INTRODUCTION

Review of Economics and Development Studies (READS) is a double-blind peer-reviewed Multidisciplinary research journal published quarterly by CSRC Publishing, Center for Sustainability Research and Consultancy Pakistan. The journal is independently managed by Editor–in–Chief with the assistance of Advisory Board and associate fellows of CSRC comprising of distinguished faculty at higher education institutions. The journal aims to cover topics and issues in various sub-areas of economics and development studies in general and particularly in the context of emerging and developing economies. The major and significant purpose of this journal is to highlight the theoretical and applied issues faced by economic managers, businesses and society in the economies. The journal especially welcomes submissions which cover the topical areas related to sustainable economic development in emerging and developing economies.

The journal also covers all disciplines of social sciences in the context of development studies. READS disseminates quality research in all disciplines of Economics and Development Studies in Social Sciences. The subscribers are universities, research institutions, government institutions, NGOs and individual researchers.

The views expressed in all research papers published in the READS are only of authors and not of the editor or the publisher. The authors are responsible for their views expressed in their published research papers in READS.

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The journal considers articles written in all areas of economics and development studies in emerging economies including but not limited to micro economics, macroeconomics, financial economics, environmental economics, sustainable economic growth and development, monetary economics, econometrics, agriculture economics, international economics.
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Author Guidelines
Impact of Teacher’s Self-Efficacy on Student’s Motivation towards Science Learning

1Shama Ghaffar, 2Shams Hamid, 3Martin Thomas

1Iqra University Pakistan. sh.ghaffar12@gmail.com
2Iqra University Pakistan. shamshamid@hotmail.com
3Iqra University Pakistan. martin.thomas@iuk.edu.pk

ARTICLE DETAILS

ABSTRACT

The study aims to identify the role of teachers’ self-efficacy towards motivating students’ learning process in intermediate colleges of Karachi, Pakistan. Using a causal research design, purposive sampling as a sampling technique and questionnaire as a data collection method, data were gathered from selected intermediates colleges of Karachi. The data from 312 sample cases were then analyzed by employing PLS-SEM through SmartPLS3 and results were identified. The results of the current study showed that teachers’ self-efficacy has significantly positive effect on goal achievement, active learning and learning environment. In addition, teachers’ self-efficacy was found to have significant positive impact on performance goal and science learning value. By the initiation of proper training and working over the embracement of self-efficacy, the motivation of the students towards the learning of science, can be improved. The professional courses and teacher education programs to develop the sense of self-efficacy are also proposed by the professionals.

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Teachers’ Self-Efficacy, Performance Goal, Achievement Goal, Students’ Motivation, Intermediate Colleges, Pakistan

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Corresponding author’s email address: sh.ghaffar12@gmail.com
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1. Introduction

Teachers play a significant role in the way student’s perceive and motivate them but teachers’ low self-efficacy have a negative impact on perceived abilities to perform that can be a challenge for students (Greco, Bernadowski, & Parker, 2018; Kilday et al., 2016; Mazlum, Cheraghi, & Dasta, 2015). This will lead students to believe that perhaps studies are not their personal strength (Lanings-Wijnen, Ryan, Harakeh, Shin, & Vollebergh, 2018; Taştan et al., 2018); thus decreasing his/her possibilities of performing well if not capable of doing such a task (Hamid, Shahrill, Matzin, Mahalle, & Mundia, 2013; Miller, Ramirez, & Murdock, 2017).

When engagement and interactivity decline due to lack of teachers’ self-efficacy, there is high possibility that students may face (1) less-interactive and productive in the classroom; (2) they may not persist in their studies and coursework due to higher difficulty and uncertain teachers’ behavior and (3) they find themselves unable to accomplish tasks and coursework (Shum, Lau, & Fryer, 2018; Thompson, 2016; Zee & Koomen, 2016). As noted by (Greco et al., 2018), high achievement is consistent with teachers’ self-efficacy and importantly direct to inclining morale, efficacy and motivation in students (Kilday et al., 2016).

Lack of self-efficacy in teachers can increase complicated and difficult learning experience for students and it adversely affect students’ motivation and academic achievement in Pakistan (Aslam & Ali, 2017). Teachers’
feeling of hesitation to express and lack of confidence were few critical problems that are currently faced by teachers in Pakistan (Gulistan, Hussain, & Mushraq, 2017). Moreover, Pakistan is currently facing shortage of quality teachers with strong self-efficacy beliefs. Poor education system due to typical teaching strategies and pedagogies, and weak self-efficacy beliefs of teachers, students were lagging far behind national and international requirements (Shahzad & Naureen, 2017).

Although a substantial research has revealed that teacher’s self-efficacy can influence teachers and students; but unfortunately, such studies have failed to investigate more explicit link between teacher self-efficacy and students' motivation and achievement (Bolton, 2018; Greco et al., 2018; Hallinger, Hosseingholizadeh, Hashemi, & Kouhsari, 2018; Hardé & Hennessey, 2013; Ma & Cavanagh, 2018; Sahin-Taskin, 2017). However, these literatures have particularly used self-efficacy theory (Hallinger et al., 2018; Miller et al., 2017; Yamamoto & Yamaguchi, 2016; Zee & Koomen, 2016) and achievement goal theory (Laniga-Wijnen et al., 2018; Miller et al., 2017; Pamuk, Sungur, & Oztekin, 2017; Taştan et al., 2018) for providing considerable solution to these problems.

In this regard, a humanistic organismic perspective is used to examine motivated from the self-determination theory (Deci & Ryan, 2002a, 2011; Deci & Vansteenkiste, 2004). There are different forms of motivation that are integrated on a platform of self-determination according to self-determination theory. Moreover, the self-endorsement and greater choice of the behavior also explains different forms of motivation accordingly. The absence of self-determination is represented through motivation. Individuals disengage themselves from the activity and ultimately halt doing activities when motivated (Deci & Ryan, 2002b, 2008). Similarly, external pressures and incentives regulate extrinsic motivation. Individuals perform a behavior in order to acquire a reward or ignore a negative consequence when extrinsically motivated. The behavior is regulated through guilt, ego-evolvement, and introjections when the external pressures internalized the regulating behaviors (Deci & Ryan, 2002b, 2008; Gagné & Deci, 2005; Ryan & Deci, 2014; Ryan & Deci, 2000). Moreover, self-determined motivation is revealed from the identification. The behavior is important and vital to the individual when it is identified. Likewise, integration is another form of self-determined motivation, which appears when the behavior performed is integrated with other elements of the self-individual (Deci & Ryan, 2002a). Consequently, intrinsic motivation is revealed from the higher prototyping of self-determination. Individuals are engaged in the activities performed for the satisfaction and pleasure driven while performing the activity when intrinsically motivated. Therefore, using self-determination theory, the study has intended to examine the impact of teacher self-efficacy on the students’ motivation and achievement.

2. Literature Review
2.1 Self-Determination Theory
A humanistic organismic perspective is used to examine motivated from the self-determination theory (Deci & Ryan, 2002a, 2011; Deci & Vansteenkiste, 2004). There are different forms of motivation that are integrated on a platform of self-determination according to self-determination theory. Moreover, the self-endorsement and greater choice of the behavior also explains different forms of motivation accordingly. The absence of self-determination is represented through motivation. Individuals disengage themselves from the activity and ultimately halt doing activities when motivated (Deci & Ryan, 2002b, 2008). Similarly, external pressures and incentives regulate extrinsic motivation. Individuals perform a behavior in order to acquire a reward or ignore a negative consequence when extrinsically motivated. The behavior is regulated through guilt, ego-evolvement, and introjections when the external pressures internalized the regulating behaviors (Deci & Ryan, 2002b, 2008; Gagné & Deci, 2005; Ryan & Deci, 2014; Ryan & Deci, 2000). Moreover, self-determined motivation is revealed from the identification. The behavior is important and vital to the individual when it is identified. Likewise, integration is another form of self-determined motivation, which appears when the behavior performed is integrated with other elements of the self-individual (Deci & Ryan, 2002a). Consequently, intrinsic motivation is revealed from the higher prototyping of self-determination. Individuals are engaged in the activities performed for the satisfaction and pleasure driven while performing the activity when intrinsically motivated.

Different forms of motivation are distinctly associated with the performance, well-being, behavioral, psychological, physical, and creativity as demonstrated through the research on self-determination theory (Sahin-Taskin, 2017). The association between long-lasting maintenance of weight loss, higher quality learning, higher levels of well-being, and prolonged abstinence from smoking behaviors and self-determined forms of motivation is positively emerged. Increased anxiety in school children and negative health and well-being consequences are positively related with non-self-determined forms of motivation (Deci & Ryan, 2016).
Evidence of automatic procedures associated to motivation is integrated in the humanistic theory of motivation, which includes self-determination theory (Han & Yin, 2016; Rodríguez et al., 2014). A rigorous impact on the level of motivation of an individual can be explained appropriately through autonomy and controlling supportive contexts (Taştan et al., 2018). The level of self-determination for the effects to expose the effects is affected from the controlling environments of individuals. The effects of autonomy supportive environments are associated with the level of self-determination. These effects can occur when individuals are not aware of the presence of non-conscious motivational procedures (Kuo, Tuan, & Chin, 2018; Schiefele & Schaffner, 2015).

2.2 Relationship between teachers’ self-efficacy and active learning strategy
The research of De Jong et al. (2014), show that there is a strong relationship between the teachers’ efficacy and the performance of the teachers. This means that if the teacher has high self-efficacy, he/she will more likely be able to teach students. The opposite will be the case if the teacher has low self-efficacy. In case of low self-efficacy, teachers’ might not be well equipped with abilities when dealing with the heterogeneous classrooms or the classrooms which have students from diverse backgrounds. This shows that teachers’ efficacy can also be affected by the heterogeneous classrooms as they might be less confident about their abilities when they see students with different backgrounds (Marsh, & Seaton, 2013). The relationships between teachers and students also influences classroom climate (Doğan & Adams, 2018); teachers are responsible for regulating the classroom environment, including regulating classroom discipline, implementation of approaches and methods to learning, interacting with the students in the classroom (Shum, Lau, & Fryer, 2018). Taştan et al. (2018) found that students’ perceptions of positive affinity with their teachers were related to their pursuit of pro-social classroom goals such as getting along with others and being socially responsible, and were more strongly correlated to student interest in school than perceived support from parents and peers. One way that teachers convey these qualities is through their discourse with their students in the classroom (Edwards, 2017; Greco, Bernadowski, & Parker, 2018). Classroom discourse structure concerns the manner in which teachers engage student participation in learning, promote intrinsic motivation, and balance appropriate challenges with skill levels (Rowbotham, 2015; Whitworth & Chiu, 2015).

\[ H1 \] Teachers’ self-efficacy has significant impact on active learning strategy.

2.3 Relationship between teachers’ self-efficacy and achievement goals
Schunk, Pintrich, and Meece (2008) found that students’ perceptions of positive affinity with their teachers were related to their pursuit of pro-social classroom goals such as getting along with others and being socially responsible and were more strongly correlated to student interest in school than perceived support from parents and peers. Perceived support from teachers also is a positive predictor of effort in schools and the pursuit of social responsibility goals, including acting in pro-social ways that encourage peer cooperation. Conversely, students who perceive teachers as harsh and cold are found to consistently display poor social behavior and low social goals as well as to achieve lower academically, in comparison with their peers (Zee & Koomen, 2016).

Yerdelen and Sungur (2018) investigated the relationship between student achievement and teacher efficacy. The result of the study indicated that students’ achievement was higher in classrooms of teachers who had more contact with their coaches, and in classrooms of teachers with greater confidence in the effectiveness of education. A number of studies have elaborated about the influence of teacher self-efficacy beliefs on children’s achievement and success at school (Miller, Ramirez, & Murdock, 2017; Rodríguez et al., 2014; Taştan et al., 2018). Teacher’s self-efficacy beliefs may influence a student’s achievement in several ways: teachers with high self-efficacy beliefs are more likely than teachers with a low sense of self-efficacy to implement didactic innovations in the classroom, to use classroom management approaches (Kilday, Lenser, & Miller, 2016) and adequate teaching methods and encourage students’ autonomy, and to take responsibility for students with special learning needs (Laninga-Wijnen, Ryan, Harakeh, Shin, & Vollebergh, 2018), to manage classroom problems (Chacon, 2005), and to keep students on task (Deci & Ryan, 2016).

\[ H2 \] Teachers’ self-efficacy has significant impact on achievement goals.

2.4 Relationship between teachers’ self-efficacy and science learning value
Some of the authors also believe that there are several different factors that contribute toward the self-efficacy, these factors include own past performance of an individual, verbal feedback as well as persuasion, the observation of the performance of the other individual, appropriate or realistic setting of the goal as well as factor of constructive and positive feedback (Hamid, Shahrill, Matzin, Mahalle, & Mundia, 2013). Previous research has established that science self-efficacy is associated with science achievement and science-related choices across
grade levels (Ubuz & Aydınayer, 2017). In addition, past success in science could possibly contribute to higher self-efficacy which, in turn, could lead to better future performance (Holbrook, Rannikmae, & Valdman, 2014). At the college level, research has indicated that science self-efficacy is a predictor of achievement, persistence in science-related majors, and career choices (Moyo & Mnguni, 2018; Taştan et al., 2018). At the high school level, research has indicated that self-efficacy is a stronger predictor of achievement and engagement in science-related activities than is gender, ethnicity, or parental background (Dunn & Lo, 2015; Kuo et al., 2018). Among middle school students, science self-efficacy predicts science achievement, with girls having higher science grades and stronger self-efficacy than do boys (Salzburg, 2015). The sense of self-efficacy of the teachers can positively influence the motivation as well as learning of the students even when the students are considered to be difficult or when the students are unmotivated. Most of the research studies have also indicated a positive relationship between self-efficacy of the teacher’s beliefs as well as cognitive outcomes of the several students such as achievement in the special and core academic subjects of the teachers and also the skills and performances (Shahrill & Mundia, 2014).  

**H3** Teachers’ self-efficacy has significant impact on science learning value.

### 2.5 Relationship between teachers’ self-efficacy and performance goal

Performance goals, on the other hand, concern demonstrating own competence or ability to others and being the best in a group while doing a task (Ghanizadeh & Ghonsooly, 2014; Han & Yin, 2016). Accordingly, performance approach goals concern outperforming others and having favorable judgments about their competence, whereas performance avoidance goals focus on avoiding unfavorable judgments about competence and looking incompetent (Schiefele & Schaffner, 2015). In addition, Pamuk, Sungur, and Oztekin (2017) examined how the interaction between student and teacher characteristics affects teachers’ predictions of students’ academic and social success. Findings indicated that teachers with high efficacy made less negative predictions about students, and seemed to adjust their predictions when student characteristics changed, while low efficacy teachers seemed to be paying attention to a single characteristic when making their predictions (Skaalvik & Skaalvik, 2017; Taştan et al., 2018; Zee & Koomen, 2016). The researchers have also shown the buffering effect of the self-efficacy on the relationship between strain and stress whereas some of the researchers also demonstrated the relationship of the development of the self-beliefs of the teachers as well as emotional exhaustion, however the researcher had not demonstrated a direct effect of the change in the self-efficacy of the teachers on the change in the burnout and also did not examine the prediction of the variation in one variable through starting levels of the other variable (Ingersoll, 2012). The most important objective of the classroom management is to reduce the level of disturbance during the lesson so as to attain the teachings of high quality (Zee & Koomen, 2016). It is found that the teachers who possess the better skills of teaching maintain the class room management and also succeed in reducing the disturbance during the lessons by constantly observing the behavior of the students and also by telling the students that they know about their activities within the class.  

**H4** Teachers’ self-efficacy has significant impact on performance goal.

### 2.6 Relationship between teachers’ self-efficacy and learning environment

The study by Guo, Justice, Sawyer, and Tompkins (2011) also indicate that administrators are very important in the leadership of education and that the administrators that are making continuous efforts in order to increase the achievement level of the students contribute toward enhancing the student motivation. Students mostly attended the classes of those teachers in which they enjoy to learn something because the teachers make effort in order to engage the students in different tasks and these teachers also love their profession and thus contribute towards engaging and motivating the students to perform outstanding throughout their academic life (Wyatt, 2014). According to (Ghanizadeh & Ghonsooly, 2014; Han & Yin, 2016) motivation is a process for goal-directed activity that is instigated and sustained. Teachers who care were described as demonstrating democratic interaction styles, developing expectations for student behavior in light of individual differences, modeling a “caring” attitude toward their own work, and providing constructive feedback (Han & Yin, 2016).

Moreover, efficient teachers encourage students for understanding (Deci & Ryan, 2016; Doğan & Adams, 2018). They treat students’ misunderstandings in the subject and they utilize different visual aids in order to make the subject more enticing and meaningful (Miller et al., 2017; Pamuk et al., 2017; Rodríguez et al., 2014; Taştan et al., 2018). Additionally, they give students opportunities to engage in conversations and give substantive feedback rather than scores on assignments (Yerdelen & Sungur, 2018). Additionally, there is some evidence that teachers’ affect, like enthusiasm for learning and their sensitivity concerning students’ treatment, might affect students’ emotions related to the objectives (Zee & Koomen, 2016). Such type of teacher also shows the characteristics of being persistent, more focused towards their academic activities, gives maximum time in the classroom, utilizes the
difficult and innovative strategies for the teaching, gives support to the low grade teachers and provide motivation to the learners, and also give positive remarks to the student’s achievements as compare to the teachers who have low expectations from their teachings and who consider that their teaching will not influence the learning of the students (Zumbrunn, Tadlock, & Roberts, 2011).

H5 Teachers’ self-efficacy has significant impact on learning environment.

Figure 1: Conceptual framework

3. Design/Methodology/Approach
This research strategy primarily focuses on individuals, groups and institutions, involving different types of methods and materials and importantly, the core theme based on the analysis to describe, compare, contrast or classify the accessible and target population (Saunders, Lewis, & Thornhill, 2009). In the current study, the data collection process was taken place at intermediate government colleges of Karachi city. This research setting was taken into consideration to improve the response of the participants and provide institutional environment that can help to provide better and comprehensive viewpoint about teachers’ self-efficacy at the college. Furthermore, this research setting was selected based on the rationale that teachers can be deliberate in sharing their opinion in the context of their profession.

The study has used online sample size calculator for estimating desirable number of sample representatives from the infinite population. The study has used anticipated effect size as 0.30 and statistical power as 0.95 and confidence interval was at 5 percent, as estimated by Soper (2018), an online sample size calculator for structural equation modeling. The estimation has provided minimum sample size of 256 responses from the accessible population. Thereby, the study has distributed total 500 sample responses, whereas 378 responses were return and after discarding useless 66 questionnaires, the study retained 312 questionnaires with the response rate of 82.6 percent. The study has purposefully focused on using survey methodology as primary data collection technique.

The study has competent option of employing Partial Least Square (PLS) Structural Equation Modeling (SEM) using SmartPLS software. Additionally, the rationale for using PLS-SEM as data analysis technique is that it belongs to second generation data analysis technique, capable of handling any number of sample data and also, it includes advance versions of discriminant validity and convergent validity estimations. Therefore, the study has purposefully employed PLS-SEM as data analysis technique.

4. Findings
For assessing the internal consistency of the variables in pilot study, the study has undertaken the threshold of 0.60 for Cronbach’s alpha recommended by Nunally and Bernstein (1994). All the constructs in pilot study have achieved considerable internal consistency and hence, the instrument has been statistically validated for data analysis.

As per the suggestive parameters of (Hair, 2010; Tabachnick, Fidell, & Osterlind, 2001), factor loadings should be greater than 0.70 for adequate construct development while (Hair, Hult, Ringle, & Sarstedt, 2016) manifested that item loadings between 0.40 and 0.60 should also be taken into consideration in case their relative constructs have adequate convergent validity. Here, in the present tabulation, all items were loaded with greater than 0.50 loading
values, whereas their respective constructs have also achieved convergent validity at recommended thresholds. Hence, the construct validity has been manifested appropriately. There are total of 8 items to check their validity, including achievement goal, active learning strategies, efficacy in class, and efficacy in instructional practices, efficacy in student engagement, learning environment, performance goal, and science learning value.

Table 1: Convergent Validity

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<tr>
<td>Achievement Goal</td>
<td>0.795</td>
<td>0.567</td>
</tr>
<tr>
<td>Active Learning Strategies</td>
<td>0.833</td>
<td>0.714</td>
</tr>
<tr>
<td>Efficacy in Class</td>
<td>0.765</td>
<td>0.528</td>
</tr>
<tr>
<td>Efficacy in Instructional Practices</td>
<td>0.834</td>
<td>0.502</td>
</tr>
<tr>
<td>Efficacy in Student Engagement</td>
<td>0.867</td>
<td>0.685</td>
</tr>
<tr>
<td>Learning Environment</td>
<td>0.774</td>
<td>0.537</td>
</tr>
<tr>
<td>Performance Goal</td>
<td>0.833</td>
<td>0.719</td>
</tr>
<tr>
<td>Science Learning Value</td>
<td>0.765</td>
<td>0.531</td>
</tr>
</tbody>
</table>

In the above tabulation, all the constructs have greater than 0.60 value of Cronbach’s alpha coefficient; thus, adequately met threshold for reliability analysis (Nunally & Bernstein, 1994). Moreover, all the constructs showed greater composite reliability than threshold of 0.80 as suggested by Fornell and Larcker (1981); Hair (2010); Hair, Sarstedt, Ringle, and Mena (2012); Tabachnick et al. (2001). Finally, AVE coefficients should have greater values than 0.50 for adequate variance among the items (Fornell & Larcker, 1981; Hair, 2010; Hair et al., 2012; Tabachnick et al., 2001).

Figure 2

![Diagram](image)

Table 2: Path Analysis using Structural Equation Modeling (SEM)

<table>
<thead>
<tr>
<th>Path</th>
<th>Estimates</th>
<th>Std. Dev.</th>
<th>T Stats</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher's Self-Efficacy → Achievement Goal</td>
<td>0.102</td>
<td>0.051</td>
<td>2.012</td>
<td>0.044</td>
</tr>
<tr>
<td>Teacher's Self-Efficacy → Active Learning Strategies</td>
<td>0.279</td>
<td>0.054</td>
<td>5.185</td>
<td>0.000</td>
</tr>
<tr>
<td>Teacher's Self-Efficacy → Learning Environment</td>
<td>0.202</td>
<td>0.059</td>
<td>3.458</td>
<td>0.001</td>
</tr>
<tr>
<td>Teacher's Self-Efficacy → Performance Goal</td>
<td>0.236</td>
<td>0.055</td>
<td>4.265</td>
<td>0.000</td>
</tr>
<tr>
<td>Teacher's Self-Efficacy → Science Learning Value</td>
<td>0.216</td>
<td>0.049</td>
<td>4.390</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Figure 3
5. Discussion

The study has shown a significant and positive effect of teacher’s self-efficacy on achievement goal. This finding is supported with the findings of previous studies (Eren, 2009; Lavasani, Malahmadi, & Amani, 2010; Mojavezi & Tamiz, 2012). Lavasani et al. (2010) have found a positive and direct effect of teacher’s self-efficacy on achievement goals of students of mathematics class. Mojavezi and Tamiz (2012) have also revealed a positive and significant impact of teacher self-efficacy on the motivation and achievement of students. Eren (2009) has presented that efficacy beliefs and achievement goals predict significantly the conceptions of teachers about learning and teaching. Taştan et al. (2018) have further reported significant effect of motivation and self-efficacy of teachers on academic achievement goals in science education. Bolton (2018) has found an insignificant impact of teachers’ self-efficacy on students’ achievement goal and motivation.

Mazlum, Cheraghi, and Dasta (2015) showed that there is a direct and positive impact of teachers’ self-efficacy on the deep learning approaches of students. Virtanen, Niemi, and Nevgi (2017) have also revealed that self-regulated learning strategies of students are directly affected by professional competences of highly motivated teachers. Sahin-Taskin (2017) has asserted that active learning strategies are supportive in evaluating the professional development of pre-service teachers with respect to alternative assessment methods. Ma and Cavanagh (2018) have reported a moderately higher level of self-efficacy of pre-service teachers on teaching experience, personal qualities and attributes, teacher-student relationship, and previous informal teaching and other relevant experience. Tılfarlıoglu and Ulusoy (2012) have revealed a significant and direct impact of teachers self-efficacy in EFL communications for classroom management and the perceptions of misbehavior of English language teachers and its causes. Hasan and Bozkaya (2016) have shown that there is a positive and direct effect of self-efficacy beliefs and goal orientations of teachers. Furthermore, different characteristics of motivation are portrayed through the mastery and performance oriented pre-service teachers. Similarly, Chea and Shumow (2017) have asserted a positive and direct effect of performance-avoidance goal orientations and writing mastery with respect to teachers’ self-efficacy.

6. Conclusion

In this study, self-efficacy of teachers is in view, to evaluate the student’s motivation through active learning strategies, science learning value, performance goal, and achievement goal and learning environment. The results of the study conclude that self-efficacy of teachers’ acts as major influencer of the active learning strategies, science learning value, performance goal, achievement goal and learning environment. Moreover, teacher’s self-efficacy is significantly impacting on the motivation of the students, related to the science learning, as all the independent variables; active learning strategies, science learning value, performance goal, achievement goal and learning environment are positively impacting by the teacher’s self-efficacy. Managers and professionals need to focus over the development of self-efficacy within the teachers, as it motivates the students. By the initiation of proper training and working over the embracement of self-efficacy, the motivation of the students towards the learning of science, can be improved.
References
Fornell, C., & Larcker, D.F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. Journal of marketing research, 18(3), 382-388.


Impact of Employees’ Emotional Instability on Organization Citizenship Behavior and Burnout with Mediating Effect of Workaholism

1Zara Hayat, 2Iram Batool, 3Sahar Hayat, 4Muhammad Razzaq Bhatti

1Department of Applied Psychology, Bahauddin Zakariya University Multan Pakistan
2Department of Applied Psychology, Bahauddin Zakariya University Multan Pakistan, i.batool@bzu.edu.pk
3Department of Business Administration, NFC-Institute of Engineering and Technology Multan Pakistan
4Department of Public Administration, Bahauddin Zakariya University Multan Pakistan

ARTICLE DETAILS

ABSTRACT

Today workaholism is foremost key challenge face by academia of higher education. Therefore, to understand the perspective of workaholism this study examines the impact of emotional instability on employees work outcomes (Organizational Citizenship Behavior and Burnout) through mediating role of workaholism in public and private universities of Multan. The aim of the study was to recruit at least 400 teachers. Among sample, five hundred structured questionnaires containing six dimension were distributed, out of which four hundred were used for analysis. Smart PLS (Partial Least Square) was used for hypothesis testing. Finding of the study shows that there was negative and significant relationship between emotional instability, workaholism and organizational citizenship behavior whereas, there was positive and significant relationship between emotional instability and burnout. However, this study will provide support to policy makers to develop such work schedules that will lower the level of burnout in university teachers. This study was conducted only for the university academia in the different city of Punjab for more generalizability for this study can be conducted in whole Pakistan and also for the teachers of secondary schools.

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Corresponding author’s email address: i.batool@bzu.edu.pk


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1. Introduction

Personality is noticeable concept that is commonly defined as an enduring and distinctive pattern of cognition and behavior that distinguish person’s adaptation to life (Feldman et al., 1993; Levine, 2018). Emotional Instability (Neuroticism) is defined as a tendency to view world as an alarming place, to experience unpleasant emotions such as anxiety, depression, anger, impulsivity, high susceptibility to stress and impulsivity (Djurkovic,2006) and to put oneself in a situation that foster negative effect (Spurk et al., 2016). The term “Emotional Instability” is a part of FFM and is generally termed as “Big Five” (Costa and McCrae, 1987).

Emotional unstable persons experience less life satisfaction, positive emotion and subjective wellbeing (Olesen, Thomsen and O’Toole, 2015) and one of the investigation has indicated that teachers who are neurotic and have
less interpersonal relations faces burnout (Cano Gracia et al., 2005). Thus, many literatures support a significant relationship between workaholism and emotional instability. A study conducted by Shkoler, Rabenu, and Tziner (2018), argued that emotional instability is positively associated with work drive whereas negatively associated with work enjoyment. One of the most constant finding is that workaholism has positive relationship with neuroticism (Clark et al., 2010; Schaufeli, 2016). Wiggins (1979), outline the gender differences in personality trait (i-e Neuroticism). In term of personality trait (neuroticism), females reported higher levels of neuroticism as compared to males (Lynn and Martin, 1997; Weisberg, DeYoung and Hirsh, 2011; De Bolle et al., 2015).

Academia who are emotionally unstable lacks voluntarily commitment. Studies (Mahdioun et al., 2010; Mosalaei et al., 2014 & Kappagoda & Kulathunga, 2013). All these researchers found significant negative relationship between emotional instability and organizational citizenship behavior. Emotionally unstable individuals can be easily frustrated at the workplace. The investigation of Kokkinos (2007) indicated that neuroticism is positive predictor of burnout. The perfectionist workaholics are less adaptive and display more maladaptive behavior. Many studies of work domains support, this supposition that emotional instability is associated with all the dimension of burnout (Hill and Curran, 2016).

Saeedy and Rastgar (2015), demonstrated that individuals who are emotionally stable or low neuroticism may play a role as a passage for increasing OCBs by effecting a individuals perception and reaction (such as anxiety and complaining) to organizational conditions and hardships. Although it is not being cleared that why such sequence of relationships were observed in one sample out of two. The emotional unstable personalities usually experience negative emotion, less enjoyment and are less engaged in their work. So many researchers have concluded that emotional instability is positively associated with all dimension of workaholism (Or Shkoler et al., 2017; Souckova et al., 2014). As it revealed by many researchers work has the potential to elevate negative emotion (Ng et al., 2007). Therefore, working can be considered as mood modifier.

Workaholism is discovered as a personality trait by many researchers. So the higher score on traits such as neuroticism, leads to workaholic behavior (Andreassen et al., 2012; Burke et al., 2006; Clark et al., 2010) According to Shkoler et al. (2017), the individuals who are more emotional instability are more work driven. According to Marcello, Workaholism is predictor of burnout. (Marcello et al., 2018) Out of three dimension of workaholism, work drive is considered strongest predictor of burnout (Goncalves, 2017). Zimmerman (2008) conducted a study using personality as a predictor and found that neuroticism an aspect of personality is positively associated with burnout. Khalil et al. (2018) also investigated the influence of personality trait on employee’s job burnout in the educational sector and found that personality trait have negative impact on burnout.

Bolino et al. (2015) give the most recent definition states that Organizational Citizenship Behavior are less likely to be associated with organizational reward and promotes productive, psychological, positive and intellectual climate in the organization. Bambale (2014) defined organizational citizenship behavior as an individual activity such as helping new and fresh colleagues, working more than organization requirement and engaging in creative and innovative activities. Hellee et al. (2018) conducted a study to look into the connection between FFM traits of personality with positive aligned organizational citizenship behavior and negatively aligned deviance and unethical behavior at the workplace. The result declared that FFM facets are closely and purposively linked with positive and negative behavior and evident the utility of looking facet level relationship above the level of domain analyses. Organizational citizenship behavior was having positive association with conscientiousness and extraversion and negative association with emotional instability. Employees, who are highly driven, full involve in their work and enjoy their work shows high level of organizational citizenship behavior. The study of Ali et al. (2012), who found meaningful and positive relationship between organizational citizenship behavior and dimensions of workaholism.

Teachers play a vital role in development and foundation of knowledge and as well as bring revolution in the society. They also promote training and education. Academia is not highly financed sector as compared to other service sectors; they have been envied for their flexibility, tenure and freedom to chase their interest in research. These favors have been disappeared during past few decades. Researchers have examined that the creativity, quality productivity of employee’s performance and work as well as their wellbeing, health and morale is hampered by increased level of workplace stress, which originates through workaholism. As universities academics reported prolonged teaching period and working hours joined with increase burden to publish research articles and to become more innovative than before (Kinman, 2001; Winefield et al., 2008; Egeland and Bergene, 2012; Kyvik, 2013; Teichler et al., 2013). The office is the foremost important setting for academia teachers and the working
atmosphere of university mentors has been changed due to administration and governance modification in universities during recent era. During past years, workaholism has substantially become a studied issue for empirical research. Today’s turbulent and dynamic economy is conceptualized, as postindustrial society as working 24 hours a day is considered as a normal behavior (Worall, Mather and Cooper, 2016). Oates (1971), devised the term workaholism to pin a set of devastating behaviors and refers to individuals whose obligation to work has turned out to be overstressed that it may embodies dangers to one’s personal and communal relationships. Approximately about ten percent or more of the employed population is engaged in the lifestyles that lead towards workaholism (Sussman et al., 2012). According to Kinman (1998), workaholism is a result of nature and policies created by the organization and one’s own zest to do work. It has been clearly document that the increase level of job stress results in significant cost to the community and organization (Gillespie et al., 2001). To pursue an academic career and to fulfill the requirement of scientific publication, it has been claimed that overworking has become a necessity in universities (Egeland and Bergene, 2012). Broadly, the academic staff of university is loaded up with higher level of work demands and lower level of support and assistance from institution. An organizational environment reinforces and promotes workaholics behavior as well as increase the likelihood of producing work-addicts (Johnstone and Johnston, 2005). Universities seem to have various conditions linked with both poor psychological health and workaholic behavior (Winfield et al., 2014; Samad et al., 2015). Furthermore, universities professors report increased stress, high workload as well as job burnout (Gillespie et al., 2001; Egeland and Bergene, 2012). In modern and contemporary societies, burnout is one of the most widely examined mental health problem. Now a day, People encounter increasing pressure and stress at the work due to major social and economic challenges. The educational and academic territory is considered as one of the service providing area. Instructors are one of the basic service provider in the society. Many researches have indicated that the instructor undergoes with emotional prostration and experience high level of burnout. Academia teachers undergo from work-related anxiety, tiredness, stress, exhaustion and fatigue. These all consequences are termed as burnout syndrome. (Novak et al., 2014; Ahola et al., 2010). Burnout can be defined as, a state of fatigue, tiredness and exhaustion in which a person is doubtful about worth of his/her occupation and is pessimistic about his/her abilities to carry out a task (Bakker and Costa, 2014).Teaching is one of the challenging profession with marked stress that leads toward professional burnout. It is considered as an isolated profession (i.e being alone in a room from many hours every day) several teachers feel oppressed by stressors and responsibilities they encounter at work (Sanford Kaila, 2017). According to Mathison (2015), the load and stress of working in teaching domain has been progressively increased in recent years. Administration, teaching and research work has been increased which in turn has put pressure on instructors to publish papers in recognized journals for promotions.

Pervious researches have investigated workaholism as Independent and Dependent Variable. According to authors knowledge the basic relationship of workaholism and its dimensions as mediator in relationship of emotional instability and organizational citizenship behavior and in relationship emotional instability and burnout were not previously reported. Therefore, the distinguished feature of current study is the empirical investigation of model in Pakistani culture.

**Figure 1: Conceptual framework**

![Conceptual framework](image)

**2. Hypothesis**

H1 Emotional Instability will be related with Workaholism.
H2 Emotional Instability will be related with Organizational Citizenship Behavior.
H3 Emotional Instability will be related with Burnout.
H4 Workaholism will be related with Organizational Citizenship Behavior.
H5 Workaholism will be related with Burnout.
H6 Workaholism will mediate relationship between Emotional Instability and Organizational Citizenship Behavior.
H7 Workaholism will mediate relationship between Emotional Instability and Burnout.

3. Methodology
3.1 Participants
Four hundred academia teachers working in public and private sectors have been taken for the current study. Data has been collected from different cities of Pakistan (i.e. Multan, Pakpattan, Lahore, Faisalabad and Islamabad). Convenient Sampling technique was utilized in the current study which means to select those respondents that are easily accessible in order to reach sample size. Participants who have omitted any response were not included in the study.

3.2 Instruments and Procedure
In the current study, survey research design has been selected. Data from participants have been collected using self-report questionnaire. This method is being chosen because it is economical with respect to time and as well as resources. Participants selected for the current study were given questionnaires at their place of work. Instructions were being communicated to teachers on how to fill the survey questionnaire. Demographic sheet and informed consent were being attached with the booklet. Six instruments are being used to collect data. The Scale devised by John and Srivastave (1999) has been applied to measure emotional instability. The Inventory comprises Forty-Four items. However, for the current study emotional instability has been measure using eight items from the inventory (i.e 4, 19, 29, 29, 39) and three-items are reversed coded (i.e 9, 24, 34). Each Participants were supposed to specify the degree of disagreement and agreement for every statement. Likert-type Scale has been used (Strongly Disagree “5” to Strongly Agree “1”). “Is Depressed Blue” is an example of an item measuring Emotional Instability. To measure organizational Citizenship Behavior scale of Smith et al (1983) has been used. Eight items have been adopted from their scale of which three item were reversed-scored (i.e 3, 4 and 7). “I often help others at work who have excessive workload without being asked to do so” is an example of an item measuring Organization Citizenship Behavior. Participant’s burnout has been measured by scale proposed by Ayala Malach Pines (2005) using ten items. This scale access the individual’s level of mental and physical exhaustion. “Disappointed with people” is an example of item measuring respondent Burnout at workplace. Workaholism Battery proposed by Spence and Robbins (1992) has been used to access participant’s degree of workaholism. This Battery consists of twenty Likert-type items which is divided into 3 sub-scales. Some items are reversed coded (1, 6, 8 and 11). “I seem to have inner compulsion to work hard” is an example of item measuring Work Drive. “My job is more like fun than work” is an example of item measuring Work Enjoyment and “Wasting time is as bad as wasting money” is an example of item measuring Work Enjoyment.

3.3 Results
3.3.1 Reliability Analysis of the Construct Scale
Firstly, the internal consistency among the items is measured. Internal consistency is measured by Cronbach Alpha having value 0 to 1. According to Nunnally (1978), a minimum acceptance criterion for reliability is 0.5 or greater. Result of the study demonstrates high internal consistency of the instrument.

<table>
<thead>
<tr>
<th>Scales</th>
<th>Items</th>
<th>Sample</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional Instability</td>
<td>08</td>
<td>400</td>
<td>0.722</td>
</tr>
<tr>
<td>Organizational Citizenship Behavior</td>
<td>08</td>
<td>400</td>
<td>0.750</td>
</tr>
<tr>
<td>Burnout</td>
<td>10</td>
<td>400</td>
<td>0.914</td>
</tr>
<tr>
<td>Workaholism</td>
<td>25</td>
<td>400</td>
<td>0.824</td>
</tr>
</tbody>
</table>

3.3.2 Descriptive Information of the Participants
The descriptive information of the respondent demographic characteristics is shown in table 2. It is noted that about 60 percent of the respondent were males. Mostly participant’s age was between 24 to 32 years. Majority of the participants were holding M.Phil. degree. Out of 400 respondents, approximately 58 percent were having work experience between one to nine years. About 52 percent respondents were lecturer and 88 percent were permanent employees. Approximately Sixty percent respondents in this survey were government employees.
3.3.3 Structure Equation Model
The hypothesis were tested through structure equation model using Smart PLS. In the model emotional instability is independent variable, organization citizenship behavior and burnout are outcome variable and dimensions of workaholism are mediator.

3.3.4 Hypothesis Testing and Direct Effect
In order to test hypothesis and to determine direct association between the variables including t-value and path coefficient structure model of Smart (PLS) has been utilized. According to Henseler et al. (2009), the regression analysis and beta value are similar to path coefficient. The t-value indicate the significance level of construct whereas, beta values are coefficient regression. This study utilized bootstrapping resampling for 400 observation. The t-value should be > than 1.64 for significant relationship.

The central theme of the present study is to determine model evaluation by analyzing the direct association and to verify the proposed assumed relationship of the variable with the help of structural model. However in the current study (05) hypothesis have direct relationship were analyzed, out of which (04) were supported and only (1) was not supported. Moreover, figure (2) demonstrates direct effect.

Figure 2: Structure Model of Direct Relationship

Table (2) shows that all hypothesis which has been accepted and supported have value > 1.64 and those hypotheses whose t-value are less than 1.64 has been rejected. Furthermore, figure (1) fully explains and highlight the direct effect of each variable on the dependent variable.

Table 2: Summary of Direct Hypothesis Testing

<table>
<thead>
<tr>
<th>Direct Hypothesis</th>
<th>Beta</th>
<th>SD</th>
<th>T Stats</th>
<th>P Values</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EI→WH</td>
<td>-0.39</td>
<td>0.050</td>
<td>8.10</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>EI→OCB</td>
<td>-0.263</td>
<td>0.084</td>
<td>3.145</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>EI→BO</td>
<td>0.386</td>
<td>0.289</td>
<td>2.991</td>
<td>0.022</td>
<td>Supported</td>
</tr>
<tr>
<td>WH→OCB</td>
<td>0.412</td>
<td>0.050</td>
<td>8.495</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>WH→BO</td>
<td>-0.100</td>
<td>0.119</td>
<td>0.911</td>
<td>0.036</td>
<td>Not Supported</td>
</tr>
</tbody>
</table>
In order to test hypothesis and to determine the significance of path coefficient, this study utilized bootstrapping re-sampling method. The results of partial least square structure equation model are being indicated. It demonstrates that there is negative relationship between emotional instability and workaholism. The result came out to be significant because the level of significance is 0.000. Thus, supporting hypothesis 1.

The result of the demonstrate that there is negative relationship between emotional instability and organizational citizenship behavior and it has been found that there is positive association between emotional instability and burnout. Whereas, dimension of workaholism is also negatively associated with organizational citizenship behavior and work drive and involvement has no direct relationship with burnout. Hence, supporting hypothesis 2, 3, and 4. Thus rejecting hypothesis 5.

3.3.5 Mediation Model

In the current study, the indirect effect of every variable is examine by utilizing the resampling mediation technique (Bootstrapping). According to Zhao et al. (2010) and Hayes (2009), bootstrapping is a resampling procedure that is non-parametric and receives high responsiveness. Furthermore, Hair et al. (2014), recommend that for testing mediation effect PLS (SEM) bootstrapping technique is best suited for quantitative analysis. Thus, the current study utilized the Smart PLS version 3.0 (Ringle et al., 2015) to test the effect of workaholism (as a mediator variable). The t-value has been find out, utilizing the technique of bootstrapping by carrying out resampling of 5000.

Table 3: Summary of Mediation results

<table>
<thead>
<tr>
<th>Mediation Hypothesis</th>
<th>Beta</th>
<th>SD</th>
<th>T Stats</th>
<th>P Values</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>EI→WA→OCB</td>
<td>-0.162</td>
<td>0.030</td>
<td>5.334</td>
<td>0.000</td>
<td>Mediation</td>
</tr>
<tr>
<td>EI→WH→BO</td>
<td>0.040</td>
<td>0.046</td>
<td>0.882</td>
<td>0.378</td>
<td>No Mediation</td>
</tr>
</tbody>
</table>

In current study, after the assessment of direct model, it has been found that workaholism play a mediating role in relation of emotional instability and organizational citizenship behavior. Whereas, there is no mediation effect of workaholism in relation of emotional instability and burnout. Hence, supporting hypothesis 6 and rejecting hypothesis 7.

4. Limitation and Direction for Future Studies

The current research has few limitations for future study. As the current study was conducted in higher education setting of Pakistan, so in future sample could be taken from primary and secondary school teachers from diverse regional parameters for better generalization of results. Present study design was cross sectional while in future qualitative study will conduct to attain implicit measures of employee’s through interviews. In future Organizational Citizenship Behavior and Burnout dimensions should explore for further understanding of these constructs.

5. Conclusion

This study investigates the relationship between variables such as emotional instability, organizational citizenship behavior, burnout and mediating role of workaholism. The result of the study indicates that emotional instability has direct relationship with organizational citizenship behavior and burnout. Moreover, the study also reveals that workaholism play mediating role in relation of emotional instability and organizational citizenship behavior.

References


An Investigation into the Role of Leadership Commitment on Implementation of Green Banking: Moderating Influence of Responsible Leadership Characteristics

1 Aisha Javeria, 2Sulaman Hafeez Siddiqui, 3Rabia Rasheed, 4Muhammad Shahid Nawaz,

1Department of Management Sciences, The Islamia University of Bahawalpur, Pakistan, aishajaveria@hotmail.com
2Lecturer Department of Management Sciences, The Islamia University of Bahawalpur, Pakistan, sulman.siddiqui@iub.edu.pk
3Assistant Professor, Department of Management Sciences, Iqra University Karachi Pakistan, rabia7862009@live.com
4Department of Management Sciences, The Islamia University of Bahawalpur Pakistan

ARTICLE DETAILS

ABSTRACT

The purpose of this study is to investigate the influence of leadership commitment on implementation of green banking in Pakistan through the lens of moderating role of responsible leadership. The concept of green banking in modern banking industry is associated with pro-vision of environment friendly banking services through environment friendly banking operations and infrastructure. It can be referred to sustainable lending and depository product and services provide by banks through sustainable banking operations and infrastructure. An exploratory qualitative research design is used to postulate the theoretical model relating leadership role with implementation of green banking practices in Pakistan. Further studies are needed to empirically examine the postulated relationships signified by proposed model of the study. The proposed model and relationship will significantly contribute to better understanding of role of banks leadership towards transformation of conventional banking into sustainable banking practices and products.

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JEL Classification:
G20, M10

1. Introduction

The concept of Green in today’s Business life is associated with provision of Environ-mental Friendly Goods and Services. Since last Decade around the globe the one of the emerging concept in financial sector is Green Banking, it can be referred to environmental friendly lending and depository product and services provided by Banks to its regular and prospect customers. The idea of Green banking is already flourish in advanced countries and also under developed countries of Asia; recently State Bank of Pakistan (SBP) on advice of PEPA (Pakistan Environ-mental Protection Act-1997) initiated Guide lines for Green Banking, 2017.

In Pakistan, SBP concept paper 2015 discussed following factors i.e. CSR, environmental consideration, sustainability and economic benefits are four main reasons to adopt Green Banking by Pakistani Commercial banks. Now a day’s State is striving to amend product mix of recently pertinent energy sources to environmental
friendly and reduced carbon product. Many banks taken steps to usage of environmental resources by the adoption of Green Building, Green IT infrastructure and discontinuation of Paper based banking. The adoption of Paperless banking is utmost compliance of CSR and Environmental sustainable measure advised by financial and state regulator (SBP-2015). Article 143 of constitution empowers Federal Government to act on behalf of government on global plate form to protect environment (Pasha,2018)

The time frame for implementation of GBG-2017 by Commercial Banks are one year from date of issuance, as such no past practice is seen in Commercial Banks of Pakistan, we are starting from scratch and for this purpose we have conducted interviews from Senior Specialized Bankers of different commercial banks. The major areas of emphasis are monitoring & control through proper reporting and documentation by applying Environmental due diligence, risk rating and its categorization.

However in light of Regulator’s guidelines, previous researches and above discussion we have deployed holistic framework for exploring the factors that facilitate the implementation of Green banking in Pakistan and would be a road map for future researches.

The GBG clearly define the role of Bank’s Management at every level, i.e adoption of green culture and resource efficient mindset in organization proper training of staff, deployment of Green Human resource and Environmental friendly products by diffusion of Green Information System. Strategist should give attention to following three areas Green Business Facilitation (GBF), Environmental Risk Management (ERM) and Own Impact Reduction (OIR) with equal importance, as banks are not directly contributing toward environmental destruction, but they may be the source to aid all these destructive activities. (GBG-2017),The appointment of resource efficient and well-equipped Green Banking Officer is also stressed by SBP (GBG-2017)

2. Literature Review

Around the Globe environmental concerns are earnestly discussed since last few decades. Paris Agreement-2015 deals with climate change it highlights lack of fund, poor infrastructure in developing countries, revamping lending structure, the 196 countries around the globe agree on the issue of global warming and keeping it below industry averages. To adopt environmental sustainable policy the Paris Agreement emphasis on offering on environmental friendly and less vulnerable product to effect climate. (The Paris Agreement 2015-16), with the Global Agenda of 2030 to attain zero emission of Greenhouse gas by half of this century. Nationally Determined Contributions (NDC) for individual countries to adopt measure to avoid such wastage of energy, revision of these measures as required within five years. UNEP highlight following the issues in implementation of Green Banking are lack of finance, poverty, informal financing, hawala hundi, lack of information, literacy level, tax evasion, absence of green investment opportunities, public awareness toward green financing. (UNEP-2016)

Now a days Green Curriculum e.g. Green HRM, Supply chain and strategic studies impact positively on product and services in shape of green staffing, Human capital management, branding and green marketing and sales as well (Pavitra,2017), the environment and social developments. ABN AMRO is one of the world’s oldest bank creates a chair in the Delft University of Technology. The training of 600 Relationship managers to educate Customers regarding Sustainable banking and training of suppliers to produce environmental friendly and energy efficient products is part of this case study. (ABN AMRO-2016). The idea of Green banking is already flourish in advanced countries and also under developed countries of Asia, recently State Bank of Pakistan (SBP) on advice of PEPA (Pakistan Environmental Protection Act-1997) initiated Guide lines for Green Banking, (2017). The PDCI report highlights the implementations issues in developing countries; Pakistan is specially taken as prototype for regulators and provides guideline for implementation of Green banking and sustainable financing. (PDCI-2015). Gap can be filled by establishment of green investment bank in developing countries. (Josue, 2018). There is still a lack of awareness concerning the factors that influence a non-professional investor’s use of sustainability information in the investment decision process (Andrea-2016).

With reference to subjected guideline by regulator and previous researches following Gaps are identified, In order to implement green banking, the management should assign a senior manager as Chief Green Banking Manager (SBP-GBG, 2017), also there is a huge gap between Green Reporting Initiative and Green reporting guidelines (Masud et al, 2018). After extensive research to comply with International and national Regulator’s obligation and literature review, we have found several impeding factors in implementation of Sustainable or Green Banking in Pakistan. Luckily we have well defined procedure and Guideline to facilitate dynamic forces for better applicability of Sustainable banking.
Green Banking is not only a Product or Process to adopt it’s indeed a Transformation from Conventional Banking to Sustainable Banking, that’s not only cover the environmental aspect of banking but also shields eco-system and all its stakeholders that plays a collaborative multiparty role and assure each other’s interest by sharing their Policies, Guidelines, skills, infra-structures, Human & Financial Capital, Expertise & Enterprise. The Promising Idea of SBP GBG policy and Vision 2030 is key to achieve anticipated goals, by overcoming Implementation issues banks can attain desired results.

From literature review it reveals that banking industry is the primary financer of both individual and Business sector, its act as an intermediary between regulator and customer that can play an important role in sustainable banking by adopting Green Banking in Pakistan, from abrasion vision of bank’s management or leadership is the key factor to nurture green banking. The role of leadership in implementation of Green Banking can be explored by the investigating leadership commitment level at Calling, Awakening and Transformation stage Halena, et al (2017) and designing a Roadmap by Integrating In-house and Ex-house green banking practices with moderating effect of Responsible Leadership, Sheetal Patel (2018), Sadaf (2018).

In contemporary studies Banks are considered as more environment friendly institutions as they do not directly deteriorate atmosphere with pollutant material but they do contribute the same by providing facilities to their customer without practicing environmental due diligence SBP GBG, (2017), by adopting EDD and policy Guidelines by Regulator and attaining desired knowledge and Skills from Academia’s support. However, the basic research question is: At what stage Perceived Leadership Commitment Affects implementation of Sustainable Green banking, with moderating Influence of Responsible Leadership Characteristics?

The Paris Agreement -2015 is designed by, UNFCCC, UNEP, and several other International and national Regulatory bodies around the globe are working together to save Eco-system by applying different theoretical models of financial, technological, behavioral, environmental and other protection measures in banking industry, (Masud et al, 2018). The influence of Leader-ship Commitments has been examined by classifying bank management into In-house and Ex-house management (SBP-GBG17). In addition to benefit Ecosystem as whole not concerning to only Individual Unit, It emphasis engaging end-user in the innovation process (Edward-2018).

This study is basically dealt with the transformation of banking industry from conventional to Green Banking. Bank itself is the source of economic and social development through provision of goods and services in the society. The Banking industry as whole for exploring In-house and Ex-house issues of implementation of Green Banking ,by utilizing Green IT ,Green HR, Green finance and Green reporting and monitoring

3. Leadership Commitment and Sustainability Challenge
Sustainability is major Issue for Leaders especially CEO, in present-day era of global antagonism and depression economic break down, technological revamping and environmental risk Kalpana (2017). Bass and Avolio (1993) contributed in transformational leadership theories with context to servant leadership. Contemporary researcher Helena et al, (2017) make clear to different level of leadership either at Calling, awakening and transforming.

According to the UN Global impact Report, 2010, Sustainability is truly top of- mind for CEOs around the world with 93 percent of them seeing sustainability to be vital to their company’s future success (Cooper et al. 2010). While the world valiantly fights the pentavalent crisis of economy, environment, society, governance and leadership, CEOs grapple with a broader set of issues slowly burgeoning on the corporate surface. Three-quarters of CEOs suggest they would actively support new government policies that pro-mote ‘good growth’ that is economically, socially and environmentally sustainable.

PWC 14th Annual Global Survey, 2011 According to the same report, new technologies are bound to play a vital role in embedding and enabling sustainability. Ninety-one percent of CEOs reported that their company would employ new technologies (e.g. renewable energy, energy efficiency, and information and communications technology) to help meet their sustainability goals over the next five years (Cooper et al. 2010).
In context of Sustainable Green Banking, the Green Banking Guidelines (GBG) 2017 by SBP also states behavior & attitude toward environmental concern, change in market condition, indirect risk, direct and reputational risk, legal and regulatory risk, climate change, site, and sector are the few hindrance factors in adoption of GBG. Alignment of GBG offices with resource efficient officers who are well-equipped with green banking knowledge and procedure and processes to further monitor and control the implementation process through strategy development to achievement of assigned targets. (SBP GBG-2017). In order to implement green banking, the management should assign a senior manager as Chief Green Banking Manager (SBP GBG, 2017). There is a huge gap between Green Reporting Initiative and Green reporting guidelines (Masud et al, 2018), (SBP GBG, 2017). Perceived Leadership commitments has significantly influence the implementation of Green banking.

4. Responsible Leadership
Art of creating, and sustaining relationship ties with all stakeholders is called Responsible leadership (RL) (Maak and Pless, 2006: 40). Invigorating the Ecological apprehension, Managerial and organizational concerns are more associated to Environmental sustainability. Responsible leaders tend to be more sensitive toward natural environment and society while business planning (Maak and Pless, 2006), six predefined role of leader as servant, steward, architect, story teller, coach and last but not lease as change agent (Maak, Pless 2006b) Sustainable value creation and progressive conversion (Zhiyong, 2019). The society and environment are the key area of focus of Responsible leadership (RL). RL always emphasize to transforms organization into socially responsible and sustainable organization, and this is the basic difference between RL and other form of leadership, Zhiyong Han et al (2019).

Zhiyong Han et al (2019) also discussed the positive impact of Responsible Leadership (RL) on Environmental Citizenship behavior with context of environment, RL also have manifold moderating and mediating influence on organizational Citizenship behavior.


Similarly Responsible Leadership influence on environmental social awareness, green financing Shariful(2015), IETA(2016) and capacity building. Maak et al, (2006) contributes idea of responsible leadership by replicating transformational leader as change agent and supporter sus-tainable business with respect to different stake holders. Encouraging borrowers to go green In-dustry Good fit screening, extensive checklist provided by SBP for Environment Impact As-sessment (EIA), Rebate / Subsidies on Green Financial Products and Services, Legal and
Regulatory Reforms, coordination with vendors, Management of Indirect client risk in value chain (GBG,2015-17), (Alurajah,2017), under supervision of dedicated and responsible leadership. Responsible leadership characteristics has significant affect in relationship between perceived leadership and implementation of green banking

5. Proposed Model
From literature review we have proposed a model and relationship that will significantly contribute to better understanding of role of banks leadership towards transformation of conventional banking into sustainable banking practices and products.

Figure 2: Proposed Model

An exploratory qualitative research design is used to postulate the theoretical model relating leadership role with implementation of green banking industry in context of Pakistan.

6. Limitations & Scope for future Study
From literature review it reveals that Green Banking is to some extent already applicable in Pakistan but Green Banking is not implementing and yielding desired results with its true spirit and intensity to achieve Sustainable Banking. GBG(2017) UNEP(2016)

Green banking concept is more related to financing product and services which are more environmental sustainable and reduce carbon emission, the financing of Green Vehicle, Green Building and installation of Solar Panel to convert and use natural resource efficiently and assure sustainability. Bangladesh is leading the Green Banking Industry, India is also step forward in implementation of Green Banking than Pakistan GBG(2017) UNEP(2016). Following factors e.g mutable customer desires, protection policies, strict supervisory controls, altering technology and lack of sustainable. Recently few researchers suggest that SBP should introduce flexible term green financing and Islamic Financing to enhance scope of renewable energy for greening economy. Sadia et al,(2018)

Few international studies by UNEP (2016-17), PDCI (2016), WB clearly mentioned the Implementation dilemma in Pakistan. For this purpose from scratch we have studied perceived leader-ship role in context of In-house and Ex-house operations in light of guidelines provided by government departments e.g EPA(1997), PEPA, SBP as regulator and monitoring authority and closely assess their working. In Recent days Green Banking is on policy making stage. However contemporary studies emphasized on training and development under Green Human resource for promoting Green banking businesses Maeen et al,(2018) . Being a Responsible leadership, it’s the responsibility of higher management to regulate the Policy and Procedure In supervision of Skilled Work force for Green Financial Awareness Programs Tara (2016), Sharifi(2015), Rah-man(2013), Pasha(2018), which is the need of hour for Professional and non-professional cus-tomer from general public as green investor and green creditors for better understanding of green banking demand Masud(2018). Further studies are needed on banking industry as a whole for exploring In-house and Ex-house issues of implementation of Green Banking, by procuring the most of Green IT, Green HR, Green finance and Green reporting and monitoring for betterment of future generation.
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Space of Green Politics in South Asia: Myth or Reality?

1Altaf Majeed, 2Mussawar Hussain Bukhari, 3Ali Shan Shah, 4Mian Muhammad Azhar

1 MPhil Scholar, Department of Political Science & International Relations, Government College University Faisalabad, Pakistan, altafgill2027@gmail.com
2 Associate Professor, Department of Political Science, The Islamia University of Bahawalpur, Pakistan, mussawarbukhari@gmail.com
3 Assistant Professor, Department of Political Science & IR Government College University Faisalabad, alishanshah@gcuf.edu.pk
4 Assistant Professor, Department of Political Science & International Relations, Government College University Faisalabad, Pakistan, muhammad.azhar@gcuf.edu.pk

**ARTICLE DETAILS**

**ABSTRACT**

Green politics is a political ideology comprises social progress through sustainable development, peace, social justice, and grass-root democracy. Green politics is an evolving trend in world politics emerged in 1970s and revolutionized the political scenarios after the mid-80s with the discovery of ‘Ozone Hole’ in 1984. Currently, green or eco political parties are popular in many advance countries such as Germany, France, UK, Netherland, and Spain etc. Regions which present a bleak picture on eco-politics are backward in environmental sustainability, and same is the case with South Asia. Environment is considered a secondary thing in South Asia; because region is already tackling the primary goals of life such as food, shelter, inflation, health, and education etc. Until achieving these goals; eco-politics will remain an illusion in South Asia despite facing many environmental related challenges. Hence, environmental slogans are not Asian political parties. Yet, there are some conservation and reforestation projects such as a billion-tree project in KPK of Pakistan or KFCC (Kerala forest conservation campaign) etc. South Asia is prone to climate change and global warming; Karachi, Mumbai, and Maldives are in the immediate threat to be drowned till 2050 if the sea level keeps rising due to the melting of glaciers. Hence, the need is to focus on more environmental oriented political programs before it is too late popular in the region. There is a nominal finding about environment in the manifestoes of South.

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Corresponding author’s email address: muhammad.azhar@gcuf.edu.pk


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1. Introduction

Green politics is an emerging trend in world politics stressing upon socio-economic progress through sustainable development, peace, social justice, and grass-root democracy. Green politics is an evolving trend in world politics: the culture of sustainability and green politics started taking place in the world particularly in Europe in early 1970s; when a group called ‘German Greens’ propagated a social movement focusing on environmentalism in
Germany (Zubrin, 2012), later revolutionized the political scenarios after the mid-80s with the discovery of ‘Ozone Hole’ in 1984 in Southern hemisphere. Montreal summit (1987) and Kyoto Protocol (1997) were the building blocks towards environmental sustainability and development; which set many targets and standards for environment. Green politics started with the emergence of environmental issues and reached its zenith in 90s to that extent that American presidential elections of 2000 were contested on the slogan of ‘climate change’. Since then ‘environmentalism’ has been an essential part of international agendas and state’s policy making.

The early proponents of green politics such as Gandhi, Uexxull, and Spinoza etc. considered it much more than a mere political ideology; as they also share many other ideas like conservation, peace movements, feminism, and grass-root democracy etc. Conservation of Environment and its non-renewable natural resources were the basic goal of green politics at that time. Gandhi once said; ‘Earth has enough to satisfy human needs but not human greed’. (Michael and Mckinney 2007) Later in late 20th century, some ingredients of liberalism such as feminism were also incorporated in the green politics. Now, according to a British green activist ‘Dirik Wall’ there is four pillars of green politics: (Wall, 2010)

i. Ecological Wisdom
ii. Grass-root democracy
iii. Social Justice
iv. Non-violence

In 2001, ‘Global Green Movement’ organized by 800 delegates from 72 countries in Canberra, Australia promulgated a ‘Global Green Charter’ envisaging six guiding principles, (GGC 2001) which are:

i. Ecological Wisdom
ii. Social Justice
iii. Participatory Democracy
iv. Non-Violence
v. Sustainability
vi. Respect for Diversity

Since its inception, green politics is vehement supporter of grass-root democracy. They have an opinion that people should be involved in local or grass-root political activities to play a direct role in decision making which is going to influence the people lives and their environment. Besides, Green ideology seeks to eliminate nuclear weapons completely from the world and espouse ‘world Federation’ where the chance of any war would be minimum. Last but not least, social justice is an integral part of green politics; Social justice encompasses the economic justice, consumer justice; need and responsibilities being a member of community. Capitalism leads toward competition and competition leads toward waste of resources; hence, green ideology is a bit inclined towards socialism.

Green politics also inspires taking actions on individual level; such as individual decision of ethical consumerism. For instance, buying and consuming things that are eco-friendly, such as using paper bags instead of plastic bags for daily usage due to its recyclability and disposability.

Green ideology is an issue-oriented ideology; emerged with the emergence of environmental issues and proliferated with the proliferation of those issues such as global warming, ozone depletion, glaciers melting, water depreciation, desertification, depletion of non-renewable resources etc. There are many countries including Pakistan which are highly affected with those issues, and usually such countries are the most palatable grounds for the popularity of green politics. But it is the general observation that the countries which are most prone to climate change are least aware and consequently least interested in green politics. The basic needs for the survival of human beings are food, clothes and shelter. It is really difficult for the people to divert their main intentions towards environment other than basic needs for survival. The simple question raised in the mind first is, a person who is surviving by leaps and bounds and is worried from where the food will come tomorrow, can divert his attention to the question of environment.

2. Hypothesis

Economic backwardness, unawareness, and subtle democratic norms are few of the many reason behind the unpopularity of green politics in developing South Asia.
3. Literature Review

Thomas Poguntke evaluated the comparative role of green political parties in Europe. According to him, Green Parties in Europe hold no or limited power; hence, ineffective of implementing their green agendas into reality. Besides, wherever they are in power, they are in coalition government, hence cannot dictate their demands or agendas. Although, green party in the recent polls have shown exceptionally in Finland but they have equally sabotaged badly in Germany. Hence, the picture of green politics is bleak in Europe (Poguntke, 2001).

Christine Dann reviewed the history of global green political parties. First, he described what green politics is. Green Politics consists of four elements; ecological wisdom, non-violence, democracy, and social justice. The origin of Green politics dates back to the time when man started taking interest in his environment and it started taking boom with the discoveries of ecological issues such as ozone depletion, desertification, deforestation, and global warming etc. According to Chritine, future belongs to environment and consequently, environmental politics would be more appealing than any issue because of its sensitivities as the survival of human depends on it. (Dann, 1999)

Ahmed discussed the Stockholm conference on resilience which held from 21st August to 23rd August, 2017 in which more than 100 researchers participated. The agenda of the conference was to find the ways for the conservation on coral reefs, stop deforestation, and urbanization with healthier environment. He also discussed the status of Environmental Laws in Pakistan. Pakistan has devised environmental laws but lags behind in their implementation. For instance, Article 11 of PEPA (Pakistan Environmental Protection Act 1997) prohibits excessive emission of polluted waste of any sort: solid, air, or noise etc. but have little implementation. Article 11 of PEPA (1997) requires IEE (Initial Environmental Examination) and EIA (Environment Impact Assessment) reports for projects more than 50 million worth. These reports are unknown to most contractors in Pakistan. PEPA (1997) also promulgates the zero or minimum noise pollution in the vicinity of educational institutions, but with no application. KPK has taken an initiative to restore the environment in the form of ‘Billion ‘Tree Tsunami’. Pakistan is in acute needs of taking steps towards environmental restoration and conservation. According to German’s watch climate risk index of 2016: Pakistan lost more than 2 billion dollars due to climate change related events. (Ahmed, 2017)

Waqar M. (2014) criticized Pakistan’s politicians and political parties for neglecting environmental or climate change issue in their electoral campaigns. Besides, they invested a little to tackle climate change which has affected Pakistan adversely. Human rights commission of Pakistan in her annual report of 2013 said: “Environmental issues cannot be sidelined as secondary matters of public policy” (Ahmed, Pakistan's politicians fail to protect environment, 2014) but in case of Pakistan it is not an issue, not even a secondary one. According to World Bank report, Pakistan loses about 6% of GDP annually due to ecological or environmental degradation. Despite the recent flooding from 2010 onward due to extreme weather conditions, no major political party of Pakistan has focus much on environment in their election campaigns or manifestoes. They added the word environment in their manifestoes just nominally without much regard except Pakistan Tehreek-e-Insaaf Pakistan. PTI in 2013 manifesto stressed on “green economy” based on reforestation, eco-tourism, small scale farming, and effective water management. ‘Billion Tree Tsunami’ is an offshoot of these visions. Most of the other political parties look at these projects with much suspicion; but the fact is, even if these projects materialized only 10% into reality, it will change the land-scape of KPK from environmental deteriorated to environmental friendly province.

4. Green Politics and the Contemporary World

South Asia is the region with enormous environmental issues ranging; from Mangroves loss, water scarcity, deforestation, and desertification to rapidly melting of glaciers resulting into floods every year, rise of sea level rise, and changes in climate patterns. According to Global Risk Index 2017, Pakistan and India are included in ‘Bottom 10’ (Bottom 10 is the 10 countries most affected by climate change). Pakistan ranked 7th most prone to climate changes (Kreft, 2017). Major Environmental issues in South Asia are: Climate change is the result of Green House effect, and greenhouse effect complements by climate change. Once this chain starts, it keeps on running with positive energy through climate feed-back mechanism.

Siachan are the 2nd largest glaciers in the world lies in South Asia at the northern borders of Pakistan and India; it is also the source of almost all the rivers in both countries, some of them such as Indus, Gangas, and Brahmaputra etc. are few of biggest in the world. Climate change results in melting of glaciers very fast and exposing new surfaces to absorb more energy, which in turn result in more melting of glaciers. The ultimate consequence is the
floods, partially due to water mismanagement, as witnessed in recent years in Pakistan from 2010 onward. Beside, melting of glaciers also results in depleting of fresh water sources. South Asia hosts the one fifth population of the world with depleting water resources, making it a water stressed region. Scarcity of fresh water is the major issue of Pakistan and India and climate change is the main reason behind it. As for as Pakistan is concerned, scarcity of clean drinking water in major issue. For the irrigation of agricultural territory in Punjab and Sindh, the fresh water is supplied by the only one river of Indus, the major river in Pakistan, while the other areas in the country remained deprived of fresh water. The shortage in the supply of fresh water has been posed severe threats for the economic survival of Pakistan and for people living in Pakistan.

Figure 1

The situation has further become worsened because of polluted water in the Pakistan. The main causes of polluted water include excessive use of fertilizers, disposing the wastage of industry into rivers and lakes, the sewage from urban areas remains untreated and finally dumped into the ocean and the use of contaminated pipelines for the transportation of water. The main cause of spread of diseases in Pakistan is usage of filthy water because the fresh drinking water is contaminated. As a result, the main cause of reported diseases and health issues in Pakistan are resulted by polluted water, directly or indirectly (Sabir, 2012). 45% of infant deaths are due to diarrhea and 60% to overall waterborne diseases (PCRWR, 2015).

India retains 24% forest cover of her total land which is close to international standard, 25% of total land. But circumstances are worse in case of Pakistan as she retained between 2 and 5 percent only of its original forest cover leads to erosion and hits the soil’s ability to retain water, further compounding the problems of water scarcity and flooding (Gopinathan, 2014). Deforestation occurs due to the weak energy infrastructure. Most of the forest cutting, apart from commercial purpose, occurs for household need; for cooking and heating. Despite alarming situation of forest cover, Pakistan has no solid policy to tackle the situation. There are various bio-diversity and ecological issues related to forestry. Government of Pakistan announced her policy against forest cutting in 1992 which proved to be ineffective due to various economic and political issues. The need of the hour is to initiate the programs regarding reforestation and sustainable harvesting which could fulfill the energy needs of local people while conserving the forests for future generation as well. “Carbon Financing” may be the best strategy in this regard. It is an innovative idea where trees are given the value as they absorb carbon dioxide from the environment. Developed countries give the finances in this regard as environment is considered a global entity. The role of government is to ensure the finances come in and trees are considered an environmental commodity, not just a wood for fuel (Hussain, 2012).

Every country in South Asia including Pakistan needs to develop a strategy and attract investment to come to Pakistan on climate change issue. This initiative can be taken at the SAARC stage. The industries should also be involved; if one actually invests in projects and get carbon credit that is going to be credited on commodity exchange. It is the first environmental commodity of the world and the predictions of the World Bank are that this market is going to be somewhere in the range of 5 to 10 billion dollars a year on exchange on this carbon emission. Not surprisingly, climate change is compounding these stresses and causing new problems of its own. Pakistan ranks among the worst-hit nations by climate change due to water scarcity and floods. The country relies on the Indus River for irrigation, which is fed by glaciers in Tibet and the Himalayas. However, the melting of glaciers due to global warming, despite leading to short-term higher flows, will eventually lead to reduced flows outside of the monsoon season, compounding the water stress.
India is the biggest state in South Asia as more than 1.3 billion people dwell there. There are more than 1300 working political organizations in India but not even one is green party. (Nautiyal, 2012) Apart from socio-economic crisis, India is saturated with environmental issues; ranging from water shortage to population explosion, noise pollution, air pollution, deforestation, desertification, sea level rise, and solid waste etc. According to ‘World Economic Forum’ report 2018: Six out of ten world’s most polluted cities of the world belong to India including Gwalior, Allahabad, Raipur, Delhi, Ludhiana, and Khanna. (WEF, 2018) For such a crisis ridden country, it is unfounded to have no green party. There are working green or environmental groups in India such as Sadhana forests, Narmada Bachao Andolan, Save silent valley, Meri Dilli Meri Yamuna, Clean Dilli, Green Dilli etc. (Untouched, 2014) The only problem is that these green groups have no political backing. People of India considered these environmental organizations as activists without any political agenda. This is where the green activists in South Asia lag behind developed world as they don’t organize them politically. The need of time for Green activists is to compose and regulate their energies for political organization. In this way, they can put pressure on national parties for regulating environmental policies at the very least.

Maldives is a tourist hub of South Asia. It is a smallest country of the region located in Indian Ocean encompassing about 1200 islands. The average ground level of this country is 4 feet above the sea level, which makes it the World’s lowest country. (Musili, 2017) Maldives is one of the most endangered countries in the world due to the rising sea level. According to the Maldivian Government reports, if carbon emission remained in current pace and sea level kept rising, Maldives will be under water by 2020. Government of Maldives is even planning to purchase land in India, Sri Lanka or Australia to relocate their population in case of such emergency. (Musili, 2017) Other environmental issues in this country are decreasing fresh water supply, lowering of water table, deforestation, and rapid increase in population which is putting pressure on other natural resources. (Karthikheyan, 2012) Besides, Maldives is prone to frequent Tsunamis which affect the countries’ economic and social stature enormously. Hence, there is dire need of propagating green politics in this country but the suit in not being followed.

Bangladesh and Sri Lanka are other notable countries of South Asian region. Both are small geographically but enormous in population. Both are facing almost similar environmental related problems ranging from deforestation, ground water contamination, air pollution, floods, sea water contamination, and urbanization etc. (Molla, 2016) Social discrimination is widespread in both Bangladesh and Sri Lanka on politico ethnic grounds. Politics is being done on hatred in these states rather than political agendas. There is no party in Sri Lanka or Bangladesh which keeps environment a primary agenda of their politics despite of the fact that both countries lose billions of dollars in flooding and other environmental related issues every year. Rapid Urbanization is another prevailing issue which is a breeding ground for other environmental crisis such as Air Pollution, water contamination, noise pollution, and lowering of water table etc. Dhaka, and Colombo are among the biggest cities of this region with no proper management. (Alam, 2010)

Other environment related issues in South Asia are, Mangroves exploitation near Karachi, desertification due to water scarcity, uncontrolled urbanization, running of old automobiles which are economical but a source of high air pollution etc. So, from the above explanation, it is clearly understood that South Asia in saturated with environmental issues; still there is no clear eco-politics or environmental agendas in the manifestoes of political parties. The disapproval of eco-politics in South Asia is inherent in socio-economic issues of this region. People of South Asia are so deprived of even the primary needs of life that environment is considered a luxury here. Real issues of this region are food, shelter, clothes, education, and health; environment is always secondary to these primary needs of life. Hence, the game of politics in South Asia is played on these primary yardsticks rather than environment. That is the primary reason for the un-popularity of eco-politics in South Asia; as the political leaders are aware of the fact that economic settings define social behavior, which in turn encompass each and every aspect of life. According to Karl Marx:

Our society is like a tree and stem of that tree is economic structure and big branches that originate from these stem are our laws and legislations, which are necessary to govern the society. And small branches, bushes, and leaves are our living styles, religion, social philosophies, norms, and customs etc. Hence, whatever we do with in a society, all depends upon our economic structure just like the whole tree depends upon the stem for its survival.

(Karl Marx: Das Capital, 1867)
Western societies have overcome their primary glitches long ago; hence environment, women rights, gay rights etc. have become their mainstream issues. Most of the European countries particularly Germany, Netherlands, Luxembourg, Austria, France, Spain, and Italy have Green Political Parties with large Legislature shares. But in case of Pakistan, economic conditions are so fragile and primary issues are so prevalent that no one, masses or political class, care about secondary issues; hence in spite of environmental challenges in Pakistan, there is a little which is being done and propagated.

Education is the motor of every social engine; it keeps the society moving fast towards the positive and more progressive direction. Awareness is the essence of educations and goals of education can only be fulfilled with strong economy. It is a matter of education that we choose facilities around keeping in mind our environment like bicycle or vehicle. But in the mindset in the countries like Pakistan won’t allow us to use bicycle because it is considered as transportation means for the poor and source of humiliation while it is environment friendly. It is all about materialistic mindset, the world top economies use bicycles more than any developing country like Pakistan. For instance, in Netherland out of 15 million population 14.59 use bicycles, about 99% of the population use bicycle and it is one of the world top economies. Secondly, 80% of population in Denmark use bicycle daily. Out of 5.5 million people 4.46 use bicycle. (T10H, 2011) These countries are top in the world economy index but people are aware and concerned with the issues related to safe environment and economy.

So, the economy and education of Pakistan is lagged as compared to other economies and have very poor environmental awareness. The serious issues of lack in education and economic awareness lead to the very miserable conditions of politics related to ecology in Pakistan. Only the educated societies have worth to understand the links between human beings and environment and to act accordingly for the protection of our ecosystem.

5. Conclusion
Political leaders play a major role in setting the course for their nations. Unfortunately, political leadership of South Asia is so oblivious that they consider environment a redundant object enforced on poor nations like Pakistan by Western authorities. Politics is done on the basis of giving jobs, raising wages and salaries, tax cut, prioritizing education and health sectors and so on. No political leader has given a due attention to the environment in spite of having environmental laws. For instance, Pakistan in the signatory of Kyoto Protocol 1997 hence created Environmental Protection Agencies in each province and center with no effective functions. Laws and Policies are there, the real issue is enforcement; which people take very lightly. Enforcement is guaranteed only through using authority; and using authority to implement environmental laws is not in the best political interest of our political leadership. Hence, it is also a big reason for miserable condition of environmental politics in Pakistan because the politics on environment can only be done when there are concerns with environment and in matter of Pakistan the case is just opposite.

The awareness is needed for our society to make them aware of their surroundings and this is only possible with education. To make contribution to our environment, it is necessary to strengthen the quality of our education and education. The real misery is that the literacy rate of Pakistan is only 58% and we are ranked at 113th number out of 120th countries according to global literacy report. (Khwaja, 2018) There were the best chances to propagate eco-politics in Pakistan after earthquake of 2005, floods from 2010-13, and most importantly after facing the water scarcity in various regions of Pakistan. Millions on people were affected with these ecological challenges; and if propagated effectively eco-politics could have become a mainstream political agenda in Pakistan with large backing of masses particularly those who were affected by it. Besides, major cities of India like Mumbai, Kolkata, Surat, and Chennai are among the top 20 most prone cities to be drawn due to the rise of sea level (Ghose, 2013); and sea level is rising due to rapid melting of glaciers which is a direct impact of global warming. But lack of political will abrogated all those cashing instances and the region still stays far from ecological related politics in spite of abundant ecological challenges.

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An Investigation into Effectiveness of Technical and Vocational Education in Pakistan

Kamran Siddiqui, Abdul Hameed, Shabbir Akbar, Mumtaz M. Khan

1PhD Scholar, University of Management and Technology Lahore, Pakistan, sidiqui_kamran@yahoo.com
2Professor, University of Management and Technology Lahore, Pakistan, drhameedpk@gmail.com
3Deputy Secretary, Establishment Division Islamabad, Pakistan.
4Professor, University of Engineering and Technology Lahore, Pakistan, mumtazmkpk1@gmail.com

ARTICLE DETAILS

ABSTRACT

An investigation and validation of effectiveness of technical and vocational education at secondary level for poverty alleviation is need of the day. Four sub-components such as locale, age, education and socio economic status have been considered important in determining the effectiveness of technical & vocational education at secondary level for poverty alleviation. Out of 815 pass outs in Matric technology and vocational education during 2013, 2014 and 2015, the parents of 494 were selected through proportionate stratified random sampling technique for study. The study established that there is a significant positive strong relationship between parents’ perception towards effectiveness of technical & vocational education and poverty alleviation. The curriculum, assessment & evaluation and social aspects significantly and positively predicted the outcome variable poverty alleviation. The study is useful for policy makers, professionals, researchers and practitioners.

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Corresponding author’s email address: sidiqui_kamran@yahoo.com


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1. Introduction

First time the “poverty line” was introduced by Mollie Orshansky in 1963 based upon family expenses for three times adequate basic needs i.e. food, health facility, shelter and safety (Bradshaw, 2006). It is significant to know that basic needs may be dissimilar from person to person according to social definition and past experience. World Bank (2010) states that person is a poor if he/she cannot meet daily 2350 calories intake or has income lower than 2 US $ a day. Thus, a significant majority of the people in world is living in low income (Miankhail, 2014). There are 29.19 % population with income less than 2 US $ per day in Pakistan (Haroon, 2017).

Human Capital Approach says that education has key role in poverty reduction. This emphasizes direct relationship between education and earnings. Second approach says that education is actually a basic need and it is important to provide the masses equally especially in rural areas (Jandhyala, 2003). Ojo & Vincent (2000) view that education has multi-dimensional effects on man. It is not only a visa to victory, a permit to the mysterious and a way to great success. Education enhances the ability of empowerment as well as gives purification, civilized behaviors, enlightenment, and confidence. Servaas (2008) explains that with education a person knows his inner as well as outside environment. Education is the base for national growth and poverty alleviation.
All over the world there is a sufficient need of education for skill and vocation. Technical and Vocational Education (TVE) is one of the considerable justifications of better earning of people having this form of education than others. The individuals who have technical or vocational education get appropriate employment chances than the people who have general education. Therefore, TVE reduces disparity and poverty by improving the skills as well as efficiency of the whole population (Tarabini, 2010; Olaitan, 2012). TVE enhances the skills, information and approaches which are compulsory for employment (Pauline, 2008). TVE is that part of education that enhance the provable skills of individuals which ultimately pays back in the shape of better economy and well being (Idris and Oseni, 2011).

Pakistan is a developing country with sufficient set up of industry facing the problem of scarcity of skilled and semi-skilled labor. It is therefore, important to pay more attention to provide TVE from schooling. (Khwaja, 2009). Technical education & vocational training in Pakistan is structured at federal level through NAVTTC as well as at provincial level through TEVTA (Tushar 2013). Punjab Vocational Training Council and certain industries through workshops are providing TVE in the province.

2. Literature Review

According to Universal Declaration of Human Rights (UDHR) 1948, as resolution 217 A (III), everyone has the right to get basic facilities of life not for him alone but also for his family and dependents. It is fact that we need to access safe food and water, clothing, shelter, and basic medical care in order to live well, indeed, in order to live (Thomas, 2007). Poverty has been admitted as massive, systematic and continuous violation of human rights. The poor is in fact injured party and it is duty of government, the international community and ultimately each citizen to compensate. In this regard, a strong interest should be established in alleviating poverty on urgent basis (Sane, 2003).

Now the question arises what is poverty? In economic context, poverty is a situation in which a person has fewer resources and consequently less welfare and joys to live on. Poverty is also defined as a situation in which command over resources falls below a certain level (Robert & Felicity, 2003). Firstly, poverty is considered in terms of deprivation in some materials of wellbeing which can usually be assessed in terms of money (Edward, 2008). Secondly, poverty is considered not only deprivation of basic needs but also secondary needs as health, literacy, communication, no threat from future, having job, availability of pure water, rights of property and freedom (Cristovam et al. 2006). Thirdly, poverty is subjective and has physical as well as psychological aspects that affect its victims to hunger, insecurity, violence, crime, discrimination, political repression and victimization (Aliyu & Abu, 2013). According to World Bank benchmark, a poor person is one who lives on $2 or below a day. Whereas 2735 million people in the world out of 6150 million are living on less than that. About 850 million people are under-nourished, over 1000 million have no access to pure water and 2600 million lack access to basic sanitation. In the world 2000 million people have no medical facility, 1000 million are shelter less and 2000 million are living without electricity (Pogge, 2007).

H haroon (2017) says that poverty is prevalent in Pakistan and is mostly a rural observable fact. According to Asian Development Bank (2017) poverty rate in Pakistan is 29.19 besides 40 percent of the urban population have to live in slum areas (H haroon, 2017).

Nations are built on the prosperity of the local people whereas prosperous factors are brought through education. It is worldwide admitted fact that education helps the people in research, better financial system, maintaining a living, adopting changing trends in technology (UNDP, 2010). According to Yusuf (2008) education, in every aspect is one of basic elements which can assist to achieve economic development by investing in human capital. Omoniyi (2013) and Aina (2008) state that education is a factor which can uproot poverty. Deraniyagala (2005) and Assaad and Rouchdy (1999) have the view that education can significantly contribute technological ability & changes in industry. Education can contribute in many spheres even in peasant farming (Orazem, Glewe & Patinos, 2007). Educated people get more wages in the labour market which is the result of their higher productivity. In middle-income countries, it has been observed that they developed markets for educated labour through education (Ferreira & Litchfield, 2012).

Omoniyi (2013) states that education surely makes the society well off but if the nation is provided TVE, it can boost the society more and bring all the changes which the developed countries have. TVE has very important role
in improving the capacity of production which is essential part of human resource development (Akoojee, 2005 & Nwankwo, 2013).

The need of a country lies in qualitative and skilled workers (Lamsal, 2012). For this purpose, almost all the countries are trying to get highly technical and vocational skilled persons in competitive environment to cope with employability, social inclusion and poverty reduction. TVE provides not only knowledge but also practical expertise and behavior for the better performance in the labour market (Keith, 2006) and William 2002). Okon, Eminue and Leema (2016) depict that sufficient equipment and tools; material and text books as well as well qualified and experienced teachers are the basics for qualitative skills training. Shannon, Twale and Moor (2003) say that consistency, unity and management are important for effective TVE system.

Goran (2010); Audu, Kamin, & Balash (2013) state that practical education can make men of nation productive and self-reliant. Cedefop (2009) further says that effects of TVE on social inclusion are also uncertain due to the insufficient reforms. Hillage and Pollard (2012) have the view that effectiveness of TVE is associated with competency of teachers in the context of their theoretical knowledge, practical and pedagogical skills and having knowledge with new technologies.

Anil (2008) gives his opinion that an institution works effectively and efficiently to produce trained and qualified persons. But there are so many factors which may affect directly or indirectly the effectiveness of an institution (Sangeeta, 2007). Administration, infrastructure, teaching effectiveness, students, interaction with industry and society and curricular and co-curricular activities. Research and development are some of the important factors. Effectiveness of a technical institution, management and administration play a great role (Benavot, 2010). Technical institution must have building, equipped lab, library, canteen, hostels, workshops, halls and playground (Beynon, Hallak & Postlethwaite, 2007).

Tirmazi (2006) has the view that TVE is the best source to train the people, enhance economy and ultimately alleviate poverty. Pakistan also has accepted this reality and established an effective structure of TVE from secondary to higher level (Mustafa, Abbas & Saeed, 2005). There are 327 institutions of TVE in Pakistan at national level and under control of NVTTC. While in Punjab, 200457 students are enrolled in 402 institutions under control of TEVTA. This study focused on the perception of parents of matric technology and vocational students at secondary level from 2013 to 2015 in sixty institutions, 494 out of 815 parents of the students matric vocational technology were selected. (http://www.tevta.gop.pk/img/successBygrapg/tevta_institute-popup.png). The major objective of the study was to investigate the perception of parents regarding the effectiveness of technical and vocational education at secondary level as a tool for poverty alleviation in Pakistan.

3. Research Questions
The study addressed core questions related to TVE effectiveness in poverty alleviation. Is there any significant difference between urban and rural parents’ regarding course objectives, physical facilities, academic facilities, curriculum, assessment & evaluation and social factors of technical & vocational education as a tool for poverty alleviation; is there any significant difference among age groups of parents regarding course objectives, physical facilities, academic facilities, curriculum, assessment & evaluation and social factors of technical & vocational education as a tool for poverty alleviation; is there any significant difference among academic qualification groups of parents regarding course objectives, physical facilities, academic facilities, curriculum, assessment & evaluation and social factors of technical & vocational education as a tool for poverty alleviation; and is there any significant impact of course objectives, physical facilities, academic facilities, curriculum, assessment & evaluation and social factors of technical & vocational education on poverty alleviation scale as predicted by parents?

4. Research Methodology
This study was descriptive in nature. A questionnaire as a research instrument was developed to find out of the parents’ perception about effectiveness of technical & vocational education as a tool for poverty alleviation in Pakistan.

4.1 Instrumentation
The questionnaire had three parts; demographic detail, effectiveness of TVE at secondary level and the opinions about poverty alleviation. The questionnaire was also translated in Urdu to make it more respondent friendly. According to guidelines of experts, the instruments were modified where necessary. Finally questionnaires on five
points Likert scale were launched in the field. The response options were Strongly Agreed (SA), Agree (A), Undecided (U), Disagree (D), and Strongly Disagree (SD) numbered 5, 4, 3, 2, and 1 respectively for quantifying the responses. The Chronbach Alpha for parents’ scale was 0.917 higher than 0.70. It indicates that the data set was consistent and reliable at acceptable level to proceed further.

4.2 Population of the Study
Punjab Province was selected as population of the study being a well-populated Province and approachable for the researcher 815 parents of all pass out students of technical and vocational education at secondary level in 2013, 2014 and 2015 from all over the Punjab province are population of the study. Source:http://www.tevta.gop.pk/institutes.php

4.3 Sample Design
Stratified random sampling technique was adopted to select a true representative sample from large and disperse population Strata. In the first step, thirty-three districts of Punjab were selected in which matric technical & vocational education is being offered. TEVTA has divided Punjab into three zones, namely central zone with 11 districts; Gujranwala, Gujrat, Hafizabad, Kasur, Lahore, Mandi Baha-ud-Din, Nanakana Sahib, Narowal, Okara, Sahiwal and Sheikhupura; North zone with 11 districts; Attock, Bhakkar, Chakwal, Chiniot, Jhang, Jhelum, Khushab, Mianwali, Rawalpindi, Sargodha and T.T Singh; South zone with 11 following districts; Bahawalnagar, Bahawalpur, D.G Khan, Khanewal, Layyah, Lodhran, Multan, Muzaffargarh, R.Y. Khan, Rajanpur and Vehari.
Source:http://www.tevta.gop.pk/institutes.php

Proportionate stratified random sampling technique was used to select the parents of matric technical and vocational education from each district. From each district at least 60% parents of passed out students were selected to provide representation of each district. In third stage the parents of passed out students from all institutions of all three zones and districts were selected randomly and proportionally. In this way, the data from 494 parents instead 489 were received out of 815 total parents of passed out students in the years 2013-15 from all districts in all three zones.

Table 1: Breakup of Parents by Locale

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Locale</th>
<th>Age</th>
<th>Education</th>
<th>SES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Total 30-35</td>
<td>Total 36-45</td>
</tr>
<tr>
<td>Frequency</td>
<td>150</td>
<td>344</td>
<td>494</td>
<td>157</td>
</tr>
<tr>
<td>Percent</td>
<td>30.4</td>
<td>69.6</td>
<td>100</td>
<td>31.8</td>
</tr>
</tbody>
</table>

Table 1 reveals that total sampled parents are 494. Further it shows that 150 (30.4%) were rural parents and 344 (69.6%) urban parents. There were 157 (31.8%) parents having age 30-35 years, 198 (40.1%) having age 36-45 whereas 139 (28.1%) parents having age 46 years or above. Intermediate, graduation and masters parents were in the ratio of 95 (19.2%), 224 (45.3%) and 175 (35.4%). Total 261 (52.8%) from low class, 193 (39.1%) from medium class and 39 (7.9%) from high class were selected randomly as reflected above.

4.4 Analysis and Interpretation of Data
The statistical design for data analysis was prepared according to the research questions of the study. Quantitative analysis was made using SPSS version 22. Descriptive analysis was carried out; one-sample t test, Pearson test and linear regression test were used in inferential statistical analysis.

4.4.1 One sample t-test
(H1): There is significant difference between sample mean scores on the ‘poverty alleviation' factor from parents and cut-point score.

(H0): There is no significant difference between sample mean scores on the ‘poverty alleviation’ factor from parents and cut-point score.
Table 2

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>M(S.D)</th>
<th>t-value</th>
<th>df</th>
<th>'p'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty Alleviation</td>
<td>494</td>
<td>96.21 (18.31)</td>
<td>24.15</td>
<td>493</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Population cut point 88

The t-value = 24.15; p-value is 0.000, which is less than the significance level of 0.05. The null hypothesis is rejected and alternative is accepted. It is concluded that parents are satisfied on ‘poverty alleviation’ through TVE.

Table 3: Pearson product moment correlation coefficient between parents’ perception towards effectiveness of technical & vocational education at secondary level and Poverty alleviation

<table>
<thead>
<tr>
<th>Variable</th>
<th>'r'</th>
<th>'p'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness --- Poverty Alleviation</td>
<td>.733</td>
<td>.000</td>
</tr>
</tbody>
</table>

Table 3 shows the relationship between parents’ perception towards effectiveness of technical & vocational education and poverty alleviation. The results revealed that there is significant positive strong relationship exists between students’ perception towards effectiveness of technical & vocational education and poverty alleviation (r = .733, p < .05).

Table 4: Linear regression for the effect of technical & vocational education factors on poverty alleviation as predicted by parents

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.767a</td>
<td>.588</td>
<td>.584</td>
<td>6.654</td>
</tr>
</tbody>
</table>

*Predictors: (Constant), social aspects, curriculum, assessment and evaluation, physical layout, academic facilities

F (5,493) = 139.559, p < .001

Table 5

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>'p'</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.037</td>
<td>4.045</td>
<td>751</td>
<td>.453</td>
</tr>
<tr>
<td>Physical Layout</td>
<td>.151</td>
<td>.078</td>
<td>.088</td>
<td>1.925</td>
</tr>
<tr>
<td>Academic Facilities</td>
<td>.038</td>
<td>.085</td>
<td>.021</td>
<td>.441</td>
</tr>
<tr>
<td>Curriculum</td>
<td>.404</td>
<td>.056</td>
<td>.296</td>
<td>7.233</td>
</tr>
<tr>
<td>Assessment and Evaluation</td>
<td>.377</td>
<td>.120</td>
<td>.118</td>
<td>3.131</td>
</tr>
<tr>
<td>Social Aspects</td>
<td>.545</td>
<td>.050</td>
<td>.432</td>
<td>10.955</td>
</tr>
</tbody>
</table>

*Dependent Variable: Poverty Alleviation

In Table 4, the linear regression displays the strength of relationship between factors of technical & vocational education and the poverty alleviation of parents with adjusted R2 = .584. This implies that course objectives, physical facilities, academic facilities, curriculum, assessment and evaluation and social aspects accounted for 58.4% of variation in parents’ poverty alleviation. The model is good fit and significant.

The β value = .404, p = .000) indicates that curriculum factor is significant predictor which has a positive association with the poverty alleviation. This means that an increase in one unit of parents’ curriculum will increase their poverty alleviation by 0.404 units as indicated by unstandardized coefficient B. It is concluded that curriculum has a positive significant effect on the poverty alleviation as perceived by parents.

The β value = 0.377, p = .000) indicates that assessment and evaluation factor is significant predictor which has a positive association with the poverty alleviation. This means that an increase in one unit of parents’ assessment and evaluation will increase their poverty alleviation by 0.377 units as indicated by unstandardized coefficient B. It is concluded that assessment and evaluation has a positive significant effect on the poverty alleviation as perceived by parents.

The β value = 0.545, p = .000) indicates that social aspects factor is significant predictor which has a positive association with the poverty alleviation. This means that an increase in one unit of parents’ social aspects will increase their poverty alleviation by 0.545 units as indicated by unstandardized coefficient B. It is concluded that social aspects has a positive significant effect on the poverty alleviation of parents.
Therefore, the results revealed that curriculum, assessment and evaluation and social aspects significantly and positively predict the outcome variable poverty alleviation for effectiveness of technical & vocational education at secondary level.

5. Findings and Discussion

The results of ‘Pearson’ product moment correlation coefficient between parents’ perception towards effectiveness of technical & vocational education and poverty alleviation revealed that there is a significant positive strong relationship exists between parents’ perception towards effectiveness of technical & vocational education and poverty alleviation. The rural parents’ perceptions are higher than urban parents on academic facilities, curriculum, assessment & evaluation and social aspects factors. However, there was found no difference of locale on physical facilities factor; according to parents’ perceptions TVE is effective in poverty alleviation without age difference. There is no age difference was found in perceptions of academic facilities, curriculum, assessment & evaluation and social aspects factors; the perception of the parents who had higher qualification is more favorable than the parents having low qualification on academic facilities. However, no academic qualification difference was found on perceptions of physical layout, curriculum, assessment & evaluation and social aspects; according to parents’ perceptions TVE is effective in poverty alleviation without difference in socio economic status factor. There was found no socio economic difference in perceptions of academic facilities, curriculum, assessment & evaluation and social aspects. It was concluded that there is significant positive strong relationship exists between parents’ perception towards effectiveness of technical &vocational education and poverty alleviation. The curriculum, assessment & evaluation and social aspects are significantly and positively predicted the outcome variables poverty alleviation for effectiveness of technical & vocational education at secondary level.

6. Recommendations

Based on the findings, it is recommended that the parents must be vigilant about the academic performance of their children; the parent- teacher meeting must be arranged on weekly or monthly basis; the parents must visit the institutions frequently; the parents should inform to the school management about the lack of physical and academic facilities; parents must have awareness about the academic and skills oriented performance of their children; parents may also meet with employers’ to know the success of their children at work place.

References

Effects of Despotic Leadership and Sexual Harassment on Emotional Exhaustion of Employees in Health Sector of Pakistan: Moderating Role of Organizational Cynicism

Muhammad Shaukat Malik, Shahzadi Sattar

1 Director, Institute of Banking & Finance, Bahauddin Zakariya University Multan, Pakistan, shoukatmalik@bzu.edu.pk
2 PhD Scholar, Institute of Banking & Finance, Bahauddin Zakariya University Multan, Pakistan, shahzadi.sattar@nfciet.edu.pk

ARTICLE DETAILS

ABSTRACT

The purpose of this research study has been to examine the relationship between despotic leadership, emotional exhaustion and sexual harassment in the presence of organizational cynicism as the moderator. The above-mentioned relationships were empirically tested by collecting and analyzing the data from the government sector hospitals in Pakistan. The target respondents were female nurses working in the six different hospitals of Multan and Bahawalpur region. The sample of 350 nurses was randomly chosen to collect the data. The results of the study proved the positive effect of despotic leadership with the employee emotional exhaustion. The other relation, which is proved, is the significant positive relationship between sexual harassment and the emotional exhaustion in the presence of organizational cynicism as the moderator. Based on the social exchange theory it is inferred that a reciprocal relationship exists in the organizational context between the leaders and the subordinates when the trauma and depression is lent to the subordinates the subordinates feel emotionally deteriorated.

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1. Introduction

The dysfunctional behavior exhibited by the organizational managers in the form of leadership style or sexual harassment is generally a source of damage or deterioration to the peer group, subordinates and ultimately to the organization as well. The dysfunctional behavior as defined by the Peterson (2002) is a behavior that violates the policies and norms of workplace. This damages the overall organizational performance. With the passage of time negativity is flourishing at the workplace like workplace bullying, leg pulling, sexual harassment, exaggeration, embezzlement and other below the belt activities. The other forms of negative behavior is selfishness, extending break times, accepting kickbacks, theft and much more are flourishing with remarkable growth rate. The repercussions or jeopardizes of dysfunctional behaviors are quite enough can’t be discussed extensively. The remedy is constructive leadership style instead of abusive, despotic, tyrannical and toxic leadership style that is fostered in the presence of the
favorable organizational atmosphere instead of cynicism. If the negativity prevails then employee absenteeism, declining productivity, increased turnover intentions and job dissatisfaction is the fate of the organization. Chronic sufferings of employees lead them feel emotional exhaustion. When emotionally exhausted the employees personal and professional well being is at stake.

According to Chauhan, Nisma (2014) the historical perspective of nurses has focused more on cure than care. We are focusing more on producing doctors than nurse. Even though they play in integral role in patient care but they are given least recognition comparatively which has led drastic shortage of nurses in the country. Journal of Pioneering Medical Sciences (2013) has cited existing nurse patient ratio as 1:50 whereas Pakistan Nursing Council (PNC) has prescribed 1:10. Pakistan has only 162 registered nursing colleges. The demand of the nurses in health sector exceeds supply. The shortage of health sector is due to the stigma attached with this profession. According to Salma Rattani the director Bachelors of Science in Nursing (BSN) at Agha Khan University Karachi and (SONAM) School of Nursing and Midwifery said that “Nursing isn’t a well reputed profession for females”. Even though there is the sincere efforts from female nurses but ironically this profession is not safe from the usual biases. The odd –hours or in far-off areas nurses are exposed to security risks and threat of sexual harassment. Only eight cases were reported pertaining to the sexual harassment in Peshawar even though this problem persists in entire country. Pakistan is categorized as the 57th country that is facing human resource management crises. The pay scale is very pathetic but still they are working due to poor economic circumstances. Due to the worst behavior from their immediate seniors and supervisors, the nurses become emotionally exhausted and become very impolite and ruthless as a retaliation of the toxic behavior. Now the awareness programs are launched when Prime Minister Imran’s Performance Delivery Unit launched Prime Minister Citizens’ Portal “Awam ki Awaz” on 29th October 2018. This portal is a voice of the people. It will help resolve issues confronting disabled, overseas Pakistanis, women, minorities, investors, and politicians.

2. Literature Review
2.1 Despotic Leadership and Emotional Exhaustion
According to the Erkutlu, H. (2018) “Leadership is the process of influencing followers to achieve the organizational goals”. Schilling (2009) is of the view that leadership phenomenon has been romanticized since its inception and its beneficial impacts on followers and organizations are the long lasting. Meanwhile Naseer et al., (2016) is of the view that leadership darker side is seriously overlooked which reflects the ugly face of leadership and aftermaths are exposed. Karakitapoğlu-Aygün and Gumusluoglu (2013) is of the view that leaders do not even exhibit the positive leadership behaviors all the time. The dysfunctional leadership or the darker side can never be concealed. The negativity of the leader has the deleterious effects on subordinates.

To represent the negative side of the leadership certain other terms have been used like Ashforth, (1994) called it petty tyranny Tepper, (2007) said it to be the abusive supervision and Einarsen et al., (2007) named it tyrannical leadership or destructive leadership then Aronson (2001) called it to be the Despotic leadership. House and Howell, (1992) and Naseer et al., (2016) is of the view that despotic leadership is exercised by a leader who has the thirst of attaining supremacy and dominance. He is led by the self-interests they are literally manipulative, arrogant, bossy, obstinate and unforgiving with inflexible attitude. Schilling (2009) says that despotic leadership carries most of the negative traits of leadership. Even though in the area of political leadership it has been discussed vigorously however in the broad management and applied psychology it is in embryonic stage.

To date, no study, to our knowledge, has contributed to an understanding of how despotic leadership relates to employees’ organizational deviance, despite the fact that leadership is one of the most influential predictors of employee workplace deviance (Tepper et al., 2009); thus, the first goal of this study is to address this much-untapped issue. The abusive leadership, tyrannical, narcissist and the worst one despotic leadership indulge the followers in psychological distress. The followers become exhausted while combating with the negativity of the leadership feel suppressed and helpless.
Blau, (1964) gave the concept of social exchange theory for interpreting the reciprocal behavior of the followers. Emerson, (1976) narrates that social exchange is based upon give and take between the parties and demand mutual obligation. The exchange process is two way and is dependent on the behavior of each party. The negativity begets negativity and trust worthy; dedicated and shared obligations beget the same in response. Emerson, (1976) is of the view that individuals should comply with norms of reciprocity. The principles of exchange form the ideology of exchange process. Based on the idea that every action has a reaction based upon the nature of action either it is based on the positivity or negativity. If the actions are based on evil deeds the recipient will react accordingly. Cropanzano and Mitchell, (2005) are of the view that according to the social exchange theory the organizational behaviors of employees are reliant or conditional upon the kind of the treatment they get from their immediate and organizational managers. In compliance with the reciprocity norm the subordinates reciprocate the ethical leader by demonstrating high level of commitment and trust. However, when the agents of the organizations treat them pathetically or in an obnoxious way, what good they can expect from span of control? They are dealt with the same poor narcissist and despotic way. Nobody treats them in a valued and respected manner and hence span of control show the work deviance (Lian et al., 2012; Tepper et al., 2009). De Hoogh and Den Hartog, (2008); Naseer et al., (2016) are of the view that despotic leadership is more toxic and it is low on ethical code of conduct, sensitivity, self evaluation, personal commitment and responsibility for ones action. Aronson, (2001); De Hoogh and Den Hartog, (2008) are of the opinion that despotic leaders are autocratic, more inclination towards controlling and they limit participation of subordinates in decision-making. Naseer et al., (2016) is of the view that despotic leaders exploit and treat unfairly their followers since they lack ethical values. That is because of this malfunctioning of leaders the span of control becomes less effective and least efficient so is their morale towards organizational progress. They legitimate their authority to satisfy their own objectives and followers react in a less cooperative way by becoming less focused deteriorating organizational functioning and making it difficult to meet organizational objectives. The reciprocal behavior is not directly directed towards the despotic leadership because offending authority is difficult to address they choose narrow escape by workplace deviance it means they are distracted about their work.

Nauman .S (2018) is clearly of the viewpoint that emotional wear and tear is the result of pathetic leadership. Emotional exhaustion happens to consume more emotional resources to deal with interpersonal interactions than the normal circumstances moreover these resources deplete immediately. The aggressive, tyrannical, unethical and despotic leadership leads to severe repercussions for the subordinates like depression, anxiety and burnout. Despotic leaders are inconsiderate, autocratic and exploitative creating the stress and depression in subordinates and ignites the emotions of burnout.

H1: There is a significant positive relationship between Despotic leadership and Emotional Exhaustion

2.2 Sexual Harassment and Emotional Exhaustion

Hadi, A. (2018) defines sexual harassment as the gender based violence. The highest majority of victims are of the females but men may also be subjected to it. Sexual Harassment reflects the unequal distribution of power between the both genders and therefore couldn’t be separated from psychological or criminal offenses. Therefore, it is discussed under criminal law. The Pakistani society is patriarchal in nature that denotes a system of society where men controls the home, society and government as the head, ruler or descent is reckoned through the male line. In this, kind of the society women are subjected to violence, exploitation and discrimination. Sexual Harassment is a criminal act and is carried out or committed to control or to take charge of domination of male members over females. It is a means of intimidating and threatening women to limitize their social and physical mobility. Unluckily Sexual Harassment has become the compulsory ingredient of workplace. The Equal Employment opportunity Commission (EEOC) of United States Of America has defined sexual harassment as the unwelcome sexual initiatives, asking for sexual favors physical and oral conduct having inclination towards sexual
context which is huge interference in workplace that is a basic reason of offensive or hostile work environment. According to the International Labor Organization, “Any unwelcome non verbal, verbal and physical conduct of sexual orientation that affects the self esteem of men and women which is offensive for the recipient as well. When if a person rejects or does not surrender is implicitly or explicitly affecting the job of such a person. It is a sheer humiliating, hostile or intimidating working environment for the victim. Therefore, it can be said categorically that this is a social control exerted by men over women to restrict their progress if they refuse the sexual advances. Based on the previous researches and conservation of resource theory the major reason of workplace stress is workplace aggression that deteriorates employee psychological resources. Strain and stress is the major outcome of fear of losing psychological resources, loss of resources or after the resource investment the inability to replenish resources. Resources are valued conditions, objects, energies, and personal resources that are means of attaining further resources that are valued and are strived to be obtained and preserved (Hobfoll 1989, 2001).

Psychological depression and aggression is a job stressor that depletes and deteriorates affective and cognitive resources. When the resources are not replenished properly employees experience decreased level of poor work outcomes and well-being. After workplace aggression employees are left with insufficient level of motivational resources to act out the key behaviors at work. Extending therapeutic interactions with distressed employees may stop triggering aggression. No doubt, the loss of job occurs when the strain arising from the peer group psychological aggression outweighs the benefits of employment (Deery, S., 2011). Therefore, employees express their resentment of being sexually stabbed or harassed through emotional exhaustion.

Friborg, M. (2017) quotes that various research reports highlight that sexual harassment has repercussions like job dissatisfaction, mental health problems and increased sick leaves and less interest in job. It also affects mental health of the employees as well. Researches depict that sexual harassment is mostly from the supervisors, subordinates and colleagues.

**H2:** There is a significant positive relationship between sexual harassment and emotional exhaustion

### 2.3 Organizational Cynicism Serves as the Moderator between Despotic Leadership and Emotional Exhaustion

Ozler, D. E. (2011) defines organizational cynicism as the depression in employees caused by the belief that organization is lacking integrity which when gets associated with intense negative emotions lead to disapproving decisive behavior. It is the belief organizational people are motivated by skepticism and self-interest. Employees confront many problems due to cynicism as they develop negative emotions regarding organizations such as disappointment, anger, hopelessness included by burnout syndrome defined as a series of emotions like fatigue, hopelessness, lost and despair. Therefore it is inferred that burnt out and cynicism are entangled observable facts.

Ozler, D. E. (2011) is of the view that burnt out or emotional exhaustion is due to the organizational cynicism. Individuals with cynic views about their organizations start experiencing emotional exhaustion for the negative feelings they suffer from. Individuals with negative feelings slowly become cynic. In most of the convergent views, it has become evident that cynicism is the predictor of emotional exhaustion. Cynicism is the school of thought of ancient Greek. The followers of Socrates are the couple of firstly known cynics i.e Diogenes and Antisthenes of Sinope. The mere belief is that social norms are unessential for one’s self-sufficiency and independence. Refusing social institutions and tendency to adhere individualism is the ingrained idea of being cynic. Now the further development in the concept has proved it a personality trait rather than a lifestyle.

Criticism has certain immediate negative components i.e hatred, outrage, disgrace and fatigue. Particularly, a sort of ceaseless pressure is experienced for the most part managing troublesome
individuals and emotional exhaustion develops as a response to this chronic strain. Overstrain, low confidence, absence of concentrating on an issue, depletion in physical and enthusiastic capacities and depersonalization are among the most critical impacts of emotional exhaustion in people. Low occupation execution, high turnover, diminishing hierarchical duty and employment fulfillment, high wellbeing costs, and diminishing imagination, critical thinking and advancement are of the negative impacts of emotional exhaustion in organizations.

Erkutlu, H., & Chafra, J. (2017) has the vigorous insight about the organizational cynicism. According to him, organizational cynicism is simply an unconstructive behavior towards ones organization consisting of three major dimensions: unconstructive outcomes for the organization, the faith that my organization is lagging behind in uprightness and inclination towards significant disapproving attitude towards their organization, which is unwavering in nature (Dean et al., 1998). The attitude is equipped by hopelessness, annoyance, disenchantment and disrespect towards ones company and strong faith that organization lacks integrity. Neves, (2012) is of the view that managers are the true agents of the firms and when the misalignment is detected in the practice and preching employees face the organizational cynicism. Egoistic managers are deficient in uprightness is proved in empirical and theoretical researches. Moreover, the egoistic behavior is negatively associated with the integrity of organizational settings. Managers’ egoism abolishes integrity in the organization. Kets de Vries and Miller, (1985) are of the view that egoistic managers fail to accept the fact that they have committed the mistakes. Rhodewalt et al., (2006) presented their opinion about narcissistic and tyrannical leaders as they are self-conceited and they consider themselves, as they are a source of all the successes of organization. Despotic leaders are tyrannical, oppressive, dictatorial, repressive, cruel and suppressive. Their self gratifying rather hedonistic goals are to deceive, manipulate and exploit others. The destructive leadership lack in moral sensitivity since their first priority is their self only. Their selfish attitude stuck in the way of visionary ethical goals instead of dedication for the organization. Based on the underlying principle it can be inferred that toxic, unethical, pretty tyrant and despotic leaders have low behavioral integrity towards organization as a result subordinates develop the negative perception about leaders resulting in organizational cynicism. Due to the ever-changing temperament of workplaces the exceptional, sort of the expectations are made from the employees. These demands have made serious nature of the pressures on employees’ minds and souls as a result employee’s deleterious psychological health conditions are reported. The chronic mental health conditions of employees have the hazardous impact on organizational effectiveness. Through various convergent viewpoints of authors, it has been reported that employees who work under stressful circumstances suffer from loss of confidence, emotional exhaustion, anxiety & depression. Therefore, the despotic attitude is typically unethical in nature. Destructive leadership believes in personal gains and disrespects followers and lacks the empathy. The motive to exploit others is their top priority. The consistent preoccupation with one self depicts lack of moral sensitivity. The counterproductive job attitude is the repercussion and reflection of destructive leadership. Since the access towards the despotic leadership is difficult, therefore due to uneasy approach towards the managers the subordinates feel themselves less important for the leaders. Erkutlu, H., & Chafra, J. (2017) are of the view that no doubt destructive leaders are a source of disrespect and disgrace for the employees. This disrespect and disgrace is very much enough to emotionally discharge the span of control and they get their emotional resources depleted that are difficult to be replenished. In the absence of organizational integrity, this exhaustion is increased. It is a condition of worn-out and drained due to accumulated stress from work life.

H3: Organizational Cynicism Serves as the Moderator between Despotic Leadership and Emotional Exhaustion

2.4 Organizational Cynicism Serves as the Moderator between Sexual Harassment and Emotional Exhaustion

Özler, D. E. (2011) clearly depicts that emotional exhaustion is the start the centre and fundamental component of burnout syndrome. The most highlighting component burnout is the consequence of job stress. The workers whose emotional demands are not compatible to the emotional demands of their
supervisors have more tendency of being victimized by emotional exhaustion. Emotional exhaustion is a reciprocal reaction of demeaning action. Whenever there is emotional, disturbance or exhaustion the concentration on job is simply impossible. Whenever the staff becomes emotionally tired and consumed this lack of energy is reflected in emotional exhaustion. Whenever there is emotional fatigue the employee performance is not up to the mark. Rather the next working day becomes a burden due to the feeling of tension and anxiety. The outcomes of emotional exhaustion are absenteeism, being late to work, the psychosomatic complaints & turnover intentions etc. After going through the rigorous literature review, it may be concluded that there is a strong association between the organizational cynicism and emotional exhaustion. The feeling of depersonalization is the result of emotional burnout and is known as cynicism. There are convergent viewpoints in the literature about the relationship between organizational cynicism, organizational justice, psychological contract breach, organizational politics, perceived organizational support, staff doesn’t observe work, organizational commitment, emotional exhaustion and alienation. There are adverse effects of cynicism like lack of concern, hostility, lack of trust on others, misery, despising, frustration and irony which is related to lower job performance, staff circulation with quickness, conflicts among people, absenteeism and emotional exhaustion. Cynicism has the repercussions on the organizational efficiency. Organizational citizenship has the inverse relationship with organizational cynicism while on the other hand organizational cynicism has the positive relationship with alienation and emotional exhaustion.

Johnson, J. L (2003) put an insight into the theory of social exchange theory people want to have a fair and impartial relationship with the firms. Upon the violation of psychological contract, the relationship between employees and employers become unbalanced. The poor outcomes of psychological contract breach are declined commitment, performance, contributions and increased turnover intentions. As a result, duties are neglected and poor organizational citizenship behaviors are emerged. Employee withdrawal behavior is the ultimate voluntary reaction to elongate the psychological and physical distance with the firms, as employees perceive that organizational situation is very inadequate. Violation of psychological contract has the adverse effect on employees and organizations with reduced beneficial behaviors towards organizational citizenship behavior and increased turnover intentions. When sexually harassed, employees feel emotionally drained and it becomes aggravated when there is the unconstructive behavior towards the organization.

**H4:** Organizational Cynicism Serves as the Moderator between Sexual Harassment and Emotional Exhaustion

**Figure 1**
3. Methodology
The present research investigated the moderation model of sexual harassment, despotic leadership with emotional exhaustion with organizational cynicism as the moderator in a cross sectional sample of about 350 nurses working in various governmental hospitals in Multan, Bahawalpur and Muzaffargarh. Looking into the fragility of the research predictors like sexual harassment and despotic leadership the hospitals had really given a very tough time to the researcher to find out the primary information. In certain conditions researcher had to seek the formal permission to get the questionnaire filled from the nurses. There were certain hospitals that had the reservations about the research and wanted the researcher not to reveal their names even though the anonymity of the respondent (nurses) were maintained. The criteria to tap the nurses was that at least six months must be the job experience since sexual harassment is not the one time job it is repeated and consistently pursued to satisfy the needs of the perpetrator. Using the purposive sampling and the causal survey research design 370 nurses were chosen to get the questionnaires filled. Out of which 350 useable questionnaires were used to conduct research data analysis.

3.1 Despotic leadership
De Hoogh and Den Hartog (2008) devised a a six-item scale. The target sample respondents were asked the questions like “My leader acts as a tyrant, imperious (dictator) and despotic” and “He expects from those who report to him the unquestioning obedience”

3.2 Organizational cynicism
Brandes, Dharwadkar, and Dean (1999) as cited in Kim, Bateman, Gilbreath, & Andersson, 2009) measured organizational cynicism using the 5 items .An example item for this scale is “I believe top management says one thing and does another”.

3.3 Sexual Harassment
Fitzgerald et al. (1988) developed the Sexual Experiences Questionnaire (SEQ), a self-report inventory representing the first attempt to assess the prevalence of sexual harassment in a manner that met traditional psychometric standards.

3.4 Emotional Exhaustion
The “Maslach Burnout Inventory General Survey” developed by Maslach and Jackson (1981) measures emotional exhaustion. It comprises of five items scale like to measure the emotional exhaustion of employees (e.g. I feel emotionally drained from my work).

3.5 Control Variables
This study is meant to inquire about the relationship between sexual harassment and emotional exhaustion, despotic leadership and emotional exhaustion with the moderating role of organizational cynicism. Demographic variables are controlled in this study as the extraneous variable. Where age is considered as the continuous variable and gender is considered as the categorical variable. This study is meant to investigate the association between workplace bullying, emotional exhaustion, employee engagement and employee performance. The demographic variables are not primarily a focus of study in this study. Therefore, to rule out any impact of these demographic variables they are controlled. In demographic parameters the age is considered as a continuous variable, gender is supposed to be a categorical variable in research and employee job tenure for the years of services is categorized as continuous variable.

4. Data Analysis
Before going towards testation of hypothesized relationships, preliminary data analysis is performed. For this purpose, BM SPSS Amos version 22 was used for data screening through missing value analysis, univariate outliers, normality analysis, descriptive statistics, reliability analysis, and correlation. The results of these tests provided the evidence of distinctiveness of the data sheet and as well as variables to run subsequent analysis. Data was analyzed to show the impact of despotic relationship and sexual harassment on emotional exhaustion in the presence of moderation effect of organizational cynicism.

### 4.1 Confirmatory Factor Analysis

Structural Equation Modeling (SEM) technique was used to test the hypotheses by employing confirmatory factor analysis (CFA) of each variable by using AMOS version 22 (Tabachnick & Fidell, 1996; Tabachnick & Fidell, 2007). An Acceptable measurement model is developed to define the observed variables in terms of latent variables i.e. exogenous and endogenous. Here, a best fit measurement model is modified to represent the hypothesized theoretical framework by correlating each latent variable with every other latent variable freely. According to Brown’s (2006), a criterion that is majorly used for the identification of the model fit is through different model fit indices (Harrington, 2009). The results of CFA four factor model indicated that absolute indices fit better with the data comprises root mean residual (RMR) = 0.90 , chi-square minimum difference (CMIN) = 3.14 , comparative fit indices (CFI) = 0.96 , IFI (incremental Fit Index) = 0.05, TFI (Tucker Lewis Index) = 0.95, and root mean square error of approximation (RMSEA) = 0.05. The results claim adequate fit in the form of values within acceptable range (Kline, 2005; Hu & Bentler, 1999; Harrington, 2009).

#### Table 1: Fit Indices of CFA

<table>
<thead>
<tr>
<th>Sr.</th>
<th>Goodness of fit indices</th>
<th>Abbreviation</th>
<th>Acceptance Criteria</th>
<th>Initial Model</th>
<th>Re-specified Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Relative-Chi square</td>
<td>CMIN/DF</td>
<td>Poor fit: &gt; 5</td>
<td>3.67 RF</td>
<td>3.14</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reasonable Fit 3-5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Best Fit: 1-3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Comparative -Fit Index</td>
<td>(CFI)</td>
<td>Poor fit: &lt; 0.90</td>
<td>0.92 RF</td>
<td>0.96</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reasonable Fit ≥ 0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Best fit: ≥ 0.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Root Mean Square Error of Approximation</td>
<td>RMSEA</td>
<td>Poor fit: &gt; 0.1</td>
<td>0.08 RF</td>
<td>0.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reasonable Fit ≤ 0.08</td>
<td>&lt; 0.05</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Tucker Lewis Index</td>
<td>TFI</td>
<td>Poor fit: &lt; 0.90</td>
<td>0.81 PF</td>
<td>0.95</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reasonable Fit &gt; 0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Best fit: &gt; 0.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Incremental Fit Index</td>
<td>(IFI)</td>
<td>Poor fit: &lt; 0.90</td>
<td>0.72 PF</td>
<td>0.90</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reasonable Fit &gt; 0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Best fit: &gt; 0.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Root Mean Residual</td>
<td>(RMR)</td>
<td>Poor Fit: &gt; 0.05</td>
<td>0.07 PF</td>
<td>0.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Best Fit: ≤ 0.05</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Initially, some values of CFA measurement model did not demonstrate adequate model fit due to having 3 items of sexual harassment whose factor loadings were greater than 0.40, but after removing those items i.e. SH11, SH12 and SH18, the final model of CFA yielded an adequate model fit as shown in figure I. Moreover, poor model fit with latent variable indicates the presence of common method biasness (Bagozzi and Yi, 1990; Podsakoff et al., 2003), but results certify the absence of common method variance in our data set. To make it ensure, significance of the structural parameters is scanned with and
without the common latent methods variance factor to see whether adding it would significantly improve the model fit. Findings declared that the influence of common method variance did not appear to be a major concern in this study.

Similarly, means, standard deviations and correlations of variables is presented in Table II. The alpha coefficients for each variable are also shown in table III such as DL= 0.75, EE= 0.76, SH= 0.88, OC= 0.81. In addition, table III also presents the threshold values of average variance extracted and squared correlation. The results claimed that despotic leadership (DL) is positively and significantly correlated with emotional exhaustion (EE) as (r = .614, p < 0.01). Similarly, sexual harassment (SH) is also positively and significantly related with emotional exhaustion (EE) as (r = .504, p < 0.01).

These results are consistent with our expectations based on the hypotheses outlined earlier. Hence, results claimed the acceptance of hypothesis 1 and 2.

Table 2: Mean, Standard Deviation and Correlation
**Correlation is significant at the 0.01 level (2-tailed)**

### Table 3: Reliability, Average variance extracted and Squared Correlation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Reliability</th>
<th>AVE</th>
<th>DL</th>
<th>EE</th>
<th>SH</th>
<th>OC</th>
</tr>
</thead>
<tbody>
<tr>
<td>DL</td>
<td>0.75</td>
<td>0.54</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td>0.76</td>
<td>0.61</td>
<td>0.369</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SH</td>
<td>0.88</td>
<td>0.60</td>
<td>0.461</td>
<td>0.349</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>OC</td>
<td>0.81</td>
<td>0.58</td>
<td>0.313</td>
<td>0.358</td>
<td>0.414</td>
<td>1</td>
</tr>
</tbody>
</table>

### 4.2 Moderation Analysis

Table IV contains the results of three step moderated regression analyses. In step 1, independent variable and dependent variables were controlled. In step step 2, independent and moderated variables were controlled and in step 3 interaction term of independent and moderated variable was added.

### Table 4: Moderation Analysis of Organizational Cynicism

**DV = Emotional Exhaustion**

<table>
<thead>
<tr>
<th></th>
<th>R2</th>
<th>Adjusted R2</th>
<th>F value</th>
<th>Standardized Coefficient β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1: Effects of despotic leadership (DL) and organizational cynicism (OC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1</td>
<td>DL</td>
<td>0.377</td>
<td>0.376</td>
<td>223.650</td>
</tr>
<tr>
<td>Step 2</td>
<td>DL</td>
<td>0.460</td>
<td>0.457</td>
<td>156.785</td>
</tr>
<tr>
<td></td>
<td>OC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 3</td>
<td>DL</td>
<td>0.461</td>
<td>0.456</td>
<td>104.478</td>
</tr>
<tr>
<td></td>
<td>OC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Int.DL_OC</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Model 2: Effects of sexual harassment (SH) and organizational cynicism (OC) |      |             |         |                           |
| Step 1                   | SH   | 0.354       | 0.351   | 125.319                   | 0.504***                  |
| Step 2                   | SH   | 0.391       | 0.388   | 118.280                   | 0.388***  0.414***        |
|                          | OC   |             |         |                           |                           |
| Step 3                   | SH   | 0.463       | 0.462   | 78.683                    | 0.362**  0.471**  0.182**|
|                          | OC   |             |         |                           |                           |
|                          | Int.SH_OC |         |         |                           |                           |

Using moderated regression, it is found in model 1 that despotic leadership significantly and positively interacts with organizational cynicism to predict emotional exhaustion (β = .244, p<.01). Similarly, the simple slopes analyses also demonstrates that the effect of despotic leadership on organizational cynicism (β = .329, p<.01) and emotional exhaustion (β = .616, p<.01) was significant (Table IV). Indeed, the plotted interaction (Figure II) shows that at high levels of despotic leadership, employees who participated...
in high levels of organizational cynicism experienced high levels of emotional exhaustion compared to employees who participated in low organizational cynicism.

**Figure 3:** Interactive Effect of Despotic Leadership and Organizational Cynicism on Emotional Exhaustion

Using moderated regression, it is found in model 2 that sexual harassment significantly and positively interacts with organizational cynicism to predict emotional exhaustion ($\beta = .244, p<.01$). Similarly, the simple slopes analyses also demonstrates that the effect of sexual harassment on organizational cynicism ($\beta = .421, p<.01$) and emotional exhaustion ($\beta = .426, p<.01$) was significant (Table IV). Indeed, the plotted interaction (Figure III) shows that at high levels of sexual harassment, employees who participated in high levels of organizational cynicism experienced high levels of emotional exhaustion compared to employees who participated in low organizational cynicism.

**Figure 4:** Interactive Effect of Sexual Harassment and Organizational Cynicism on Emotional Exhaustion

5. Conclusion
The workplace harassment laws for women are even though introduced in Pakistan but their implementation is not up to the mark. The protection against harassment of women at workplace Act,
2010 Section 2(h) implies to request for sexual favors, any unwelcome sexual advance written or verbal communication, sexual demeaning and physical conduct of sexual nature which cause interference with job performance creating intimidation, offensive and hostile work climate. This law addresses to that complainant who refuses to comply to such a request and for whom this act is made a condition for employment. The section 3 of Harassment Act 2010 emphasize that every organization should constitute an Inquiry Committee to inquire about the complaints made against workplace harassment. Total three members shall constitute the committee where third member should be a woman. If the person is found guilty of workplace harassment the following penalty under Section 4 of protection against harassment act 2010 with certain minor punishment as stopping promotion temporarily or to major one as removal from the job. This Act may be called the Criminal Law (Amendment) Act, 2009.

There is a need to amend the Pakistan Penal Code, 1860 and the Code of Criminal Procedure, 1898 in which section 499 is about defamation of modest females, 503 is criminal intimidation to females, 509 is about insulting modesty or causing sexual harassment. The accused person shall be punished with imprisonment that may extend to three years or fine up to five hundred thousand rupees or with both .This amendment will not only make the public and work environment safer for women but it will open up the path for more women to pursue livelihood with dignity. It will reduce poverty as more and more women will get the courage to enter the job market.

Minister for women development Punjab, Hameeda Waheeduddin explains that the most important aspect under the new bill is the implementation of the rescue and protection system. “Everything will be under one roof,” Waheeduddin explains. As an initial step, the Punjab government is establishing Violence Against Women Centers (VAWC) across the province. These will be one-stop operations where women will be taken through the process of filing a First Investigation Report (FIR), provided medical help and if required, shelter. For the kids and adults the voice for sexual oppression is raised nowadays and awareness is disseminated to call 1099 for protection against sexual victimization.

The main problem is that females are still working with the mindset “Never raise the voice against harassment that is going to disrupt their job and spoil their working environment. Since jobs are rare in Pakistan females feel especially in health sector and academia that losing job is the ultimate source of poverty. The harassment in job is considered to be the part and parcel of job therefore tolerance is considered to be duty for females. This Act requires all public and private organizations to adopt an internal Code of Conduct and a complain/appeals mechanism aimed at establishing a safe working environment, free of intimidation and abuse, for all working women. Managerial influence in the form of despotic leadership is a curse for span of control. Therefore, organizations must introduce some workshops and religious lectures to train the managers psychologically and religiously. Emotional exhaustion is a trauma after the tolerance of abusive supervision and sexual harassment. It needs psychosocial counseling or medical treatment and for additional medical leave.

6. Managerial Implications
Sexual Harassment is a phenomenon in Pakistan, which is in embryonic stage to be dealt with. The number of the females is victimized and they feel that since it is a part of their jobs therefore it should be tolerated. This result in emotional exhaustion and the positive energies are curbed down. The fruitful outcomes from the females are impossible to be achieved if this chronic disease in the organizations is not diagnosed and treated. The managers in the organizations should believe in integrative justice. The culprits must be identified and should be recognized as symbol of shame in working environment. The subjective norms must be properly adhered in organizations as well. The silent check in organizations like surveillance cameras must be introduced in the organizations. As per law the constitution of women harassment committees should be made mandatory. The toxins in the organization should be removed by whistle blowing as well when the management ensures the psychological safety of whistle blower.

7. Limitations
This research has certain limitations. The opinion is taken based on self reported responses which may create biasness. The further research may be based on responses from both sides managers and span of control. This study is a contribution to sexual harassment and despotic leadership literature which may offer new avenues for future research. This research may be replicated according to the circumstances in various geographical contexts. Further variables as the dependent variables can be checked as the criterion variables like turnover intentions and workplace deviance.

References


Making Foreign Aid Work:
Issues of Cost Effectiveness of Educational Aid in Pakistan

Asif Khan, Tasawar Baig, Saadia Beg, Hafiz Ghufran Ali Khan

1 Assistant Professor, Department of Educational Development, Karakoram International University, Gilgit, Pakistan
2 Assistant Professor and Head, Department of International Relations, Karakoram International University, Gilgit, Pakistan, tasawar.baig@kiu.edu.pk
3 Assistant Professor, Department of International Relations, Karakoram International University, Gilgit, Pakistan
4 Assistant Professor, Faculty of Management Sciences, International Islamic University, Islamabad, Pakistan

ARTICLE DETAILS

ABSTRACT

The quality of inclusive and accountable institutions in a donor-recipient country determines the effectiveness of foreign aid. This study examined whether the role of donor agency or the implementing agency was more helpful in the successes of two foreign-funded educational interventions in Northern Pakistan. The two interventions, each focusing on teachers’ development program and the capacity development of principals, were funded by two different international donors. The study also provided a comparison of the two international donors working styles and their strategies applied for the execution of their respective projects. The findings of the study, which were generated through qualitative methods, noted wide variations not only in the working strategies of the two donors, but also the role of the executing agency. It was noted that multiple factors determined the productivity of the two projects; one of the elements that contributed the success or failure of the two project was their design or road map. Based on the findings of this study, it was maintained that a proactive role of both the entities is crucial for the success of such interventions.

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1. Introduction

The effectiveness of foreign aid relies on the capacity of the recipient country to utilize external assistance through inclusive and accountable institutions. These inclusive institutions facilitate developing not only friendly domestic policies to attract overseas assistance, but also strive to create transparent procedures to achieve foreign aid objectives. During the period from 1960 to 1990, foreign aid was directed to address such issues as security concerns of the Cold War, promotion of democracy and human rights, and promotion of export markets in developing countries (Graham, 2002). However, a paradigm shift in foreign aid occurred in 2000 when a new menace - global terrorism - threatened world peace and security. In the United States, the events of 9/11/2001 convinced the global community, especially the influential northerners, that as long as issues such as rampant
poverty, illiteracy, social injustices and political instabilities of the developing countries are not properly addressed, the world will remain vulnerable to terrorist attacks, and as a result, world peace will be in jeopardy. Such a conviction led to the massive flow of foreign assistance to those countries which were supposed to be the sanctuaries or the breeding grounds of terrorism.

For the last two decades, Pakistan has remained a major recipient of foreign aid and grants from bilateral and multilateral agencies in North America, Europe, and Asia. Besides fortifying security establishments, a good chunk of the foreign aid is allocated to strengthen the social sector including health, education, agriculture, and energy sectors. Although there has been a significant reduction in the economic assistance provided to Pakistan, it is still significantly large, from an annual US $2.3 billion till 2013 to US $1.6 billion 2014 onwards (Rana, 2017). Very limited information is, however, available regarding the contribution of this foreign aid towards the development of various economic sectors in Pakistan. In the context of developing countries, researchers have also shown their concerns about the productivity and utilizations of foreign assistance (Riddell, 2012).

Therefore, this study was conducted to examine the execution and some of the accomplishments of two foreign-funded educational projects in Pakistan. This study examined the comparative effectiveness of the donor agency and the implementing agency in making the two interventions productive and meaningful. There is a dire need for such a study since the scaling down of aid commitments from donor agencies, due to their limited contributions in developing countries, is a serious issue (Wane, 2004).

2. Context of the Study
The study conducted in Northern Pakistan particularly examined two foreign-funded educational projects. In order to maintain privacy, the actual names of the two donors are not used in this study; instead, Donor-I and Donor-II are used as pseudonyms. A multi-million dollar project, focusing on the training of elementary school headmasters, was initiated by Donor-I. The specific aim of this project was to develop the managerial skills of elementary headmasters in such a way that could help the schoolteachers to improve their teaching practices. Since the said project was also implemented in other parts of Pakistan, a government agency was responsible at the federal level to oversee the project. At the regional level where this study was conducted, the local director of education was responsible for the execution of this project. A four-member team, headed by a project director, appointed by the local department of education, was responsible for the execution of this project.

Another multi-million dollar project focusing on the teachers’ preparation program was launched by Donor-II with the specific objective of replacing the traditional teacher’s preparation programs (CT, PTC, B.Ed.) with an updated and innovative teachers’ development program. This project was also launched simultaneously in other parts of the country. While executing this project, Donor-II ensured that whatever innovation they brought to the teachers development program would have to be supported by the Higher Education Commission of Pakistan (HEC) and the federal government through policy making. Donor–II established their offices across the country and the Pakistani staff executed the project with the support of the local department of education.

3. Methodology
The study used a qualitative approach to generate data through the application of such tools as interviews, document reviews, observations, and focus group discussions. The venues of both the projects were two government colleges of education, one each for male and female. The sample of the study in case of the Donor-I funded project, which focused on training the headmasters, was the project director and the three resource persons/trainers. Additionally, through an opportunity sampling strategy, six headmasters (two female and four male trainees) were selected to seek their perspectives about their training program. The duration of each recorded interview was 40 minutes. The interview sessions, document reviews, and observations covered such areas as the quality of the training, knowledge level of the resource persons, involvement of the donor agency, training manual, and the annual progress report of the project.

The sample of the study in case of the Donor-II funded project, which focused on a new teachers’ development program, was ten instructors (five males and five females from two colleges of education), two principals each from the two colleges, and students who were enrolled in the new teacher development program. Specific themes, such as the quality of the program, availability of resources, and knowledge level of instructors, induction of prospective teachers, and the role of implementing agencies were discussed. Both the donors and local directorate of education
were the focus of interviews, document reviews, and observations. Focus group discussions were conducted to seek the perspectives of students. A thematic approach was used to analyze the data.

4. Conceptualizing Foreign Aid – Literature Review

Foreign aid has remained one of the most widely discussed and debated concepts over the past six decades or so. There is a polarized understanding of the impact of foreign aid among academics, political-economists and development practitioners. During the post-World War II period, world politics witnessed the emergence of new nation-states due to the decolonization processes across the world. By and large, these newly independent states had fragile political-economic conditions, and foreign aid was believed to be a significant factor to stabilize the weak domestic conditions of these poor societies. Moreover, the rationale behind foreign aid is designed on development models of western or advanced societies. To replicate these western-oriented development models, the donor countries appropriated foreign aid to “fill the gaps in resources, encouraging domestic investment and industrial development under the belief that foreign aid could help developing countries to accelerate the takeoff into self-sustained growth by generating new domestic investment” (Khan & Ahmed, 2007, p.216).

At the same time, the post-war era developed a bipolar structure of world politics, where the utilization of foreign aid was carried out for political objectives rather than to emphasize “raising the quality of life throughout the Third World” (Miles, 2012, p.28). However, the commitments of foreign aid were designed to facilitate the stages of growth through investment and increase productivity vis-à-vis to transfer technology (Khan & Ahmed, 2007). This original construction of notions about foreign aid - to reduce the foreign exchange gap with provisions of access to the technology, enrich human capital and access to the global market, which actually yields different outcomes (Ali & Ahmed, 2013).

Most of the foreign aid resources are generated through international donor agencies residing in western countries, and statistics show that since 1960, more than US $2.2 trillion dollar is pumped into developing societies under development assistance programs designed to accomplish social reform initiatives (Monkam, 2012). Subsequently, the developing countries gradually become highly dependent on foreign assistance, which has its own domestic economic, political and social repercussions. Ali and Ahmad (2013) acknowledge the benefits of foreign aid for the development of the recipient nation, but argue that ‘reliance on aid makes the pendency of the economy on external sources, increases ways to corruption and also affects economic administration badly.

For instance, as in case other Third World countries, Pakistan has remained one of highest recipients of foreign aid, and Pakistan received more than US 73 billion dollars as foreign aid from 1960 to 2002 (Khan & Ahmed, 2007). Sarwar, Hassan and Mahmood (2015) have vividly portrayed a chronological overview of foreign aid in Pakistan. Their overview suggests that since 1947, Pakistan is heavily dependent on foreign aid, however the flow of aid fluctuated due to geo-strategic reasons. The volume of aid assistance remained higher until the 1980s. In the 1960s, it was equal to 6.6 percent of GNP, in the 1970s 4.2 percent to 5.5 percent of GNP and in the 1980s it was equal to 4.6 percent of GNP. In the 1990s, Pakistan faced a huge financial crunch due to its nuclear tests in 1998, nevertheless, the flow of foreign aid resumed as a result of the incidents of 9/11. Pakistan once again become a frontline state and started to accrue foreign aid resources (Sarwar et al., 2015).

The fundamental issue with foreign aid was to critically evaluate the cost effectiveness of the overseas aid assistance as it pertains to the general development of Third World countries, which is still a controversial issue. It is controversial due to the bipolarity or dichotomy of aid works itself. To elaborate this dichotomy, Easterly (2008) quotes two instances from a single report produced by Department for International Development (DFID). On the one hand, the DFID report endorses the cost-effectiveness of aid work, which says that the aid assistance “help(ed) [to] reduce poverty by increasing economic growth, improving governance and increasing access to public services” and on the other hand, the same report suggests that “aid does work already and will work in the future, but aid is also not working’ which reflects the limitations and conditionalities of aid effectiveness” (Easterly, 2008, p.1). Easterly (2008) further argues that this dichotomy can be found in reports and projects of other major donor agencies like the World Bank (WB), International Monetary Fund (IMF) and so forth.

Sachs (2005) finds foreign aid useful and his work advocates for support for a massive increase foreign aid for the development of poor countries. In contrary, Easterly (2008) argued that it makes no sense to provide additional foreign aid to Third World countries, because the donors have no idea where the money is going and it is being wasted (Easterly, 2008). One possibility of the misuse of foreign aid is the “lacks the capacity to utilize outside
assistance effectively” (Diamond, 2006, p.34). In response, Sachs argued that one should not blame the novel idea of foreign aid and “believing aid money is completely squandered would not justify, if system is not in place”, therefore, it’s rather “corruption is the culprit” or "poor governance”, and in this condition foreign aid causes harm to the recipient nations, specifically because aid is distributed by local politicians and finances the creation of corrupt government systems in order to channel the overseas donor’s assistance for their own gain’. This creates frustration and Sachs believes that the aid assistance is a ‘money down the drain” (Sachs, 2005, p.310).

Despite the fact that Pakistan received a huge amount of foreign aid, over the decades the country has failed to improve its self-sustaining indicators of socio-economic development (Nasir, Rehman, & Orakazai, 2012). A fundamental reason for this failure is the diversion of “development expenditure to non-development expenditure” to benefit corrupt individuals for political gains, which negatively affected societal growth plans (Din & Awan, 2015). This vindicates the view that corruption is the culprit and bad governance mechanisms allowed foreign aid to serve “the vested interests of influential people”(Khan & Ahmed, 2007). Hence, much of the aid received in most of the poor countries ‘undermines government accountability to citizens because it goes into the pockets of corrupt bureaucrats and politicians. Foreign aid is used to import unsuitable technology, expand government bureaucracies and encourage a larger, unproductive and corrupt government in developing countries or it is just misused (Sarwar et al., 2015).

How to make the aid effective? There are variety of ways to make it cost effective, however, keeping in view the new millennium consensus was developed on set of values and principles known as “aid effectiveness paradigm” to be practiced in “post-aid world’, which actually requires the development effectiveness consigning [with] the aid effectiveness to the past” (Mawdsley, Savage, & Kim, 2014 p.27). The new effectiveness paradigm and future aid initiatives will be strung around three important areas: 1) the outcome-based measures will be gauged based on achievement of impact, 2) concept of development is expanded, which shall not focus only on income poverty alone, and 3) aid as a joint venture between governments and non-state actors in order to achieve the targets of MGDs and now SDGs together (Mawdsley, Savage, & Kim, 2014).

Other significant aspects of aid effectiveness are linked with the domestic policy orientations of the recipient country. More friendly policies toward donor agencies, ensued by stronger accountability and transparent relationships between donor agencies, end users of aid, accountability within projects, and active participation of community, can yield positive outcomes (Winters, 2010). Constructing stronger relationship between domestic and external actors, as identified previously, help in institutionalizing the foreign aid process at an implementation scale, and also develop more inclusive processes with the participation of civil society (Mawdsley et al, 2014).

Lack of an institutionalized mechanism is a core impediment for the effectiveness of aid, while aid is more effective in countries with superior accountability institutions, because good institutions stands on a base of an effective norms and principles that regulate the appropriate behaviors and constraints for unnecessary actions (Winters, 2010). In short, institutions are humanly devised constraints that “reduce uncertainty by establishing a stable structure to human interactions” (North 2004, p.6). Henceforward, the effectiveness of foreign aid through an ‘aid effective paradigm’ certainly anticipates the provision of transparency, which is linked with participation of a civil society and local stakeholders in rule-making and implementation, and an accountable institutional structure to sanction misbehavior (Auer, 2007). Until recently, foreign aid has not been effective to the recipient countries, because aid is circulated and distributed through accountable procedures by local politicians, false finances mechanisms and corrupt governments. These complex situations can only be bridled through strong, inclusive institutions to temper the misbehaviors.

5. Major Findings
5.1 Donor-I Funded project
A review of the documents, such as annual progress report, showed that the project achieved its target in terms of the utilization of 92 percent of the budget and the provision of training to some 550 headmasters during the initial phase of its implementation. It was claimed by the project director and his staff that the project was one of most successful interventions in Northern Pakistan. The claims of the project staff were endorsed by the official reports which stated that the project has largely contributed to the knowledge of headmasters in terms of their understanding about supporting the teachers with their teaching practices. The project staff/trainers mentioned that they conducted the professional development sessions in a very systematic manner; for instance, they mentioned that they determined the training needs of the headmasters through a need assessment exercise. Additionally, they
explained that they use a tool to determine if the knowledge level of the headmasters was enhanced after attending the training.

During a review of the documents, it was noted that the need assessment tool, which was used to determine the training needs, comprised of only three questions: a) if they attended any training before b) what are their expectations from the training c) if they have any suggestions. A good number of trainees commented that they had not seen the need assessment tool before the training. Before the start of a new session, the trainers would administer a pre-test questionnaire to understand the previous knowledge of the trainees about the topic of that session. However, the headmasters expressed their concerns about the authenticity of the pre-test questionnaire by saying that they come from Urdu medium schools and backgrounds whereas the questionnaire, which contained at least 10-12 questions, was in English. A review of the said document confirmed the concerns of the trainee headmasters. For instance, in one of the questions of the said tool, the headmasters were asked to elaborate the steps of classroom observations. Some of the answers include: taking attendance; maintaining cleanliness, maintaining discipline, etc. When the opinions of project director and their staff about the aforementioned gaps were sought, they were adamant in saying that the said tools were very helpful in addressing the different activities of the training sessions. However, they admitted that before the inception of the program they were not provided with any training or orientations. Even the project director was appointed after the recruitment of the three trainers by the local department of education, which was the executing agency, according to the project staff.

There was consensus among the participants/trainees that the project would have been very productive and successful if it was organized in a very professional manner. They had the opinion that since the name of a well-reputed international donor agency was involved and a huge amount of financial resources were allocated, they had great expectations from the program which were not fulfilled. It was noted that the program was exclusively designed for the headmasters, but a good number of the participants were teachers. Some of the participants mentioned that they were verbally informed by the headmasters or the officials of the department of education that they were to attend the sessions a day before the training. One of the female headmistresses mentioned that she did not know that the training was exclusively designed for the head teachers and she only came to know this when she reached the training venue. It was noted that some of the participants even came three or four days after the start of the training sessions. During the observation of the training sessions, it was noted that late arrival of the trainees and their absence was a common practice. The project staff, including the project director, blamed the officials of the local department of education for the previously mentioned gaps. They mentioned that sometimes they sent multiple reminders to the officials to nominate the headmasters in a timely manner. They also added that since there is no mechanism for follow-up, participants do not take these sessions seriously and they only attend these sessions to secure the financial benefits (TA/DA). Despite the fact that absenteeism and late arrival was frequently noticed, the daily attendance register reported 100 percent participation. The project staff mentioned that a federal unit team made a single visit during the lifecycle of the project, whereas the role of the donor was only limited to ensure the proper utilization of the funds without any involvement. Occasional visits from the officials of department of education were also noticed, which was limited to only monitor the running of the project.

The knowledge level of the resource persons, content of the different sessions, and the classroom practices (training sessions) were not compatible with the objectives of this project, which was improving the classroom practices through the involvement of headmasters. The participants also reported the questionable skills of the resource persons and their content knowledge. The resource persons/trainers admitted that they had no prior experience around providing training to the headmasters or the adult learners. It was noticed on many occasions that the resource persons would start their sessions by informing the participants that they only came to know about the topic of the sessions this morning since the project director would decide the topics. In addition to permanent staff, guest speakers would come to deliver lectures. The trainees pointed out that since the guest speakers were invited on a very short notice, their lectures were limited to sharing their personal stories.

A training module addressing the objectives of the project was developed by a federal unit that was compatible with the objectives of the program, however, the resource person would not follow that module; the project director was not mindful of this situation. The training was designed to create awareness about the teaching and learning culture of the school; however, it was noticed that the resource persons were more focused on the administrative aspect of headship, which was noticed during the observation of training sessions. For instance, on one occasion the project director conducted a session on the responsibilities of the head teachers and he discussed 12 responsibilities; none of them addressed the teaching and learning practices. The trainees pointed out that the knowledge they were
getting from the resource persons was obsolete and outdated. It was noted that the training sessions were traditional devoid of interactions and discussions; lecture methods were the popular mode of these sessions. On one occasion, a resource person asked the trainees to comment on the content and methodologies of the trainers in the presence of the researchers; the trainees were candid in saying that they were dissatisfied.

5.2 Donor-II Funded project

With the support of Higher Education Commission and government of Pakistan, Donor-II launched the new teacher’s preparation program in two government colleges of education in Northern Pakistan and other parts of the country. On one hand, the Donor-II ensured the provision of the new curricula, learning resources, training of instructors about the new program, and the availability of technology to the two colleges of education. On the other hand, it started developing policies with the help of HEC for the phasing out of old traditional teachers’ preparation programs such as PTC, CT, and B.Ed. Both the students who were enrolled in the new teachers’ preparation program called Advance Diploma in Education (ADE) and the instructors had very positive opinions about the new program. One of the instructors mentioned, ‘Although for the last many years other sectors of economy was thriving except the education sector, however, the launching of a new ADE program is a great contribution to address the quality issues of education in Pakistan’. Instructors acknowledged that a new generation of teacher are being produced and they are equipped with new skills and are ready to bring changes to the classroom practices.

One of the strengths of the new program was its practice-oriented teaching approaches and reflective practices that enabled the students to understand the multiple approaches of teaching, rather than focusing on a teacher-centered approach. There was consensus among the students and instructors that both the content and curricula of the ADE program was developed according to the needs of the students and the society. As mentioned earlier, not only were the instructors provided training before the inception of the program, they were also provided opportunities to develop the curriculum of their own subjects. The researchers also participated in one of the curriculum development workshops where curriculum experts from a foreign country was invited to help the instructors with the curriculum development processes. Instructors were candid in admitting that trainings and curriculum development workshops helped them to understand the group work, student-centered approaches, and discussion methods. A glimpse of the said concepts noticed during the observation of some of the classes where the instructors were applying the said approaches.

Students pointed out that their instructors are still wrestling with the challenges of the new program, a point which was endorsed by some of the instructors. Two of the issues associated with the new program were the integration of information technology and the literature, which was in English. Students mentioned that a very modern program has been given to a very traditional teaching force which lacks computer and internet skills; they also mentioned that a limited grasp of English sometimes makes their teaching practices questionable. The program was designed to connect the instructors with the internet for accessing updated literature/knowledge and illuminating their teaching practices. There were mixed opinions about the integration of modern technology in the program. For some instructors, technology was a great source, helping them to enrich their curriculum and improve their teaching, and for others, it was a hurdle since they had limited understanding about the application of modern technology. It is pertinent to mention here that the instructors were offered training on computer usage and the internet before the inception of the new program. However, the instructors agreed that the lack of power and internet connectivity in the whole region neutralized their efforts to become more acquainted with the technology. Some of the instructors also admitted that although they were well versed in methodologies, due to their weaker grasps of English, they had a limited influence on their students.

Besides the phasing out of a traditional teachers’ development program, at the policy level it was also decided that the minimum criteria for becoming school teachers would be two years of teacher education with an Advance Diploma in Education (ADE). As a result, more than 70 government colleges of education across the country, including Northern Pakistan, stopped enrolling students in traditional CT and PTC program. However, both the students and the instructors reported that a good number of teacher education colleges in Pakistan are still offering traditional degrees such as PTC and CT; students can take these exams as private candidates as well. One of the instructors commented that since education is considered as a professional degree just like medicine and engineering, students should not be allowed to take private exams to become a teacher; he added that if this situation continues, it would make the success of the new program questionable.
Although they were enthusiastic, it was noticed that a sense of uncertainty prevailed among the students about their own future with an ADE degree. They mentioned that at the time of the launch of the new ADE program, it was promised by the government that not only would the teachers with ADE degrees be given enhanced pay scale /grades, but they also will be preferred at the time of employment, due to the rigorous nature of their program. However, they said that none of these promises were fulfilled by the government. It was noted that although the local government had phased out the PTC and CT program from Northern Pakistan, they had neither changed the service rules, nor made the service rules friendly to the ADE graduates. While commenting and comparing the quality of traditional CT/PTC and ADE programs, one of the instructors mentioned that

As compared to ADE, students score good grades in traditional programs due to the rigorous nature of new program… the good grades helps the students (with PTC, CT) to secure jobs since the government is still accepting application of students who have PTC and CT degrees …additionally, the recruitment policies are grade-oriented not the competency oriented and this situation discouraged the students to pursue ADE.

One of the implications of this situation was that when students failed to secure employments with an ADE degree, they started pursuing M.Ed. degrees with the apprehension that ADE is not enough to get employment. In this regard, a review of the advertisement published in the local dailies endorsed the concerns of students about the recruitment policies regarding ADE program; nowhere in the advertisement was it mentioned that ADE graduates would be preferred or that they would be given better pay scales.

Since the donor’s staff was stationed in the region, they had developed and maintained a very robust liaison with the local department of education, two colleges of education, and with the other stakeholders who were involved in the execution of the project. From the provision of instructional material to the availability of modern technology, the staff would monitor the timely delivery of the said resources. It was noticed on multiple occasions that through the involvement of a third party, the donor monitored the overall progress of different components of this project. For instance, during a workshop, the researchers were interviewed by a representative of a western agency famous for monitoring and evaluations of the foreign-funded projects. The interview covered such areas as content of the training, knowledge level of the resource person, general opinions about the project, logistics, etc.

6. Analysis and Discussion

A broader generalization cannot be made based solely on the findings of this study, because context and geographical locations may have an impact on the overall productivity of these kinds of interventions. However, many important lessons can be drawn that could help the international donors, recipient countries, and implementing agencies to review their policies and capacities for making themselves better prepared if such kinds of opportunities emerge in the future. Furthermore, the research can contribute to the body of knowledge in two ways; firstly, the study provided a comparison of working styles of two international donors and their strategies applied for the execution of projects in a particular geographical location; secondly, the study critically analyzed whose role, international donors or the implementing agencies of the aid-receiving countries, is more important for the success of any foreign funded intervention.

There is no doubt that for the implementations of any project, the foreign donors remain dependent on the host countries and their affiliated institutions, as the present study noted, where a local directorate of education was either an executing agency or a partner of two different foreign funded projects. The role of the director of education was central in the implementation of the Donor-I funded project, which focused on the capacity development of elementary school principals. Through its regional office, Donor-II executed a new teachers’ development project while maintaining a close liaison with the local department of education; in other words, the department was an equal partner of the implementation of the said project. It has been largely recognized that the effectiveness and quality of any foreign intervention depends upon its design or road map (Wane, 2004). A clear variation between the implementation processes of the two projects speaks loudly about the way it was designed.

As the study noted, Donor-II designed the project in such way that the success of their intervention was contingent upon the active participation of governmental entities such as HEC, the ministry of education, and the regional department of education. Not only did Donor-II lead these governmental entities to develop policies regarding the phasing out of traditional teachers’ development programs, but Donor-II also engaged these entities in such a way that they acted as equal partners, which is evident from a meaningful relationship between the donor agency and the local director of education. However, such linkages and connections were not explicit in the Donor-I funded
projects, in which a multimillion project was executed by a group of people who enjoyed a substantial level of freedom without an explicit involvement of either the donor agency or the local director of education. It seems that the said project was launched in haste without developing a clear road map of execution and defining clear polices. The anomalies in the hiring of the project staff, such as hiring the trainers before the recruitment of the project director, lack of proper orientation for the project staff, and limited competencies of the trainers are just some of the examples of the questionable designing of the Donor-II funded project. It has also been suggested that a large flow of financial assistance may not be workable in the countries where they lack clear polices; therefore it is necessary to be more focused on policy-making because clear policy-making is a primary determinant of success of any intervention, as the study noted in the Donor-II funded project (Graham, 2002).

Pakistan has remained a major recipient of foreign aid, as a result of different geo-political circumstances in contemporary history, whether it was the Russian invasion of Afghanistan or Pakistan’s involvement in the global war on terror. However, there is a particular mismatch between the level of investment made on the development of education and the money that comes from different donors. Researchers have attributed the limited capacities of provincial and district level officials to the limited success of foreign interventions in Pakistan. One can contest the opinion of researchers regarding the limited capacities of district-level competencies; their preoccupation with their official responsibilities could be another reason for their limited contribution towards the success of these foreign interventions. Therefore, one of the important lessons drawn from this study is that only making the district officials responsible for the implementation of any intervention may not be a successful model; instead, working together as equal partners might ensure the success of foreign interventions, as this study noted. Unlike Donor-I, which was totally dependent on local administration for the implementation of its project, Donor-II entertained the local directorate of education as an equal partner, thereby maintaining a close liaison for the execution of the new teachers’ development program. One can assume that this model can serve two purposes; on one hand, it can empower the local institutions, and on the other hand, working together can provide opportunities to local institutions to enhance their capacities and skills.

Proper monitoring and follow up mechanisms greatly determine the success and productivity of any foreign intervention. It has been reported that limited capacities of implementing agencies, as well as an absence of a proper monitoring system, creates opportunities for corrupt practices (Chapman, 2002). As the study noted in the Donor-I funded project, both the trainers and the trainees were less serious and less committed regarding their responsibilities. Irregularities in the maintenance of proper records of the trainees’ daily attendance, and the project director’s indifferent behavior regarding some of the processes of training are some of the implications regarding the absence of a proper monitoring and evaluation mechanism. Therefore, the aforementioned circumstances neutralized the productivity of the project. Although proper monitoring of their projects remained a challenging task for the donors in conflicting zones like Pakistan, there still are donors who ensured the productivity of their interventions through the involvement of a third party in the monitoring processes (Harmer, Stoddard, & Didomenico, 2011). The same pattern was also noticed in this study where monitoring and evolution through the involvement of a third party was an integral component of the Donor-II funded project. The monitoring processes cover such areas as timely provision of instructional resources, training workshops, observations of teaching practices by instructors as well as prospective teachers, reviews of portfolios developed by students, etc.

One can argue that the said project was not a complete success, keeping in view the problems faced by the students regarding employment opportunities with an ADE degree. There is no doubt that Donor-II fulfilled their responsibilities, by successfully laying the foundation of a new teachers’ development program through the provision of all the required resources, and led the HEC and government of Pakistan to endorse the new program. The onus is now on government of Pakistan to address the issues of employment of ADE graduates and develop uniform policies regarding the entry requirements for the teaching profession in Pakistan, not only at the provincial levels, but also the different educational systems of Pakistan that presently follow different hiring policies for teachers. As the instructors and principals of two colleges of education asserted, the success and the continuation of the new program is contingent upon the introduction of structural reforms.

For the success of any foreign intervention, the role of both the donor agency and the recipient country is equally crucial, as the study noted, the absence of any entity could neutralize the productivity of the projects. One of the advantages of working together is that it creates opportunities for both parties to learn from each other. Since the capacities of implementing agencies of developing countries are still an area of concern, it is essential to explore new models through the involvement of non-state actors and entities. Since developing countries like Pakistan
always need the support of foreign donors for the development of its various sectors, a separate cell equipped with the required skills can be established to oversee and execute the foreign funded projects.

Reference
Capital Investment Decision Making Through Risk Management Methods among Listed Business Firms on Pakistan Stock Exchange

Mirza Nasir Jahan Mehd, Anjum Ihsan, Nadeem Talib

1 PhD (Finance) student, NUML, Islamabad; Faculty member SZABIST, Islamabad campus, Pakistan, mirzanasir_mehdi.21085@yahoo.com
2 Assistant Professor, Faculty of Management Sciences, Islamia College University, Peshawar, Pakistan
3 Associate Professor, Faculty of Management Sciences, NUML, Islamabad, Pakistan

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ABSTRACT
Capital Investment projects are evaluated and appraised by the corporate managers of business firms listed on PSX through different pragmatic methods, tools and techniques. The complexity of the application of all the methods simultaneously including traditional financial methods, strategic pragmatic methods and risk management methods, urge the corporate managers to apply at least one of the pragmatic methods so that projects’ capital investment decision making criterion or criteria may be reached at to measure the appropriate capital investment decision making. Keeping all this in view, this paper aims to study the risk management techniques rather than studying and measuring all the traditional methods. This paper examines the effect of financial and non-financial factors on risk management methods which are supported by different theories and empirical background with proper references and citations. The responses of the corporate managers of 250 listed business firms on PSX through regression analysis show that almost 80% of the factors have a direct relationship with Risk Management Methods. The maximum significant results of the study point out that the capital investment projects are also evaluated by the corporate managers through risk management methods but the application of the financial and strategic methods cannot be ignored. As many of the project financial experts apply the risk management methods simultaneously with the collaboration of other methods as well. The results also show that effect of firm size as a moderator is also partial significant.

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Corresponding author’s email address: mirzanasir_mehdi.21085@yahoo.com
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1. Introduction
Business firms all over the world are confronted with many quantitative and perception based financial decisions regarding capital investment decision making criteria. Capital investment decision making means the investment decisions by the corporate managers regarding the new projects or business, expansion of the existing projects, and the replacement of the existing business or infrastructure for the long term survival of the business firms. The
literature depicts that Capital Investment Decision Making (CIDM) Criteria include the Risk Management Methods (RMM), Conventional Appraisal Methods (CAM), and the Strategic Appraisal Methods (SAM). Jenson (2001) studied the capital investment decision making process and identified that corporate planning managers must have a criterion or criteria for evaluating the performance and decisions to make alternative courses of action. Capital projects are not free from the risk of the underlying factors. Therefore, the empirical literature discusses the risk management dimensions of the capital investment decision making process. Akalu (2001) identified in the light of survey responses that risk focuses on the uncertain set of circumstances that affects the performance of a strategic project while making capital Investment decision making. Akalu (2001) is also of the view that the practice of handling project risk varies from firm to firm as it does from project to project. In the empirical literature Beta Analysis, Sensitivity Analysis, Adjusted Discount Rate, Quantitative Risk Analysis, Probability Analysis are the frequently applied risk management dimensions for the capital investment decision making (Fadi and Northcott, 2006; Afonso and Cunha, 2009). There has been criticism on the use of discounted cash flow techniques like NPV and IRR for evaluating investments in manufacturing and services facilities (Gerwin, 1982; Hayes and Wheelwright, 1984). Reimer & Nieto (1995) identified the different capital budgeting tools for the evaluation of projects in business firms. Lefley (1998) documented that ARR also has the practical weaknesses like the PBP and ignores the time and patterns of the profits of projects. Hodder (2001) also determines that NPV and IRR are biased against long term projects and have inability to evaluate strategic investments with future growth opportunities (Gerwin, 1982; Gold, 1983).

This capital investment study is aimed to analyze the key role of Internal and external Factors on Capital Investment Decision Making Criteria of the firms with reference to perception and beliefs of corporate managers. Keeping in view the firm’s value, parameters of risk analysis are examined to reach at appropriate Capital Investment Decision Making Criteria to facilitate the practitioners with the help of financial and non-financial determinants together with the inclusion of the moderator factor, firm size to check the relationship of this factor (FS) with the RMM and independent determinants. There is hardly any study in Pakistan that focuses this issue of capital investment criteria in so much depth.

2. Literature Review
2.1 Risk Management Methods

Lefley (1998) conducted a study to justify the new pragmatic approach to capital investment decision making which they named Financial Appraisal Profile (FAP). There is an argument that most of the business firms for the capital projects’ investment, ignore risk altogether by adopting an un-scientific approach based on just intuition which can’t overcome the risk that is hidden in the capital investment projects (Drury and Tayles, 1996; Chadwell et al., 1996; Lefley, 1997). Fadi and Northcott (2006) estimated that managers of the 72.7% of Australian business firms apply CAPM to calculate the equity cost of capital that is based on firm’s estimated beta while only 6 % of the Malaysian business firms apply CAPM method for evaluating the risk factor inherent in the projects’ life time, whereas, in Hong Kong just 26.9 % managers of the business firms apply the CAPM model to calculate the cost of equity. g. Graham and Harvey (2001) observe that 73% of the corporate financial managers of the respondents’ investment firms are inclined mainly towards the use of CAPM (Gitman and Vandenberg, 2000; Ryan and Ryan, 2002; Lazaridis, 2004). Fadi and Northcott (2006) observe that risk analysis methods are almost the same for strategic and non-strategic projects. Lefley and Morgan (1998) show that the risk analysis measures financial sensitivity to variations and by the identifications of capital investment type project’s PBP, Fadi and Northcott (2006) also observe that risk analysis (sensitivity analysis) methods are almost the same in both kinds of the capital projects decision making. Arnold and Hatzopoulos (2000) suggest identify that popularity of sensitivity analysis is derived from its perceived simplicity and intuitive appeal. The results show that managers of 89% of firms, apply this method for projects’ investment decision making. Lefley and Morgan (1998) argue that identification of the risk can be achieved through the analysis of the chances of success / failure embedded to capital projects. Fadi and Northcott (2006) found that Probability Analysis is widely applied tool for the assessment for decision making of capital investment. The results of their study are consistent with the study of Abdel-Kader and Dugdale (1998) and show that 77 % of the business firms apply probability analysis for both kinds of capital projects’ investment decision making. Lefley and Morgan (1998) stress on Risk analysis for the continuation of capital investment projects. They argue that identification of the risk which is embedded to the investment projects and projects appraisal, can be achieved by the analysis of financial data related to the capital projects. They view that through the computer simulation analysis different values can be simulated and risk of the capital investment type projects is adjusted accordingly. Hussain and Shafique (2013) observe that Discounted Payback Period (DPBP) is the simplest and widely used method in the industry as it considers the required time to recover the original investment

(Suzette Vivers and Howard Cophen, 2011). But unlike the simple PBP it calculates the Recovery time period by discounting the cashflows with some pre-set cost of capital (Peterson and Fabozzi, 2002). Al-Ajmi et al., (2011) surveyed the 34 business firms in the Gulf Cooperation Council (GCC) and observed that project managers are inclined towards capital evaluation methods with the inclusion of non DCF methods like PBP, DPBP and ARR.

2.2 The Linkage of Exogenous Factors with Capital Investment Criteria
Corporate Governance is the mechanism of the management inclined towards shareholders’ interests, for the long term benefits of the firms (Gul et al., 2013; Kotha and Swamidass, 2000; Jensen, 1986) which may enhance the capital investment opportunities for the companies in the future. Afonso and Cunha (2009) identified the link of corporate strategy with capital investment decision making methods based on risk management methods (Pike, 1996; Brealey and Meyer, 2012; Verbeeton, 2006). Manufacturing flexibility is also concerned with the production of goods outside the factories’ premises (Afonso and Cunha, 2009; Snell and Dean, 1991, 1996; Gerwin, 1993; Parthasarthy and Sethi, 1993; Snell and Dean, 1992). Fadi and Northcott (2006) found that the flexibility in manufacturing process has direct relationship with capital investment decision making criteria (Butler et al., 1991; Slagmulder et al., 1995; Slagmulder, 1997; Cooper and Slagmulder, 1997). Two Factor Theory (Herzberg, 1967; House and Wigdor, 1967) also describes that by increasing the motivation level of the workforce the efficiency of the capital investment projects at job level can be enhanced (Deshields, 2005). The Contingency Theory (1915) states that the efficient managers who are involved into the capital investment projects, take decisions on the basis of current situation and also apply the intuitional skills to increase the efficiency of the investment projects. Marimuthu et al., (2009) found that workforce is the human capital that enhances the efficiency of the organization through sales and employment level (Bruggen et al., 2009; Eckel and Grossman, 2008). Environmental uncertainty is the distortion in the political and economic environment that affects the effective capital investment decision making (Afonso and Cunha, 2009; Fadi and Northcott, 2006; Caves and Porter, 1980). Miller’s General Environmental Uncertainties Theory describes the five major environmental uncertainties which impede the capital investment decision making which include the, Political Uncertainty, Government Policy Uncertainty, Macroeconomic uncertainty, Social Uncertainty, and natural uncertainty. Davilla and Foster (2005) identified that uncertainty has the direct relationship with the conventional and strategic methods while found that environmental uncertainty has the negative relationship with risk management methods (e.g. Davilla and Foster, 2005; Ryan and Ryan, 2002). The Diffusion of Innovation Theory or the Multi-step flow theory (Rogers, 1995) also strengthens the linkage between different stakeholders of the capital investment projects through communication with the help of innovative technological instruments like computerized networking stations. Afonso and Cunha (2009) highlighted that modern technology has effect on Risk Management Methods due to its risk alleviation quality (Copeland and Howe, 2002; Ryan and Ryan, 2002; Graham and Harvey, 2001; Black, F., Scholes, M., 1973). Venture Capital also affects the investment decision making process (Bottazzi et al., 2008; Davila and Foster, 2007). Stuart and Sorensen (2007) observed the effect of venture capital on RMM. Amit et al., (1998) also found that venture capital financing is generally considered by both academicians and practitioners as the most suitable financing mode in the earlier stages of capital projects’ life (Tyebjee and Bruno, 1984, 1984; Jain and Kini, 1995; Hellmann and Puri, 2002).

2.3 Exploring Capital Investment Criteria based on Risk: Key Research Questions
The major key task of this research oriented study is to explore the key questions on the basis of the problem statement of the study. The problem here is to identify the appropriate capital investment criterion based on the internal and external factors.

How do the internal factors affect the capital investment criteria of firms listed on PSX?
To what extent external factors affect the capital investment criteria of firms listed on PSX?
How does firm size as a moderator, affect the relationship between all factors and Capital Investment Decision Making Criteria
2.4 Exploring the Risk Management based Theoretical Framework

Figure 1: Theoretical Framework for Capital Investment Decision Making Criterion Based On Risk-Management

The following hypothesis are developed based on the above stated theoretical framework

H1: Corporate Governance and Strategy has the significant effect on RMM.

H2: Manufacturing Flexibility is the significant predictor of RMM.

H3: Workforce Efficiency has the significant effect on RMM.

H4: Environmental Uncertainty is the significant predictor of RMM.

H5: Innovative Technology Adoption has the significant effect on RMM.

H6: Venture Capital is the significant predictor of RMM.

H7: Firm size has significant effect on the relationship between RMM and all determinants.

3. Research Methodology
3.1 Target Population and Sampling
The population of this perception based study consists of the corporate level managers of companies listed on PSX (Pakistan Stock Exchange) covering 35 sectors. These 35 sectors consist of 584 registered companies on PSX. Therefore, the target population is the 584 companies listed on PSX. It is the general phenomena that Capital Investment Decision Making is not driven by any single executive, rather the corporate managers at different levels are concentrated jointly in a meeting towards the Capital Investment Decision Making. Therefore, in this current perception based study we included at least four executives from each company who are actively involved in the Capital Investment Decision Making Criteria (Fadi and Northcott, 2006, Afonso and Cunha, 2009; Gul et al.,
2013). Therefore, the actual sample size is the 1000 (i.e. 250*4) corporate managers at different levels from 250 selected sample companies

3.2 Data collection Methods and Analysis

In this managerial level study, the research evidence have been collected from the perceptions and verdicts of corporate managers of 250 sample companies listed on PSX, by using two methods (Fadi and Northcott, 2006; Afonso and Cunha, 2009); 1. A mailed (electronic version); 2. Self-administered questionnaire. This questionnaire was in English and a covering letter was also attached to each of the questionnaire, which served as an introduction to the purpose of this perception based study. After data collection, it was tabulated in Excel sheets for statistical analysis. Multiple Regression Analysis (Multi-Variant Analysis) has been run to observe the effect of external and internal determinants on capital investment criteria. Through SPSS, all the descriptive values are estimated so that all the values should be reviewed. The moderation effect of the firm size with the independent factor and RMM was also found.

3.3 Econometric Equations of Regression Model

\[ Y_i = \text{CIDC RMM} = \beta_0 + \beta_1 (\text{CGS}) + \beta_2 (\text{MF}) + \beta_3 (\text{WE}) + \beta_4 (\text{EUC}) + \beta_5 (\text{ITA}) + \beta_6 (\text{VC}) + \epsilon_i \] ------ 7.

Where, CIDCRMM is the capital investment decision making criterion based on Risk Management Methods (RMM) of Model-1. Whereas, \(\beta_0\) and \(\beta_1-----\beta_6\), are the coefficients of the regression lines shown above, \(\epsilon_i\) is the error term or residual of the regression equations. To check the moderation effect of the firm’s size with the independent factors and CIDM criteria, the following equations has been built up.

\[ Y_i = \text{CIDC RMM} = \beta_0 + \beta_1 (Z- \text{CGS}) + \beta_2 (Z- \text{MF}) + \beta_3 (Z- \text{WE}) + \epsilon_i \] -------------------- 1A.

\[ Y_i = \text{CIDC RMM} = \beta_0 + \beta_1 (Z- \text{EUC}) + \beta_2 (Z- \text{ITA}) + \epsilon_i \] ------------------ 2A.

\[ Y_i = \text{CIDC RMM} = \beta_0 + \beta_1 (Z- \text{VC}) + \beta_2 (Z- \text{FS}) + \epsilon_i \] ------------------ 3A.

4. Survey Results

4.1 Descriptive Statistics

In the table-1, the Mean- Statistics of all the variable are greater than three. This leads to the assumption that all these variables have good effect on RMM. It is also evident from the above shown table, that the values of the St. Deviations statistics of all the predictors are also low and are less than the + ( ), 0.60, that is good sign of these variables into the Model.

Table 1: Descriptive Statistics for Risk Management Model

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum Statistics</th>
<th>Maximum Statistics</th>
<th>Mean Statistics</th>
<th>St. Error</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGS</td>
<td>800</td>
<td>2.50</td>
<td>5.00</td>
<td>3.8504</td>
<td>.01767</td>
<td>.49989</td>
</tr>
<tr>
<td>MF</td>
<td>800</td>
<td>2.20</td>
<td>5.00</td>
<td>3.7974</td>
<td>.01988</td>
<td>.56227</td>
</tr>
<tr>
<td>WE</td>
<td>800</td>
<td>2.20</td>
<td>5.00</td>
<td>3.8245</td>
<td>.01935</td>
<td>.54733</td>
</tr>
<tr>
<td>EUC</td>
<td>800</td>
<td>2.20</td>
<td>5.00</td>
<td>3.8501</td>
<td>.01947</td>
<td>.55064</td>
</tr>
<tr>
<td>ITA</td>
<td>800</td>
<td>2.20</td>
<td>5.00</td>
<td>3.8710</td>
<td>.02062</td>
<td>.58336</td>
</tr>
<tr>
<td>VC</td>
<td>800</td>
<td>2.20</td>
<td>5.00</td>
<td>3.8503</td>
<td>.02092</td>
<td>.59181</td>
</tr>
<tr>
<td>RMM</td>
<td>800</td>
<td>2.20</td>
<td>5.00</td>
<td>3.7801</td>
<td>.02006</td>
<td>.56745</td>
</tr>
</tbody>
</table>
Table 2: Correlation Coefficients for Risk Management Model (Internal Factors)

<table>
<thead>
<tr>
<th></th>
<th>CGS</th>
<th>MF</th>
<th>WE</th>
<th>RMM</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGS</td>
<td>Pearson Correlation 1</td>
<td>.435**</td>
<td>.541**</td>
<td>.322**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2 - tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>MF</td>
<td>Pearson Correlation .435**</td>
<td>1</td>
<td>.507**</td>
<td>.288**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2 - tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>WE</td>
<td>Pearson Correlation .541**</td>
<td>.507**</td>
<td>1</td>
<td>.348**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2 - tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>RMM</td>
<td>Pearson Correlation .322**</td>
<td>.288**</td>
<td>.348**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2 - tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

Table 3: Correlation Coefficients for Risk Management Model (External Factors)

<table>
<thead>
<tr>
<th></th>
<th>EUC</th>
<th>ITA</th>
<th>VC</th>
<th>RMM</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUC</td>
<td>Pearson Correlation 1</td>
<td>.546**</td>
<td>.542**</td>
<td>.318**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2 - tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>ITA</td>
<td>Pearson Correlation .546**</td>
<td>1</td>
<td>.570**</td>
<td>.380**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2 - tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>VC</td>
<td>Pearson Correlation .542**</td>
<td>.570**</td>
<td>1</td>
<td>.319**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2 - tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>RMM</td>
<td>Pearson Correlation .318**</td>
<td>.380**</td>
<td>.319**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2 - tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

In Table 2, the Pearson’s correlation coefficients’ statistics for all the three internal variables and RMM show that these are positively correlated with RMM and are statistically significant at 0.01 significant level. In the Table-3, the correlation coefficients’ statistics for all the three external variables of and RMM have been stated show that these are positively correlated with RMM and are statistically significant at 0.01 significant level.

4.2 Multi-Variant Analysis and Results

In Table 4, the values of R, R2, and Adjusted R2 of all the predictors of the model including CGS, MF, WE, EUC, ITA, and VC, have been stated. The value of R2 shows that the 12.8 % variation in the overall risk management methods is owing to all of the six predictor variables in combined The Adjusted R2 is 0.27. The F-Statistic in Table-4, is 30.666 and is significant at 0.01 level of significance and shows the overall fitness of the model at appropriate level. The Table-5 shows the regression coefficients for all of the predictor variables and RMM. The t-value for CGS (1.278) is significant at 5% level of significance. The significant t-value supports the first hypothesis of study. The t-value for MF (1.924) is also significant and supports the second hypothesis. The t-value for WE (-1.087) and is insignificant at 5% significant level and rejects the third hypothesis of study. The t-value for EUC (-0.144) is insignificant at 5% level and rejects the fourth. The t-value for ITA (3.215) is significant at 5% level of significance and supports the fifth hypothesis. The t-values for VC (2.025) is also significant at 5% significant level and supports the sixth hypothesis of study. The all this discussion concludes that overall RMM is a good model and is best fitted.

Table 4: Model Summary for All Predictors (Multiple) and Risk Management Model

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R2</th>
<th>F-Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.529a</td>
<td>.280</td>
<td>.271</td>
<td>30.666</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), CGS, MF, WE, EUC, ITA, VC; b. Dependent Variable: RMM
In Table 6, model summary of regression results with moderation effect of firm size with RMM and independent factors has been stated. The results of the table-6 show that when the interaction term CGS_FS, is explained by RMM, R-square value becomes 27.00 % which shows that when moderator FS is introduced in the model, R2 is increased by 14.2 % resulting into R2 change of 0.142, but the F-value is decreased to 97.969 which was 116.704 before the entrance of moderator, FS showing that variance is increased, but overall fitness of the model is decreased. Similarly, when interaction term WE_FS, is regressed on RMM, the R2 is increased by 15.20 % resulting into R2 change of 0.1520, but the F-value is decreased to 98.058 showing that variance is increased but overall fitness of the model is decreased. In the same manner, the depiction of interaction term EUC_FS by RMM, the explanation of ITA_FS by RMM, and the depiction of interaction term VC_FS on RMM, due to which the respective changes in the R2 and F-stats are given in table-6. The presence of moderator, FS shows that it has partial effect on the fitness of model.

It is observed from the table 7 that t-values for interaction terms, CGS_FS, MF_FS, ITA_FS, and VC_FS are insignificant, all which show no moderation effect of Firm Size with CGS, MF, and VC in the RMM model. But, on the other hand, the t-values for interaction terms, WE_FS, and EUC_FS are significant, showing that Firm Size play a good role as a moderator in W-E and EUC models with RMM. But, overall Firm Size has weak moderation in RMM model. The multicollinearity statistics, VIF and Tolerance level have also been tabulated in the table-7.

Table 5: Coefficients for All Predictors (Multiple) and Risk Management Model

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t-stat</th>
<th>sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.963</td>
<td>.179</td>
<td>.052</td>
<td>5.367</td>
<td>.000</td>
</tr>
<tr>
<td>CGS</td>
<td>.059</td>
<td>.046</td>
<td>.073</td>
<td>1.924</td>
<td>.045</td>
</tr>
<tr>
<td>MF</td>
<td>.074</td>
<td>.038</td>
<td>-.047</td>
<td>-1.087</td>
<td>.277</td>
</tr>
<tr>
<td>WE</td>
<td>-.049</td>
<td>.045</td>
<td>-.006</td>
<td>-1.144</td>
<td>.885</td>
</tr>
<tr>
<td>EUC</td>
<td>-.007</td>
<td>.046</td>
<td>.143</td>
<td>3.215</td>
<td>.001</td>
</tr>
<tr>
<td>ITA</td>
<td>.139</td>
<td>.043</td>
<td>.085</td>
<td>2.025</td>
<td>.043</td>
</tr>
<tr>
<td>VC</td>
<td>.082</td>
<td>.040</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Risk Management Methods

Table 6: Model Summary for All Predictors Regression Results with FS as a Moderator

<table>
<thead>
<tr>
<th></th>
<th>Before Moderation</th>
<th>After Moderation</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>R2- Value</td>
<td>F- Value</td>
<td>R2- Value</td>
<td>F- Value</td>
</tr>
<tr>
<td>.128</td>
<td>116.704</td>
<td>.270 a</td>
<td>97.969 a</td>
</tr>
<tr>
<td>.111</td>
<td>99.184</td>
<td>.278 b</td>
<td>101.924 b</td>
</tr>
<tr>
<td>.118</td>
<td>106.367</td>
<td>.270 c</td>
<td>98.058 c</td>
</tr>
<tr>
<td>.122</td>
<td>110.783</td>
<td>.281 d</td>
<td>103.785 d</td>
</tr>
<tr>
<td>.179</td>
<td>174.145</td>
<td>.320 e</td>
<td>124.660 e</td>
</tr>
<tr>
<td>.137</td>
<td>126.872</td>
<td>.300 f</td>
<td>113.863 f</td>
</tr>
</tbody>
</table>

Table 7: Coefficients for Z-Values of all Predictors, Moderator-FS & Interaction for RMM-Model

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t-stat</th>
<th>sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.778</td>
<td>.018</td>
<td>.015</td>
<td>213.74</td>
<td>.000</td>
</tr>
<tr>
<td>CGS_FS</td>
<td>.008</td>
<td>.016</td>
<td>.015</td>
<td>213.74</td>
<td>.000</td>
</tr>
<tr>
<td>MF_FS</td>
<td>-.012</td>
<td>.018</td>
<td>-.021</td>
<td>-6.899</td>
<td>.491</td>
</tr>
<tr>
<td>WE_FS</td>
<td>.045</td>
<td>.017</td>
<td>.081</td>
<td>2.653</td>
<td>.008</td>
</tr>
<tr>
<td>EUC_FS</td>
<td>.043</td>
<td>.016</td>
<td>.081</td>
<td>2.697</td>
<td>.007</td>
</tr>
</tbody>
</table>
5. Discussion and Analysis
According to Gul et al (2013) & Kotha and Swamidass (2000), CGS has direct linkage with Risk Management Methods (RMM). The results and findings of this capital investment study also support the convictions of the above mentioned authors. The results of multiple linear regressions are almost significant, t-stat is significant, and F-value is good showing that CGS is the good predictor of RMM as shown in tables-5 of section-4. These results and findings support the studies of Afonso and Cunha (2009), Brealey and Meyer (1998), Ryan and Ryan (2002), Graham and Harvey (2002). In case of inclusion of moderator factor, Firm size into CGS and RMM-model, the F-value retains at appropriate level, but t-stat is insignificant showing that standardized Beta coefficient is low as shown in table-7 of section-4. The significant results of this study show that Manufacturing Flexibility has the direct linkage with Risk Management Methods (Pike and Ho, 1991, Ho and Pike, 1991; and Arnold and Hatzopoulos, 2000). The mean value of MF and SD are satisfactory as shown in table-1. The MF, also has the significant relationship with RMM, as shown in table-2. These results and findings support the studies (Li et al., 2013; Fadi and Northcott, 2006; Arnold and Hatzopoulos, 2000). The results of multiple linear regressions are accepted; t-stat is significant, and F-value is good enough depicting that MF is the good predictor of RMM as shown in tables 4 and 5. These results and findings support the studies (Afonso and Cunha, 2009; Fadi and Northcott, 2006; Snell and Dean, 1992; Gerwin, 1993). In case of inclusion of Firm size into the model, F-value retains at appropriate level as shown in table-6, also t-stat is significant shown in table-7. These results support the studies (Fadi and Northcott, 2006; Graham & Harvey, 2001; and Sangster, 1993; and Hodder and Riggs, 1985). The WE, also has the good expected significant relationship with RMM, as shown in table-2. The results of multiple linear regression are significant, t-stat is significant, and F-value is good showing that WE is good predictor of RMM as shown in table-5. These results and findings support the studies of Lin and Wang (2005), Boxall (2003), and Ryan and Ryan (2002). The results of multiple linear regression analysis show that W-E has the insignificant results with RMM as shown in table-5, which contradicts the results of Ryan and Ryan (1986), Graham and Harvey (2001), Forrester (2000), Sauders and Lewis (2004). When the moderator, FS is introduced into the WE and RMM, the F-value becomes low as shown in table-6, but t-stat is significant shown in table-7 which shows good moderation effect of firm size. These results partially support the studies (see Fadi and Northcott, 2006; Akalu, 2003; Graham & Harvey, 2001). The results and findings of multiple linear regression show that EUC has insignificant results with RMM as shown in table-5, which shows that t-stat is negative but F-stats is significant as shown in table-4. In the case of moderation, Firm size into the EUC and RMM model, results of the F-value is significant as shown in table-6, and the t-stats for interaction term, EUC_FS is significant, as shown in tables-7, which all depicts that firm size plays a pivot role to strengthen the relationship between EUC and RMM. The results of multiple linear regressions for ITA are accepted; t-stats are significant, and F-values are also acceptable all which is shown in table-4 and 5. These results and findings support the findings of above mentioned studies. The VC also has significant positive relationship with RMM, as shown in table-3. These results and findings support the studies (Sorensen, 2007; Fadi and Northcott, 2006; Amit et al., 1995; Jain and Kini, 1995). The results of multiple linear regressions are significant and accepted; t-stat is significant, and F-value is also statistically significant as shown in tables-4 and 5. These results and findings support the studies (Croce et al., 2013; Arsaln et al., 2013; Afonso and Cunha, 2009; Lindsey, 2008, Holmes, 1998). In the case of inclusion of moderator, Firm size into the VC and RMM-model, F-value is statistically at good level as shown in table-6, but the t-stats for the interaction term, FS_VC is insignificant as shown in table-7, which depicts no moderation of firm size between VC and RMM.

6. Conclusion and Future Recommendations
It is concluded from the results, findings and analysis of the study as have described in section-4 and section-5, that all the predictors are statistically significant when these factors are tested separately on RMM, all which shows that these factors have the direct effect on the RMM, which is the technique to appraise the capital projects investment decision making. But it’s also concluded from the multiple regression results and findings of section-4 and section-5 that corporate governance & strategy, manufacturing flexibility, innovative technology adoption, and venture capital are significant predictors of RMM, which shows that these factors statistically affect the RMM and contribute towards the percentage changes in RMM. The results of Risk Management Model conclude that workforce efficiency and environmental uncertainty are the insignificant predictors, showing the less effect of these exogenous determinants on RMM. The results of the RMM-model also conclude that all the predictors are
positively correlated with one another and RMM, which shows the strong relationship of all these predictors and predicted variable, RMM. The results of moderation effect of Firm Size on the RMM conclude that FS has the low moderation effect between all the predictors and RMM. But, we conclude that the overall results are consistent with the past studies as was described in section 5.

In future, different criteria like Firm’s Efficiency can be taken for capital investment decision making. Furthermore, the results of this capital investment study can be compared with the results and findings of future studies by taking sample of foreign and local business firms and the further future directions can be recommended to the researchers.

References


Impact of Employees Core Self-Evaluations on Employee Engagement: Moderating Role of Organizational Culture

Tahreem Baloch, Muhammadi Sabra Nadeem, Muhammad Zia Ur Rehman

1 PhD Research Scholar, Department of Leadership and Management Studies, National Defence University, Islamabad, Pakistan, tahreem.baloch@hotmail.com
2 Assistant Professor, Faculty of Management Sciences, COMSATS, Islamabad, Pakistan
3 Assistant Professor, Department of Leadership and Management Studies, National Defence University, Islamabad, Pakistan

ARTICLE DETAILS

ABSTRACT

Core self-evaluations have predictive value for crucial work outcomes. However, less attention is given to examine the relationship between employee core self-evaluations and employee engagement. Based on trait activation theory present study propose a research framework that examines the relationship of employee core self-evaluations with employee engagement accompanied by organizational culture as a moderator. It was assumed that employees core self-evaluation traits significantly interact with their perception about the organizational culture and produce valuable work outcome like employee engagement. Confirmatory factor analysis was performed to demonstrate validity and reliability of proposed model and structural equation modeling was used to examine hypothesized model. The proposed model was supported empirically by data collected from 537 employees working in different branches of Pakistan Telecommunication Company limited (PTCL). The result indicated core self-evaluations of employees as predictor of their engagement levels, also innovative and supportive organizational culture were found to have positive moderating effect on the relationship of employee core self-evaluations with employee engagement.

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Corresponding author’s email address: tahreem.baloch@hotmail.com


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1. Introduction

In today’s competing world, employees are considered valuable assets that make significant difference when it comes to competitiveness, innovation, and ultimately business success. Influence of employee’s personality traits on workplace behavior have long been studied by Organizational scholars (Staw & Cohen-Charash, 2005) but now researchers are more interested in examining the interaction flanked by personality traits and situational factors on work place behavior (Kacmar, Collins, Harris & Judge, 2009; Green et al, 2018). Present research contributes to the interactional debate by examining the way by which core self-evaluations merge with perceptions of
organizational culture to influence engagement of employees working in Pakistan Telecommunication Company Limited. CSE has been proposed with a purpose to apprehend the impact of dispositional tendencies on employees perception about their work (Ferris et al., 2013). Deficient research on exploring key characteristics of CSE theory has escorted present research to make inquiry about Why it is indispensable for employees to have a CSE and what rationale does CSE serve? To quench the thirst, present research intends to illuminate psychological process that relates CSE theory to workplace behavior.

Though substantial literature has proven a positive relationship between CSE and job satisfaction, the present study emphasizes on a more active assessment of the job that is employee engagement. Provided that positive Core-Self Evaluations make employees focus on the constructive, stimulating, challenging and productive aspects of their work (Judge et al. 2005), it is expected that CSE links positively to employee engagement too. CSEs can influence employee engagement (Rich et al., 2010; Karatepe, 2013), but the effect of environmental factors on workplace behavior must also taken into account (Kacmar et al., 2009).

Trait activation theory (TAT) enlightens personality traits interaction with environmental dynamic (Kacmar et al. 2009; Tett & Burnett, 2003). TAT implies that although every individual has distinctive dispositional tendencies yet certain traits are only demonstrated during appropriate situations (Tett & Guterman, 2000; Kacmar et al. 2009). Trevino (1986, p. 603) identified three types of situational moderators, (namely, immediate work context, organizational culture and work characteristics). Focus of present research is on organizational culture as a situational moderator. Organizational culture that is demonstrated by good working conditions, teamwork, effective dealing with employees, provision of flexible working policies, growth opportunities, and effective leadership positively promote employee engagement (Suharti & Suliyanto, 2012; Naidoo & Martins, 2014; Brenyah and Obuobisa-Darko, 2017). Keeping in view employee’s psychology, a research framework is presented in the study that examines the function of organizational culture as a situational moderator between employee core self evaluation and engagement of employees working in Pakistan Telecommunication Limited (PTCL). Three dimensions of organizational culture, namely, innovative, supportive and bureaucratic, presented by Wallach (1983) were used as moderator connecting the relationship of employee core self evaluations and engagement of employees in PTCL. Thus, present research paper aims at developing a better understanding of the moderational path that link CSE to work outcomes.

2. Literature Review

Trait Activation Theory (TAT) has been projected to elucidate combined role of personality traits and environmental factors in predicting work behavior (Lievens, Chasteen, Day & Christiansen, 2006; Kamdar & VanDyne, 2007). TAT implies that every individual have distinctive dispositional profile however certain traits are only demonstrated during appropriate situations (Kacmar et al. 2009). It is asserted that dimensions of organizational culture are related to recognizing different reaction of core self-evaluation among employees of Pakistan Telecommunication Company Limited (PTCL). Perceptions takes vital role in enhancing the relationship of organizational culture with work related results (Cegarra-Leiva, Sánchez-Vidal & Cegarra-Navarro, 2012). How effectively employees perceive their organizational culture may also have motivational impact on the employees.

2.1 Core Self Evaluation and Employee Engagement

Though engagement is highly researched construct from the last two decades, still little research has been done so far on its antecedents (Saks 2006; Wollard & Shuck, 2011; Bailey, Madden, Alfes and Fletcher, 2017). Dearth of literature was found that examine direct influence of CSEs on employee engagement (Rich et al., 2010; Karatepe, 2013). CSEs is higher order construct and illustrated by four personality traits that are, self esteem, generalized self efficacy, internal locus of control and neuroticism. Four traits of CSE showed their independent association with engagement, for example, Organizational based self-esteem was found predictor of employee engagement (Rotich, 2016). Self-efficacy, personal resources and resilience were found positively associated with employee engagement (Del Libano, Llorens, Salanova, & Schaufeli, 2012). According to Xanthopoulou, Bakker, Demerouti, & Schaufeli, (2007), personal resources include organizational based self esteem, self efficacy and optimism has positive influence on employee engagement. Infernal and external Locus of control was found strongly associated with employee engagement (Paramanandam & Sageetha, 2015; de Laat, 2016). The fourth trait of CSE, neuroticism, was also found to be related to employee engagement (Shukla, Parul, Adhikari & Singh, 2014; Ziapour & Kianipour, 2015; Gulamali, 2017). Based on reviewed literature, present research intended to examine impact of CSE construct on engagement of employees working in PTCL, thus the following hypothesis was proposed:
**H1:** Employee core self evaluation is likely to have positive relationship with employee engagement.

### 2.2 Organizational Culture as a Moderator

Influence of personality traits on employee workplace behavior is evident from previous literature (Funder, 2006). However, now researchers are more interested in studying personality traits interactions with environment factors and the impact of this interaction on workplace behavior (Kacmar, Collins, Harris & Judge, 2009; Green et al., 2018). This paper intends to put insights into literature by examining interactions of employees core self evaluations with organizational culture to influence employee engagement. Core self evaluations (CSEs) encompasses stable personality traits that takes in subconscious and essential evaluations about individuals themselves and their abilities (Judge, 1997).

Wallach (1983) defined Organizational culture as shared acquaintance about the values, norms, philosophies and beliefs of how things work. Culture can be divided into bureaucratic, innovative and supportive categories (Wallach, 1983). A bureaucratic culture is considered as systematic and organized that place emphasis on control and power and it has properly defined authority and responsibilities. Organizations that possess bureaucratic type culture are structured, mature, have proper hierarchies and are stable. Comparing to bureaucratic culture that is power oriented, innovative culture is result oriented and is recognized by challenging environment, entrepreneurial ambitions and risk taking; however, differing from the two supportive culture is team oriented and is based on teamwork, collaboration, encouragement, harmony, and trusting environment (Wallach 1983). According to Wallach (1983) employee tends to work efficiently and effectively when the employees motivation complement organizational culture.

Moderating Role of innovative, supportive and bureaucratic organizational culture between employees CSEs and engagement is examined for the first time in present research. However, independent traits of CSEs showed positive association with organizational culture, for example, organizational culture as a predictor moderator between employees locus of control and job satisfaction. Suwarsi, and Budianti (2009), also found strong association between locus of control and organizational culture (Huizing, 2015). Emotional stability was also found positively associated with cross cultural adjustments (Peltokorpia & Froeseb, 2012, 2014). Based on the literature reviewed it was assumed that interaction between employees CSEs and organizational culture would influence employee engagement. Thus, following hypotheses were suggested,

**H2:** Innovative organizational culture is likely to have a moderating impact on a relationship between employee core self evaluations (CSEs) and employee engagement such that CSEs–employee engagement relationship will be positive and stronger.

**H3:** Supportive organizational culture will moderate relationship between employee core self evaluations (CSEs) and employee engagement such that CSEs–employee engagement connection will be stronger and positive.

**H4:** Bureaucratic organizational culture will moderate relationship between employee core self evaluations (CSEs) and employee engagement such that CSEs–employee engagement relationship will be negative and weaker.
Figure 1: Model of the Study

3. Methodology
3.1 Participants and Procedure
Simple random sampling was used to collect data from the employees of PTCL working across the country. Data was collected from employees of PTCL working in different branches across the country. A total of 630 questionnaires were distributed among PTCL employees, of whom 564 questionnaires were returned, therefore the effective response rate was 89.52%. Out of the 564 received questionnaires, 27 were either incomplete or unreliable responses. Thus, the usable response rate was 85.23% that were further analyzed using SPSS 20. And AMOS 20. The useable respondents profile and their characteristics are presented in Table 1 below.

Table 1: Respondents Demographic Profile (N=537)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Sample</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>285</td>
<td>53.1</td>
</tr>
<tr>
<td>Female</td>
<td>252</td>
<td>46.9</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;25</td>
<td>12</td>
<td>2.2</td>
</tr>
<tr>
<td>25-30</td>
<td>144</td>
<td>26.8</td>
</tr>
<tr>
<td>31-35</td>
<td>148</td>
<td>27.6</td>
</tr>
<tr>
<td>36-40</td>
<td>92</td>
<td>17.1</td>
</tr>
<tr>
<td>41-45</td>
<td>73</td>
<td>13.6</td>
</tr>
<tr>
<td>46-50</td>
<td>43</td>
<td>8</td>
</tr>
<tr>
<td>51-55</td>
<td>25</td>
<td>4.7</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor</td>
<td>35</td>
<td>6.5</td>
</tr>
<tr>
<td>Masters</td>
<td>502</td>
<td>93.5</td>
</tr>
<tr>
<td>Experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5 years</td>
<td>71</td>
<td>13.2</td>
</tr>
<tr>
<td>6-10 years</td>
<td>251</td>
<td>44.9</td>
</tr>
<tr>
<td>11-15 years</td>
<td>156</td>
<td>29.1</td>
</tr>
<tr>
<td>&gt;15 years</td>
<td>69</td>
<td>12.8</td>
</tr>
</tbody>
</table>
3.2 Measuring Instruments
Different variables in the study were measured using scales that have been developed before, however confirmatory factor analysis (CFA) was performed to confirm the validity and reliability of the scales.

3.3 Employee Engagement Scale
Employee engagement was assessed with the Utrecht Work Engagement Scale (UWES; Schaufeli et al., 2002). The items of the UWES were grouped into three subscales of vigor, dedication and absorption. Totally 15 items were included in the scale of employee engagement, among them five items were for measured the vigor, five items were used to measure dedication and five items were used to measure absorption. Five point likert scale (ranging from strongly disagree to strongly agree) was used to assesses items of employee engagement.

3.4 Core Self Evaluation Scale
To measure Core Self-Evaluations of employees, Core Self-Evaluations Scale (CSES) developed by Judge, Erez, Bono& Thoresen, (2003) was used. According to Judge et al. (1997), core self-evaluations is a broad and higher-order trait that is specified by four well-established traits in the personality literature, namely, self-esteem, generalized self-efficacy, neuroticism, and locus of control. Core self-evaluations are a basic, assessment of one’s worthiness, usefulness, effectiveness and competence as a person. The CSES contain 12 items, and uses a five-point Likert scale to attain responses.

3.5 Organizational Culture Scale
To measure organizational culture an instrument developed by Wallach’s (1983) called the Organizational Culture Index was used in the study. Wallach’s (1983) has devised the OCI into three dimension of organizational culture; these are bureaucratic organizational culture, innovative organizational culture and supportive organizational culture. OCI is a 24 item instrument, where each dimensions of organizational culture was assigned eight items. Five point likert scale (ranging from strongly disagree to strongly agree) was used to assesses items of each dimension of organizational culture.

3.6 Results
3.6.1 Measurement Model
Using AMOS 20. Software the validity and reliability of instrument was tested first. CFA was performed to examine the validity and reliability of the measuring instrument. Convergent validity of the instrument was assessed using each item factor loading of at least 0.60, average variance extracted (AVE) for a construct greater than 0.50 and composite constructs reliability greater than 0.70 (Hair et al. 2012). Table 2 presents the indices of the convergent validities.

<table>
<thead>
<tr>
<th>Items</th>
<th>Factor Loadings</th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>Items</th>
<th>Factor Loadings</th>
<th>AVE</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEV1</td>
<td>.86</td>
<td>.72</td>
<td>.97</td>
<td>OC11</td>
<td>.85</td>
<td>.76</td>
<td>.95</td>
</tr>
<tr>
<td>EEV2</td>
<td>.91</td>
<td></td>
<td></td>
<td>OC2I</td>
<td>.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEV3</td>
<td>.87</td>
<td></td>
<td></td>
<td>OC3I</td>
<td>.87</td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
<td>OC4I</td>
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<td></td>
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<td>EEV5</td>
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<td></td>
<td>OC5I</td>
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<td></td>
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<tr>
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<td>.90</td>
<td></td>
<td></td>
<td>OC6I</td>
<td>.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EED2</td>
<td>.82</td>
<td></td>
<td></td>
<td>OC7I</td>
<td>.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EED3</td>
<td>.90</td>
<td></td>
<td></td>
<td>OC8I</td>
<td>.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EED4</td>
<td>.86</td>
<td></td>
<td></td>
<td>OC1S</td>
<td>.803</td>
<td>.60</td>
<td>.92</td>
</tr>
<tr>
<td>EED5</td>
<td>.92</td>
<td></td>
<td></td>
<td>OC2S</td>
<td>.901</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEA1</td>
<td>.94</td>
<td></td>
<td></td>
<td>OC3S</td>
<td>.786</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEA2</td>
<td>.75</td>
<td></td>
<td></td>
<td>OC4S</td>
<td>.738</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEA3</td>
<td>.74</td>
<td></td>
<td></td>
<td>OC5S</td>
<td>.675</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEA4</td>
<td>.82</td>
<td></td>
<td></td>
<td>OC6S</td>
<td>.762</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEA5</td>
<td>.83</td>
<td></td>
<td></td>
<td>OC7S</td>
<td>.756</td>
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<td></td>
</tr>
<tr>
<td>CSES1</td>
<td>.80</td>
<td>.638</td>
<td>.95</td>
<td>OC8S</td>
<td>.74</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Items factor loading ranges from 0.62 to 0.94 and AVE ranges from 0.50 to 0.76. Composite reliabilities of all constructs were found to be > 0.9. AVE, s and composite reliabilities for each construct were computed from data of factor loadings by applying their specific formulas. Internal reliability of the each constructs along with number of items is presented in Table 3.

### Table 3: Internal Reliability of the Constructs

<table>
<thead>
<tr>
<th>Constructs</th>
<th>No. of Items</th>
<th>Cronbach's alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>15</td>
<td>.97</td>
</tr>
<tr>
<td>Core Self-Evaluations</td>
<td>12</td>
<td>.94</td>
</tr>
<tr>
<td>Innovative Organizational Culture</td>
<td>8</td>
<td>.96</td>
</tr>
<tr>
<td>Supportive Organizational Culture</td>
<td>8</td>
<td>.89</td>
</tr>
<tr>
<td>Bureaucratic Organizational Culture</td>
<td>8</td>
<td>.87</td>
</tr>
</tbody>
</table>

There are different Fitness Indexes that shows how the model is fitted to the data used in the study. According to Holmes-Smith (2006) and Hair et al. (2012) at least one fitness index must be used from each category of model fit. There are three model fit categories that are Absolute Fit, Incremental Fit, and Parsimonious Fit. Chi-square, GFI and RMSEA represent absolute fit measures; CFI, TLI, NFI and AGFI reflects incremental fit measure; and Normed Chi-square and Chisq/df represents parsimonious fit measures (Keramati et al., 2010). To have a goodness of model fit, the comparative fit index (CFI) and Tucker–Lewis index (TLI) should be greater than 0.90, the root mean square error (RMSEA) must be less than 0.10 and chi-square/degree of freedom ($\chi^2$/do) needs to be less than 5 (Henry and Stone 1994). The testing results from CFA showed a good fit for the measurement model with the indices of CFI = 0.91, TLI = 0.90, RMSEA = 0.06, and $\chi^2$/df (1706/1332.8= 1.28). Discriminate validity was evaluated by comparing the square root of AVE of each construct by its correlations with other constructs. Result of comparison is presented in correlation matrix in Table 4. AVE square root for each construct is greater than the correlations with other constructs as accurately put by (Fornell and Larcker 1981). Thus, the results of measurement model indicate both validity and reliability at a highly acceptable level.

### Table 4: Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.Employee_engagement</td>
<td>0.84*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.CSES</td>
<td>.661**</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.innovativeOC</td>
<td>.511**</td>
<td>.452**</td>
<td>0.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.supportiveOC</td>
<td>.501**</td>
<td>.385**</td>
<td>.382**</td>
<td>0.77</td>
<td></td>
</tr>
<tr>
<td>5.bureaucratic</td>
<td>.039</td>
<td>-.012</td>
<td>-.075</td>
<td>.156**</td>
<td>0.70</td>
</tr>
</tbody>
</table>

*Diagonal elements show the square root of the AVE.

### 3.6.2 Structural Model Fit

Structural equation modeling (SEM) with AMOS 20.0 was used to evaluate the proposed model. MLE (Maximum likelihood estimation), that is considered as most common SEM procedure was used to analyze the data. According to Hair et al. (2012) MLE required a sample size that is at least 10 times the total number of instrument items, thus
the sample size (537) of present study was adequate for the MLE to analyze data. The structural model aimed at testing the validity of the proposed model (Table 5) and also endows with a path analysis for the determination of constructs relationships, as given in Table 6.

**Figure 2: Structural Model**

![Diagram](image)

The model fit of structural model was examined first. The resulting indices showed good fit between the observed data and the hypothesized structural model with a highly acceptable values of CFI = 0.98, TLI = 0.95, NFI =.97, GFI = .99, AGFI =0.97, RMSEA =0.053and \( \chi^2/df = 2.49 (7.49/3) \) with p-value of .058. Secondly, the path coefficients for the hypothesized relationships between variables were tested and the variance explained for the endogenous variables (R²). Result of hypothesized paths proved CSES as important antecedent of employee engagement (with \( \beta=0.641^* \)). Innovative and supportive organizational culture are also regarded as moderator (with (\( \beta= 0.70^{***} \) and 0.133*) between CSEs and employee engagement that strengthen their relationship. No significant result was found for bureaucratic culture to be a moderator (\( \beta= -0.46 \)) between CSEs and employee engagement, however, negative coefficient and t-value indicates its inverse impact on the relationship. R² value = 0.46% shows the variance explained for the endogenous variable of the model. Thus, first three hypotheses are supported from the study.

**Table 5: Model fit Indices for Structural Model**

<table>
<thead>
<tr>
<th>Model Fit Indices</th>
<th>Obtained Values</th>
<th>Recommended Cut-off Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Fit Measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chi-Square</td>
<td>7.49 (p = 0.05)</td>
<td>The lower, the better</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.053</td>
<td>&lt;0.08</td>
</tr>
<tr>
<td>GFI</td>
<td>0.99</td>
<td>&gt;0.8</td>
</tr>
<tr>
<td>Incremental fit Measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGFI</td>
<td>0.97</td>
<td>&gt;0.8</td>
</tr>
<tr>
<td>CFI</td>
<td>0.98</td>
<td>&gt;0.9</td>
</tr>
<tr>
<td>TLI</td>
<td>0.95</td>
<td>&gt;0.9</td>
</tr>
<tr>
<td>NFI</td>
<td>0.97</td>
<td>&gt;0.9</td>
</tr>
<tr>
<td>Parsimonious fit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chi Square /df</td>
<td>2.49 (7.49/3)</td>
<td>&lt; 5</td>
</tr>
</tbody>
</table>
4. Discussion and Recommendations

4.1 Discussion

The model proposed in the study examines the impact of core self evaluations (CSEs) on engagement of employees working in different branches of PTCL across Pakistan. The three dimensions of organizational culture (innovative, supportive and bureaucratic) were used as a moderator, where innovative and supportive organizational culture were assumed to positively influence relationship between employees CSEs and employee engagement thus further strengthen their relationship, while Bureaucratic culture was assumed to have negative influence and weaken the relationship between the two. Findings indicate CSEs as predictor of employee engagement. As CSEs is higher order construct and constituted from four personality traits that independently had proved their impact on employee engagement. Present research showed that collectively these four traits in the form of CSEs can cause variations in the employee engagement levels in PTCL.

Table 6: Hypothesized Paths

<table>
<thead>
<tr>
<th>Structured Paths</th>
<th>Coefficients</th>
<th>t-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstandardized</td>
<td>Standardized</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>H1: CSES → EE</td>
<td>.709</td>
<td>.036</td>
<td>.64*</td>
</tr>
<tr>
<td>H2:CSES*Innovative→ EE</td>
<td>.025</td>
<td>.011</td>
<td>.07***</td>
</tr>
<tr>
<td>H3: CSES*SupportiveOC→EE</td>
<td>.032</td>
<td>.008</td>
<td>.13*</td>
</tr>
<tr>
<td>H4:CSES*BureaucraticOC→EE</td>
<td>-.016</td>
<td>.011</td>
<td>-.05</td>
</tr>
<tr>
<td>Employee Engagement → R²</td>
<td></td>
<td></td>
<td>0.46</td>
</tr>
</tbody>
</table>

*p<.0001. **p<.01. ***p<.05.

Research findings of the present study strengthen the previous notion that personality traits can influence the workplace behaviour (Schneider, 1987; Funder, 2001; Staw & Cohen-Charash, 2005). Moreover findings from the research further strengthen the previous literature that examines the relationship between employees CSEs and engagement, for example the work of (Rich et al., 2010; Karatepe, 2013).

Innovative and supportive organizational culture showed a positive moderation impact between the relationship of CSEs and employee engagement. Though the relationship between culture and engagement has already established (Homans, 1961; Saks, 2006; Robinson et al., 2004) and four personality traits of CSEs also showed positive association with organizational culture (Unal and Turgat, 2016; Becker et al. (2014; Brown, 2009; Earley, 1994; Oettingen, 1995; Klassen 2004, Gajdzik, 2005; Evans, 2014; Syahputra 2014; Suwarsi, and Budianti, 2009), yet the moderating role of three dimensions of organizational culture between CSEs and employee engagement has been tested for the first time in present study. SEM results proved the model fitness of hypothesized model through exceptionally good model fit indices.

Findings indicate that supportive and innovative cultures have positive moderation effects between the relationships of employees core self evaluation and their engagement levels. Thus, second as well as third hypotheses of the study are also supported by findings of the study. However, bureaucratic organizational culture did not show significant moderation impact, thus, fourth hypothesis of the study was not supported by findings.

Over all, present research provides empirical evidence on personality traits interaction with environment factors so as to influence the work behavior (Gerhart, 2005; Kacmar, Carlson, & Bratton, 2004; Kammrath, Mendoza-Denton, & Mischel, 2005; Kacmar, Collins, Harris & Judge, 2018). Employees core self evaluations include personality traits and is found to have influence on employee engagement (that is considered as work place behavior) through the interactional effect of innovative and supportive organizational culture.

4.2 Theoretical Implications

The findings of present study reveals employees core self-evaluations as predictor of their engagement and also perception of employees about organizational culture acts a moderator between the relationship of CSEs and employee engagement. From theoretical viewpoint findings of present study proved that “right” organizational situations that promote innovative and supportive organizational culture bring forth personality traits like CSEs that further promote workplace outcomes of employees like employee engagement. Practically results imply that
organizations can be successful by harmonizing optimistic workforce to complimentary situations (like suitable organizational culture).

4.3 Practical Implications
Findings of the study serve several practical insinuations. Firstly, the results entails that managers of the organizations are accountable to create and sustain such an organizational culture that encourage the constructive attributes in employees with elevated core self evaluations. Accordingly, when innovative and supportive organizational culture pair with high core self-evaluators it provides employees with opportunity to capitalize on their strengths. Results of present study also imply that looking for applicants with high CSE would be beneficial to organizations, provided that supportive and innovative work culture is designed by organization to trigger these qualities. However, if the managers and higher authorities are not capable to create a culture that promote innovation and appreciate supportive behavior, then hiring applicants with high core self-evaluation may not be suggested to such organizations, because in such a unsupportive environment high CSE individuals are no better than individuals with low CSE. Thus, from findings it is recommended that CSE must be taken into account while taking placement decisions. CSE might be one of the many factors to consider when making placement decisions because individuals with high CSE bloom in innovative and supportive organizational culture and leads to positive work outcomes.

Although this study attempts to put up knowledge on the relationship between CSE and employee engagement by examining moderation path accompanied by organizational culture, however results of the study must be interpreted by keeping in mind some limitations. First, it is a cross sectional study, thus, causal elucidation about specific order of the variables cannot be made. Moreover, the proposed research framework must be tested in different sector apart from telecom.

5. Conclusion
Present paper examine impact of employees core self evaluation on engagement level of employees working in Telecom sector of Pakistan. SEM was employed to empirically examine the CSE impacts on employee engagement using three dimension of organizational culture as a moderator. The research contributes to conceptual insight of the CSE as critical antecedents of employee engagement. Furthermore, the research provides the crucial insights about the role of innovative and supportive organizational culture as a moderator between CSE and employee engagement. Findings of the study serve both theoretical and practical insinuations for organizational managers and practitioners who ought to take up the accessible resources effectively and efficiently in order to participate successfully in dynamic marketplace.

6. Future Research
Further research investigating appropriateness of definite dispositional traits and their interaction with explicit job settings to influence workplace behavior, would subsists equally for practitioners and researchers. Moreover, present study included organizational culture as a moderator, even though the moderators was theoretically derived, yet further research can be done on exploring the impact of other work related moderators. Further, the model presented in the study was tested in telecom sector only; future research can be done on exploring the validity of model in different sectors.

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The Politics of Religious Extremism in Pakistan: An Analysis

1Sidra Karamat, 2Muhammad Muzaffar, 3Ali Shan Shah

1 PhD Scholar, Department of Political Science and International Relations, GC University, Faisalabad, Pakistan, sidrahkaramat@hotmail.com
2 Assistant Professor, Department of Political Science, GC Women University, Sialkot, Pakistan
3 Assistant Professor, Department of Political Science and International Relations, GC University, Faisalabad, Pakistan

ARTICLE DETAILS

ABSTRACT

In this study, the connection between Islamic values and country policies has been carefully connected to the foundations that create political legitimating and the basic nature of a country. Islam performs a crucial part in the social fabric of Pakistan and has been integrated as the guiding concept for the constitutional procedure and governmental systems of the country but at the same time produced implicit stress for their future improvements. Various government authorities have used religious beliefs for their quest for governmental authenticity and power. This has consequently brought about politicization of spiritual explanation in Pakistan demonstrated in the form of sectarian disputes, persecution of spiritual unprivileged or disempowerment of certain spiritual organizations and management. Whereas controversy about interpreting religious identity continues pervading the Pakistani community, it is observed that large parts of the Pakistani inhabitants follow pluralistic types of Islam based on heterogeneous spiritual and devotional methods. Islamic political parties should cooperate on federal or provincial levels with national and local political parties to eliminate the religious extremism in Pakistan.

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Corresponding author’s email address: sidrahkaramat@hotmail.com

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1. Introduction

Religious political parties play an important role of Pakistan’s politics. Their number has spread since earlier years of freedom. Apart from the Jamaat-e-Islami, Islamic parties and groups usually recognize with a particular religious denominational or sectarian group; there can be more than one party with the same religious sectarian identity. In addition to their common competitors, these political parties are packed from each side. On the one side, the national and ethnic/ethnic political parties develop assistance that reduces across religious-sectarian, social and local identity. Many of people choose these political parties rather than Islamic parties. On the other side, Islamic parties are under stress from fundamentalist groups that espouse assault, if required, to engage in their religious and governmental plans (Abbas, 2015).

Those with powerful religious orientations usually trim towards these. Some activists shuttle between Islamic parties’ jihadi and radical groups. All Islamic parties suggest an Islamic socio-political and financial order for
Pakistan. They talk about an Islamic order in wide conditions to show their ambitions, or talk about its features at a level of abstraction. However, they diverge when it comes to converting the subjective principle or their statements and pronouncements into a codified constitutional and judicial system, institutional preparations and procedures of a religious system required for running country in the 21st Century. They have not been able to generate a distributed lawful and constitutional document as a substitute for the current constitutional and judicial system.

Islamic parties have poor electoral status. No Islamic parties have ever been able to protect more than a few parliamentary seats in the national and provincial elections of legislative assemblies. Their efficiency is better when they develop a regional and national political alliance or when they enjoy the benefits of an army regime. If they make a political coalition of their own, their electoral efficiency enhances. Several reasons describe their hopeless electoral efficiency. Islamic parties cannot make a reputable claim that they are the only protectors of religion (Ullah, 2013). The significant parties do not disown Islam. The Pakistan Tehreek Insaf (PTI), Pakistan Muslim League (PML) and its various groups, along with the Pakistan People Party (PPP), the Muttahida Qumi Moment (MQM) and others, do not decline the recognition of the Pakistani country with Islam. Their perspective of an Islam-oriented political order diverges from that of Islamic parties. The prospect of a secular system in the Marxian sense has never been popular in Pakistan. Most regional and national parties talk about of social and religious tolerance and socio-economic rights and the prospect of equal rights.

2. Extremism in Pakistan: A Brief History
Pakistan is the Muslim majority state and also officially recognized as the Islamic republic of Pakistan. Therefore, the constitution of Pakistan gives the constitutional safeguard for all religious activities and also secures the religious rights of the minorities. The government of Pakistan cannot pass any law which violates the teachings of Islam.

Pakistan has trialed (to different degrees) with the incorporation of Islamic legal constitution in to the important of the nation-state, but in neither, country has traditional Islam applied specified impact state governance. In present environment progressively reducing world, spiritual customs are modified and dependent power politics and financial change, new electronic media, and changing social objectives. Primary spiritual beliefs and practice the religious principles will continue to modify even in the upcoming, as all living societies do. Despite being an Islamic Republic constitutionally, there was a clear distance between state policies and religious values, as well as difference between public and private Islam, at least in the powerful decades after the formation of Pakistan (Misra, 2003).

On 11th August 1947 the founding father of Pakistan Quaid-e-Azam Mohammad Ali Jinnah said in his first speech with to the Pakistan legislative assembly clearly mentioned that religious values were a personal matter of the people and defined the equal rights of religion. However, the power of spiritual groups, who put all their initiatives into announcing Pakistan an Islamic country, had been overlooked or perhaps the objectives of the federal government who would take on the reins of Pakistan, were not that apparent because in less than two decades after it, the legislative assembly shifted the objective resolution on 7th March 1949, promising a draft an Islamic Constitution. With the secession of Eastern Pakistan, the religious-political parties desired to improve the ideological foundation for Pakistan and integrated Islamic injunctions into the 1973 Constitution.

The origins of these problems of Islamic identification go back to the pre-partition era. The problem of social purreness appeared after the decrease of Islamic power, when Shah Wali Ullah and other Islamic revivalists in the sub-continent tried to protect the unique identification of the Islamic society through strict adherence to genuine Islam. The potentiality of an political alliance between ‘ulama’ and fundamentalist management was confirmed in 1953 when serious rioting split out in Lahore over the problem of whether the individuals the Ahmadi sect should formally be considered a non-Islamic religion (Abbas, 2015).

The problem was of particular significance because of the existence of Ahmadis in sensitive government positions. Later, in the nineteen fifties, the Pakistani government most structured, spiritual urban group, the Jamaat-e-Islami, and other like-minded parties started to use Islam to promote exclusionary state policies and start public group riots by politicizing the identification query, that is, “Who is a Muslim?” The Jamaat-e-Islami led an effective activity to have the small Ahmadiyya sect (which is doctrinally anathematic to the Jamaat) announced non-Muslim by situations.
The Islamic parties’ whole heartedly reinforced Zia in this venture of “moral purification” of community, which would, in their viewpoint, lead to a political group based on Islamic concepts. The Jamat-e-Islami was of crucial significance to Zia. It was the only party with a dedicated cadre of loyalists that was standing in preparedness to reverse and dull any anti-Zia frustration released by any political power (Afzal, 2018). Remarkably, the military expanded their role was also an important aspect in the Islamization procedure. They were no longer merely the defenders of the boundaries, but also defenders of Pakistan’s “ideological frontiers”. Religious knowledge and dedication became the factors for the selection of the army personnel.

3. Challenges of “Old and New Islamists”

The natural threat presented by the religious groups is that there has been an important move in their policy. Basically, there is now a difference between what can be known as “old” and “new” Islamists in Pakistan. New Islamists (Pakistani Taliban, Jihadi groups, Islamists), who were originally motivated by Maududi’s Islamic liberation theology and later designed their own understanding, are usually protagonists of governmental Islam, that is, they search for to improve country policies through Islamic ideas and Islamic ideas through country policies. They are compared with the old Islamists (traditional Islamic madaris /ulemas /Pirs /Sufis and mainly Bralevi religious parties) who were covered by the secular elites, and thus, prevented governmental conflict. Islamist organizations are centered mainly in the financially marginalized and culturally conventional regions of Pakistan (Cheema, 2008).

The new Islamists were not eager to work out such a choice. The governmental technique followed by the new Islamists in Pakistan was to try to catch civil community organizations with a perspective to gradually capture the state. The country policies of Islam experienced an important change as an outcome of Zia’s regime in 1980 to include Pakistan definitely in Afghanistan ‘Anti-Soviet jihad. As this participation became deeper, the Inter-Services Intelligence (ISI) Director took over complete control over applying country policies on this side. Initially, the ISI obtained the help Jamat-e-Islami to channel CIA-procured hands and money to Afghan warlords or as they were famously known as the Mujahideen (holy warriors). This describes the governmental power and the development and participation of the “New Islamists” in the politics of Pakistan.

Attack on religion in country politics is also due to a deficiency of the religious custom of “Ijtihad” whereby spiritual clerics provide a private presentation of the Quran with a view to apply Quranic rules to modifying conditions. In present scenarios Pakistan has several of these so-called “ulema” and Islamic elite, but the governmental power of this management does not allow the ‘real’ Islamic researchers to communicate a specified explanation of the sacred written text. Moreover, researchers who challenge to brand the eliminating of simple citizens in the name of religion as non-Muslim, face threats and severe critique from Islamic parties whose most-favored organ for public mobilization is often a call for jihad against the “infidels”. It is also to be observed that the phrase 'jihad' is being absolutely abused by Pakistani Islamic elite. It is exciting to observe that one does not find in the Qur'an the phrase 'jihad' in the feeling in which it is being famously used, that is, 'holy war'(Day & Degenhardt, 1984). The term in the Qur'an for war is 'qitaal' and not jihad. The word 'jihad' is used in its actual feeling, which is to endeavor, claim or create initiatives. Thus, jihad in the Qur'anic language means to say you or to create initiatives to enhance what is right and to ban what is wicked. A simple and overzealous effort to present the rules of a various social development into the socio-political material of a post-colonial, urbanizing, pluralistic community with a growing breakdown to main group connections, can neither actually sustain serenity nor fulfill the finishes of rights. On the other hand, it breeds assault and disregard for the rule of law and current judicial system.

4. Politico-Religious Mobilization

Pakistan did not notice an unexpected “opening up “after the failure of the USSR. It was already going through an “Islamic globalization” in the type of a brotherhood with Muslim states, particularly Saudi Arabia on one side and Iran on the other, with the United States performing as a facilitator, at least between Saudi Arabia and Pakistan. Compared with the globe, Pakistan got experience of spiritual extremism not long after its independence (Abbas, 2015). Though Pakistan had yet to observe its aggressive manifestation, the introduction of Islamic regime into the objective resolution of 1949, provided an advantage to the Mullahs in the legislative assembly. Later, in the1970s, with a moderate liberal like Zulfiqar Ali Bhutto succumbing to the requirements of Islamic parties to announce Ahmadi’s non-Muslim, the ground for spiritual extremism had been set. The Jihad against communism and Zia’s accommodation of the spiritual right, changed the community from a tolerant Islamic community to one hi-jacked by the Wahabi/ Deobandi attitude, commanded by the Taliban.
The politico-religious nationalisms have been significantly pushed by “extremist” versions. Compared with their forbearers, these versions have several identifying features in the Pakistani perspective. First, they believe the spiritual identity of most as not merely one critical facet of the state identity, but as main and overriding, and hence the monopoly of the Deobandi/Sunni declaring a very doubtful majority, obtained through coercion and worry (Smock, 2006). Second, they consider cultural or spiritual identity to be different from those of most, presumptively unfamiliar and cheating, which led to the formation of a tiered perception of citizenship. Third, extremist spiritual movements are often spread by motions that believe that public and even extremist assault are “normal” and genuine way of promoting their perspective and of maintaining spiritual and cultural unprivileged in their(subordinate) place.

The governmental viewpoint of the Sipah-e-Sahaba in the 1990s, and currently, the Tehrik-e-Taliban Pakistan (TTP) and Tehrik-e-Nifaz-e-Shariat-e-Muhammad (TNSM) is dependent on the regime of the “survival of the fittest”, with the ‘fittest’ being the supporters of their own group. Lastly, and perhaps most alarmingly, spiritual extremism encourages extreme rivalries with other countries that do not part their spiritual identity. The army dictators, after all, were not spiritual lovers (with the exemption of Zia). Actually Ayub opposed the impact of the traditional ‘ulema’ and presented many contemporary rules. Yahya Khan too refrained from invoking spiritual orthodoxy for legitimizing his regime. Beginning from Bhutto until Musharraf and Zardari government however, have been more accommodative of Islamic orthodoxy (Cheema, 2008). The Taliban trend was an all-natural result of the policies of previous regimes. And the madrasas then set up in the North Waziristan Region are rolling out a lot of ‘Taliban' every season. Though they do not become ‘ready-to-kill’ lovers instantly, they have no contact with the opposition portion of Islam either. Thus, the focus is more on growing a jihadist attitude than offering truly spiritual alignment (Murphy, 2013).

Most of these madrasas have promote the interest of religious parties as they are under the supervision and guidance of Islamic parties; very few of them are separate, and get financial aids from various resources, such as some Muslim countries, most significantly Saudi Arabia.

5. To Promote Specific Political Goals
The main causes of identity mobilization are associated with the actual features of state politics in an inadequate country and its vulnerability to the attack of external powers into its body politic. Sectarianism in Pakistan shows that the imperatives of state politics in such countries merge with the interest of worldwide powers to entrench identity cleavages in the governmental procedure. Pakistan’s struggling because of spiritual extremism is no key. In Pakistan, the problem is not simply antagonism towards other spiritual places, for example, assault against the Ahmadis or Christian believers, but even cleavages within the Islamic group. Solidified spiritual Islamic groups vary with each other on explanation which changes according to various variations and often brings to serious types of sectarian assault. Religious beliefs is politicized and used for starting violence activities by two religious sects in Pakistan, which even though somewhat inter-related, display certain variations based to their goals, areas of function, and target of assault (Abbas, 2015).

First, there are sectarian group from the Sunni and Shia variations of Islam that have been effective in militant actions which are mostly, but not specifically instructed against individuals from the other sect. This public schism on sectarian division was the immediate results the procedure of Islamization legislation in Pakistan, created by Chief executive Zia ul-Haq in 1977-88; sectarian assault was unusual before this regime. The Shias, sensation motivated after the 1979 Iranian revolution and embittered by Zia’s Islamization system, designed an organization known as the Tehrik-e-Nifaz-Fiqah-e-Jaffria (Movement for the Imposition of Shia Law) and protested against the president’s legislation. They were effective in obtaining evade clauses in the new Islamized rules for themselves and in having the Shias, normally, excused from certain elements of those rules. Not only did Chief executive Zia develop frightened about Shia power in Pakistan, but the Sunnis were also protest at the time.

They terrifying that individuals might search for transformation from Sunni sect to Shiism in order to search for exception to this rule from zakat (the yearly tax of 2.5% on the benefits of Muslims to be allocated among the poor) or from other, more firm Sunni family rules. The vigilante Sunnis therefore, designed Sipah-e-Sahaba Pakistan (Army of the Partners of the Prophet). The other set of spiritual extremists believe in a ‘grand’ plan, and the activity or system of the remains of the Afghan war. This actions describes Ted Gurr’s regime of comparative privation despite being people of an Islamic country, these groups are still not pleased and happy with the level of
Islamization of group. They evaluate their country with the “ideal” Islamic country where Sharia or Islamic rules are completely applied (Afzal, 2018).

6. Politics of Religious Extremism

Haqqani considers that progressively the political determination for an ideological countries progressed into a strategic determination for the jihadist belief, both, for local impact and for domestic reasons. For example, the Pakistani army used Islamist idioms and took the help of religious groups to keep out of power the chosen secular political leadership, reinforced by the majority Bengali-speaking population. The revolt of Bengali people and brutal violence of the Bengalis by the army followed. The role of religion in the politics of Pakistan and its militant expression increased several times over after the anti-Soviet Afghan War. The way Kashmir battle became more of an Islamic battle than territorial/apolitical argument, says a lot about the effect of religious extremism. Of crucial significance for knowing the effect of Pakistani religious extremism on the state’s condition policies is to understand the relationship between religious extremism and assault dedicated by non-state actors. In particular, religious extremism tends to motivate religious assault and terrorism and also, because of its determination and virulence, brings about “reactive” religious assault, terrorism, and even militant movements (Murphy, 2013).

Most of the literary works typically concentrates on religious extremism as a trend outside the central government, (practical execution of the religious belief, most of the things the followers of trust in country policies talk about cannot be applied in contemporary country, religious political parties lack proper skills or attitude that assures good government in contemporary nation state system, hence they use either emotional slogans, motto religious affiliation or power to make individuals accept their global view point and manage to get seats in general elections) what happens when the ideological philosophy becomes a reality and experienced power, religious extremist parties when they come to power, use assault as a semi-official tool of government and governmental self-preservation the MMA used the emotional term ‘Islam in danger’ during the general elections of 2002 in the history of the United States attack on Afghanistan in 2002 and approved the activities taken by militants and the Taliban in the Tribal areas of Pakistan against the “infidels”(Misra, 2003).

This shows that it is important to look at the effect of religious extremism on democracy. We have experienced how religious extremism has marketed majoritarian and illiberal ideas of democracy that damage the civil and political rights of religious unprivileged. In other words, it is important to understand the important government aspect that religious beliefs and its extremist version perform in Pakistan, particularly in democratic politics, how these entice government support and apply government impact beyond primary followers and be successful in forming nationwide country policies. One can claim that religious extremism undermines democracy. Surprisingly, it has seen that at least in one example in Pakistan, democracy assisted religious extremism in the form of MMA’s regime in the NWFP and Baluchistan through a genuine electoral process in 2002. It is another issue however, of how the members of the MMA carried out their election strategy asking the voters whether they wanted to choose the Quran or America.

When the Nizam-e-Adl control in Swat in the NWFP region was passed by the parliament despite modern, moderate political regime governing the federation (People’s Party) and the region (Awami National Party), is yet another example that democracy is not a remedy to all problems, even though many problems can be linked to authoritarian regime. It is true that subsequent army government authorities relied on religious parties for authenticity in Pakistan. In the initial period after freedom, Islamic parties could not perform any significant democratic role and the country tended very most secular when it had been most elitist and unprivileged (Ullah, 2013). Later, however, extended times of authoritarian rule, assisted these spread Islamist groups to claim governmental power under the supervision of the army dictatorship. Therefore, what has specifically been a traditional group of Islamic fundamentalists joined the world of mass-based political activities (for example the 1985 party-less elections) as a consequence of democratic opportunities, even if short-term and politically poor. Unfortunately, the conversion to democracy in Pakistan after extended times of army rule, brought into power, Islamic parties with a confrontational plan against the West. Finally, there is a number of far attaining government repercussions of the attack of trust in the politics of Pakistan. For example, religious extremism encourages religiously-defined ideas of national identity that politically unite and muster individuals and serve as a standard of government authenticity.

Religious extremism by its very nature is believed to operate at the edges of community rather than at the center-stage of national political life, but this leads to apolitically important and growing alliance between religious
extremism and government nationalism. Except for the comparative solitude of some tribal areas in KPK and Baluchistan, Pakistani community is confronted with the social impacts of an international urban commercial society (Abbas, 2015). According to the Khyber Pakhtoon government, the recently finalized Swat contract with the Taliban was to control the law and purchase situation. On the other hand, if the Taliban resort to assault and go beyond what is approved, Chief executive Zardari would have to reevaluate the agreement? Sufism which fascinates a lot of South Asian people to accept Islam does not believe any type of extremism in religion. Pakistani Muslims are seriously looking for magic that can help them break the pattern of foreign-funded, highly-politicized Islam that is still “foreign” to the 170 million individuals this place in the globe. The implementation of sharia was never a ritual in any portion of the country until Gen. Zia-ul-Haq enforced his questionable Hudood ordnance because of its anachronisms.

The orthodoxy of the religious political elite in Pakistan, particularly the Wahabi-Deobandi Islam, does not have its origins in the ground. This brand of Islam is doctrinaire, virulently illiberal of diversity, misogynist and passionate with jihad in contrast to the religion and religious techniques of common individuals of Pakistan which is syncretism, resistant, and devotional and combined in the mystical religion of the Indus valley and its ‘languages’. Musicand dancing are very much a portion of this folk religious custom. It is therefore, important to engage in collaboration rather than conflict, especially on negligence the policy-makers, to ensure the possibility of a happy features in which “essential elements of democracy will be communicated in the veins of new religious states.” It is important to know the difference between the religious orthodoxy that need to battle and the better ethical principles of Islam that prospered in the religious land of the Indus valley that need to be merged.

To be able to maintain the ideal of moderate and modern country, and to deal with the country policies of ancient religiosity in a post-colonial religious majority country like Pakistan a purposeful public technological innovation effort is needed (Cheema, 2008). Despite severe restrictions in understanding, examining and interpreting modernity and progressiveness, there is a huge amount of average, urban citizens within Pakistan’s civil community, who have the intelligent quality, administrative ability and experience of public activism and are the only visible public power that can battle the religious orthodoxy and perform an effective aspect in developing country.

7. Conclusion
All political parties identify the constitution of Pakistan as the basic law of Pakistan which provides theoretical as well as institutional preparations for deep relationships between the Pakistani state system and Islam. Most Islamic political parties have a religious-sectarian identity that reduces the political parties to the individuals with a strong religious-sectarian alignment. Others, who do not share the religious orientations of the parties, stay away from it. Islamic parties contest with one another on the basis of spiritual perspective, sectarian identity and character of the political leaders. Even within each sect, there is more than one political party, making electoral competition more narrowly targeted. Islamic parties have a public image problem. Not lots of individuals particularly the educated youth believe in Islamic leadership as having enough political expertise and an understanding of the characteristics of domestic and international state policies. They have a tendency to participate in the national or regional parties in a very large number. With some exclusions, many Islamic parties either sympathies with militant groups or sustain an uncertain character towards these groups. The power of Islamic political parties relies upon on having street strength faithful activists and madrassa students.

The religious parties that have connection with mosques and madrassas seem to develop more political power. Few political parties are making inroads into Government College and universities to hire adolescents to their flip. The power of Islamic political parties improved during the army regime of General Zia-ul-Haq, when he merged with the US and Middle Eastern states to build Afghan-Islamic resistance to deal with soviet soldiers in Afghanistan. It was during this period that the Jamaat-e-Islami and some other Islamic political parties that were involved in the first Afghan ‘jihad’ or experienced the benediction of the army regime, increased their position as money and weaponry ran to chosen Islamic and radical groups. Some of these political parties ongoing to keep interaction with militant groups even after the end of the first Afghan ‘jihad’ and prolonged assistance to al Qaeda and Taliban activists when they joined up with Pakistan from Afghanistan, after the US committed its air attack on Afghanistan in October 2001.

The recent use of assault by some Islamic parties with Barelvi customs has created a variety of improved demonstration and assault. However, the success of their demonstration relies upon on their ability to collect
assistance from other religious parties. Their active role in the anti-Ayub and anti-Bhutto political movements created governmental impact because they were working together with national parties. In the same way, some Islamic political parties have used power at the federal or provincial levels, in cooperation with national and local political parties, or by either becoming a member of hands with army government or experiencing their benediction. Islamic political parties can make thing tricky for any federal government because of their cadres but none can, on their own, come to the rule through democratic elections.

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Abbas, H. (2015). Pakistan's Drift into Extremism: Allah, the Army, and America’s War on Terror: Allah, the Army, and America's War on Terror. London, United Kingdom: Routledge.
# Technology and Economic Growth: Role of Financial Development in South Asian Countries

**1Imran Sharif Chaudhry, 2Samina Sabir, 3Fatima Gulzar**

1 Professor/Director, School of Economics, Bahauddin Zakariya University, Multan, Pakistan, imran@bzu.edu.pk  
2 Assistant Professor, Kashmir Institute of Economics, University of Azad Jammu and Kashmir, Pakistan  
3 Lecturer, Department of Economics, Ghazi University, Dera Ghazi Khan, Pakistan

<table>
<thead>
<tr>
<th>ARTICLE DETAILS</th>
<th>ABSTRACT</th>
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<tbody>
<tr>
<td><strong>History</strong></td>
<td>Financial development plays an instrumental role in the process of economic growth and development through mobilization of savings and creating investment opportunities. Financial development also leads to enhance the level of technology by providing finance to entrepreneurs for technological innovations which leads to economic growth. This study examines the impact of financial development and technology on economic growth of selected South Asian countries over the time span 1984-2017. Due to endogeneity problem, the empirical model used in the study is estimated by System Generalized Method of Moment (System GMM). Empirical results indicated that financial development, technology and human capital have positive and significant impact on economic growth in developing South Asian countries. To attain a sustainable economic growth, South Asian countries should put their efforts to develop their financial market that stimulates economic growth by providing finance to entrepreneurs for innovations.</td>
</tr>
<tr>
<td><strong>Keywords</strong></td>
<td>Financial Development; Technology; Economic Growth; GMM; South Asian Countries.</td>
</tr>
<tr>
<td><strong>JEL Classification:</strong></td>
<td>E44, G21, 04, C26</td>
</tr>
</tbody>
</table>

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1. **Introduction**

Sustainable growth is the main goal of developing countries (Munir and Mehmood, 2018). There are different factors that determine economic growth, of which financial development is the important one. Moreover in early 1910s, economists believe that the banking sector development causes technological innovation by identifying entrepreneurs and providing them finance to introduce innovative products to facilitate production process (Schumpeter, 1912). Indeed, financial sector pools the savings of the household and allocates these savings to investment associated with highest returns. The financial sector development would overcome the adverse selection problem prevailing in credit market (King and Levine, 1993).

Intuitively, differences in the growth rate of different countries are due differences in the quantity and quality of services provided by financial sectors (McKinnon, 1973; Shaw; 1973). Unlike the positive effect of financial sector on economic growth, it is also believed that financial sector has trivial effect on the rate of investment in physical capital, and thus has minor impacts on sustainable growth (Solow, 1957). It is widely believed that financial development is the true indicator of future rates of economic growth, physical capital accumulation and high-tech innovations (Levine, 1997). Financial development reduces information and transaction cost by providing level playing field to the banks that affect savings, investment, technological changes and hence economic growth.
Therefore financial sector provides finance to entrepreneurs to make technological innovations in the form of new formula or blueprint to produce goods and services. In other words, financial development reduces information and transactions cost by facilitating the risk, mobilizing savings and allocating resources towards more productive investment (Sabir and Qayyum, 2018). Therefore financial development impacts economic growth through capital accumulation and technological innovations (Levine, 1997). Financial development affects capital accumulation through saving rates but steady state growth can be altered through either changing savings or reallocating savings among capital technological innovations. Nevertheless financial development impacts technological innovations which leads to increasing returns in production that results in sustainable growth (Romer, 1990; Grossman and Helpman, 1991; Aghion and Howitt, 1992).

Many developing countries have undergone the process of massive financial restructuring and liberalization since 1990. At the same time, some of these countries have achieved high rate of economic growth, whereas others have lagged behind. However differences in their economic growth can be due to many factor, many economists believe that financial development significantly contributes in economic growth process (Ahmed and Ansari, 1998). The empirical literature suggests a positive association between financial development and economic growth (McKinnon, 1973; King & Levine, 1993; Calderon & Liu, 2003). These empirical studies show that financial development effects economic growth through technological innovation channel (Levine et al. 2002). Moreover, a various studies find a non-monotonic connection between financial development and economic growth in high and middle income countries (Arcand et al., 2012; Law & Singh, 2014; Pagano et al., 2012), yet the influence of financial development and technological innovations on economic development and growth is not being studied for South Asian countries. The objective of this study is to examine the effect of financial development and technological innovations on the economic growth of South Asian countries.

This study uses panel date of South Asian countries over the time period 1991-2017. There exists a problem of endogeneity in the financial development and other explanatory variables. Similarly the growth regression can have the serial correlation problem, heteroscedasticity and omitted variable bias, therefore this study uses system Generalized Method of Moment of Arellano and Bond (1991), and Blundell and Bond (1998) to tackle these problems. The rest of the study is organized as follows. Section 2 describes theoretical framework of financial development, technological innovation and economic growth. Section 3 explains methodology and data sources whereas section 4 is about results and discussion. Conclusion and policy recommendations are presented in section 5.

2. Theoretical Framework
This study assume that output is produced by using physical capital and human capital and production function is specified by Cobb-Douglas function

\[ Y_{it} = K_{it}^\alpha (A_{it} H_{it})^\beta \quad \beta = 1 - \alpha, \quad 0 < \alpha < 1 \quad (1) \]

Where \( Y \) is the output in country \( i \) \((i=1,2,\ldots,N) \) at time \( t \) \((t=1,2,\ldots,T) \), \( K \) is the stock of physical capital, \( H \) is the human capital, and \( A \) is the labor-augmenting technology that raises exogenously at the rate of \( x \). Let assume that individual develop human capital by spending time on acquiring new skills instead of working. Let \( g \) is the segment of time spent by raw unskilled labor to learn and accumulate skills to produce human capital \( H \) in the economy or country. Therefore it can be written as

\[ H_{it} = e^{\gamma g} L_{it} \quad \gamma > 0 \quad (2) \]

Where \( \gamma \) is a constant and \( L \) is the unskilled labor, if \( g = 0 \), then \( H = L \), implies that all labor is uneducated. Therefore by increasing \( g \), a unit of unskilled labor rises skilled labor \( H \). Moreover, Labor grows exogenously at the rate of \( n \) and technology grows exogenously at the rate of \( x \) and financial development.

\[ L_{it} = L_{0} e^{nt} \quad A_{it} = A_{0} e^{xt + FD_{it} \theta} \quad (3) \]

Where \( FD \) is the level of financial development in country \( i \) at time period \( t \) and \( \theta \) is the vector of coefficient of financial development. In this growth model, the labor augmenting technology associates not only with technological innovations determined by \( x \) but also on financial sector development. For instance, financial
intermediaries increase the efficiency or productivity of A to enhance economic growth in two ways: 1) Collecting information to assess different projects; and 2) encouraging individuals to invest in riskier projects but in more dynamic technologies through risk sharing. Therefore to unscramble the productivity shocks, financial sector choose the technology which is most suitable to rectify the shocks. Thus savings channelled through financial sector are distributed more proficiently towards productive investment which rises economic growth (Pagano, 1993).

In a Neoclassical theoretical framework, the impacts of level of financial development on economic growth can be temporary, i.e. \( \frac{d\text{FD}}{dt} = 0 \) is supposed to be in steady state. However the level of financial development can vary country to country in the balanced state which implies that level of GDP per capita can also differ across countries. Thus different countries can converge to different steady states depending on their initial level of savings and financial development. In the steady state, output or income per unit of effective labor is constant but output per person or labor grows exogenously at the rate of \( x \). Therefore output per unit of labor or worker can be written as

\[
\frac{Y_{it}}{A_{it}L_{it}} = \frac{K_{it}^\varphi(A_{it}H_{it})^\beta}{A_{it}L_{it}} \quad (4)
\]

\[
y_{it} = A_{it}K_{it}^\varphiH_{it}^\beta \quad (5)
\]

Where \( h = e^{\gamma g} \). People save and devote constant fraction of their output to accumulate human capital. We assume that human capital grows exogenously at the rate of \( g \).

Taking logs of the both sides of equation

\[
\ln y_{it} = \ln A_{it} + \alpha \ln k_{it} + \beta \ln h_{it} \quad (6)
\]

Using equation above, we obtain

\[
\ln y_{it} = \ln A^\varphi + \beta \ln x_{it} + \beta_0 \ln \text{FD}_{it} + \alpha \ln k_{it} + \beta \gamma g_{it} + U_{it} \quad (7)
\]

Where FD is the financial development, \( g \) is the human capital development over the time and \( U \) is an error term which is normally distributed. We also estimate the combine effects of technological innovation and financial development on economic growth by using interaction between financial development and technological innovation as follows.

\[
\ln y_{it} = \ln A^\varphi + \beta \ln x_{it} + \beta_0 \ln \text{FD}_{it} + \alpha \ln k_{it} + \beta \gamma g_{it} + \phi \ln x_{it} * \ln \text{FD}_{it} + V_{it} \quad (8)
\]

Where \( V \) is the error term. Both equations (7) and (8) provide the foundation for econometric models. These equations can be written in reduced form as follows

\[
\ln y_{it} = a_1 + a_1 \ln x_{it} + b_2 \ln \text{FD}_{it} + b_3 \ln k_{it} + b_4 g_{it} + U_{it} \quad (10)
\]

\[
\ln y_{it} = a + a_1 \ln x_{it} + a_2 \ln \text{FD}_{it} + a_3 \ln k_{it} + a_4 g_{it} + a_5 \ln x_{it} * \ln \text{FD}_{it} + V_{it} \quad (11)
\]

Where \( a \)'s are the parameters to be estimated, \( \text{FD} \) and \( x \) are financial development and technology respectively.

3. Methodology and Data
This study investigates the nexus between financial development, technological innovations and economic growth, and our modelling framework in the framework of Mankiw, Romer and Weil (1992) is

\[
\Delta \ln y_{it} = a + a_1 \ln y_{it-1} + a_2 \Delta \ln y_{it-1} + a_3 \ln x_{it} + a_4 \ln \text{FD}_{it} + a_5 \ln k_{it} + a_6 \gamma g_{it} + V_{it} \quad (12)
\]

\[
\Delta \ln y_{it} = a + a_1 \ln y_{it-1} + a_2 \Delta \ln y_{it-1} + a_3 \ln x_{it} + a_4 \ln \text{FD}_{it} + a_5 \ln k_{it} + a_6 \gamma g_{it} + a_7 \ln x_{it} * \ln \text{FD}_{it} + V_{it} \quad (13)
\]

For constancy of parameter across the time period of a panel data set, lagged levels of GDP per capita are taken with fixed one lag: \( y_{it-1} \) rather than taking the initial value of GDP per capita. A significant number of previous studies employ cross sectional techniques to estimate the economic growth regression (Barro, 1991; King and Levine, 1993a) and fixed effect dummy variable least square method is used to control country explicit effects. Unfortunately neither cross sectional techniques nor fixed effect models tackle the problem of endogeneity in the
economic growth regression (Caselli et al., 1996; Seven and Yetkiner, 2016). For instance, presence of $\ln y_{it-1}$ and $\Delta \ln y_{it-1}$ also indicates that fixed and random effects panel estimators are biased and inconsistent. Moreover, due to endogeneity problem in the financial development variable, omitted variable bias, autocorrelation and cross sectional heterogeneity, this study uses generalized method of moment introduced by Arellano and Bond (1991) and Blundell and Bond (1998). Since the use of exogenous instruments should enable us to produce consistent estimators using mother of all techniques GMM. There are three benefits of using GMM: 1) this method produces unbiased and consistent estimators of the regression parameters, in which explanatory variables are not strictly predetermined that can correlate with past or current values of random terms, and heteroscedasticity and autocorrelation exist within the model (Roodman, 2009a). 2) System GMM fixes the problem of endogeneity as it uses the instruments which are unassociated with fixed effects while potentially circumventing the dynamic panel bias. 3) System GMM can be used for short time period and large cross sectional units.

The system GMM consists of set of equation in which equation in first difference is instrumented with lagged level variables and system of equations in level are instrumented with lagged first difference. The efficiency of System GMM depends on the assumptions that there is no autocorrelation in the error term and instruments are not interconnected with error term. These issues and problems are fixed by using two well-known tests: Arellano and Bond test for autocorrelation which explores the first and second order autocorrelation in the first difference and Hansen (1982) test is used to check the condition of over-identifying restriction for the validity of instruments. If both of the tests are satisfied, then estimates of the unknown parameters are reliable and efficient.

This study uses panel data of South Asian countries1 over the time period 1991-2017. Data of Bhutan and Maldives are not available and we have skipped it from the sample. Chosen time period covers an era of financial development and economic development in South Asian countries. This time period, money growth and investment increase in this region. Therefore economic growth increases. This study uses gross domestic product per capita (GDPPC) as a dependent variable. A number of studies have used this variable as a dependent variable (Choi 2006; Shahbaz and Aamir 2008; Nawaz and Khawaja 2016). This study uses credit to private sector by commercial banks percentage of GDP as a proxy for financial development. Domestic credit to private sector by commercial banks is considered as financial assets which are provided to the private investors by commercial banks through exchange credits, purchase of bonds and securities, provision of loans and other accounts receivable that establish a claim of repayment. Beck et al. (2007), Jaumotte et al. (2013) and Demirguc et al. (2009) took domestic credit to private sector as a percentage of GDP as a measure of financial development.

Technology is the formula or blue print to combine factors of production to produce goods and services. To measure technological innovation different proxies have been used in empirical economic literature such as patents registered by residents, trademarks registered, intellectual property rights and research and development (R&D) expenditures etc. (Ginarte and Park, 1997; Jalle, 2010). This study used patents by residents, patents by non-residents and import of machinery and equipment as proxies for technology. Human capital is a measure of the monetary value of a worker’s skill. It is considered as one of the significant determinant of economic prosperity for a longer time period. Benhabib and Spiegel (1994), and Cohen and Soto, (2007) used average year of schooling as proxy for human capital. However this study uses the education index of UNDP to examine the effect of human capital on economic growth and development.

Physical capital such as buildings, roads, dams, hospitals, schools, colleges, computers etc. are also used in production process. In existing empirical literature, different proxies have been used for physical capital such as gross fixed capital formation as percentage of GDP and investment to GDP ratio (Hosseini and Leelavath, 2013). Therefore this study also uses gross fixed capital formation as a proxy for physical capital. A system in which all trade distortions are eradicated for free mobility of goods and services across the countries is called trade openness. Balanika (2012) stated that trade openness is a channel which stimulates foreign direct investment (FDI), capital inputs, and goods and services flow towards host countries. Perhaps trade openness can affect economic growth positively because it generates employment opportunities which help poor segment of population to increase their income levels and it also causes reduction in poverty. To measure trade openness this study uses exports plus imports as percentage of GDP as a proxy for trade openness. In economic literature inflations rate has been measured as percentage change in consumer price index. Increase in inflation hurts growth process because it acts like a tax on commodities. Due to inflation, aggregate demand decreases, employment reduces, output decreases and income decreases. In this study, inflation is used to macroeconomic stability in the economy. In this study panel

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1 Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka
data of 6 South Asian Countries for time period 1996 to 2015 are used. Most of the data for variables is taken from World Development Indicators (WDI). Data of human capital is taken from UNDP database and data of imports of machinery is taken from UN Com Trade. Descriptive statistics of the variables are given in table 1

### Table 1: Descriptive Statistics

<table>
<thead>
<tr>
<th>Variables</th>
<th>obs.</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ln(GDP per capita)</td>
<td>135</td>
<td>6.807</td>
<td>0.583</td>
<td>5.914</td>
<td>8.254</td>
</tr>
<tr>
<td>Credit</td>
<td>135</td>
<td>31.483</td>
<td>13.633</td>
<td>8.799</td>
<td>80.996</td>
</tr>
<tr>
<td>Ln(Patent by non-resident)</td>
<td>135</td>
<td>5.830</td>
<td>2.388</td>
<td>0.000</td>
<td>10.446</td>
</tr>
<tr>
<td>Ln(Patent by resident)</td>
<td>135</td>
<td>4.587</td>
<td>2.223</td>
<td>-0.020</td>
<td>9.488</td>
</tr>
<tr>
<td>Ln(Physical capital)</td>
<td>135</td>
<td>23.722</td>
<td>1.622</td>
<td>21.380</td>
<td>27.465</td>
</tr>
<tr>
<td>Inflation</td>
<td>135</td>
<td>7.791</td>
<td>3.753</td>
<td>2.007</td>
<td>22.565</td>
</tr>
<tr>
<td>Trade openness</td>
<td>135</td>
<td>43.776</td>
<td>16.454</td>
<td>17.172</td>
<td>88.636</td>
</tr>
<tr>
<td>Education index</td>
<td>135</td>
<td>0.437</td>
<td>0.151</td>
<td>0.210</td>
<td>0.751</td>
</tr>
<tr>
<td>Ln(imports)</td>
<td>135</td>
<td>17.920</td>
<td>1.795</td>
<td>13.184</td>
<td>20.773</td>
</tr>
</tbody>
</table>

Source: Calculated by Author

### 4. Results and Discussion

We estimate equations (12) and (13) by employing system GMM due to potential problem of endogeneity in financial development variable, measures of technological innovations and human capital and results are reported in table 2. Coefficients of trade openness, domestic credit provided by commercial banks to private sector (credit), education index and patents registered by residents are positive and statistically significant. These results imply that credit provided by banks to private sector has positive and statistically significant influence on economic growth.

### Table 2: Financial development, Residents Patent and GDP per capita

<table>
<thead>
<tr>
<th>Variables</th>
<th>GMM</th>
<th>GMM</th>
</tr>
</thead>
<tbody>
<tr>
<td>ln(GDP per capita) t-1</td>
<td>0.873***</td>
<td>0.728***</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>Trade Openness</td>
<td>0.001*</td>
<td>0.001*</td>
</tr>
<tr>
<td></td>
<td>(0.082)</td>
<td>(0.068)</td>
</tr>
<tr>
<td>Credit by banks</td>
<td>0.002*</td>
<td>0.014***</td>
</tr>
<tr>
<td></td>
<td>(0.079)</td>
<td>(0.004)</td>
</tr>
<tr>
<td>Ln(Physical capital)</td>
<td>0.021***</td>
<td>0.012***</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.002)</td>
</tr>
<tr>
<td>Inflation</td>
<td>-0.004</td>
<td>-0.001</td>
</tr>
<tr>
<td></td>
<td>(0.403)</td>
<td>(0.792)</td>
</tr>
<tr>
<td>Education index</td>
<td>0.159***</td>
<td>0.510**</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.016)</td>
</tr>
<tr>
<td>ln(Patents registered by resident)</td>
<td>0.005</td>
<td>0.190**</td>
</tr>
<tr>
<td></td>
<td>(0.433)</td>
<td>(0.033)</td>
</tr>
<tr>
<td>ln(Patents registered by resident)*credit</td>
<td>0.002*</td>
<td>0.001**</td>
</tr>
<tr>
<td></td>
<td>(0.101)</td>
<td>(0.010)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.298***</td>
<td>0.109***</td>
</tr>
<tr>
<td></td>
<td>(0.003)</td>
<td>(0.001)</td>
</tr>
<tr>
<td>Sargan Test</td>
<td>0.161</td>
<td>0.148</td>
</tr>
<tr>
<td>AR(1)</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>AR(2)</td>
<td>0.752</td>
<td>0.179</td>
</tr>
</tbody>
</table>

Source: Author’s own estimation. Note that *, ** and *** represent 10%, 5% and 1% level of significance respectively. Small parenthesis indicates P-values.

Further, 1 percent increases in credit increases GDP per capita by 0.002 percent. This means that financial development increases demand for credit by private investors, investment increases, employment increases, productivity increases and hence GDP per capita increases. Moreover human capital, which is measure with education index, has positive and significant effect on GDP per capita. One percent rise in human capital increases

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2 See appendix A
3 Correlation matrix is given in Appendix
GDP per capita by 0.159 percentage points. We can notice that the magnitude of coefficient of human capital is greater than the financial development, which implies that human capital development contributes more in the GDP per capita determination than financial development. We consider human capital as a vital engine of economic growth. Moreover patents registered by residents has positive but insignificant determinant of GDP per capita in South Asian countries.

We get the intuition from this analysis that technological sector is least developed in South Asian countries and it is not playing significant role in the economic growth process. It would be worth emphasized that there exists a diffusion of technology from developed countries to developing countries like South Asian countries. These countries are making less fraction of their GDP on research and development sector, therefore, this research and development sector has no impact on GDP per capita. Trade openness and physical capital are positively affecting GDP per capita. However inflations has negative and insignificant impact on GDP per capita. Moreover we also use interaction term of patents registered by residents and financial development in the growth regression. The coefficient of interaction term is positive and statistically significant which implies that financial development encourages technological innovations which increases GDP per capita of the country. This implies that financial development and technological innovations are complementary to each other and both these variables work together to determine economic growth (King and Levine, 1995). In order to see that the foreign technology diffusion, we consider patents registered by non-resident and import of machinery in place of patents registered by residents. It is important to note that former is an indicator of knowledge diffusion and the latter is a proxy of technology diffusion. Table 3 provides the summarized results of system GMM for financial development, technological innovations and GDP per capita.

The results show that our variables of interest such as financial development, technology and human capital are significantly correlated with GDP per capita in South Asian countries. This outcome is plausible with our expectations which proposes that credit provided by banks to private sectors is the source which has enhanced private investment in these countries. Therefore, we can say that financial development has positive effect on economic growth of South Asian countries. Table 2 shows that patents application registered by non-resident has positive and statistically significant impact on economic growth. This corroborates with multinational corporations (MNCs) research and development activities in South Asian region along with the participation of industrial sector in global research and development sector.

### Table 3: Financial development, Non-Residents Patent and GDP per capita

<table>
<thead>
<tr>
<th>Variables</th>
<th>GMM</th>
<th>GMM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ln(GDP per capita)(_{-1})</td>
<td>0.877***</td>
<td>0.781***</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>Trade Openness</td>
<td>0.001*</td>
<td>0.002*</td>
</tr>
<tr>
<td></td>
<td>(0.054)</td>
<td>(0.065)</td>
</tr>
<tr>
<td>Private Credit by banks</td>
<td>0.002*</td>
<td>0.001*</td>
</tr>
<tr>
<td></td>
<td>(0.077)</td>
<td>(0.101)</td>
</tr>
<tr>
<td>Ln(Physical capital)</td>
<td>0.018***</td>
<td>0.010**</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.039)</td>
</tr>
<tr>
<td>Inflation</td>
<td>-0.003</td>
<td>-0.001</td>
</tr>
<tr>
<td></td>
<td>(0.403)</td>
<td>(0.882)</td>
</tr>
<tr>
<td>Education index</td>
<td>0.102***</td>
<td>0.454**</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.016)</td>
</tr>
<tr>
<td>Ln(Patents registered by non-resident)</td>
<td>0.012*</td>
<td>0.004*</td>
</tr>
<tr>
<td></td>
<td>(0.088)</td>
<td>(0.105)</td>
</tr>
<tr>
<td>Ln(Patents registered by non-resident)*credit</td>
<td>0.001*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.073)</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>0.285**</td>
<td>0.014*</td>
</tr>
<tr>
<td></td>
<td>(0.028)</td>
<td>(0.101)</td>
</tr>
<tr>
<td>Sargan Test</td>
<td>0.192</td>
<td>0.136</td>
</tr>
<tr>
<td>AR(1)</td>
<td>0.000</td>
<td>0.017</td>
</tr>
<tr>
<td>AR(2)</td>
<td>0.693</td>
<td>0.464</td>
</tr>
</tbody>
</table>

Source: Author’s own estimation. Note that *, ** and *** represent 10%, 5% and 1% level of significance respectively. Small parenthesis indicates P-values.
For instance, FDI in South Asian countries such as Bangladesh, India, Nepal, Pakistan, and Sri Lanka has increased which is the major source of technology from developed countries to developing South Asian countries. This diffusion of knowledge or knowledge through either MNCs or FDI has emerging impact on the productivity of our labor and capital which are significantly affecting economic growth. We can hypothesize that diffusion of technology is playing vital role in the process of economic growth than the domestic technology. A coefficient of human capital is again positive and statistically significant. Human capital is the responsive factor which plays an essential role in the absorption of diffused technology and to enhance research and development within the country. Human capital development has spill over impacts on economic development and growth of the country. Interaction term of patents filed by non-resident and financial development is included in the growth equation. Table 3 indicates that interaction term has positive and significant impact on economic growth.

### Table 4: Financial development, imports of machinery and GDP per capita

<table>
<thead>
<tr>
<th>Variables</th>
<th>GMM</th>
<th>GMM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ln(GDP)t-1</td>
<td>0.819***</td>
<td>0.747***</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>Trade Openness</td>
<td>0.001*</td>
<td>0.001*</td>
</tr>
<tr>
<td></td>
<td>(0.102)</td>
<td>(0.101)</td>
</tr>
<tr>
<td>Domestic Credit by Banks</td>
<td>0.001**</td>
<td>0.002***</td>
</tr>
<tr>
<td></td>
<td>(0.047)</td>
<td>(0.009)</td>
</tr>
<tr>
<td>Ln(Physical capital)</td>
<td>0.010***</td>
<td>0.010***</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>Inflation</td>
<td>-0.001</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>(0.203)</td>
<td>(0.309)</td>
</tr>
<tr>
<td>Education index</td>
<td>0.119***</td>
<td>0.417**</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.012)</td>
</tr>
<tr>
<td>ln(imports)</td>
<td>0.013**</td>
<td>0.007*</td>
</tr>
<tr>
<td></td>
<td>(0.026)</td>
<td>(0.063)</td>
</tr>
<tr>
<td>ln(Imports)* Domestic Credit by Banks</td>
<td>0.001**</td>
<td>(0.050)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.060**</td>
<td>0.021**</td>
</tr>
<tr>
<td></td>
<td>(0.022)</td>
<td>(0.013)</td>
</tr>
<tr>
<td>Sargan Test</td>
<td>0.114</td>
<td>0.115</td>
</tr>
<tr>
<td>AR(1)</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>AR(2)</td>
<td>0.972</td>
<td>0.138</td>
</tr>
</tbody>
</table>

Source: Author’s own estimation. Note that *, ** and *** represent 10%, 5% and 1% level of significance respectively. Small parenthesis indicates P-values.

Further, we use imports of machinery and equipment as measure of technological diffusion in place of patents. It is truth that developed countries are technological leaders around the globe. Therefore it is necessary to import technology from developed countries to less developed countries where technology is unavailable. We assume that a country which is more open to the import of technology can derive greater benefits from foreign technology that enhances economic growth due to increase in productivity of other factors of production (Kim et al., 2011). The results with import of machinery and equipment are reported in table 4. Financial development and human capital have positive and statistically significant impacts on GDP per capita. Interesting result is that the import of machinery and equipment has positive effect on GDP per capita. This implies that the countries which are importing better technology goods are in fact importing technological progress that improves the production efficiency (Romer, 1990). Moreover import of foreign technology in the form of machinery and equipment used in production of goods and services increase total factor productivity.

Therefore we can draw a corollary that import of technology from developed countries has spill-overs to developing countries in the sense that trade increases economic growth in developing Asian countries. Interaction term of financial development and technological innovation has positive and statistically significant impact on economic growth which ensures that both financial development and technological innovations are complementary to each other. Rest of the variables appears with expected signs. We can conclude this section of the study by say that financial development, human capital and diffused technology are significantly contributing in the economic
growth of South Asian countries. Moreover, local research and development is not playing significant role in enhancing economic growth of these selected countries.

5. Conclusions
In this study, we have theoretically and empirically estimated the impact of financial development and technology on economic growth of South Asian countries over the time span 1991-2017. This study used system GMM due to the problem of endogeneity, heteroscedasticity, serial correlation and omitted variable bias. This study extended the augmented Solow Growth model by incorporating the financial development, technological innovations and their interaction term. This study used domestic credit to private sector by banks as percent of GDP is used as a proxy of financial development, patents registered by residents, patents registered by non-resident and imports of machinery and equipment as alternate proxies for technological innovations and education index as a proxy for human capital. The results showed that financial development has growth enhancing impact on South Asian countries and human capital development is significantly contributing in economic growth and development. However domestic technological innovations measured with patents registered by local residents has insignificant impact on economic growth. This is due to the reason that South Asian countries are least developed due to lack of technological innovations. Interaction term of financial development and technology has positive effects on economic growth which means that financial development along with technology determine economic growth in South Asian countries.

Moreover diffusion of technology or knowledge measured with patents registered by non-residents is an important element of economic growth in South Asian countries. Their interaction term is positive and significant as well. This shows that diffusion of technology from developed countries to developing countries enhances economic growth due to developed financial structures. Similarly, import of machinery and equipment is used as proxy for the diffusion of technology and it impacts economic growth positively due to increase in the total factor productivity. Moreover interaction term of imports of machinery and equipment is positive which confirms their complementary impact on economic growth. Here we suggest following policy recommendations; Policy makers in South Asian countries should further reform financial sector to boost economic growth. Second policy makers should mitigate the constraint to credit extension for private sector. Private sector investment can lead to high economic growth and development in South Asian countries. Third policy makers should focus on enterprise credit rather than consumer credit. Enterprise credit leads to increase entrepreneurs which make investment and then employment increases and then growth. Fourth, there is a need to enhance investment in research and development sector which can play a catalytic role in the development of South Asian economies.

References


Brand-Centered Human Resource Practices and Brand Citizenship Behavior: The Notion to Develop Competitive Advantage

1Asad Ur Rehman, 2Salniza Bt Md. Salleh, 3Norzieiriani bt. Ahmad

1 Lecturer Department of Commerce, Bahauddin Zakariya University, Multan, Pakistan, asadrehmaan@bzu.edu.pk
2 Associate Professor, School of Business Management, (COB), University Utara Malaysia, sal1029@uum.edu.my
3 Senior Lecturer, School of Business Management, (COB), University Utara Malaysia, norzie@uum.edu.my

ARTICLE DETAILS

ABSTRACT

The Brand citizenship behavior (BCB) is relatively a new aspect in marketing literature. Researchers have given a label of BCB to the discretionary behavior that employees’ exhibit for the successful delivery of brand promise. In internal branding, the role of an employee is recognized as critical in delivering the service as promised by the brand. As practitioners and academicians argue that, an employee’s brand-aligned behavior that goes above and beyond the job responsibility can be an asset for the company and is difficult for competitors to imitate. Drawing on employees’ brand-aligned behavior to build the strong organization brand this study conceptualized that, the successful implementation of internal branding doctrine could be strengthened by brand-centered human resource practices and develop a new route for companies to build the competitive advantage. Thus, the study found that the human resource practices such as fair recruitment process, training programs, and socialization practice could enhance the employees’ brand citizenship behavior.

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1. Introduction

The role of brand-centered human resource (HR) practices especially in service-based organizations continues to grow in importance. As the practitioners and academicians recognized that the fairly recruited, well trained, and motivated employees are vital for organizations to create competitive advantage (Saifanislam, Osman, & AlQudah, 2014; Guest, 2017). Literature suggests that organizations can be developed a competitive edge through brand-centered HR practices (Chang, Chiang, & Han, 2012; King, So, & Grace, 2013). Nevertheless, brand-centered HR practices seems to be significant to become employees as brand champions (i.e. deliver successful brand promise).

The HR practices provide a foundation to align an employees’ behavior to build the successful organizational brand (Punjaisri & Wilson, 2017). However, earlier researchers do not address the issue of how brand-centered HR practices may influence on employees’ brand building behavior and market performance (Bravo, Bui, de Chernatony, & Martinez, 2017; Rehman, Salleh, & Ahmad, 2017). Moreover, relatively little studies were emphasized on the impact of HR practices __ specifically to shape up employees’ behavior in the perspective of
inside-out to develop the organization brand identity. Therefore, it seems important to probe brand-centered HR practices in the perspective of employees’ behavior to create the strong organizational brand.

Scholar documented that employees’ brand behaviors (i.e. in role and extra-role) considered as significant to build a strong brand (King & Grace, 2010). Employee’s in role brand behaviors is related to prescribed rules and regulation by the company based on their role as a brand representative. On the other side extra role behavior has focused on an employee’s willingness to exert extra effort that goes beyond the prescribed brand roles and enhances the company’s brand image (Morhart, Herzog, & Tomczak, 2009). The employee’s extra role behavior contributes to customers’ loyalty and enhances company’s brand performance (Porricelli, Yurova, Abratt, & Bendixen, 2014). According to Shaari, Salleh, and Hussin (2012) employee’s willingness to put forth extra role behavior is seen as vital for the successful delivery of brand promise. Thus, employees’ extra role brand behavior is also known as brand citizenship behavior (BCB) (Burmann & Zeplin, 2005). The notion of BCB is referred as “the employees’ voluntary basis to project a number of generic employee behaviors that enhance the corporate brand identity” (Burmann & Zeplin, 2005, p. 282).

Brand citizenship behavior was originally derived from the theory of organizational citizenship behavior (OCB). The OCB stresses towards employees’ discretionary and extra role behaviors that goes beyond their prescribed job requirements (Bolino, Hsiung, Harvey, & LePine, 2015). The notion was coined by Organ (1988) based on ideas of “willingness to cooperate” and “innovative and spontaneous behaviors”. By acquiring OCB, employees possibly displayed positive attitudes and behaviors towards the organization. They would help the organization to grow and build the organization success. Hence, OCB perceived to be more intra-organization oriented. More recently, these concepts have been borrowed by researchers in the discipline of marketing, particularly in the study of brand management. Thus, OCB becomes BCB. According to Burmann, Zeplin, and Riley (2009), BCB is an extension of OCB that is not only intra-organizational focus yet also emphasize on the quality of brand-customer relationship (such as brand affinity, non-substitutability, and trust). Hence, based on this perspective, BCB not only limited to work-related issues but also includes the brand performance issues mainly to achieve some sort of “brand champions” level (Lin, Lin, & Chou, 2016).

Mostly the studies in relation to employees’ brand citizenship behavior have discussed the role of leadership style, empowerments of employees, markets manipulation, and the organizations’ brand identities (Vallaster & de Chernatony, 2006; Henkel, Tomczak, Heitmann, & Herrmann, 2007). However, Chang, Chiang, and Han (2012) argued that human resource management is an important predictor of brand citizenship behavior. However, limited studies have addressed the human resource practices such as brand-centered recruitment, brand-centered training, and brand-centered socialization. It seems a truism that the key process of talent recruiting, well-organized training and socialization practices of a company, could enhance the employees’ brand citizenship behavior. It is found that quite little studies, such as Burmann and Zeplin (2005) and Burmann, Zeplin and Riley (2009), has discussed the significant influence of brand-centered HR practices on employees’ BCB.

In addition, the results of researchers have shown that brand-centered human resource practices can create a primary base for companies to develop the competitive advantages (Al-Shuaibi, Shamsudin, & Aziz, 2016). Nevertheless, previous scholars did not confer in detail how brand-centered human resource practices such as recruitment, training and socialization practice might increase the employees’ behavior or describing the expected brand related performance from employee. Thus, this study proposes an attempts to find the effect of brand-centered human resource practices on the employee’s brand citizenship behavior.

2. Literature Review

2.1 Brand Citizenship Behavior

Brand citizenship behavior (BCB) is a measure of the employees’ willingness to perform extra role behavior that goes beyond its basic role requirement i.e. prompted the brand-supporting behavior (Punjaisri, Wilson, & Evanschitzy, 2008). Thus, BCB is referred to as all employees’ behaviors that are consistent with brand identity and brand promise and in sum strengthen the brand (Piehler, Hanisch, & Burmann, 2015).

Academicians and practitioners asserted that BCB is a key ingredient of internal branding, which encourages employees to align their behavior with organizational brand to create and maintain the consistent brand identity (Henkel et al., 2007; Baumgarth & Schmidt, 2010, Burmann & Konig, 2011). However, as exhibited by the research, the employees’ behavior is crucial in the internal branding process because all activities related to brand
identity are based on the decisions and actions of employees particularly in service sector (Punjaisri, Evanschitzky, & Wilson, 2009). This is because, in service-based organization, employees have direct contact with customers and other external stakeholders are the epitome of the brand in their eyes (Du Preez, Bendixen, & Abratt, 2017). Therefore, an employees’ brand related behaviors can consistently transmit the positive brand image and create competitive edge for an organization.

Moreover, employees’ behavior indirectly influences customer brand experience because they are responsible for the successful delivery of company’s products and services (Miles & Mangold, 2004). Similarly, Burmann et al. (2009) revealed that individual volunteer behaviors or extra efforts without any expectations of reward may contribute in the delivery of brand promise as expected by the customers. Nevertheless, previous studies documented that relatively limited work is done how to turn the employees’ behaviors consistent with the organizational brand promise (Lohndrof & Diamantopoulos, 2014; Punjaisri & Wilson, 2017). Hence, based on the dearth of literature, the present study is attempted to fill the gap by investigating how BCB embolden employees to project the appropriate brand promise.

2.2 Brand-Centered Human Resource Practices
2.2.1 Brand-Centered Recruitment

Recruitment is considered as one of the most important human resource practice which has influenced the behaviors of employees’ to do best performance for the fulfillment of brand promise. In essence, recruitment is a planned effort to appeal individuals whose values are consistent with the company’s brand (Punjaisri et al., 2008). It is assumed that when such individuals are trained, they could successfully deliver the desired brand value (Mangold & Miles, 2007). Previous research expose how recruitment practice influences employees’ behavior with respect to the job and organizational performance (Saifalislam et al., 2014; Zhang, Di Fan, & Zhu, 2014). Literature on branding has shown that, relatively limited work is addressed to show that how recruitment practices increase employee’s brand citizenship behavior. For instance, scholars (Aurand, Gorchels, and Bishop, 2005; Burmann and Zeplin, 2005; King and So, 2013; MacLaverty, McQuillan, and Oddie, 2007) have asserted the brand-centered recruitment as an important predictor of employees’ brand citizenship behavior.

Jiang and Iles (2011), stated that during the recruitment process firm communicate to the potential candidate about the organization’s intents and nevertheless, what behavior is expected to be delivered by the company’s brand. Evidently, King and So (2013), claimed that brand-centered recruitment has instigated an employees’ behavior according to organization’s brand values to build-up strong brand. Therefore, brand-centered recruitment practice encourages employees to align their behavior with respect to pro-brand manner.

The qualitative and quantitative study of MacLaverty, McQuillan, and Oddie (2007), however, revealed that in corporate business the executives were responsible for internal branding within their organizations, they shown the importance of recruitment practices in internal brand building. According to these researchers, brand-centered recruitment found to be the good practice to constantly build the skill(s) among employees to deliver the brand promise. Similarly, the findings of Chang et al. (2012) advocate that, companies at large give attention to recruit those talented individuals who have positive attitude toward the brand citizenship behavior. However, these researchers did not discuss the employees’ perspective related to the recruitment that may affect behaviors but most of studies focused on the recruitment practices in a management perspective as a part of internalization.

Previous literature documents that via certain human resource practice, such as recruitment process can motivate employees to affirm the brand-centered behavior (Aurand, Gorchels, & Bishop, 2005). Similarly, Burmann and Zeplin (2005) argued that brand-centered recruitment may commit employee behavior towards brand identity that is the strength of internal branding. Thus, brand-centered recruitment enables employees to perform the pro-brand behavior, which might enrich overall brand performance of the company.

2.2.2 Brand-Centered Training

Training communicates organization’s brand values among employees and trained them how to perform their job to deliver an appropriate brand promise (Alshuaibia & Shamsudinb, 2016). Especially, training programs help newcomers young employees to learn the company values and standards that exists prior to joining (King & So, 2013). Hence, brand-centered training practice enable employee to better apprehend the organizational brand values and spectacle brand-building behavior.
Researchers proclaimed that training programs are backed an employee(s) towards' brand performance (Du Preez et al., 2017). By commending a good job performance in a routine situations – brand-centered training encourage personnel to deliver an effective brand promises (King & So, 2013). Previous Study shows that training stimulate skills among employees and transfers brand value(s) or procedures in a way to prompt good performance and fulfill their job responsibilities successfully (Chong, 2007).

The well-coordinated training program aimed to help employees on how to incorporate brand values in their work, which provides base to make a tremendous impact on the branding success of organization (Chang et al., 2012). While – the role of brand-centered training practices in influencing branding (both externally and internally) has been recognized as relatively limited in the perspective of employees brand building behavior (King & So, 2013). Thus, it needs to create more comprehensive training programs that support an employees’ branding efforts.

2.2.3 Brand-Centered Socialization

Scholars claims that organizational brand is strengthened by communicating brand values among employees through socialization practice (Burnmann & Zeplin, 2005). The brand-centered socialization helps employee(s) by giving orientation, involved in training or social activities and communicate them informal brand values (Erkmen & Hancer, 2014; Du Preez et al., 2017). In addition, socialization process have reduce employees’ role ambiguity, role conflict, and improve in role job behavior to deliver the successful organizational brand (Cooper-Thomas & Anderson, 2002; Hurrell & Scholarios, 2014).

Brand-centered socialization is an ongoing practice that stimulate employees to successfully handle the work routine and help to learn an organization’s pattern of activities (King & Grace 2012). In addition, it also builds employee well-being and sets the foundation to provide an appropriate service to customers. In essence, socialization on workplace influence on employee(s) behavior because positive support of experienced colleagues backed to understand the organizational norms (Kasemsap, 2015). Thus, employee(s) tension or stress could be reduced by socialization practice and encourage them a sense of information sharing and developing association with their colleagues (Bauer, Bodner, Erdogan, Truxillo, & Tucker, 2007).

Researcher asserts that due to socialization process employee(s) develop a good relation with their colleagues. On the base of working relations they create a peer networks among departments and participate in social activities. The social activities remove the confusion and ambiguity among colleagues and increase their cooperation with other to do their job in comfort zone (Ge, Su, & Zhou, 2010). Therefore, it is expected the positive link of socialization practice proactively engage employees towards brand building behavior.

In consideration of internal brand management literature King and Grace (2012) suggest that brand-centered socialization is considered as an important antecedent of employee brand related behaviors such as BCB. Because socialization process help employees’ to learn and identify the expected brand values and beliefs. Without social understanding, good brand performance is a hard task for employee(s) and significant to diminish the expected brand promises (Matanda & Ndubisi, 2013). Hence, band-centered socialization practice encourage employee(s) to adopt an organizational values and beliefs for an appropriate fulfillment of brand promise (Du Preez et al., 2017).

The relationship between Brand-Centered Human Resource Practices and Brand Citizenship Behavior

The prior studies in internal branding endeavor to probe the influence of human resource practices to stimulate employees’ brand-citizenship behavior. It is assumed that human resource practice such as recruitment, training and socialization are likely to communicate an accurate, convincing, and significant brand message towards the target individuals. For instance the finding of Bolino et al. (2015) reveals that firstly, companies may attempt to elicit more citizenship behavior among their employees by selecting those individuals who are generally predisposed to be engaged in citizenship. Secondly, the individuals who have exhibited high levels of involvement on extracurricular activities in addition to their core obligations might also be inclined to prompt extra role behavior as future employees.

Furthermore, Burmann and Zeplin (2005) argued that brand-centered human resource practices proposes that how an individual can be fitted with company’s brand to deliver the appropriate brand promise. As Hurrell and Scholarios (2014) stated that recruitment and training is a part of corporate brand management which helps managers to select those employees who are best fit with company brand. However, it is seen that in many companies during the recruitment process, the alignment of individual values with the company brand values is
often neglected. This might be due to the fact that individual evaluation process to fit with company brand may not be that easy to be managed as is thought of. This is because in recruitment process the adoption of appropriate screening techniques maybe critical. However, the use of socialization tactics may encourage individuals to initially attach with experienced employees to learn from them how to create an appropriate behavior afore joining the company — help to better internalize the brand values.

The study of Gotsi and Wilson (2001) investigated that what factors are important for companies to fulfill their promise and how employees perform their duties to satisfy the target customers. The finding of the study revealed that human resource practices should be aligned with company’s brand values to elude any conflict promise. Similarly, Turek and Wojtczuk-Turek (2015) stated that a well-defined human resource practices creates a positive perception among employees to prompt their willingness to undertake extra-role behavior. Hence, scholars suggested that brand-centered human resource practices (namely brand-centered recruitment, brand-centered training and brand-centered socialization) are critically important to build a successful organizational brand (Du Preez et al., 2017).

In addition, researchers recognized that human resource practices may influence employees towards the development of BCB (Burmann & Zeplin, 2005; Burmann et al., 2009; Sepahvand & Sepahvand, 2013; Ravens, 2014). For instance, as Cropanzana, Bowen, and Gilliland (2007), suggested that the individual who are selected through the fair recruitment process might realize the positive attitude about the company and thus spread good word of mouth with friends and family, opposite to those individuals who faced unfair recruitment. Furthermore, when an individuals’ has joined company on the base of a fair recruitment method, they are more willing to perform responsibilities honestly and create trustful relations with colleagues. In addition, academicians and practitioners asserts that the inducement of well-organized training programs and best practices of socialization might encourage employees to exhibit altruistic behavior such as BCB (King & Grace 2012; Hurrell & Scholarios, 2014; Porricelli et al., 2014).

Based on above discussion, the study thereby develops a proposition to examine, in specified array of approach, the fact of how do the brand-centered human resource practices (namely brand-centered recruitment, brand-centered training and brand-centered socialization) may strengthen the employees’ brand citizenship behavior. Proposition: The likelihood of employee brand citizenship behavior will be increased based on the brand-centered human resource practices.

3. Conceptual Model
Based on the review of literature this study develops the conceptual model that exhibits, brand-centered HR practices have strengthen the employees’ brand citizenship behavior. This notion is supported by the Social Exchange Theory (SET) presented by Blau (1964). The SET assumption reveal the importance of the relationship among employee(s) and organization (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001). For instance, organizational goals can be achieved by motivating the employees (Xiong, King, & Du, 2016). In the line of this argument, high value social exchanges are developed that create the mutual trust among employees and loyal to the firm (Chen & Klimoski, 2003). Similarly, previous study contend that by practicing of reciprocal exchanges with colleagues affirm to create valued benefits (Molm & Cook, 1995). Such scenario, established the long-term and interactive relationship among organization and its employees that facilitate to build organizational brand performance.
In the setting of present study conceptual model SET is viewed as a best platform to explain the volunteer behavior or extra-role behavior such as brand citizenship behavior (Chang et al., 2012; Hasnizam, Salleh, & Hussin, 2012). Blau (1964) postulated that the perspective of social exchange is based on the perception of reciprocal relationship between certain actors such as individual actions depend on rewarding responses from others. This phenomena is representing the exchange relationship. However, the present study assume that the employees’ positive perception related to the brand-centered human resource practices (namely brand-centered recruitment, brand-centered training, and brand-centered socialization) that are received from the organization encourage them towards better performance as an exchange process. Hence, to exhibit the reciprocal behavior, employees contribute to deliver an appropriate brand promise by articulating positive brand citizenship behavior.

Nevertheless, supported by the SET (Kehoe & Wright, 2013), an employees’ perception related to organization ability to reciprocate with desirable benefits is directly linked with extra role behavior performed by the employees on behalf of organization e.g. BCB (King & Grace 2012). Therefore, SET is considered appropriate to test that how the relationship among ‘brand-centered HR Practices’ effect on the ‘Employees’ BCB’. Researchers affirmed that organizational brand could be strengthened by the fulfillment of the promises and by developing the brand identity (Burmann et al., 2009; Punjaisri, Wilson, & Evanschitzky, 2009; Altaf, Mokhtar, & Ghani, 2017). Thus, employee(s) who play the role of customer-contact act can develop brand identity by offer to best brand value(s) to target customers. However, on the light of this argument, the effective implications of brand-centered HR Practices might boost up the mutual trust among organization and its employees (Burmann & Zeplin, 2005; Davies & Gould-Williams, 2005; Chang et al., 2012; King & So, 2013). It is seems truism that when an employees’ are satisfied by an exchange relationship, they may reciprocate the organization by prompting the extra role behavior such as BCB.

4. Conclusion and Discussion
The study important contribution is a postulation of how ‘brand-centered HR practices’ as an antecedent effect on ‘employees’ BCB’. Which portrays that HR practices encourage employee(s) to do the extraordinary performance to deliver the strong “brand promises” (Al-Shuaibi et al., 2016), there by contributing to employees’ brand citizenship behavior. As for the effect human resource practices on employees' brand behavior, clearly demarcates the dimensions of brand-centered HR practices (namely brand-centered recruitment, brand-centered training, and brand-centered socialization) and posit their influence on employees’ BCBs. These practices stimulates employees to engage in extra role brand behavior, thereby improving customer perceptions toward an organizational brand. As practitioners and academics alike advocate that the human resource practices can strengthen employees' behavior towards the brand-related support mechanisms and engage them in both altruistic or extra role brand behavior(Chang et al., 2012; Piehler et al., 2015).

Previous studies has documents the effects of internal branding through the marketing control theory, brand identity theory, employee empowerment, and leadership theories (Vallaster & de Chernatony, 2006; Henkel et al., 2007; Terglav, Ruzzier, & Kašić, 2016). However, present study discuss the social exchange theory to clearly understand that how internal branding activities such as human resource practices encourage employees towards the brand...
building behavior. Internal branding is regarded as the process of aligning employees’ behavior, thus, it is seems truism, the high quality of social exchanges stimulate employees towards the reciprocal exchange of valued-benefits, which might leads their behavior to deliver the successful brand promise (Chang, Chiang, & Han, 2015). To sum it up, brand citizenship behavior seems to be positively enhanced by the brand-centered HR practices, thus in conclusion brand-centered HR practices are conspicuous approach which enables company to achieve sustainable competitive advantage.

References


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Xiong, L., King, C., & Du, J. (2016). Do employees truly value their brand values? Examining the specificity of employee-brand value fit for service brands.
Framing Effect and Financial Wellbeing: Role of Investment Behaviors as Mediator

Khalil Ur Rehman Wahla, Hameeda Akhtar, Syed Zulfiqar Ali Shah

1 PhD Scholar, Faculty of Management Sciences, International Islamic University, Islamabad, Pakistan
2 Assistant Professor, Faculty of Management Sciences, International Islamic University, Islamabad, Pakistan
3 Associate Professor, Faculty of Management Sciences, International Islamic University, Islamabad, Pakistan

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Based on the premise that human beings are not rational agents and are frame dependent while making investment decisions, this study has found a significant impact of framing effect on investment behaviors and financial wellbeing. Structural Equation Modelling is employed in Stata, on the data collected from 344 respondents from Pakistan (299 salaried persons and 45 businessmen), having more than three years’ experience. We supported the view of behavioral finance that framing effect could influence the financial wellbeing negatively. We extended the analysis further by validating the mediating role of investment behaviors between framing effect and financial wellbeing, which is a contribution to the body of knowledge in the field of behavioral finance.

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Corresponding author’s email address:

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1. Introduction

Behavioral finance studies found that human beings could always not be rational while making financial decisions (Otuteye & Siddiquee, 2014; Howard, 2012; Slovic, 2001) and financial behaviors could be determined by the behavioral biases (OECD, 2013; Baker & Ricciardi, 2014). With specific reference to framing effect, it has been evident that decisions made by human beings tend to be frame dependent (Kahneman & Tversky, 1984), i.e. framing same information in different ways can influence the decision. This phenomenon is against the rational choice mechanism - the basis of utility maximization theory of Neumann & Morgenstern (1944).

Considering another perspective, literature on financial wellbeing shows that researchers have been striving hard to explore the determinants of financial wellbeing (Xu, Beller, Roberts, & Brown, 2015). Assuming that positive financial behaviors lead to better financial wellbeing, sometimes financial wellbeing is referred to as positive financial behaviors, however longitudinal studies differentiated financial wellbeing from positive financial behaviors (CPFB-USA, 2015). Financial wellbeing could be affected from various aspects of individual financial decision making, such as retirement planning (Lusardi & Mitchell, 2006), how the finances are managed (Lusardi & Mitchell, 2007; Vlaev & Elliott, 2014), financial behaviors (Gutter & Copur, 2011), capability of dealing with loans (Tsai, Dwyer, & Tsay, 2016) and how financial satisfied individuals are (Ali, Rahman, & Bakar, 2015). More specifically, financial wellbeing could be explained by individual characteristics, financial stressors and financial behaviors (Kim, Garman, & Sorhaindo, 2003).

With this background, we found that not a single study is conducted to research specific interrelationships of framing effect with investment behaviors and financial wellbeing, which, if investigated; could provide valuable theoretical and policy insights, for better understanding the financial decision making phenomenon, when it is already evident that human beings have limited capacity to understand the complex situations i.e. bounded rationality (Simon, 1957; Simon, 1999; Simon, 2000). Bounded rationality shed light on deviations from purely rational behavior, due to limited processing capacity of the decision-making units.

Therefore, the current study; while extending the existing body of knowledge aimed to find out the links between framing effect, investment decisions and financial wellbeing. The basic assumption of the study is that the financial wellbeing of the individuals depends upon how rationally they behave. Excessive information or the level of information availability affect the decision required to be made on the basis of that information and individuals could find least ability to process that information (Malhotra, Jain, & Lagakos, 1982; Rubinstein, 1998; Fasolo, McClelland, & Todd, 2007). In scenarios, where information is available excessively or presented in a complicated way, human beings tend to find “shortcuts”. (Simon, 1957). Such shortcuts, if in some case are advantageous, could also lead to systematic mental errors and resultantly could make the consequences unfavorable. These shortcuts are referred to as heuristics and behavioral biases by Tversky & Kahneman (1974) and Kahneman & Tversky (1984). Framing the same information in different ways could lead to different outcomes (Kahneman & Tversky, 1984), therefore we argued that framing could affect the financial wellbeing of the individuals, as individual human beings have restricted ability to process the available information in a complex situation while also having time constraints. It is also argued that framing can also affect the way individuals behave towards their investments, where investment behaviors can also affect the finance wellbeing.

Section 2 of the study comprised of review of related literature and hypothesis development. Section 3 explained the variables and the methodology adopted. In Section 4 findings of the study and critical discussion with reference to specific literature is carried out. The last section concluded the study, highlighted the limitations and future research directions.

2. Hypothesis Development based on Prior Research
In this section, we have reviewed the existing literature on framing effect, investment behaviors and financial wellbeing and based on that, we have developed certain hypothesis for subsequent testing.

2.1 Framing Effect and Financial Wellbeing
From the evaluation of existing literature, a negative association of framing with financial wellbeing is evident. It is also evident that framing could influence the financial decision making, in contradiction to rational choice theory (Kahneman & Tversky, 1984), which could have serious consequences towards financial wellbeing of the individuals. Based on these literary findings, it is argued that due to the existence of framing effect, individuals could exhibit least competence in making rational decisions and this could have negative consequence on the overall financial wellbeing of the individuals. Therefore, following hypothesis is developed:

H1: Existence of Framing effect affect the financial wellbeing of the individuals negatively
2.2 Farming Effect and Investment Behaviors

Human beings exhibit various financial behaviors some could be negative, and some could be positive (Allgood & Walstad, 2016). For instance, sometime their investment behaviors could be illogical and beyond rationale due to their emotions, personality traits and also due to the mental mistakes occur unconsciously (Baker & Ricciardi, 2014). The mental mistakes occur during the decision making process are called as heuristics, a simplified mechanism of choice (Tversky & Kahneman, 1974; Kahneman & Tversky, 1979; Thaler & Sunstein, 2008). While making choices, human beings could be biased, they could rely on heuristics and they could be frame dependent. Such phenomenon could lead to the occurrence of anomalies at individual as well as market level (Slovic, 2001; Howard, 2012; Otuteye & Siddiquee, 2014). Investors use mental shortcuts while making investment decisions and could show behavioral biases (Jain, Jain, & Jain, 2015). Moreover, Frydman & Camerer (2016) also claimed that frame dependency could affect the financial behaviors of the individuals. Based on above, it is argued that human beings suffered by framing could exhibit negative investment behaviors, therefore it is hypothesized that:

H2: Existence of Framing effect affect the financial behavior of the individuals negatively.

2.3 Investment Behaviors and Financial Wellbeing

Financial behaviors significantly affect the financial wellbeing, for instance it matters how individuals plan their family budget, how much they save for the future and how much they spend by using risky credit cards (Gutter & Copur, 2011). With specific reference to investments, the way individuals manage their investments, could affect their financial wellbeing. For instance, behaviors such as investing in financial securities and EOBI etc., rebalancing the investments once every year and investing more than 50% of retirement portfolio could be healthy for the overall financial wellbeing (Allgood & Walstad, 2016). Reverse causality between investment behaviors and financial wellbeing could also exist, however literature is silent in this regard. Mostly, financial wellbeing is determined as an outcome of how the individuals behave i.e. how they planned their retirement (Lusardi & Mitchell, 2006), how they managed their finances (Lusardi & Mitchell, 2007; Vlaev & Elliott, 2014), how they behaved towards their finances (Gutter & Copur, 2011) and how they coped with their debts (Tsai, Dwyer, & Tsay, 2016). With this premise, it is claimed that positive investment behaviors could lead to better financial wellbeing and negative investment behaviors could weak the financial wellbeing of the individuals, therefore it is hypothesized that:

H3: Negative financial behaviors affect the financial well-being of the households negatively.

2.4 Mediating Role of Investment Behaviors between Framing Effect and Financial Wellbeing

If hypothesis 1 is accepted that framing could affect the financial wellbeing negatively, hypothesis 2 is accepted that framing can affect the investment behaviors negatively and hypothesis 3 is accepted that negative investment behaviors could affect the financial wellbeing negatively, a mediating role of investment behaviors will be evident. Therefore, following preposition is developed:

P1: Existence of framing effect affect the investment behavior of the households negatively, which in turn affect the financial well-being of the households negatively.

Therefore, following theocratical framework is proposed on the basis of review of related literature.

Figure 1: Theoretical Framework of the Study
3. Methodology
This section presented the methodology employed for conduction of the research. It involves defining techniques for sample and data collection. Considering explanatory nature of the study, positivism research philosophy is adopted. Quantitative research methods are used to quantify framing effect, investment behaviors and financial wellbeing. An online questionnaire4 is developed to target only the salaried persons and businessmen having minimum three years job or business experience, assuming that these individuals are mainly involved in financial decision making. A sample must be representative of the population for which it is intended for, however representativeness cannot be fully achieved, because the similarities between sample and the population are not possible to determine (Pedhazur & Schmelkin, 1991). For the sample in this study, inclusion criteria were salaried persons and businessmen having minimum three years job or business experience. It can be claimed that such a broader inclusion criterion would eliminate any part of the population appropriate for inclusion in the sample. Moreover, the collected data is not meant for use in norm referencing procedures and also not required to be representative of any other variable of interest. For such cases, homogenous sample is considered as a pre-requisite (Rust & Golombok, 2009). Based on this premise, heterogenous sample is considered advantageous as it benefits correlational studies (Pedhazur & Schmelkin, 1991). Therefore, convenient sampling is considered appropriate for this study. A sample size ranging from 200 to 400 is considered appropriate for social sciences research (Hair, Sarstedt, Ringle, & Mena, 2012), therefore in the current study sample size of 344 is finalized.

Table 1: Summary Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Percentage / mean (SD)5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profession (Occup)</td>
<td>Job</td>
<td>86.92%</td>
</tr>
<tr>
<td></td>
<td>Business</td>
<td>13.08%</td>
</tr>
<tr>
<td>Experience (YoE)</td>
<td>3-5 years</td>
<td>30.52%</td>
</tr>
<tr>
<td></td>
<td>5-10 years</td>
<td>31.10%</td>
</tr>
<tr>
<td></td>
<td>Above 10 years</td>
<td>38.37%</td>
</tr>
<tr>
<td>Gender (Gen)</td>
<td>Male</td>
<td>84.01%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>15.99%</td>
</tr>
<tr>
<td>Age Group (AG)</td>
<td>18-24</td>
<td>8.72%</td>
</tr>
<tr>
<td></td>
<td>25-34</td>
<td>52.03%</td>
</tr>
<tr>
<td></td>
<td>35-44</td>
<td>23.55%</td>
</tr>
<tr>
<td></td>
<td>45-54</td>
<td>11.05%</td>
</tr>
<tr>
<td></td>
<td>55-64</td>
<td>4.65%</td>
</tr>
<tr>
<td>Education (E)</td>
<td>Primary Education</td>
<td>0.29%</td>
</tr>
<tr>
<td></td>
<td>Middle level</td>
<td>0.58%</td>
</tr>
<tr>
<td></td>
<td>Matriculation</td>
<td>0.87%</td>
</tr>
<tr>
<td></td>
<td>Intermediate</td>
<td>3.78%</td>
</tr>
<tr>
<td></td>
<td>Graduation</td>
<td>27.33%</td>
</tr>
<tr>
<td></td>
<td>Masters</td>
<td>36.34%</td>
</tr>
<tr>
<td></td>
<td>MS / M.Phil.</td>
<td>28.78%</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>2.03%</td>
</tr>
<tr>
<td>Field of Study (Edu_FoS)</td>
<td>Business Management</td>
<td>43.31%</td>
</tr>
<tr>
<td></td>
<td>Computer Sciences</td>
<td>12.50%</td>
</tr>
<tr>
<td></td>
<td>Engineering</td>
<td>9.88%</td>
</tr>
<tr>
<td></td>
<td>Physical Sciences</td>
<td>12.21%</td>
</tr>
<tr>
<td></td>
<td>Social Sciences</td>
<td>22.09%</td>
</tr>
<tr>
<td>Monthly Income (MI)</td>
<td>PKR 25,000</td>
<td>11.34%</td>
</tr>
<tr>
<td></td>
<td>PKR 37,500</td>
<td>31.98%</td>
</tr>
<tr>
<td></td>
<td>PKR 75,000</td>
<td>35.17%</td>
</tr>
<tr>
<td></td>
<td>PKR 100,000</td>
<td>21.51%</td>
</tr>
</tbody>
</table>

4 The questionnaire devised is available at [https://goo.gl/forms/Dv8yVJa5O2zUWhaL3](https://goo.gl/forms/Dv8yVJa5O2zUWhaL3).
6 For continuous variables, mean and standard deviation are reported in parenthesis.
Marital Status (MS)  | Divorced/Separated | 0.87%  
| Married | 69.48%  
| Single | 29.65%  

| Framing Effect (FE) | No | 59.30%  
| Yes | 40.70%  

| Financial Wellbeing Score (FWB) | 20.95 (5.02)  
| Investment Score (Inv) | 3.42 (1.06)  

Nine questions are asked about demographics. Questions concerning framing effect (04), investment behaviors (04) and financial wellbeing (10) are adopted from the studies of Kahneman & Tversky (1984), Allgood & Walstad (2016) and CPFB-USA (2017), respectively. Scores are calculated for investment behaviors and financial wellbeing. Investment behaviors are coded to reflect the negative investment behaviors. In total 1,061 individuals were approached, out of those 611 responded. Considering salaried persons and business holders with job or business experience more than three years, the sample finalized consisted of 344 respondents. From the response rate, it is evident that the sample is representative. The possibility of significant response bias could be minimized by attaining high response. To make the analysis adequate, 50% response rate could be considered as sufficient (Rubin & Babbie, 2010). Response rate to the survey questionnaire is recorded as 56.30%, which is enough to carry out the analysis. Table 1 presents summary statistics.

To address the validity and reliability issues, the guidelines of Collingridge (2014) are followed. The questionnaire items adopted from the studies of Kahneman & Tversky (1984), Allgood & Walstad (2016) and CPFB-USA (2017) were further discussed with experts from the field to ensure face validity. Accordingly, questions were rephrased / amended keeping in view the local settings. Some of the questions were phrased negatively to avoid reckless responses. Afterwards, a pilot testing was carried out on a sample size of 80. The data collected in pilot study was analyzed and internal consistency was checked through Cronbach Alpha. Questionnaire items pertaining to investment behaviors, having low Cronbach Alpha value; were further rephrased to make them simpler and easy to understand.

For the construct validity of the proposed hypothesis, Confirmatory Factor Analysis is carried out, as suggested by Atkinson, et al. (2011). Results of Confirmatory Factor Analysis are presented in Table 2. Based on hypothetical framework of the study, four models were developed to test the best fit. RMSEA value of all the models is less than 0.08, therefore considered as good. CFI values of all the models are above 0.90 except Model 4, having value of 0.382. Model 1, 2 and 3 are considered as statistically superior then Model 4 in terms of RMSEA and CFI and X2. Based on the confirmatory factor analysis, the validity of Model 4 is found lower.

<table>
<thead>
<tr>
<th>Model</th>
<th>RMSEA</th>
<th>90% CI</th>
<th>CFI</th>
<th>df</th>
<th>X2</th>
<th>X2/df</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 17</td>
<td>0.000</td>
<td>0.000, 0.000</td>
<td>1.000</td>
<td>35.788</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model 28</td>
<td>0.000</td>
<td>0.000, 0.000</td>
<td>1.000</td>
<td>23.869</td>
<td>0.000</td>
<td>0.000</td>
<td>P&lt;0.05</td>
</tr>
<tr>
<td>Model 39</td>
<td>0.000</td>
<td>0.000, 0.000</td>
<td>1.000</td>
<td>33.149</td>
<td>0.000</td>
<td>0.000</td>
<td>P&lt;0.05</td>
</tr>
<tr>
<td>Model 410</td>
<td>0.058</td>
<td>0.031, 0.085</td>
<td>0.382</td>
<td>62.828</td>
<td>34.429</td>
<td>34.429</td>
<td>P&lt;0.05</td>
</tr>
</tbody>
</table>

For the final dataset, Cronbach Alpha statistics are reported in Table 3, showing overall reliability of the questionnaire as 0.74. Thus, data collection instruments are found reliable to test the hypothesis.

### Table 3: Reliability Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Construct</th>
<th>Items in the scale</th>
<th>Reliability coefficient of scale</th>
</tr>
</thead>
</table>

---

6 Framing effect is treated as a dichotomous variable. Four questions were asked to check framing effect. Framing is identified as per following criteria: For instance in first question, Program A reflects risk aversion and Program B reflects risk seeking. In second question, Program C reflects risk aversion and Program D reflects risk seeking. If selected program in questions 1 and 2 are: A&C - No Framing Effect, A&D - Framing Effect, B&C - Framing Effect, B&D - No Framing Effect. If Framing Effect = No = 0, if Yes = 1.

7 Model 1 comprise of framing effect and financial wellbeing.

8 Model 2 comprise of framing effect and investment behaviors.

9 Model 3 comprise of investment behaviors and financial wellbeing.

10 Model 4 comprise of framing effect, financial wellbeing and investment behaviors.
4. Findings and Critical Discussion
This section is about findings of the study and their critical review with reference to the studies already conducted. To test the hypothesis, Structural Equation Modelling (SEM) is employed in Stata.

4.1 Hypothesis 1
Hypothesis 1 is tested with 50 bootstrap replications and its results are presented in Table 4. The model is found fit for estimation as shown by overall goodness of fit statistics i.e. P>Chi2 equals to 0.003. From the results, it is evident that FE negatively affect FWB at a significant level. Probability of significance is 0.041. Two control variables i.e. MI and number of children have also shown a significant effect on FWB at a p-value of 0.000 and 0.006 respectively. However, MI has shown a positive impact, whereas number of children has shown a negative impact. From this analysis, we found that framing effect decreases the FWB. Moreover, higher the monthly income resulted in higher FWB, however, if number of children is higher, it will lower the FWB. These results support the findings of (Kahneman & Tversky, 1984), and are in line with the behavioral finance approach, which claims that human beings are frame dependent.

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>All</th>
<th>18</th>
<th>0.74</th>
</tr>
</thead>
<tbody>
<tr>
<td>Framing effect</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Results for Hypothesis 1

| Standardized | Observed Coef. | Bootstrap Std. Err. | z   | P>|z| | Normal-based [95% Conf. Interval] |
|--------------|----------------|---------------------|-----|------|-----------------------------|
| Structural   |                |                     |     |      |                             |
| FWB <-       |                |                     |     |      |                             |
| FE           | -0.085         | 0.042               | -2.040 | 0.041 | -0.167, -0.003              |
| Occup        | 0.111          | 0.868               | 0.130 | 0.898 | -1.590, 1.813               |
| YoE          | -0.042         | 0.159               | -0.270 | 0.791 | -0.353, 0.269              |
| Gen          | 1.276          | 0.802               | 1.590 | 0.112 | -0.296, 2.847              |
| AG           | 0.004          | 0.034               | 0.120 | 0.906 | -0.063, 0.071              |
| E            | -0.072         | 0.131               | -0.550 | 0.584 | -0.327, 0.184              |
| FOS-BM       | -0.398         | 0.809               | -0.490 | 0.622 | -1.984, 1.188              |
| FOS-CS       | -0.222         | 0.832               | -0.270 | 0.790 | -1.852, 1.408              |
| FOS-Eng      | -0.491         | 1.155               | -0.430 | 0.671 | -2.754, 1.772              |
| FOD-PS       | -0.292         | 0.968               | -0.300 | 0.763 | -2.189, 1.605              |
| MI           | 0.000          | 0.000               | 4.570 | 0.000 | 0.000, 0.000              |
| MS           | 0.118          | 0.744               | 0.160 | 0.874 | -1.340, 1.576              |
| Child        | -0.655         | 0.237               | -2.760 | 0.006 | -1.120, -0.190             |
| _cons        | 19.764         | 1.975               | 10.010 | 0.000 | 15.893, 23.634            |
| Var (e. FWB) | 0.901          | 0.034               |      | 0.837 | 0.970                       |

The results of model executed with respect to profession suggested that FWB of salaried persons is significantly and negatively influenced by FE, at a p-value of 0.053, whereas FWB of businessmen is not influenced by FE. No statistically significant difference is found in case of Gender, Age_G, Edu and other demographic variables.

4.2 Hypothesis 2
Hypothesis 2 is estimated to ascertain the impact of FE on investment behaviors. Structural Equation Modelling is executed with 50 bootstrap replications and its results are presented in Table 5. It is found that FE affect the negative investment behaviors in a positive way at a significance p-value of 0.032, which means that framing effect escalate the negative investment behaviors. Two control variables i.e. Profession and Education have also shown significant impact on negative investment behavior. It shows that those who do business are less likely to exercise negative investment behaviors than those who do job. Moreover, those who have higher level of education are less
likely to exercise negative investment behaviors. Overall, these findings suggest that framing escalate negative investment behaviors.

Table 5: Results for Hypothesis 2

<table>
<thead>
<tr>
<th>Standardized Coef.</th>
<th>Observed Coef.</th>
<th>Bootstrap Std. Err.</th>
<th>z</th>
<th>P&gt;z</th>
<th>Normal-based [95% Conf. Interval]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Inv &lt;-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FE</td>
<td>0.088</td>
<td>0.045</td>
<td>2.180</td>
<td>0.032</td>
<td>0.157</td>
</tr>
<tr>
<td>Occup</td>
<td>0.359</td>
<td>0.181</td>
<td>1.980</td>
<td>0.048</td>
<td>0.715</td>
</tr>
<tr>
<td>YoE</td>
<td>0.016</td>
<td>0.034</td>
<td>0.470</td>
<td>0.638</td>
<td>-0.051</td>
</tr>
<tr>
<td>Gen</td>
<td>0.091</td>
<td>0.149</td>
<td>0.610</td>
<td>0.543</td>
<td>-0.202</td>
</tr>
<tr>
<td>AG</td>
<td>-0.005</td>
<td>0.009</td>
<td>-0.530</td>
<td>0.593</td>
<td>-0.022</td>
</tr>
<tr>
<td>E</td>
<td>-0.060</td>
<td>0.029</td>
<td>-2.040</td>
<td>0.041</td>
<td>-0.117</td>
</tr>
<tr>
<td>FOS-BM</td>
<td>-0.046</td>
<td>0.141</td>
<td>-0.320</td>
<td>0.747</td>
<td>-0.322</td>
</tr>
<tr>
<td>FOS-CS</td>
<td>-0.109</td>
<td>0.202</td>
<td>-0.540</td>
<td>0.590</td>
<td>-0.504</td>
</tr>
<tr>
<td>FOD-Eng</td>
<td>-0.040</td>
<td>0.206</td>
<td>-0.190</td>
<td>0.846</td>
<td>-0.445</td>
</tr>
<tr>
<td>FOD-PS</td>
<td>0.025</td>
<td>0.187</td>
<td>0.130</td>
<td>0.894</td>
<td>-0.341</td>
</tr>
<tr>
<td>MI</td>
<td>0.000</td>
<td>0.000</td>
<td>-0.740</td>
<td>0.461</td>
<td>0.000</td>
</tr>
<tr>
<td>MS</td>
<td>0.030</td>
<td>0.174</td>
<td>0.170</td>
<td>0.863</td>
<td>-0.311</td>
</tr>
<tr>
<td>Child</td>
<td>0.020</td>
<td>0.054</td>
<td>0.380</td>
<td>0.707</td>
<td>-0.086</td>
</tr>
<tr>
<td>_cons</td>
<td>4.155</td>
<td>0.479</td>
<td>8.680</td>
<td>0.000</td>
<td>3.217</td>
</tr>
<tr>
<td>var(e.Inv)</td>
<td>1.078</td>
<td>0.125</td>
<td>0.858</td>
<td>1.354</td>
<td></td>
</tr>
</tbody>
</table>

These results support the viewpoint of Allgood & Walstad (2016), Baker & Ricciardi (2014), Tversky & Kahneman (1974), Kahneman & Tversky (1979), Slovic (2001), Thaler & Sunstein (2008), Howard (2012), Otuteye & Siddiquee (2014) and Jain et al. (2015), who found the individuals involved in such behaviors which are beyond logic and reasoning. No statistically significant difference is found in subgroups based on demographic variables.

4.3 Hypothesis 3

Hypothesis 3 is estimated to check the association between negative investment behaviors and FWB. Structural Equation Modelling results are shown in Table 6, from where it is found that investment behaviors affect FWB at a significance p-value of 0.037. beta value is recorded as -0.112 that means the impact is in negative direction. Therefore, it can be argued that exercising negative investment behaviors by the individuals could result in lesser financial wellbeing. Furthermore, a subgroup analysis found that FWB of males is adversely affected due to their negative investment behaviors, comparing to females. MI (a control variable) has shown a positive impact on FWB at a significant p-value of 0.000. This shows that having higher income could result in higher level of financial wellbeing. Whereas, having higher number of children could result in lesser financial wellbeing. The results of this model show that if individuals will exercise negative investment behaviors more then they will enjoy financial wellbeing less.

Table 6: Results for Hypothesis 3

<table>
<thead>
<tr>
<th>Standardized Coef.</th>
<th>OIM Std. Err.</th>
<th>z</th>
<th>P&gt;z</th>
<th>[95% Conf. Interval]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural FWB &lt;-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inv</td>
<td>-0.112</td>
<td>0.054</td>
<td>-2.090</td>
<td>0.037</td>
</tr>
<tr>
<td>Occup</td>
<td>0.237</td>
<td>0.842</td>
<td>0.280</td>
<td>0.778</td>
</tr>
<tr>
<td>YoE</td>
<td>-0.045</td>
<td>0.142</td>
<td>-0.320</td>
<td>0.751</td>
</tr>
<tr>
<td>Gen</td>
<td>1.115</td>
<td>0.695</td>
<td>1.600</td>
<td>0.109</td>
</tr>
<tr>
<td>AG</td>
<td>0.002</td>
<td>0.039</td>
<td>0.040</td>
<td>0.965</td>
</tr>
<tr>
<td>E</td>
<td>-0.084</td>
<td>0.121</td>
<td>-0.700</td>
<td>0.485</td>
</tr>
<tr>
<td>FOS-BM</td>
<td>-0.314</td>
<td>0.683</td>
<td>-0.460</td>
<td>0.645</td>
</tr>
<tr>
<td>FOS-CS</td>
<td>-0.233</td>
<td>0.817</td>
<td>-0.290</td>
<td>0.775</td>
</tr>
</tbody>
</table>

4.4 Proposition 1

This preposition is estimated to find out mediation role of negative investment behaviors between FE and FWB. Results with 50 bootstrap replications estimated through Structural Equation Modelling in Stata are shown in Table 7. Mediating role of investment behaviors (p-value = 0.022) is found in case of FE and FWB (0.045). From these results, it is evident that framing have a significant positive impact on negative investment behaviors and negative investment behaviors have significantly affected financial wellbeing of the individuals in a negative way. Therefore, it can be argued that framing effect escalates negative investment behaviors and resultanty it posed a negative impact on the financial wellbeing of the individuals.

Table 7: Results for Proposition 1

| Standardized | Observed Coef. | Bootstrap Std. Err. | z     | P>|z|  | Normal-based [95% Conf. Interval] |
|--------------|---------------|---------------------|-------|-----|-----------------------------|
| Structural   |               |                     |       |     |                             |
| Inv <-       |               |                     |       |     |                             |
| FE           | 0.087         | 0.049               | 2.010 | 0.045 | 0.002                        | 0.195               |
| Occup        | 0.359         | 0.216               | 1.660 | 0.097 | -0.065                       | 0.783               |
| YoE          | 0.016         | 0.031               | 0.520 | 0.606 | -0.045                       | 0.077               |
| Gen          | 0.091         | 0.144               | 0.630 | 0.529 | -0.192                       | 0.374               |
| AG           | -0.005        | 0.008               | -0.590 | 0.553 | -0.020                       | 0.011               |
| E            | -0.060        | 0.026               | -2.250 | 0.025 | -0.111                       | -0.008              |
| FOS-BM       | -0.046        | 0.156               | -0.290 | 0.770 | -0.351                       | 0.260               |
| FOS-CS       | -0.109        | 0.219               | -0.500 | 0.619 | -0.537                       | 0.320               |
| FOS-Eng      | -0.040        | 0.183               | -0.220 | 0.826 | -0.398                       | 0.318               |
| FOD-PS       | 0.025         | 0.181               | 0.140 | 0.890 | -0.329                       | 0.379               |
| MI           | 0.000         | 0.000               | -0.780 | 0.435 | 0.000                        | 0.000               |
| MS           | 0.030         | 0.193               | 0.160 | 0.876 | -0.348                       | 0.408               |
| Child        | 0.020         | 0.040               | 0.510 | 0.611 | -0.058                       | 0.099               |
| cons         | 4.155         | 0.559               | 7.430 | 0.000 | 3.059                        | 5.251               |
| FWB <-       |               |                     |       |     |                             |
| Inv          | -0.540        | 0.235               | -2.290 | 0.022 | -1.001                       | -0.079              |
| _cons        | 22.795        | 0.793               | 28.760 | 0.000 | 21.242                       | 24.348              |
| var(e.Inv)   | 1.078         | 0.095               | 9.320 | 0.000 | 0.905                        | 1.283               |
| var(e.FWB)   | 24.796        | 1.806               | 21.497 | 0.000 | 28.601                       |

To the best of the knowledge of the authors, the mediating role of investment behaviors in the relationship of framing effect and financial wellbeing is the area which remained unexplored. This could be considered as an addition in the field of behavioral finance. It can be inferred from the validation of this proposition that by not indulging in framing effect, investors could have positive investment behaviors, which can put a positive impact on their financial wellbeing.

5. Conclusion
The premise of this study was that human beings do not act rationally. They tend to be involved in decisions which are based on heuristics and mental shortcuts. They could be frame dependent due to their restricted ability to absorb the excess information in complex learning environments. Irrational approach of the individuals could lead them to exercise negative investment behaviors. It was also learnt that negative investment behaviors by the individuals could influence their financial wellbeing negatively. Considering these factors, the role of framing effect is investigated in defining the investment behaviors and its further impact on financial wellbeing of the individuals. By employing SEM on the sample data collected from 344 respondents, we have found a significant impact of framing effect on investment behaviors and financial wellbeing, which is in line with the contemporary research in the field of behavioral finance. We also supported the view of behavioral finance researchers that the negative investment behaviors could influence the financial wellbeing negatively. Based on validations of these hypothesis, we further found a mediating role of investment behaviors on the relationship of framing effect and financial wellbeing, which is an addition to the body of knowledge in the field of behavioral finance.

For the investors and regulators in Pakistan, this study provides valuable insights. Investors are recommended to analyze critically the investment options they could have. Before, making any investment decision, they need to first understand the information associated with each investment opportunity. They have to scrutinize the detailed terms and conditions of the investment opportunity to make an optimal investment decision. On the other side, regulators are required to devise the investor awareness programs to enhance the learning level of investors with regards to investment information. Such regulations are required to be introduced which could bound the investment houses to lay down the information associated with an investment in a simple and easy to understand way. They need to make bound to highlight the negative as well as positive aspects of the investment opportunity they offer. As far as future research directions are concerned, this research is conducted by considering framing effect as a behavioral bias. Analysis can be extended by considering more behavioral biases. Moreover, it can also be seen that how the increased learning levels of numeracy and financial knowledge can affect the relationships established in this research.

References


A Comparative Analysis of Intra-party Democracy within the Major Political Parties of Pakistan, India and Bangladesh

Mian Muhammad Azhar, Abdul Basit Khan, Mussawar Hussain Bukhari

1 Assistant Professor, Department of Political Science & International Relations, Government College University Faisalabad, Pakistan, muhammad.azhar@gcuf.edu.pk
2 Assistant Professor (OPS), Department of Political Science & International Relations, Government College University Faisalabad, Pakistan, basitniazai@yahoo.com
3 Associate Professor, Chairman Department of Political Science, Islamia University Bahawalpur, Pakistan, mussawarbukhari@gmail.com

ARTICLE DETAILS

ABSTRACT

In the democratic form of government, political parties play a determinative and creative role. Striving for public offices is their fundamental objective which distinguishes them from other social organizations; hence, parties utilize all channels to secure maximum parliamentary slots. In a representative and inclusive democracy, political parties perform a set of different jobs ranging from nomination of electoral candidates, managing their campaigns, transforming public sentiments and demands into public policy, citizens’ integration as well as fabricating government and civil society. Given much importance to the political parties for the development of representative democracy, concerns have been raised about the ways in which they discharge their functions. If democracy deems not to flourish without political parties, then it is also important to assess how political parties are internally democratic in their determination and decision-making, influence and significance, proceeding and practices and distribution and dissemination of authority. In developing states, majority of political parties are operating as family-enterprises lacking true internal democratic culture. Self-centric, dynastic and interrupted politics have plagued the democratic norms and values. By focusing upon the ways and means which the parties adopt to elect their office-bearers as well as the mechanism which they prefer to nominate electoral candidates, the instant study will investigate whether or not the mainstream political parties in Pakistan, India and Bangladesh are democratic in their functioning?

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Corresponding author’s email address: muhammad.azhar@gcuf.edu.pk


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1. Introduction

It is a predisposition of human beings to live in groups and form such associations which cover social, cultural, economic and political aspects of their life. A political party is an organized body of people assembled to achieve
some goals within the political setup of a country. The term was emerged in the nineteenth century with the growth of representative institutions and the expansion of suffrage in Europe and United States. It was then a structured organization aimed to capture public office in electoral competition with other parties; subsequently, the term was extended to political organizations with non-electoral motives, revolutionary organizations seeking to abolish competitive elections and the governing groups in totalitarian states (Schlesinger, 1984).

Political parties provide a link between people and institutions through their elected representatives. Bryce observes that political organizations are the mouthpiece of the people which represent them in corridors of the government. They communicate demands of the people to those who formulate and implement policies. Strong and well-organized political parties are important for open, competitive and representative political setup in the contemporary democracies (Bryce, 1921). Marquez believes that political parties play an important role to influence the political life at the grass-root level. They create awareness among the masses and mobilize them on national and international issues (Marquez, 2005). Azhar and Muhammad believe that modern democracy is inconceivable without political parties which articulate and integrate different interests, visions, approaches and opinions to a workable and effective political philosophy (Azhar & Muhammad, 2015). Schattschneider holds that these are nuclei of the modern political system (Schattschneider, 1942) whereas Stokes believes that political parties are an unavoidable part of democracy (Stokes, 1999).

A political party is an alliance of like-minded people with the foremost function to contest elections and nominate their candidates in all or some constituencies to attract maximum electoral support. Secondly, all the political and electoral activities of the political parties aim to win the elections and gain public offices to materialize their manifestos. On the other hand, the primary function of parties in opposition is to pressurize the government to initiate and implement policies friendly for the state and citizens (Hofmeister & Grabow, 2011). Political parties play an important role in transforming public sentiments and demands into public policy. For that purpose, they carefully formulate the manifestos, allocate tickets to the candidates capable of securing electoral triumph, conduct vigorous campaigns to get maximum public support in elections and finally form the government or opposition. While in government, parties articulate public interests and bridge the regional and national interests. In a heterogeneous society, if political organizations play their defined role and provide equal space to all segments of society in their ranks, then, they leave no option for the centrifugal forces to operate which, otherwise, would be active robustly and hit the national integration.

Since the political parties has gained centrality to modern political system, hence, it is important that they should internally be ruled democratically by providing equal opportunities for all to become part of political and electoral process (Toerell, 2010). Moreover, the democratic ideals require openness and inclusiveness in selection of electoral candidates as well as a shared decision-making mechanism among party leaders and its ranks. The instant study intends to assess the internal democratic level of major political parties of Pakistan, India and Bangladesh. For that purpose, it formulated the following research questions:

2. Research Questions
- Whether or not the mainstream political parties in Pakistan, India and Bangladesh are democratic in electing their office-bearers?
- Which mechanism these parties prefer to nominate electoral candidates?

3. Research Methodology
To answer the above-mentioned questions, top two political parties each from Pakistan, India and Bangladesh are selected on the basis of electoral results of the last two elections (excluding 2018 election of Pakistan); these are Pakistan Peoples Party (PPP) & Pakistan Muslim League (Nawaz) (PML-N) from Pakistan, Indian National Congress (INC) and Bhartia Janta Party (BJP) from India and Bangladesh National Party (BNP) and Awami League (AL) from Bangladesh. The study is explanatory in nature and secondary sources of data is collected, arranged and analyzed to explain the research questions. The constitutions of these parties as well as existing literature including books, articles, legislation related to political parties and election management bodies, research reports along with electronic and print media commentaries are consulted to make the findings more meaningful.

4. Intra-party Elections
An important yardstick to gauge the sanctity of intra-party democracy is the mechanism which the political parties adopt to appoint their office-bearers. A free, fair and transparent electoral process within the party not only
promotes the democratic norms and culture but also develops a mechanism to maintain dynamism. Such democratic activities facilitate the recruitment of young and energetic political workers; provide equal chances to all party-workers to contest intra-party elections and elevate their ranks in the organizational structure. Moreover, these activities strike the role of dynasties in party ranks and challenge the party stalwarts to keep their positions intact. It also decreases the probability of fragmentation and factionalism within the party, develops a reliable conflict management system and minimizes the opportunistic and arbitrary use of the delegated authority. Nevertheless, it all depends upon the degree of practical inclusiveness within the political party as well as the existence of a centralized power and authority therein (Chousalkar, 1997). The following segment details the practices about intra-party elections within major parties of target countries.

4.1 The Case of Pakistan

Acknowledging the importance of intra-party elections, the Political Parties Act (2002) of Pakistan enshrines two mandatory conditions for contesting general elections i.e. submission of 'statement of accounts or assets’ of the party and detail of the intra-party polls. In that perspective, the constitution of PML-N requires that there should be intra-party elections periodically after a time-span of four years from the date of previous elections. The constitution incorporates;

“If the office of the party president falls vacant due to death or resignation or any other reasons before the expiry of the term, it is mandatory for the General Secretary to convene the meeting of Central Working Committee to elect an acting president and arrange to convene the meeting of the council of the party to elect the president not late than 45 days” (“Constitution Pakistan Muslim league (N),” 1996).

However, in practice, uneven intra-party elections have become the afflicted feature of the party. In 2011, PML-N conducted intra-party election after a gap of a decade. The election was conducted to fulfill the requirement of the Election Commission of Pakistan (ECP). Mr. Nawaz Sharif was elected as the party chief and all other important slots went to his loyalists (Khan, 2011). Constitutionally, the next intra-party election was due in July 2015 but conducted in October 2016 i.e. after a delay of about fifteen months. In the said election, the party once again did not follow the democratic norms and values within its ranks and its Election Commission even did not release the final list of the contesting candidates. The election results were only the replica of the previous one wherein Nawaz Sharif, the then Prime Minister of Pakistan, elected unopposed and almost all other slots were recaptured by the party stalwarts (“PMLN’s intra party elections on Oct 18,” 2016; Wasim, 2016a, 2016b).

The apex court of Pakistan disqualified Nawaz Sharif in Panamagate case in July 2017; subsequently, PML-N’s office of the president became vacant; nevertheless, after making an amendment in Elections Act 2017, Nawaz Sharif recaptured the office of the president of PML-N. On February 22, 2017, the Supreme Court of Pakistan struck down the said amendment and Nawaz Sharif was de-seated as party president. To fill the vacancy, meetings of the Central Working Committee and the General Council of the party were held in Islamabad. The said “powerless” councils elected Mr. Shahbaz Sharif (the younger brother of Nawaz Shrif) unopposed as party president. The election was nothing but the endorsement of a “pre-decided” decision (Malik & Sheikh, 2018; “PML-N elects Shahbaz Sharif its permanent president,” 2018; “Shehbaz Sharif formally elected as PML-N’s president,” 2018). Ironically, one “Sharif” trusted the other “Sharif” (dynastyism) to fill the vacant slot of party president whereas party stalwarts and workers remained indifferent from the whole exercise. It appears that the claim of PML-N to be the democratic in its structure and functioning is only a slogan.

On the other hand, the constitution of PPP provides that elections to the offices other than the “Patron-in-Chief” and the “Patron” would be held after every three years. However, in case of resignation, death, incapacity and removal of office-bearers and upon a consequent endorsement by the Central Executive Committee (CEC), such vacant slots would also be filled through election (“Pakistan Peoples Party: Constitution,” n.d.; “Pakistan Peoples Party- Oldest Democratic Political Party,” n.d.). Nevertheless, after the execution of Zulfikar Ali Bhutto (the founder of the party) in 1979, his wife Begum Nusrat Bhutto became the party head. Her daughter Benazir Bhutto succeeded her and became the party head in 1988 after becoming the Prime Minister of Pakistan. Benazir remained party chief until her assassination in December 2007. Her son, Bilawal Bhutto Zardari, became the party head with Asif Ali Zardari (her spouse) became co-chairman of the party through her “will”; the said nominations were also endorsed by the party’s CEC. Surprisingly, the party did not conduct its intra-party election during the whole period and all the office-bearers were appointed through nominations (Ullah, 2018).
Besides, a set of new rules and regulations was introduced in 2002 by the Musharraf-led government for the political parties which made it mandatory to conduct the intra-party elections. Failing which, the ECP was empowered to cancel the registration of party. To contest the forthcoming general elections, the PPP registered itself with the ECP bearing a new name i.e. Pakistan Peoples Party-Parliamentarian (PPP-P); Makhdoom Amin Faheem and Raja Pervaiz Ashraf became its unopposed president and secretary-general respectively. Benazir Bhutto retained the slot of party head of PPP (“PPP elects Amin Fahim as president, Ashraf as GS,” 2013).

In case of PPP-P, the intra-party elections would have to be held after every two years or as determined by the “Federal Organization” of the party. However, the last three elections for PPP-P were conducted in 2007, 2013 and 2017 with uneven periodical gaps. Moreover, these were conducted secretly and the party only shared electoral results to the media. It seems that the said elections were conducted only to fulfill the requirements of ECP wherein a truly democratic letter and spirit was missing. Majority of the office-bearers recaptured their slots unopposed. Interestingly, in the recent elections, even Bilawal Bhutto, Nayyar Bukhari and Saleem Mandviwalla were not present at the occasion but re-elected (“Zardari elected PPPP president, Bilawal elected PPP chairman,” 2017).

4.2 The Case of India

The doors of the Indian democracy are not open for all and almost all the political parties are highly centralized or even remotely controlled. There, not only the central leadership but also parliamentary and assembly constituencies are in the clutches of certain political leaders who used money-muscle power to retain their political grip (Khan, 2016). After partition of the subcontinent, the INC, which is highly centric to the Ghandi family, took forty-six years to conduct the first election of the party president. The party is further criticized because of the centralizing impulses of Mrs. Indra Ghandi which removed the internal democracy from the party (Chousalkar, 1997). It conducts the intra-party elections periodically but these are only symbolic in nature since Ghandi family is still ruling the party; Mr. Rahul Gandhi is the current president of the party who was elected unopposed replacing his mother Sonia Gandhi in 2017 (“Missing intra-party democracy in India,” 2018).

In the case of BJP, the election for the party president had never been conducted since its foundation. All of its presidents had been elevated through selection or nomination process. Elections have taken place only at the state level, but this practice too has been jettisoned in recent years in favor of elections by consensus (Hasan, 2017). Although the nomination or selection of the party head in BJP does not require any dynastic succession but it is highly guided and controlled by Rashtriya Swayamsevak Sangh (RSS) which is a right-wing Hindu nationalist organization widely recognized as the parent organization of the BJP. It appears that because of the non-prevalence of the dynastic succession, the BJP would have a better image of intra-party democracy than INC but the difference between two major parties in this regard is not significant; like INC, BJP is also a highly centralized party. Its internal structure ranging from the allotment of party tickets and nomination of office-bearers is highly centralized and party workers are not allowed to play any role in all these activities (Balwani & Chibber, 2016). Family rule has become a striking feature both in INC and BJP. The electoral results 2014 reveal that 14.89% of BJP’s elected MPs belonged to various dynasties. In the general election of 2004 and 2009, the proportion in this regard stood 4.49% and 19.13% respectively (Singh, 2015). In short, both the mainstream political parties of India are subservient to their superemos who can drive the party on their will. Even an electoral defeat cannot adversely affect their control over the party.

4.3 The Case of Bangladesh

In Bangladesh, Representation of the People Order (RPO), 1972, provides that there should be intra-party elections at regular intervals to elect the party heads and office-bearers. It also provides that these electoral proceedings would be communicated to the election management body of the state (Amundsen, 2016; Shamrat, 2017). The constitutions of both the major political parties (AL & BNP) provide that the party councils will conduct their meetings at regular intervals of three years. These are the highest tier of the parties (a form of party caucus) in which representatives from the lower branch or district levels meet at national level. As per constitutions, these representatives/delegates are elected by party members at local level. However, these elections are only a mockery to the democratic process. These forums are empowered to elect party president and other organizational hierarchy (Shamrat, 2017). In most of the cases, the representatives are handpicked by the party operatives based on their level of loyalty not to the party but to the party elites. This “election-selection” process revolves around personality cults, sycophancy and patronage which adversely affect the essence of a true intra-party democracy. The influential and powerful party leadership hijacks the whole process. As a natural consequence, these handpicked delegates do in the party council what their pickers want from them to do.
Both of the major political parties i.e. AL & BNP are highly centralized and their decisions are made in authoritative manner. The party chiefs enjoy absolute and arbitrary powers in party affairs ranging from nomination of the office-bearers to allocation of the party-tickets in the parliamentary elections. No one dare to oppose the decisions of the party president. Resultantly, party councils have become only public show to endorse the party decisions.

Both these parties have actually become dynastic since there is no change or competition for party presidency for last 30 years. Hasina Wajid, the leader of the AL, succeeded to continue as party head for the last 37 years i.e. from 1981. She set an unprecedented record of longest ever serving chief of any political party (Liton & Molla, 2018). BNP was more than 16 years. Similar trends have also been observed at sub-national level (Power, 2013). Elections for the committees at lower level are conducted irregularly and the real spirit of democracy seems missing in these elections. Most of the committees are either ad hoc based or their tenure has been expired. In most of the cases, central leadership exercises their discretionary powers and makes nominations at national and sub-national levels. It is believed that level of internal democracy in AL is more better than that of BNP in organizing committee meetings and electing leaders at sub-national levels (Amundsen, 2013; “Politics of Dynasty knows no boundaries,” n.d.).

BNP also practices in the similar manner. Its chairperson has absolute and unchallenged authority to convene the party’s national executive committee meeting. In its fifth national council, the party further empowered the chairperson to fill the empty slots of national executive and standing committees through nomination. The chairperson can also dissolve these committees without taking anyone on the board (Kelly & Ashiagbor, 2011).

Party councils not only elect the party chief in flimsy manner but also empower the chief to make the policies to operate the party accordingly. The meetings of these councils are quite irregular and infrequent. However, to some extent, AL is more regular in convening its council meetings; since its inception, it had organized only 20 such meetings i.e. one in every three years. BNP, in this regard, is far behind than AL; it conducted only six council meetings since its birth i.e. one in every six years. Interestingly, the gap between 4th and 5th council’s meeting of BNP was more than 16 years. Similar trends have also been observed at sub-national level (Power, 2013). Elections for the committees at lower level are conducted irregularly and the real spirit of democracy seems missing in these elections. Most of the committees are either ad hoc based or their tenure has been expired. In most of the cases, central leadership exercises their discretionary powers and makes nominations at national and sub-national levels. It is believed that level of internal democracy in AL is more better than that of BNP in organizing committee meetings and electing leaders at sub-national levels (Amundsen, 2013; “Politics of Dynasty knows no boundaries,” n.d.).

5. Candidate Selection
Candidate selection/ticket allocation for contesting election is an important channel for the political parties to transform a centralized political system into an inclusive one hence it is important to know how parties allocate tickets to various applicants. In developed democracies, internal structure of political parties is well organized and established. They take all the stake-holders on board and conduct primaries for the candidate selection and allocating party tickets. In contrast, the political parties in developing democracies are internally less organized. Here, instead of committed workers, parties need “influentials”, “electables”, “feudals” and “money- muscles owners” to win elections. Such candidates can easily manage to win favors of the party high-ups to secure their electoral tickets. Moreover, probability to win the election is another significant factor during the allotment of party tickets rather than merit. Although the process which the political parties adopt seems to be non-egalitarian but the calculation for electoral triumph is more important for the party. Caste, religion, socialization and influence of the candidate over other social groups are some of the other factors which parties consider while nominating candidates. In some cases, there is corruption in ticket distribution (Singh, 2015) whereas in some other cases, the general rule of the thumb is that party incumbents succeeded to get the nomination for tickets unless they are perceived to be no longer likely to win (Farooqui & Sridharan, 2014).

5.1 The Case of Pakistan
To allocate the party tickets, the constitution of PML-N provides for a central parliamentary board comprising twenty members which is constituted and empowered by the Central Working Committee. The President of the party along with leader of the parliamentary party as well as the provincial presidents of the party is the ex-officio members of the board which scrutinizes the applications and allocates party tickets. Nevertheless the constitution of the party is silent about the criterion which the board has to follow to finalize the party nominees. The party head enjoys discretionary powers in allocation of party tickets. In most cases, the incumbents succeed to win the favors of the board.
During the general election of 2008, the party allocated tickets in sizeable numbers to those who jumped the party’s sinking ship after the military coup of 1999 and contested the election of 2002 either in independent capacity or under the banner of the military patron political party i.e. Pakistan Muslim League-Quaid-e-Azam (PML-Q). Despite the commitment of Mr. Nawaz Sharif of “not to entertain anyone who had left the party when it was in the hot soup”, above 145 PML-Q loyalists secured tickets from PML-N (“146 get PML-N tickets, though they quit party after coup,” 2013). Quite interestingly, the party preferred the political “octopuses” at the expense of its diehard supporters. In the election of 2013, the party constituted national and provincial parliamentary boards comprising “selected” people. This time the criterion for allocating tickets included topography of the constituency, voting patterns and the candidates’ performance; nevertheless the “influentials”, “electables” and “loved ones” succeeded to secure their tickets. The party once again axed those who were committed to it and never shook their alignment (Manan, 2013). Party’s local chapters, office-bearers, and other members were not consulted during the course of candidate selection (Socio-Economic Background of Political Parties Candidates for General Election 2008, 2008).

In the case of PPP, the constitution of party is silent over the process of ticket allocation; however, it is mentioned that active and diehard members of the party with an active record of promoting the aims of the party and in good standing are eligible to contest. Their eligibility is subject to their credibility as a candidate that can win an election, their public record and their undertaking to remain loyal members of the party. Hence the role of local party organizations in deciding the contestants for national and provincial assemblies during last election was unclear (Internal Democracy of Major Political Parties, 2016). During the headship of Benazir Bhutto i.e. until 2007, the party constituted district boards where the applicants submitted their applications for party tickets. The board scrutinized the applications and sent to the concerned provincial board with their recommendation. However, in election of 2013, Faryal Talpur, the sister of Mr. Asif Ali Zardari who is the co-chairman of PPP, played key role to allocate the tickets. She conducted interviews of the applicants along with the provincial presidents and finalized the candidate’s lists with the consultation of the CEC (Monitor Political Parties’ Internal Democracy, 2016; “The ACE Encyclopedia: Parties and Candidates,” 2013). It can safely be concluded that like PML-N, PPP is also highly centralized in the process of ticket allocation. Here, too, the committed party workers and local chapters are neglected during the electoral process and the preference is given to “landlords” and “electables” for contesting the election.

5.2 The Case of India
The INC sends observers in all the constituencies of Lok Sabha who prepare reports about the potential party candidates. These reports are forwarded to the District Congress Committee (DCC) and Pradesh Congress Committee (PCC) which in turn forward them to the concerned State Election Committee (SEC). Each SEC then prepares the panel of candidates for each constituency with their recommendations and sends it to the All India Congress Committee (AICC). The AICC constitutes a screening committee for each state comprising a senior member of the Congress Working Committee, two senior party members not from that state, the state’s PCC chief along with the State’s Congress Legislature Party Leader. The screening committees prepare a docket, listing the pros and cons of each potential candidate and forward it to the Central Election Committee (CEC), which allocate party tickets to suitable candidates (Gowda & Sridharan, 2010; Singh, 2015).

In 2014, Rahul Gandhi, the then Vice President of the INC, decided to conduct primaries in sixteen constituencies to elect the potential electoral candidates. The party, in this way, attempted to involve the lowest ranks of the party to vote for the candidates of their choice. It claimed that the process was successful hence to be implemented across the board in the forthcoming elections (Polanki, 2014).

On the other hand, the constitution of BJP does not prescribe any method to nominate electoral candidates. However, the mechanism which the party follows for the said purpose includes two committees for screening and recommendation of the candidates. The State Election Committee (SEC) is mandated only for the municipal and local elections for each state whereas the Central Election Committee (CEC) of the party plays no role in this regard. However, in state and parliamentary level elections, SEC plays only a recommendatory role for the potential candidates in each constituency and CEC finally allocates the tickets (Singh, 2015). In elections of 2009, a more centralized mechanism was adopted. The SECs were not allowed to play their recommendatory role but could only forward the applicant’s name to the CEC which could make the final decision. A core group comprising senior leaders of the party was constituted for each state; it could decide the allocation of tickets hence was more powerful and influential while the CEC was reduced only to a rubber-stamp (Farooqui & Sridharan, 2014).
The reality is that the process of allocating the electoral tickets of BJP is highly centralized; the party president along with some key leaders actually finalize the lists of the contestants and the lower ranks have nothing to do with this process (Dhru & Monterio, 2010).

In actual allocating the party tickets, the major factors which the both mainstream Indian political parties (INC & BJP) consider include caste, religion, money and muscle power of the candidate since the last two of the aforementioned elements contribute most towards the electability of any candidate. The parties do not feel any shy to allocate tickets to such “winnables”. Over-centralization within the parties leads towards the uneven ticket allocation and those who possess high assets value and criminal records succeed to win the favor of party leaders. The following table shows how the candidates with criminal records succeeded to capture the party tickets and parliamentary slots.

### Table 1: Indian MPs with Criminal Cases: A Comparison between Lok Sabha of 2009 and 2014

<table>
<thead>
<tr>
<th>Party</th>
<th>Number of Candidates</th>
<th>Number of MPs</th>
<th>Number of MPs with pending criminal cases</th>
<th>Number of MPs with pending cases</th>
<th>Number of Candidates</th>
<th>Number of MPs</th>
<th>Number of MPs with pending criminal cases</th>
<th>Number of MPs with pending cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>INC</td>
<td>438</td>
<td>206</td>
<td>44</td>
<td>21</td>
<td>462</td>
<td>44</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>BJP</td>
<td>428</td>
<td>116</td>
<td>44</td>
<td>38</td>
<td>426</td>
<td>281</td>
<td>98</td>
<td>35</td>
</tr>
<tr>
<td>SP</td>
<td>192</td>
<td>23</td>
<td>9</td>
<td>39</td>
<td>195</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>BSP</td>
<td>493</td>
<td>21</td>
<td>6</td>
<td>29</td>
<td>501</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>JD(U)</td>
<td>53</td>
<td>20</td>
<td>8</td>
<td>40</td>
<td>93</td>
<td>2</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>AIITC</td>
<td>33</td>
<td>19</td>
<td>4</td>
<td>21</td>
<td>131</td>
<td>34</td>
<td>7</td>
<td>21</td>
</tr>
<tr>
<td>DMK</td>
<td>21</td>
<td>18</td>
<td>4</td>
<td>22</td>
<td>35</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CPM</td>
<td>81</td>
<td>16</td>
<td>3</td>
<td>19</td>
<td>93</td>
<td>9</td>
<td>5</td>
<td>56</td>
</tr>
<tr>
<td>BJD</td>
<td>18</td>
<td>14</td>
<td>4</td>
<td>29</td>
<td>21</td>
<td>20</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>SHS</td>
<td>46</td>
<td>11</td>
<td>9</td>
<td>82</td>
<td>58</td>
<td>18</td>
<td>15</td>
<td>83</td>
</tr>
<tr>
<td>NCP</td>
<td>68</td>
<td>9</td>
<td>4</td>
<td>44</td>
<td>35</td>
<td>6</td>
<td>5</td>
<td>83</td>
</tr>
<tr>
<td>ADMK</td>
<td>21</td>
<td>9</td>
<td>4</td>
<td>44</td>
<td>40</td>
<td>37</td>
<td>6</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: (Collaborative conjunction between crime and politics, 2018; Singh, 2015)

The data reveals that the candidates having criminal charges have more probability to win the elections as compared to the clean candidates. The comparison shows that the Lok Sabhas of 2009 and 2014 had an average of 23% of such members who had criminal record whereas the average of such members who had a clean record was only 12% (Dahiya, 2017; Sastry, 2013; Vaishnav, 2014).

### 5.3 The Case of Bangladesh

There is no specific provision in the constitution of Bangladesh about selection of candidates for elections of parliament. However, in 2008, the government amended the RPO to assure that the lower ranks of the party must involve in the process of candidate nomination; the order now requires that the lower tiers of the party would prepare the list of potential candidates and forward the same to the central committee or parliamentary board. The constitution of AL provides for a parliamentary board which would scrutinize the applications for party tickets and decide about the final allotments. The board comprises eleven members including party president, general secretary and the deputy leader of the AL’s parliamentary party; other members are elected from the AL council members (“Declaration and Constitution,” 2016). Similarly, the constitution of BNP also provides for a parliamentary board to finalize the electoral candidates; the board works under the headship of the party chairperson whereas members of the party’s standing committee, three vice-presidents, general secretary of the party and the president of the district committee are the other members of the board. The party convened district-wise meetings of the parliamentary board where the respective district president of the party also joins as a member. However, the board can include any person beyond the said list.

Like India and Pakistan, there is no radical difference in the practices of both the major parties of Bangladesh while finalizing the allotment procedure; here, too, the party chiefs enjoy the real deciding power. Furthermore, winnability of the candidate is the most important factor which the political parties in Bangladesh consider during the allocation of tickets; candidate’s image in the constituency, his/her socialization and the ability to bear the...
election expenses, contribution to the party and relationship with party high-ups are other important factors in “seat politics” (Amundsen, 2013, 2016). In some cases, although the applicants are interviewed and evaluated by the parliamentary board but the decision of allocation the party ticket solely depends how the applicant manages the party high-ups. A sizeable proportion of non-career politicians also succeed to get the party tickets by applying their financial resources as well as their relationship with the civil and military bureaucracy (Mahiuddin, 2010).

6. Conclusion
The aforementioned detail reveals that almost all of the major political parties in Pakistan, India and Bangladesh are truly accused of having non-democratic intra-party setups. The dynastic rule prevails in all these parties and these ruling families assign the key-slots to their favorites as well as to the influential political figures at will whereas the grass-root workers are usually ignored during the process; whenever these parties conduct intra-party elections for electing their office-bearers, these elections are only symbolic in nature and everyone know who would be occupying what. A similar practice of favoring the “electables” as well as the personal likes is also found during the course of ticket-allocation to the electoral contestants. Such non-democratic practices consequently hinder the nourishment of democratic culture and cause the failure of grooming the alternate leadership within the party ranks since the genuine workers cannot get the opportunity to work at important party slots.

The study also concludes that except the INC, all the selected political parties did nothing to make their ticket-allocation process truly democratic. All the decisions in this regard are made behind the closed doors. The committed party workers fail to win the favors of central party leadership for the party tickets. The practice generates apathy and aloofness among the party workers which further discourages the induction of new blood. All these bottlenecks adversely affect the political culture and weaken the democratic institutions. By practicing in an excessively centralized and authoritative manner, political parties fail to assess the pulse of the public and remain distant from electorates. Parties’ structure remains weak and fragile and the gap between party leaders and workers remains un-bridged. Such parties also face frequent deviations while implementing their decisions within the party or their members disintegrate while facing any political upheaval or turmoil.

Strong and inclusive political parties provide concrete foundations for establishing a democratic political culture in a developing state like Pakistan, India or Bangladesh. However, to reach at that level, parties need to internalize intra-party democratic norms and values in true letter and spirit. They should conduct free and fair intra-party elections at proper intervals, and the culture of centralized nominations and appointments should be discouraged. Parties should provide career-paths to their workers and, in turn, seek loyalty from them. In allocation of the election tickets, parties should adopt transparent mechanism to scrutinize the applicants and, if possible, should conduct primaries to check the pulse of their workers. Moreover, legal compulsions should be reinvigorated to make the functioning of parties more democratic and election commission be made more powerful to execute and implement the electoral as well as the party laws.

References
inner-party-democracy.html


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Impact of Corporate Reputation on Firm Risk: An Analysis of Pakistan Stock Exchange Listed and PACRA Rated Firms

Allah Bakhsh, Muhammad Hanif Akhtar, Adeel Akhtar

1Assistant Professor, Bahauddin Zakariya University, Multan, Pakistan, abkhan@bzu.edu.pk
2Professor of Commerce, Bahauddin Zakariya University, Multan, Pakistan, hanifakhtar@bzu.edu.pk
3Assistant Professor, Bahauddin Zakariya University, Multan, Pakistan

ARTICLE DETAILS

ABSTRACT

This study has examined the impact of corporate reputation on risk exposure of the firms listed at Pakistan Stock Exchange (PSX) and rated by Pakistan Credit Rating Agency (PACRA). It has employed firm’s credit ratings as a proxy for corporate reputation. It has covered the time period from 2007-2016 and unbalanced and undated panel regression analysis has been carried out to observe the significance of the relationship among corporate reputation and the firm risk i.e. total risk and its parts (systematic and unsystematic risk). It has been found that corporate reputation has a significant negative relationship with total risk and systematic risk of the firm. It is however found that corporate reputation is insignificant in explaining the unsystematic risk of the firms. Leverage and profitability (the control variables) are also found significant in explaining the risk exposures of the firms.

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1. Introduction

Corporate reputation is considered as a value enhancing intangible asset for of the firms (Roberts & Dowling, 2002). Reputation of a firm is considered by the inequality concerning the extent of time which it takes to figure it up and its instability, i.e. the short time it takes to end (Hall, 1992). Firm managers considered corporate reputation as most important asset of the organizations. This managerial perception has theoretically and empirically been tested by a lot of researchers and most of them tried to explore the causal relationship between corporate reputation and firm performance i.e. Deephouse (1997); Roberts & Dowling (1997); Vergin & Qoronfleh (1998); Dunbar & Schwalbach (2000); Black, et al.(2000); Chung, et al.(2003); Rose and Thomsen (2004); Inglis, et al.(2006); (Sanchez & Luna, 2007); Lee & Roh (2012) and Sánchez & Vega (2018). On the other side, least attention is given to firm risk, while exploring the effects of corporate reputation, although; firm risk is considered as a most fundamental component for managing firms and controlling financial strategy (Juan et al., 2013). It is believed that the performance of the firm, in economic terms; not only depends on higher returns, but, it also depends on low risk.
Firm risk is defined in various contexts by the researchers, while having corporate reputation in consideration as well. Conventionally, good corporate reputation is viewed as a risk reducing agent. But when it was analysed empirically with different type of risks, it gave contradictory results (Delgado-Garcia, Quevedo-Puente, & Díez-Esteban, 2013), due to the fact that various strategic choices have different effects on risk factors (Lubatkin & O'Neill, 1987).

According to Orlitzky & Benjamin (2001), total risk of the firm comprised of variance in returns over a period. According to the market model developed by Sharpe (1964), firm risk comprised of two components i.e. unsystematic and systematic risk. Systematic risk is idiosyncratic in nature due to its particularity to a firm that captures the degree of variation in the performance of the firm and which cannot be explained by general market trends. Whereas, systematic risk is caused by the different macroeconomic variables and it covers the variation in firm performance due to overall changes in the market.

With this premise, the current study is aimed to explore the impact of corporate reputation on various types of firm risks i.e. total risk and its components (systematic and unsystematic risk). It also aimed to explore that how corporate reputation affects the risk exposure of the firms. The study has implications for both practitioners and academics, due to its unique nature in Pakistani context; where no significantly relevant research is found on the highlighted issue. It is also significant as Pakistani markets are developing, where weak form of market efficiency is observed by various researchers, and where different cultural, economic and political perspective prevails (Khan & Khan, 2016).

2. Literature Review

According to Wartick (1992), corporate reputation is “the aggregation of a single stakeholder’s perceptions of how well organizational responses are meeting the demands and expectations of many organizational stakeholders”. Similarly, Fombrun & Riel (2004) defined corporate reputation as “the collective representation of a company’s past actions and future prospects that describes how key resource providers interpret a company’s initiatives and assess its ability to deliver valued outcomes”.

From the review of previous research on corporate reputation, it is found that higher corporate reputation results in better response to market drops (Gregory, 1998). On the other side, in an event study, Jones, et al. (2000), found no difference among companies having low and high reputation, when a 20% drop in market size was occurred in 1987. The role of risk in explaining the business profitability is examined by Tan (2016), who did not find any significant impact of firm risk on profitability of Chinese banks. Whereas, Srivastava, et al. (1997) found that corporate reputation is positively associated with systematic risk measured as beta. Based on portfolios of firm made on the basis of different reputation level, they observed that investors were more comfortable to take risk of investing in firms having higher level of reputation.

Jones, et al. (2000) claimed that good reputation gives a protection to the organizations in odd times and act as an intangible asset. It is considered as a “reservoir of goodwill” in terms of public relations. While analysing the stock market crashes of 1987 and 1989, Jones, et al. (2000) found no difference between the companies having low or high reputation in case when the market was dropped upto 20% in a day. They supported the hypothesis that “reputation serves as a goodwill reservoir”, which facilitate the companies in time of economic downturn. Taking into consideration another view, Iwu-Egwuonwu (2011) have linked corporate reputation with the corporate governance quality. According to the researcher, corporate reputation needs to be considered as an outcome of corporate governance initiatives taken in an organization. The emphasized that the corporate governance is main pillar which helps organizations in developing their reputation and on the basis of this pillar, the future of the organizations can be predicted. Maintaining a good level of corporate reputation pay back in shape of an increase in corporate goodwill i.e. a source of intangible assets. Having a strong reputation is far most important for the survival of today’s companies, to sustain in today’s competitive market and to cultivate best financial performance.

Rindova, et al. (2005) examined that how the reputation of organizations covers the perceptions of various stakeholders, which subsequently effect the economic outcomes of the outcomes. Two varying dimensions of corporate reputation are proposed by Rindova, et al. (2005), which are the perception of stakeholders about the ability of organizations to offer quality goods or services and the prominence of organizations in the mind of stakeholders. A favourable effect of reputation on pricing ability of organizations is found by the researchers.
Moreover, corporate reputation is found to reduce the uncertainty that exist in the relations of organizations with their stakeholders. Good corporate reputation is also found to have a positive relationship with market value. Dowling (2006) examined how the reputed organizations become successful in creating better market value. They found that good corporate reputation gives good corporate value to the shareholders. Brammer, et al. (2006) also examined the relationship of corporate reputation with shareholders return. They found investors can earn abnormal returns by investing in stocks having rising reputation scores. Moreover, the stocks having substantial fall in reputation score also exhibited abnormal positive returns in long and short term.

Clara Pérez-Cornejo, et al. (2019) recently analysed how the quality of enterprise risk management effect the reputation of companies. From the analysis of the data of Spanish firms they found that enterprise risk management is a tool which become useful to manage the reputation of the companies. Moreover, enterprise risk management systems provide a platform to control the reputational risks of the companies. Whereas, in a comparative study of UK and USA firms, Chung, et al. (2003) explored the association of a firm’s equity market performance including past and future performance with its corporate reputation ranking published. They found that firms with high reputation outperform the equity market performance than those who are ranked low. They also found a positive association between firm performance and firm size.

To further explore that how the corporate reputation results in high market value, Wang & Smith (2015) carried out an analysis of “America’s Most Admired Companies”. According to their findings, firms with high reputation reflect US $ 1.3 billion market value premium, which show that firms with better reputation achieve best performance in terms of finances, which also result in low capital costs. Their findings supported the theory of impression management. In a study on the relationship of firm risk and corporate reputation, Delgado-García, et al. (2013) found that if the firms are reputed, their unsystematic as well as total risk become reduced. However, they found that due to good reputation, the systematic risk of firms increased. They also found that the firms with the highest reputation in the sample, the impact of reputation has lesser effect on firm risk. They concluded that degree of corporate reputation does not matter for the firm risk and what matters for the risk is that whether firms are reputed or not reputed.

Based on the above theoretical underpinnings, following theoretical framework of the study is developed:

**Figure 2: Theoretical Framework of the Study**

3. Data

Two resources identified for measurement of corporate reputation are the rating agencies, the one is PACRA (Pakistan Credit Rating Agency) and the other one is JCR-VIS (a Japanese rating agency). PACRA ratings are employed for this study. PACRA considered following qualitative and quantitative factors while rating a firm for credit worthiness. Qualitative Factors included firm’s qualitative information i.e. industry risk, operating environment, market position, management, corporate governance and accounting practices. Qualitative factors covered firm’s Cash flows focus, earnings and cash flows, capital structure, financial flexibility, project risk evaluation, earnings measures, coverage ratios, leverage measures and profitability ratios.

The rating agency rates the firms on long term and short-term basis, the long-term ratings are employed for this study. AAA is for “Highest credit quality”, AA for “very high credit quality”, A for “High credit quality, BBB for “Good credit quality”, BBfor “Speculative”, B for “Highly speculative” and CCC, CC, C showed “High default risk” firms. PACRA ratings are used as a proxy for measuring corporate reputation by employing a dummy variable for reputation. Firms are divided into two portfolios. Firms having rating of “AAA”, “AA”, “A” and “BBB” are
categorized as “Good Repute Firms” and the firms having rating of “BB”, “B”, “CCC”, “CC” and “C” are categorized as “Bad Repute Firms”. Corporate entities are considered for study. Data of only 47 companies is available on the website of PACRA as per policy of PACRA which stated that the data of only those firms has been disseminated which gave permission for it. Most of the firms asked PACRA to make their rating information confidential. Therefore, study is conducted only on the available firm’s data. Out of 47 firms, 17 are further deleted as these firms are not listed at Pakistan Stock exchange. Final sample consisted of firm’s ratings during the period from 2007 to 2016.

4. Variables and Methodology
From the review of previous literature, it has been found that corporate reputation impacts the risk exposure of the firms, however, literature also suggested to explore the phenomenon in more detail. Two components of firm risk are found in previous studies on the relationship of corporate reputation on risk i.e. downside risk and systematic risk, whereas, the unsystematic risk is not focused in previous studies. Therefore, to have a more comprehensive view of risk, this study has considered firm’s total risk as dependent variable, which considered both systematic and unsystematic components of risk.

4.1 Firm Risk as Dependent Variable
Firms risk is hypothesized as dependent on corporate reputation. It is worked out through daily stock price data, where firm total risk is segregated as under:

\[
\sigma^2 (R_i) = \beta_i^2 \times \sigma_m^2 + \sigma_i^2 \quad \text{Eq. I}
\]

Where \( \sigma^2 (R_i) \) is a measure of total risk for a firm \( i \).
\( \sigma_i^2 \) is the standard deviation of the error term and is firm’s unsystematic risk.

Whereas, systematic risk which is also referred as beta is estimated by Sharpe (1964) market model as under:

\[
R_i = \alpha_i + \beta_i \times R_m + e_i \quad \text{Eq. II}
\]

For a firm \( i \), lagged risk (for the year \( t-1 \)) is employed for estimating the relationship between risk and reputation of that firm. Beta is calculated by drawing the scattered diagram of stock returns and PSX returns for each of the firm year for which PACRA rating is available.

4.2 Corporate Reputation as Independent Variable
Corporate reputation is hypothesized as an independent variable. A dummy variable is introduced for corporate reputation. Long term ratings of PACRA are employed for this study(PACRA, 2019). These are categorized as: AAA is for “Highest credit quality”, AA for “very high credit quality”, A for “High credit quality, BBB for “Good credit quality”, BB for “Speculative”, B for “Highly speculative” and CCC, CC, C showed “High default risk” firms. PACRA ratings are used as a proxy for measuring corporate reputation by employing a dummy variable for reputation. Firms are divided into two portfolios. Firms having rating of “AAA”, “AA”, “A” and “BBB” are categorized as “Good Repute Firms” and the firms having rating of “BB”, “B”, “CCC”, “CC” and “C” are categorized as “Bad Repute Firms”. It distinguished those firms having “good repute” from those having “bad repute”. Out of 30 selected firms as per criteria, 7 seven are found “bad repute firms” and 23 are found as “good repute firms”. Corporate reputation dummy is 1 for “good repute firms” and 0 for “bad repute firms”.

4.3 Control Variables
We employed two variables as controls. These are Leverage measured through Debt to equity ratio on the rationale suggested by theory that high levered firms are more exposed to risk (Bowman, 1979). The other control variable is Profitability of the firm, following the theory which established a relationship between profitability and firm risk (Bowman, 1980). Net profit margin is employed as a proxy for profitability, worked out by dividing net income with net sales.

4.4 Methodology
Data consist of both cross sectional and time series; therefore, yearly panels of the data have been developed. Following the objective of the study whether firm risk (total and in parts i.e. systematic and unsystematic risk) depends on corporate reputation or not, below given regression equations are estimated:

\[
\text{Firm Risk } t+1 = \alpha_0 + \beta_1 \text{CR } t + \beta_2 \text{L } t + \beta_3 \text{Prof } t + \epsilon t+1 \quad \text{Eq. III}
\]

\[
\text{Systematic Risk } t+1 = \alpha_0 + \beta_1 \text{CR } t + \beta_2 \text{L } t + \beta_3 \text{Prof } t + \epsilon t+1 \quad \text{Eq. IV}
\]

\[
\text{Unsystematic Risk } t+1 = \alpha_0 + \beta_1 \text{CR } t + \beta_2 \text{L } t + \beta_3 \text{Prof } t + \epsilon t+1 \quad \text{Eq. V}
\]

In these equations:
- \(\text{CR}\) = Corporate Reputation
- \(\text{L}\) = Leverage
- \(\text{Prof}\) = Profitability

Regression results of Eq. III, IV and V are presented in Table-3, 4 and 5 and are discussed in next section. Descriptive Statistics of the data and Pearson Correlation among the variables are reported in table 1&2. Total numbers of observations are 103 after adjustments through unbalanced and undated panel data analysis through EViews.

### Table 2: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Total Risk</th>
<th>Unsystematic Risk</th>
<th>Systematic Risk</th>
<th>Corporate Reputation</th>
<th>Leverage</th>
<th>Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.999</td>
<td>0.995</td>
<td>0.003</td>
<td>0.834</td>
<td>2.320</td>
<td>0.047</td>
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<tr>
<td>Maximum</td>
<td>1.383</td>
<td>1.000</td>
<td>0.384</td>
<td>1.000</td>
<td>9.752</td>
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<tr>
<td>Minimum</td>
<td>-0.676</td>
<td>0.957</td>
<td>-1.658</td>
<td>0.000</td>
<td>-16.320</td>
<td>-0.267</td>
</tr>
<tr>
<td>Std. Dev.</td>
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<td>0.007</td>
<td>0.175</td>
<td>0.373</td>
<td>2.854</td>
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<td>103</td>
<td>103</td>
<td>103</td>
<td>103</td>
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### Table 3: Pearson Correlation

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<tr>
<th></th>
<th>Total Risk</th>
<th>Unsystematic Risk</th>
<th>Systematic Risk</th>
<th>Corporate Reputation</th>
<th>Leverage</th>
<th>Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Risk</td>
<td>1.000000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsystematic Risk</td>
<td>0.136508</td>
<td>1.000000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Systematic Risk</td>
<td>0.998978</td>
<td>0.091602</td>
<td>1.000000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Reputation</td>
<td>-0.009316</td>
<td>-0.067349</td>
<td>-0.006292</td>
<td>1.000000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leverage</td>
<td>0.051128</td>
<td>0.036605</td>
<td>0.049724</td>
<td>-0.188628</td>
<td>1.000000</td>
<td></td>
</tr>
<tr>
<td>Profitability</td>
<td>-0.065106</td>
<td>-0.014800</td>
<td>-0.064770</td>
<td>0.346384</td>
<td>-0.247038</td>
<td>1.000000</td>
</tr>
</tbody>
</table>

### 5. Results and Discussion

Results of regression analysis of unbalanced / undated panel, on the equations as estimated in equation III, IV and V are tabulated in table 3, 4 and 5. Results of the equation estimated for total risk and corporate reputation as shown in table 3, showed that the probability (F-Statistic) of the model is 0.00 that means the model is significant. P-value for corporate reputation is 0.000 having a negative sign with the coefficient. This means that the corporate reputation of year t has a significant but negative relationship with total risk of the firm in year t+1. The value of R-square is 0.07, which is low, showing that only 7% variability in total risk is due to variability in corporate reputation. This result is in line with the previous study that of Roberts and Dowling (2002). Leverage a (a control variable) also found to have a negative and significant relationship with total risk, P-value = 0.0278, whereas profitability has a significant and positive relationship with total risk of the firm.

### Table 4: Regression Results - Equation III

<table>
<thead>
<tr>
<th>Dependent Variable: TR(1)</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>-0.013021</td>
<td>0.051165</td>
<td>5.254483</td>
<td>0.0000</td>
</tr>
<tr>
<td>L</td>
<td>-0.005151</td>
<td>0.006469</td>
<td>-0.796316</td>
<td>0.278</td>
</tr>
</tbody>
</table>
Equation IV estimated the relationship between systematic risk and corporate reputation. Beta of the firms is used as a systematic risk. Corporate reputation is found to have a significantly negative relationship with systematic risk, p-value = 0.0069 with coefficient value = -0.010. Here the control variables showed the same behavior as in case of total risk. Leverage has a significant negative relationship, p-value = 0.0313 and coefficient value = -0.0053. Profitability has a significant positive relationship, p-value = 0.0296 and coefficient value = 0.0018. Probability (F-Statistic) in case of this model is also significant having a value equal to 0.00204.

<table>
<thead>
<tr>
<th>Table 5: Regression Results - Equation IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Variable: SR(1)</td>
</tr>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>CR</td>
</tr>
<tr>
<td>L</td>
</tr>
<tr>
<td>PROF</td>
</tr>
<tr>
<td>C</td>
</tr>
<tr>
<td>R-squared</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
</tr>
<tr>
<td>F-statistic</td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
</tr>
</tbody>
</table>

Equation V estimated the relationship between unsystematic risk and corporate reputation. Results are given in Table 5. Contrary to the above, corporate reputation has shown insignificant relationship with unsystematic risk. P-value in this case is 0.2758. However, leverage is found significantly positive relationship with unsystematic risk. P-value in case of leverage is 0.0075. Profitability is found to have an insignificant relationship with unsystematic risk. P-value is 0.1486. The model is fit as the Probability (F-Statistic) here is 0.00177, which is significant.

<table>
<thead>
<tr>
<th>Table 6: Regression Results - Equation V</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Variable: USR(1)</td>
</tr>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>CR</td>
</tr>
<tr>
<td>L</td>
</tr>
<tr>
<td>PROF</td>
</tr>
<tr>
<td>C</td>
</tr>
<tr>
<td>R-squared</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
</tr>
<tr>
<td>F-statistic</td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
</tr>
</tbody>
</table>

6. Conclusion
This research is carried out with an aim to explore the impact of corporate reputation on various types of risks i.e. total risk and its components (systematic and unsystematic risk), that how corporate reputation is affecting the risk exposure of the firms. PACRA ratings are employed as a proxy for corporate reputation. Firm risks are estimated using Sharpe (1964) market model. Betas are calculated for each firm at each dissemination date of PACRA ratings. Data of 30 firms (as available with PACRA) is employed for the period from 2007 to 2016. Firms chosen for the study are only those which were listed at Pakistan Stock exchange during the time period and have PACRA
ratings for more than two years. We observed that the corporate reputation has a significantly negative relationship with total risk and systematic risk of the firm. It however found that corporate reputation is insignificant in explaining the unsystematic risk of the firms. Leverage and profitability (the control variables) are also found significant in explaining the risk exposures of the firms.

The results are in line with a recently conducted study in Spanish context by ClaraPérez-Cornejo, et al.(2019), where the same type of relationships have been observed. These results are significant in Pakistani context and give a direction to the corporate sector and academic researchers as well. Future study is proposed to be conducted by incorporating the signaling theory, that how the corporate reputation affect the market value of the shares of the firms.

References


Perceptions of Prospective Teachers about Peer Assessment as a Tool for Reflective Practices

1Uzma Shahzadi, 2Bashir Hussain

1PhD Scholar, Department of Education, Bahauddin Zakariya University, Multan Pakistan, uzmashah_bzu@yahoo.com
2Assistant Professor, Department of Education, Bahauddin Zakariya University, Multan. Pakistan, bashirhussain@bzu.edu.pk

ARTICLE DETAILS

ABSTRACT

Peer assessment is a collaborative learning method that assists students to have a control of their learning and involve them in reflective process. This study focuses on exploring the perceptions of prospective teachers about use of peer assessment as a reflective tool in classrooms of teacher education programs. This study was quantitative in nature and used descriptive research design. All prospective teachers enrolled in the bachelor programs of teacher education programs (i.e., BS and B.Ed. Hon. Elementary) of public sector universities of Pakistan served as population of the study. Using multistage purposive sampling technique, a sample of 1374 prospective teachers was selected. For seeking prospective teachers’ opinion, a questionnaire comprising 17 items on a five-point Likert scale, was developed. Questionnaire was validated by experts. Reliability of questionnaire was ensured with Cronbach alpha value of 0.79. For data analysis, both descriptive and inferential statistics were used. From analysis of data, it was found that prospective teachers perceive that they are sometimes equipped with necessary skills for involving in peer assessment and occasionally their teachers provide them necessary tools to carry out peer assessment for the reflective learning. It was also found that majority of students agree that peer assessment helps them in identifying their weaknesses and strengths more effectively. While prospective teachers reported that peer assessment is an activity that takes a lot of time and it carries biasness with its procedure. It is, however, recommended that peer assessment might be an important component of classroom teaching and learning practices. It is further recommended that promotion of peer assessment in classrooms may be used as a tool for creation of reflective teaching and learning environment.

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Corresponding Author: uzmashah_bzu@yahoo.com


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1. Introduction

In the field of assessment, the focus of the literature has changed from the reliability and validity of teacher and student marking (Davies, 2009; Falchikov & Goldfinch, 2000) to student learning (Wiliam, 2011) since the last few
Peer assessment is an alternative assessment method that benefits the students by engaging them in reflective practice through a process of provision of prompt feedback. It is commonly quoted that peer assessment helps learners in increasing the awareness of the quality of their work, self-reflection and on their performance as peer evaluators and in development of lifelong learning skills (Egodawatte, 2010; Falchikov, 1996; Gielen, 2007; Langan & Wheater, 2003). Literature also reports the benefits experienced by students participating in a formative feedback approach, including making criteria explicit to students, providing them with the opportunity to participate in a non-evaluative feedback session, reviewing the work of their peers and reflecting on their approach to assignment (Cartney, 2010; Cho & McArthur, 2010). One of the advantages of this approach is that when less confident students are involved in peer assessment and freely/fairly assign grades improves their feedback provision mechanism without indulging themselves in the associated concerns regarding competition or rivalry (Wood & Kurzel, 2008).

Because of its characteristics and benefits for the learners, it is also discussed under the umbrella of student centered approach. Literature supporting this, presents its potential benefits in a way to allow students to actively participate in the assessment process. It provides an opportunity to the students to think more deeply and develop important cognitive skills such as teamwork, critical thinking, decision-making, self-monitoring and regulation, problem solving, get inspiration from their peers’ work, collaborate, criticize constructively, suggest improvements, reflect and make sensible judgments (Sluijsmans, Dochy & Moerkerke, 1998; Sung et al., 2005). Peer assessment is, therefore, also known as an effective reflective tool to develop reflective practices in classrooms.

Peer assessment is also beneficial in the sense that the control and responsibility are given back to learners (Siow, 2018). In Pakistan, traditional assessment is commonly used method to assess learning and skills of learners in majority of classrooms. There is greater focus on the summative assessment than formative assessment. Assessment data is, therefore, used to make decisions for classroom promotions rather than for learning. With educational reforms, integrated assessment methods are being addressed as a need at tertiary level. As a result of this, the induction of newly designed teacher education programs, formative assessments along with reflection are kept as an integral part of classroom teaching. The present research, therefore, aims to explore the role of peer assessment as reflective tool.

2. Review of Literature

Learning and process of learning that how humans learn and how teacher can infer the learning of an individual in a classroom is the most frequently asked question in the literature since long. Assessment procedures and research in the field is facilitating the understanding of question that how can we utilize the results of assessment. This concept is known as assessment for learning. It is also known as formative assessment procedures. Formative assessment is a continuous form of assessment that is carried out as an integrated form of assessment in teaching learning practices. Peer assessment is also categorized as formative assessment procedure. It is defined as a process that
provides students with opportunities to reflect upon their own understandings, build on prior knowledge, generate inferences, integrate ideas, repair misunderstandings and communicate their understandings (Roscoe & Chi, 2007). Thus, peer assessment can have a variety of benefits for students, such as improved conceptual understanding, communication skills and self-assessment skills (Black, Harrison & Lee, 2003; Falchikov, 2005).

Peer assessment procedures involve analysis of peer work. In the literature, it is evident that peer analysis provides an opportunity for students to make judgments about the quality of a work, to give constructive criticism, to assign a grade, or to generate feedback. Through peer assessment, therefore, a sense of distanced objectivity is developed during practical analytic experience that helps individuals in application of concepts in their own work (Black, Harrison & Lee, 2003). Sadler (1989) quoted that students are exposed to a variety of examples, while involving in peer analysis and it, in return, helps them in quality learning. Peer assessment helps in strengthening the analytical, evaluative and critical abilities of individuals by encouraging them to involve in self-assessment. In this way, peer assessment supports both reflection and the reflective practices in classrooms.

Role of peer assessment and its benefits in individual development is noted by many authors in literature. Kollar and Fischer (2010) contend that peer assessment is “an important component” of “a more participatory culture of learning aiding the design of learning environments”, as well as being, “fundamentally a collaborative activity that occurs between at least two peers” (p. 344-345). Facilitating students to partake in some form of assessment interaction encourages some control over their own learning and alters the balance of power, where, as it is noted that, peer interaction of any form engages students in development of their own learning, both cognitively and emotionally (Vickerman, 2009). Bloxham and Boyd (2007) stated that benefits for students participating in peer assessment include: helps them to understand the academic standards of the module, understand assessment criteria and how they are applied to students’ work, understand alternative approaches to academic tasks, developing their ability to make judgments and justify their point of view, develops their ability to give constructive feedback to the peers and prepares them for self regulated learning by building their capacity to monitor their own progress rather than rely on a third party to do it (p. 62).

Bloxham and West (2004) also found that peer assessment helped students learn, developed their critical thinking skills and enhanced students’ understanding of assessment standards. Likewise, Kearney (2013) contends that educators should design such assessments that involve and engage students and that build essential skills such as "critical thinking and autonomous learning", whilst also inspiring ‘innovation and creativity (p. 876).

Along with many advantages, however, literature also points out concerns about some aspects of peer assessment approach. Around the limitations and risks of peer assessment, several important issues have been raised by the students and academia in higher education institutions (Kaufman & Schunn, 2011; Patton, 2012; Vickerman, 2009). Accuracy and validity of feedback from peers is the point of concern in literature of peer assessments and formative assessment. It is noted that students tend to over-mark, particularly if process takes place in small established groups and/or if the identities of assessor and assesee are known (Vickerman, 2009). Furthermore, students are hesitant to take responsibility in peer assessment. In Patton’s qualitative study on undergraduate, students shared experiences of peer assessment, and noted that some students prefer facilitators to take responsibility for assessment as they do not consider that their peers have the necessary ‘expertise’ required to grade their work. Patton (2012) also noted that epistemological expertise of facilitators and professors invests them with legitimacy and authority to assess student work - when this expertise is absent, students are less likely to take on board critiques of their work.

Likewise, studies also found that students perceive peer assessment process as inconsistent and unfair (Foley, 2013; Kaufman & Schunn, 2011). It is also observed that judging the written work of students from across many disciplines is, in itself, a complicated task for facilitators, and more complicated situation for first year students alone. Students have also reported feelings of anxiety while grading their peers when lacking experience in conducting peer assessment (Brown, Rust & Gibbs, 1994).

Despite some of its disadvantages, it is noted that peer assessment develops several skills among students that includes a wide range of cognitive, behavioral, and transferable skills. These soft or transferable skills include: communication, critical thinking, reflective thinking, collaboration, teamwork, self-management, and awareness (Reinholz 2016; Sufol et al. 2016; Wu, Chanda, & Willison, 2014). Peer assessment is known for providing opportunity to act as assessor, evaluator and manage learning during the process. Peer assessment enable individuals to be independent and lifelong learners (Boud & Soler, 2016; Carless, 2013). For this reason, the higher
education institutes consider the development of individuals in such a way that they can take responsibility of their own learning and development and act as reflective practitioners.

3. Objectives
Main objective of this study was to explore the perceptions of prospective teachers about the role of peer assessment as a reflective tool in classrooms of teacher education programs. This study further investigated the difference between perceptions of male and female prospective teachers and difference between perceptions of prospective teachers enrolled in BS Education program and B.Ed. (Hons.) Elementary program.

4. Methodology
This study was descriptive and quantitative in nature. Accessible population of the study was all prospective teachers enrolled in regular and accredited bachelor teacher education programs of public sector universities. Multistage purposive sampling technique was used to select a sample size of 1374 prospective teachers from 21 public sector universities, from six administrative units i.e. ICT area, Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa, and Gilgit Baltistan. Teacher education departments offering regular and accredited bachelor’s degree programs were selected purposively. Intact group (census) of prospective teachers from available semesters are selected for data collection. An instrument i.e., perceptions of peer assessment as a reflective tool (PPAR) was developed by the researchers. The instrument was developed on a five-point Likert scale and comprised 17 statements. Instrument was validated by taking experts’ opinions. Cronbach alpha value was found to be .79. The data were analyzed by using descriptive and inferential statistics, with the help of SPSS version 22.

5. Data Analysis
Data were analyzed using both descriptive and inferential statistics i.e., the mean, the standard deviation and an independent sample t-test. Independent sample t-test was applied to explore the significant difference among independent samples. To examine the perceptions of prospective teachers about the role of peer assessment as a tool for reflective practices in classrooms of Teacher Education Programs of Pakistan, values of mean and standard deviations were calculated, and results are presented in Table 1.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Themes</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Necessary skills for peer assessment</td>
<td>1374</td>
<td>3.3</td>
<td>1.3</td>
</tr>
<tr>
<td>2</td>
<td>Clarity in procedure of peer assessment</td>
<td>1374</td>
<td>2.5</td>
<td>1.4</td>
</tr>
<tr>
<td>3</td>
<td>Tools are available for peer assessment</td>
<td>1374</td>
<td>2.5</td>
<td>1.4</td>
</tr>
<tr>
<td>4</td>
<td>Lot of responsibility for student</td>
<td>1374</td>
<td>4.1</td>
<td>1.0</td>
</tr>
<tr>
<td>5</td>
<td>Overall</td>
<td>1374</td>
<td>3.1</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Table 1 represents that the mean values of two statements fall between 2.0 and 2.5. It shows that the prospective teachers have less clarity in procedures of peer assessment during teaching and learning in classrooms and tools for peer assessment are occasionally provided in classrooms. Furthermore, table 1 reflects that mean value of one statement lies between 3 to 3.5 and it shows that prospective teachers are sometimes equipped with necessary skills for peer assessment. It is also reported by prospective teachers that often peer assessment address lot of responsibility for students. Overall, mean score represents that prospective teachers sometimes are provided with necessary skills, procedures and tools for peer assessment as reflective practice tool in classroom teaching learning practices, but with some concerns. Values of standard deviation comparatively show moderate level of consensus among students. It can be therefore concluded that prospective teachers need to be trained in necessary skills, procedures and tools for peer assessment practice.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Themes</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Assists me to master the reflective skills</td>
<td>1374</td>
<td>3.3</td>
<td>1.3</td>
</tr>
<tr>
<td>2</td>
<td>Analyze my strengths and weaknesses</td>
<td>1374</td>
<td>3.4</td>
<td>0.9</td>
</tr>
<tr>
<td>3</td>
<td>Effective tool for critical thinking</td>
<td>1374</td>
<td>3.5</td>
<td>1.1</td>
</tr>
<tr>
<td>4</td>
<td>Needed for constructive learning</td>
<td>1374</td>
<td>3.3</td>
<td>1.3</td>
</tr>
<tr>
<td>5</td>
<td>Motivates students for healthy competition</td>
<td>1374</td>
<td>4.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Overall</td>
<td></td>
<td>1374</td>
<td>3.6</td>
<td>1.1</td>
</tr>
</tbody>
</table>
The above table 2 represents that the mean values of four statements lie between 3.0 and 3.5. It shows that the prospective teachers sometimes use peer assessment as a reflective tool to seek assistance to master reflective skills and they reported that peer assessment is sometimes needed for constructive learning. Moreover, prospective teachers reported that use of peer assessment sometimes provide opportunity to analyze their own strengths and weaknesses and sometimes it is an effective tool for critical thinking. Table 2 also indicates that peer assessment motivates the students more often for healthy competitions. Overall mean score reflects that less often there is an effective role of peer assessment to support reflective practices in classrooms.

**Table 3: Peer assessment as feedback tool to support reflective practice**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Themes</th>
<th>N</th>
<th>Mean</th>
<th>SD.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Peer assessment provides prompt feedback</td>
<td>1374</td>
<td>3.9</td>
<td>1.08</td>
</tr>
<tr>
<td>2</td>
<td>Feedback assist in self assessment</td>
<td>1374</td>
<td>3.5</td>
<td>1.4</td>
</tr>
<tr>
<td>3</td>
<td>Feedback supports reflection</td>
<td>1374</td>
<td>3.6</td>
<td>1.2</td>
</tr>
<tr>
<td>4</td>
<td>Prompt feedback from peers regulate learning</td>
<td>1374</td>
<td>2.7</td>
<td>1.3</td>
</tr>
<tr>
<td>Overall</td>
<td></td>
<td>1374</td>
<td>3.4</td>
<td>1.2</td>
</tr>
</tbody>
</table>

The above table represents that the mean value of one statement is 2.7. It shows that occasionally feedback regulates learning of prospective teachers. Mean values of three statements lie between 3.5 and 4.0 that shows less often use of peer assessment to support reflection and in providing prompt feedback. It is also reflected that less often peer assessment assist in self assessment. The overall mean score (3.4) shows the prospective teachers perceive that the use of prompt feedback in peer assessment sometimes supports reflective practices in classrooms.

**Table 4: Role of peer assessment as less reflective practice tool**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Themes</th>
<th>N</th>
<th>Mean</th>
<th>SD.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Peer assessment is more subjective</td>
<td>1374</td>
<td>3.8</td>
<td>0.9</td>
</tr>
<tr>
<td>2</td>
<td>Peers are more demanding</td>
<td>1374</td>
<td>3.4</td>
<td>1.2</td>
</tr>
<tr>
<td>3</td>
<td>It is a biased procedure</td>
<td>1374</td>
<td>2.9</td>
<td>1.4</td>
</tr>
<tr>
<td>4</td>
<td>It wastes time</td>
<td>1374</td>
<td>3.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Overall</td>
<td></td>
<td>1374</td>
<td>3.3</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Table 4 represents that the mean values of two statements lie between 2.5 and 3.0 that shows that peer assessment is occasionally a biased procedure and sometimes it wastes time of prospective teachers. Furthermore, mean value of one statement is 3.4 and it indicates that the peers are more demanding in a peer assessment task and prospective teachers also responded that less often peer assessment is more subjective in nature. Overall mean score of 3.3 represents that prospective teachers sometimes consider peer assessment as a less effective reflective tool in the classroom teaching learning practices. Inferential statistics i.e. independent sample t-test was also applied. Table 5 represents the independent sample t test (Gender) followed by interpretation of the test.

**Table 5: Independent sample t-test (by gender)**

<table>
<thead>
<tr>
<th>Participants</th>
<th>N</th>
<th>Mean</th>
<th>df</th>
<th>Sig.</th>
<th>Cohen’s d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female prospective teachers</td>
<td>121</td>
<td>52.53</td>
<td>1372</td>
<td>.000</td>
<td>.30</td>
</tr>
<tr>
<td>Male prospective teachers</td>
<td>353</td>
<td>55.20</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of table 5 presents that the significant value (p-value) for the role of peer assessment is 0.00 i.e., P<0.05. It shows that there is a statistically significant difference between perceptions of female and male prospective teachers about the role of peer assessment as reflective practice tool in classrooms. Table further reflects that male prospective teachers perceive that the role of peer assessment as a reflective tool is higher than that of female prospective teachers. The effect size was found .30 that shows the medium effect size between the two means.

**Table 6: Independent sample t-test (by program)**

<table>
<thead>
<tr>
<th>Participants</th>
<th>N</th>
<th>Mean</th>
<th>DF</th>
<th>Sig.</th>
<th>Cohen’s d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prospective teachers (BS. Education)</td>
<td>371</td>
<td>53.75</td>
<td>1372</td>
<td>.122</td>
<td>.08</td>
</tr>
<tr>
<td>Prospective teachers B. Ed. (Hons.)</td>
<td>1003</td>
<td>53.01</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The results of Table 6 indicate that the significant value (p-value) for the role of peer assessment is 0.12 i.e., is P>0.05. It indicated that there is statistically no significant difference between the perceptions prospective teachers enrolled in BS and B. Ed. (Hons.) elementary program. Table reflects that there is no difference between the perceptions of prospective teachers enrolled in BS. Education and B.Ed. (Honors) Elementary programs about the role of peer assessment as a reflective tool. Table further reflects that Cohen’s d effect size is .08 and it is depicting that there is very small effect between the two means.

6. Discussion and Conclusions
This research study intended to explore the perceptions of prospective teachers about the role of peer assessment as reflective tool. The results of the study are generally, in line with the theory and findings from the previous researches. The study concluded that peer assessment assign lot of responsibility to the students in classroom and it assist the students in developing their critical and reflective skills. Findings are in line with the findings of the study conducted by Adachi, Tai and Dowson (2018), which found that peer assessment makes students responsible for assessing their peers. It was also revealed that peer assessment promotes concept of prompt feedback that helps students in developing their reflective abilities and reflective learning. The findings of the study are in line with the findings of the study conducted by Stegmann et al. (2012) which found that academics recognize that participation in peer assessment and giving feedback may benefit the provider of feedback more than recipient. Peer assessment encourages students to be the part of healthy competition.

Furthermore, this research study concluded that peer assessment less often acts as an effective tool for critical thinking and reflective tool in teaching and learning. The study also concluded that occasionally peer assessment is a biased procedure and sometimes it is a time waste activity as perceived by prospective teachers. This study concluded that there is a significant difference the perceptions of male and female prospective teachers for role of peer assessment as reflective tool. The finding is in line with the study conducted by Ahmed and Molen (2010) that showed a significant difference in number of male and female students who show comfort in involvement in peer assessment procedures. It was also found that there is no significant difference between the perceptions of prospective teachers enrolled in BS Education and B.Ed. (Honors) elementary program. It was also revealed that peer assessment is time waste and biased activity as perceived by prospective teachers. This is in line with the findings of the study conducted by Adachi, Tai, and Dawson (2018), which concluded the time constraints and reliability of student judgment skills. The study recommends that clarity in carrying out peer assessment for reflection might be provided and prospective teachers may be made acquainted and equipped by providing necessary information, strategies and tools for use of peer assessment. Policies regarding assessment might be altered to include peer assessment as an important component of our traditional assessment procedures. Assessments data might be utilized to develop reflective practice among prospective teachers.

References


The Mediating Role of Psychological Capital and Organizational Commitment between Work Environment and Job Burnout

1Muhammad Shahid, 2Nazim Ali

1Department of Commerce and Management Sciences, University of Malakand, Pakistan. 2Department of Commerce and Management Sciences, University of Malakand, Pakistan.

ARTICLE DETAILS

ABSTRACT

The objective of this research was not only to investigate the relationship between working environment (WE) and job burnout (JB), WE and organizational commitment (OC), WE and psychological capital (PsychCap), OC and JB, PsychCap and JB but also to investigate the mediating effect of OC and PsychCap between the relationship of working environment and JB of doctors working in hospitals of KP, Pakistan. Data were collected from three hundred and thirty doctors. The results revealed a significant negative relationship between WE and JB, OC and JB, PsychCap and JB while positive relationship was found between WE and OC, WE and PsychCap. The results also explored that OC partially mediated the relationship between WE and JB. PsychCap also partially mediated the relationship between WE and JB. When both OC and PsychCap were included as mediators, the relationship between WE and JB became insignificant (full mediation).

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1. Introduction

Due to innovation and development, new technology is emerging each day. The efficiency and utility of resources has reached the optimum level. It is a fact that these technological innovations cannot operate perpetually; these need some human resource to operate. The human resource of an organization needs to be committed and motivated. Numerous studies have analyzed different factors like rewards, trainings, WE etc. which may lead to OC and consequent increased performance. There are certain issues which may lead to problems like JB and intention of employees to leave current job etc. The primary objective of this study is to focus on health sector being crucial to individual’s life and community health. In this study we investigate the effect of WE on burnout of job while taking OC and PsychCap as mediating variables.

In research studies different features of WE were focused and were found to be significant in maintaining employee’s productivity and efficiency (Karasek, 1990). WE and employee’s perceptions about their WE are of utmost importance in order to know about the development of their attitude (Bibi, Karim, & ud Din, 2013). Negative and unwanted changes in attitude and behavior of employee’s are intensely influenced by their WE. Leiter and Maslach (1988) emphasized the association aspects especially interpersonal interaction with administrators and colleagues as contributory reasons for burnout development. Likewise, background of burnout studied at
organizational level was found to be associated with organizational WE, moral and social backing (Fong, 1993) and admittance to organizational assists (Quick & Tetrick, 2011). Literature review disclose that the projecting relationship of WE and burnout had been supported by several research studies (Langballe, Innstrand, Aasland, & Falkum, 2011). Due to the prevailing increasing cases of burnout among employees of medical profession, Escribá-Agüir, Martín-Baena, and Pérez-Hoyos (2006) conducted a research study with the aim to investigate the relationship between WE and burnout among medical staff in Spain including nursing and emergency unit doctors. The secondary aim of the study was to find that either WE effect on burnout was dissimilar for nurses and doctors. Data was collected from 945 respondents including nursing staff and emergency doctors in Spain with the help of mail questionnaires.

Savicki (2002) conducted a research study on burnout based on treatment/health care providers, teachers and administrators of youth and child care covering thirteen cultural backgrounds including Canada, United States, Denmark, Slovak Republic, England, Scotland, Germany, Poland, Austria, Israel and Australia. In spite of visible variations in different culture of the target population, in findings of the research study it was suggested that depersonalization and emotional exhaustion were associated with high level of job pressure and minimal managerial support, innovation and job orientation. High level cohesion among co-workers/colleagues was found to be linked with enhanced sense of personal achievements or accomplishment at workplace. In a research study, Robinson et al. (1991) found that personal accomplishment and depersonalization in workplace were predicted by job pressure, job involvement and job orientation. On the other hand, findings of contrary nature about the relationship of burnout and WE were also suggested by literature review. In Pakistan context research study was carried out by (Chughtai & Zafar, 2006; Hayat, 2004) in which he describes the dimension of relationship among OC and WE facets. Chughtai and Zafar (2006) argue that the facets of working environment such as pay, opportunity, promotion, supervision, and training are strongly associated with OC. Abdullah and Ramay (2012) a good and cooperative working environment can increase the commitment towards the organization. Different research studies illustrate that there is a significant relationship exist between JB and OC for instant (Ahmed & Ramzan, 2013; Tosun & Ulusoy, 2017) argued that JB has negative relationship with OC. The severe increase of emotional exhaustion effects OC because the heavy bourdon of getting competitive advantage in business, employee retention and employee performance, according to (Bruce, 2009) afore mentioned issues causes burnout which reduce OC. Many researchers address that today JB can be see almost everywhere in different form of organization, in which individual provide direct services to the customer e.g. industries like education sector, health sector and banking sector. Previously the main reasons for reusing the OC were considered an unlimited transition of JB because of role conflict, heavy workload and uncertainty in job performance beside this less feedback provided by the manager, rapid technological changes (Ahmed & Ramzan, 2013; Hallsten, 2017). JB occur in those organization in which employee directly involve with the customer (Gorji, Vaziri, & Iran, 2011).

Some strategic changes in the organization also responsible for reducing OC and increasing JB (Bruce, 2009; Marek, Schaufeli, & Maslach, 2017). Similarly getting market positioning and psychological fatigue of doing the same nature of work daily, work involvement, organization characteristic and culture, coordination with manager are the main reason for the JB (Parker & DeCotiis, 1983). Some other studies tried to find out the foremost reason and market forces that contribute to OC and JB in addition the key reason that can help in controlling the JB and increase the individual OC and employees satisfaction (Bakker, Albrecht, & Leiter, 2011). Employees can be motivated to control burnout and increase their performance through OC. It reflects that when requirement and job responsibility increase while resources for work requirement decrease hence, JB will occur in the organization. On the other side when resources for job increase ultimately OC and work engagement will increase. Dimensions like (social support, policies, culture rules and organization context etc.) and psychological stress both affect the OC and work engagement (Klusmann, Kunter, Trautwein, Lüdtke, & Baumert, 2008). Due to financial crisis when organization start downsizing or increasing work load on individual resultantly they will feel stress and this kind of mental state reduced OC (Glasberg, Norberg, & Söderberg, 2007). Due to this issues an employee perception about his skills become negative and feel less worth as employee in the organization (Van den Broeck, Vansteenkiste, De Witte, & Lens, 2008).

Employee commitment and motivation contribute to the organization performance (Ahmed & Ramzan, 2013). Stress occur when individuals are strongly committed towards the working environment and do not perform well in the work setting that will result JB. Stress is the aggressive reaction of individual and other kind of job requirement deployed on employees (Executive, 2001). When employees feel high level of stress their morale will become low and feel drained out that will directly affect OC (Wani, 2013). It is argued that work load, pressure and clash of
interest among employee will decrease the commitment level and that will lead to low performance and intention towards job turnover (Allam 2013). Burnout is actually reaction on an employee towards interpersonal and emotional stress related to job pressure and professional stress (Maslach, Schaufeli, & Leiter, 2001). Burnout has three dimensions namely; emotional exhaustion, dwindled personal accomplishment and depersonalization. Emotional exhaustion is an unwanted and negative attitude of an individual characterized by reduced energy level, fatigue and lack of enthusiasm towards job. Personal accomplishment is termed to be individual feelings about his competence and fruitful achievement related to his job. Depersonalization in an unwanted attitude of an employee wherein he/she keeps apart from work and practice uninterested attitude at work station (Freudenberger, 1974). Burnout may develop when an employee does not have confidence on his own competence (Cherniss, 2017).

In recent years, researchers had started to explain the process of burnout with respect to resources. PsychCap is considered as a significant personal resource and is defined as “an optimistic psychological condition that an individual portray in the process of development” (Luthans, Avolio, Walumbwa, & Li, 2005). PsychCap is composed of four capacities including self-efficacy, optimism, resilience and hope; all the capacities can be developed, measured and managed effectively for the desired outcome. Specifically individuals with high level of PsychCap possesses additional resources to perform their assigned tasks, presume something good to happen, think positively in dealing with negative conditions and swiftly recover from hindrances (Luthans & Youssef, 2004). According to Ventura, Salanova, and Llorens (2015) employees with increased level of self-efficacy will recognize challenging job which may leads to high level involvement and diminished burnout hence erection of PsychCap can minimize the occurrence of burnout. True leadership accompanied by PsychCap among recently graduated nurses was observed to be considerably associated with burnout of lower level. In simple words it was established PsychCap is associated with JB (Estiri, Nargesian, Dastpish, & Sharifi, 2016; Laschinger & Fida, 2014; Moyer, Aziz, & Wuensch, 2017; Pu, Hou, Ma, & Sang, 2017).

2. Methodology
The data was collected by using self-administered technique, snowball technique. The questionnaires were first distributed among the doctors and as the doctors are very busy in their duties, so enough time was given to them for their response. They were approached a day or two for collecting the questionnaires. Total 360 questionnaires were collected, among them 30 were incomplete which were not considered for data analysis.

3. Measurement
The commitment of the doctors towards their organization was assessed through the 18 item questionnaire adopted from Meyer, Allen, and Smith (1993). Three dimensions of OC were used in this study (affective, continuance and normative). Burnout in the job of the doctors in this study was measured using the “Maslach Burnout Inventory-General Survey (MBI-GS)” developed by Maslach for JB. In this study the three dimensions (emotional exhaustion, depersonalization and personal accomplishment) were used to measure the JB. PsychCap was measured using the scale developed by (Luthans, Youssef, & Avolio, 2007) called “the PsychCap Questionnaire (PCQ)”. The WE was developed by (Moos, 1994) was modified with aim to find out the doctors perception about their WE. In this study the ten dimensions has been used for measuring the WE.

4. Results
The total number of respondents are 330 out of which 286 are male and 44 are female. 139 respondents are having MBBS qualification, 101 has done FCPS, 86 has completed MRCP and only 4 respondents have completed PhD. Out of the total respondents 186 are the Medical officer, 37 Senior Medical Officer, 25 Registrar, 39 Assistant Professors, 35 Associate Professors and the remaining 8 are Professors. Out of the total respondents 114 falls in the age category of 20----30 years, 95 falls in the category of 31----40 years, 86 falls in the age category of 41----50 years, 35 falls in the category of 51 and above.

All the variables were correlated in the first step for checking the relationship among them. The negative and significant relationship between WE and JB was found (r= -.509). Similarly, the negative and significant relationship was also found between OC and JB. The relationship between JB and OC was significantly negative (r= -.604). The relationship between JB and PsychCap was negative and significant (r= -.538). However, the relationship between WE and other variable of the study was positive and significant except JB. It was (r= .620) with OC and (r= .57) with PsychCap. OC and PsychCap were also found significantly and positively correlated. The relationship between both was (r=.492). All the details regarding the relationship among these variables have been presented in the following table.
OC as a mediator partially mediated the relationship between independent and dependent variables. Similarly, PsychCap also as a mediator partially mediated the relationship between WE and JB. Now OC and PsychCap both were added as mediators to test the path from WE to JB. After adding these both as mediators the path from independent to dependent became insignificant. Which means that OC and PsychCap together fully mediated the relationship between WE and JB.

**Figure: The mediating role of OC and PsychCap between WE and JB**

\[ \chi^2 = 235.874; \text{DF} = 165; \text{CMIN/DF} = 1.430; \text{GFI} = .933; \text{CFI} = .986; \text{RMSEA} = .036; \text{SRMR} = .0543 \]

**5. Limitations and Recommendations**

The first limitation of this study is that the data were collected from doctors working in government hospitals of KP, Pakistan, so the results cannot be generalized to other doctors working in private hospitals of KP, or doctors of other provinces of Pakistan. The results of current data may be different from the results of data to be collected from those doctors who did not participate in this current study. The responses recorded on the questionnaires used in this study will be different from the responses to be recorded by using other types of questionnaires.

The management should focus on increasing the quality of WE so as to mitigate the JB of doctors, for the WE showed a significant negative relationship with JB. Similarly, increased quality of WE will enhance the commitment of doctors which is inevitable for the treatment of patients. For future research, it is recommended to include the personal variables either as mediators or moderators. It is also recommended to test other important variables such as job satisfaction, organizational citizenship behavior etc., as mediators between the relationship of WE and JB. The impact of working environment should be explored on other variables such as employees’ performance, turnover intention etc.

**References**


Socioeconomic Status, Dependent Personality and Nail Biting Behavior Among Adults: Evaluation of Structural Relationship

1 Zakia Bano, 2 Imtiaz Ahmad Warraich, 3 Iram Naz, 4 Aqsa Shahzadi

1Assistant Professor, Department of Psychology, University of Gujrat, Pakistan
2Assistant Professor, Department of Sociology, Bahauddin Zakariya University, Multan, Pakistan
3Lecturer, Department of Psychology, University of Gujrat, Pakistan
4MPhil, Department of Psychology, University of Gujrat, Pakistan

ARTICLE DETAILS

ABSTRACT

The main objective was to investigate the socioeconomic status and dependent personality as the predictor of nail biting among adults. A sample of 101 adults that nail bit was selected from Sialkot city that aged above 19 to 75 years using purposive sampling from government and private educational institutes and local communities. The socioeconomic status and nail biting measured in the demographic form asking information about income, education, profession and do you nail bit. Further, dependent personality was checked with Dependent Personality Disorder scale Urdu version (Shahzadi & Bano, 2018). Results showed that there is significant predictive relationship present between these two variables on samples (N= 101), R= .432 which indicates a moderate correlation. The R2= .187 which indicated that 1.8% variation in the dependent variable, can be explained by the independent variable. Adjusted R-square a modify form of R-square which is also 1.7 variation in data. Descriptive results of this study showed that these two variables from sample (N= 320) are co-occur only in (N= 101) participants with 31.5 percentage generally in both male and female of Sialkot city. Structure Equation Modeling was used for the analysis of data. The model fit summary indicated the p value of .000 which indicates that socioeconomic factors and dependent personality was the significant predictor of nail biting among adults. All the model fit indices were also in the best prescribed limits as Chi-square/df (1.106), Goodness of Fit Index (.976), Adjusted Goodness of Fit Index (.940), Comparative Fit Index (.974) and Root Mean Square Error of Approximation (.033). Furthermore, the income regression estimate indicates that when income, profession and dependent personality goes up by 1 standard deviation, the nail biting goes up by 0.21, 0.12 and 0.4 standard deviations respectively whereas in case of education, it goes up by 1 standard deviation and the nail biting behavior goes down by .09 standard deviations.

Conclusion: In conclusion, the socioeconomic status and dependent personality was the significant predictor of nail biting behavior among adults.

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1. Introduction
In current research one of the compulsive oral habit of nail biting is focused for the adult population. Roberts, O’Connor and Belanger (2013) stated that nail biting is the insertion of fingers into the mouth or if a contact of nail and teeth is present is called nail biting. An individual putting his or her fingers in mouth over and over again and cannot control this behavior is also known as nail biting. It is also called with another name as Onychophagia and defined as putting and biting one or more than one finger nail by teeth in mouth (Ghanizadeh, & Shekoohi, 2011). Nail biting is a common behavior usually seen in childhood and adolescence, according to Shahraei, Yassaei, & Moghadam, (2012) children shift their habit of thumb sucking into nail biting when they grow up. People bit their nails when they need satisfaction in stressed situations. However, many people, even in adulthood, practice nail biting in stress. When these practices get repetitive and intentional acts of habitual behaviors they become disorders and people indulge in self-harm (physically) and feel embarrassment for powerlessness over their behavior (Maraz, Hende, Urban & Demetrovics, 2017).

Further, nail biting is reflected in psychiatric disorders such as impulse control disorders due to three features of intensity, duration and frequency (Ghanizadeh, 2008). Nail biting can be classified into self-injurious behavior or as a stereotypic movement disorder (Stein & Simeon, 1999). Other believes, nail biting is related to Spectrum of Obsessive compulsive disorder (Pacan, Grezesiak, Reich & Szepietowski, 2009). According to Maraz, Hende, Urban and Demetrovics (2017) nail biting is the part of pathological grooming disorders. Ghanizadeh and Shekoohi (2011) suggested that the emotional and major depression disorders are underlying of nail biting. Furthermore, nail biting prevalence in adulthood was 4.5 to 10.7% (Leung & Robson 1990).

Moreover, the unappealing look of physical damage to skin and nails may cause feelings of embarrassment, humiliation and guiltiness, leading to complex family and social associations (Siddiqui, Qureshi, Marei, & Mahfouz, 2017). Hence, people consider nail biting is one of the anxious patterns of behaviors, but the driving energy may not be nervousness. These indications display that people are often perfectionists whom with impulsive nail biting, skin picking, or hair pulling, and these behaviors help them to soothe their dullness, frustration and disappointment. Another important study reported that one from very 20 individuals suffered from stereotypic repetitive disorders, like nail biting and hair pulling to harm their grooming or cause pain for them. Here, it is reported that these behaviors are very hard to quit and feel weak to discontinue (Cosier, 2015).

There could be numerous factors that can affect the nail biting behavior in adults. Beside, other the socioeconomic status of the affective population is important to be noticed. The socioeconomic status has been measured in this study with the indicators of education, profession and income. A study conducted on nail biting behaviors of children showed that families that had average income show grater nail biting habits whereas parents with better education’s children showed less nail biting behavior (Rajchanovska, & Zafirova, 2011). Schwartz (2019) in the article titled as It’s Called Onychophagia or Nail Biting argued that if nail biting hinders the social and work activity there will be a need of psychotherapy to uproot the greater psychological issue.

Another important factor affecting the nail biting behavior of adults that has been study in the research is dependent personality. Everybody has his/her own personality. Almost every day we assess and describe the personalities of different people. According to Cattell (1950) a personality is something which indicates what a person is likely to do in a certain situation whereas the dependent personality disorder is categorized anxious personality disorders, which are marked by feelings of nervousness, anxiety and fear. Furthermore, the dependent personality disorder is also marked by helplessness, submissiveness, an excessive need to be taken care of and for constant reassurance and an inability to make decisions. Dependent personality disorder is one of the most frequently diagnosed personality disorders. It appears equally in men and women, and usually appears in early to middle adulthood. A pervasive and excessive need to be taken care of which leads to submissiveness and clinging behavior as well as fears of separation is described as Dependent personality disorder (Simonelli & Parolin, 2017).

Finally, there is a need to study the link between dependent personality and nail biting. After searching it has been witnessed that there was no direct study found to established the linked between dependent personality and nail biting. Therefore, to establish the link the characteristics of dependent personality were examined. This disorder is closely related to nervousness, anxiety, fear and depression. Further, the dependent patients have negative and disrupting social behaviors (Overholser, 1996). There were researches that established the linked between nervousness, anxiety, fear, depression and antisocial behavior with the nail biting behavior (Ghanizadeh, 2008; Ghanizadeh & Shekoohi, 2011).
On the basis of indirect association of these variables researcher made an assumption and hypothesized that dependent personality disorder would be a significant predictor of nail biting. Further, it examine the socioeconomic status and dependent personality as the predictor of nail biting behavior among adults.

2. Methods
2.1 Participants
Participants for this study was a total number of 101 individuals (N=101), recruited from government and private educational institutes and local communities of Sialkot city. Male and female both participants were selected with age range of 19 years to 75 years old.

2.1.1 Inclusion Criteria
- Age range of participants were between 19 years to 75 years
- Participants were from all communities and government and private universities
- Participants were included who have both nail biting habit and dependent personality disorder

2.1.2 Exclusive Criteria
- Age range of participants was not below the 18 years
- Participants were not included who do not have both nail biting habit and dependent personality disorder

2.1.3 Sampling Technique
Purposive sampling strategy adopted by researcher to select the participants from government and private colleges/universities and local communities. Sample size was N=101 which comprises male and female participants.

2.2 Research Instrument
The instruments which were used in this study are demographic form and indigenous scale of Dependent Personality Disorder (DPDS).

2.2.1 Demographic Form
A demographic form was used to obtain information about participant. Demographic form included; name, age, gender, birth order, education, profession, marital status, number of siblings, guardian, mother living, father living, living with parents, family system and Do you bit your nail? If yes, then in which situation you mostly bit your nails? Your fingers get wounded when you bit your nails? Do you often bite your nails? Do you bite your nails for a specific reason? Can you control your habit? Do you bite your nails unconsciously?

2.2.2 Dependent Personality Disorder Scale (DPDS)
Dependent Personality Disorder scale is a 21-item self-report Likert scale designed to measure the dependent personality disorder among adults. Responses of each items were scored as 0 = strongly disagree, 1 = disagree, 2 = neutral, 3 = agree and 4 = strongly agree. The dependent personality disorder scale shows good reliability.

2.3 Procedure
Samples of male and female adults were taken from different colleges, universities and communities of Sialkot. Consent letter was presented to heads of the institutes describing the research study. After getting permission students and faculty were approached and briefed about the purpose of the study. All participants were also assured about the confidentiality about the personal information gathered during the data collection and would be privately kept and will only be utilized when required for the sole purpose of our research work after filling the personal and demographic information as per predetermined research criteria, newly developed Dependent Personality Disorder Scale (DPDS) was administered. To avoid misunderstanding of the content the questions were read out one by one by the researcher. Completion of the questionnaire was followed by thanks to participants for their contribution in the study.

2.4 Ethical Issues in Research
Current research was conducted with careful consideration. Participants were treated with respect. An informed consent form was signed from every participant and at the same time they also have will to withdraw their
participation at any time without sorry. In short, during the whole procedure of current research, researcher kept four key of ethical principle; respect for the person’s right and dignity, responsibility and integrity.

2.5 Data Analysis

For analyzing the predictive relationship between variables Linear regression and Structure Equation Modeling (SEM) was used through Analysis of SPSS-21 and a Moment Structures (AMOS) (version 21) for Windows. The SEM is considered as the best analysis to estimate structural associations between different variables. The SEM analysis gives model fit indices to establish the relationship.

3. Results

A total of 101 adults were included in the study. The Linear regression analysis and Structure Equation Modeling (SEM) analysis was executed to foresee the socioeconomic status and dependent personality disorder as the predictor of nail biting among adults.

<table>
<thead>
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<th>Frequencies</th>
<th>Percentages</th>
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<tr>
<td>Age</td>
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Table 9 shows the Frequencies of different Demographic Characteristics of the sample.

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<tr>
<td>Neutral</td>
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</table>

Table 2: Summary of linear Regression analysis of Nail Biting as a Predictor of Dependent Personality Disorder

<table>
<thead>
<tr>
<th>Predictor</th>
<th>R</th>
<th>R^2</th>
<th>AdjR^2</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Personality</td>
<td>.432</td>
<td>.187</td>
<td>.178</td>
<td>22.703</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note p<.05, Table shows nail biting would be a significant Predictor of Dependent Personality Disorder.

This table provides the R and R square values. The R value represents the simple correlation and is 0.432 which indicates a moderate correlation. The square value indicates how much of total variation in the dependent variable, can be explained by the independent variable. In this case, 1.8% can be explained. Adjusted R-square a modify form of R-square which is also 1.7 variation in data.

Table 3: Summary of Coefficients of Nail Biting as a Predictor of Dependent Personality Disorder

<table>
<thead>
<tr>
<th>Model</th>
<th>Un standardized Coefficient</th>
<th>Standardize Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>41.592</td>
<td>2.278</td>
</tr>
<tr>
<td>Nail Biting</td>
<td>2.347</td>
<td>.493 (.432)</td>
</tr>
</tbody>
</table>

Dependent variable; Dependent Personality Disorder

Table provides the β0 and β1 values. B0 is an initial point of regression. This line is starts from 41.592. β1 is slop and it shows one unit change in independent variable cause 2.347 unit change in response. P-value .000 shows the highly significance of model.

Table 4: Model Fit Summary (N=101)

<table>
<thead>
<tr>
<th>P Value</th>
<th>Chi-square/df</th>
<th>GFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>.000</td>
<td>1.106</td>
<td>.976</td>
<td>.940</td>
<td>.974</td>
<td>.033</td>
</tr>
</tbody>
</table>

GFI = Goodness of Fit Index, AGFI=Adjusted Goodness of Fit Index, CFI= Comparative Fit Index, RMSEA= Root Mean Square Error of Approximation

The table of model summary showed the p value of .000 which indicated that the model was fit and confirmed the significant relationship of socioeconomic status and dependent personality on the nail biting behaviors of adults in Sialkot. The model fit indices were also in the appropriate limit as chi-square/df ratio was below the prescribe limit of less than 3. The values of GFI, AGFI and CFI were above .900 and model is said to be best if the value is above .90. Finally, the RMSEA value was .033.

Figure 1: Structure equation modeling (path analysis) for Socioeconomic Status, Dependent Personality on Nail Biting Behavior
Further, the figure gives the standardized regression weights. These could help in determining the amount of change in nail biting behavior because of income, education, profession and dependent personality. The income regression estimate was .21 that indicates that when income goes up by 1 standard deviation, the nail biting goes up by 0.21 standard deviations. Further, the education regression estimate was -.09 which means education goes up by 1 standard deviation, the nail biting behavior goes down by .09 standard deviations. On profession regression estimate was .12 which specify that when profession goes up by 1 standard deviation, the nail biting goes up by .12 standard deviations. Finally, on dependent personality regression estimate was .4 that reflects that when dependent personality goes up by 1 standard deviation, the nail biting behavior goes up by 0.4 standard deviations.

4. Discussions
It was hypothesized that dependent personality disorder would be a significant predictor of nail biting behavior. According to the finding of this study, the research hypothesis has accepted and significant. Mostly it is observed that dependent personality disorder can cause negative consequences in everyday regulation and can pose significant trials for management of dependent personality disorder’s traits and patterns of emotions of clinginess, insecurity, and suggestibility (Bornstein, 2012). Furthermore, people with dependent personality disorder practice increased distress and relational clashes and have less social support (Trull, Jahng, Tomko, Woods, & Sher, 2010). Specifically, dependent patients have complications creating and keeping close interpersonal association, because of negative and disrupting social behaviors, which leads to subjective feelings of loneliness and depression (Overholser, 1996). High levels of dependency and dependent personality disorder are linked with an increased risk for other mental illnesses. Dependent personality disorder is often comorbid with eating disorders, anxiety disorders, and somatization disorders (Bornstein, 1992). Dependency is a problematic construct and people considered dependency a negative trait or construct which lead to serious personality issue such as dependent personality disorder. This disorder is closely related to anxiety, fear and depression. Further, Individuals need support and guidance in every aspect of their life even in their everyday choices and decisions. This clingy behavior makes them sick and led to worst just due to fear of losing that person whom they are dependent. If that person left, people with dependent personality disorder experience extreme anxiety and fear of separation. The reason might be that mostly people dislike dependency and clingy behavior, submissiveness and these types of comments make dependent people overwhelmed about being left alone and being taken care of their selves which cause depression and other emotional disorders.

Previously several disorders were investigated with personality disorders but in this study researcher interested to examine and exploring the relationship of habits with dependent personality disorder. Researcher chose nail biting habit on the basis of prevalence and everyday observations in surroundings. Researcher assumed that there would be a relationship between nail biting habit and dependent personality disorder. As mentioned earlier that dependent personality disorder is closely associated with anxiety, depression, obsessive compulsive disorder and fear (Simonelli & Parolin, 2017). Studies also indicated that nail biting is also related with above mentioned disorders (Ghanizadeh, 2008; Ghanizadeh & Shekoohi, 2011). On the basis of indirect association of these variables researcher made an assumption and hypothesized that dependent personality disorder would be a significant predictor of nail biting. Results also showed highly significant and positive predictive relationship between these variables which suggested that person with dependent personality disorder also has chance of nail biting behavior and it has been proved that current findings supports the assumption of researcher and stated that there is a predictive relationship between these two variables. But the lake of supportive evidences that dependent personality disorder and nail biting is directly associated, so present study is the first effort to relate and explore the relationship of these variables. A lack of evidence on nail biting is insufficient to clear the notion that nail biting leads to which types of psychological and behavioral problems among adults. Limited literature on nail biting habit and indicate that these are behavioral issues which can be a consequence of stress or anxiety. There is no evidence found in
above mentioned literature about the relationship of nail biting and dependent personality disorder. Current research would be a first effort to relate these three variables that whether the dependent personality disorder can be a predictor of nail biting behavior among adults. 

In our study data was obtained using the demographic form and indigenous Dependent Personality Disorder Scale (DPDS) and was analyzed statistically. Linear regression analysis was performed to examine the relationship between nail biting and dependent personality disorder among adults. The relationship between these two variables were highly significant \( R^2 (N=101) = .187, p = .000. \) The individuals with dependent personality disorder also had nail biting behavior. According to age ranges groups 76 participants (\( N = 76 \)) were in 1st group of age (18 to 29), 15 participants (\( N = 15 \)) were in 2nd group (30 to 41), 4 participants (\( N = 4 \)) were in 3rd group (42 to 53), 1 participant (\( N = 1 \)) in 4th group (54 to 65) and 4 participants (\( N = 4 \)) were in 5th group of age (66 to 75). Which shows that nail biting and dependency is more common in young adults with 75%, with the growing age both variables decreases as 14% in thirties, 4% in forties, 1 percent in fifties and again increases from 1% to 4% in sixties and seventies.

Total of 320 samples were selected for this study (\( N=320 \)), 119 were male participants (\( N=119, 37.3\% \)) and 195 were female participants (\( N=194, 60.8\% \)). Only 101 participants (\( N=101, 31.5\% \)) had both nail biting and dependent personality disorder. According to results, from selected participants (\( N = 101 \)), 36 were male adults (\( N = 36, 30.2\% \)) with nail biting and dependent personality disorder and (\( N = 65, 32\% \)) were females’ adults with both nail biting and dependent personality disorder. From total number of participants (\( N = 320 \)) 42 male participants (\( N = 42, 13.1\% \)) had dependent personality disorder and 93 female participants (\( N = 93, 29.1\% \)) had dependent personality disorder. Results showed that female adults have more percentage of dependent personality disorder than male adults. Percentage of nail biting behavior from total samples (\( N = 320 \)), 69 were male participants (\( N = 69, 21.6\% \)) and 72 were female participants (\( N = 72, 22.5\% \)) which shows that nail biting behavior is equally practiced in both genders.

Further, the objective of the study investigates the socioeconomic status and dependent personality disorder as the predictor of nail biting among adults. Structure equation modeling was done to analysis the results of the study. The analysis has given the model fit that was established significantly at the p value of .000. This model fit confirmed the predictive relationship of socioeconomic status and dependent personality with the nail biting behavior among adults. Furthermore, the index of chi square/df (1.106) was in the acceptable limit of less than 3 (Byrne, 2006). The values of other indices of GFI (.976), AGFI (.940) and CFI (.974) were above .900 whereas a value greater than .90 was considered as appropriate Hooper, Coughlan & Mullen, 2008) (Hu & Bentler, 1999). However, in the current research the indices were well above the limit thus, establishing the predictive relationship. Lastly, the REMSE value was .033 and Browne and Cudeck reported that the value less than 0.08 may be considered as a reasonable good model (Browne & Cudeck, 1993). In conclusion it could be said easily that it was a good fitted model and there was a predictive relationship between the socioeconomic status and dependent personality with nail biting behavior among adults.

It was hypothesized that the socioeconomic status and dependent personality disorder will be the predictor of nail biting among adults. As the above mentioned finding accepted the hypothesis there was no direct study available on adults to support the findings. The role of socioeconomic status in predicting the nail biting behavior was confirmed with the significant relationship of income, education and work with the nail biting (Rajchanovska, & Zafirova, 2011) (Schwartz, 2019) whereas dependent personality can cause negative consequences in everyday regulation and can pose significant trials for management of dependent personality disorder’s traits and patterns of emotions of clinginess, insecurity, and suggestibility (Bornstein 2012). Furthermore, people with dependent personality disorder practice increased distress and relational clashes and have less social support than most (Trull, Jahng, Tomko, Woods, & Sher, 2010). Specifically, dependent patients have complications creating and keeping close interpersonal association, because of negative and disrupting social behaviors, which lead to subjective feelings of loneliness and depression (Overholser, 1996). As mentioned earlier that dependent personality disorder is closely associated with anxiety, depression, obsessive compulsive disorder and fear (Simonelli & Parolin, 2017; Pincus & Gurtman, 1995; Overholser, 1996). Studies also indicated that nail biting is also related with these disorders (Ghanizadeh, 2008; Ghanizadeh & Shekoohi, 2011). Finally, this indirect association was supportive by the finding of the current research hence, the present study is the first effort to relate and explore the relationship of socioeconomic status and dependent personality with nail biting behavior among adults.
5. Conclusion
Dependency is very common in all groups of ages especially among adults. It is needed to develop the tool for measurement and management for dependent personality disorder its causes and leading behaviors. Nail biting is one of these, which is alarming behavior for fear, stress and anxiety. Hence, the purpose of current research is to find out the predictive associations between nail biting and dependent personality disorder. It is concluded that there is a significant predictive relationship between nail biting and dependent personality disorder, these behaviors lead to each other, there would be more chances of have nail biting habit with dependent personality disorder.

6. Limitations and Recommendations
There are certain limitations of the present study which can be overcome and worked on in future. The sample of the current study was just taken from few institutes and communities of Sialkot city. Sample size was very small and difficult to generalize to the whole adult population. Further, inclusion of large groups and different age groups can improve the results and findings of the study.

Reference


The Construction of Factuality in Pakistan’s Legal Discourse: 
A Stylistic Analysis of Logical Fallacies

1 Mian Muhammad Saleem, 2 Ayaz Ahmad, 3 Sana Hussain

1 Associate Professor, Department of Law, Abdul Wali Khan University, Mardan, Pakistan
2 Lecturer, Department of English, Abdul Wali Khan University, Mardan, Pakistan, ayazmardan@gmail.com
3 MPhil Research Scholar, Department of English, Abdul Wali Khan University, Mardan, Pakistan

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ABSTRACT

Factuality remains the highest virtue of a legal text. The paper finds how this virtue is jeopardized by the presence of logical fallacies. The stylistics analysis is performed for identification of linguistic features of logical fallacies in legal language. Two randomly selected verdicts of the Supreme Court of Pakistan are selected for analysis. Analysis of verdicts reveals that factuality is compromised by fallacies with distinctive stylistic features. These features include the fallacies of relevance, defective induction and ambiguity. Lexical choices, syntactically complicated structure and graphological markers of style contribute to the formation of these fallacies. The findings establish that stylistic aspect themselves contribute to the projection of fallacies in verdicts, therefore, the study recommends avoiding stylistic formulæ of the legalese or legal registers which lead to the formation of logical fallacies in the legal language.

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Corresponding author’s email address: ayazmardan@gmail.com

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1. Introduction

The legal language in the courts of Pakistan remains English as a colonial legacy. The highest virtue of legal language is factuality as it provides language a certainty, making the litigants, defendants and society a chance to achieve the coveted goal of rule of law. However, this does not prove to be a fact when expediency and lack of command on language forces the writer and reader to confuse and get confused as the language of legal discourse suffers from errors and ambiguity. Therefore, factuality becomes the most serious casualty of stylistic weaknesses in the legal in Pakistan. The presence of logical fallacies acts as a trap which opens the door for corruption and subversion. This paper explores this phenomenon in the legal discourse of Pakistan. The paper comprises sections on literature review, research methodology, analysis and conclusion to systematically explore the issue.

2. Literature Review

Stylistics in the sense of dictionary is “an aspect of literary study that emphasizes the analysis of various elements of style (such as metaphor and diction)” (Merriam-Webster, 2019). While the dictionary definition avoids committing stylistics to the study of any particular form and species of language, others were quick to dedicate her to the altar of literature. Therefore, stylistics became a bridging discipline for literature and linguistics. The use of stylistics analysis gradually expanded to include not only the appreciation of aesthetics but also as a tool in the
interpretation of meaning (Wales, 2001). Widdowson (1975) considers it an advantage of stylistics that how the specific language structure and for corresponds to the underlying message. Wetherill (1974) cautions against excessive reliance on stylistics as the only means of the interpreting literature. He considers the treatment of masterpieces of literature as mere text the main culprit in limiting the scope and meaning literature in the stylistics analysis. However, others expanded the scope of stylistics and termed it, “…. the study or interpretation of the linguistic element or distinctive linguistic element in a writing, group of writings, or a text (that is, a structure capable of being interpreted by a code including intentional structures like a culture or a whole knowledge)” (Bloomfield, 1976, p. 271).

The range of linguistic elements in stylistics, remains inclusive in nature. The stylistics study includes a broad range of features which range from the macroscopic “big-picture elements” where literary conventions specific to a genre are investigated including character, dialogue, imagery, irony and symbolism, and it can become microscopic by peering down the “line-by-line elements” of diction, metaphor and syntax etc. (Nordquist, 2018).

Language of legal texts has evolved through time and shaped by the juridical and legislative forces to reach its modern formulation. Diversity marks the comparative aspect of legal language. However, the legal texts of a particular polity can be analyzed on the basis of specific set of features. Danet (1985) has identified, the criteria of (a) the tools/means used in the presentation of text along (b) the level of formality, as useful way of analyzing, comparing and classifying legal texts. Tiersma (1999) also acknowledges the variation in legal texts and opposes the idea that this language is homogenous. Despite the variation, geographical and conventional factors play a deterministic role in enforcing convergence in the style of the language. Gozdz-Rszkowski (2011) asserts that language is the only means of expressing and communicating the legal concepts and processes. The difficulty in interpretation of legal concepts and processes are enshrined in legal text and it lies in the language being used. He includes a spectrum of legal texts in legal discourse which range from legislation (at various levels) to its implementation in courts (at various levels) and also includes academic writing in the form of journals, books and non-academic context in fiction and news. He successfully demonstrates that variegated manners of contexts, modes of expressions, participants and their relationship contribute to the rich variety in legal texts. He identifies the stylistics aspects of “legalese” favors formation of, “long, convoluted sentences, impersonal constructions, conjoined phrases and lists of words (usually nouns) resulting in and exceptionally dense use of technical vocabulary….., multiple negation, the use shall, etc.” (p. 12). Hernandez (2017) while exploring the micro-level stylistics features in the Philippine Supreme Court’s decisions find a recurrent feature of medial placement of adverbial of emphasis and attitude that is peculiar to Philippine English and this feature is supposed to emerge from the influence of local legal context. Azmat (2017) conducted a study on the needs of law students in Aligarh Muslim University (India), where she found insufficient communication skills and lack of familiarity with the legal register becoming a major cause of inefficiency and lack of professionalism in the legal fraternity of India. She proposed a specialized ESP (English for Specific Purposes) to be very effective way improving professional competence of lawyers and judges.

With an uptick in publications in the field of linguistics, legal texts and discourses have been targeted to unearth patterns and structures that perform descriptive, interpretive, explicative or evaluative function. S. A. Asghar, M. A. Mahmood, and Z. M. Asghar (2018) while focusing the macro stylistics aspects of text identify a non-homogenous quality of legal texts in the use of linguistic pattern depending on the purpose, context, goal and audience of the text. Further, they identified a variety of informational levels being used in the text through a non-narrative technique. S. A. Asghar, M. A. Mahmood, and Z. Asghar (2018) have identified eight categories i.e. “constitutions, directives, acts, articles, legal decisions, ordinances, legal reports and rules” where the stylistics variation can be observed. M. Ahmad, Nadeem, Khan, and Ahmad (2015) carried out the stylistic analysis of “ordinance” genre of legal English in Pakistan. They find the use of font, paragraph format, numbering of sections, logical division of sections were adopted to give formality and clarity to the message represented through text. Their study found unique stylistic aspects which arise out of the local context of legalese, culture and linguistic traditions. In another study of stylistics of legal text of Pakistan, (Nawaz, Bilal, Khan, & Ahmed, 2013) have identified stylistic features in the graphological, lexical and syntactic aspects of legal texts which give the legal texts of Pakistan a distinctive identity. Their analysis revealed that the layout, use of italics and bold text, capitalization, omission lines and other punctuation marks were used in such a way that a distinctive graphological style of legal genre of Pakistan was formed. At the lexical level the abundance of archaic British and Latin vocabulary and formal diction added to differentiate Pakistani legal texts’ style from other texts. The nominalization of verbs, quaint determiners, passive constructions and use of very long and complicated structures were abundant in the syntactic aspect of the style of
legal texts in Pakistan. The echo of similar stylistic aspects are found in the work of Alabi (2003), where Latin and French lexicon, long complex sentences, excessive use of punctuations, repetitions and use of old and archaic words abound in the international legal texts.

An important and seldom explored aspect of stylistics is the investigation of stylistics of logical fallacies. Halper (1968) considers logic an essential component of reasoning in legal discourse. He argues that unlike popular belief that, “law is sometimes too logical” as it is not always the case, and when logical reasoning lacks logical fallacies creep in. Writing about the Supreme Court’s decisions in the United States, McClurg (1988) proposes that the verdicts of Supreme Court employ rhetorics and commit logical fallacies especially begging the question and undistributed middle term. Sharma (2004) advocates the linguistic analysis of fallacies as such a study would help in viewing fallacies, “as linguistic strategies employed to gain undue advantage or the upper hand”. Halper (1968) presents five practices which result in omission of reason while “logic” is used as a cover for committed fallacy. First, when a court uses a short cut, second, when a court relies on perverse and “delicate inferences”, third, when a court obsessed with rule of law even when such a law is inconsistent with reality, fourth, when court “deliberately maintain contradictions: they occasionally adopt a principle which entails negation of a pre-existing contrary principle” and fifth, the judge becomes a preacher. Sharma (2004) considers semantic, lexical and syntactic features as useful aspects in studying the stylistics of logical fallacies. Kruchinina (2019) proposes that stylistics study can be used to understand meaning and logical constructs in a given text. She propose the use of stylistics analysis in interpretation of connotations of the text. She proposes the aspects of emotive connotations, evaluative component, expressive connotations and stylistic connotations as useful aspects to explore connotations of a text especially in the form of rhetorics, figures, metaphors and tropes. Aristotle in his work, “Sophistici Elenchi” identified 13 fallacies where errors in arguments occur because the conclusion does not follow from premises. He broadly summed up these in two categories i.e. linguistic and non-linguistic. In the former he included: accent, equivocation, amphiboly, composition/division and figure of speech, while in the former he included, “affirming the consequent, accident, ignorance, certain aspect, false cause and many questions” (Changing Works, 2019). This classification laid the foundation for later categorization (Hansen, 1996). Bennet (2012) has compiled a collection of around 300 logical fallacies as he considers fallacies as “erroneous thinking”. Fischer (1970) has identified around a hundred types of fallacies in the domain of history. Copi and Cohen (2014, p. 109) have defined logical fallacy as, “mistakes in reasoning that exhibit a pattern that can be identified and named” and limited the number of logical fallacies to 19, neatly placing them under the categories of (a) fallacies of relevance, (b) fallacies of defective induction, (c) fallacies of presumption and (d) fallacies of ambiguity. He considers fallacies of relevance as those where, “the premises of the argument are simply not relevant to the conclusion” and consider appeal to populace, emotions and force as good examples. The fallacies of defective induction are defined as those where, “the mistake arises from the fact that premises of the argument, although relevant to the conclusion, are so weak and ineffective that relying on them is a blunder” and they give appeal to inappropriate authority and false cause as the examples. Fallacies of presumptions are those where, “too much is assumed in the premises” and the give accidents and complex questions as the examples of this category of fallacies. The fallacies of ambiguity are those where, “equivocal use of words or phrases” mislead and they give examples of equivocation, ambiguity and amphiboly as examples of this category of fallacies. Fish (1970) finds stylistics as a useful tool in the analysis of affective fallacy. The affective fallacy closely resembles the category of fallacies of relevance, especially the appeal to emotion and appeal to populace. Al-Hindawi, Alkhazaali, and Al-Awadi (2015) reiterate the significance of highlighting the linguistic features of logical fallacies in the use of language. They propose that the text containing fallacies have macro and micro level of linguistic features that make their analysis and identification feasible. At the macro level dialectic relevance and shift make good foci for investigation, while at the micro level, the study of sufficiency helps.

3. Research Methodology
This being a qualitative study aims to find how the virtue of factual use of English language suffers from logical fallacies and what stylistic features they have which can be used to identify them. Therefore, the paper finds answer to the following questions:

- What are the common logical fallacies that compromise the factuality of legal text?
- What stylistic aspects of the legal text can be used to identify the logical fallacies?


Two randomly selected verdicts of the Supreme court of Pakistan are textually analyzed, using the theoretical construct of Copi and Cohen (2014). He has identified four categories of logical fallacies which are then subdivided into particular types. “These are:

1. Fallacies of relevance
   - The appeal to populace
   - The appeal to emotion
   - The red herring
   - The straw man
   - The attack on the person
   - The appeal to force
   - Missing the point

2. Fallacies of defective induction
   - The argument from ignorance
   - The appeal to inappropriate authority
   - False cause
   - Hasty generalization

3. Fallacies of Presumption
   - Accident
   - Complex question
   - Begging the Question

4. Fallacies of ambiguity
   - Equivocation
   - Amphiboly
   - Accent
   - Composition
   - Division (Copi & Cohen, 2014, p. 111)

The two text that are selected are downloaded from the website of the Supreme Court of the Pakistan, http://www.supremecourt.gov.pk. The first verdict is civil appeal No. 585 of 2018 and the second verdict is a civil petition no. 536 of 2015. These verdicts are identified in the analysis section of this paper as Text 1 and Text 2 respectively.

4. Analysis and Discussion
Text 1: Para 6.
Detected Categories of Fallacies
(1) Defective Induction, (2) Ambiguity

<p>| Table 1: Stylistics features that contribute to the fallacies |</p>
<table>
<thead>
<tr>
<th>Stylistic feature</th>
<th>Example</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quote Marks</td>
<td>“Master and Servant”</td>
<td>Conclusion is drawn that the quoted term applies to the case, and application of this term dismisses the case.</td>
</tr>
<tr>
<td>Lexical choice</td>
<td>Admittedly</td>
<td>None admitted the presence of “statutory Provision” so such provision does not exist.</td>
</tr>
<tr>
<td>Underlining</td>
<td>“PLA….Rizvi” etc.</td>
<td>Instantiates example facts that are purported to confirm the drawn conclusion</td>
</tr>
<tr>
<td>Complicated and ambiguous syntax</td>
<td>As the…. be invoked</td>
<td>A 40 words long sentence which attempts to convey the lack of applicability of constitutional provision and applicability of legal concept.</td>
</tr>
<tr>
<td>Brevity</td>
<td>Whole para 6</td>
<td>In attempt to use fewer possible words, the smooth transition from one point to the next does not happened and thus make the para wanting in details to establish logical premises, which are left to be guessed from the context.</td>
</tr>
</tbody>
</table>
The lexical choice in the para adds to the implication that sufficient premises did not exist on the basis of which the conclusion can be drawn. Use of the word “admittedly” confirm that the fallacy, “D 1: The argument from ignorance” is formed. Three precedents are cited while the relevance of none is established which leads to the fallacy, “D4: Hasty generalization” is formed. Further, The complicated sentence in the paragraph 6, create, “A1: Equivocation” fallacy where meaning of a sentence can change when the sentence where “reliance” can be interpreted meaning “dependence” that would make other premises of the conclusion irrelevant or “trust” where a blind faith without authenticity of the said cases is assumed.

Text 1: Para 2 and Para 4
Detected categories of logical fallacies
(1) Ambiguity, (2) Relevance

Table 2: Stylistics features that contribute to the fallacies

<table>
<thead>
<tr>
<th>Stylistic feature</th>
<th>Example</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phrasal feature</td>
<td>“Leave of the court”</td>
<td>“Leave” has multiple meaning possible in the way it is used</td>
</tr>
<tr>
<td>Syntactic</td>
<td>“Learned counsel of the…. Writ jurisdiction”</td>
<td>The 83 words long sentence coincide with para 4 of the order. Where all premises and the drawn conclusions are jumbled together</td>
</tr>
<tr>
<td>Morphological</td>
<td>No Merits</td>
<td>Plural morpheme of merit is incorrect. The use of plural morpheme makes the legalese of this court verdict can be treated as peculiar feature of Pakistani legal English.</td>
</tr>
</tbody>
</table>

The lexical choice in para 2 in the sentence, “Hence, this appeal with the leave of this Court.” of the word “leave” is confusing as the Blackwell Law dictionary mentions “leave of the court” as the permissive power of the court, while the given sentence structure is at best incomplete even from the perspective of legal discourse contained in the standard legal dictionary. From non-legal perspective it is an ambiguous sentence where “A2: Amphiboly” fallacy is present because the sentence incompleteness implies multiple interpretations of “leave”. The second instance of a long and complicated sentence in para 4 of the order includes all premises and conclusion. The conclusion that the appeal is invalid is stated indirectly through implication. The contained premises are not logically relevant to the conclusion, therefore “R7: missing the point (irrelevant conclusion” fallacy is created.

Text 2: Para 5 and 6
Detected categories of fallacies
(1) Fallacies of defective induction, (2) Fallacies of Ambiguity

Table 3: Stylistics features that contribute to the fallacies

<table>
<thead>
<tr>
<th>Stylistic feature</th>
<th>Example</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lexical choice and syntax</td>
<td>Expert, pioneer chairmain, examining, conclusion</td>
<td>The validation of field of expertise was established through the terms, establishing authority of the persons and their opinion.</td>
</tr>
<tr>
<td>Lexical choice</td>
<td>Weed Parthenium, Parthenium weed</td>
<td>The report uses weed with Parthenium emphasizes that Parthenium is a weed.</td>
</tr>
</tbody>
</table>

In the first row of the table we find the example of normal procedure employed by courts to reach a conclusion about a specialized areas through the support of experts. However, basing conclusion in para 5 on the opinion of an expert without logically sound inferences makes the argument and the derived conclusion faulty and in such case we find the fallacy of “D2: The appeal to inappropriate authority”. Stylistically, the lexical choice showed the presence of authority and description of a process through which the conclusion was derived. The next example in the second row of Table. 3 shows the relevance of the title of dissertation to the field of weed science, however, it also implies erroneously that by studying a particular weed a person becomes expert of all weeds. This leads to the fallacy of “A4: composition” where the language is used in such a way that the features of specific components are generalized to the whole.

5. Conclusion
The legal discourse in Pakistan is a legacy of the British colonial system. English as the dominant language is used pervasively in different genres of the legal language. Unlike the popular belief, the legal language suffers from a variety of logical fallacies. Stylistic analysis of such fallacies helps in understanding the avoidance of such fallacies. The overview of the verdicts of Supreme Court of Pakistan reveals that the fallacies of defective induction, ambiguity and relevance exist in these verdict. Lexical choices, syntactic structure, punctuation and graphological features of style make such fallacies stand out in the analyzed texts. The researchers recommend that special training of the lawyers and judges may be arranged where they learn to avoid logical fallacies in the use of English language.

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Globalization and Macroeconomic Instability: Evidence from Unemployment in Pakistan

1Amjad Ali, 2Zilakat Khan, 3Sher Ali

1, 2, 3Assistant Professor, Department of Economics, Islamia College Peshawar, Pakistan, drali@icp.edu.pk

ARTICLE DETAILS

ABSTRACT

Growing population in the present globalized world is a challenge for the developing to engage the increasing labour force in productive environment. The creation of new employment opportunities is not easy to handle with existing resources (lack of capital both physical and financial) and became a more intense challenge for policy maker. Fairly free transaction also affect employment/unemployment in developing countries. Therefore, this study aimed to examine the impact of globalization on unemployment in case of Pakistan for the period of 1980-2017. Globalization is measured by three different forces i.e. Trade flows, FDI flow and Remittances flow. To estimate the responsiveness of unemployment to globalization ARDL co-integration techniques is employed. Bound test confirmed co-integration relationship between the variables under consideration. The results of short run and long run estimates showed that globalization forces affected unemployment in Pakistan. Globalization in the shape of trade affects unemployment directly while the impact of remittances is negative to unemployment. The impact of FDI is positive but insignificant. Therefore, this study suggests that proper attention should be paid toward policy formulation regarding trade and remittances inflow to increase employment opportunities in Pakistan. Globalization should be perused with adequate policies that will certainly smooth macroeconomic environment of Pakistan.

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Globalization, Employment, Elasticity, ARDL, Pakistan.

JEL Classification:
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1. Introduction

The world globalization was first used in a newspaper in 1961, and got popularity in the last quarter of the 20th century. The term globalization is debated in the contemporary academic and research because of its variant nature. It has economic, geographical, political and social aspects. Therefore, its causes and consequences are reported different to different economies. Due to its diverse nature different academics exports and researcher are not agreed on a unique definition1 and its causes and consequences (Ali, 2013; Afzal, 2007). It impacts are different on different economies (developed and developing) depending the on the nature and composition of the countries, it is beneficial for resource oriented and highly equipped economies, its effect are not even the same for developing economies, even it impact is variant in the same country (Ali et al., 2015). There are some Similarities and dissimilarities are existed. But most of them are nearly agreed on that Globalization is the unification and merger of the world’s economies through cross-border transaction of products and resources (Nayyar, 2001; UNCTAD, 2000.
It has various dimensions i.e. economic, cultural, political and social. In fact, cultural amalgamation hurts cultural integrity.

1.2 **Globalization’s Measure**
The present study is dealing with globalization in the context of economics. Therefore, economic aspects of are discussed here. These aspects are trade transaction financial transaction (proxy by FDI) and labour migration (proxy by inflow of remittances). These measures are defined as:

- **Trade**: Trade is measured by the integration of export and import of Pakistan in million Dollars.
- **FDI**: Foreign Direct Investment is measured by inflow of direct investment in millions of Dollars to Pakistan.
- **Labour Migration**: Is proxy by the inflow of remittances to Pakistan in millions of Dollars.

1.3 **Globalization’s History**
The term globalization is concerned with the development and progress technology. The study of the globalization’s history tells us that the phenomenon of globalization is the outcome of development and advancement in technology. The study of the world economic history was of the view that globalization has two episodes: 19th century episode and 20th century episode. Both the episodes globalization witnessed incredible inventions and advancement in technology.

Those inventions and advancements in technology brought the world closer and closer. Some treaties were also responsible for the integration of different economies of the world under suitable conditions. The liberalization or minimization on cross border restriction of goods and services, capital is known as globalization. Most of the economic spectators were of the view that the process of globalization has two episodes.

These episodes are identified by different economic experts like Baldwin and O’Rourke (2000), Maddison (2001), Nayyar (2001) Williamson (2002), Mostert (2003), Solimano and watts (2005) and Daudin, Morys and O’Rourke (2008). These episodes are:

- The 19th century episode of globalization and
- The 20th century episode of globalization.

The second half of the 19th century witnessed a huge integration of the world economies in trade, capital and people migration, especially in 1870s. The period of 1970 to 1914 (Pre-World War 1st period) was considered the first episode of globalization. The globalization’s process was strengthened by the forces of new technological innovation and advancement in means of communication. Production and factor of production were more mobile in this period, even passport and visa obligations were not mostly required and very few barriers on funds flow (financial integration). The pace of integration forces were slowdown between World War-I and World War-II’s period. The period witnessed various restrictions and barriers on flow of goods and Services, capital and people mobility to prevent domestic economy from foreign competition. Isolation (free from foreign competition) was considered the way to flourish their economies bitterly. After World War-II the process of integration started once again. This integration was very slow at the beginning but got acceleration in the last quarter of the 20th century. After WW-II all the developed countries decided that they would not repeat the previous committed mistakes; but it took enough time to achieve the same position of pre WW-I period. Most of the new independent developing economies from the colonial power immediately after WW-II adopted import substitution industrialization (ISI) policy. The Soviet Union (USSR) community was also protected; different barriers were put on international transaction. But the time has changed, in the last quarter of the 20th century; the phenomenon of globalization has started with greater strength. The Soviet Union bloc is getting integrated with the rest of the world. Developing countries are also turned towards more globalized policy to get economic growth. Yet, most studies were of the view that the today economy is more globalized on term of trade and capital markets than the 19th century globalization while less globalized in term of people mobility. Therefore 19th century period of globalized in term of factor of production, while 20th century period of globalization is more globalized in term of production and capital. However, the 20th century episode of globalization is of more important than the 19th century episode, due to its nature and pace. The 20th century episode of globalization is not only due to its rapid pace and characterized by the considerable development in new information technologies on market integration, efficiency and industrial organization, but international organization and institutions like World Bank, International Monetary Fund, World Trade Organization etc. are involved to maintain and keep in view its different consequences.
both the developing and developed world similarly are not. It was observed that desirability of the process of globalization is different among the developing countries due to their social, political, environmental and geographical situation. Hence the impacts of globalization are different due to it’s their participation in the process of globalization.

1.4 Globalization and Pakistan
Pakistan came to its existence on 14th of august 1947. The new independent country faced so many challenges at the start. For a nascent country it was difficult to compete at international market. Therefore, the economy was kept isolated in the initial about two and a half decades. Import substitution industrialization policy was practiced and extensive restrictions were used to protect domestic economy. Green revolution policy was adopted in the decades of 1960s, which turned in tremendous growth. With the emergence of Bhutto’s regime in 1970s the policy of nationalization was adopted. Export bonus scheme was introduced to encourage domestic production. The liberalization of economy was started in Zia’s regime in 1980s with the help of World Bank and International Monetary Fund. Trade restrictions were reduced at a huge amount and environment for international investment was prepared but implemented in 1990s. Facts and figures regarding liberalization are given in table-1.

Table 1: Tariff Reforms in Pakistan

<table>
<thead>
<tr>
<th>Year</th>
<th>Max Tariff Rate</th>
<th>No’s of Slabs</th>
<th>Ave** Tariff Rate</th>
<th>Ave Rates (%)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>250</td>
<td>17</td>
<td>77</td>
<td>--</td>
</tr>
<tr>
<td>1989</td>
<td>125</td>
<td>17</td>
<td>65</td>
<td>44</td>
</tr>
<tr>
<td>1991</td>
<td>95</td>
<td>17</td>
<td>65</td>
<td>40</td>
</tr>
<tr>
<td>1994</td>
<td>80</td>
<td>13</td>
<td>56</td>
<td>39</td>
</tr>
<tr>
<td>1995</td>
<td>70</td>
<td>13</td>
<td>50</td>
<td>32</td>
</tr>
<tr>
<td>1998</td>
<td>65</td>
<td>05</td>
<td>45</td>
<td>22</td>
</tr>
<tr>
<td>1999</td>
<td>50</td>
<td>05</td>
<td>25</td>
<td>17</td>
</tr>
<tr>
<td>2000</td>
<td>35</td>
<td>04</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>2002</td>
<td>25</td>
<td>04</td>
<td>17</td>
<td>11</td>
</tr>
<tr>
<td>2004</td>
<td>25</td>
<td>04</td>
<td>16</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: National Tariff Commission, CBR and WDI.*Custom duty and import tariff as % of total revenue (WDI). **Ave stands for average.

It clear from above table that during the period of 1986 to 2004 trade restriction were reduced at a very huge amount maximum tariff rate were reduced from 250% to only 25 % and the number of slabs were reduced from 17 to only 4 and average tariff rate was reduced from 77 % to only 16%. Such reduction leads to increase in trade and might affect FDI positively. It should be noted that what happened to the forces of globalization. The forces of globalization are given in the following table.

Table 2: Openness Statistics in Pakistan

<table>
<thead>
<tr>
<th>Year</th>
<th>Trade</th>
<th>Remittances</th>
<th>FDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>30.399</td>
<td>8.343</td>
<td>0.142</td>
</tr>
<tr>
<td>1985</td>
<td>27.190</td>
<td>8.638</td>
<td>0.261</td>
</tr>
<tr>
<td>1990</td>
<td>29.998</td>
<td>5.509</td>
<td>0.599</td>
</tr>
<tr>
<td>1995</td>
<td>30.001</td>
<td>3.399</td>
<td>0.809</td>
</tr>
<tr>
<td>2000</td>
<td>29.102</td>
<td>1.499</td>
<td>0.689</td>
</tr>
<tr>
<td>2005</td>
<td>32.013</td>
<td>4.109</td>
<td>1.471</td>
</tr>
<tr>
<td>2010</td>
<td>36.008</td>
<td>5.018</td>
<td>2.892</td>
</tr>
<tr>
<td>2015</td>
<td>32.832</td>
<td>6.409</td>
<td>0.689</td>
</tr>
<tr>
<td>2017</td>
<td>28.064</td>
<td>7.680</td>
<td>==</td>
</tr>
</tbody>
</table>


The bird’s eye view of the table-2, discloses the trend in globalization forces regarding Pakistan. Trade, FDI and Remittances as percentage of GDP are shown of percentage of GDP an average of every five year. Trade and Remittances first showed a decreasing trend and then increasing trend. While FDI showed an increasing trend and then decreasing in 2010s and 2016-17 periods.
1.5 Globalization and Employment

Plethora of literature regarding globalization emerged in the last three decades; most of the literature is concerned with the impacts of it on growth, development, inequality etc. It is considered as communication built for economic growth, because it provides access to foreign technology, capital and market. All these opportunities ensure growth (Afzal 2007, Ali et al. 2013). But growth was also tested against volatility, in some of the recent studies and it was found negatively related (Kose et al., 2005). The association Globalization with employment was first introduced by Rodrik (1999). Employment of the country depends on trade composition and policy regarding it. Developing country’s labour is mostly unskilled and semi-skilled, and it was observed that the unskilled workers are badly affected by import liberalization. Because the import of capital intensive commodities required relatively high skill workers and also replace labour by capital, employment demand favored skilled workers (Crankshaw, 1997).

This huge reduction in trade barriers leads to more open domestic market for foreign production and may affect the employment situation of the country. More import compare to export may affect employment status adversely. On the other hand, the increase in export and its demand at international market might leads to the maximum utilization of production resources, affect positively (increased) output and employment of the domestic economy. The increase in national output in reverse increase the demand for foreign product (imported goods) affect employment badly. Remittances and FDI might increase employment rate due to the increase in consumption of domestic goods and by an increase in private investment. Huge remittances might increase inflation by increasing domestic demand for goods and services. The impacts of globalization forces are different for different economies at different times. So the impact of globalization is not clear. It is ambiguous and the most debated topic in the literature. This research work will fill the gap to assess that what is the impact of globalization on employment in developing countries? Therefore, this study aimed to examine the impact of globalization on employment in Pakistan.

2. Material and Methods

Literature reported different impacts of globalization on developing economies depending on the different nature of the developing countries. But this study is interested to investigate the impact of globalization on employment elasticity of the developing country i.e. Pakistan. We know from literature that employment/unemployment is determined by the forces of labour demand and labour supply, which can be written as:

\[ Unemployment = \int (LabourDemand, LabourSupply) \]  
\[ LabourDemand = \int (WageRate, DomesticInvestment, Globalization) \]  
\[ LabourSupply = \int (WageRate, PopulationIncrease, Globalization) \]  

Annual time series data about wage rate is not available for the economy of Pakistan. Therefore, this factor is ignored. While other important variable increase in population, domestic investment and globalization are taken into account for the present study. The final equation will be of the form as:

\[ EMP = \int (Pop, DI, GLOB) \]  (4)

Similarly unemployment is also is determine by the forces mention in equation (4)

\[ UNE = \int (Pop, DI, GLOB) \]

\[ \ln UNE = \beta_0 + \beta_1GLOB + \beta_3Pop + \beta_4DI + \mu t \]  (5)

Where

Ln= Natural log
UNE=Unemployed labour force
Pop=Increase in total Population
DI= Domestic Investment
Glob= Globalization Forces (Trade, FDI and Remittances)
Data for the present study is taken in millions of dollar. Therefore, natural log is employed to reduce the intensity of the data and to get elasticity estimates for the variables under consideration. To get the estimates of the equation (4) annual time series data are collected from World Bank (World Development Indicator) for the period of 1980-2017. As the nature of the data is time series, therefore, stationarity tests are necessary to investigated. For this purpose ADF and PP tests are employed to examine the stationarity of the data. The results of ADF and PP stationarity tests are shown in table-2 which confirms that the variables are of the different order of stationarity. Therefore literature suggests Auto-regressive distributive lag (ARDL) technique for estimation of the required estimates.

3. Results and Discussions
3.1 Stationarity Test Results
The results of the ADF and PP tests are given in the following table 3.

<table>
<thead>
<tr>
<th>Variables</th>
<th>ADF test Statistics</th>
<th>PP-test Statistics</th>
<th>Order of Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level</td>
<td>Ist Difference</td>
<td>Level</td>
</tr>
<tr>
<td>lnUNE</td>
<td>-1.189</td>
<td>-5.11*</td>
<td>-1.312</td>
</tr>
<tr>
<td></td>
<td>(0.607)</td>
<td>(0.004)</td>
<td>(0.609)</td>
</tr>
<tr>
<td>lnTRD</td>
<td>-1.986</td>
<td>-5.105*</td>
<td>-2.158</td>
</tr>
<tr>
<td></td>
<td>(0.303)</td>
<td>(0.000)</td>
<td>(0.215)</td>
</tr>
<tr>
<td>lnFDI</td>
<td>-2.017</td>
<td>-6.085*</td>
<td>-2.103</td>
</tr>
<tr>
<td></td>
<td>(0.502)</td>
<td>(0.000)</td>
<td>(0.448)</td>
</tr>
<tr>
<td>lnDI</td>
<td>-4.032*</td>
<td>-8.450*</td>
<td>-4.206</td>
</tr>
<tr>
<td></td>
<td>(0.003)</td>
<td>(0.012)</td>
<td>(0.041)</td>
</tr>
<tr>
<td>lnPOP</td>
<td>-1.638**</td>
<td>-4.615*</td>
<td>-1.79**</td>
</tr>
<tr>
<td></td>
<td>(0.283)</td>
<td>(0.002)</td>
<td>(0.308)</td>
</tr>
</tbody>
</table>

*, ** represent 1% 5% level of significance

The results in table 3 showed that all the variables are stationary at first different except Domestic Investment. ARDL co-integration technique is suitable for estimation of the said impact. The testing for the existence of long run relationship is tested and the results of the bond test is given in table-4.

3.2 Results of the Bond Test
The first step in ARDL procedure is the testing of long run relationship

<table>
<thead>
<tr>
<th>Model</th>
<th>F-Calculated (P-value)</th>
<th>F-Statistics Critical values at 5% level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fy {lnUNE /lnTRD,lnFDI, lnR, lnDI, lnPOP}</td>
<td>11.54 (0.000)*</td>
<td>(4.29)------(5.37)</td>
<td>Co-integration</td>
</tr>
</tbody>
</table>

* Represent significant at 5% level

Unemployment is tested against globalization and other controlled variables. The results of the Bound test are given in table 4. The value of the Wald statistic is turned out is 11.54, given with critical values. As the outcome of the test greater then upper bound critical value, this confirmed the existence of the co-integration relationship. After the confirmation of co-integration the next step is the estimation of the parameters in both the short and long run.

Long-Run Elasticity Estimates:

\[
\ln UNE_t = 22 + 0.32 TRD_t - 0.02 FDI_t - 0.19 R - 0.29 DI_t + 0.72 POP_t
\]

Short-Run Elasticity Estimates:

\[
\Delta UNE_t = 55 + 0.601 \Delta UNE_{t-1} + 0.201 \Delta TRD - 0.12 \Delta FDI - 0.03 \Delta R - 0.65 \Delta DI + 0.09 \Delta POP
\]
The long run and short run results show that the measures of globalization affect significantly unemployment except FDI in the long run. The effect of trade is positive on unemployment. Trade provides the opportunity of market enlargement and access to foreign technology and expertise, but also a threat to the labour market in the developing countries. the labour force in developing countries are not of good skill and experienced of sophisticated technological equipment’s which reduce in demand for low skill labour and they get out from completion. The impact of FDI and R variables are negative but FDI is found statistically insignificant at 5% level. The result of this study is consistent with Afzal (2007) and Roy (2012) and Ali et al., (2013 & 2015) contradicts with the findings of Shahbaz et al. (2008).

The value of ECM is negative and significant its value is -0.33 shows that any disequilibrium in the model will be adjust in about three years.

All the used diagnostic tests indicate the absence of any problem is shown in Table 5. These tests are
- Jarque-Bera statistic for normality of residuals,
- Breusch-Godfrey test for serial-correlation,
- ARCH residuals for Heteroscedasticity and
- Ramsey RESET test for specification error.

Sketch of Cumulative sum of recursive residual (CUSUM) and Cumulative sum of square of recursive residual (CUSUMSQ) statistic indicate no evidence of mis-specification and structural instability for the period estimated.

<table>
<thead>
<tr>
<th>Tests</th>
<th>F-Statistic</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Serial Correlation</td>
<td>1.150</td>
<td>0.301</td>
</tr>
<tr>
<td>2. Heteroscedasticity</td>
<td>0.069</td>
<td>0.794</td>
</tr>
<tr>
<td>3. Normality*</td>
<td>1.760</td>
<td>0.420</td>
</tr>
<tr>
<td>4. Functional Form</td>
<td>1.615</td>
<td>0.224</td>
</tr>
</tbody>
</table>

*Chi square test for Normality

![Figure 1 (a)](image1.png)

![Figure 1 (b)](image2.png)
4. Conclusion and Policy Recommendations

The prime objective study is to examine the impact of globalization on unemployment in Pakistan. The nature of the study is time series. Therefore, testing of stationarity is necessary for this purpose ADF and PP tests are used. The outcomes of unit root tests suggested ARDL technique for estimation. Globalization is measured by Trade, FDI and remittances flow. Some other variables like gross domestic investment and population increase are also incorporated to the model based their theoretical and empirical importance. The empirical results show that the measures of globalization affect unemployment in both the short and long run. Trade transactions lead to increase unemployment while the impact of remittances is negative. It means that with the increase in remittances there is fall in unemployment. The impact of FDI variable is insignificant. The variable DI inversely related to unemployment and found statistically significant. The variable increase in population is found insignificant.

Globalization in the form of trade integration provides opportunities for a greater access to large market; maximum utilization of the domestic resources enhances output and employment in developing countries. But, regarding developing countries it is not clear because in developing countries most of the labours are of low and semi skill and they cannot compete at international market with high skill labour. For developing countries like Pakistan it should keep in mind that liberalization in trade restriction may hurt labour market. Pakistan’s exports are increasing by decreasing or even not increasing. While their imports increasing by increasing. Such gap put pressure on current account balance. FDI and Remittances should be encouraged to reduce unemployment in Pakistan which is helpful in engagement of previously unemployed labour force in productive environment. Domestic investment should also be encouraged to provide new employment opportunities which may help in reduction of unemployment. Globalization can be used as tool to control and reduce unemployment and to augment growth which may further help in the reduction of poverty to make sure stable economic environment in Pakistan.

5. Suggestion for Future Research

The present research study is about one of the most important and debated topic globalization and its impact on developing countries. The measure of globalization is taken peculiarly in literature. Globalization is the reduction or removal of restriction on cross border flow of products and resources. But there is no proper data on barriers removal for developing countries and trade openness, remittances and FDI are mostly used in literature. It is suggested that further research should be done regarding globalization by its real presentation removal of restriction on cross border flow of products and resources.

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Globalization Ideological Diversity and Birth Control Differentials in Pakistan: A Study of Islamabad

Sajid Mahmood Awan

Senior Research Fellow at the National Institute of Historical and Cultural Research (NIHCR), Quaid-i-Azam University, Islamabad, Pakistan: smawan2222@gmail.com

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ABSTRACT

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Growing Population explosion was not a grave problem in the early days of Islam or in the period of Islamic legislation. Thus, no explicit negation or affirmation of it is available either in the religious texts or in the religious jurisprudence or law. That is why presently the ulama from both the ends of the opponents as well as the proponents of family planning, extract some selective Quranic verses, Ahadith and inferences of jurisprudence in favour of their respective viewpoints. Such diverging views have made the future of family planning programmes doubtful in Pakistan. With this background, the present study shows that in the contemporary situation, it is solely the individual who makes the final decision about approving or disapproving family planning. This decision-making process is influenced by the personal attributes of the practitioners. In order to evaluate these attributes, the researcher has attempted to analyze and highlight the perception of family planning by Muslim residents of Islamabad i.e. the Capital city of Pakistan. The people surveyed are predominantly from different social, geographical and economic backgrounds and from different religious callings, along the sectarian continuum. The researcher’s task has thus been to observe the responses and to point out whether the objective variables i.e. geographical, income and class, occupation and age factors etc. are more significantly associated with knowledge, attitude and practice of family planning or the subjective variables like religion and sect appear to be more important determining factor of family planning practice in a traditional society like that of Pakistan.

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Corresponding author’s email address: smawan2222@gmail.com


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1. Introduction

The Any question having multiple answers is generally meant that either there is something wrong with the question or with one, more or all the possible answers to it. To a social scientist it means that social researchers choose from alternative approaches to science. Every approach has its own specific set of philosophical assumptions and the doctrines along with its own carriage to do research. Generally, a researcher rarely declares the approach he follows in one’s research, but in my personal view, it depends on one side upon the clarity of argument in writing and on the other side upon the clarity of thought of the reader to grasp the approach applied or followed in a particular research. The present investigation is made mainly in the positivist social science approach which is
generally applied in the natural science. The ontological and epistemological positions of the study enable it to resolve one of the more bitter contests of the issue in the contemporary Pakistan. The debate moves with an organised method for combining deductive logic with precise empirical observations of individual behaviour in order to discover and confirm the central argument of the study to predict the general patterns of Pakistani Society.

2. The Birth Control Movement in Pakistan

Soon after independence, the government of Pakistan lost no time in directly or indirectly adopting birth control as a part of its national policy. For instance, at the time of launching the First Five Year Plan (1955-60), the economic planners pointed out the severe consequences of high population growth in Pakistan. Pakistan being an Islamic State has to get religious approval before the implementation of any new policy like birth control or family planning. That is why, the government's policy of family planning faced critical resistance in Pakistan. On the question of religion in Pakistan, Singer (1970) noted that Max Weber saw the Asian religions as a major obstacle to modernization because of their bulwark of traditionalism and religious duties. In Pakistan, the Islamic roots that underlie the social fabric of the people are deeply embedded in tradition and Islam and are not likely to change in the near future (Wriggins, 1975: 17).

The present study is intended to probe into the worldview of the Muslims in Pakistan. The aim is to discover, why both the opponents and proponents of family planning have such divergent attitudes towards birth control despite their reference to the same sources i.e. the Quran and the Sunnah of the Prophet Muhammad (PBUH). It is important to point out that the present work is not intended to decide as to who is right and who is wrong. It is meant to be a descriptive not a prescriptive study. Its main purpose is to trace out only the directions and dimensions of various sects and the Pakistani Muslims' worldview and family planning without going into the moral issues of the case.

3. Islam and Birth Control

For Muslims, the sources of Islamic law are primarily two, the Quran and the Hadith. Based on these two sources are two more, called the derivative sources: the consensus of jurists (Ijma) and analogy (Qiyas). In addition, there are supplementary sources, interpreted in the spirit of the shariah (Principles of religion), which include: juristic preference (Istihsan), the examples of residents of Madina; the public welfare (al-masalih-al-mursalin), the rule of concomitance (Istishab) and prevailing customs (usf), (Omran, 1992: 73).

Muslims believe that the Quran is divine revelation and it is the very words of God. According to Omran (1992), none of the contenders has produced even a single verse from the Quran, which supports or rejects the idea of family planning in a clear or explicit way. It means that the Quran is silent on the question of family planning. This silence, in my opinion can be explained by the fact that in the early days of Islam, the problem was not as acute as compared to other problems like alcoholism, adultery or the low status of women among the Arabs. These problems thus figure prominently in the Quran (Marrak, 1974: 268).

As for the Hadith, both the opponents as well as proponents of family planning have quoted some ahadith of the Holy Prophet (PBUH) of Islam in support of their contention. But it can be easily observed that except the ahadith on azl (Coitus interruptus), no other Hadith is directly relevant to the issue of family planning (Mahmood, 1977; Omran, 1992). Azl or al-azl, is an Arabic word which stands for separation, to set aside, to dismiss or to set apart. Thus the literal meanings of this word are insulation, separation, dismissal, segregation or removal. In view of these denotations, azl is generally taken to stand for a particular method which means withdrawal of penis from vagina before ejaculation i.e. coitus interruptus.

Since the statement of the Prophet (PBUH) can be interpreted in various ways, there is still controversy whether coitus interruptus (azl) is allowed or not (Marrak, 1974: 268). Muslims should, therefore, use their own reasoning to interpret the prophetic traditions in order to determine the rulings which may qualify the pre-requisites of new advancement provided that they are in accordance with the real spirit of Islam.

4. Sectarian Landscape of Pakistan

Mahmood (1997: 37) has reported that in India, Pakistan and Bangladesh the Sunni Muslims are invariably either Hanafi or Shafi'i. The Shias (Shiah) of India mostly follow the Athna Ashari School (Imami). The Maliki, the Hambuli and the Zaydi schools have almost no followers here. Here it is to be pointed out further that still another school of Shiah community (the Ismaili) has its own centers in Pakistan. Ismailis have thus a considerable number
of followers. Although a definite number of the followers of the schools mentioned above is not available. It can, however, be inferred that the Sunnis in Pakistan generally follow the Hanafi and Shafi. The case of Shia community in Pakistan is somewhat different. The Shiahs in Pakistan mainly follow either the Imami School or the Ismaili School. So the views of only these four schools regarding family planning are discussed here in detail.

5. Theoretical Positioning of Sects in Pakistan

5.1 The Hanafi School (Sunni)
The majority position of this sect is to permit al-azl as a contraceptive measure with differences as to the requirement of the wife's consent. The older and more popular position is that it is not allowed without the wife's consent. Later jurists, however, bypassed the wife's or husband's permission in times of religious decline ‘bad times’, (fasad-al-zaman) and in fear of begetting delinquent children (Al-walad-al-sou) (Omran, 1992: 153)

5.2 The Shafi School (Sunni)
The characteristic position of the Shafi school is that al-azl is allowed without the wife's consent. However, there is some verbal disfavour or Karaha tan-ziheyya. Thus, when the wife is disliked, they mean it is less than impeccable. They argue that the woman has the right to intercourse, but not to ejaculation. Several jurists adopt the jumhour (majority) position by requiring the wife's consent. A few have disallowed al-azl altogether. (Omran, 1992: 159).

5.3 The Imami School (Shiah)
The majority position of the Imami school (almost consensus) is in agreement with the jumhour position i.e. al-azl is permissible subject to the wife's consent. The Imami jurists add, however, that consent can be obtained at the time of the marriage contract, once and for all. Al-azl is legal thereafter, even if the wife changes her mind. So important is the wife's consent that a few jurists allow monetary compensation to the wife every time the husband violates this condition. A position much similar to the Maliki except that the compensation here is fixed at ten dinars and is called diya-o-nutfa (compensation for the sperm)(Omran, 1992, 165).

5.4 The Ismaili School (Shiah)
The majority position of Ismaili school is equivalent to jumhour position, i.e. al-azl is permissible with the wife's consent. The consent can however, be obtained at the time of marriage contract. (Omran, 1992, 167).

Hence, the majority ruling given by eminent jurists is permissibility of al-azl with the wife's permission. Hence, it is very safely concluded that theoretically speaking Islam is not against family planning. A number of researchers go beyond the need of family planning at family level and even think that it can be implemented at the national level also, if it is in the real benefit of family and Muslim community. (Sharif, 1996: 91; Mahmood, 1977; Omran, 1992; Marrak, 1974; Akbar, 1994; Ahmad, 1995: 8).


So far, only the textual or theoretical position of Muslims towards family planning has been discussed. We have not, however, touched upon the opinion or attitudes of the Muslims of Pakistan concerning this issue. A probe into the practical attitudes of Muslims in Pakistan reveals a great divergence among them. Some Pakistanis theologians have exhibited a modernist attitude in interpreting the religious texts and find nothing against Islam in family planning. However, their sphere of influence is very limited. Consequently, a large number of Pakistani Muslims believe in the position of ulema like Maulana Maududi who believe it to be impermissible (Mahmood, 1977: 67).

Wajihuddin Ahmad (1974) has further pointed out that despite a religious sanction for contraception and encouragement to family limitation in the Islamic orthodoxy; the contemporary religious attitudes are still resilient to the idea of family planning. He indeed suggests that the change is always influenced by non-religious factors. Most of the leaders of the orthodox Deobandi theological school, till the mid-forties, allowed both contraception and abortion. Some prominent names in issuing these religious edicts (fatawas) are Mufti Muhammad Shafi, Mufti Azizur Rehman and Maulana Rashid Ahmad Gangohi. Yet the contemporary disciplines of these authorities have made the most virulent attacks on family planning in Pakistan (Ahmad, 1974: 287-288).

In an agro-based society of Pakistan more children are required not only to enhance manpower but also the family’s social status. Large families, especially those, who have more male children, are considered socially prestigious and more secure than others. Thus people oppose the notion of family planning traditionally and not exactly religiously. Eventually, they tend to have more children and family planning efforts do not succeed fully in Pakistan.
Thus, it is hypothesized that the real genesis of the opposition to family planning, both by religious ulema as well as ordinary Muslims, is derived from the prevailing agro-traditional worldview of the society and not from the religion itself. The present study claims that all apparently religious doctrines against family planning are actually the expression of their local worldview. Accordingly, the people consider their opposition to the idea of family planning justified in Islam, though in reality they derive their feelings from their own worldview.

7. Muslim Worldview and Family Planning
Since the main purpose of this study is to deal with the worldview of the Pakistani people regarding family planning, the same is done through a field survey in Islamabad with an attempt to cover all the characteristics of national demographic landscape.

7.1 Geographical Factor
In the present investigation, a sample of 200 Muslim respondents was taken from a total population of 805,235 from the urban established sectors, semi urban areas or townships and villages. The total area of the selected geographical universe consists of fourteen urban established sectors, six urban slums, 5 smaller townships and one hundred villages and "dhoks" (smaller rural settlements).

Concerning the urban proportion a total of 35 respondents were interviewed, with 28 from 14 established urban centers and 7 from urban slums. Before surveying the rural areas, ten groups were designed, consisting of ten villages each. One village was selected from each group while six respondents were interviewed from each selected village. Thus, a total of 60 respondents were interviewed in this way. Five respondents were interviewed at random from the smaller townships. The same proportion and criterion of distribution was applied to both male and female respondents.

<table>
<thead>
<tr>
<th>Locality</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total No. of respondents</td>
<td>Total No. of children</td>
</tr>
<tr>
<td>Rural</td>
<td>65</td>
<td>281</td>
</tr>
<tr>
<td>Urban</td>
<td>35</td>
<td>148</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>429</td>
</tr>
</tbody>
</table>

The Table 1 shows the urban rural fertility differentials. It points out that, in case of both the rural males as well as the rural females, the average number of children is higher. However, the rate of urban-rural differentials is much higher as compared to females. The male differential is 4.32-4.22 = 0.10, while in the case of females it is 3.72-3.2 = 0.52, which is considerably lower.

7.2 Literacy Level and Birth Control
The area under consideration has a maximum literacy level in the whole country. Its literacy rate ratio is 72.45%. Literacy rate in urban areas is 77.3% while in rural areas it is 62.5%. Further, the male literacy ratio is 80.6% as compared to 62.4% of females (Population Census, 1998). The sample of this study comprises both illiterates and literate. The section on the literate is further graded into the respondents with primary, middle, matric, intermediate, and bachelor and master levels of education. A separate proportion is also set for those with the professional education. The researcher took every care to represent almost all the major disciplines and faculties of education, like commerce, arts, science, medicine, engineering and law etc. in the sample.

An inverse relationship between the fertility and level of education is well established. The level of education influences the fertility both through direct and indirect methods (UN, 1973). Such effects of fertility rate are also confirmed by the findings of Sathar (1984). The present study also traces out an interrelationship between the variables of literacy level and the number of children, which is shown in the Table 7.
TABLE 2: LITERACY LEVEL AND THE NUMBER OF CHILDREN

| Level of literacy | Male respondents | | | | | | Female respondents | | | |
|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| No education      | 17        | 48.6          | 70                | 4.1       | 33          | 5.7             | 163               | 4.9             | 50       | 223       | 4.4             | 14          | 40              | 61       | 4.3             | 36          | 55.4            | 145          | 4.2             | 50              | 206             | 4.1            |
| Primary           | 1         | 2.8           | 3                 | 3         | 4           | 6.1            | 18                | 4.5             | 5         | 21        | 4.2             | 3           | 8.6             | 5        | 1.6             | 5           | 7.6             | 26          | 5.2             | 8               | 31               | 3.8            |
| Middle            | 1         | 2.8           | 3                 | 3         | 4           | 6.1            | 18                | 4.5             | 5         | 21        | 4.2             | 3           | 8.6             | 11       | 3.6             | 4           | 6.1             | 15          | 3.7             | 7               | 26               | 3.7            |
| Matric            | 2         | 5.7           | 10                | 5         | 5           | 7.6            | 12                | 2.4             | 7         | 22        | 3.1             | 3           | 8.6             | 8        | 2.6             | 5           | 7.6             | 20          | 4               | 8               | 28               | 3.5            |
| Intermediate      | 5         | 14.3          | 19                | 2.2       | 5           | 7.6            | 15                | 3               | 10       | 26        | 2.6             | 4           | 11.4            | 6        | 1.5             | 5           | 7.6             | 11          | 3.2             | 9               | 17               | 1.8            |
| Bachelor          | 4         | 11.4          | 24                | 6         | 5           | 7.6            | 19                | 3.8             | 9         | 43        | 4.7             | 3           | 8.6             | 7        | 2.3             | 5           | 7.6             | 13          | 2.6             | 8               | 20               | 2.5            |
| Master            | 1         | 2.8           | 4                 | 4         | 3           | 4.6            | 10                | 3.3             | 4         | 14        | 3.5             | 2           | 5.7             | 5        | 2.5             | 2           | 3.1             | 5           | 2.5             | 4               | 10               | 2.5            |
| Professional      | 4         | 11.4          | 23                | 5.7       | 6           | 9.2            | 26                | 4.3             | 10        | 49        | 4.9             | 3           | 8.6             | 9        | 3               | 3           | 4.6             | 7           | 2.3             | 6               | 16               | 2.6            |
| Total             | 35        | 100           | 148               | 4.2       | 65          | 10             | 0                 | 281             | 4.3       | 100       | 419             | 4.1         | 35               | 100      | 3.2             | 65          | 100             | 242         | 3.7             | 100             | 354             | 3.5            |

Chil: Children. Ave: Average.
The Table 2 shows that the total sample is equally divided into literate and illiterates with the ratio of 50% each for male and female respondents. Although this 50% proportion does not confirm with the real statistics of the area, it however, suits to the requirements of the present study. It seemed impossible for the researcher to divide such a small sample according to the real literacy rate of the area into all the above mentioned levels of literacy. Secondly it seems coherent with the national literacy level of the country which is 62.4%.

Keeping in view the actual literacy rate of 62.4% for females in the area, a literacy rate of 50% seems a bit unrealistic. With this discrepancy, males and females in computation will be dealt and analyzed separately, wherever needed. The Table also mentions a detailed description of all the respective levels of education. It reflects that at the primary, middle and the matric levels of education, female proportion is higher than that of the male respondents. Nevertheless, it does not mean that they have actually high, but that they have got duly low proportion in the upper levels of education. Concerning the professional education also, females have got a considerable proportion (although lower than males). Indeed, the lady doctors and the LHVs (Lady Health Visitors) have mainly contributed to this proportion.

Concerning the fertility differential with reference to literacy levels, the present study confirms the findings of previous researches (UN, 1973; and Sather, 1984), but with little differences. The Table 2 shows clearly that the fertility level of the respondents with no education is considerably higher than the fertility level of educated respondents. Then from the primary to the intermediate level of education it follows the trend that higher the education level is lower is the fertility level there. At bachelor and master's levels of education, however, a slightly higher level of fertility is evident. It may be because of better economic positions, better health conditions, better child and maternal care or less mortality level and older age level of the respondents. As it has been explored previously in the topic of age distribution and fertility differential that the people with more age have considerably high fertility level, it can be inferred that an increase in education, people are realizing the intensity of the situation more rigorously. However, the proper reason of this differential is not traced out here. The Table also shows that the people with professional education have comparatively high level of fertility; this effect is lesser, however, in case of female. This is mainly because most of the females with professional education are themselves working as doctors and nurses. Finally, the effect of education on the fertility differentials is stronger in the case of females than in males.

A detailed description of the basic characteristics of the sample reveals that a number of factors like: geographical location, age distribution, income, class, level of literacy and occupational distribution have considerable influence to impress upon the fertility differentials in Pakistan. The average number of children is higher in the rural areas than in the urban areas and the older age groups show higher level of fertility than the younger ones. As far as the variable of class difference is concerned, it does not affect the number of children in rural areas. In urban areas, however, fertility patterns are influenced by income and class differential. Consequently, the urban lower class has more children than that of urban upper class. The study also finds out an inverse relationship between literacy and fertility. This variable seems more effective in females. Finally, those attached with agricultural occupation have considerably higher number of children, as compared to those engaged in the services sectors.

References


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Present tables with suitable heading and specific number (Arabic numerals) at the appropriate place of the article. Use the Table option of Microsoft Word to create tables. Ensure that the data presented in tables do not duplicate results described elsewhere in the article. Refer to table number wherever appropriate in the text of the paper.

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**Appendix**
Background information, list of respondents, list of companies or questionnaire may be described in this section if required by the editor/reviewer.

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