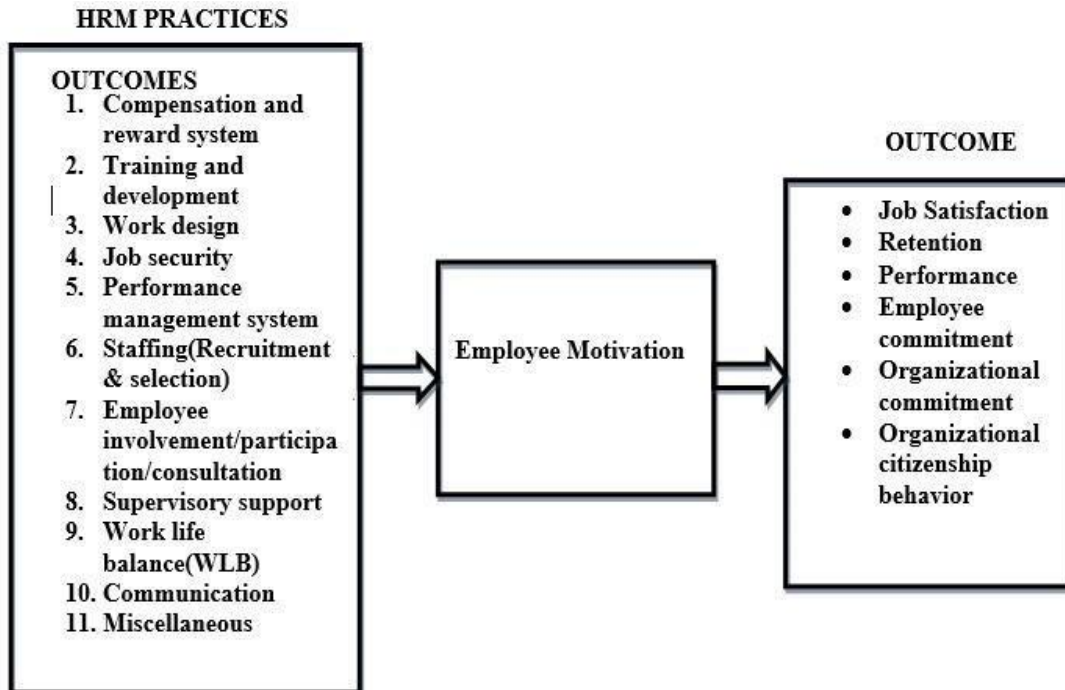


Figure 6: Model(The relationship depicting HR practices, motivation and its outcomes)

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Appendix

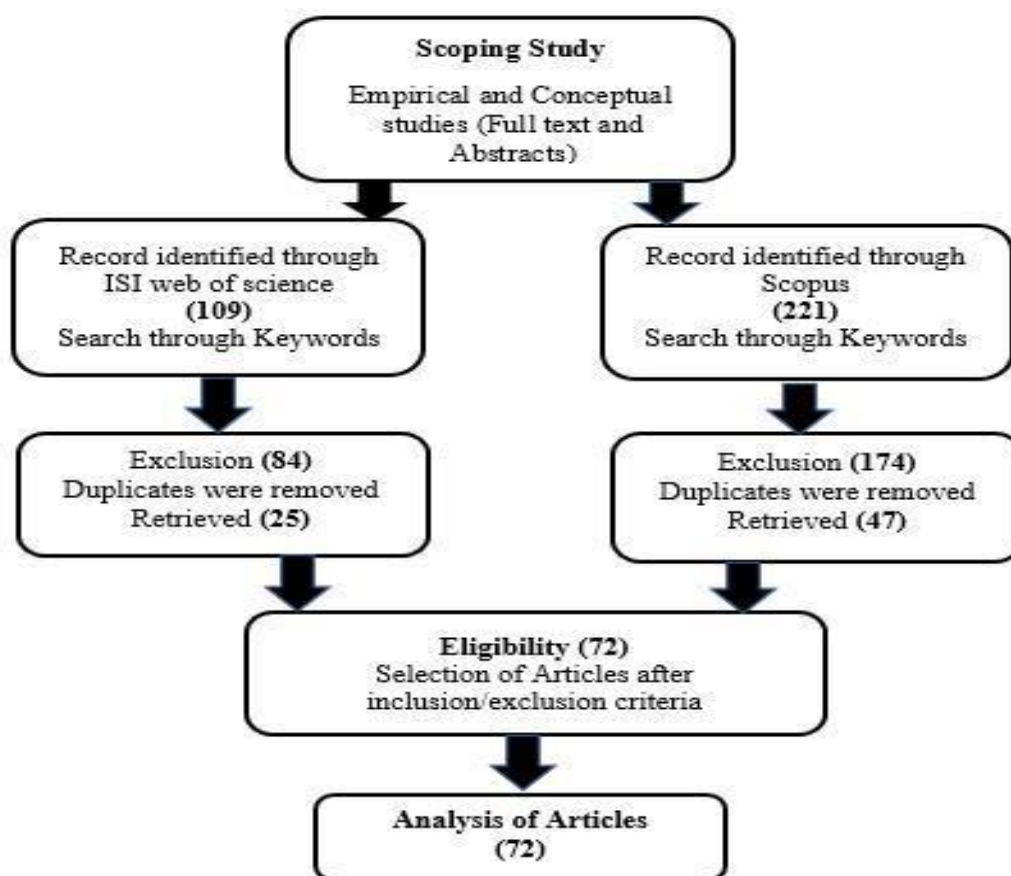


Figure 7: PRISMA flow diagram

Advancing Manufacturer Flexibility: Role of Communication Tactics and Social Means

Yasir Munir¹ and Dr. Ali Saeed²

Abstract

This study explores the use of communication and social mechanisms by the manufacturer to achieve flexibility within the supply chain. Measures are used to validate and accept theory by employing PLS-SEM to analyze 300 survey samples from senior management at SMEs in Pakistan. Results validate that using influence strategies has positive effects on flexibility. Furthermore, requests made by a manufacturer to its supplier was significantly positive and measured. The effects of confidence building measures on combined vision is positively associated to manufacturer flexibility. Impact of trust on flexibility was also found to be positive, whereas trust positively promotes shared vision. Implications suggest that for the manufacturer to achieve flexibility, balancing social mechanisms is necessary.

Keywords: Influence Strategies, Social Mechanisms, Flexibility, SMEs, Supply Chain Collaborations

1. Introduction

The outcome of abrupt duties on a number of Chinese and American goods saw a rise in business risk which led to search for new vendors (Fujita, 2019). Maintenance of supply chain is a tactically important organizational capability. As suggested by the research on production systems, elasticity is complex, multidimensional, and hard to summarize (Mishra, Pundir and Ganapathy, 2018). The production environment is characterized by tendency of customers that demand customized goods and speedy delivery. There is an agreed upon understanding by researchers on the importance of flexibility in meeting customer demands and meeting customer needs (Wang et.al, 2019) to the magnitude that it is now described as a strategic capability (Kumar & Singh, 2019) an international agenda and gateway to discovery and practice. Some definitions of flexibility form on the sustainability of customer relationships, such as, Bodaghi, Jolai and Rabbani (2018) explain “supply chain flexibility as the elasticity of the buyer-supplier relationship under changing conditions”. As manufacturers set out to meet and deliver market demand, dealing with suppliers becomes critical.

A means of communication, various tactics are used to alter behavior and or influence decision making. Modification of behavior may include punitive and or reward campaigns. Whereas influencing attitude may include privilege to critical information. Research has fixated communication tactics as ‘coersive’ and ‘noncoersive’ ‘influence strategies’. Influence strategies is associated by Sheu (2019) as a means of power. How do two firms converge to provide for the market?

Mutually beneficial exchanges between firms reduces risk and costs associated with risk. Building trust and sharing a vision is social capital for the manufacturer in the exchange relationship with the supplier.

This study seeks the contextual ramifications of established theoretical contributions on supply chain flexibility as a result and use of, communication and social exchange. With increased uncertainty in the textile marketplace, the capability of manufacturer flexibility is of value to both the scholar and manager. Specifically, existence and validation of influence strategies in the sector, in addition to, the role of social mechanisms will be measured. The remaining article entails a review of scholarly work on flexibility, influence strategies, and social mechanisms. Thereafter, selection of applicable theoretical model is highlighted, followed by development and testing of hypotheses with description of results. Discussion of measured, geographic specific effects are followed with directions for future investigation.

2. Review of Literature

2.1 Flexibility

Flexibility is often discussed in operations management within the broader context of manufacturing (Ibraimi, Bexheti, Zuferi, Rexhepi and Ramadani, 2016). New to market products, share of turnover from new products and new products themselves are widely thought to benefit due to collaborations (Haus, Fitjar & Pose, 2019). Mishra, Pundir and Ganapathy (2018) state that impact associated with flexibility (goods,

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mix of, quantity, and delivery channel) and manufacturing environment results in positive performance of the firm.

2.2 Influence Strategies

Tactics used for compliance on a firm by another firm with which business is conducted are referred to as Influence strategies (Handley, de Jong and Benton, 2019). Firms use influence strategies to encourage behavior or thought process (Ghijsen, Semeijn, & Ernstson, 2010). Noncoercive influence strategy is more readily accepted by a firm as opposed to coercive tactics.

2.3 Building Confidence

“Trust” is understood as the tendency to rely on a firm with sureness by another firm (Kim D. W., 2019). This may be relayed through principles, dependence, credence, or assurance in the collaboration. For example, recognition of value addition within the collaboration, determination of necessities, reliability and guarantees of capacity and capability to manufacture that product.

2.4 Shared Vision

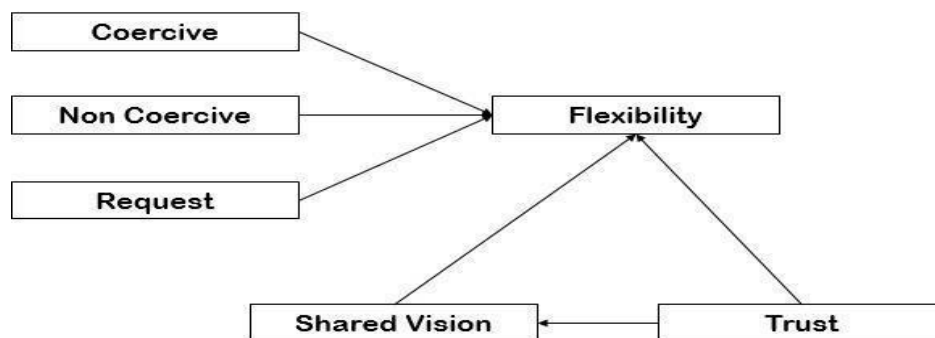
Exchange partners may generate a shared vision, whereby explicit behaviors are expected. This may include specific goals to facilitate collaboration and implementing policies designed to identify right from wrong and/or what is appropriate or inappropriate in this relationship. To this extent it has been suggested by Spekman et al (1988) that “partners share a common world view”.

3. Hypothesis Development

Synthesis of well documented research work is used to develop hypotheses listed in Table 1 (See Appendix).

Figure below provides a pictorial representation of the hypotheses.

Figure 1: Effects on Supplier Flexibility



3.1 Applying Influence Strategies

Wathne and Heide (2000) argued that “manufacturers often rely on operational strategies to influence flexibility of suppliers”. Well researched and documented across western environments in addition to some contextual findings in nonwestern setting.

H₁: Coercive influence strategies positively impact local textile sector.

H₂: Noncoercive influence strategies positively impact local textile sector.

Gilgor, D, Gilgor N, Holcolmb, M and Bozkurt, Siddik (2019) argued “involvement of suppliers in the production process” will have a direct positive impact. A gap worth-while exploring due to unknown consequences of adhering to request made by a manufacturer.

H₃: Request strategies positively impact local textile sector.

3.2 Capital

Social exchange theory assumes parties in an exchange relationship seek value. Shanka and Buvik (2019) suggest that trust building between two parties might start with relatively minor transactions and increase as the number or size of interactions increases.

Production necessitates strong collaboration and coordination among manufacturers and suppliers to overcome unforeseen circumstances. Trust is generated when jointly shared valuable arrangements occur; multiple exchanges with the passage of time (Aydin, 2018). A supplier may therefore adapt to requirements of the manufacturer, which may include altering its own operations (products, process and procedures). Hence, the following hypothesis is proposed:

H₄: A manufacturers' trust on supplier effects flexibility.

When in a buyer supplier relationship, shared vision contributes to integration of (planned) resources and their interplay. Spekman, Kamauff, & Spear (1999) state that "parties in a supply chain with a shared vision have better performance". Shared vision contributes to relationship continuity, therefore:

H₅: Shared vision is positively effects flexibility.

Ellram and Muriel (2019) state "trust facilitates interorganizational and commercial or confidential information sharing to improve responsiveness". A manufacturer with confidence in its exchange partner will provide guidance on the marketplace and consumer partiality (Verghese, Koufteros, & Huo, 2019).

Due to different visions in organizations, two firms combining resources, facilities and processes, relationships become increasingly challenging. When the two firms interact frequently, there may be a tendency to believe each other as dependable. Two exchange partners require trust therefore, it is proposed:

H₆: Manufacturer's trust will facilitate visioning

4. Methods

4.1 Selection and Procedure of Data

A questionnaire was sent to senior managers of 1,200 companies identified from Chambers of Commerce and Industry (CCI)s. Firms represented, are Harmonized System (HS) codes range includes 50-63. Respondents represented manufacturers of products from silk, wool, cotton, vegetable fibers, manmade filaments, yarns and woven fabrics, manmade staple fibers, wadding, carpets, special woven or tufted fabric, laminated textile fabric, knitted fabric, and apparel. Senior managers completed 313 out of 1,200 survey forms (26%). Following standard protocol, it was found to be 300 (25%) for analysis. PLS, allows the researcher to assess predictive validity of exogenous variable (Khan, et al., 2019). Figures 2 and 3 provide an overview firm demographics.

Figure 2: Year of Incorporation

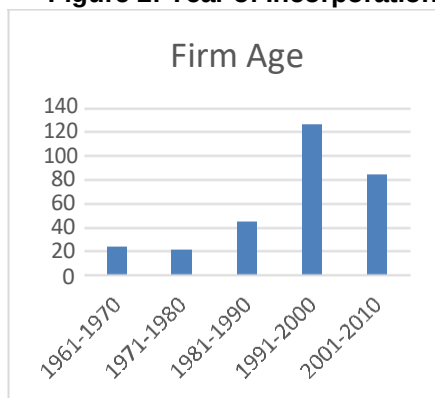
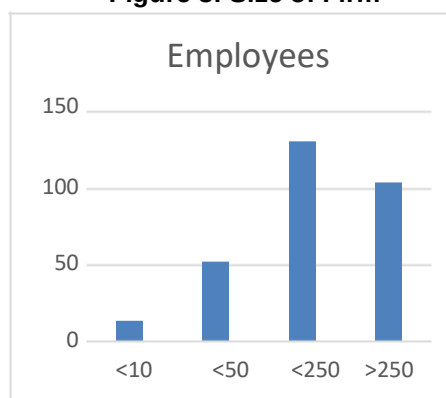


Figure 3: Size of Firm



4.2 Measures

Procedures for construct measurement were followed; first, the domain for each construct was defined, thereafter previous research was reviewed (scale selection) as suggested by Mackenzie, Podsakoff and Podsakoff (2011). Senior managers responded according to a five-point Likert scale.

4.2.1 Influence Strategies

Previous work by Boyle et al. (1992) on influence strategies was modified, whereby the respondent indicated the use of intimidations, legalistic pleas, recommendations, and exchange of information. Separately the use of appeals to the supplier without further elaboration/indication was measured.

4.2.2 Flexibility

Measurement of flexibility were modified, which contain measurements including production and eventual delivery (Zhang et al. 2003), these measurements in a supply chain vary on significance which may be as a result of managerial orientation and/or market turbulence.

4.2.3 Social Mechanisms

To examine the effect of trust and shared vision, constructs from prior research were employed. Scales from Kumar et al. (2005) to measure trust were adapted. For shared vision, scales were adapted from Li and Lin (2006). There were nine items for trust and three items for shared vision.

4.2.4 Control Variables

As firms grow older, their performance seems to decline (Unite, Sullivan, & Shi, 2019). Control variables are set to include size and age of firm.

4.3 Reliability and Validity

The model possesses reliability as well as composite reliability since all values are higher than .7 as shown in Table 2. Composite reliability for constructs is above acceptable levels; coercive is the highest at 0.903 while noncoercive the lowest at 0.837. Average variance is acceptable at this stage.

Results indicate a few initial loading factors (Table 3) are not adequate, to maintain reliability and validity, it is permissible with certain limitations to delete. After deletion, values regarding variance between the constructs and all the variables have a value greater than 0.5 thereby supporting discriminant validity.

Testing of discriminant validity (Table 4) show that minimum value is for NCOR which is 0.712 and maximum value is for SV at 0.795.

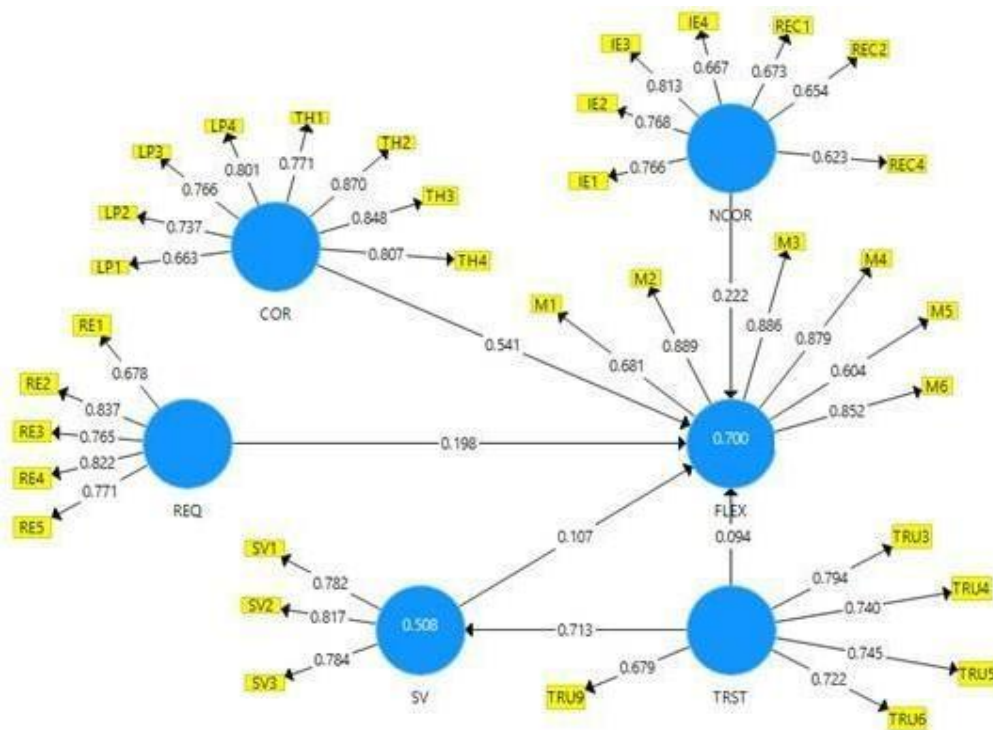
Finally, for discriminant validity, cross loading analysis, which considers the factor loading values of all items with its own construct as well as with other variables in theoretical model is completed (Table 5). All values of items within the construct are greater than 0.6.

4.4 Model Assessment

Three values are assessed to evaluate the structural model. Values for VIF are 0.715 and 0.710 for outer and inner model. Value for SRMR is less than 0.10 for both models. while the chi-square is also good enough to support the structural and estimated model fit.

Path coefficient value is above 0.500 (β), thereby indicating its predictive power. amongst latent variables, is a significant criterion, for evaluating the predictive power of the structural model. The magnitude of the path coefficient points out the power of the relationship among the latent variables and the positive sign of the path coefficient corresponds to the pre-proposed hypothesis. In Figure 4, the outer and inner model is explained outer shows the factor loading values whereas inner shows the coefficient values between the variables.

Figure 4: PLS-SEM Algorithm Model



5. Results

1. Coercive influence strategies and flexibility: For H_1 , coercive influence strategies are significant (+). Promotion of supplier flexibility ($t=10.33, p=0.000$). Thus, the manufacturer is likely to use coercive influence strategies to gain flexibility ($b=0.541^{***}$).
2. Noncoercive influence strategies and flexibility: For H_2 , noncoercive influence strategies are significant (+). Promotion of supplier flexibility ($t=3.70, p=0.000$). A change of one unit of noncoercive influence strategies represents 22% change in supplier flexibility.
3. Request and flexibility: For H_3 , request influence strategy has a significant positive impact ($t=5.12, p=0.000$).
4. Trust and flexibility: For H_4 , trust impact is measurable ($t=2.04, p=0.031$).
5. Share vision and flexibility: For H_5 , shared vision is measurable ($t=2.18, p=0.030$).
6. Trust and shared vision: For H_6 , trust has a positive effect on shared vision ($t=26.66, p=0.000$).

6. Discuss and Conclude

6.1 Discussion

Although extensive research on coercive and noncoercive influence strategies exists, validation in local context is appropriate. Low power distance societies rarely accept compelling interventions (Samaha et al., 2014), whereas in societies such as Pakistan, firms are interdependent; the power distance dimension suggests acceptance of social inequalities (Samaha et al., 2014). This suggests local textile manufacturing firms are more willing of forceful interference and compelling communication pressures on suppliers. It is apparent that threats and legalistic pleas are frequent and successfully used to gain flexibility. In this study, the use of noncoercive influence strategies were used less frequently when compared with other communication strategies. Use of noncoercive influence strategies by manufacturers towards suppliers will increase supplier mix flexibility; this concurs with other studies (Kang, Asare, Brashear-Alejandro, Granot, and Li, 2018; Wang et al., 2016).

There is minimal difference (of requests) when compared with noncoercive influence strategies in this study; however, both positively effect flexibility. For the Pakistani manufacturer, the relationships between request strategies and flexibility is a cause for further examination due to the following: a) it is used

less frequently than coercive and noncoercive b) quantitative results indicate it has the same (almost negligible) positive effect on flexibility.

While a supplier attempts to meet a manufacturer's requirements (i.e. produce various product combinations, minimize the time to implement new product development) the supplier needs to change over its capacity and production plans. If a supplier benefits from cooperating with the manufacturer, there will be value in the relationship. The manufacturer, therefore, is willing to share more strategic and sensitive information with its suppliers, which facilitates the notion of common goals.

Keh and Park (2011) assert manufacturers have grown more powerful. Greater supplier flexibility gives manufacturers the advantage of responsiveness over their competitors. Suppliers with the ability to simultaneously produce multiple products or changeover quickly from one product to another, maintain a competitive advantage. Strategies and social mechanisms will help to advance manufacturer flexibility to accommodate dynamic customer demands in terms of market share, customer satisfaction and solicitation of new projects.

The purpose of this article was to analyze the role of influence tactics and social mechanisms on flexibility from the manufacturers' perspective. There was emphasis on the role of local firms, regardless of their upward/downward supply chain orientation in the region. It is apparent that social mechanisms improve supplier flexibility and more importantly non-coercive influence strategies significantly effect flexibility more so than coercive influence strategies. Additionally, trust not only has a positive impact in creating a shared vision but also promotes flexibility.

6.2 Discovery

Novel contextual insights specific to request strategies, furthers interest in literature (influence strategies).

6.3 Managerial implications

The textile sector "contributes more than 60% of the export earnings of the country, provides 9% of the global textile needs and is ranked as the world's number 10 textile producers" (Kazmi & Takala, 2014). In an age of increasing competition in the marketplace, manufacturers are exposed to a wider range of alternative suppliers. For organizations and supply chain partnerships seeking strategies to be market-responsive (flexible) in dynamic and complex market contexts, social mechanisms play an integral part in collaborations. Post-study discussions with a few manufacturers proposed that carrying an average of 12 brands allows customers a great sense of scale from which they have a choice of what to purchase. Instead of being at the mercy of suppliers, manufacturers may negotiate more. In asymmetric manufacturer-supplier relationships, managers must understand the important impact within their relationships and overall consequences to the regional supply chain.

6.4 Limitations and Further Research

From the outset, the effect of communication tactics and social mechanisms on manufacturer flexibility in specific context is explored. While the results may well be applicable to other textile manufacturers in other parts of the region, caution should be exercised in generalizing results industries. Second, there is insignificant research on influence tactics and social mechanisms in the region and a longitudinal study would provide a more wholistic understanding. Finally, tactics and mechanisms are not implemented in isolation, suppliers' perspectives/strategies should be sought, since this study considers only manufacturers. If dyadic use is studied, a better view on supply chain relationships would be obtained. Future research may employ qualitative methods to investigate request strategies to determine if Pakistan has its own categories.

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APPENDIX

Table 1: Research Synthesis

Source	Description
Frazier & Summers (1984, 1986)	Influence strategies are agreement gaining tactics (noncoercive, coercive)
Payan & McFarland (2005)	Debate on noncoercive strategies, separation of requests tactics
Spekman et al (1999)	Factors of organizational trust for supply chain partners
Li Lin (2006)	Shared vision (aims, objectives, goals)
Zhang et al (2003)	Mix flexibility including production and delivery

Table 2: Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Noncoercive	0.837	0.877	0.507
Coercive	0.903	0.923	0.601
Flexibility	0.837	0.885	0.584
Request	0.846	0.883	0.603
Shared Vision	0.846	0.883	0.632
Trust	0.846	0.883	0.544

Table 3: Reflective Outer Model Summary

Latent Variable	Indicators	Initial Loading	After Deleting
NCOR	IE1	0.744	0.766
	IE2	0.746	0.768
	IE3	0.785	0.813
	IE4	0.648	0.667
	REC1	0.688	0.673
	REC2	0.693	0.654
	REC3	0.646	-
	REC4	0.650	0.623
COR	LP1	0.563	0.663
	LP2	0.737	0.737
	LP3	0.766	0.766
	LP4	0.801	0.801
	TH1	0.771	0.771
	TH2	0.870	0.870
	TH3	0.848	0.848
	TH4	0.807	0.807
FLEX	M1	0.581	0.681
	M2	0.889	0.889
	M3	0.886	0.886
	M4	0.879	0.879
	M5	0.305	0.604
	M6	0.852	0.852

REQ	RE1	0.678	0.678
	RE2	0.837	0.837
	RE3	0.765	0.765
	RE4	0.822	0.822
	RE5	0.771	0.771
SV	SV1	0.782	0.782
	SV2	0.817	0.817
	SV3	0.784	0.784
TRST	TRU1	0.052	-
	TRU2	0.036	-
	TRU3	0.790	0.794
	TRU4	0.742	0.740
	TRU5	0.742	0.745
	TRU6	0.720	0.722
	TRU7	-0.072	-
	TRU8	-0.100	-
	TRU9	0.681	0.679

Table 4: Correlation of Latent Variables

	COR	FLEX	NCOR	REQ	SV	TRST
COR	0.775					
FLEX	0.787	0.764				
NCOR	0.746	0.718	0.712			
REQ	0.411	0.538	0.475	0.777		
SV	-0.030	0.026	-0.064	0.083	0.795	
TRST	-0.027	-0.051	-0.050	-0.038	0.713	0.737

Table 5: Cross Loading

Items	COR	FLEX	NCOR	PRO	REQ	SV	TRST
LP1	0.663	0.454	0.482	0.387	0.314	-0.073	-0.042
LP2	0.737	0.552	0.569	0.535	0.300	0.026	0.013
LP3	0.766	0.572	0.525	0.543	0.270	-0.003	0.031
LP4	0.801	0.564	0.528	0.460	0.272	0.012	0.038
TH1	0.771	0.561	0.531	0.423	0.310	-0.023	-0.076
TH2	0.870	0.691	0.674	0.622	0.357	-0.010	-0.011
TH3	0.848	0.694	0.610	0.543	0.301	-0.045	-0.058
TH4	0.807	0.732	0.670	0.596	0.411	-0.064	-0.052
M1	0.514	0.681	0.478	0.386	0.278	-0.009	-0.038
M2	0.692	0.889	0.638	0.697	0.476	0.072	-0.008

M3	0.708	0.886	0.658	0.672	0.455	0.009	-0.069
M4	0.691	0.879	0.597	0.677	0.487	0.006	-0.055
M5	0.153	0.604	0.130	0.204	0.162	0.033	-0.062
M6	0.656	0.852	0.608	0.772	0.493	0.012	-0.030
IE1	0.540	0.554	0.766	0.507	0.254	-0.048	-0.034
IE2	0.620	0.591	0.768	0.495	0.219	-0.065	-0.062
IE3	0.676	0.623	0.813	0.550	0.308	-0.039	-0.008
IE4	0.484	0.448	0.667	0.473	0.375	-0.051	-0.031
REC1	0.490	0.455	0.673	0.461	0.438	0.007	-0.002
REC2	0.415	0.406	0.654	0.375	0.427	-0.041	-0.020
REC4	0.436	0.449	0.623	0.406	0.451	-0.086	-0.099
RE1	0.497	0.598	0.470	0.590	0.678	0.066	0.001
RE2	0.238	0.334	0.331	0.374	0.837	0.075	-0.005
RE3	0.155	0.255	0.228	0.291	0.765	0.065	-0.034
RE4	0.240	0.367	0.327	0.380	0.822	0.106	-0.040
RE5	0.256	0.308	0.341	0.346	0.771	-0.009	-0.097
SV1	0.008	0.077	-0.033	0.065	0.071	0.782	0.675
SV2	-0.032	0.001	-0.056	0.066	0.054	0.817	0.510
SV3	-0.060	-0.041	-0.072	0.011	0.070	0.784	0.467
TRU3	-0.025	-0.062	-0.065	-0.018	-0.065	0.488	0.794
TRU4	-0.029	-0.003	-0.054	0.045	-0.004	0.600	0.740
TRU5	-0.056	-0.046	-0.050	0.025	0.028	0.553	0.745
TRU6	0.025	-0.004	-0.006	0.031	-0.058	0.471	0.722
TRU9	-0.006	-0.077	-0.004	-0.020	-0.055	0.493	0.679

Table 6: PLS-SEM Hypotheses Testing

	Relationship (IV-DV)	Original Sample	Sample Mean	Standard Deviation	T Statistics (O/STDEV)	P Values	Decision
H ₁	COR -> FLEX	0.541	0.542	0.052	10.337	0.000	Valid
H ₂	NCOR -> FLEX	0.222	0.220	0.060	3.701	0.000	Valid
H ₃	REQ -> FLEX	0.198	0.201	0.039	5.125	0.000	Accepted
H ₄	TRST -> FLEX	0.094	0.094	0.046	2.048	0.031	Accepted
H ₅	SV -> FLEX	0.107	0.106	0.049	2.181	0.030	Accepted
H ₆	TRST -> SV	0.713	0.716	0.027	26.658	0.000	Valid

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