Editor in Chief: Prof. Dr. K. Kuperan Viswanatha, Universiti Utara Malaysia.

Associate Editors: Dr. Adeel Rana, University of Sahiwal Pakistan
Dr. Athifah Najwani Shahidan, Associate Fellow, Center for Sustainability Research and Consultancy Pakistan
Dr. Owais Shafique, Department of Management Sciences, The Islamia University of Bahawalpur Pakistan

Vol. 3, Issue 3, September 2021

© 2021 The authors, under a Creative Commons Attribution-NonCommercial 4.0 www.publishing.globalcsrc.org, info@globalcsrc.org
Sustainable Business and Society in Emerging Economies
Vol. 3, Issue 3, September 2021
DOI: https://doi.org/10.26710/sbsee.v1i2

© 2021 The authors, under a Creative Commons Attribution-NonCommercial 4.0 First floor, Naseer Building, Outside Pakgate Multan 60000 Pakistan.
www.publishing.globalcsrc.org, info@globalcsrc.org

Copyright Policy ©
This work is licensed under a Creative Commons Attribution-Non Commercial-4.0 International License. There is no restriction on the non-commercial use of the content of this journal, however, it is mandatory to cite the author(s) names and the publisher.
INTRODUCTION

The journal Sustainable Business and Society in Emerging Economies (ISSN: 2708-2504 and ISSN-E: 2708-2172) is an open access peer-reviewed research journal published bi-annually by CSRC Publishing, Center for Sustainability Research and Consultancy Pakistan. The journal seeks to bridge and strengthen the link between business activities and society development around myriad of sustainability issues with focus on emerging and developing economies. The content coverage highlights how business organizations can be responsible towards society in pursuing their value added activities. The journal also bring forward issues in social and behavioral sciences for their implications for business organization and their activities in emerging and developing economies. The journal is a platform for business people, academics, and others involved in the contemporary debate about the responsible role of business organizations and society towards each other. Coverage includes various areas of social and behavioral sciences including management sciences. The journal welcomes papers from all those working in this important area, including researchers and business professionals, members of the legal profession, government administrators and many others.

SCOPE AND MISSION

The journal strives to highlight theoretical and policy issues related to sustainable business practices and social issues faced by society in emerging and developing economies. The SBSEE seeks to integrate the actors and institutions in business and society given that sustainability issues are though found in market yet their solution requires deep and coordinated understanding of these issues from perspectives of various disciplines of social sciences, arts and humanities. With this background SBSEE aims to be a premier forum for policy and theoretical discussion of high impact research related to sustainable business and social development in emerging and developing economies.

The journal aims to cover sustainability topics and issues in various sub-areas of business, social and behavioral sciences in context of emerging and developing economies. Purpose is to highlight the theoretical and practical issues faced by businesses and society in these economies. The journal also welcomes submissions which focus the broader areas of business, management sciences and various areas of social sciences, arts and humanities.
EDITORIAL BOARD

Patron
- Prof Dr Hayat Muhammad Awan, President, Center of Sustainability and Research Center

Editor In Chief
- Prof. Dr. K. Kuperan Viswanathan, Senior Member Advisory Board, Center for Sustainability Research and Consultancy Pakistan: kuperan@gmail.com; sbsee@globalcsrc.org

Associate Editors
- Dr. Adeel Rana, University of Sahiwal Pakistan
- Dr. Athifah Najwani Shahidan, Associate Fellow, Center for Sustainability Research and Consultancy Pakistan
- Dr. Owais Shafique, Department of Management Sciences, The Islamia University of Bahawalpur Pakistan

Editorial Advisory Board
- Prof. Dr. Abdul Wajid Rana, Lahore School of Economics, Pakistan.
- Prof. Dr. Ruswiatni Suryasaputra, Universitas Wijaya Kusuma Surabaya Indonesia.
- Prof. Dr. Mohd Noor Mohd Sahriff, Universiti Utara Malaysia.
- Prof. Dr. Norshuhada Shiratuddin, Universiti Utara Malaysia.
- Prof. Dr. Raja Suzana Raja Kasim, Universiti Malaysia Kelantan Malaysia.
- Prof. Dr. Cornelia Pop, Babes-Bolyai University Romania.
- Prof. Dr. José G. Vargas-Hernández, University of Guadalajara Mexico.
- Prof. Dr. Maria Alejandra Gonzalez-Perez, Universidad EAFIT Colombia.
- Prof. Dr. Arkadiusz Mironko, Rutgers University, New Jersey USA.
- Prof. Dr. Anayo Dominic Nkamnebe, Nnamdi Azikiwe University Nigeria.
- Prof. Dr. D. E. Lauisisset, Nottingham Business School, UK.
- Prof. Dr. Mauricio Garita, Universidad Francisco Marroquín Guatemala.
- Assoc. Prof. Dr. Johanan Zamilpa, University of Guanajuato Mexico.
- Assoc. Prof. Dr. Malgorzata Bartosik-Purgat, Poznan University Poland.
- Assoc. Prof. Dr. Rana Dilshad, Bahauddin Zakariya University Multan Pakistan.
- Assoc Prof Dr Jose E. Munoz, Point Loma Nazarene University California USA.
- Assoc. Prof. Dr. Vasyl Taras, University of North Carolina at Greensboro, USA.
- Assoc. Prof. Dr. Silvia Testarmata, Università degli Studi Niccolò Cusano Rome, Italy.
- Assoc. Prof. Dr. Artee Aggrawal, Amity University Navi Mumbai, India.
- Assoc. Prof. Dr. Barbara Jankowska, Poznan University of Economics and Business Poland.
- Assoc. Prof. Dr. Ernesto Tavoletti, University of Macerata Italy.
- Assoc. Prof. Dr. Sara Poggesi, University of Rome Tor Vergata Italy.
- Assoc. Prof. Dr. Shankar Chelliah, School of Management Universiti Sains Malaysia.
- Assoc. Prof. Dr. Ali Malik, University of Hertfordshire, UK.
- Asst. Prof. Dr. Aasma Safdar, Bahauddin Zakariya University Multan Pakistan.
- Asst. Prof. Dr. Omer Faruk Genc, Abdullah Gül University, Kayseri, Turkey.
• Asst. Prof. Dr. Pawel Bryla, University of Lodz Poland.
• Asst. Prof. Dr. Anju Mehta, University of North Carolina at Greensboro USA.
• Asst. Prof. Dr. Khawaja Khalid Mehmood, Bahauddin Zakariya University Multan, Pakistan.
• Asst. Prof. Dr. Husnul Amin, International Islamic University Islamabad Pakistan.
• Asst. Prof. Dr. Sehar-un-Nisa Hassan, NUST Islamabad Pakistan.
• Dr. Diana Bank Weinberg, Berlin School of Economics and law (HWR), Germany.
• Dr. Muhammad Haroon Hafeez, Bahauddin Zakariya University Multan Pakistan.
• Dr. Waheed Asghar, Technical Education and Vocational Training Authority Punjab Pakistan.
• Dr. Otega Okinono, Delta State University, Nigeria.
• Dr. Muhammad Rizwan, Middlesex University Business School, London.
INDEXING AND ABSTRACTING

The journal Sustainable Business and Society in Emerging Economies is indexed and abstracted by following institutions. The publishing manager and editorial team are committed to enhance quality and outreach of the journal by expanding the indexing and abstracting of its content further.

- SocioRepec
- EconPapers
- SUNCAT
- Google Scholar
- Crossref
- Scilit
- OAI-PMH Compliant Repositories
- RePEc
- Copac
- EDRIC
- IDEAS
# TABLE OF CONTENTS

**Vol. 3, Issue 3, September 2021**

**Abrogation of Article 370 and the Media Framing of Kashmir Conflict: A Pursuit for Re-conciliatory Approach**  
Ayesha Siddiqua, Khalid Sultan, Atif Ashraf, Ghulam Shabir

149-162

**Technical Efficiency Determinants of Islamic Banks: How Do Countries Differ**  
Muhammad Hanif Akhtar, Muhammad Ramzan Sheikh, Muzammil Ahmad, Muhammad Bashir Khan

163-175

**Impact of Perceived CSR on Brand Equity through Brand Admiration and Customer Advocacy Behaviour: Moderating Role of Brand Attitude and Customer Loyalty**  
Mashari Mahmood, Amna Niazi, Waheed Asghar, Mujahid Hussain

177-194

**Effects of Students thinking Styles on Classroom Participation and Academic Achievements: A Case Study of Pakistani Students**  
Muhammad Nadeem Mohsin, Bushra Naureen, Kishwer Naheed Rana

195-207

**An Unnoticed Hero of Pakistan's Independence Movement: A Case of Biography Mr. Naseem Hijazi**  
Qamar Uddin Zia Ghaznavi, Ghulam Shabir

209-215

**Employee Well Being and Work Life Balance as a Function of Job Satisfaction: The Moderating Role of Organisational Citizenship Behaviour**  
Muhammad Adnan, Ayesha Bakhtawar, Rakia Tul Zahra

217-229

**Long Run and Short Run Co-movement among Oil Prices and Stock Market Liquidity: Evidence from the Emerging Equity Market of Pakistan**  
Sania Sarfraz, Mumtaz Ahmad, Muhammad Husnain

231-241

**Impact of Cloud Based Accounting Finance Mechanism with Mediating Effect of Innovative Work Behavior on Business Performance**  
Gohar Mahmood, Zainab, Qaisar Maqbool Khan, Sadia Munir

243-252

**Impact of Credit Risk on Financial Performance: Mediating Role of Operational Efficiency in Banking Sector of Emerging Economy**  
Muhammad Husnain, Qaisar Maqbool Khan, Mumtaz Ahmad, Zainab

253-263

**Provision of Technical and Vocational Education and Training to Needy Youth in Punjab: An Explanatory Study**  
Dur-e- Nayab, Abid Hussain Chaudhry, Ghulam Fatima

265-272
<table>
<thead>
<tr>
<th>Title</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does A Relationship Exist between Poverty Human Capital and Economic Development in Pakistan: A Case Study of Bahawalpur Division</td>
<td>273-283</td>
</tr>
<tr>
<td>Salyha Zulfiqar Ali Shah, Imran Sharif Chaudhry, Fatima Farooq</td>
<td></td>
</tr>
<tr>
<td>Laila Khalid, Saima Malik, Muhammad Zaheer Asghar</td>
<td></td>
</tr>
<tr>
<td>Inclusive Education Opportunities in Punjab Pakistan: A Locale Based Comparison</td>
<td>301-308</td>
</tr>
<tr>
<td>Muhammad Jahanzaib, Ghulam Fatima, Dur-e- Nayab</td>
<td></td>
</tr>
<tr>
<td>Peeral Chandio, Arifa Bano Talpur</td>
<td></td>
</tr>
<tr>
<td>An Empirical Investigation of E-banking Service Quality Customer Trust and Customer Loyalty of Pakistani Banks</td>
<td>319-326</td>
</tr>
<tr>
<td>Shakeel Ahmad, Farheen Zahra Hussain, Khawar Naheed, Muhammad Sadiq Shahid</td>
<td></td>
</tr>
<tr>
<td>What Drives Individual Investors to Invest in Mutual Funds in a Developing Economy</td>
<td>327-338</td>
</tr>
<tr>
<td>Manasseh Mwanza, Stella Zulu Chisanga, Shikaputo Chanda, Stephen Mpmbele</td>
<td></td>
</tr>
<tr>
<td>Antecedents and Consequences of Green Human Resource Management in Oil and Gas Companies of Pakistan</td>
<td>339-351</td>
</tr>
<tr>
<td>Ali Junaid Khan, Salyha Zulfiqar Ali Shah, Furrukh Bashir, Jawad Iqbal</td>
<td></td>
</tr>
<tr>
<td>Impact of Corporate Governance on Dividend Policy: Evidence from Pakistan</td>
<td>353-366</td>
</tr>
<tr>
<td>Abdul Hameed, Farheen Zahra Hussain, Khawar Naheed, Muhammad Sadiq Shahid</td>
<td></td>
</tr>
<tr>
<td>Measuring the Stressors in Undergraduate Medical Students: A Cross Sectional Study</td>
<td>367-373</td>
</tr>
<tr>
<td>Ayesha Sadiq, Muhammad Furqan Ashraf, Paris Zakaullah, Ammara Asghar</td>
<td></td>
</tr>
<tr>
<td>Exploring the Nexus between Empowering Leadership and Work Engagement through Employee Resilience during Times of Covid 19</td>
<td>375-387</td>
</tr>
<tr>
<td>Khawaja Khalid Mehmood, Shahbano Saeed</td>
<td></td>
</tr>
<tr>
<td>The Art of Manipulating Masses and Failure of Leadership in Orwells Animal Farm and Pakistani Politics: A Comparative Study</td>
<td>389-396</td>
</tr>
<tr>
<td>Shahab Rehman, Shehzad Khan Durrani, Atteq-ur Rehman</td>
<td></td>
</tr>
<tr>
<td>Agency in Computer-Assisted Language Learning (CALL): Learning to Use Language for a Sustainable Post-COVID-19 Society</td>
<td>397-409</td>
</tr>
<tr>
<td>Riaz Hussain, Usman Ilyas, Aisha Ilyas</td>
<td></td>
</tr>
<tr>
<td>The Mediating Relationship of Political Skills between Political Personality Traits and Career Success of Educators in Punjab, Pakistan</td>
<td>411-420</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Muhammad Farooq Rehan, Raheel Mumtaz, Quaisar Ijaz Khan, Samreen Iqbal

Evaluating the Impact of Behavioral Factors on Purchase Intention of Green Products in Pakistan

Muhammad Ikram, Ayesha Shoukat
Abrogation of Article 370 and the Media Framing of Kashmir Conflict: A Pursuit for Re-conciliatory Approach

Ayesha Siddiqua, Department of Mass Communication, National University of Modern Languages, Islamabad, Pakistan
Khalid Sultan, Department of Mass Communication, National University of Modern Languages, Islamabad, Pakistan
Atif Ashraf, Faculty of Media and Communication Studies, University of Central Punjab, Lahore, Pakistan
*Ghulam Shabir, Faculty of Media and Communication Studies, University of Central Punjab, Lahore, Pakistan

*Corresponding author’s email: drshabir@yahoo.com, ghulam.shabir@ucp.edu.pk

ARTICLEDETAILS

Objective: The study at hand attempts to analyze the media framing of J&K conflict in the context of abrogation of Article 370 along with comprehending the extent to which ideals of peace journalism can be translated into journalistic practices.

Methodology: Quantitative analysis of the news items published in Dawn and The Nation (Pakistani media); Times of India and The Hindu (Indian media) indicated that the media framing of Kashmir conflict by the all four selected English dailies from India and Pakistan was heavily dominated by war framing.

Findings: Findings of the qualitative interviews conducted from the Indian and Pakistani journalists indicated that the ideals of peace journalism can be translated in to journalistic practices by not justifying human rights violations and by focusing on more in-depth coverage of less visible effects of conflict. A search for common grounds among key stake holders and refraining from becoming part of propaganda were among other key factors which can play a vital role in practicing peace journalism.

Implications: Peace Journalism can be understood as a special form of responsible journalism as it has the potential to contribute in the peace process.

©2021 The authors, under a Creative Commons Attribution-Non Commercial- 4.0

Introduction
The violent conflict brewing in the Indian administered Valley of Jammu and Kashmir (J&K) has repeatedly played a decisive role in defining the diplomatic relations between geographically bound traditional rivals, India and Pakistan. The magnitude of the conflict has evolved from a regional conflict to an international conflict as it enjoys the capability of drawing two nuclear powers towards a nuclear war (Nixxon, 1992).

Kashmir is located in the Himalayan range of mountains and is also the origin point of many rivers in the South Asian region. Geographically Kashmir is surrounded by India, Pakistan and China. India administers about 45 percent of Kashmir’s total area; Pakistan administers about 35 percent of Kashmir’s total area whereas China administers about 20 percent of Kashmir’s total area (Bukhari & Parveen, 2014). J&K conflict is considered to be a concern for international peace as it has frequently triggered ethnic outbreaks, severe human rights violations and cross border terrorism including Line of Control violations in the region. On October 31, 2019 India formally divided the Indian administered Kashmir into two federally administered territories as an implication of the abrogation of Article 370. Both Jammu and Kashmir were combined into one territory and named as Jammu whereas Ladakh area bordering with China was made a separate territory (Gupta, 2019).

Number of scholars including (Manoff, 1998, 2004; Bar-Tal, 2000; Carruthers, 2000; Wolfsfeld , 2004) suggested that the media coverage of conflict was mostly destructive but still an alternative and unconventional approach by media could not be negated altogether. Peace Journalism surfaced as an alternative way of reporting in which the journalists “care as well as know” (Bell, 1998:p.16) and in which the notions of responsibility and accountability goes hand in hand (Howard, 2003). The media coverage of Jammu and Kashmir in the context of conflict resolution and peace and war journalism has been a subject of interest for journalists and scholars alike (Sonwalker, 2005; Sreedharan, 2009; Cheema, 2015). As a result of major escalation in the Kashmir conflict after the abrogation of Article 370 of the Indian Constitution, the study at hand analyzed the coverage of J&K conflict through the perspective of peace and war journalism along with comprehending the extent to which ideals of peace journalism can be translated to journalistic practices. Content analysis of the news stories published in the Pakistani and Indian English press was carried out for investigating the war and peace journalism framing trends. Dawn and The Nation which are highly circulated English dailies of Pakistan (Press Reference, 2009) were selected from the Pakistani English Press. Times of India and The Hindu which are considered to be among the highly circulated and influential English dailies of India (Kaushal, 1997; Viswanath & Karan , 2000) were selected from the Indian English Press. The study also attempted to explore that how the ideals of peace journalism can be translated to journalistic practices. The nature of the study called for an exploratory approach along with the descriptive analysis of the news stories published in the selected press. The exploratory perspectives of the study were entertained through the method of in-depth interviews of Pakistani and Indian journalists.

The study is significant as the abrogation of Article 370 has not only altered the geographical status of J&K but has also put the stability of the whole South Asian region at an unprecedented risk. The ruling political party of India Bharatiya Janata Party (BJP) has advocated the idea of stripping the disputed Kashmir from its special status since decades and Pakistan’s outrage on the matter has intensified the heated rhetoric (Chandrachud, 2019). In an evolving conflict scenario the role of journalists and their journalistic choices can help in developing prospects for society to reflect on non-violent reactions.

Background of Kashmir Conflict
Kashmir conflict is considered to be an unresolved agenda of the subcontinent partition which
took place in 1947. In recent past the serene valley of Jammu and Kashmir had witnessed an armed uprising since 1989 (Bukhari, 2016). The year 2016 witnessed an intense violent wave in the valley. The leader of PDP (People’s Democratic Party) Mehbooba Mufti took oath as the first female Chief Minister of Jammu and Kashmir in April 2016. The death of Mufti Muhammad Sayeed in January 2016 paved way for the power struggle between Mehbooba Mufti, a law graduate and the ruling Bharatiya Janata Party (Bukhari & Masroor, 2016). The Indian government wanted a new industrial policy in Jammu and Kashmir as a result of which non-locals would be allowed to acquire large areas of land in the valley. Therefore the government of Bharatiya Janata Party in India forcefully supported the resettlement of Hindu Pandits in the valley through the establishment of Sainik Colonies in May 2016 (The Indian Express, 2016). The issue of Sainik colony was still developing as a 22-year old separatist fighter from an upper class educated Kashmiri family, Burhan Wani was killed on July 8, 2016 (Bukhari, 2016). Wani was killed along with his two companions by the Indian Security forces. He revitalized the orthodox forms of demonstrations and protests by effectively employing social media platforms (Dasgupta, 2016). Wani’s social media outreach created a stir both in the youth of Kashmir, which makes around 60% of the valley’s population and in the Indian and Pakistani media. He was referred to as the poster boy of Kashmir and had a bounty of one million rupees on his arrest (Rao, 2016). Killing of Burhan Wani had an intense impact on the Valley’s political, economic and security situation in terms of demonstrations by Kashmiris and longest imposed curfew by the Indian security forces. Wani relished impressive amount of support from Kashmiris both in his life and death because of four major reasons (i) armed rebels like Wani did not target civilians; (ii) they functioned independently without seeking foreign support; (iii) they choose a moderate path through welcoming Hindu pilgrims and favoring the return of migrant Kashmiri Pandits to their homes; (iv) their rebelliousness had a symbolic significance for the Kashmiri population (Geelani, 2016). Burhan Wani’s killing was followed by intense anti-Indian demonstrations across Jammu and Kashmir. Curfew was enforced in all districts of Jammu and Kashmir on 15th July 2016 which kept in force for 53 consecutive days and was lifted on 31st August but was again reinforced the next day (Khurshid, 2016).

In the wake of anti-state riots the heavy use of pellet guns by the Indian Security Forces made the situation more intense and violent. The photographs of severely injured and blinded civilians including women and children as a result of the excessive use of pellet guns stimulated an international reaction. Eye injuries were reportedly sustained by more than 1000 civilians (The Indian Express, 2016). The victimization of children was intensely criticized because “14% of pellet gun victims in Kashmir were below the age of 15” (Ashiq, 2016). On September 18, 2016 near the de facto Pak-India border an Indian army base was attacked at Uri in Kashmir. India accused Pakistan of facilitating the attack which was executed by four fully armed militants and resulted in the death of 18 Indian soldiers (Ahmed, Philips, & Berlinger, 2016). The Uri attack initiated a more intensified blame game between India and Pakistan.

The role of Kashmiri politicians in the post Burhan Wani incident grew more anti India. On the other hand the policies imposed by the BJP led government in the center increased the gap between the Kashmiri public and the rest of the world. The unrest which engulfed the valley during Wani episode transformed into a devastating situation when the Indian Primer Narendra Modi during his Speech on August 15, 2019 announced his government’s step to strip Kashmir from the autonomous status in terms of abrogating the Article 370 of the Indian constitution.

**Abrogation of Article 370**

The abrogation of Article 370 was considered to be one of the key demands by the Hindu Nationalists dating back to as early as 1950s. The autonomy of Indian Occupied Kashmir has been partially taken away through a number of policies implemented by the Indian government during the 1950s and 1960s. It was majorly after the mid-1960s that only certain symbolic parts
of Article 370 were left intact which included a separate state flag, a separate state constitution with almost no actual significance and a state penal code (Bose, 2019). Article 35A was also left intact as it assured job opportunities on priority basis to the local residents along with preventing outsiders from buying land in the valley. The provisions provided in the Article 35A were not unique to the Indian administered Kashmir only as other Indian states including Uttarakhand, Himachal Pardesh, Punjab and some north-eastern states of India also provided similar provisions to the native population. The reason for dividing the Kashmiri state into union territories was rooted in the Indian constitutional framework which provided more powers to the states in comparison to the unions (Bose, 2019).

The limited autonomy of Jammu and Kashmir which was granted through Article 370 of the Indian Constitution was revoked by the Indian government on August 5, 2019. On October 31, 2019 India formally divided the Indian Occupied Kashmir into two federally administered territories as an implication of the abrogation of Article 370. Both Jammu and Kashmir were combined into one territory and named as Jammu. Originally Jammu was dominated by Hindus and comprised a population of about six million whereas Kashmir was a predominantly Muslim majority area and comprised of about eight million people. Ladakh area bordering with China has been made a separate territory with a population of about 300,000 with almost equal number of Buddhists and Muslims. R. K. Mathur was made the Lieutenant Governor of Ladakh whereas Girish Chandra Murmu sworn in as the Lieutenant Governor of Jammu and Kashmir regions (“Jammu and Kashmir: India formally divides flashpoint state”, 2019). Both the infant union territories would be ruled directly through Delhi. It is not only the Muslim population which had felt deeply alienated and subjugated at the abrogation of Article 370 but the Buddhist population dominating the eastern Ladakh district, Leh also felt betrayed on losing their rights incurred by article 35A. In the true democratic sense India took an extremely undemocratic step by dividing J&K into two federation units. As India is comprised of voluntary federation of states it is undemocratic to force people of certain demographic region to be governed by the Center (Gupta, 2019).

India made a commitment to United Nations for holding a plebiscite in J&K as per the UNSC 1947-48 resolution. India justified its failure to fulfill the commitment because Pakistan did not fully withdraw its forces from Kashmir (Gupta, 2019). In August 2019 the UN Secretary General Antonio Guterres made an appeal for “maximum restraint” through an official statement. He reinforced the significance of 1972 agreement, also termed as the Simla Accord according to which the conflict of Jammu and Kashmir must be settled through peaceful means (UN News, 2019). As per the Simla Agreement all problems between India and Pakistan were to be considered as bilateral and both the countries cannot take any territory by the use of force. As a result of the Simla Agreement the then CFL (Cease Fire Line) was renamed as LoC (Line of Control). Annulment of Article 370 broke the post Simla accord status quo. Resultantly Kashmir went through a more dangerous and permanent status quo after the scrapping of Article 370 as it was expected from both India and Pakistan to accept the existing borders as permanent.

The alarming situation of human rights condition in the Indian administered Kashmir is widely attributed to the scrapping of Article 370 by the BJP led Indian government. The valley witnessed continuation of protests as numerous Kashmiris were detained by the Indian state. “Thousands of people including three former Chief Ministers of the state were detained” to curtail resistance against the Indian policies (“Jammu and Kashmir: India formally divides flashpoint”, 2019). The mobile services remained suspended for more than 72 days after stripping the Kashmir of its autonomous status. Internet services were suspended for indefinite period of time and most of the businesses also remained closed. The closure of businesses was attributed to both protests against governments and also to the fright of retaliations from separatist fighters who were against the Indian rule (“Jammu and Kashmir: India formally divides flashpoint”, 2019).
On international forum a visit by the right wing European parliamentarians (MEPs) to the Indian administered Kashmir on 29th October 2019 received criticism for being a “PR stunt”. The visit helped in reestablishing the centuries old mantra that conflicts and the most worst of human rights violations can be masked through goodwill marketing and state propaganda. The EU parliament termed the visit as not an official one rather as a one conducted in the personal capacity of the MEPs. An MEP from the Liberal Democrat party of UK, Chris Davies’s invitation was withdrawn after his demand to “go anywhere and talk to anyone he wanted” (“Outrage over right-wing Euro-MPs’ Kashmir visit”, 2019). After the abrogation of Article 370 it was the first visit of any international delegation to the region as even the Indian politicians were not allowed to visit the area. BJP’s policies were compared to what Milosevic of Serbia did in Kosovo by unilaterally revoking its autonomy in 1989 and by imposing a police state on the Albanian majority population of Kosovo (Bose, 2019).

The crisis in Kashmir halted all areas of social life including education as “1.5 million Kashmiri children remained out of school” even 13 weeks after India’s unilateral decision to revoke Kashmir’s autonomous status (Yasir & Gettleman, 2019). All private and government schools of the valley were shut down as the parents were fearful of sending their children to school in the presence of troops and separatist fighters spread across the valley. Parents were afraid that the bus carrying their children would be attacked by the anti-state actors or the faces of their children will be shot by pellets by the state security forces. Among the less discussed outcomes of an armed conflict are the psychological and social traumas which are especially faced by the youth of the conflict ridden areas. The current generation of Kashmiri children is considered to be amongst the most affected ones as they have not only witnessed the brutal killings of their families and friends but also the extreme feelings of vulnerability and depression (Yasir & Gettleman, 2019).

**Peace & War Journalism**

Media framing of conflicts cannot be fully grasped without incorporating the framework of peace and war journalism. Framing itself can be described as the practice of developing news content factually yet thematically in order to communicate the key agenda of the story (Maslog et al., 2006). Tankard (1991, p.3) defined framing as the “fundamental organizing idea for news content that supplies a context and suggests what the issue is”. The selected frames did not only help in terms of giving prominence to certain parts of information but also helps in making it more significant and salient for the audience (Shaw et al., 1997).

Scholars and academicians including Bell (1998); Galtung (1985, 1986, 1998); Lynch & McGoldrick (2005); Tehranian (2002) sought alternate ways of reporting and humanizing conflicts. Peace Journalism draws its support from peace in comparison to violence; truth in comparison to propaganda; independent humans and individuals in comparison to the elite; and solution in comparison to victory or defeat. Peace journalism is referred to as a set of tools aimed at equipping journalists in terms of offering a better public service (Lynch and McGoldrick, 2005, p.5). Peace journalism is a form of reporting which has a more serious and professional approach in terms of reporting conflicts (Lynch & Galtung, 2010, p.17). Dependence on subjective insights of reporters is supported by peace journalism as journalists are not expected to stick to ideas of objectivity (Wolfe & Johnson, 1990).

The classification of peace and war journalism by Galtung also took language in to context as the use of negative words in terms of victimization and persecution are not encouraged in peace journalism. Peace journalism promotes a resolution based advocacy method in conflict reporting not only through the formation of news stories but also through the choices which reporters and journalists practice which helps in developing non-violent diagnoses for society.
Ad vocative approach also concentrated on emphasizing less visible aspects of violence along with searching for common grounds (Maslog et al. 2006: p.23). Lynch & McGoldrick (2005) presented peace journalism as a more logical, accurate and broader method of covering conflicts.

Galtung’s (1998) views were further extended by McGoldrick and Lynch (2000) into 17 practices of peace journalism. The practices comprised of offering solutions, reporting about long-term effects, humanizing the conflict, probing for common grounds, reporting versions of all involved stakeholders, and using accurate language. Manoff (1998) focused on 12 productive roles of the media which can be employed while reporting violent conflicts. The roles were in compliance with the classification laid out by McGoldrick and Lynch (2000). The major roles included communication among opposing parties; educating on various aspects of conflict; building relationships; neutralizing misperceptions ; classifying the hidden interests; promoting balance of power; and seeking solutions (Manoff, 1998).

Kashmir in Media
The framing of the Indo-Pak conflict with reference to Jammu & Kashmir has been extensively covered by researchers and academicians (Cheema , 2015; Sreedharan , 2009; Zaheer , 2017). Galtung’s classification was employed by Lee et al (2004) to examine the peace and war framing of four Asian regional conflicts. The coverage of Kashmir conflict by the Pakistani and Indian print media represented the strongest war framing among the four selected conflicts. Siraj (2008) examined the peace and war framing of Indo-Pak conflict in the elite US press. It was concluded that the number of war stories were greater in number than the number of peace stories or neutral stories regarding Indo-Pak conflict. The classification included “visible vs. invisible effects; difference oriented vs. solution oriented; here and now vs. causes and consequences; good and bad guy labeling vs. avoidance of labeling; two party orientation vs. multi-party orientation; partisan vs. non-partisan; elite-oriented vs. people oriented; use of demonizing language vs. avoidance of demonizing language” (Galtung, 1986, 1998).

Sreedharan (2009) also examined the coverage of Kashmir in the Indian and Pakistani press and concluded that the media of both the countries rendered negative and anti-peace coverage to the Kashmir conflict and also to each other. Sreedharan (2009) further stated that “newspapers on both sides were partisan in how they presented the conflict to their publics, clearly setting it out as an us-versus-them issue in which ‘we’ were the victims and ‘they’ the perpetrators of violence” (Sreedharan, 2009: p. 219).

The manner in which conflicts are reported by the media and the way it defined and redefined public sphere has been a matter of special interest for academicians and journalists alike. According to McCombs and Shaw (1972) mass communication has the power to affect and change perceptions and knowledge of public which is done through the process of framing. The notions of agenda setting and framing do not only affect the process of public opinion formation but also has influence on journalists’ prejudices and perceptions in terms of interpreting the conflict scenarios (Aslam, 2014). Media not only made the audience aware about the public issues but also dictated it how much importance should be given to an issue or matter (Brosius & Weimann, 1996). Media therefore played an important role in conflict situations. Thus the role of press and media both in terms of escalation or de-escalation of conflict is largely dependent on the framing along with the peace and war approach used by the journalists.

Methodology
The study was aimed at investigating the coverage of Kashmir conflict in the contemporary mainstream English press of Pakistan and India in the context of peace and war journalism. The method of content analysis was employed to analyze the press coverage of Kashmir conflict. The
news items published in Dawn and the Nation from Pakistani press; Daily Times of India and Daily the Hindu from Indian press were selected for the purpose of content analysis. News stories published regarding the Kashmir conflict after the abrogation of article 370 were selected for the purpose of the study. The time period ranged from August 06, 2019 to August 06, 2020 as the abrogation of Article 370 from the Indian constitution took place on August 05, 2019. The stories were retrieved from both Lexus Nexus and the online archival data available on the websites of the selected dailies. The key words of “Jammu & Kashmir Conflict”; “Abrogation of Article 370” and “Scrapping of Article 370” were used for retrieving the data. After removal of the duplicated news items a total of 334 news items were retrieved. It was through using a skip interval of one that a sample of 167 stories was selected through systematic random sampling.

Four separate frames of peace and war journalism were operationalized in the light of the available literature on media framing of conflicts (Galtung 1986, 1998; Lynch & McGoldrick, 2005; Sreedharan 2009). The frames are operationalized in Figure 01. Every individual story was considered as the contextual unit whereas every paragraph was considered as the coding unit. The story was coded as peace journalism story or war journalism story depending upon the majority number of peace or war indicators in the story. If the number of peace and war frames were equal in a story it was coded as neutral. The statistical unit of analysis for this study was every individual news story. A coding sheet was developed for content analysis in light of the operationalization of frames mentioned in Figure-01.

<table>
<thead>
<tr>
<th>Peace frames</th>
<th>War frames</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peace oriented: facts and aspects supporting conflict resolution are highlighted in the story in comparison to facts and aspects related to violence and aggression</td>
<td>Violence oriented: facts and aspects related to violent events of conflict are highlighted in the story in comparison to less violent responses to conflict</td>
</tr>
<tr>
<td>Truth Oriented: points of view of more than one or all stakeholders with competing interests are included in the story</td>
<td>Propaganda Oriented: points of view of one stakeholder are propagated as the only available and justified point of view</td>
</tr>
<tr>
<td>Multiple Source Oriented: Information derived from independent sources and first hand versions of witnesses are also incorporated in the story</td>
<td>Elite Source Oriented: Information and versions of only elite sources like military and bureaucracy are incorporated in the story</td>
</tr>
<tr>
<td>Solution Oriented: Points of view of all stakeholders especially with reference to less or non-violent responses to conflict are covered and highlighted</td>
<td>Zero-sum oriented: Point of view of one of the stakeholders is covered and highlighted to present that particular stakeholder at the winning end of the conflict</td>
</tr>
</tbody>
</table>

Neutral Frames: If the number of war and peace frames were equal in a story it was coded as neutral

The study also attempted to explore the extent to which the ideals of peace journalism can be translated into journalistic practices by the journalists. For this exploratory angle the method of qualitative in-depth interviews was employed. A total of 10 journalists from Pakistan and India were purposively selected for in depth interviews. Semi structured interviews were conducted from mid-career and senior Indian and Pakistani journalists who had 5 or more years of experience in covering Kashmir conflict and diplomatic relations between India and Pakistan. The interviews were conducted through Skype. Notes were taken during the interviews.

Research Questions
1- To what extent the coverage of Kashmir conflict is dominated by peace or war framing after the abrogation of Article 370?
2- To what extent it is possible to translate the ideals of peace journalism in to journalistic practices?

Results and Discussion

1- To what extent the coverage of Kashmir conflict is dominated by peace or war framing after the abrogation of Article 370?

Table-01 Frequency of Retrieved News stories

<table>
<thead>
<tr>
<th>Newspaper</th>
<th>Frequency of stories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dawn</td>
<td>38 (22.75%)</td>
</tr>
<tr>
<td>The Nation</td>
<td>38 (22.75%)</td>
</tr>
<tr>
<td>Times of India</td>
<td>39 (23.35%)</td>
</tr>
<tr>
<td>The Hindu</td>
<td>52 (31.17%)</td>
</tr>
<tr>
<td>Total</td>
<td>167 (100%)</td>
</tr>
</tbody>
</table>

Table-01 shows the frequency of news stories which appeared in the selected newspapers. A total of 38 stories were selected from Dawn which comprised of 22.75% of the total number of stories. 38 stories were selected from the Nation which also made 22.75% of the total data. A total of 39 stories were selected from the Times of India which comprised of 23.35% of the total data. A total of 52 stories were selected from The Hindu which comprised of 31.17% of the total data.

Table-02: Frequency of Source of Story

<table>
<thead>
<tr>
<th>Source of Story</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Reporter</td>
<td>47</td>
<td>28.14%</td>
</tr>
<tr>
<td>News Agencies</td>
<td>50</td>
<td>29.94%</td>
</tr>
<tr>
<td>Local Correspondents/ Freelancers</td>
<td>42</td>
<td>25.15%</td>
</tr>
<tr>
<td>Reprinted from other publications</td>
<td>20</td>
<td>11.97%</td>
</tr>
<tr>
<td>Others</td>
<td>8</td>
<td>4.79%</td>
</tr>
<tr>
<td>Total</td>
<td>167</td>
<td>100%</td>
</tr>
</tbody>
</table>

Out of 167 total selected news stories 47 were filed by staff reporters; 50 stories were based on the information filed through news agencies; 42 stories were filed through local correspondents; 20 were reprinted from other publications and 8 stories were filed through other sources.

Table-03 Distribution of Stories by War Journalism Frames

<table>
<thead>
<tr>
<th>War Journalism</th>
<th>Dawn (52.63%)</th>
<th>The Nation (78.95%)</th>
<th>Times of India (92.30%)</th>
<th>The Hindu (66.30%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Violence Oriented</td>
<td>20</td>
<td>30</td>
<td>36</td>
<td>35</td>
</tr>
<tr>
<td>Propaganda Oriented</td>
<td>23 (60.52%)</td>
<td>30 (78.95%)</td>
<td>36 (92.30%)</td>
<td>35 (66.30%)</td>
</tr>
<tr>
<td>Elite source Oriented</td>
<td>19 (50%)</td>
<td>30 (78.95%)</td>
<td>34 (87.17%)</td>
<td>35 (66.30%)</td>
</tr>
<tr>
<td>Zero-Sum Oriented</td>
<td>16 (42.10%)</td>
<td>29 (76.31%)</td>
<td>33 (84.61%)</td>
<td>34 (65.38%)</td>
</tr>
<tr>
<td>Total Stories with majority war journalism frames</td>
<td>23 (60.52%)</td>
<td>25 (65.79%)</td>
<td>28 (71.79%)</td>
<td>34 (65.38%)</td>
</tr>
</tbody>
</table>
Table-03 illustrates that the highest percentage of stories with majority war journalism frames were reported in the Times of India followed by The Nation; The Hindu and Dawn. The results also indicated that majority of the stories in all selected English dailies of India and Pakistan was dominated by war frames.

<table>
<thead>
<tr>
<th>Peace Journalism</th>
<th>Dawn</th>
<th>The Nation</th>
<th>Times of India</th>
<th>The Hindu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peace Oriented</td>
<td>14 (36.84%)</td>
<td>4 (10.52%)</td>
<td>3 (7.69%)</td>
<td>13 (25.0%)</td>
</tr>
<tr>
<td>Truth Oriented</td>
<td>11 (28.94%)</td>
<td>4 (10.52%)</td>
<td>3 (7.69%)</td>
<td>13 (25.0%)</td>
</tr>
<tr>
<td>Multiple source oriented</td>
<td>15 (39.47%)</td>
<td>4 (10.52%)</td>
<td>5 (12.82%)</td>
<td>13 (25.0%)</td>
</tr>
<tr>
<td>Solution Oriented</td>
<td>18 (47.36%)</td>
<td>5 (13.15%)</td>
<td>6 (15.38%)</td>
<td>14 (26.92%)</td>
</tr>
<tr>
<td>Total Stories with majority peace journalism frames</td>
<td>11 (28.94%)</td>
<td>9 (23.68%)</td>
<td>11 (28.20%)</td>
<td>14 (26.92%)</td>
</tr>
</tbody>
</table>

Table-04 shows that the highest percentage of peace oriented stories was recorded in Dawn, followed by Times of India, The Hindu and The Nation. Although the majority of news stories were covered through war framing but Dawn and Times of India took the lead in peace framing of the Kashmir conflict in comparison to the other selected press.

<table>
<thead>
<tr>
<th>Neutral Frames</th>
<th>Dawn</th>
<th>The Nation</th>
<th>Times of India</th>
<th>The Hindu</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4 (10.52%)</td>
<td>4 (10.52%)</td>
<td>0</td>
<td>4 (7.69%)</td>
</tr>
</tbody>
</table>

Table-05 represents that the Dawn and The Nation recorded a higher percentage of neutral stories in comparison to The Hindu and Times of India.

The results of the content analysis indicated that the majority of the news framing of Kashmir conflict after the abrogation of Article 370 in the press of both the countries was done from the perspective of war framing. The results strengthened Gultung’s (1986, 1998) views on war journalism as it draws its support from violence, propaganda, elite sources and zero-sum approach whereas peace journalism draws its support from peace in comparison to violence; truth in comparison to propaganda; independent humans in comparison to the elite; and solution in comparison to victory or defeat (Lynch and McGoldrick, 2005).

The significance of reporting during conflict and war becomes even more delicate as journalists consider themselves as soldiers whose responsibility is to work in hell so that they can record history (Pedelty 1995, p.29). McCombs and Shaw (1972) asserted that mass communication has the power to affect and change perceptions and knowledge of public which is done through the process of framing. The notions of agenda setting and framing had not only effects on the process of public opinion formation but also represented journalists’ prejudices and perceptions in terms of interpreting the conflict scenarios (Aslam, 2014). Scheufele (1999) asserted that media frames are used by the journalists in order to disseminate information to the masses. It is also noted that the majority of the people who are exposed to specific frames are likely to be influenced by them (Lecheler & De Vreese, 2011). Scheufele (1999) further asserted that journalists are also likely to be influenced by the frequently used frames on a particular issue. Thus the dominance of war framing regarding Kashmir conflict can also be attributed to the frequent exposure and of war framing by the journalists.
working across borders.

2-To What Extent it is Possible to Translate the Ideals of Peace Journalism in to Journalistic Practices?
Number of scholars like Manoff (1997, 1998); Carruthers (2000); Bar-Tal (2000); Moeller (2004) and Wolfsfeld (2004) suggested that the media coverage of conflict is mostly destructive but still an unconventional and alternative approach by media cannot be negated altogether. Peace Journalism surfaced as a way of reporting for reporters in which they care as well as know (Bell, 1998, p.16) and which carries the notions of responsibility and accountability together (Howard. 2003).

Respondents agreed that mostly the contention in war journalism is the narrative of victimhood in comparison to peace journalism which is a more logical and accurate way of reporting conflicts. In Indian press the Indian forces are portrayed as the victims and the Kashmiris as aggressors whereas in Pakistani perspective the narrative is vice versa. Gohar Gellani a Srinagar based journalist said that ideals of peace journalism can be achieved by not justifying human rights violations and also by not rationalizing the criminalization of “Kashmiris legitimate political opinion”( personal communication). Shumaila Jaffery, an Islamabad based journalist said that the resolution approach in terms of “peace journalism can be translated by focusing on more in depth, humanized and consistent coverage of Kashmir issue” (Personal Communication). Thus peace journalism can be referred to as a set of tools aimed at equipping journalists in terms of offering a better public service.

Galtung’s classification of peace and war journalism also took language in to context as the use of negative words in terms of victimization and persecution are not encouraged in peace journalism. Peace journalism promoted a resolution based advocacy method in conflict reporting through the choices of reporters and journalists which helps in developing non-violent diagnoses for society. Ad vocative approach also concentrated on emphasizing less visible aspects of violence along with searching for common grounds (Maslog et al, 2006). Sammar Abbas, an Islamabad based journalist asserted that opinion writings and post-facto writings can add to the public sphere perspective but it is through actual reporting choices that journalists can fully take advantage of the notions of peace journalism including a search for common grounds and covering the less obvious and less talked about aspects of violent conflicts (personal communication). Amber Shamsi, another Islamabad based international journalist said that the “focus of the media is less on the colossal human tragedy and political disaster that Kashmir is facing, and more on the States’ nationalistic interests” (personal communication). Gohar Gillani recalled that even when Indian Army’s Major Leetul Gogoi tied a Kashmiri civilian Farooq Dar to the bonnet of jeep and paraded him through several villages of central Kashmir’s Budgam district for hours the focus in the Indian media was to give a clean chit to Gogoi. “His potential war crime was defended as an act performed in self-defense” (personal communication).

Jaskirat Singh, a New Delhi based journalist asserted that peace journalism can be utilized at best by ensuring that the journalists refrain from becoming part of propaganda paradigm (personal communication). Respondents agreed that in order to fully translate the ideals of peace journalism to practice the media need to step out of the nationalistic boundaries. Although they agreed that it has become all the more challenging after the abrogation of Article 370 which has resulted in the change in geographical boundaries of the Indian administered Kashmir. Respondents also agreed that prohibiting the dissemination of certain credible information as a result of declared or undeclared censorship policies on the part of the governments also results in hindering the practices of peace journalism.

In the scenario of conflict coverage, organizational policies and other mediating factors determine
the framing and treatment of news related content along with its selection (Van Ginneken, 1998, cited in Carruthers 2000, p. 15). As mostly news gathering and production is dependent on bureaucracy in times of conflict (Schlesinger, 1987; Sigal, 1973) therefore instead of the journalists it is the policy makers and bureaucrats who decide that which aspects of the conflict are worth covering and also which specific journalist will cover them (Carruthers, 2000). Thus the ideals of peace journalism cannot be fully translated into practices of journalism until the policy makers at the state level are sensitized about the notions of peace journalism and its long term effects in terms of creating opportunities for society at large to consider and value non-violent responses to conflict (Maslog et al, 2006).

On a concluding note the results of the content analysis revealed that both Pakistani and Indian press employed war framing more dominantly in comparison to peace framing while reporting Kashmir conflict after the abrogation of article 370. Respondents agreed that the ideals of peace journalism can be translated in to journalistic practices by not justifying human rights violations and by focusing on more in depth coverage of less visible effects of Jammu and Kashmir conflict. A search for common grounds among key stake holders and refraining from becoming part of propaganda were among other key factors which can play a vital role in practicing peace journalism. Thus Peace Journalism can be understood as a special form of responsible journalism as it has the potential to contribute in the peace process.

References
Gupta S (2019) To understand Modi’s new Kashmir reality, these 5 liberal myths need to be broken. The Print, 17 Aug 2019. Available at: https://theprint.in/national-interest/to_understand-modis-new-kashmir-reality-these-5-liberal-myths-need-to-be_broken/278220/


Gupta S (2019). To understand Modi’s new Kashmir reality, these 5 liberal myths need to be broken. The Print, 17 Aug. Available at: https://theprint.in/national-interest/to_understand-modis-new-kashmir-reality-these-5-liberal-myths-need-to_be_broken/278220/


Manoff RK (1998) Telling the Truth to Peoples at Risk: Some Introductory Thoughts on Media and Conflict. The Legitimacy of Intervention for Peace by Foreign Media in a Country in Conflict, 2-4 July


Coding Sheet

V1-Newspaper
1=Dawn  2=The Nation  3=Times of India  4=The Hindu

V2-Source of Story
1= Staff reporter  2=News Agencies  4=Local correspondents/Freelancers
      5=Reprinted from other publications  6=Other

V3- War frames
War A1=violence oriented (1=Yes, 2=No)
War A2= Propaganda Oriented (1=Yes, 2=No)
War A3= Elite source Oriented (1=Yes, 2=No)
War A4= Zero-Sum Oriented (1=Yes, 2=No)

V4-Peace Frames
Peace A1= peace oriented (1=Yes, 2=No)
Peace A2= Truth Oriented (1=Yes, 2=No)
Peace A3= Multiple source oriented (1=Yes, 2=No)
Peace A4= Solution-oriented (1=Yes, 2=No)

V5-Neutral Frame (1=Yes, 2=No)

V6-Frames which are present in majority
(1=War Frames, 2=Peace Frames, 3=Neutral Frames)
Technical Efficiency Determinants of Islamic Banks: How Do Countries Differ

Muhammad Hanif Akhtar, Department of Commerce, Bahauddin Zakariya University, Multan, Pakistan
*Muhammad Ramzan Sheikh, School of Economics, Bahauddin Zakariya University,Multan, Pakistan
Muzammil Ahmad, Department of Commerce, Punjab Group of Colleges, Multan, Pakistan
Muhammad Bashir Khan, Department of Government and Public Policy, National Defense University, Islamabad, Pakistan

*Corresponding author’s email: ramzansheikh@bzu.edu.pk

ARTICLE DETAILS

ABSTRACT

Purpose: This paper analyzes the determinants of technical efficiency of Islamic banks in eight of the Islamic countries. These include Brunei Darussalam, Jordan, Indonesia, Pakistan, Malaysia, Turkey, Saudi Arabia, and the UAE.

Design/Methodology/Approach: A quarterly panel data on eight Islamic countries’ banks during the period of 2014 to 2019 is used for the analysis.

Findings: The overall outcomes of the study indicate that banks in KSA, UAE, and Malaysia are found to be more efficient than their counterparts in other five countries in the sample. Banks from KSA and UAE have the same average technical efficiency scores while banks in Malaysia and Jordan tend to share similar average technical efficiency scores. Findings of the study reveal that variables like bank size, return on equity, and liquid asset ratio have a positive and significant bearing while factors like GDP growth rate, Z-score, and capital adequacy ratio have a negative and significant impact on technical efficiency of Islamic banks.

Implications/Originality/Value: The study puts forward some useful policy implications both for managers of banks and policymakers of countries in the sample.

©2021 The authors, under a Creative Commons Attribution-Non Commercial- 4.0


Introduction

The financial sector plays a considerable role in development of an economy. Studies by Abeka et al., (2021); Siriki et al., (2021); Kavya and Shijin (2020); Ratsimalahelo and Barry (2010); Abu-Bader and Abu-Qarn (2008); Galindo et al., (2007); Shan and Jianhong (2006); etc. claim
that there is a direct association between financial development and economic growth. Financial institutions need to work at a significantly higher level of efficiency to support economic growth. While banks become more efficient, the level of economic development accelerates (Banna et al., 2020). Banking is considered as one of the fundamental segments of financial framework as it broadly influences overall financial stability and economy. It associates economic operators with the financial markets. Banking assumes a significant part in liquidity-based intermediation and links the surplus units with deficit ones through various networks.

Most of the developed and developing countries around the world have deregulated their banking system over the past few years (Ariff and Can, 2008). The basic objective of such reforms is to improve the efficiency, productivity, and profitability of the banking system. Both IMF and the World Bank have also taken steps to improve the efficiency and performance of the financial sector to improve overall economic performance.

Islamic banking is considered one of the fast-growing areas in finance and banking. So, in comparison to other banking systems, this system is a relatively new phenomenon. The Islamic banking system has advanced from minor financial transactions to highly significant financial accounts of the world both in terms of assets size and activities. Compared with traditional banking, it is considered an executable option after the global financial crisis as the development of Islamic funds shelters clients against adverse factors and encourages them towards Islamic products and services (Aysan et al., 2018).

Islamic banking and the financial industry have expanded worldwide during the last three decades due to its huge amount of asset accumulation and the formation of new institutions. To fulfil the growing needs of the corporate sector and individuals, Islamic banks introduce much new investment and financial products. Islamic banks are present globally both in Muslim as well as non-Muslim countries. These banks are working along with conventional banks in almost every Muslim country. Full-fledged Islamic banks and the windows of Islamic banks within conventional banks are two forms of this banking system.

Today, more than 500 financial and banking institutions are included in this industry, with an average growth rate of 15-20% per annum and this industry has become an important player in the global financial industry. Standard and Poor Global Rankings report indicates that the total wealth of the Islamic banking industry has increased by 2% in 2018, which was 10% in 2017. The total sum of wealth under the management of this industry is forecasted to be $2.43 trillion, which is considered below its likelihood of $4.84 trillion. The popularity in the Islamic banking sector is also growing in Middle East, Africa, and South Asian (MEASA) region, which constitutes assets value to $2.1 trillion. Sharia-complaint assets belong to 25% sum of banking assets in GCC and 14% of the total banking assets are in MEASA region, intimating that Islamic banking proceeds significantly in that region of the world.

Inefficiency may be the main reason for less success in the banking sector (Barr et al, 1994). The banking organizations should be capable to perform more efficiently to assure and support the overall economic growth of a country. In an economic sense, technical efficiency is defined as the ability of a firm to obtain maximum output from a given set of inputs. While in the sense of bank regulators, it is defined as an ongoing and precise measurement of the performance of a bank that permits the allocation of bank wealth more effectively and leads to better utilization of operational activities (Barr et al., 1994).

For financial institutions, the efficiency boosts profitability, a huge quantity of funds, negotiated prices and service specialty for clients. To reduce risk, equity must be strengthened by employing efficiency. (Berger et al., 1997). Consequently, the investigation of Shariah banks is significant on three grounds. Firstly, an increase in efficiency leads to achieve more profits and expand the opportunity of endurance business sectors. Secondly, clients are keen on investigating costs and nature of bank benefits just as new administrations that banks can offer, and these have
been influenced by a bank's general productivity of tasks. Thirdly, it helps strategy makers to figure out strategies that affect the overall financial business. The efficiency scores of the Shariah banking sector are quite important to pick input and output variables (Mlima and Hjalmarsson, 2002).

Given such a scenario, this study has emphasized two major aspects. Firstly, to estimate the technical efficiency of the banking sector in the selected countries from different regions of the Islamic world and compare the efficiency of these selected countries with each other. The countries include Brunei Darussalam, Malaysia, Jordan, Indonesia, Pakistan, Turkey, Saudi Arabia, and the UAE. Secondly, to discover the factors that tend to determine the technical efficiency of Islamic banks in the sample of selected Islamic countries. This exploration would give a more extensive financial framework to assess technical efficiencies of Islamic banks and it helps policymakers, government agents, managers, and other stakeholders and aids them to make crucial decisions like a merger, absorption, acquisition, and takeover.

The rest of the study is organized as under. Section 2 presents a brief review of literature on technical efficiency and its determinants. Section 3 elaborates the model, data and methods. Section 4 presents findings with discussion while the section 5 leads to conclusions, policy implications, and an agenda for the future.

**Review of Literature**

An extensive study of the literature exists that covers the area of bank efficiency. Table-1 below provides an overview of studies on determinants of technical efficiency of Islamic banks.

<table>
<thead>
<tr>
<th>Reference(s)</th>
<th>Country</th>
<th>Time Period</th>
<th>Methodology</th>
<th>Independent Variables</th>
<th>Main Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alper and Anber (2011)</td>
<td>Turkey</td>
<td>2002-2010</td>
<td>Fixed-effect model</td>
<td>Bank size, ROA, CAR, GDP, Inflation, Deposits, Liquidity,</td>
<td>Bank size and profitability had a direct impact on technical efficiency and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Interest margins</td>
<td>CAR, GDP, inflation, deposits, liquidity, and interest margins had not</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>significantly effect on efficiency.</td>
</tr>
<tr>
<td>Gul et al. (2011)</td>
<td>Pakistan</td>
<td>2005-2009</td>
<td>Pooled Ordinary Least Square</td>
<td>Bank size, Inflationary rate, Loan, Deposits, Capital,</td>
<td>Banks were sound and perform better when they possess quality assets,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Market concentration, GDP</td>
<td>handsome capital, deposits, and fine economic conditions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Import, Export, Liquidity</td>
<td>significantly impacted the bank's efficiency and proved statistically.</td>
</tr>
<tr>
<td>Curak et al. (2012)</td>
<td>Macedonia</td>
<td>2005-2010</td>
<td>GMM</td>
<td>ROA, Bank size, Solvency risk, Liquidity risk, Credit</td>
<td>Solvency risk, operating expense, GDP, liquidity risk, and concentration</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>risk, Fee income, Operating expense, GDP growth rate</td>
<td>had a substantial effect on a bank's performance.</td>
</tr>
<tr>
<td>Adjei-Frimpong</td>
<td>Ghana</td>
<td>2001-2010</td>
<td>GMM, Fixed effect</td>
<td>Capitalization, bank size</td>
<td>Bank size had no impact on bank cost efficiency, recommending</td>
</tr>
</tbody>
</table>
The review of the literature shows that many of the studies have employed a non-parametric approach, Data Envelopment Analysis (DEA) to calculate technical efficiency and conclude that Islamic banks are more technically efficient in different countries of the world like Saudi Arabia, the UAE, Malaysia, and Indonesia during and after the worldwide financial crisis. These studies have used total deposits, assets, equity, capital, payroll cost, general overheads, and operating cost as input while income (fee-based, finance based and investment based), investments (Shariah-based), Assets (liquid assets, securities earning assets), loan and advances as output.
Model, Data and Methodology

Model Specification

This study is based on two models. In the first model, Data Envelopment Analysis is employed to assess the technical efficiency of the Islamic banking sector of the selected Islamic countries. In the second model, the determinants of technical efficiency of Islamic banks have been explored. Moreover, we have employed the production approach.

Model 1: Measurement of Technical Efficiency

Technical Efficiency = Output/ Input

Outputs = Revenue, financing (Murābahah, Tawwaruq, Ijārah, Salam, Mushārakah, Wakālah, Qarḍ e Hassan, and Diminishing Mushārakah) in different projects.

Inputs = No of Employees, Capital and Reserves, Operating Cost and

The choice of inputs and outputs is determined by extant literature, theoretical considerations, and accessibility of data. The number of employees includes employees and staff members currently employed and are the human resources who take part in the management that help in the creation of finance. Capital and reserves include nominal capital (balance sheet capital), revaluation surplus, inappropriate profit, and long-term reserves maintained by the Islamic banking sector which is used as a source of financing activities and is regarded as one of the major contributors. While the operating cost of Islamic banks includes all the direct and indirect expenses like staff expenses, depreciation, and other operating expenses of the Islamic banking sector.

Revenues are finance-based, investment-based, fees-based, and other sources. Financing includes Murābahah, Tawwaruq, Ijārah, Salam, Mushārakah, Wakālah, Qarḍ e Hassan, and Diminishing Mushārakah.

Input and Output Specification

Table 2 provides details about the input and output variables.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inputs</td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>All administrative Employees working in the banks</td>
</tr>
<tr>
<td>Capital and Reserves</td>
<td>Capital and reserves other than funds and liabilities</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Administrative expenses, staff expenses</td>
</tr>
<tr>
<td>Outputs</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>Finance-based, investment-based, and fees-based income</td>
</tr>
<tr>
<td>Financing</td>
<td>Total financing, (Murābahah, Ijārah, Salam, Mushārakah, Wakālah, Qarḍ e Hassan, and Diminishing Mushārakah)</td>
</tr>
</tbody>
</table>

Model 2: Determinants of Technical Efficiency of Islamic Banks

This model includes several bank-specific and macroeconomic factors to determine the technical efficiency of the Islamic banking sector.

Technical efficiency = \( f(GDPG, BS, Z-SCORE, CAR, ROE, LAR) \)

(1)

The econometric equation is elaborated as:

\[ TE_{it} = \beta_0 + \beta_1 GDPG_{it} + \beta_2 BS_{it} + \beta_3 ZSCORE_{it} + \beta_4 CAR_{it} + \beta_5 ROE_{it} + \beta_6 LAR_{it} + \varepsilon_{it} \]

(2)

Table 3: Description of Variables
Variable | Description
--- | ---
GDP Growth rate (GDPG) | Quarterly growth rate of GDP
Bank Size (BS) | Measured by the natural log of total Assets of a Bank
Z-Score | Measure Stability of the bank and is computed as the ratio of return on assets plus Capital Adequacy ratio to standard deviation of return on assets
Capital Adequacy Ratio (CAR) | Measure Solvency of and computed as Bank’s capital to risk-weighted assets
Returns on Equity (ROE) | A measure of Profitability Profit before Tax over total equity
Liquid Asset Ratio (LAR) | A measure of Liquid Assets over total assets

_data and methodology_
The data on the banking sector of Islamic countries are accessed from the database of the Islamic Financial Services Board (IFSB), macro-economic data are obtained from World Development Indicators and International Finance Statistics. The sample of selected Islamic countries includes Brunei Darussalam, Jordan, Indonesia, Pakistan, Malaysia, Turkey, Saudi Arabia, and the UAE from the first quarter of 2014 to the fourth quarter of 2019. Data Envelopment Analysis (DEA) is applied to measure the technical efficiency score and FMOLS method to investigate the determinants of technical efficiency.

_results and discussions_
This section explains the results of the study which include the overall results on technical efficiency and regression analysis.

_technical efficiency scores_
The technical efficiency scores of each country are shown in Table 4. The Islamic banking sector of these countries operates at a higher than 0.5 technical efficiency score. A mixed trend in the technical efficiency scores has been found in these countries. However, countries like UAE and Saudi Arabia show a higher technical efficiency score of more than 0.90.

Some countries like Pakistan have attained a lower technical efficiency score which is 0.53 in the first quarter of 2015. This minimum output is due to some weak management decisions, less knowledge of Riba-free banking, less coordination between bank employees and the general public, or even the wastage of resources. This indicates that Pakistan is still struggling to convert their resources into desired results. UAE, Saudi Arabia, and Malaysia have also attained the maximum score of 1 at 9 times which is quite higher than other selected countries. During this period, these countries are at the peak of their technical efficiency scores, as these countries have used their employees, capital and reserves, and operating cost to produce maximum output in form of revenue and financing. This indicates that these countries have sound financial policies, have strong coordination between employees and the customers, better use of operation cost which enhances the banking activities in these regions.

<table>
<thead>
<tr>
<th>Country</th>
<th>Brunei Darussalam</th>
<th>Indonesia</th>
<th>Jordan</th>
<th>Malaysia</th>
<th>Pakistan</th>
<th>Turkey</th>
<th>Saudi Arabia</th>
<th>UAE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-Q1</td>
<td>1</td>
<td>1</td>
<td>0.84</td>
<td>0.87</td>
<td>0.64</td>
<td>0.8</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>2014-Q2</td>
<td>0.89</td>
<td>1</td>
<td>0.95</td>
<td>0.88</td>
<td>1</td>
<td>0.77</td>
<td>0.93</td>
<td>0.92</td>
</tr>
<tr>
<td>2014-Q3</td>
<td>0.87</td>
<td>0.98</td>
<td>0.92</td>
<td>0.92</td>
<td>0.64</td>
<td>0.79</td>
<td>0.89</td>
<td>0.96</td>
</tr>
<tr>
<td>2014-Q4</td>
<td>0.85</td>
<td>1</td>
<td>0.99</td>
<td>1</td>
<td>0.83</td>
<td>0.8</td>
<td>1</td>
<td>0.96</td>
</tr>
<tr>
<td>Annual average (2014)</td>
<td>0.9</td>
<td>1</td>
<td>0.93</td>
<td>0.92</td>
<td>0.78</td>
<td>0.79</td>
<td>0.93</td>
<td>0.94</td>
</tr>
</tbody>
</table>
### Descriptive Statistics and Correlation Analysis

Table 5 exhibits descriptive statistics of variables. The mean value of technical efficiency points out that the average score in Islamic countries is 0.92. The mean of technical efficiency denotes that on average, a banking sector has a low cost of operations as compared to revenue and financing. This also indicates that these banks used 92% of their resources to produce output on average. Likewise, the average growth rate of GDP is 3.2% with a Standard deviation of 2.88. The mean value of Bank size is $64,626 million with a standard deviation of $64,286. The mean value of Z-Score is 36.79 with a standard deviation of 7.33. The mean value of CAR is 2.38% with a standard deviation of 5.78. The mean value of ROE is 0.15 with a standard deviation of 0.05. The mean value of LAR is 0.29 with a standard deviation of 0.15.

<table>
<thead>
<tr>
<th>Year-Qtr</th>
<th>TE1</th>
<th>TE2</th>
<th>TE3</th>
<th>TE4</th>
<th>MC1</th>
<th>MC2</th>
<th>MC3</th>
<th>MC4</th>
<th>MC5</th>
<th>MC6</th>
<th>MC7</th>
<th>MC8</th>
<th>MC9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-Q1</td>
<td>0.94</td>
<td>0.94</td>
<td>0.96</td>
<td>0.96</td>
<td>0.53</td>
<td>0.83</td>
<td>0.92</td>
<td>0.92</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-Q2</td>
<td>0.94</td>
<td>0.96</td>
<td>0.98</td>
<td>0.97</td>
<td>0.65</td>
<td>0.81</td>
<td>0.92</td>
<td>0.96</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-Q3</td>
<td>0.91</td>
<td>0.91</td>
<td>0.96</td>
<td>1</td>
<td>0.64</td>
<td>0.85</td>
<td>1</td>
<td>0.99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-Q4</td>
<td>1</td>
<td>1</td>
<td>0.98</td>
<td>1</td>
<td>0.76</td>
<td>0.84</td>
<td>0.98</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual average (2015)</td>
<td>0.95</td>
<td>0.95</td>
<td>0.97</td>
<td>0.98</td>
<td>0.64</td>
<td>0.83</td>
<td>0.96</td>
<td>0.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016-Q1</td>
<td>1</td>
<td>0.77</td>
<td>0.97</td>
<td>0.96</td>
<td>0.66</td>
<td>0.82</td>
<td>0.98</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016-Q2</td>
<td>1</td>
<td>0.82</td>
<td>1</td>
<td>0.98</td>
<td>0.7</td>
<td>0.83</td>
<td>0.99</td>
<td>0.96</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016-Q3</td>
<td>0.97</td>
<td>0.84</td>
<td>1</td>
<td>0.97</td>
<td>0.69</td>
<td>0.8</td>
<td>0.99</td>
<td>0.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016-Q4</td>
<td>0.85</td>
<td>0.96</td>
<td>1</td>
<td>1</td>
<td>0.8</td>
<td>0.85</td>
<td>0.98</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual average (2016)</td>
<td>0.95</td>
<td>0.85</td>
<td>0.99</td>
<td>0.98</td>
<td>0.71</td>
<td>0.83</td>
<td>0.99</td>
<td>0.98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017-Q1</td>
<td>0.89</td>
<td>0.76</td>
<td>0.96</td>
<td>0.98</td>
<td>0.79</td>
<td>0.85</td>
<td>0.98</td>
<td>0.99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017-Q2</td>
<td>1</td>
<td>0.79</td>
<td>0.98</td>
<td>0.99</td>
<td>0.8</td>
<td>0.85</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017-Q3</td>
<td>0.95</td>
<td>1</td>
<td>0.98</td>
<td>0.99</td>
<td>0.83</td>
<td>0.88</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017-Q4</td>
<td>0.93</td>
<td>0.93</td>
<td>1</td>
<td>1</td>
<td>0.92</td>
<td>0.92</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual average (2017)</td>
<td>0.94</td>
<td>0.87</td>
<td>0.98</td>
<td>0.99</td>
<td>0.84</td>
<td>0.87</td>
<td>0.99</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018-Q1</td>
<td>0.88</td>
<td>0.71</td>
<td>0.92</td>
<td>1</td>
<td>0.93</td>
<td>0.91</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018-Q2</td>
<td>0.85</td>
<td>0.69</td>
<td>0.96</td>
<td>1</td>
<td>0.9</td>
<td>0.94</td>
<td>0.98</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018-Q3</td>
<td>0.86</td>
<td>0.78</td>
<td>1</td>
<td>1</td>
<td>0.94</td>
<td>1</td>
<td>1</td>
<td>0.99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018-Q4</td>
<td>0.85</td>
<td>0.91</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0.96</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual average (2018)</td>
<td>0.88</td>
<td>0.71</td>
<td>0.92</td>
<td>1</td>
<td>0.93</td>
<td>0.91</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019-Q1</td>
<td>1</td>
<td>0.74</td>
<td>0.95</td>
<td>0.96</td>
<td>0.96</td>
<td>1</td>
<td>1</td>
<td>0.98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019-Q2</td>
<td>0.89</td>
<td>0.82</td>
<td>0.98</td>
<td>0.98</td>
<td>0.92</td>
<td>1</td>
<td>0.96</td>
<td>0.99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019-Q3</td>
<td>0.9</td>
<td>0.87</td>
<td>0.97</td>
<td>0.99</td>
<td>0.96</td>
<td>0.97</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019-Q4</td>
<td>0.88</td>
<td>1</td>
<td>0.99</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Average (2019)</td>
<td>0.92</td>
<td>0.86</td>
<td>0.97</td>
<td>0.98</td>
<td>0.96</td>
<td>0.99</td>
<td>0.99</td>
<td>0.99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>0.92</td>
<td>0.88</td>
<td>0.97</td>
<td>0.97</td>
<td>0.81</td>
<td>0.88</td>
<td>0.98</td>
<td>0.98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency of Efficiency</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>9</td>
<td>3</td>
<td>3</td>
<td>9</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 5: Descriptive Statistics of Key Variables (2014-2019)

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>TE</td>
<td>0.92</td>
<td>1.00</td>
<td>0.53</td>
<td>0.09</td>
</tr>
<tr>
<td>GDPG</td>
<td>3.21</td>
<td>11.60</td>
<td>-9.10</td>
<td>2.88</td>
</tr>
<tr>
<td>BS</td>
<td>64626</td>
<td>199934</td>
<td>6301</td>
<td>64286</td>
</tr>
<tr>
<td>ZSCORE</td>
<td>36.79</td>
<td>50.47</td>
<td>0.00</td>
<td>7.33</td>
</tr>
<tr>
<td>CAR</td>
<td>2.38</td>
<td>21.30</td>
<td>0.13</td>
<td>5.78</td>
</tr>
<tr>
<td>ROE</td>
<td>0.15</td>
<td>0.36</td>
<td>0.04</td>
<td>0.05</td>
</tr>
<tr>
<td>LAR</td>
<td>0.29</td>
<td>0.72</td>
<td>0.00</td>
<td>0.15</td>
</tr>
</tbody>
</table>

Table 6 demonstrates the correlation among variables. Technical efficiency is negatively correlated with GDPG, CAR and LAR while it is positively correlated with BS, Z-Scores and ROE. Technical efficiency is weakly correlated GDPG, CAR, ROE and LAR while it is moderately correlated with BS and Z-score. So, there is no strong correlation of technical efficiency with all variables.

Table 6: Correlation Analysis of Key Variables (2014-2019)

<table>
<thead>
<tr>
<th>Correlation</th>
<th>TE</th>
<th>GDPG</th>
<th>BS</th>
<th>Z-SCORE</th>
<th>CAR</th>
<th>ROE</th>
<th>LAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>TE</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDPG</td>
<td>-0.24</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BS</td>
<td>0.43</td>
<td>0.05</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Z-SCORE</td>
<td>0.38</td>
<td>-0.54</td>
<td>-0.01</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAR</td>
<td>-0.18</td>
<td>0.26</td>
<td>-0.27</td>
<td>0.21</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>0.13</td>
<td>-0.05</td>
<td>-0.06</td>
<td>-0.32</td>
<td>-0.32</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>LAR</td>
<td>-0.15</td>
<td>-0.36</td>
<td>-0.46</td>
<td>-0.42</td>
<td>-0.42</td>
<td>0.05</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Panel Unit Root Analysis
Table 7 demonstrates panel unit root analysis results. We have employed four panel unit tests. The results show that all the variables are non-stationary at level.

Panel Cointegration Analysis
Kao, Johansen, Fisher, and Pedroni residual co-integration tests are used to find the existence of a long-run association between variables. Table 8 demonstrates Kao co-integration analysis results.

Table 8: Kao Residual Co-integration Test

<table>
<thead>
<tr>
<th>Model</th>
<th>ADF t-Statistic</th>
<th>ADF Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>TE/GDPG, LOG(BS), Z-SCORE, CAR, ROE, LAR</td>
<td>-2.91</td>
<td>0.00</td>
</tr>
</tbody>
</table>

The ADF p-value obtained from the test is 0.00 which is statistically significant. So, we can reject the null hypothesis. Based on test findings, it can be concluded that there is an existence of a long-run association.

Table 9 demonstrates Johansen-Fisher panel cointegration test results. The results of this test also the existence of a long-run association.

Table 9: Johansen-Fisher Panel Co-integration Test

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>315.3</td>
<td>0.00</td>
<td>394.7</td>
<td>0.00</td>
</tr>
<tr>
<td>At most 1</td>
<td>209.1</td>
<td>0.00</td>
<td>123.0</td>
<td>0.00</td>
</tr>
<tr>
<td>At most 2</td>
<td>110.6</td>
<td>0.00</td>
<td>61.54</td>
<td>0.00</td>
</tr>
<tr>
<td>At most 3</td>
<td>87.56</td>
<td>0.00</td>
<td>53.96</td>
<td>0.00</td>
</tr>
<tr>
<td>At most 4</td>
<td>61.58</td>
<td>0.00</td>
<td>45.34</td>
<td>0.00</td>
</tr>
<tr>
<td>At most 5</td>
<td>32.52</td>
<td>0.00</td>
<td>22.89</td>
<td>0.11</td>
</tr>
<tr>
<td>At most 6</td>
<td>38.55</td>
<td>0.00</td>
<td>38.55</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Table 10 demonstrates Pedroni residual cointegration test results. This test also identifies the long-run association. This result of *p*-values shows the rejection of the null hypothesis. So, all tests confirm the cointegration and have a long-run relationship. Fully Modified Least Square (FMOLS) analysis results are shown in Table 11. It is commonly believed that the GDP growth rate is a macroeconomic variable. Growth may lead to an overall increase in banking sector efficiency, resulting in a direct relationship between GDP and efficiency. A conceivable clarification may be that a higher level of GDP growth rate builds business action and boosts business execution among borrowers and business visionaries where better performance results in falling the default risk and risk premium that empower banks to increase their profit margins. But an inverse relationship has also been witnessed in the literature.

<table>
<thead>
<tr>
<th>Alternative Hypothesis</th>
<th>Statistic</th>
<th>Prob.</th>
<th>Weighted Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common AR coefficients (within-dimension)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panel v-Statistic</td>
<td>0.10</td>
<td>0.46</td>
<td>-0.62</td>
<td>0.73</td>
</tr>
<tr>
<td>Panel rho-Statistic</td>
<td>0.60</td>
<td>0.72</td>
<td>1.73</td>
<td>0.95</td>
</tr>
<tr>
<td>Panel PP-Statistic</td>
<td>-3.17</td>
<td>0.00</td>
<td>-2.64</td>
<td>0.00</td>
</tr>
<tr>
<td>Panel ADF-Statistic</td>
<td>0.05</td>
<td>0.52</td>
<td>-1.99</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>Common AR coefficients (Between-dimension)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group rho-Statistic</td>
<td>2.78</td>
<td>0.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group PP-Statistic</td>
<td>-4.74</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group ADF-Statistic</td>
<td>-2.83</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In this study, the GDP growth rate has a negative but significant relationship with the technical efficiency of Islamic banks. The negative association between GDP and technical efficiency may be justified on the following grounds: Firstly, this may be due to the small share of Islamic banks in the services industry in the GDP of these selected Islamic countries. This small share indicates that an increase in GDP growth rate has an inverse relation with technical efficiency. Secondly, due to consumption-oriented societies, people in these countries spend more than savings and investment. Therefore, banking channel is not used much in these countries. Thirdly, less financial inclusion, financial literacy and monetization, people do not use banking channel. Fourthly, economic growth boosts the business environment which creates the demand for loanable funds in the economy and banks compete with one another to supply the loanable funds to investors and resultantly they have to reduce their profit margins which decrease the efficiency of the banks. Fifthly, if the GDP growth rate is volatile, banks have to face bad debts or bank run which may hurt bank efficiency (Pasiouras et al., 2007). Sixthly, with an increase in GDP growth, aggregate demand accelerates, and inflation occurs in the economy. If an anticipated or unanticipated inflation exists in the economy, people would spend more by recognizing the time value of money, so consumption expenditures increase and investment expenditures fall which reduce the importance of financial institutions and the efficiency of these institutions is badly affected. Our results are in accordance with the studies by Onen and Tunik (2017); Repkova (2015); Chortareas et.al (2012); Tan and Floros (2012). However, some studies have also found a positive association between GDP and bank efficiency Banna et al., (2019a); Tarus et al., (2012) ; Grigorian and Manole (2006).

<table>
<thead>
<tr>
<th>Dependent Variable: Technical Efficiency (TE)</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDPG</td>
<td>-0.06</td>
<td>0.00</td>
<td>-7.72</td>
<td>0.00</td>
</tr>
<tr>
<td>LOG(BS)</td>
<td>0.08</td>
<td>0.00</td>
<td>106.65</td>
<td>0.00</td>
</tr>
<tr>
<td>ZSCORE</td>
<td>-0.01</td>
<td>0.00</td>
<td>-7.72</td>
<td>0.00</td>
</tr>
<tr>
<td>CAR</td>
<td>-0.95</td>
<td>0.00</td>
<td>-698.30</td>
<td>0.00</td>
</tr>
<tr>
<td>ROE</td>
<td>0.76</td>
<td>0.00</td>
<td>864.28</td>
<td>0.00</td>
</tr>
<tr>
<td>LAR</td>
<td>0.19</td>
<td>0.00</td>
<td>136.21</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Bank Size has appeared with a positive sign. This indicates that banks may take advantage of their assets to reduce the cost which improves the profitability and efficiency of banks. Larger banks are capable of mobilizing more funds in generating high returns for their depositors and equity holders due to diversification. Many assets may capture greater market power and the ability to secure funding at a low cost. Several other factors like economies of scale, learning curve, proper management of resources influence the banks' efficiency. Many studies have found a positive association between bank size and technical efficiency see, for example, Octrina et al., (2021); Sari et al., (2017); Smirlock (1985). However, some studies have found a negative link between bank size and technical efficiency see, for example, Tesfay (2016); Alper and Anbar (2011); Athanasoglou et al., (2008) and Goddard et al., (2004). The inverse relation between banks size and efficiency might be due to diseconomies of scale.

Z-score indicates the negative and significant association with technical efficiency. Z-score is a measure of the stability of the bank. A Z-score is a ratio of return on assets plus capital adequacy ratio to standard deviation of return on assets, so if the standard deviation of return on assets increases, it decreases the Z-scores, and stability falls and eventually efficiency of banks deteriorates. From the descriptive statistics, we may observe that Z-score has the largest standard deviation among all variables, so this supports that Z-score falls in the case of Islamic countries and efficiency falls. Our results are in line with Demirguc and Huizinga (1999). Some studies find the positive link between Z-score and technical efficiency see, for example, Beltratti and Paladin (2015); Djalilov and Piesse (2016).

Capital Adequacy Ratio (CAR) is negative and statistically highly significant. The possible reason for this negative association is capital of Islamic banks is insufficient to secure against future risk. So, the banks are covering their risks (in the form of an increase in bad debts, fluctuation in the value of securities) from their capital. Our results correspond with some studies by Ramli and Hakin (2017); Karimah et al., (2016). Though, some studies have pointed out a positive relationship, for example, Octrina et al., (2021); Le (2020); Kamaruddin et al., (2019).

Returns on equity (ROE) turns out with a positive sign and statistically highly significant. The positive relation indicates that banks are retaining more equity and earn more non-interest income. ROE depends on the capitalization of banks. At the point when a bank is highly capitalized, this shows that capital is not disbursed to investors and held for future investments. Banks utilize the capital more productively and have better financial leverage consequently returns on equity accelerates and the efficiency of banks improves. These results are following Akhtar (2013); Sufian and Noor (2009); Hassan (2006); Jackson and Fethi (2000).

Liquid Asset Ratio (LAR) is positive and statistically significant. This indicates that banks hold more liquid assets to mitigate upcoming risks. This direct link helps to understand the minimization of systematic risk reduced by liquid assets. Holding more illiquid assets causes an increase in systematic risk. Bourke (1989) finds a positive significant connection between bank liquidity and efficiency. Nevertheless, in times of insecurity, banks may decide to build their money holding to relieve hazards. Liquid assets may be served as the security for payment of demanded liabilities, more especially as evidence of prudence. Banks are needed to have a significant liquid asset while on the other side; they are expected to be profitable for survival. However, liquidity and profitability may be negatively associated. Holding more liquid assets to fulfill short-term liabilities causes inverse relation on profitability which reduces efficiency. This result is matched with Lin et al., (2012), who have inferred that high liquid banks have low margins and inverse efficiency. Moreover, Fungacova and Poghosyan (2011); Naceur and Kandil (2009) have also found a negative relationship between liquidity and profitability.
Conclusions and Policy Implications
This study aims to examine the determinants of technical efficiency of the Islamic banking sector for a selected sample of Islamic countries between 2014-Q1 to 2019-Q4. The technical efficiency estimates of banks are assessed by using a non-parametric DEA methodology. These bank efficiency scores are further investigated with the help of some determinants by applying Cointegration analysis and Fully Modified Least Squares (FMOLS) analysis.

The results of technical efficiency uncover the average technical efficiency scores of some countries like Pakistan are below the overall technical efficiency scores average suggesting that the banks in these countries are falling behind in exploiting their human and financial resources. The countries like UAE and Saudi Arabia are prominent in the sample having higher technical efficiency scores as compared to other countries. The average technical efficiency score is 0.98 for each of these countries. This recommends that the banks of these countries apply their maximum capacity of inputs to produce outputs in terms of revenue and financing. Malaysia is the only country whose frequency of efficiency score is equal to UAE and Saudi Arabia. The relationship between the technical efficiency of banks and other variables like GDP growth rate, Bank size, Z-score, Capital Adequacy Ratio, ROE, and Liquidity Asset Ratio is also examined. The results of the Panel Fully Modified Least Squares (FMOLS) analysis indicate that the GDP growth rate, CAR, and Z-score have a negative and significant impact on the technical efficiency of these banks, while the Bank size, returns on equity and liquid asset ratio have a positive and significant influence on the technical efficiency of these banks.

The study endures some valuable policy implications both for managers of the banks as well as policymakers and regulators of the countries under investigation.

- Some Islamic banks are technically efficient, and some have appeared technically less or inefficient. For example, Pakistan and Turkey are not much efficient. There is a need to improve their efficiency by utilizing their inputs optimally.
- The banks need to seek activities that may empower them to get them efficient by exploiting their Shariah-compliant products.
- The study provides evidence that the technical efficiency of Islamic banks improves with an increase in bank size. Hence, managers of these selected Islamic banks may strive to attain optimal utilization of the capacities that they have like inputs or resources and improve their managerial expertise particularly on exercising efficient allocation of scarce resources. By optimal utilization of their assets, they would be in a better position to achieve economies of scale for their banks.
- Z-score has an adverse impact on technical efficiency. Based on these findings, it is recommended that volatility in returns on assets may be minimized by improving the economic environment.
- The finding indicates bank’s capitalization reduces technical efficiency. It is recommended that operating costs may be reduced which would increase the bank’s profit because of capital increases. The banks may also improve their level of capitalization by increasing the equity level relative to the respective total assets.
- GDP growth rate influences technical efficiency adversely. This recommends that banks should not go for cut-throat competition as the business environment flourish.
- Technical efficiency is positively correlated with the return on equity. Thus, efforts may be made by managers internally to improve the return on equity.

References


Sufian, F., Mohamad Akbar Noor Mohamad Noor (2009) The determinants of Islamic banks'


Impact of Perceived CSR on Brand Equity through Brand Admiration and Customer Advocacy Behavior: Moderating Role of Brand Attitude and Customer Loyalty

Mashari Mahmood, University of Engineering & Technology Lahore, Pakistan
*Amna Niazi, University of Engineering & Technology Lahore, Pakistan
Waheed Asghar, Director in Technical Education and Vocational Training Authority, Govt of Punjab, Lahore, Pakistan
Mujahid Hussain, FAST School of Management, National University of Computer & Emerging Sciences, Lahore Campus, Lahore, Pakistan

*Corresponding author’s email: amnakn@gmail.com

ARTICLEDETAILS

ABSTRACT

Purpose: This study intends to explore the positive impact of perceived Corporate Social Responsibility (CSR) on brand equity with respect to behaviors and emotions. The motive behind this study was to examine the sequential mediating role of emotion of brand admiration and customer advocacy behavior between perceived CSR and brand equity. Moderators of brand attitude and customer loyalty were also explored in this study.

Design/Methodology/Approach: Quantitative research method has been adapted for this study. A questionnaire with 5-point likert scale was adopted from existing scholarly work to collect data from 364 customers of 5 food production companies placed in Pakistan. Collected data were analyzed with the help of SPSS and Smart PLS3 through Structural Equation Modeling (SEM) technique.

Findings: Results show that brand admiration and customer advocacy behavior significantly mediate the relationship of perceived CSR and brand equity. Moreover, moderating role of brand attitude and customer loyalty was found positive and significant. This was the novelty of this research.

Implications/Originality/Value: This research will be helpful for food production companies in Pakistan to formulate strong customer-brand relationships in order to strengthen their brand equity by effectively positioning their CSR practices into the minds of consumers.

©2021 The authors, under a Creative Commons Attribution- Non Commercial- 4.0

Introduction
Corporate Social Responsibility (CSR) has become mandatory in post-modern business environment as long term success of any company is associated with it. Companies are paying more attention towards well-being and protection of social surroundings by investing in corporate resources. Smith (2012) showed that 60 percent buying behaviors of people have been influenced by their understanding of company’s CSR activities. It has been figured out that 77 percent of the customers around the globe choose those companies which are socially responsible and they do not hesitate to pay an extra 5-10 percent for these companies ‘deal. 74 percent of those customers are labeled “Social Activators” because they can influence buying behaviors of other customers by putting warm words about those companies on social networks (Times, 2017). By adopting CSR strategy, businesses can be able to achieve their organizational goals and popularity in society that eventually contributed to their non-expendable growth (Luo & Bhattacharya, 2006).

It is really important to understand that CSR is about giving back to society, which is something totally separate from rights and obligations of promoters and owners of companies (Visser, 2007). CSR initiatives enhance firm reputation and it leads to high firm performance in terms of market share. Moreover, factor of risk has been minimized by engaging in CSR and it is also influenced by firm reputation (Liu & Lu, 2019). Study revealed that business ethics are more closely related with customer’s attitude towards brand but value of CSR cannot be ignored (Ferrell et al., 2019) Brand attitude shaped by positive CSR perception strengthens the desire of customer to purchase (Ramesh et al., 2019). By communicating CSR activities effectively, companies achieve supportive behaviors (word of mouth, citizenship behavior) from customers and build positive image at corporate level (Du et al., 2010).

Customer advocacy behavior is derived by some interrelated constructs in relationship marketing point of view. Research suggests that satisfaction, trust and commitment (three modules of commitment; affective, normative and continuance) are determinants of advocacy whereas commitment is key driver which effects customer’s eagerness to endorse the company (Fullerton, 2011). Devoted customers show more enthusiasm to support firm as advocates and consumer commitment is positively influenced by diverse dimensions of perceived value (e.g. social, emotional and conditional) recommending that firms should convey exceptional customer values through their marketing strategies to effect customer’s commitment (Mosavi & Ghaedi, 2012). Customer advocacy generates positive word of mouth about company. Furthermore, it increases satisfaction level of customer towards company through providing better quality than competitors and as a result company finds more loyal and committed customers (Roy, 2013). Jiang et al., (2014) claimed that emotions are more crucial than any other element in ascertaining buying behaviors. Customer emotional attachment with brand driven by emotions generates sense of appreciation and consequently, customers actively connect with brand and promote it (Gómez-Suárez, 2019). Various emotional factors including brand love, personal attachment and self-concept engagement with brand dramatically boost brand loyalty (Hwang & Kandampully, 2012).

Emotion of admiration is aroused by relating CSR to different organizational outputs such as product and service quality, global business creativity, corporate culture and ethical responsibilities (Cegarra-Navarro & Martínez-Martínez, 2009). In order to offer strong brand value to customers, brand admiration needs to be build, enhanced and leveraged (Park et al., 2016) and brand admiration prompts increased purchase intentions of customers (Trivedi & Sama, 2020).

Role of customer loyalty in making purchase decisions or support the brand has become matter of consideration. Loyalty of customer implies favorable and supporting behaviors and plays an
integral role in financial development of companies (Tarigan & Hatane, 2019).
Advocacy behavior of loyal customers drastically impact brand identity, which is a valuable asset to establish long-lasting presence in market (Shailesh & Reddy, 2016). Recent studies have demonstrated that brand equity is amongst the leading indicators of customer-based brand performance framework that assesses brand excellence (Molinillo et al., 2019).

Brand equity (consumer-based) leads to company’s long-term success by delivering strategic advantage as it focuses on positioning the brand name in the minds of customers by providing higher value than alternatives (Fayrene & Lee, 2011). Hence, Organizations should concentrate on consumer-based brand equity in order to acquire customer ownership behavior that helps in minimizing turnover intentions of customers (Raza et al., 2020).

In perspective of international fast-food chain based in Pakistan with diverse segmentation, scholars confirmed that good will of a brand defines its brand value and different domains of CSR significantly affect this occurrence (Mahmood & Bashir, 2020). Recent studies have shed light on importance of CSR in the context of brand declaring it a vital precedent of brand creation and evaluation to get competitive edge in today’s market (Venkatesh et al., 2020). So, this study is intended to extend previous CSR and customer-brand relationship literature by proposing new relations that improve brand equity.

CSR and customer advocacy is empirically tested in various studies by through emotions and individual moral characteristics/moral beliefs of customers. Further relationship between emotionally influenced advocacy behavior with brand equity in respect of CSR has not been explored by prior researches and suggested (González et al., 2019). Customer loyalty has been tested directly with customer advocacy and brand equity but its moderating role between both variables has not been explored and suggested (Shailesh & Reddy, 2016). Brand attitude has been explored as antecedent of brand admiration but its moderating effect between perceived CSR and brand admiration has not been explored previously (Trivedi & Sama, 2020).

It has been found that CSR activities create feeling of admiration in customers and they start to own the brand through their behavior (González et al., 2019) whereas brand equity has become backbone of any company for better performance and to sustain in the market. So, this study has examined how CSR activities generate brand equity through path analysis i.e. sequential mediation of brand admiration and brand advocacy. Customer-brand relationship has also become a matter to concentrate. Therefore, brand attitude of customers and customer loyalty was tested as moderators in this research. The present study assesses that how emotions, attitude and behaviors of customer affect on the relationship between perceived CSR and brand equity. Brand admiration is a new variable relatively and its mediating function along with customer advocacy behavior is critical in order to have strong brand equity. Moreover, moderating role of brand attitude and customer loyalty has been determined in this study. This study adds value to customer-brand literature to assist organizations to develop and evaluate their strategies regarding CSR with respect to customer’s behavior to expand its brand equity which would contribute towards achievement organization’s long term goals.

**Literature Review & Hypotheses Development**

This study is based on the theoretical framework of Brown & Dacin (1997), framework of Dick & Basu (1994), theory of reasoned action and theoretical framework of Du et al., (2007). Direct relations between perceived CSR and brand admiration, between customer advocacy behavior brand equity, mediating role of brand admiration and customer advocacy behavior have got the support of theoretical model of Brown & Dacin (1997) who established the model of CSR and customer responses to obtain brand value. Furthermore moderating role of customer loyalty has
also been supported by theoretical model of Dick & Basu (1994). Direct relation between brand admiration and customer advocacy behavior has been acknowledged by theoretical framework of Du et al., (2007). Whereas, moderating role of brand attitude has got the support of theory of reasoned action (Fishbein & Ajzen, 1980).

**Perceived CSR and Brand Equity**
Corporate branding is an outcome of CSR practices by business organization while emphasizing on perspective of customers, showing that dedication for these practices is key to long-term success of organizations (Vassileva, 2009). Customer’s response towards CSR practices of any organization holds massive importance as their perception effect organization’s brand equity positively (Lai et al., 2010). Sheth & Babiak, (2010) noted that social well-being has strong connection with customers and it results in improved brand image. Torres et al. (2012), after conducting study on worldwide brands, also gave the argument that CSR and global brand value of companies are in positive relationship. Moreover, credibility of any brand is relied upon its social obligations and responsibilities, resulting in brand equity (Hsu, 2012). It has been concluded that CSR has positive impact on customer-based brand equity via mediation of customer satisfaction (Ahmad et al., 2019). After reviewing relevant literature, following hypothesis is being proposed:

H$_1$: Perceived CSR has positive and significant impact on Brand Equity.

**Perceived CSR and Brand Admiration**
Emotions play critical role in shaping customer perception, feelings and behavior towards brand and these emotions are composed of multiple elements (Ivens et al., 2015). CSR is directly linked with emotions engendered by company because CSR inculcates emotions and thus customer’s satisfaction and loyalty is reinforced (Pérez & Del Bosque, 2015) and emotion of elevation accompanied by CSR perception of customer constructively stimulates behavioral reactions and hence increases the usage of environmentally friendly products (Romani et al., 2016). Feeling of gratitude is recognized as another emotion which is effected by CSR and produces favorable response from customers (Romani, Grappi, & Bagozzi, 2013). Xie et al. (2019) argued that positive moral emotions such as gratitude, elevation and awe are induced in consumers by the means of their perception about Company’s CSR activities.

This study centers on emotion of admiration. Emotions of admiration are produced when customers experience ongoing products or services of a brand with respect to 3Es of brand benefits i.e. enable, enrich and entice and finally induce better customer-brand relationship (Park et al., 2016). People perceive feeling of admiration when an individual or organization involves in any laudable action (Sweetman et al., 2013). Feelings of warmth and competence conceived by customers bring about admiration which every company or firm wants to earn from its customers (Aaker et al., 2012), whereas some past research noted that admiration is acquired from all stakeholders of company including customers when CSR activities are connected to diverse corporate objectives (Navarro & Martínez, 2009). Recently, González et al. (2019) explored how perceived CSR is positively associated with feelings of admiration. After reviewing literature, following hypothesis is proposed:

H$_2$: There is a positive impact of perceived CSR on Brand Admiration.

**Brand Admiration and Customer Advocacy Behavior**
Customers with strong emotions for the brand show greater brand engagement as a response compared to those with low emotions (Leventhal, Franzak, Makarem, & Jae, 2014) and emotional brand attachment ultimately leads to customer satisfaction (Dwivedi et al., 2019). Emotional satisfaction is a remarkable constituent of customer behavioral decisions including elevating product quality perception, high reviews, advocacy intentions and buying
potential (Ladhari et al., 2017), whereas (Su & Hsu, 2013) discussed that positive emotions is firm indicator of satisfaction and productive behaviors such as word of mouth and revisiting intentions. Advance researches added that variable of positive moral emotions alongside attitude leads to customer advocacy behavior towards CSR practices of socially responsible company (Xie et al., 2019).

Recently, few practitioners empirically illustrated the mediating role of customer emotions. For instance, Joireman et al., (2015) summarized that emotions held by customers mediate the association of CSR and behavioral reaction of customers and specifically, emotion of admiration is aroused through CSR actions perceived positively by customers and it brings forth favorable behaviors from them, i.e. consent to act as advocates of the company (González et al., 2019).

H3: There is a positive impact of Brand Admiration on Customer Advocacy Behavior.

**Customer Advocacy Behavior and Brand Equity**

Brand advocacy depends on customer engagement with brand, perceived review helpfulness and trust to enhance brand equity while discussing social media platforms (Mathur, 2019). Customer advocacy significantly raises brand equity in case of loyal customers and study suggests that importance of customer advocacy must be taken into account while implementing branding strategies (Shailesh & Reddy, 2016).

Practitioners ended with the argument that along with other value addition behaviors, the brand advocacy of customers undoubtedly influences brand equity (Omar et al., 2020). Brand advocacy is positively related with brand equity and has impact on the relationship effects of CSR and its functions on brand equity (Pai et al., 2015).

H4: There is a positive relation between Customer Advocacy Behavior and Brand Equity.

**Brand Attitude as Moderator**

Moderating role of customer’s attitude towards brand is acknowledged by previous researchers between relationship of CSR and customers responses. Attitude is an essential factor in examining the behavior, defined by theory of reasoned action (Fishbein & Ajzen, 1980). Brand Attitude plays an insightful role in determining customer willingness to buy and it must be considered in customer-brand relationship (Trivedi, 2018). Positive Attitude towards brand results in admiration from customer and it indicates towards positive purchase intentions of customers (Trivedi & Sama, 2020). Recent studies have indicated that there is strong relationship between CSR and customer’s attitude towards brand (Ramesh et al., 2019). This study aims to determine the moderating role of Brand Attitude on the relation of perceived CSR and Brand Admiration.

H5: Brand Attitude moderates the relation between perceived CSR and Brand Admiration.

**Customer Loyalty as Moderator**

The role of customer loyalty is crucial for companies in order to sustain their customers (Pritchard & Howard, 1997). It is likely that more loyal customers a company has, the more probably they will endorse that company and by focusing this, a company can be transformed into a strong brand (Shailesh & Reddy, 2016). Customer loyalty is established through their level of satisfaction and by concentrating on customer loyalty, advocacy behavior of customers can be improved (Tarigan & Hatane, 2019). By reviewing past literature, we propose that customer loyalty moderates the association of emotion of admiration and brand advocacy.

H6: Customer Loyalty moderates the relation between Customer Advocacy Behavior and Brand Equity.
Mediating Role of Brand Admiration and Customer Advocacy Behavior

Brown and Dacin, (1997) set up a theoretical framework for the first time to determine the relationship between CSR and customer’s intentions and responses to generate brand value. With reference to that work, various studies had been attempted to evaluate CSR and consumer behavior and intentions (Vallejo et al., 2011; Pérez et al., 2013) and these outcomes strongly relate to brand equity (Mathur, 2019; Pai et al., 2015). Prior researchers found positive mediating function of brand admiration in context of CSR and consumer behavior (González et al., 2019). On the other hand, noteworthy role of customer advocacy behavior as mediator, has also been discussed by past scholars (Shailesh & Reddy, 2016). Simultaneous mediating effect of brand admiration and customer advocacy behavior in CSR-brand domain has not been acknowledged by previous researchers. Hence, following hypothesis is being proposed:

H7: Brand Admiration and Customer Advocacy Behavior mediate the relation of perceived CSR with Brand Equity.

Methodology

Survey research method is carried out for this research. Deductive approach has been used to draw the results. Data was collected from respondents in quantitative form through survey. Survey method is defined as “a method of descriptive research used for collecting primary data based on verbal or written communication with a representative sample of individuals or respondents from the target population” (Mathiyazhagan & Nandan, 2010). Questionnaire was adopted from the work of past researchers of same research area. Consumers familiar with the CSR activities of 5 Food Production Companies of Pakistan i.e. Nestle Foods, Gourmet Foods, Engro Foods, Sufi Foods and Unilever Foods are unit of analysis. Survey was conducted by distributing structured questionnaire through personal interaction and online survey forms (goggle forms) by using electronic mail and social media platforms. There are quite a lot of consumers of food industry in Pakistan. So, Target population is not known. According to (Krejcie & Morgan, 1970), the sample size would be 384 while population is not specified. Therefore, 384 adult customers were selected as a sample size for data collection. It is easy to collect data from random consumers of food companies so, convenient sampling (non-probability) technique was applied.

Measures

Following table shows all research instrument with scale 1-5 (1= Strongly Disagree, 5= Strongly Agree) used to measure variables of this study along with their details.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Reference (year)</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived CSR</td>
<td>Alvarado-Herrera et al. (2017)</td>
<td>18</td>
</tr>
<tr>
<td>Brand Admiration</td>
<td>Karjaluoto et al. (2016); Chaudhuri &amp; Holbrook (2001); Cho (2011)</td>
<td>14</td>
</tr>
<tr>
<td>Customer Advocacy</td>
<td>Romani et al. (2013); Salzberger (2009)</td>
<td>10</td>
</tr>
<tr>
<td>Brand Equity</td>
<td>Aaker (1991); Yoo et al. (2000); Yun (2006).</td>
<td>12</td>
</tr>
<tr>
<td>Brand Attitude</td>
<td>Holbrook &amp; Batra (1987); Homer (1990); Jiang et al. (2014)</td>
<td>7</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>Zeithaml et al. (1996)</td>
<td>8</td>
</tr>
</tbody>
</table>
Data Analysis
Out of 384 questionnaires, 363 valid and complete responses were received back which reveals that response rate is approximately 92 percent (91.9%). Structural Equation Modeling (SEM) technique has been used to analyze the collected data. Statistical tools were used for empirical findings from data. Data was analyzed via SPSS 22 and smart PLS 3. Firstly, data collected from respondents was entered in SPSS. After that, Smart PLS3 software was used to analyze that entered data. Results are drawn on the basis of data analysis.

Demographical Information
Age, gender and level of education are the demographic factors in this study. Male respondents are 62.3 percent while female respondents are 37.7 percent. Another demographic factor is educational level. Customers with PhD education were 14 percent, 50.4 percent responses obtained from consumers with qualification of Master (MS/M.Phil), 43.3 percent with Bachelors (B.A/BS/BBA) and 2.5 percent with Intermediate (FSC/F.A) background. There is no respondent with education of Metric or below.

Table 3: Measurement Model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicator</th>
<th>Loadings</th>
<th>Cronbach’s Alpha (a)</th>
<th>Composite Reliability (CR)</th>
<th>Average variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived CSR</td>
<td>PSCR1</td>
<td>0.610</td>
<td></td>
<td>0.832</td>
<td>0.840</td>
</tr>
<tr>
<td></td>
<td>PSCR2</td>
<td>0.678</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR3</td>
<td>0.640</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR4</td>
<td>0.616</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR5</td>
<td>0.562</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR6</td>
<td>0.702</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR7</td>
<td>0.724</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR8</td>
<td>0.698</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR9</td>
<td>0.680</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR10</td>
<td>0.710</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR11</td>
<td>0.621</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR12</td>
<td>0.620</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR13</td>
<td>0.084</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR14</td>
<td>0.059</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR15</td>
<td>0.073</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR16</td>
<td>0.065</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR17</td>
<td>0.074</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSCR18</td>
<td>0.092</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Admiration</td>
<td>BAD1</td>
<td>0.680</td>
<td></td>
<td>0.917</td>
<td>0.933</td>
</tr>
<tr>
<td></td>
<td>BAD2</td>
<td>0.689</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BAD3</td>
<td>0.752</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BAD4</td>
<td>0.703</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BAD5</td>
<td>0.712</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BAD6</td>
<td>0.798</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BAD7</td>
<td>0.810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAD8</td>
<td>0.832</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAD9</td>
<td>0.049</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAD10</td>
<td>0.737</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAD11</td>
<td>0.742</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAD12</td>
<td>0.720</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAD13</td>
<td>0.721</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAD14</td>
<td>0.808</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Brand Attitude | BA1 | 0.719 |
|                | BA2 | 0.786 |
|                | BA3 | 0.814 |
|                | BA4 | 0.826 |
|                | BA5 | 0.798 |
|                | BA6 | 0.756 |
|                | BA7 | 0.815 |

| Brand Equity    | BE1 | 0.566 |
|                 | BE2 | 0.734 |
|                 | BE3 | 0.689 |
|                 | BE4 | 0.753 |
|                 | BE5 | 0.737 |
|                 | BE6 | 0.748 |
|                 | BE7 | 0.734 |
|                 | BE8 | 0.712 |
|                 | BE9 | 0.773 |
|                 | BE10| 0.644 |
|                 | BE11| 0.672 |
|                 | BE12| 0.696 |

|                | 0.898 | 0.920 | 0.622 |
|                | 0.908 | 0.930 | 0.531 |
In this study, respondents were given choice to select one food manufacturing company of their own choice out of 5. Out of 263 questionnaires, 49.9% were reported as customers of Nestle foods, 21.8% of Unilever foods, 16.3% of gourmet foods, 6.9% of Sufi foods and 5.2% of customers selected engro foods as their company (Appendix A). Demographics of the study are provided in Table 2.

<table>
<thead>
<tr>
<th>Customer Advocacy Behavior</th>
<th>CAB1</th>
<th>0.494</th>
<th>0.882</th>
<th>0.906</th>
<th>0.664</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAB2</td>
<td>0.436</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAB3</td>
<td>0.765</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAB4</td>
<td>0.779</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAB5</td>
<td>0.711</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAB6</td>
<td>0.743</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAB7</td>
<td>0.791</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAB8</td>
<td>0.762</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAB9</td>
<td>0.754</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAB10</td>
<td>0.715</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer Loyalty</th>
<th>CL1</th>
<th>0.787</th>
<th>0.890</th>
<th>0.912</th>
<th>0.565</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL2</td>
<td>0.772</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CL3</td>
<td>0.681</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CL4</td>
<td>0.779</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CL5</td>
<td>0.766</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CL6</td>
<td>0.774</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CL7</td>
<td>0.711</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CL8</td>
<td>0.737</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Demographics of the study

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Categories</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>226</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>137</td>
</tr>
<tr>
<td></td>
<td>21-30</td>
<td>299</td>
</tr>
<tr>
<td>Age (Years)</td>
<td>31-40</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>41-50</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>51-60</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Metric or Below</td>
<td>N/L</td>
</tr>
<tr>
<td></td>
<td>Intermediate (FSC/FA)</td>
<td>9</td>
</tr>
<tr>
<td>Educational Level</td>
<td>Bachelors (BS/BA/BBA)</td>
<td>157</td>
</tr>
<tr>
<td></td>
<td>Masters (MS/M.Phil)</td>
<td>183</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>14</td>
</tr>
</tbody>
</table>

Results
Quantitative findings are comprised of two steps of SEM-PLS analysis i.e. evaluation of measurement model (PLS Algorithm) and evaluation of path model (bootstrapping).

Estimation of Measurement Model
PLS algorithm is applied to test reliability, convergent validity and discriminant validity of constructs. Values including Cronbach’s Alpha, Composite Reliability (CR) and Average Variance Extracted (AVE) are given below:
Table 3 shows the different values of each construct of the framework. Individual reliability of indicator is measured by loadings values (loadings²) and its value must be fall between 0.4-0.7 (Lin et al., 2016) which can be shown in Table 1 i.e. significant values. Both, Cronbach’s alpha and composite reliability determine internal consistent reliability but composite reliability is more effective (Hair et al., 2016). Cronbach’s Alpha value of each construct is more than 0.70. Values of composite reliability are also higher than 0.70 as shown in the table which is positive indication for this research. Both values depict the prominent stage of internal consistent reliability. Value of AVE can also be seen in the table which is above than 0.5 in all columns and hence, it confirms the convergent validity (Hair et al., 2016).

Discriminant validity statistically shows the distinction of one construct from others. It includes Fornell-Larker Criterion developed by Fornell & Larker (1981), study of cross-loadings and Heterotrait-monotrait ratio (HTMT). Cross loading values can be seen in Appendix B. Moreover, square root of AVE values are greater than their correlational values as described by Fornell-Larker criterion (Table 4). Lastly, values of HTMT in table 4 are less than 0.85 which indicates the appropriate discriminant validity (Zaić et al., 2011).

Table 4: Measurement Model (Discriminant Validity)

<table>
<thead>
<tr>
<th></th>
<th>Fornell-Larker Criterion</th>
<th>Heterotrait–monotrait ratio (HTMT)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BAD</td>
<td>BA</td>
</tr>
<tr>
<td>BAD</td>
<td>0.791</td>
<td></td>
</tr>
<tr>
<td>BA</td>
<td>0.785</td>
<td>0.789</td>
</tr>
<tr>
<td>BE</td>
<td>0.679</td>
<td>0.692</td>
</tr>
<tr>
<td>CL</td>
<td>0.697</td>
<td>0.730</td>
</tr>
<tr>
<td>CAB</td>
<td>0.744</td>
<td>0.686</td>
</tr>
<tr>
<td>PCSR</td>
<td>0.539</td>
<td>0.491</td>
</tr>
</tbody>
</table>

Notes: PCSR= perceived CSR, BAD= brand admiration, BA= brand attitude, BE= brand equity, CL=customer loyalty, CAB= customer advocacy behavior

Evaluation of Path Model

Direct Effects

Hypothesis testing is undertaken by structural model evaluation. The structural model (also known as inner model) consists of latent variables and their path relationships. P value, beta coefficient, T-value, direct effects, total effects and specific indirect effect have been measured in path model. Path relationship between constructs was determined by path coefficients. In smart PLS, 500 subsamples bootstrapping method is applied through and it reveals values of path coefficients and loading of each construct with t-values. As per table 4, perceived CSR is positively effecting brand admiration (β=0.202). Therefore, H1 is accepted. Moreover, brand admiration is directly related to customer advocacy behavior and its impact is positive (β=0.375). In addition, direct impact of customer advocacy on brand equity is also positive and considerable (β=0.70). These values show the acceptance of H2 and H3 respectively. Moderating impact of brand attitude on relationship of perceived CSR and brand admiration is tested positive and significant (β= 0.226) which is an indicator of acceptance of the hypothesis H4. Similarly, moderating effect of customer loyalty between association of brand admiration and customer advocacy behavior is also found positive and significant (β=0. 206). So, H5 is also acknowledged.
Indirect Effects

In Table 6, values show that indirect effect of perceived CSR and brand equity through sequential mediating role of brand admiration and customer advocacy behavior is noteworthy and positive ($\beta=0.053$). Hence, H6 is also recognized. Here are the estimates of path model coefficients, T statistics, P values and special indirect effects.

### Table 5: Path Model Coefficients (Standard deviation, T Statistics, P Values)

<table>
<thead>
<tr>
<th></th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAD -&gt; CAB</td>
<td>0.375</td>
<td>0.371</td>
<td>0.055</td>
<td>6.869</td>
<td>0.000</td>
</tr>
<tr>
<td>CAB -&gt; BE</td>
<td>0.700</td>
<td>0.704</td>
<td>0.031</td>
<td>22.722</td>
<td>0.000</td>
</tr>
<tr>
<td>Moderating Effect 1 -&gt; BAD</td>
<td>0.226</td>
<td>0.227</td>
<td>0.031</td>
<td>3.815</td>
<td>0.004</td>
</tr>
<tr>
<td>Moderating Effect 2 -&gt; CAB</td>
<td>0.206</td>
<td>0.208</td>
<td>0.020</td>
<td>2.157</td>
<td>0.002</td>
</tr>
<tr>
<td>PCSR -&gt; BAD</td>
<td>0.202</td>
<td>0.209</td>
<td>0.050</td>
<td>4.019</td>
<td>0.000</td>
</tr>
<tr>
<td>PCSR -&gt; BE</td>
<td>0.229</td>
<td>0.236</td>
<td>0.065</td>
<td>4.012</td>
<td>0.000</td>
</tr>
<tr>
<td>BAD -&gt; CAB</td>
<td>0.375</td>
<td>0.371</td>
<td>0.055</td>
<td>6.869</td>
<td>0.000</td>
</tr>
</tbody>
</table>

### Table 6: Specific Indirect Effects (Standard deviation, T Statistics, P Values)

<table>
<thead>
<tr>
<th></th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAD -&gt; CAB -&gt; BE</td>
<td>0.238</td>
<td>0.237</td>
<td>0.039</td>
<td>6.062</td>
<td>0.000</td>
</tr>
<tr>
<td>PCSR-&gt;BAD-&gt;CAB-&gt; BE</td>
<td>0.047</td>
<td>0.047</td>
<td>0.013</td>
<td>3.616</td>
<td>0.000</td>
</tr>
</tbody>
</table>

### Figure 1: Path Model Results

![Path Model Diagram]

**Discussion and Recommendations**

Role of customer’s emotions, attitudes and supportive behaviors had not been taken into account
while strategizing CSR activities in food industry of Pakistan. Current study analyzed indirect impact of customer’s perception of CSR on brand equity through emotions and behaviors of customers in reputed food production companies performing social responsibilities in Pakistan. There were two mediating factors i.e. brand admiration and customer advocacy behavior tested in the study. Additionally, two moderating variables i.e. brand attitude and customer loyalty were also tested. Subsequently, this study was conducted in context of food industry of Pakistan because prior literature was not sufficient on that specific context and region.

The empirical results of quantitative research revealed a positive relationship among perceived CSR and brand equity which is indication of acceptance of H1. Furthermore, results depict that customers’ perception of social activities of organizations has a substantial impact on their emotions i.e. brand admiration which is hypothesis 2 (H2). This outcome is aligned with the research work of previous researchers. Positive and significant bond between brand admiration and customer advocacy behavior has been explored through results of quantitative study. Hence, H3 is accepted. Association between customer advocacy behavior and brand equity is positive and significant through acceptance of H4. Moderating role of brand attitude between perceived CSR and brand admiration has been acknowledged positive. So, H5 is also recognized. Connection of brand admiration and customer advocacy behavior is positively moderated by customer loyalty as demonstrated through findings. Brand admiration results in more advocacy behavior from customer when moderated by customer loyalty. This was proposed through H6. Relationship of perceived CSR and brand equity through sequential mediation of brand admiration and customer advocacy behavior has been examined. Results show that both, brand admiration and customer advocacy behavior accompanied by CSR perception prominently influence brand equity and H7.

Theoretical and Practical Implications

Present study is one of the rare ones in Pakistan being carried out in this particular area. In Pakistan, it shall participate tremendously in development of better society that companies especially, the food sector shall contribute more towards well-being of society through expending its CSR activities, consciously considering the consequences i.e. admiration from customers, favorable actions and strong brand base. Practical implications have been deduced:

This study offers that how companies can improve their brand equity from CSR activities through the factors brand admiration and customer advocacy behavior. In this regard, this study offers a detailed structure. Furthermore, brand attitude plays pivotal role in improvement of brand admiration and variable of customer loyalty helps to enhance customer advocacy behavior. Both of these outcomes are essential for building strong brand equity. In Pakistan, it shall participate tremendously in development of better society that companies especially, the food sector shall contribute more towards well-being of society through expending its CSR activities, consciously considering the consequences i.e. admiration from customers, favorable actions and strong brand base.

Limitations and Future Direction

Few limitations and future implications are identified as well. This study was conduction with three-dimensional CSR construct. In future studies, other domains of CSR may be explored. Additionally, this study was carried out in Pakistan’s food production industry, which demonstrates that subsequent research can also be performed in context of other industries and service sector as well (e.g. banking, automobile and construction industry) and comparative analysis of different industries may also be conducted. Another limitation is methodological one. This study used convenience sampling technique, other methods could be used. Moreover, Data may be collected through any other type rather than cross-sectional method (e.g. longitudinal) which was used in this research. Moderating variables like personal attributes of customers could be used in future. Brand admiration is relatively a new variable therefore; its dimensions i.e.
brand trust, brand love and brand respect may be explored further with customer’s behaviors by future researchers.

**Conclusion**

This study adds greater values to food production businesses that are looking for the better positioning of their brand through doing well for society. Generally, businesses conduct CSR practices for political or tax saving purposes and do not consciously look up towards customer’s responses against those practices. This research provides comprehensive understanding about role of customer’s perception of social responsibility initiatives taken by companies i.e. how they react and respond to those activities and how it affects brand equity of companies. SEM technique was used to analysis data collected from customers of food companies through convenient sampling method. Findings indicate that emotions and advocacy behaviors significantly impact CSR-brand relationship. Noteworthy positive effect of attitudes in shaping emotions and that of loyalty in determining their supportive behaviors have been shown as well.

**References**


**Appendix**

Table A: List of Variables, Definitions and Source

<table>
<thead>
<tr>
<th>Variable</th>
<th>Source</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Equity</td>
<td>Mudambi et al. (1997)</td>
<td>“Total value added by the brand to the core product.”</td>
</tr>
<tr>
<td>Perceived CSR</td>
<td>Du et al. (2011)</td>
<td>“Firm’s commitment to maximize long-term economic, societal and environmental well-being through business practices, policies and resources.”</td>
</tr>
<tr>
<td>Brand Admiration</td>
<td>Park et al. (2016)</td>
<td>“The degree to which customers have salient, personal connections with the brand, emanating from trust in, love of, and respect for the brand.”</td>
</tr>
<tr>
<td>Customer Advocacy Behavior</td>
<td>Sen &amp; Bhattacharya, (2003)</td>
<td>“Brand Advocacy refers to consumer behavior which includes positive word of mouth and resistance to unfavorable information about the company.”</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>Ha et al. (2011)</td>
<td>“A deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.”</td>
</tr>
<tr>
<td>Brand Attitude</td>
<td>Kotler et al. (1996)</td>
<td>“Favorable or unfavorable evaluation of an individual for a specific brand or product on the market.”</td>
</tr>
</tbody>
</table>

Appendix A: Details of Respondent and Percentage

<table>
<thead>
<tr>
<th>Food Company</th>
<th>No. of Customers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nestle Foods</td>
<td>181</td>
<td>49.9</td>
</tr>
<tr>
<td>Unilever Foods</td>
<td>79</td>
<td>21.8</td>
</tr>
<tr>
<td>Gourmet Foods</td>
<td>59</td>
<td>16.3</td>
</tr>
<tr>
<td>Sufi Foods</td>
<td>25</td>
<td>6.9</td>
</tr>
<tr>
<td>Engro Foods</td>
<td>19</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Appendix B: Cross Loading Values

<table>
<thead>
<tr>
<th>Indicators</th>
<th>BAD</th>
<th>BA</th>
<th>BE</th>
<th>CL</th>
<th>CAB</th>
<th>PCSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA1</td>
<td>0.555</td>
<td>0.719</td>
<td>0.446</td>
<td>0.485</td>
<td>0.439</td>
<td>0.332</td>
</tr>
<tr>
<td>BA2</td>
<td>0.591</td>
<td>0.786</td>
<td>0.511</td>
<td>0.572</td>
<td>0.549</td>
<td>0.404</td>
</tr>
<tr>
<td>BA3</td>
<td>0.614</td>
<td>0.814</td>
<td>0.544</td>
<td>0.592</td>
<td>0.532</td>
<td>0.437</td>
</tr>
<tr>
<td>BA4</td>
<td>0.619</td>
<td>0.826</td>
<td>0.566</td>
<td>0.585</td>
<td>0.562</td>
<td>0.366</td>
</tr>
<tr>
<td>BA5</td>
<td>0.594</td>
<td>0.798</td>
<td>0.547</td>
<td>0.59</td>
<td>0.524</td>
<td>0.389</td>
</tr>
<tr>
<td>BA6</td>
<td>0.637</td>
<td>0.756</td>
<td>0.562</td>
<td>0.579</td>
<td>0.547</td>
<td>0.384</td>
</tr>
<tr>
<td>BA7</td>
<td>0.707</td>
<td>0.815</td>
<td>0.62</td>
<td>0.615</td>
<td>0.612</td>
<td>0.393</td>
</tr>
<tr>
<td>BAD1</td>
<td>0.680</td>
<td>0.513</td>
<td>0.486</td>
<td>0.494</td>
<td>0.447</td>
<td>0.424</td>
</tr>
<tr>
<td>BAD10</td>
<td>0.737</td>
<td>0.514</td>
<td>0.49</td>
<td>0.533</td>
<td>0.598</td>
<td>0.41</td>
</tr>
<tr>
<td>BAD11</td>
<td>0.742</td>
<td>0.514</td>
<td>0.462</td>
<td>0.52</td>
<td>0.574</td>
<td>0.302</td>
</tr>
<tr>
<td>BAD12</td>
<td>0.720</td>
<td>0.620</td>
<td>0.50</td>
<td>0.502</td>
<td>0.506</td>
<td>0.375</td>
</tr>
<tr>
<td>BAD13</td>
<td>0.721</td>
<td>0.640</td>
<td>0.506</td>
<td>0.549</td>
<td>0.588</td>
<td>0.41</td>
</tr>
<tr>
<td>------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-----</td>
</tr>
<tr>
<td>BAD14</td>
<td>0.808</td>
<td>0.605</td>
<td>0.54</td>
<td>0.563</td>
<td>0.636</td>
<td>0.368</td>
</tr>
<tr>
<td>BAD2</td>
<td>0.689</td>
<td>0.544</td>
<td>0.459</td>
<td>0.5</td>
<td>0.541</td>
<td>0.346</td>
</tr>
<tr>
<td>BAD3</td>
<td>0.752</td>
<td>0.587</td>
<td>0.523</td>
<td>0.493</td>
<td>0.558</td>
<td>0.449</td>
</tr>
<tr>
<td>BAD4</td>
<td>0.703</td>
<td>0.627</td>
<td>0.5</td>
<td>0.503</td>
<td>0.534</td>
<td>0.38</td>
</tr>
<tr>
<td>BAD5</td>
<td>0.712</td>
<td>0.565</td>
<td>0.481</td>
<td>0.465</td>
<td>0.486</td>
<td>0.435</td>
</tr>
<tr>
<td>BAD6</td>
<td>0.798</td>
<td>0.583</td>
<td>0.536</td>
<td>0.494</td>
<td>0.534</td>
<td>0.454</td>
</tr>
<tr>
<td>BAD7</td>
<td>0.810</td>
<td>0.648</td>
<td>0.518</td>
<td>0.554</td>
<td>0.576</td>
<td>0.45</td>
</tr>
<tr>
<td>BAD8</td>
<td>0.832</td>
<td>0.652</td>
<td>0.585</td>
<td>0.592</td>
<td>0.624</td>
<td>0.437</td>
</tr>
<tr>
<td>BAD9</td>
<td>0.049</td>
<td>-0.012</td>
<td>0.016</td>
<td>0.001</td>
<td>-0.043</td>
<td>0.021</td>
</tr>
<tr>
<td>BE1</td>
<td>0.366</td>
<td>0.472</td>
<td>0.566</td>
<td>0.442</td>
<td>0.349</td>
<td>0.243</td>
</tr>
<tr>
<td>BE10</td>
<td>0.456</td>
<td>0.454</td>
<td>0.644</td>
<td>0.533</td>
<td>0.47</td>
<td>0.222</td>
</tr>
<tr>
<td>BE11</td>
<td>0.449</td>
<td>0.43</td>
<td>0.672</td>
<td>0.534</td>
<td>0.518</td>
<td>0.278</td>
</tr>
<tr>
<td>BE12</td>
<td>0.468</td>
<td>0.476</td>
<td>0.696</td>
<td>0.538</td>
<td>0.505</td>
<td>0.283</td>
</tr>
<tr>
<td>BE2</td>
<td>0.536</td>
<td>0.6</td>
<td>0.734</td>
<td>0.641</td>
<td>0.524</td>
<td>0.384</td>
</tr>
<tr>
<td>BE3</td>
<td>0.473</td>
<td>0.511</td>
<td>0.689</td>
<td>0.525</td>
<td>0.477</td>
<td>0.362</td>
</tr>
<tr>
<td>BE4</td>
<td>0.46</td>
<td>0.489</td>
<td>0.753</td>
<td>0.532</td>
<td>0.483</td>
<td>0.317</td>
</tr>
<tr>
<td>BE5</td>
<td>0.533</td>
<td>0.55</td>
<td>0.737</td>
<td>0.50</td>
<td>0.525</td>
<td>0.36</td>
</tr>
<tr>
<td>BE6</td>
<td>0.463</td>
<td>0.418</td>
<td>0.748</td>
<td>0.476</td>
<td>0.493</td>
<td>0.362</td>
</tr>
<tr>
<td>BE7</td>
<td>0.535</td>
<td>0.477</td>
<td>0.734</td>
<td>0.481</td>
<td>0.571</td>
<td>0.362</td>
</tr>
<tr>
<td>BE8</td>
<td>0.507</td>
<td>0.501</td>
<td>0.712</td>
<td>0.472</td>
<td>0.47</td>
<td>0.235</td>
</tr>
<tr>
<td>BE9</td>
<td>0.479</td>
<td>0.493</td>
<td>0.773</td>
<td>0.551</td>
<td>0.506</td>
<td>0.271</td>
</tr>
<tr>
<td>CAB1</td>
<td>0.476</td>
<td>0.608</td>
<td>0.443</td>
<td>0.456</td>
<td>0.494</td>
<td>0.314</td>
</tr>
<tr>
<td>CAB10</td>
<td>0.545</td>
<td>0.528</td>
<td>0.534</td>
<td>0.599</td>
<td>0.715</td>
<td>0.329</td>
</tr>
<tr>
<td>CAB2</td>
<td>0.301</td>
<td>0.377</td>
<td>0.292</td>
<td>0.287</td>
<td>0.436</td>
<td>0.284</td>
</tr>
<tr>
<td>CAB3</td>
<td>0.543</td>
<td>0.476</td>
<td>0.502</td>
<td>0.609</td>
<td>0.765</td>
<td>0.444</td>
</tr>
<tr>
<td>CAB4</td>
<td>0.621</td>
<td>0.57</td>
<td>0.554</td>
<td>0.641</td>
<td>0.779</td>
<td>0.41</td>
</tr>
<tr>
<td>CAB5</td>
<td>0.546</td>
<td>0.411</td>
<td>0.475</td>
<td>0.518</td>
<td>0.711</td>
<td>0.354</td>
</tr>
<tr>
<td>CAB6</td>
<td>0.49</td>
<td>0.457</td>
<td>0.48</td>
<td>0.568</td>
<td>0.743</td>
<td>0.349</td>
</tr>
<tr>
<td>CAB7</td>
<td>0.591</td>
<td>0.509</td>
<td>0.573</td>
<td>0.648</td>
<td>0.791</td>
<td>0.389</td>
</tr>
<tr>
<td>CAB8</td>
<td>0.536</td>
<td>0.483</td>
<td>0.528</td>
<td>0.599</td>
<td>0.762</td>
<td>0.299</td>
</tr>
<tr>
<td>CAB9</td>
<td>0.516</td>
<td>0.413</td>
<td>0.486</td>
<td>0.572</td>
<td>0.754</td>
<td>0.285</td>
</tr>
<tr>
<td>CL1</td>
<td>0.592</td>
<td>0.592</td>
<td>0.654</td>
<td>0.787</td>
<td>0.715</td>
<td>0.37</td>
</tr>
<tr>
<td>CL2</td>
<td>0.560</td>
<td>0.578</td>
<td>0.603</td>
<td>0.772</td>
<td>0.605</td>
<td>0.377</td>
</tr>
<tr>
<td>CL3</td>
<td>0.476</td>
<td>0.455</td>
<td>0.48</td>
<td>0.681</td>
<td>0.531</td>
<td>0.293</td>
</tr>
<tr>
<td>CL4</td>
<td>0.546</td>
<td>0.585</td>
<td>0.584</td>
<td>0.779</td>
<td>0.632</td>
<td>0.37</td>
</tr>
<tr>
<td>CL5</td>
<td>0.535</td>
<td>0.602</td>
<td>0.529</td>
<td>0.766</td>
<td>0.584</td>
<td>0.354</td>
</tr>
<tr>
<td>CL6</td>
<td>0.526</td>
<td>0.535</td>
<td>0.521</td>
<td>0.774</td>
<td>0.652</td>
<td>0.328</td>
</tr>
<tr>
<td>CL7</td>
<td>0.431</td>
<td>0.475</td>
<td>0.477</td>
<td>0.711</td>
<td>0.479</td>
<td>0.253</td>
</tr>
<tr>
<td>CL8</td>
<td>0.498</td>
<td>0.552</td>
<td>0.542</td>
<td>0.737</td>
<td>0.533</td>
<td>0.34</td>
</tr>
<tr>
<td>PCSR10</td>
<td>0.332</td>
<td>0.308</td>
<td>0.301</td>
<td>0.322</td>
<td>0.314</td>
<td>0.710</td>
</tr>
<tr>
<td>PCSR11</td>
<td>0.437</td>
<td>0.31</td>
<td>0.323</td>
<td>0.321</td>
<td>0.4</td>
<td>0.621</td>
</tr>
<tr>
<td>PCSR12</td>
<td>0.368</td>
<td>0.264</td>
<td>0.247</td>
<td>0.32</td>
<td>0.373</td>
<td>0.620</td>
</tr>
<tr>
<td>PCSR13</td>
<td>-0.008</td>
<td>0.009</td>
<td>-0.064</td>
<td>-0.023</td>
<td>-0.025</td>
<td>0.084</td>
</tr>
<tr>
<td>PCSR14</td>
<td>-0.016</td>
<td>-0.05</td>
<td>-0.095</td>
<td>-0.078</td>
<td>-0.053</td>
<td>0.059</td>
</tr>
<tr>
<td>PCSR15</td>
<td>0.044</td>
<td>0.032</td>
<td>0.01</td>
<td>0.002</td>
<td>-0.014</td>
<td>0.073</td>
</tr>
<tr>
<td>PCSR16</td>
<td>0.055</td>
<td>0.043</td>
<td>-0.017</td>
<td>0.039</td>
<td>0.017</td>
<td>0.065</td>
</tr>
<tr>
<td>PCSR17</td>
<td>0.06</td>
<td>0.017</td>
<td>-0.025</td>
<td>-0.005</td>
<td>0.023</td>
<td>0.074</td>
</tr>
<tr>
<td>PCSR18</td>
<td>0.035</td>
<td>0.034</td>
<td>-0.022</td>
<td>0.042</td>
<td>-0.038</td>
<td>0.092</td>
</tr>
<tr>
<td>PCSR2</td>
<td>0.355</td>
<td>0.362</td>
<td>0.311</td>
<td>0.308</td>
<td>0.34</td>
<td>0.678</td>
</tr>
<tr>
<td>PCSR3</td>
<td>0.433</td>
<td>0.429</td>
<td>0.336</td>
<td>0.331</td>
<td>0.357</td>
<td>0.640</td>
</tr>
<tr>
<td>PCSR4</td>
<td>0.264</td>
<td>0.219</td>
<td>0.197</td>
<td>0.236</td>
<td>0.227</td>
<td>0.616</td>
</tr>
<tr>
<td>PCSR5</td>
<td>0.286</td>
<td>0.353</td>
<td>0.257</td>
<td>0.299</td>
<td>0.293</td>
<td>0.562</td>
</tr>
<tr>
<td>PCSR6</td>
<td>0.355</td>
<td>0.306</td>
<td>0.307</td>
<td>0.316</td>
<td>0.332</td>
<td>0.702</td>
</tr>
<tr>
<td>PCSR7</td>
<td>0.316</td>
<td>0.337</td>
<td>0.294</td>
<td>0.234</td>
<td>0.271</td>
<td>0.724</td>
</tr>
<tr>
<td>PCSR8</td>
<td>0.388</td>
<td>0.37</td>
<td>0.338</td>
<td>0.329</td>
<td>0.353</td>
<td>0.698</td>
</tr>
<tr>
<td>PCSR9</td>
<td>0.297</td>
<td>0.295</td>
<td>0.276</td>
<td>0.286</td>
<td>0.25</td>
<td>0.68</td>
</tr>
<tr>
<td>PCSR1</td>
<td>0.307</td>
<td>0.255</td>
<td>0.207</td>
<td>0.198</td>
<td>0.293</td>
<td>0.610</td>
</tr>
</tbody>
</table>
Effects of Students thinking Styles on Classroom Participation and Academic Achievements: A Case Study of Pakistani Students

*Muhammad Nadeem Mohsin*, Department of Education, GC University Faisalabad, Pakistan  
*Bushra Naureen*, Department of Education, GC University Faisalabad, Pakistan  
*Kishwer Naheed Rana*, Chairperson, Board of Intermediate and Secondary Education Dera Ghazi Khan, Pakistan

*Corresponding author’s email: cmbisedgk.edu.pk*

**ARTICLEDETAILS**

**ABSTRACT**

**Purpose:** The main objective of the study was to identify different thinking styles of students during classroom participation, to assess students’ level of classroom participation in relation to their thinking styles and find out the association of demographic variable (gender, age, location) with thinking styles, classroom participation and academic performance of students, to examine the effect of students’ thinking styles on their classroom participation.

**Methodology:** The participants were 1320. The researcher uses random sampling technique to select the sample. The questionnaire for student’s thinking styles, questionnaire for Student’s classroom participation, questionnaire for student’s academic performance were used.

**Findings:** The results indicated that there are no significant on Factors Legislation, Executive, Global, monarchic and Internal. The post hoc show the significant different among the different variables e.g. Legislative, Executive, Global, Monarchic and Internal. And the results toward participation quality also shows that there is significance difference existed in participation quality. The other variable age shows that up to 22 respondents show significance different.

**Implications:** Teacher and students understand the thinking styles of each other and know about the actual and required thinking style. Teacher should easily continue their attention and improve their knowledge about students need on the through communication and feedback from the students.

©2021 The authors, under a Creative Commons Attribution- Non Commercial- 4.0

**Recommended citation:** Mohsin, M. N., Naureen, B. and Rana, K. N. (2021). Effects of

**Introduction**

Students’ preferences to use thinking style influences their learning process. This style does not only transfer informational content but cognitive abilities and approaches. Thinking is the main ingredient of individual differences (Belousova & Mochalova, 2020). It enable individuals to separate them-self from others with deserving results. Individual use thinking ability in daily routine. This way equip individuals to discipline evaluation of reasoning, expertise, experiences, observation, analysis, and obtained multi structured information. It can be described as an active, organized, and aim oriented cognitive ability (Apaydin & Cenberci. 2018). Researchers suggested that thinking ability contains observation, problem solving, reasoning, and deciding. These steps are commonly used in everyday life. Yet, the processing of these steps varies individual to individual. That is how thinking style emerged with performing ability. Thinking styles interacts socialization and preferences process to complete given task. Every individual use thinking style in routine on different patterns. It is defined as a way or preferring thinking and done thinking to act (Canbolat, 2011).

Students thinking style and classroom participation have been studies yet lacking with understanding to what extent students’ thinking style influence classroom participation and their academic performance. A separate stream of mentioned variables have been identified extensively. By investigating the relationship among them and influences of thinking styles, classroom participation, and academic performance, the present study added new body to the knowledge. This study contributed with different research design and investigation in different platform. The current study is examined to probe up the effect of students’ thinking modes on their participation inside classroom and academic performance.

The main purpose of this study is to examine the effect of thinking styles of students on their classroom participation and academic performance. Furthermore, this research study analyze the extent to which thinking styles and classroom participation associate with academic performance. The objectives were to identify different thinking styles of students during classroom participation, assess students’ level of classroom participation in relation to their thinking styles and find out the association of demographic variable (gender, age, location) with thinking styles, classroom participation and academic performance of students.

**Review of the Related Literature**

Active involvement in the classroom during the teaching-learning process always has positive effects on students' outcomes. Active involvement, two communications, student-teacher interaction, teacher students’ interaction, and other related skills always fruitful and have positive effects on students’ outcomes.

Rocca, 2010 noted that speaking is at the heart of investigations in terms of dialogues in the classroom often seen as an important method to participate in lessons. Through conversation, students should have reach to various concepts, critical thinking practices with in-depth understanding (Mercer and Dawes, 2014). These practices and consequences are beneficial when we expect impactful results. (Dallimore, Hertenstein, & Platt, 2010). It is resulting a broad stimulus for other students to verbal participate in discussion (Littleton & Mercer, 2013) The concept of classroom/school learning environment is developed by educators as Fraser (1986) explored the emotions of students and teachers in school learning environment.

Lewin (2009) elaborated that a dynamic field cultivate total interacting facts to develop behaviors with productivity. However, the circumstances in classroom learning environment that are
affected by other internal and external factors change the outcomes. This conditional psychological change is known as “living space”. It includes individuals within behavioral conditions known as events. Both living space and events influence psychological variations in given moment.

Steve and Richard (2013) stated that when a student interact to his/her classroom first time, that first impression enables him/her to make judgment about kind of learning. The first entry of student in the classroom realizes him what is hanging on walls, how benches are arrange and laid out, students face, stationaries, communications, activities, and non-verbal gestures towards him. With the passage of time, this student starts realization of classroom environment by several specific arrangements and activities. Later, students collectively aware about what is classroom and its environment. This environment conveys specific and general learning to students.

In classroom, role of the teacher is crucial and important in terms of student's morality, self-concept and self-confidence development because it can be an instrument of high inspiration. The environment of classroom may heal or injure students with humor or humiliation. It depends on how a positive attitude and self-concept treats students with time and energy.

In higher education, class participation is an important factor to engage students in active learning environment. The students from millennium generation prefer interaction and active participation (Roehling et al., 2011). Educators are struggling to explore strategies to engage students in class participation in classrooms. It is feasible to review existing body of knowledge to understand what participation is actually, factors to increase participation, and factors that influence students’ participation.

The students’ participation in classroom is an omnipresent concept in teaching learning process. However, the concept of classroom participation and environment is rarely discussed in particular behavior development. Rocca (2010) has reviewed studies about classroom participation. During this period, some academics have investigated that activity as simply attending class dialogue to verbal participation be supposed to be measured as involvement (Dancer & Kamvounias, 2005). While, others limited the concept of classroom participation as unwanted responses that are offered voluntarily by the students (Burchfield and Sappington, 1999). However, a common theme is that verbal contributions or conversations are measured as a sign of contribution. This above mentioned perception has extensive relevance in learning studies. (Rocca, 2010).

As explained by (Song, 2020) Vigilant calm during teaching learning process is also one type of listening. This is commonly considered in school setting in mainland China, where majority of students perform appropriately in the classroom setting. When a student decided to be calm during learning process in classroom, it is indicate that he like to hear others views. However we can say that listening and attentive silence seem to point toward the similar behaviors in their institutions.

O’Connor (2017) conveyed that silence is a common phenomenon in teaching learning process. This can be observed by teacher. The silent participants is totally different with dialogue in the classroom. The interpretation of silence phenomenon in students’ context, those who remain attentive in silence can listen carefully to the content of the course. This is probably one of the reasons due to which people keep both language and exercise them in studies and reports.

Students’ class involvement is studied under both attendance and its quality now-a-days (Rocca, 2010). Various agencies adopt these criteria to assess student performance. Students interaction in dialogue can be evaluated by frequency, deepness and worth. Students’ involvement is commonly used owing to quantitative documentation (Rocca, 2010). The measurement and
quality of conversation in class is challengeable due to its subjectivity. Meanwhile, it is equally important to have students' learning outcomes and experiences (Rocca, 2010). Most of subtypes (participation) are divided into occurrence and excellence. Nystrand (1997) investigated class participations for further evidences. Nystrand(1997) found great association between quality dialogues and academic achievement. He argued that learning speeches consisted on declared facts and memorized knowledge. Yet, it is included all aspects that improve understandings with high quality dialogues and speeches. As, explanation of hypothesis, critical thinking, and constituting information. Dallimore et al. (2010) explored that similar results from college students’ achievements. They analyzed data and found that participation referred contributions (verbal). It can be assessed through questionnaires based on self-assessment rating scales. Susak (2016) identified factors influencing class participation levels among second-year students gaining a greater understanding of what affects their participation levels. Logistics, student traits, classroom climate and the teacher were found to influence the level of participation within the classroom. The implications for educational institutions are discussed. The active participation of students with poor performance can influence their learning in a more positive way.

Students’ academic participation and achievement are measured in classroom practicing. This evaluation is frequently used in educational researches and practices (Gijbels et al., 2014). Academic performance deals with student who has learned in classroom with the degree of knowledge and skills (Salkind, 2007). In Pakistan the more common methods to assess the achievements level of students are tests (standardize and non standardized tests), practical, assignments, presentation and classroom observations and students attainment levels refers to grades (Fogarty and Pete, 2005). The above mentioned methods provide information about students in easy and quick way. The standardized test are also acknowledged and accepted widely. Therefore, it is essential to give importance of institutional performance when assessing learning outcomes.

Renzulli and Dai (2001) explained that there are many effective instructional methods for teaching learning process but they are not useful for all students same time. Students get advantages of these methods on different styles, "a one-size-fits-all educational approach is not equally useful for students" p. 26. Participation in teaching process through oral and silent ways is two dissimilar approaches. It is illogical to say that speaking or listening more in classroom dialogue will always escort to elevated or squat presentation in results. The success of classroom participation depend upon different indicators and variables. Individual differences also play vital role in assessment these differences can help to enlighten the liaison of classroom dialogue and learning outcomes (Schultz, 2009).

Thinking style play a vital role in every life. Students’ different thing styles effect on the class room participation and ultimately effect on the learning outcomes of the students. Style is the suitable way of dealing with others. It is also way of dispensation of knowledge (Kozhevnikov, Evan and Kosslyn, 2014). As an essential aspect of individual differences, styles have been frequently applied in education, and their influence on the learning process. (Evans, 2015)

As explained by Biggs (2001) different students use different styles and ways to get knowledge and process information. Riding and Rayner (1998) explained that "An individual's preferred and habitual approach to organizing and representing information" is different (p. 7-8). For example, some people rapidly respond and whereas others may take more time as expected.

Cheng et al( 2011) found that majority of American students use analytical styles, whereas holistic styles is being used by Chinese students. It is also concluded that Americans students are higher in term of conversation and questions than Chinese students. However, there is no significant difference seen regarding indications of perceptive and self-governing thoughts,
between Chinese and Americans. Cheng et al. (2011) reported that thinking styles endorsed the differences in classroom achievements between American and Chinese students. Although the study did not directly evaluate academic achievement, the conclusions indicated classroom achievements is effected by thinking styles.

Song (2017) identified that there is close relationship of among students’ thinking styles, involvement in teaching learning process and academic achievement. Exchange of ideas in teaching learning process is a normally in practice for teaching learning process, and behaviors to take advantage of classroom dialogue should be specified on the way to optimize knowledge.

**Methodology**

**Participants**
The total respondents were 1320 and random sampling technique was used to select the sample of all types.

**Instrumentation**
The following instruments were used for data collection: 1) Questionnaire for Student’s thinking styles, 2) Questionnaire for Student’s Classroom Participation and 3) Questionnaire for Student’s Academic Performance.

**Data Collection**
The researcher collected the data through two modes: 1) personally approached the respondents, 2) through online.

**Results and Findings**

<table>
<thead>
<tr>
<th>Factors</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7726</td>
<td>.72579</td>
</tr>
<tr>
<td>Executive</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8358</td>
<td>.74723</td>
</tr>
<tr>
<td>Judicial</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.6765</td>
<td>.73981</td>
</tr>
<tr>
<td>Global</td>
<td>1320</td>
<td>1.60</td>
<td>5.00</td>
<td>3.4194</td>
<td>.56707</td>
</tr>
<tr>
<td>Local</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.6964</td>
<td>.71347</td>
</tr>
<tr>
<td>Liberal</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7244</td>
<td>.76235</td>
</tr>
<tr>
<td>Conservative</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.6185</td>
<td>.73695</td>
</tr>
<tr>
<td>Hierarchical</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.6765</td>
<td>.73981</td>
</tr>
<tr>
<td>Monarchic</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7830</td>
<td>.73851</td>
</tr>
<tr>
<td>Oligarchic</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.6256</td>
<td>.81839</td>
</tr>
<tr>
<td>Anarchic</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.5571</td>
<td>.77137</td>
</tr>
<tr>
<td>Internal</td>
<td>1320</td>
<td>1.00</td>
<td>5.00</td>
<td>3.5444</td>
<td>.75066</td>
</tr>
<tr>
<td>External</td>
<td>1320</td>
<td>1.80</td>
<td>4.80</td>
<td>3.5198</td>
<td>.56442</td>
</tr>
</tbody>
</table>

The above table indicated that the responses of students thinking styles sub factors Legislative $M=3.77$, $SD=.72$ however Executive $M=3.83$, $SD=.74$ while Judicial $M=3.64$, $SD=.74$ furthermore global $M=3.41$, $SD=.56$ whereas local $M=3.69$, $SD=.71$ although Conservative $M=3.72$, $SD=.76$ moreover hierarchic $M=3.77$, $SD=.72$ the other factor considering that Monarchic $M=3.78$, $SD=.73$ while oligarchic $M=3.62$, $SD=.81$ furthermore anarchic $M=3.55$, $SD=.77$ whereas Internal $M=3.54$, $SD=.75$ and external $M=3.51$, $SD=.56$. The highest mean value
of the factor Executive is (M = 3.8358, SD = .74723) whereas the lowest value of the factor Global is (M = 3.4194, SD = .56707).

Table 2
Overall mean score of Classroom Participations sub factors

<table>
<thead>
<tr>
<th>Factors</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation Frequency</td>
<td>1320</td>
<td>1.60</td>
<td>4.00</td>
<td>3.1852</td>
<td>.48519</td>
</tr>
<tr>
<td>Participation Quality</td>
<td>1320</td>
<td>1.00</td>
<td>4.00</td>
<td>2.7908</td>
<td>.49670</td>
</tr>
</tbody>
</table>

The above table indicated that the responses of students classroom participations sub factors participations frequency M=3.18, SD=.48 and participations quality M=2.79, SD=.49. The highest mean value of the factor Participation Frequency is (M= 3.1852, SD=.48519). whereas the lowest value of the factor Participation Quality is (M= 2.7908, SD=.49670).

Table 3
Gender wise difference in thinking styles

<table>
<thead>
<tr>
<th>Factors</th>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>T-Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative</td>
<td>Female</td>
<td>838</td>
<td>3.7730</td>
<td>.72464</td>
<td>0.30</td>
<td>.587</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.7718</td>
<td>.72853</td>
<td>0.30</td>
<td>.587</td>
</tr>
<tr>
<td>Executive</td>
<td>Female</td>
<td>838</td>
<td>3.8539</td>
<td>.73157</td>
<td>1.166</td>
<td>.165</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.8041</td>
<td>.77346</td>
<td>1.148</td>
<td>.245</td>
</tr>
<tr>
<td>Judicial</td>
<td>Female</td>
<td>838</td>
<td>3.6510</td>
<td>.74898</td>
<td>0.110</td>
<td>.903</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.6463</td>
<td>.74583</td>
<td>0.110</td>
<td>.903</td>
</tr>
<tr>
<td>Global</td>
<td>Female</td>
<td>838</td>
<td>3.4239</td>
<td>.57006</td>
<td>.378</td>
<td>.668</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.4116</td>
<td>.56232</td>
<td>0.379</td>
<td>.668</td>
</tr>
<tr>
<td>Local</td>
<td>Female</td>
<td>838</td>
<td>3.7461</td>
<td>.68264</td>
<td>3.350</td>
<td>.002</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.6100</td>
<td>.75710</td>
<td>3.258</td>
<td>.001</td>
</tr>
<tr>
<td>Liberal</td>
<td>Female</td>
<td>838</td>
<td>3.7470</td>
<td>.75022</td>
<td>1.422</td>
<td>.157</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.6851</td>
<td>.78223</td>
<td>1.406</td>
<td>.157</td>
</tr>
<tr>
<td>Conservative</td>
<td>Female</td>
<td>838</td>
<td>3.6224</td>
<td>.72423</td>
<td>.257</td>
<td>.690</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.6116</td>
<td>.75927</td>
<td>.253</td>
<td>.690</td>
</tr>
<tr>
<td>Hierarchical</td>
<td>Female</td>
<td>838</td>
<td>3.7074</td>
<td>.72155</td>
<td>2.002</td>
<td>.042</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.6228</td>
<td>.76833</td>
<td>1.968</td>
<td>.049</td>
</tr>
<tr>
<td>Monarchic</td>
<td>Female</td>
<td>838</td>
<td>3.8110</td>
<td>.72772</td>
<td>1.815</td>
<td>.071</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.7344</td>
<td>.75520</td>
<td>1.796</td>
<td>.071</td>
</tr>
<tr>
<td>Oligarchic</td>
<td>Female</td>
<td>838</td>
<td>3.6026</td>
<td>.81188</td>
<td>-1.346</td>
<td>.18</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.6656</td>
<td>.82891</td>
<td>-1.338</td>
<td>.18</td>
</tr>
<tr>
<td>Anarchic</td>
<td>Female</td>
<td>838</td>
<td>3.5730</td>
<td>.77567</td>
<td>.988</td>
<td>.521</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.5295</td>
<td>.76384</td>
<td>.992</td>
<td>.521</td>
</tr>
<tr>
<td>Internal</td>
<td>Female</td>
<td>838</td>
<td>3.5656</td>
<td>.74990</td>
<td>1.356</td>
<td>.18</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.5075</td>
<td>.75132</td>
<td>1.355</td>
<td>.18</td>
</tr>
<tr>
<td>External</td>
<td>Female</td>
<td>838</td>
<td>3.5477</td>
<td>.56007</td>
<td>2.371</td>
<td>.02</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.4714</td>
<td>.56925</td>
<td>2.360</td>
<td>.02</td>
</tr>
</tbody>
</table>

The above table indicated that the responses of students toward thinking styles the factors “Local” female M=3.74, SD=682 however Male M=3.61, SD=.757 while p=001. However the indicator hierarchical female M=3.70, SD=.768 while p=.049 the significance existed in sub factors (Local and Hierarchical) of thinking styles gender wise.

Table 4
Gender wise difference in classroom participations

<table>
<thead>
<tr>
<th>Factors</th>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>T-Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation Frequency</td>
<td>Female</td>
<td>838</td>
<td>3.22</td>
<td>.470</td>
<td>3.723</td>
<td>.005</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>482</td>
<td>3.11</td>
<td>.503</td>
<td>3.656</td>
<td>.005</td>
</tr>
<tr>
<td>Participation Quality</td>
<td>Female</td>
<td>838</td>
<td>2.82</td>
<td>.49608</td>
<td>3.298</td>
<td>.984</td>
</tr>
</tbody>
</table>
The above table indicated that there are significance existed in classroom participation sub factor participation frequency \( p=0.000 \) the significance difference existed in factor participation frequency gender wise.

### Table 5

Area wise difference in classroom participations

<table>
<thead>
<tr>
<th>Factors</th>
<th>Area</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>T-Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation Frequency</td>
<td>Urban</td>
<td>805</td>
<td>3.20</td>
<td>.467</td>
<td>1.752</td>
<td>.080</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>515</td>
<td>3.15</td>
<td>.510</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participations Quality</td>
<td>Urban</td>
<td>805</td>
<td>2.80</td>
<td>.489</td>
<td>.872</td>
<td>.383</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>515</td>
<td>2.77</td>
<td>.507</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table indicated that the Factor Participation Frequency Urban area \( M=3.20, SD=.467 \) and Rural \( M=3.15, SD=.080 \), while \( p=.080 \) and indicator participation quality factor urban \( M=2.80, SD=.489 \) however rural \( M=2.77, SD=.507 \) while \( p=.383 \) there is no significance difference in above interpretation of classroom participations.

### Table 6

Area wise difference in thinking styles

<table>
<thead>
<tr>
<th>Factors</th>
<th>Area</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>T-Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>LS</td>
<td>Urban</td>
<td>804</td>
<td>3.771</td>
<td>.74122</td>
<td>.284</td>
<td>.150</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.7655</td>
<td>.70171</td>
<td>.287</td>
<td></td>
</tr>
<tr>
<td>LS</td>
<td>Urban</td>
<td>804</td>
<td>3.8251</td>
<td>.74454</td>
<td>-.645</td>
<td>.825</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.8523</td>
<td>.75184</td>
<td>-.644</td>
<td></td>
</tr>
<tr>
<td>judicial</td>
<td>Urban</td>
<td>804</td>
<td>3.6552</td>
<td>.74690</td>
<td>.359</td>
<td>.540</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.6400</td>
<td>.74920</td>
<td>.359</td>
<td></td>
</tr>
<tr>
<td>global</td>
<td>Urban</td>
<td>804</td>
<td>3.4139</td>
<td>.57711</td>
<td>-.437</td>
<td>.267</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.4279</td>
<td>.55150</td>
<td>-.441</td>
<td></td>
</tr>
<tr>
<td>local</td>
<td>Urban</td>
<td>804</td>
<td>3.6746</td>
<td>.72425</td>
<td>-1.382</td>
<td>.159</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.7302</td>
<td>.69568</td>
<td>-1.394</td>
<td></td>
</tr>
<tr>
<td>liberal</td>
<td>Urban</td>
<td>804</td>
<td>3.7321</td>
<td>.78053</td>
<td>.458</td>
<td>.156</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.7124</td>
<td>.73371</td>
<td>.464</td>
<td></td>
</tr>
<tr>
<td>Conservative</td>
<td>Urban</td>
<td>804</td>
<td>3.6274</td>
<td>.73317</td>
<td>.546</td>
<td>.875</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.6047</td>
<td>.74332</td>
<td>.545</td>
<td></td>
</tr>
<tr>
<td>Hierarchical</td>
<td>Urban</td>
<td>804</td>
<td>3.6580</td>
<td>.76020</td>
<td>-1.138</td>
<td>.041</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.7054</td>
<td>.70662</td>
<td>-1.156</td>
<td></td>
</tr>
<tr>
<td>Monarchic</td>
<td>Urban</td>
<td>804</td>
<td>3.7796</td>
<td>.73387</td>
<td>-.210</td>
<td>.835</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.7884</td>
<td>.74637</td>
<td>-.210</td>
<td></td>
</tr>
<tr>
<td>Oligarchic</td>
<td>Urban</td>
<td>804</td>
<td>3.6070</td>
<td>.82722</td>
<td>-1.033</td>
<td>.819</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.6547</td>
<td>.80438</td>
<td>-1.039</td>
<td></td>
</tr>
<tr>
<td>Anarchic</td>
<td>Urban</td>
<td>804</td>
<td>3.5751</td>
<td>.76452</td>
<td>1.059</td>
<td>.228</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.5291</td>
<td>.78184</td>
<td>1.053</td>
<td></td>
</tr>
<tr>
<td>Internal</td>
<td>Urban</td>
<td>804</td>
<td>3.5644</td>
<td>.75830</td>
<td>1.211</td>
<td>.251</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>3.5132</td>
<td>.73824</td>
<td>1.218</td>
<td></td>
</tr>
<tr>
<td>External</td>
<td>Urban</td>
<td>804</td>
<td>3.5139</td>
<td>.55534</td>
<td>-.475</td>
<td>.330</td>
</tr>
</tbody>
</table>
The above table indicated that the responses of the students toward thinking styles the factor hierarchical Urban $M=3.65$, $SD=.760$ and Rural $M=3.70$, $SD=.7066$ while $p=.041$ there is significance difference existed in factor (hierarchical) area wise.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Area</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>T-Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>LS</td>
<td>Urban</td>
<td>804</td>
<td>3.7771</td>
<td>.74122</td>
<td>.284</td>
<td>.150</td>
</tr>
<tr>
<td>LS</td>
<td>Rural</td>
<td>516</td>
<td>3.7655</td>
<td>.70171</td>
<td>.287</td>
<td></td>
</tr>
<tr>
<td>judicial</td>
<td>Urban</td>
<td>804</td>
<td>3.6552</td>
<td>.74690</td>
<td>.359</td>
<td>.540</td>
</tr>
<tr>
<td>judicial</td>
<td>Rural</td>
<td>516</td>
<td>3.6400</td>
<td>.74920</td>
<td>.359</td>
<td></td>
</tr>
<tr>
<td>global</td>
<td>Urban</td>
<td>804</td>
<td>3.4139</td>
<td>.57711</td>
<td>-.437</td>
<td>.267</td>
</tr>
<tr>
<td>global</td>
<td>Rural</td>
<td>516</td>
<td>3.4279</td>
<td>.55150</td>
<td>-.441</td>
<td></td>
</tr>
<tr>
<td>local</td>
<td>Urban</td>
<td>804</td>
<td>3.6746</td>
<td>.72425</td>
<td>-1.382</td>
<td>.159</td>
</tr>
<tr>
<td>local</td>
<td>Rural</td>
<td>516</td>
<td>3.7302</td>
<td>.69568</td>
<td>-1.394</td>
<td></td>
</tr>
<tr>
<td>liberal</td>
<td>Urban</td>
<td>804</td>
<td>3.7321</td>
<td>.78053</td>
<td>.458</td>
<td>.156</td>
</tr>
<tr>
<td>liberal</td>
<td>Rural</td>
<td>516</td>
<td>3.7124</td>
<td>.73371</td>
<td>.464</td>
<td></td>
</tr>
<tr>
<td>Conservative</td>
<td>Urban</td>
<td>804</td>
<td>3.6274</td>
<td>.73317</td>
<td>.546</td>
<td>.875</td>
</tr>
<tr>
<td>Conservative</td>
<td>Rural</td>
<td>516</td>
<td>3.6047</td>
<td>.74332</td>
<td>.545</td>
<td></td>
</tr>
<tr>
<td>Hierarchical</td>
<td>Urban</td>
<td>804</td>
<td>3.6580</td>
<td>.76020</td>
<td>-1.138</td>
<td>.041</td>
</tr>
<tr>
<td>Hierarchical</td>
<td>Rural</td>
<td>516</td>
<td>3.7054</td>
<td>.70662</td>
<td>-1.156</td>
<td></td>
</tr>
<tr>
<td>Monarchic</td>
<td>Urban</td>
<td>804</td>
<td>3.7796</td>
<td>.73387</td>
<td>-.210</td>
<td>.835</td>
</tr>
<tr>
<td>Monarchic</td>
<td>Rural</td>
<td>516</td>
<td>3.7884</td>
<td>.74637</td>
<td>-.210</td>
<td></td>
</tr>
<tr>
<td>Oligarchic</td>
<td>Urban</td>
<td>804</td>
<td>3.6070</td>
<td>.82722</td>
<td>-1.033</td>
<td>.819</td>
</tr>
<tr>
<td>Oligarchic</td>
<td>Rural</td>
<td>516</td>
<td>3.6547</td>
<td>.80438</td>
<td>-1.039</td>
<td></td>
</tr>
<tr>
<td>Anarchic</td>
<td>Urban</td>
<td>804</td>
<td>3.5751</td>
<td>.76452</td>
<td>1.059</td>
<td>.228</td>
</tr>
<tr>
<td>Anarchic</td>
<td>Rural</td>
<td>516</td>
<td>3.5291</td>
<td>.78184</td>
<td>1.053</td>
<td></td>
</tr>
<tr>
<td>Internal</td>
<td>Urban</td>
<td>804</td>
<td>3.5644</td>
<td>.75830</td>
<td>1.211</td>
<td>.251</td>
</tr>
<tr>
<td>Internal</td>
<td>Rural</td>
<td>516</td>
<td>3.5132</td>
<td>.73824</td>
<td>1.218</td>
<td></td>
</tr>
<tr>
<td>External</td>
<td>Urban</td>
<td>804</td>
<td>3.5139</td>
<td>.55534</td>
<td>-.475</td>
<td>.330</td>
</tr>
<tr>
<td>External</td>
<td>Rural</td>
<td>516</td>
<td>3.5291</td>
<td>.57872</td>
<td>-.471</td>
<td></td>
</tr>
</tbody>
</table>

The above table indicated that the responses of the students toward thinking styles the factor hierarchical Urban $M=3.65$, $SD=.760$ and Rural $M=3.70$, $SD=.7066$ while $p=.041$ there is significance difference existed in factor (hierarchical) area wise.

Table 8

<table>
<thead>
<tr>
<th>Factors</th>
<th>Area</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>T-Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation Frequency</td>
<td>Urban</td>
<td>805</td>
<td>3.20</td>
<td>.467</td>
<td>1.752</td>
<td>.080</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>515</td>
<td>3.15</td>
<td>.510</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participations Quality</td>
<td>Urban</td>
<td>805</td>
<td>2.80</td>
<td>.489</td>
<td>.872</td>
<td>.383</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>516</td>
<td>2.80</td>
<td>.510</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The above table indicated that the Factor Participation Frequency Urban area \( M=3.20, SD=.467 \) and Rural \( M=3.15, SD=.080 \), while \( p=.080 \) and indicator participation quality factor urban \( M=2.80, SD=.489 \) however rural \( M=2.77, SD=.507 \) while \( p=383 \) there is no significance difference in above interpretation of classroom participations.

**Discussion and Conclusions**

This study found out that the students’ thinking style is greatly associated to students’ participation in classroom. Their dialogues and discussion increases their academic achievements. Although, there is no association between students’ thinking style and their learning outcomes. It influenced and benefited students learning outcomes through listening and speaking in mathematics class. This study explored new perspectives regarding classroom participation, thinking styles, and classroom dialogues in mathematics class. A few teachers used dialogue method in a classroom situation in Pakistan, which already proved a significant method for teaching as Song (2017) approved that there is significant relationship exist in classroom participation in the classroom. Teachers should use dialogue method in the classroom situation as recommended. The thinking style also provides solid evidence regarding its usefulness in outcomes (Cheng et al. (2011). The above literature reviewed to provide significant evidence that the thinking style of each student and classroom participation and positively effect on students’ performance.

The previous studies explored that thinking style emerges synergy in various situations. It is evident that these styles can be observed, teach, and measured. There are multiple thinking styles and preferences. As Sternberg (1997) categorized thinking styles into thirteen under five dimensions as functions (executive, legislative, judicial), forms (monarchic, hierarchical, oligarchic, anarchic), levels (local and global), tendencies (liberal and conservative), and fields (internal and external). While, Bramson classified thinking style into synthetists, idealists, pragmatist, analyst thinkers, and realist thinkers. The outcome of the present study regarding identification of different thinking styles of students during classroom participation. The following sub factors e.g. Legislative, Executive, judicial, global, Local, Conservative, hierarchic, monarchic, oligarchic, Anarchic, internal, external and the other factors participations frequency and participations quality of indicated the responses of the students above the average.

Student’s collaborative and Individual participation in classroom directly and indirectly influence their academic achievements. This can be measured through evaluating learning outcomes, both in educational research and educational practice (Gijbels et al., 2014). Learning outcomes refer to how much a student has learned in school and the extent of his/her knowledge about a specific curriculum topic. The degree of learning is usually manifested in terms of tests and examinations. It is one essential requirement of which is memorizing information (Kember & Watkins, 2010). The outcomes of the present study regarding that the responses of students toward asses the students level of thinking styles in related to their classroom participation The different sub factors e.g. legislative, executive, judicial, global, local, conservative, hierarchic, monarchic, oligarchic, anarchic, internal, external and the other factors participations frequency and participations quality of indicated the responses of the students above the average.

The different thinking styles on participation in classroom activities, and learning outcomes has rarely been discussed in the literature and explored through empirical studies. However, scholars tend to agree that style plays an essential role in affecting students’ learning processes (Cheng et al., 2011). It is assumed by Sternberg (1997) that different students characteristically show different thinking styles, and accordingly their area, gender, age etc. The approach learning tasks
differently, with some preferring to talk and others tending to be quiet in class. We can probably infer that when a student is allowed to participate in classroom participation using their preferred ways, he/she will have a comfortable and high level of learning experience, which may lead to a desirable learning outcome. There are a few empirical studies suggesting that style may affect how students benefit from participation in classroom to have learning outcomes. The outcomes of the present study regarding that the responses of students toward association of demographic variables (gender, age, location and area wise) with their thinking styles, classroom participants and academic performance. The students level of thinking styles in related to their classroom participation.

The factors “Local” males and females responses above the average. However the indicator hierarchical both male and female existed significance in sub factors (Local and Hierarchical) of thinking styles gender wise. The other factor classroom participation indicated that there are significance existed in classroom participation sub factor participation frequency. The significance difference existed in factor participation frequency gender wise. The further demographic variables indicated that the responses of the students toward thinking styles the factor hierarchical both urban and rural existed significance difference in factor (hierarchical) area wise.

The other factor classroom participation indicated that the factor participation frequency both Urban and rural above the average score and there is no significance difference existed in classroom participations however age wise comparison of Legislation, Executive, Global, monarchic and Internal there is a significance difference among mean score of legislation, executive, global, monarchic and Internal.

Recommendations
The following recommendation recommended by the results of the study that are mentioned below;

- It is suggested that teacher and students understand the thinking styles of each other and know about the actual and required thinking style.
- Teacher should easily continue their attention and improve their knowledge about students need on the through communication and feedback from the students.
- It is suggested that the enrolment of the students may increase. The students also involve in self-study and by attending in service refresher courses may be introduce to the teachers during class to enhance their experiences and task achieving ability.

References


An Unnoticed Hero of Pakistan's Independence Movement: A Case of Biography Mr. Naseem Hijazi

*Qamar-ud-Din Zia Ghaznavi, Beaconhouse National University Lahore, Pakistan
Ghulam Shabir, University of Central Punjab, Lahore, Pakistan

*Corresponding author's email address: ghazanavi@bnu.edu.pk

ARTICLE DETAILS

History
Revised format: Aug 2021
Available Online: Sep 2021

Keywords:
Biography, Journalism, Pakistan Movement, Document Analysis, Content Analysis.

JEL Classification
F5, F59

ABSTRACT

Purpose: In this article, Mr. Naseem Hijazi, a lesser-known hero of the Pakistan Movement, is highlighted. The primary purpose of this paper is to expose the hidden aspects of Mr. Naseem Hijazi's life. He was a well-known novelist and writer, as well as a freedom fighter. He was a member of the Pakistan Movement, but few people were aware of his involvement. He was a devoted Muslim and a firm believer in Islam. This research paper investigates and analyses the life of Naseem Hijazi to get a complete image of him.

Design/Methodology/Approach: This research demonstrates that delving into individual biographies might provide a contextualized view of Naseem Hijazi's life, allowing for a complete picture of him. This study employed a qualitative content analysis method to examine Naseem Hijazi's biography during the Independence Movement.

Findings: The finding shows that Naseem Hejazi had a passion for life that could enthrall any of his companions. During a radio interview, Syed Hashim Raza described his relationship with Naseem Hejazi, saying that the Muslim League was the only party working to establish Pakistan between 1940 and 1947. Naseem Hejazi was one of those who stood behind Quaid-e-Azam throughout those times and was respected by all. Naseem Hejazi, I believe, ran half of the pro-Muslim League propaganda effort in Baluchistan, while Mir Jaffer Khan Jamali ran the other half. Quetta's Pasban Fortnightly, June 15 (1939: 6).

Implications/Originality/Value: In such a situation, history books about the Pakistan Movement should be rewritten to acknowledge Naseem Hejazi's work as one of the nation's benefactors.”

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0

Introduction
Sharf Husain, also known as Naseem Hijazi, was an Urdu writer born on May 19, 1914. He was born in the hamlet of Sujaanpur, near Dhariwal in Gurdaspur, Punjab, in pre-Partition India, and fled to Pakistan after India's independence and subsequent partition in the district 1947. He died in March 1996 after spending the majority of his life in Pakistan (Civantos, 2020). Naseem Hijazi's ancestors were members of the Hijaz tribe from Gurdaspur, Punjab. In the village of SojaanPur, Naseem Hijazi was born. He was born into the Chaudhary Jaan Muhammad family. His father worked for the Canal Department of the government. During his childhood, he was abruptly separated from his mother. He received his primary education in his hometown, but in 1938 he graduated from Islamia College in Lahore with a bachelor's degree (Khan, 2021). Meanwhile, he took up a pen and began writing. He first and foremost writes “Shader” as a work of fiction. He was known as "Muhammad Sharif" at the time, but on the recommendation of his teacher, he changed his name to Naseem Hijazi, which he kept until his death (Bertrand et al., 2019).

“...It was almost unthinkable for the Muslims of the Subcontinent to achieve their separate homeland in the face of strong opposition from both the British government and the Hindu population under the then-prevailing unfavorable conditions, so the establishment of Pakistan is regarded as a historical miracle (Copson, 2017). However, under the leadership of Quaid-e-zealous Azam, they were brought together on a single platform, and the spirit of independence was renewed, helping them realize their dream of an independent Pakistan in a short period. The Muslims of the Subcontinent made huge sacrifices for Pakistan, with individuals from all walks of life dedicating their resources and making every effort imaginable (Khalid and Khan, 2006). The services provided by the leaders of this unparalleled struggle for the establishment of Pakistan are documented in almost every national and international writer's work on the Pakistan Movement (Hussain, 2008). These people are thought to be the forerunners of a historical movement. Many others towards the rear of the line, on the other hand, sacrificed everything for their own country, only to receive little in return and be forgotten for the rest of their life. Those who contributed merely symbolically to the fight for liberty, on the other hand, got the blessings of liberty. Many people still boast of being honored to receive the Quaid or attending a gathering with him. Others recall the Quaid's visit to their community and their presence there as if Pakistan's foundation would be practically impossible without it. These individuals have not only received more than their due share but have also been recognized for their notable contributions to the Pakistan Movement (Aslam, 2014).”

“Persons who contributed to the Pakistan Movement are honored with medals and honors every year on the 14th of August, the 23rd of March, and other key dates, but no one knows where these people originate. They earn honors and recognition at the expense of others who gave selflessly and without expecting anything in return to this great battle (Ahmed, 2005). Naseem Hejazi is one of these people who has dedicated his life to the freedom fight. However, both during his life and after he died, all his sacrifices and services remained unacknowledged. Surprisingly, he is mentioned by Baloch intellectuals in their works on Baluchistan's history and journalism as the solitary flag bearer of Baluchistan's admission to Pakistan, who used his newspaper Tanzeem to respond with all his strength against Raj's machinations and the Congress' vile propaganda. Baluchistan, Pakistan's largest province by land, would never have become a part of the newly established state if Naseem Hejazi had not been present. Not only have Baloch leaders praised his achievements, but they also acknowledge that Congress's wicked ambitions were only thwarted because of Naseem Hejazi. Since he was a child, he had a strong disdain for Hindu tyranny, and Pakistanis were in his blood. In an interview with Radio Pakistan Islamabad on May 20, 1986, Naseem Hejazi said that I could not even imagine being governed by Hindus during my school days. Congress and Brahman politics had been instilled in me by my forefathers. I had a great hope that the Muslims of the Subcontinent would be able to build their...
intellectual fortress one day (Sulehria, 2020).”

Literature Review
"I swear, if Naseem Hejazi had not been present in Baluchistan those days, accession of Baluchistan to Pakistan would have remained questionable, Nawabzada Jahangir Khan declared, recognizing his contribution to the Pakistan Movement and his efforts for accession to Pakistan. 370 (Inaamul Huq, 1991). (Kousar, Inaamul Huq, 1991: 370) Muslims all over the Indian subcontinent were struggling for their right to be free. On the other side, every effort was made to bring this war to a halt (Abbas, 2015; Fay, 1995; Hussain, 2008 & Kelsay, 2007). Fundamental rights suspended for the people of Baluchistan from 1876 to 1935, and they were not allowed to speak out for their rights; they were not even allowed to read newspapers, and saying the words independence and sovereignty were practically impossible. Despite these horrible circumstances, the people of Baluchistan have repeatedly defied the British Raj. Mir Mehrab Khan first commanded it. The British were then attacked by Ghulam Hussain Masoori and his 1300 men, and he and his 200 men were martyred. In various engagements, Shahjahana Jogezai fought the British. Nawab Yousof Ali Khan Aziz Magsi was also a pioneer of political awareness in Baluchistan. He helped found many Karachi-based publications, including Al-Baloch, Baluchistan, Baluchistan Jadeed, and Young Baluchistan, which were subsequently seized. Even though Baluchistan had a large Muslim population, the All India Muslim League was late in arriving. Baluchistan's residents were almost completely oblivious of its acts (Jalal, 2014). The National Congress sought to portray the Muslim League as a pro-government party, but they couldn't keep Baluchistan's brave and honest people in the dark for long (Ibad, 2016).”

Methodology
A qualitative perspective on seniors' Unnoticed Hero of Pakistan's Independence Movement is argued using a qualitative biographical participatory research approach. Several strategies for collecting and analyzing biographical data have been developed and put into practice, including. This research demonstrates that delving into individual biographies might provide a contextualized view of Naseem Hijazi's life, allowing for a complete picture of him. This study employed a qualitative content analysis method to examine Naseem Hijazi's biography during the Independence Movement.

Jahangir Khan Jogezai, Nawabzada
Given the geopolitical significance and mineral resources of the isolated province of Baluchistan, the British launched a web of conspiracies to achieve their desired solution, where they could maintain their influence over Baluchistan while being separate from India, writes Nawabzada Jahangir Khan. Kousar, Inaamul Haq, 1991: 308). The British and Hindus increased their manipulations and intrigues as the Pakistan Movement reached its goal, while a few crazed minds rioted. March-April 1947 wreaked such havoc that Quaid-e-Azam and Gandhi were forced to issue a combined call for peace. On the day Naseem Hejazi left Karachi's Daily Zamana to fly to Baluchistan, he began his role in the freedom struggle and the accession of Baluchistan to Pakistan. He was no stranger to supporting nationalist movements in the Indian subcontinent. He said I've always felt a connection to the Muslim League's mission and the Pakistan Movement. I traveled to a variety of locales to visualize my goal. My search eventually led me to Karachi. (Farooq and Syed 1977:66) At Karachi's Daily Zamana, he continued to fight bravely for the Pakistan Movement. However, the Sindh Congress government quietly offered the newspaper owner some monetary prizes given the Pakistan Movement's increased popularity as a result of the publication of Daily Zamana. When Naseem Hejazi realized that his owner had received the funds, he wrote an editorial denouncing the War Fund and resigned from the journal, claiming that it had abandoned its goal and cause. He later had the opportunity to meet Mir Jaffer Khan Jamali thanks to Sheikh Maqbool-ul-Haq. Because he was accustomed to the feudal attitude, he was initially cautious. He agreed to patronize Mir Jaffer Khan Jamali's literary production after
learning that he was associated with the Baluchistan Pakistan Movement. Meanwhile, he spent most of his time engaged in political activities in Baluchistan, where he was actively involved in different Pakistan Movement activities. I stayed part of the political drama playing out across Baluchistan for nine years, not as a spectator, but as a character, he said” (Farooq and Syed, 1977).

**Hijazi: A PhD Thesis**

"The Critical and Explorative Analysis of Nasima Hijazi's Historical Novel Literature (NASIMHIJAZI KI TAREEKHY NOVEL NIGARY KA TEHQIQI AUR TANQIDI TAJZIA) is the title of a Ph.D. thesis on Hijazi's writing. Mumtaz Umar is a lecturer at the University of Karachi in Karachi. Meanwhile, in Quetta, Mir Jaffer Khan Jamali established the journal Tanzeem and appointed Naseem Hijazi as its editor. Through this newspaper, he remained at the vanguard of defending the nation's ideological borders. He was adamant about gaining his homeland, Pakistan, which led to his fight for Baluchistan's accession to Pakistan. His name will always be linked to this movement. Nawabzada I met Naseem Hejazi for the first time at Mir Jaffer Khan Jamali's place; yet, his name was not new to me, writes Jahangir Khan Jogezai. As a companion of Mir Jaffer Khan Jamali and the editor of the Tanzeem, I already knew him well. I realized that the voice of Naseem Hejazi, heard in Baluchistan's political arena, was progressively becoming the voice of Baluchistan's educated people. (Farooq and Syed, 1977: 118) My impression of him was that of a person who knew Baluchistan as well as the lines on his hand, Jahangir Khan Jogezai continued. Through his journal Tanzeem, he opposed Congress's deceptive rhetoric. Naseem Hejazi has a passion for life that could enthral any of his companions. During a radio interview, Syed Hashim Raza described his relationship with Naseem Hejazi, saying that the Muslim League was the only party working to establish Pakistan between 1940 and 1947. Naseem Hejazi was one of those who stood behind Quaid-e-Azam throughout those times and was respected by all. Naseem Hejazi, I believe, ran half of the pro-Muslim League propaganda effort in Baluchistan, while Mir Jaffer Khan Jamali ran the other half. Quetta's Pasban Fortnightly, June 15 (1939: 6). Naseem Hejazi's primary motivation for traveling to Baluchistan was to participate in the Pakistan Movement. In 1942, my passion for Pakistan led me to where I needed it, he said in an interview. As a companion of Mir Jaffer Khan Jamali, I traveled to Baluchistan and spent most of my time reading literature and evaluating the situation in Baluchistan. My dream for Pakistan was more important to me than all the money in the world. (Radio Pakistan, Rawalpindi, July 12, 1985; courtesy of Radio

**Baluchistan Hosts the First Muslim League Conference**

Local politicians who pushed for a unified Hindustan were among the most popular when the Muslim League began activities in Baluchistan. The Muslim League conducted its inaugural meeting in Quetta, Baluchistan, on the 10th and 11th of June. Maulana Zafar Ali Khan traveled throughout Baluchistan and visited Quetta in July-August 1939. In June 1943, the Muslim League's Quaid-e-Azam paid a visit to Baluchistan to invite Baluchis to join. He also recommended Muslims band together under a single political party rather than become fractured. As the Pakistan Movement grew in power, the British realized that partitioning Hindustan was necessary. However, they were adamant in their refusal to allow Baluchistan to join Pakistan's newly constituted state (Sultana, 2016).

**Pakistani Patriotism**

His love for Pakistan and the Pakistan Movement had become his greatest asset. He planned to devote his days and nights to help in this fight. He stated, "I couldn't imagine a single day in my life without Pakistan, and every other personal ambition paled in comparison to this passion." 1945-1947 were the busiest years of my life. The majority of my time was spent working for the Pakistan Movement, and all I could think about was gaining Baluchistan's accession to Pakistan (Sarkar, 1989). From August 1 to 14, it was at its peak, and I could only spend two and a half to
three hours to my work on average. (Iqra 1976:147-148)” During the peak of the Pakistan Movement, its opponents created three fronts against it. To strengthen the British protectorate, the British wanted the Khan of Qallat to declare his independence and autonomy. On the other hand, Abdul Samad Khan Achakzai, Mirza Faizullah Abdul Qadir, and Chandarman Wakeel worked for the accession of Baluchistan to India. At the same time, those fighting for their rights formed a third front. On all of these fronts, Naseem Hejazi was fighting effectively and efficiently (Ahmad et al., 2019).

**Nawabzada Jahangir Khan's Hijazi Proclamation**

“Since Naseem Hejazi's arrival in Quetta, the Pakistan Movement has evolved into a national movement rather than a single-party movement,” Nawabzada Jahangir Khan noted. Naseem Hejazi was working in Baluchistan to promote awareness about the Pakistan Movement. Despite the British and Hindu conspiracies, he stayed committed to his cause. He was well aware of Hindu discrimination against Muslims. Continuing to degrade Muslims was the most agonizing thing for him. In Baluchistan, the Muslim League had commenced activities, with Naseem Hejazi and his associates bolstering the movement's strength. Nawabzada Muhammad Khan Jogeza'i's election to the Constitutional Assembly was a step toward Baluchistan's accession to Pakistan, as anticipated by Naseem Hejazi. Naseem Hejazi convinced Nawabzada Muhammad Khan Jogeza'i to run against a Congress candidate rather than leave the race open. After a lengthy debate, Nawabzada Muhammad Khan Jogeza'i agreed to run in the elections (Chawla, 2014).

**Shahi Jirga**

The British entrusted the fate of Baluchistan to the Shahi Jirga, a renowned and influential legislative body, to back their conspiracies. In the Constitutional Assembly, Nawabzada backed the Muslim League, paving the door for Baluchistan's accession to Pakistan. Naseem Hejazi would meet with Jirga members at night to persuade them to join Pakistan, and during the day, he would write pieces for his daily "Tanzeem" to guide Muslims and oppose foreign plots. The referendum in Baluchistan was set for June 29, 1947, and a positive result in Pakistan's favor seemed impossible. Naseem Hejazi, on the other hand, fought tirelessly to foil all of these plots. To deflect the focus of the Muslim League's central leadership away from the deteriorating conditions in Baluchistan, he penned a special editorial titled "Lamha-e-Fikriya" in the monthly "Tanzeem" on June 16, 1947. He said that a Pakistan without Baluchistan is unthinkable. He also arranged a meeting between Quaid-e-Azam and Baluchistan's tribal chiefs, which resulted in the tribal chiefs' support for Pakistan. “Today, as I write a chapter in the history of Baluchistan, I can say without reservation that during the referendum war in Baluchistan, Masood Khaddarpash proved to be the best of Pakistan's soldiers and a concrete wall in its fortress,” he wrote. It was pure coincidence that a young ICS officer served as a boat steward and a young EAC served as a beacon of light for our stumbling vessel.(Raja, 1987:190)"

**Congress's Biased Role**

“Some Shahi Jirga members successfully converted to the Congress tribe. These tribal lords feared losing their lordship if Pakistan became a reality. It was promoted as the end of the tribal system and violated the Baloch people's rights. Baluchistan's income and expenses have been published to demonstrate that joining Pakistan was a bad deal. To win the hearts of the Pathan people, Congress used the phrase Sovereign Pathanistan. Baloch and Pathan were both afraid of being enslaved by each other. A rumor was also circulated concerning an announcement of independent Baluchistan or its admission to Afghanistan. The Congress offered Nawab Muhammad Khan Jogeza'i Rs180 million when Baluchistan's total income was less than 15 million.”

**Hijazi's Publications**

“Khaak and Khoon are two words that can use interchangeably (Dirt and Blood) Yousuf bin
Tashfin (Yousuf bin Tashfin) (Yousuf the Son of Tashfin) Chattan Akhari (Volume-1) On the internet (The Last Rock) Chattan Akhari (Volume-2) On the internet (The Last Rock) Marka Aakhari (The Last Battle) Andheri Raat Ke Musafir (Andheri Raat Ke Musafir) (Travelers of the Dark Night) (Volume-1) Aur Talwar Toot Gai (And the Sword was Broken) Toot Gai Aur Talwar (Volume 2) (And the Sword was Broken) Mujahideen Daastaan-e-Mujahideen Daastaan-e-Mujahid (Tale of the Fighter)Gumshuda Qaafley (The Lost Caravans) Devta Aur Insaan (The Human and the Deity) Kaleesa Aur Aag (Church and Fire) Muhammad Bin Qasim (Muhammad Bin Qasim) Diyare Pakistan Se Haram Tak Pardesi Darakht Haram Tak Pardesi Darakht Haram Tak Pardesi Dar (The Alien Tree) Pours Ke Hathi (Poras' Elephants) is a Hindi film. Qafila-e-Hijaz is a term used to describe a region in the Islamic world (The Caravan of Hijaz) Qaisar-o-Kisra (Quaisar-of-Kisra) (Caesar and Kisra) Saqafat Ki Talaash is a novel by Saqafat Ki Talaash (In Search of Culture) (Volume-1) Shaheen (The Eagle) (Volume-2) Shaheen (The Eagle). As a result, Saal Baad' (After 100 Years) Sufaid Jazeera is a journalist who works for Al Jazeera (The White Island). All of the Congress's interesting efforts were crushed by Naseem Hejazi's powerful writings; all attempts to generate misperceptions have been foiled; detecting the Congress's plots, Naseem Hejazi took it upon himself to answer in a deserving manner. He informed Nawabzada Jahangir Khan, We've had enough of British dramatics, and now it's our turn to offer the concluding act of this play currently being performed on the Baluchistan stage. Naseem Hejazi got a sneak peek inside the procedures that will take place on June 29 at Town Hall. On this date, he tried everything he could to get a verdict on the fate of Baluchistan. Nawab Jogezi was also persuaded to reconsider Lord Mountbatten's insistence to purchase more time and declare in favor of Pakistan. As a result, when Mr. Jeffery Prayer started reading Lord Mountbatten's order, Nawab courageously went forward and declared, We don't need any more time for the decision because the Tribal Jirga elders have delivered their verdict in favor of Pakistan Anyone who disagrees with our choice for a member of Pakistan's Constitutional Assembly should leave right now. (Tanzeeem, Quetta Weekly, December 23, 1945; Nizam, Karachi, March 20, 1947) As a result, all of the other chiefs voiced their support behind Pakistan, and Mr. Jeffery Pryer declared that he would send a telegram to the Viceroy informing him of the Jirga's decision. After hearing this statement, Naseem Hejazi dashed outside and exclaimed, Pakistan Zindabad! Baluchistan's admission to Pakistan was made possible because of Naseem Hejazi's foresight."

Hijazi on the Big Screen

"Three of Hijazi's novels have been turned into stage productions. Akhri Chataan and Shaheen were dramatized and shown on Pakistan Television Corporation as independent drama serials in the 1980s (PTV). Akhri Chataan, PTV's finest historical fiction endeavor, is largely recognized as its best. The character of Sultan Jalal ud-Din, played by Salim Nasir, and the theme music created for the serial, gained critical acclaim. The novel Khaak Aur Khoon was converted into a film of the same name, and it is one of the few Lollywood (Lahore film industry) blockbusters (Ahmad, 2017). His important contribution to the Pakistan Movement, on the other hand, is nearly forgotten, and no one even acknowledges it. Nawab Muhammad Khan Jogezi, who turned down a Congress offer of Rs. One hundred eighty million when Baluchistan's total income was only Rs. 15 million, unambiguously acknowledged that Naseem Hejazi played a key role in Baluchistan's accession to Pakistan. Still, Naseem Hejazi is not mentioned in any of the Pakistan Movement books. It means that, even though his role in the accession of Baluchistan to Pakistan is still a living reality, authors and historians either have no idea who he is or purposely overlook him. In such a situation, history books about the Pakistan Movement should be rewritten to acknowledge Naseem Hejazi's work as one of the nation's benefactors (Babajee, 2020)."

Reference
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. Routledge.
Farooq, M. & Syed, A. (1977); “Tehreek-e-Pakistan aur Baluchistan”; Mehran Publications, Tariq Road, Karachi;
Raja T, H. (1987); “Naseem Hejazi, ekmutalea”; Qaumi Kutab Khana, 19 Ferozpur Road, Lahore
Employee Well-being and Work Life Balance as a function of Job Satisfaction: The Moderating role of Organizational Citizenship Behavior

Muhammad Adnan, Azteca University (UA), Mexico. Universidad Central de Nicaragua, Republic of Nicaragua (North America). National College of Business Administration & Economics (NCBA&E) Lahore, Multan Sub-campus, Pakistan
Ayesha Bakhtawar, Air University (AUMC), Multan Campus, Pakistan
Rakia Tul Zahra, National College of Business Administration & Economics (NCBA&E) Lahore, Multan Sub-campus, Pakistan

*Corresponding author’s email address: dr.adnanmalik1989@gmail.com

ARTICLE DETAILS

ABSTRACT

Purpose The goal of this study is to investigate that how Employee Well-Being and Work-Life Balance affected Job Satisfaction in healthcare centers with the moderating role of Organizational Citizenship Behavior.

Design/Methodology/Approach: Research was carried out in a quantitative approach. The healthcare centers of Multan region were chosen at random. Using a convenient sampling strategy, a questionnaire was created to collect data from different healthcare centers situated in Multan region. The Cronbach’s Alpha and Discriminant Validity were used to assess the questionnaire's reliability in the pilot phase. Descriptive and inferential statistical techniques (using Smart PLS) were used to assess quantitative data.

Findings: Employee Well-being and Job satisfaction have a positive relationship, whereas Work-Life Balance and Job satisfaction have a negative relationship, according to the results of this study. Organizational Citizenship Behavior (OCB) moderates Employee Well-being and Work Life Balance to Job satisfaction. Employee Well-Being is one of the major strengths for employee productivity, according to the findings of this research. When professionals practice Organizational Citizenship Behavior, employees’ job satisfaction begins to rise in healthcare centers.

Implications/Originality/Value: This study was a complete report on Multan's healthcare centers that will be highly beneficial and instructive for policymakers and
administration staff of healthcare centers for employee’s development, and for researchers in the Multan region to alter programs and policies according to the requirement for achieving goals

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0


Introduction
Employee Well-Being is a flexible concept that differs widely among generations, locations, countries, social norms, and cultures. In the scientific literature, several phrases are often used that indicate the same thing but stress slightly different aspects of happiness. Well-Being can be defined as the provision of both material and spiritual goods (Qi & Wu, 2018). A person's sense of well-being is also a feeling or condition of happiness (Guest, 2017). According to previous research, employees' WLB (Boxall & Macky, 2014) is viewed as a fundamental condition for experiencing well-being (Boxall & Macky, 2014). 2017 (Mishra & Kapoor). Simultaneous to the increasing importance of Employee Well-Being and WLB, it is essential to understand the links between these disciplines and find the most effective methods for providing the most desirable advantages, not only for the individual but also for the organization.

Various researches has associated Job Satisfaction to enhance professional performance, higher incomes, increased commitment, and work efficiency (Robertson & Cooper, 2010; McCarty et al., 2011). In this post, we look at how WLB affects employee job satisfaction and how Employee Well-Being affects Job Satisfaction. We hypothesize that there is a strong association between Employee Well-Being and Job Satisfaction. As a result, we hypothesize in this study that Organizational Citizenship Behavior (OCB) moderates Job satisfaction (JS).

According to our research and point of view, long work hours view outcome in lower satisfaction and an inability to spend equal time to one's family and personal life. He eventually leads to a reduced degree of contentment, this has a negative impact on his job and personal happiness. Working hours, happiness level, satisfied with working hours, difference of personal commitment, and proper usage of free time are among the survey items. According to the previous study, each individual has a unique level of enjoyment. We will assess overall life satisfaction, as well as the impact of Employee Well-Being and Work-Life Balance, using the moderating function Organizational Citizenship Behavior.

Background of the Study
In recent years, the concept of an Employee's Well-Being and Job Satisfaction has gained prominence and has become strategically significant for enterprises around the world. Work-life balance programmers, like the monetary benefits supplied by the company, have become a desirable metric for job searchers.

Competition between businesses is increasing in the current period of globalization, as is the rate of global economic growth. Companies demand that the people who work for them be able to compete, survive, and win (Ganapathi, I. M. D., and Gilang, A.) (2016). In order to meet the goals, set forth, several businesses have introduced Work-Life Balance.
Employee Well-Being was integrated as a quality marker of Job Satisfaction in our study, which was based on a systems approach (Montgomery et al., 2019). Montgomery and colleagues reveal how an individualism approach ignores the channels of (chronic) pressures, which are commonly associated with the worksite (such as employee shortages).

Although if individual experience well-being indexes (such as exhaustion), collaborative well-being responses among employees are typically a response to shared job characteristics (such as different stress factors). As a result, while individualized therapies may be beneficial to employees, they are less likely to have a long-term impact than company-wide solutions (Montgomery et al., 2019).

**Problem Statement**
Employee Well-Being is a big concern for many organizations, according to a recent research. Employee happiness has been shown to have a considerable effect on turnover (Page and Vella-Brodrick, 2009), productivity and additional expenses relating to organizational sustainability (Page and Vella-Brodrick, 2009; Wright et al., 2007 (Rau & Griffin, 1999). Turnover is a major concern for businesses nowadays, owing to the high costs associated with it. Employees will be affected by role conflicts, which will guide to Job Satisfaction and, in extreme circumstances, health and psychological well-being, as well as employment withdrawal and turnover (Rau and Hyland, 2002).

Work-Life Balance has become a more pressing problem for both businesses and employees in recent years. Employee productivity is often tied to work-life balance, which largely concerns with a person's ability to priorities between work and his lifestyle, social life, health, and family, among other things. Employees are pushed to work more hours as a result of unpredictable workflows and incredibly quickly work settings with short timelines, which is also a cause for concern. As a result, many people have stated that they are overwhelmed and that their work-life balance is off.

**Significance of Study**
The conclusions of this study will aid in determining how to obtain high levels of Job Satisfaction. The information collected from this study on the impact of employee perks on Job Satisfaction will help banks better understand how to turn their workers into assets, resulting in increased productivity and a long-term competitive advantage.

**Conceptual Framework**
Figure 1: Conceptual Framework

**Literature Review**

**Employee Well-Being**

The fact humans experience at work is an important issue for any firm to grasp, and not simply for humanitarian reasons, but also because of the costs involved associated with poor health. Sickness absenteeism and lower productivity at work have been linked to a lower sense of Well-Being. It's vital to look at well-being in the context of the workplace to have a clear picture of how it relates to the workplace, allowing companies to promote Well-Being among their employees.

**Work Life Balance**

Work life balance represents an equal investment in both the workplace and semi elements of life. According to Greenhaus et al. (2003), WLB contains three components: (1) time balance (comparable time being spent on family and work), (2) involvement balanced (intellectual participation in business - family commitments), and (3) satisfaction balance (alike contentment with family and work).

**Job Satisfaction**

Job satisfaction refers to people's thoughts and feelings about their specific employment. Employees' job satisfaction levels can range from extremely satisfied to highly dissatisfied. They also have personal opinions on their task world in general. People can also have thoughts and emotions about their jobs, such as the sort of work they do, their work colleagues, bosses, or supervisors, and expect to be paid (George et al., 2008).

**Organization Citizenship Behavior**

Organ (1988) describes OCB as "voluntary work-related activities that are unrelated to the structured organizational incentive system and, in average, make effective running of the organization." OCB also extends further than performance indicators provided in a company's formal job description. Furthermore, it (OCB) demonstrates employee behaviors that go above and beyond the company must meet work demands to help colleagues. (Lovell, Kahn, Anton, Davidson, Dowling, et al., 1999).

**Hypothesis Development**

**Relationship of Job satisfaction with Employee Well-Being**

The literature has recognized the significance of Job satisfaction in terms of Employee Well-Being (See, for example, Faragher, Cass, and Cooper, 2005; Iaffaldano and Muchinsky, 1985; Judge, et al., 2001; Warr, 2009). Employees who are dissatisfied have poorer a sense of well-being in specifically, report higher levels of anxiety and despair. When observing Employee Well-Being, which can be classed as intrinsic or extrinsic, are of particular importance. Employees' internal job satisfaction relates to their feelings regarding the nature of their job activities, whilst external motivational pleasure belongs to feelings regarding features of their workplace that are unrelated to their work responsibilities. Hirschfeld and Rothmann, 2000; Rothmann, 2008). External factors directly affect workplaces, coworkers, compensate, interactions between managers and employee, the strategy your organization takes, regular hours, and stable employment, whereas internal factors include flexibility in choosing your own operation, applaud and acknowledgement work, number of responsibility, chances to use attributes, possible of advancement, and focus to your recommendations, and wide range of work (Warr et al., 1979). The use of these composites to look at satisfaction and well-being gives us a better understanding.
**H1:** There exists a significant relationship between Employee Well-Being and Job Satisfaction.

**Relationship with Work Life Balance (WLB) and Job Satisfaction (JS).**

An agreeable sensation about a job that arises from a study of its characteristics" is how job satisfaction is defined. Several variables have been described in the literature as determinants of Job Satisfaction, and several researchers have concentrated on job satisfaction. WLB has been shown to be a positive association between Job Satisfaction On the other hand, Findings on the influence of a bad Work-Life Balance or work overload on Job Satisfaction tend to focus on the impact of a poor Work-Life Balance or workplace dispute on Job Satisfaction. As per a study, employees who face controversy between their task and – anti problems are far less satisfied at work and in daily existence. An imbalance between work and non-work was identified to be the leading cause of job dissatisfaction in a survey of bus drivers. Other studies found a negative connection between work conflict and job satisfaction of employees.

**H2:** There is a significant relationship between Work Life Balance and Job Satisfaction.

**Moderation between Employee Well-being (EWB) and Job Satisfaction (JS)**

William & Anderson discovered both extrinsic and intrinsic Job Satisfaction have positive relationships with each of the OCB elements (1991). They utilized a solitary indicator to assess work satisfaction and modified 3 components of the OCB rate to create a comprehensive score (altruism, conscientiousness, and sportsmanship). As according Ahmad (2006), four employee attitudes have a positive and direct impact on academicians’ citizenship practices in Malaysia; Firm Strong commitment, career satisfaction, procedural fairness, and egalitarianism are all examples of justice. Furthermore, involvement in the workplace, commitment to the organization, and ethical culture were all linked to OCB in a study of employees in a health-care Unit (Othman, 2002).

**H3:** Organizational Citizenship Behavior positively moderate the relationship between Employee Well-being and Job Satisfaction.

**Moderation with Work Life Balance (WLB) and Job Satisfaction (JS)**

WLB refers to those who are evenly active in work and family life and are content in both. Work-life balance appears to have a significant impact on Corporate Citizenship activities, according to a study. Social obligations, individual matters, goal setting, time work, remuneration, and benefits were examined as factors of Work-Life Balance, whereas Organizational Citizenship Behavior qualities included generosity, self - control, tolerance, and civilized behavior. Workers who can balance work life and personal life have fewer responsibilities, higher performance, and better corporate citizenship, all of which influence productivity. People who believe they have a good work-life balance are less likely to leave the organization and more likely to take part in corporate citizenship projects.

As per research, based on a survey of 98 participants, there is a significant and positive relationship between Work-Life Balance and Job Satisfaction between many educational workmates in academic institutions. Work-Life Balance refers to the aspects of managing time, whereas Job Satisfaction refers to aspects such as the job itself, salary, career progression, monitoring, and companions. Employees will accomplish Work-Life Balance, according to research, if they are satisfied and successful in various endeavors, which will boost the variables that improve job satisfaction and efficacy at work and at home. Components that inhibit job happiness and effectuality at home and in the workplace, on the other hand, will have an unfavorable effect on the WLB.
Organizational Citizenship Behavior (OCB) and Job Satisfaction (JS)
As per Organ and Bateman, all components of Job Satisfaction, including remuneration, development chances, oversight, personality, and colleagues, are related to organizational contextual performance in a good way. Organizational Citizenship Behavior refers to the attributes of generosity, self-control, gentility, and moral responsibility, whereas job satisfaction belongs to factors such as work, wages, achievements, management, and colleagues. Organizational Citizenship Behavior (OCB) refers to the activities by members of the organization or workers that are not specifically rewarded or prohibited. The employee's work description does not specify OCB.

H4: Organizational Citizenship Behavior positively moderate the relationship between Work Life Balance and Job Satisfaction.

Theory of Planned Behavior (TPB)
Theory of Planned Behavior (TPB) first was presented in 1980 as just a tool to determine a person's desire to perform a given behavior at a specific moment in time. The hypothesis was created to encompass all human activities that are subject to self-control. This technique heavily depends on behavioral control; one's personal assessment of the risks and advantages of the intended outcome, as well as one's judgment of the likelihood that the behaviors would generate the desired result, influence one's intentions. According with TPB, behavioral performance can be determined by both intent (real purpose) and ability (behavioral control). Beliefs are classified into three types: cognitive, rule, and regulating.

Methodology
The goal of this research was to see how Employee Well-Being and Work-Life Balance affected employee's contentment, well-being, and work satisfaction, as well as the moderating function of Organizational Citizenship Behavior in the links between Well-Being and WLB and Job Satisfaction. For the data analysis Smart PLS 3.2.8 software were employed because this technique is extensively utilized in the scientific community and is more robust than standard regression analysis (Amram & Dryer, 2008).

Because of the accessibility of access to respondent information, as well as time and expense constraints, the researcher chose the Healthcare Center. The employees working in Multan's healthcare centers who deal directly with patients were chosen for this study. Different healthcare centers were chosen at random for this study's sample. Finally, 220 employees from various healthcare centers were asked to participate in this study. The Technique used in the research is convenient sampling. This study used convenient random sampling with the different healthcare centers. A total of 220 employees were chosen at random from each institution to produce the sample size.
For this study, primary data was collected. To acquire primary data, the researcher employed a designed structured questionnaire. A five-level Likert Scale was used to assess the respondents (1=strongly disagree to 5=strongly agree).

**Research Implements and Scale Measures**

**Employee Well-being**

The study used a measure that has previously been used in research undertaken by others to assess the well-being of healthcare employees (Skevington et al., 2004). The model is intended in a 5.0-point Likert Scale, with 1: Strongly Disagree, 2: Disagree, 3: Neutral, 4: Agree, and 5: Strongly Agree.

**Work Life Balance**

While trying to evaluate the Work Life Balance provided to employees of healthcare centers, the present study adapted a scale previously used in a study conducted by (Daniels and McCarraker Industrial Society, 2000), which was rooted with the following scale: 1: Strongly Disagree, 2: Disagree, 3: Neutral, 4: Agree, and 5: Strongly Agree.

**Job Satisfaction**

Current survey adapted the scale used earlier in the research official investigation by (Smith, 1969) with 5.0-point Likert Scale grounding with to assess the Job Satisfaction founded in the healthcare centers. 1: Agree, 2: Disagree, 3: Neutral, 4: Agree, 5: Strongly Agree

**Organizational Citizenship Behavior**

Present survey evolved the scale used earlier in the research examination directed by (Organ, 1988; Podsakoff et al., 2009) with 5.0-point Likert Scale attaching with to assess the Organizational Citizenship Behavior formed in the healthcare centers. 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree.

**Statistical Analysis**

**Descriptive Statistics and Inter-Construct Correlation**

Table 1 depicts the strength of the correlations among the latent variables by showing the Mean (M), Standard Deviations (STDEV) of a sample, T-Statistics, and their accompanying P-values.

<table>
<thead>
<tr>
<th>Hyp.</th>
<th>Relationships</th>
<th>Sample</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Employee Well-being (EWB) → Job Satisfaction (JS)</td>
<td>0.336</td>
<td>0.334</td>
<td>0.074</td>
</tr>
<tr>
<td>H2</td>
<td>Work Life Balance (WLB) → Job Satisfaction (JS)</td>
<td>0.212</td>
<td>0.217</td>
<td>0.064</td>
</tr>
<tr>
<td>H3</td>
<td>Employee Well-being (EWB) → Organizational Citizenship Behavior (OCB) → Job Satisfaction (JS)</td>
<td>-0.171</td>
<td>-0.165</td>
<td>0.079</td>
</tr>
<tr>
<td>H4</td>
<td>WLB*OCB → Job Satisfaction (JS)</td>
<td>0.125</td>
<td>0.118</td>
<td>0.081</td>
</tr>
<tr>
<td>EX1</td>
<td>Employee Well-being (EWB) → Organizational Citizenship Behavior (OCB)</td>
<td>0.545</td>
<td>0.547</td>
<td>0.071</td>
</tr>
<tr>
<td>EX2</td>
<td>Organizational Citizenship Behavior (OCB) → Job Satisfaction (JS)</td>
<td>0.402</td>
<td>0.399</td>
<td>0.075</td>
</tr>
<tr>
<td>EX3</td>
<td>Work Life Balance (WLB) → Organizational Citizenship Behavior (OCB)</td>
<td>0.297</td>
<td>0.297</td>
<td>0.074</td>
</tr>
</tbody>
</table>

In Table 2 the Coefficient Correlation refers to the strength of a linear relationship between two variables. A number of linear correlations < 0 indicates a positive correlation. A value > 0 suggests a negative association. All of the values revealed are positive between 0.676 and 0.792, indicating that almost all of the constructs explain the relationship between 67 and 79 percent of the time, with no multi-collinearity.

<table>
<thead>
<tr>
<th>Hyp.</th>
<th>Relationships</th>
<th>Sample</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>EWB*OCB</td>
<td>EWB*OCB</td>
<td>1.000</td>
<td>0.308</td>
<td>0.393</td>
</tr>
<tr>
<td>ES</td>
<td>EWB</td>
<td>0.411</td>
<td>0.907</td>
<td>0.469</td>
</tr>
</tbody>
</table>
Employee Satisfaction (ES)  1.000  0.774  0.774  0.314  0.707
Employee Well-Being (EWB)  1.000  0.769  0.377  0.755
Organizational Citizenship Behavior (OCB)  1.000  0.374  0.709
WLB*OCB  1.000  0.414
Work Life Balance (WLB)  1.000

Inter-Construct Correlation depicting the correlation of latent variables with other latent variables have been illustrated in Table 2.

Measurement Model

Figure 03: Measurement Model

Construct Reliability and Validity

Table 4 show a comprehensive investigation of the data's reliability and validity. Huang et al. (2013) affirmed that AVE values is > 0.05, and Hadi et al. (2016) argued that the value of Factor Loadings must be > 0.5, means that the value is correct. The values of AVE and Factor Loadings in this research exceeded the 0.05 threshold, indicating that the data is correct. According to Black et al. (2014), the Composite Reliability (C.R) is greater than 0.45, implying that C.R value exceeds this limit, suggesting that the data is reliable. As according Nunally (1978) Cronbach's Alpha is considered credible when it is around 0 and 1, Cronbach's Alpha results of the study show that almost all of the values are less than 0.9, which is generally true.

Table 4: Construct Reliability and Validity

<table>
<thead>
<tr>
<th>Construct(s)</th>
<th>Cronbach’s Alpha</th>
<th>C.R</th>
<th>AVE</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Well-Being (EWB)</td>
<td>0.827</td>
<td>0.878</td>
<td>0.592</td>
<td>15.571</td>
<td>4.662</td>
</tr>
<tr>
<td>Job Satisfaction (JS)</td>
<td>0.813</td>
<td>0.877</td>
<td>0.64</td>
<td>12.329</td>
<td>4.623</td>
</tr>
<tr>
<td>Organizational Citizenship Behavior (OCB)</td>
<td>0.809</td>
<td>0.867</td>
<td>0.567</td>
<td>12.128</td>
<td>4.286</td>
</tr>
<tr>
<td>Work Life Balance (WLB)</td>
<td>0.758</td>
<td>0.848</td>
<td>0.584</td>
<td>11.804</td>
<td>3.735</td>
</tr>
</tbody>
</table>

According to Hair et al. (2017), while measuring the Composite Reliability, the indicator loading values are greater than 0.70, and the values for Average Variance Extracted (AVE) and indicator reliability should be greater than 0.50. Table 5 shows the values of cross loading for each concept in the current study.

Table 5: Outer Factor Loadings

<table>
<thead>
<tr>
<th>Construct(s)</th>
<th>Factors</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee well-being (EWB)</td>
<td>EWB1</td>
<td>0.725</td>
</tr>
</tbody>
</table>
The HTMT (Discrimination Validity) ratio was used to emphasize the differentiate ratio and its terms, that must be less than one to accept (Wang et al. 2015). Furthermore, the Fornell-Larcker criterion and Cross-Loadings are used to determine discriminate Validity. The Correlation value with other latent variables should be less than the square root of Average Variance Extracted (AVE) for each latent variable, according to the Fornell-Larcker criterion. Additionally, the Outer Loading for a construct indicator should be larger than the Cross Loading with all other variables (Hair et al., 2017). The results for Discriminant Validity under Fornell-Larcker criterion has been exhibited in Table 6.

The analysis shows that objects have a satisfactory level of Composite Reliability and also reliability, with substantial Factor Loadings (> 0.70), acceptable AVE (> 0.50), good indicator reliability (> 0.50), and a higher level of Internal Consistency in each of the four latent variables (Employee Well-being, Work Life Balance, Job Satisfaction, Organizational Citizenship Behavior), having the values of Cronbach’s Alpha and Composite Reliability values tend to range between 0.848 and 0.878. It was found that all four latent variables discriminated each other because scale met the criteria for evaluating Discriminant Validity based on the Fornell-Larcker criterion as well as higher outer loading.

**Coefficient of Determination (R²)**

The next stage in smart PLS is to study the structural model's validity after reviewing the assessing models. The Determination Coefficient (R²) tends to reflect the integrated effect of
exogenous construct latent variables on a target latent endogenous construct with an acceptable range of values between 0 and 1, with higher values indicating higher explanation of the research systematic framework (Joseph F Hair et al., 2019). The $R^2$ values for JS (0.700) and OCB (0.630) are good and moderate, but not strong, as shown in Table 6.

<table>
<thead>
<tr>
<th></th>
<th>$R^2$</th>
<th>$R^2$ - Adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>JS</td>
<td>0.700</td>
<td>0.693</td>
</tr>
<tr>
<td>OCB</td>
<td>0.630</td>
<td>0.626</td>
</tr>
</tbody>
</table>

**Coefficient of Effect Size ($F^2$)**
To estimate the change in the $R^2$ value, the value of $F^2$ for a latent construct must be examined (Sarstedt et al., 2017). Table 7 shows that the effect of OCB on JS was found to be substantial and significant, with a value of 0.196 in the entire model.

<table>
<thead>
<tr>
<th></th>
<th>JS</th>
<th>OCB</th>
</tr>
</thead>
<tbody>
<tr>
<td>EWB*OCB</td>
<td>0.031</td>
<td></td>
</tr>
<tr>
<td>JS</td>
<td>0.119</td>
<td>0.345</td>
</tr>
<tr>
<td>EWB</td>
<td>0.196</td>
<td></td>
</tr>
<tr>
<td>OCB</td>
<td>0.016</td>
<td></td>
</tr>
<tr>
<td>WLB*OCB</td>
<td>0.055</td>
<td>0.103</td>
</tr>
</tbody>
</table>

**Confidence Intervals**
To determine the significance of the Path Coefficient, the CIs (Confidence Intervals) for the constants of the latent elements were estimated using a bootstrap approach. This bootstrap method does not require a normality assumption for the sample distribution. A significant route coefficient exists if zero does not fall in the bottom and top 95 percent of CIS accepts one relationship (WLB*OCB -> JS), according to Joseph F. Hair et al. (2019). Table 8 shows that there are no zeros in the bottom and upper 95 percent confidence intervals of the current study.

<table>
<thead>
<tr>
<th>Hyp.</th>
<th>Relationship(s)</th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>2.5%</th>
<th>97.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>EWB $\rightarrow$ JS</td>
<td>0.336</td>
<td>0.334</td>
<td>0.183</td>
<td>0.474</td>
</tr>
<tr>
<td>H2</td>
<td>WLB $\rightarrow$ JS</td>
<td>0.212</td>
<td>0.217</td>
<td>0.093</td>
<td>0.344</td>
</tr>
<tr>
<td>H3</td>
<td>EWB*OCB $\rightarrow$ JS</td>
<td>-0.171</td>
<td>-0.165</td>
<td>-0.314</td>
<td>-0.008</td>
</tr>
<tr>
<td>H4</td>
<td>WLB*OCB $\rightarrow$ JS</td>
<td>0.125</td>
<td>0.118</td>
<td>-0.040</td>
<td>0.270</td>
</tr>
<tr>
<td>EX1</td>
<td>EWB $\rightarrow$ OCB</td>
<td>0.545</td>
<td>0.547</td>
<td>0.408</td>
<td>0.685</td>
</tr>
<tr>
<td>EX2</td>
<td>WLB $\rightarrow$ OCB</td>
<td>0.402</td>
<td>0.399</td>
<td>0.249</td>
<td>0.542</td>
</tr>
<tr>
<td>EX3</td>
<td>OCB $\rightarrow$ JS</td>
<td>0.297</td>
<td>0.297</td>
<td>0.151</td>
<td>0.439</td>
</tr>
</tbody>
</table>

**Path Coefficient ($\beta$) and hypothesis testing**
Additionally, a crucial T-value $> 1.96$ at $p < 0.05$ suggests that the Path Coefficient is statistically significant in a two-tailed test (Hair et al., 2019). Table 9 shows that the t-value is greater than 1.96 and the p-value is less than 0.05, indicating that the route coefficient of the model in the ongoing study are significant, with the acceptance of one (EWB*OCB $\rightarrow$ JS).

<table>
<thead>
<tr>
<th>Hyp.</th>
<th>Relationship(s)</th>
<th>$\beta$</th>
<th>T-value</th>
<th>P-values</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>EWB $\rightarrow$ JS</td>
<td>0.335</td>
<td>4.514</td>
<td>0</td>
<td>Significant</td>
</tr>
<tr>
<td>H2</td>
<td>WLB $\rightarrow$ JS</td>
<td>0.212</td>
<td>3.317</td>
<td>0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>EX1</td>
<td>EWB $\rightarrow$ OCB</td>
<td>0.545</td>
<td>7.695</td>
<td>0</td>
<td>Significant</td>
</tr>
<tr>
<td>EX2</td>
<td>WLB $\rightarrow$ OCB</td>
<td>0.297</td>
<td>4.04</td>
<td>0</td>
<td>Significant</td>
</tr>
<tr>
<td>EX3</td>
<td>OCB $\rightarrow$ JS</td>
<td>0.402</td>
<td>5.32</td>
<td>0</td>
<td>Significant</td>
</tr>
</tbody>
</table>

**Moderation Analysis**
Tables 1–3 illustrate that Organizational Citizenship Behavior (OCB) moderated the relationship between Employee Well-Being (EWB) and Job Satisfaction (JS), but not between the Work-Life Balance (WLB) and Job Satisfaction (JS).

<table>
<thead>
<tr>
<th>Hyp.</th>
<th>Relationship(s)</th>
<th>β</th>
<th>T-value</th>
<th>P-values</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H3</td>
<td>EWB*OCB</td>
<td>-0.171</td>
<td>2.172</td>
<td>0.03</td>
<td>Significant</td>
</tr>
<tr>
<td>H4</td>
<td>WLB*OCB</td>
<td>0.125</td>
<td>1.544</td>
<td>0.123</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

**Discussion**

The current study that looked at the connections between Employee Well-being, Work-Life Balance, and Job Satisfaction in a sample of 220 professionals from various healthcare centers in Multan region. The point of the study was to decide whether Employee Well-being contributes to their Job Satisfaction of employees with an instinctive sense of Organizational Citizenship Behavior (OCB) as having practiced norm. Besides one, the study's findings supported the hypotheses statements.

In this study, employees with higher levels of Employee Well-being were found to be more satisfied with the organizationally provided Organizational Citizenship Behavior as well as more engaged with their work responsibilities. It could be related to the global excessive high workload pressure in the healthcare centers, particularly among employees (Janssen et al., 2020), who made up the bulk of students in this research. When job demands are high, employees may find it difficult to sustain them effectively. Organizational Citizenship Behavior, in particular, has been found to moderate the relationship among Employee Well-being and Work Life Balance.

Moreover, The research findings give legitimacy to the Theory of Planned Behavior by illustrating the value of having confidence in one's own skills and abilities, as well as intrinsic incentive to participate in the powers and tasks assigned to them by organizations. Intention (true purpose) and ability can both influence behavioral performance (behavioral control). Organizations must evaluate employee Job Satisfaction since low satisfaction can induce negative reactions in the workforce, resulting in considerable financial costs. Employee satisfaction has been found to be inversely related to performance, with lower satisfaction resulting in lower performance (Judge, Thoresen, Bono, & Patton, 2001).

**Conclusion**

Our findings imply that healthcare centers should take steps to develop better ways to assist employees in achieving higher levels of Work Life Balance (WLB), which is likely to lead to enhanced Employee Well-Being and thus improved performance. If employees do not establish their own way to improving their well-being, the healthcare centers' efforts will be for naught. Conclusions are critical for practitioners who want to increase their organization's performance by improving Employee Well-Being. Our research responds to a request for more multilevel analyses focusing on Employee Well-Being in various situations (Martin et al., 2016).

By the end of the assessment, it has been determined that Work-Life Balance doesn't really support the moderating relationship between Organizational Citizenship Behavior and Job Satisfaction. According to the assessment report, the moderating link between Employee Well-Being and Job Satisfaction is significant. Meeting employees' needs was a major emphasis of the literature review because it has a beneficial impact on employee well-being. It is crucial to emphasize that trying to ensure Employees' Well-Being premised on sustainability practices helps to stimulate critical thinking, reveals positive social behavior patterns, contribute to improved feelings and effective employee achievement, and enhances team trust as a critical
aspect of streamlined performance of the organization. A review of research publications a direct
and indirect link between Job Satisfaction and Employee Well-Being. As a result, further
research is needed to determine the links between Job Satisfaction and Employee Well-Being, as
well as the moderating effects of Organizational Citizen Behavior.

Limitations
The strength of this study derived from a hierarchical and naturally nested sample from major
healthcare centers with a wide range of work units and occupations. By use of cross-sectional
data was one of the study’s limitations. Second, because we only looked at one organization,
findings that were context-specific would have to be replicated in multiple healthcare centers.
This could explain why some people are dissatisfied with management services (which include
the customer service). Moreover, current research is limited to a bridge design, making causal
inferences for this study difficult. Third, the study sample was comprised of staff working in
healthcare centers of Multan region with varying demographic factors and occupational
backgrounds; thus, the generalizability of our findings to other industries or sectors remains to be
determined.

Future Research Directions
Supervisory observations and management evaluations of job performance could be used in
future studies to validate the statements of results acquired after the statistical analysis of the
study. There have been hardly any research and inquiries into the specific impact of such
components on work performance. The effects of work overload, psychological well-being, and
safety on employee health should also be investigated, with the study observation of
Organizational Citizenship Behavior serving as a mediating function. The current study can be
replicated, and future studies will need to evaluate the study’s findings on both a sample of other
healthcare centers in other countries and a sample of other healthcare centers in other countries.
Future studies can use the same study approach to validate across a variety of businesses and
cultures. The role of these characteristics in regulating the relationship between employee well-
being, affective commitment, and job performance may be studied further in the future.

References
Ahmad, Z. B. (2006). Job attitudes as a determinant of organizational citizenship behaviors: A
study among academic staff in Kuching Polytechnic, Sarawak. Unpublished master's
Boxall, P., & Macky, K. (2014). High-involvement work processes, work intensification and
health: a meta-analysis. Occupational and Environmental Medicine, 62(2), 105-112.
Ganapathi, I. M. D., & Gilang, A. (2016). Pengaruh work-life balance terhadap kepuasan kerja
karyawan (studi pada PT. Bio Farma Persero/ The impact of work-life balance towards job
satisfaction study on Bio Farma Company, E-jurnal Ecodemica,
Edition, Pearson/Prentice Hall, New Jersey, p. 78
Practices and Employee Well-Being Tradeoffs, Academy of Management Perspectives, August, pp.51-63
Greenhaus, J. H., Collins, K. M., & Shaw, J. D. The relation between work-family balance and


Long Run and Short Run Co-Movement among Oil Prices and Stock Market Liquidity: Evidence from the Emerging Equity Market of Pakistan

Sania Sarfraz Department of Management Sciences, National University of Modern Languages, Faisalabad Campus, Pakistan
Mumtaz Ahmad Assistant Professor, Department of Commerce, The Islamia University of Bahawalpur, Bahawalpur, Pakistan
Muhammad Husnain Assistant Professor, Department of Business Administration, University of Sahiwal, Sahiwal, Pakistan

*Corresponding author’s email: husnain207@hotmail.com

ARTICLE DETAIL

Abstract: The objective of this study is to examine the long run and short run relationship between oil prices and stock market liquidity in Pakistan stock exchange.

Design/Methodology/Approach: The sample spans 10 years from 2010 to 2019. We use auto-regressive distributed lag (ARDL) to examine long-term and short-term relationships between oil prices, exchange rate, stock market index, market volatility and inflation and stock market liquidity. We use normality checks, serial correlation tests, heteroscedasticity tests, and CUSM models to assess model stability.

Findings: Result shows that there exist a long-term negative association between exchange rate and inflation, but a positive relationship is revealed between oil prices, stock returns, and market volatility. These conclusions hold for three sectors i.e. automobile, cement and sugar.

Implications/Originality/Value: This study extends the existing debate on the relationship between macroeconomic variables and stock market liquidity to the emerging equity market. For this, it uses three proxies for stock market liquidity: Amihud liquidity, average trading volume, and trading volume average.

© 2021, The authors, under a Creative Commons Attribution-NonCommercial 4.0

Keywords
Oil Prices, Stock Market, Liquidity, Exchange Rate, Volatility, Emerging Equity Market of Pakistan

JEL Classification
C18, D53, F31, G38, E44

Introduction
The movement of global oil prices has a significant impact on both the real and financial markets. Since Hamilton (1983), a growing body of literature has sought to understand how oil price shocks affect different countries. It includes research on the relationship between oil prices and economic growth (Narayan et al., 2014), inflation (Cologni & Manera, 2008), interest rate (Akram, 2009), unemployment rate (Herrera et al., 2016), and stock market return (Balcilar et al.,
The capital market is vital for economic prosperity. The more stable the capital market is, the more tempting it is to investors (Narayan et al., 2014). Also, when depositing capital, investors expect that their investment will pay off in the long run. Stock liquidity is the capacity to buy and sell significant volumes of stock without impacting prices or transaction costs (Zheng & Su, 2015). Any country's financial industry is vital to its success, and the stock exchange is a vital part of any financial sector's infrastructure. Stock markets have the potential to significantly boost a country's economic growth. A healthy stock market is essential for economic growth. The growth of Pakistan's stock markets has a significant impact on economic growth. Long-term, a healthy stock market can help boost economic growth.

A stock's liquidity is determined by how often it is traded, how many transactions it creates, and how much each transaction is worth. Liquidity refers to the ease of trading stocks (Amihud et al., 2006). Since the global financial crisis, much research has been done on liquidity in financial markets, particularly its determinants and effects. The aggregate discount factor based on a collection of state variables should contribute to determining stock liquidity (Zheng & Su, 2015). The lack of stock movement and financial reporting is one grounds for trade suspension or termination. Prior to performing technical and fundamental stock analysis, investors should examine the stock's liquidity as one of the most critical criteria (Utami et al., 2017). Price, volume, and trading frequency are all based on the information and conditions available at the moment of the trade, according to the efficient market theory (EMT). Because investors react quickly to new information, they can opt to enter the market and spend their capital, causing stock prices to adjust virtually instantly (Nofsinger, 2001). Others, including Ball and Brown (1968), have argued contrary (1969). Lai and coworkers (2009) discovered that stock prices vary when fresh and beneficial information enters the market. Liquidity is essential in trading. Orders and listings follow liquidity. Liquid markets allow traders to buy and sell large quantities of stock without impacting the price. Market liquidity demonstrates efficiency. Insufficient market liquidity can lead to a financial crisis. Measuring liquidity is critical. In this context, four factors matter: trade time, tightness, depth, and resiliency. Various factors influence Pakistan's financial markets. Monetary policy affects stock market liquidity. Policies may influence Pakistani stock exchanges. Microeconomic variables may influence the stock market. Liquidity risk is theoretically determined by an aggregate discount factor based on a set of state variables. Less research has been done on the link between oil prices and stock market liquidity. So our paper fills a gap in the literature. Our premise is that international oil market shocks could be a key state variable, and we empirically show it using the Pakistan stock market as an example.

This paper's goal is to see if oil price movements have a long run and short run relation with stock market liquidity. The impact of macroeconomic variables on Pakistani stock exchange liquidity is studied. This study's sample duration is 10 years, from 2010 to 2019. The ultimate sample size for this study is 53 non-financial enterprises listed on the Pakistan stock exchange from three sectors including, automobiles, sugar, and cement. Stock market liquidity is estimated using three proxies - Amihud liquidity, share traded value and trading volume. We use auto-regressive distributed lag (ARDL) to examine long-term and short-term relationships between variables. In order to test the model's stability, we use ARDL, serial correlation, heteroscedasticity, and CUSM models.

This work adds to the literature in several ways. First, existing research focuses on stock market returns due to macroeconomic changes. This study adds to the body of research on macroeconomic variables and stock market liquidity with a particular focus on oil prices (Park & Ratti, 2008; O'Neil et al., 2008; Kilian, 2009; Hassan, 2017). Our contribution to the first sort of literature is to discuss the relationship between oil and the stock market. Recent research focuses on the impact of oil price variations on stock market returns. There is still little agreement on the precise impacts of oil price movements on stock liquidity. It can be positive (Ono, 2011) or
negative (Park & Ratti, 2008; O'Neill et al., 2008). A large body of research has focused on this crucial notion since the 2007 financial crisis (Chordia et al., 2001, 2005; Acharya & Pedersen, 2005; Martinez et al. 2005; Levine & Schmukler, 2006). The importance of stock liquidity is explained as follows. First, we can theoretically go beyond the typical asset pricing approach that assumes constant trade frictions by considering variations in liquidity. After the global financial crisis, individuals realised the need of including liquidity risk. Liquidity risk is a major cause of financial crises, particularly in emerging nations conversely, improved liquidity can greatly contribute to financial and economic growth in underdeveloped countries (Bekaert et al., 2007; Bekaert & Harvey, 2000). Second, it extends the existing debate on macroeconomic variables and stock market liquidity to emerging equity markets (Sklavos, Dam & Scholtens, 2013). Bekaert et al. (2007) suggest that better liquidity circumstances can boost financial and economic growth in emerging markets. To examine the impact of macroeconomic variables on sectoral levels in the equity market. Fourth, it measures stock market liquidity using three separate proxies: Amihud liquidity, average trading, and trading volume. Previous research on market liquidity have employed VAR (Fujimoto, 2004; Chordia, Sarkar, & Subrahmanyam, 2005). We use auto-regressive distributed lag (ARDL) to examine long-term and short-term relationships between variables.

The hypothesis development of the study are discussed in the next section, which is followed by the data and research methods. The empirical findings of the study are discussed in the following section, which is followed by the conclusion of the study.

**Literature Reviews**

Various studies on the stock market have been conducted previously. The Pakistani stock market liquidity and macroeconomic variables were examined (Nishat, Shaheen, & Hijazi, 2004; Ali et al., 2010; Hussain, Rafique, & Nawaz, 2013). These studies showed varying results. Pakistani stock liquidity and macroeconomic metrics are examined. It influenced economic progress in Pakistan and Bangladesh. They noted that both stock markets promote economic growth (Zahid, Khan & Tariq, 2012). It also influences Pakistan's economic growth. Nigerian stock market and economic growth were investigated (Ezeabasili & Alajekwe, 2012). So, stock market liquidity helps economic growth. In addition, market size has little impact on economic growth. Decreased capital costs can also be achieved through improving liquidity, according to Bekaert et al. (2007). The link between oil prices and stock market liquidity is rarely addressed. Sklavos et al. (2013) were the first to investigate the link between market liquidity and oil price (2013). Based on data from 130 US enterprises from 2006-2011, they conclude that higher oil returns tend to diminish traded value and market maker pricing spreads. Essentially, higher oil prices lower trading costs, diminish market depth, and discourage continued transaction. Ratti & Vespignani (2013) examine the relationship between Chinese liquidity and crude oil prices. As a proxy for market liquidity, they argue that China's M2 has a significantly higher impact on the global oil market than real M2 shocks in some advanced economies. We are particularly concerned in how different forms of global oil market shocks will impact the liquidity status of the Chinese stock market.

The impact of domestic and global macroeconomic variables on ASEAN financial markets (Catherine, 2011). Financial markets in these countries are heavily influenced by economic growth, interest and currency rates. Karachi stock exchange liquidity (Kanasro, Junejo & Junejo, 2011). Based on liquidity, turnover ratio, and market size, they found the stock market less liquid from 1985 to 2006. The Karachi stock exchange lacks liquidity and hence fails to attract investors. Macroeconomic indicators and stock market prices correlated in the US, Japan, and China (Bellalah & Masood, 2019). To understand the Pakistani stock market, read Mehwish (2013). FDI and value-added commerce boost stock market performance. The banking industry grew slowly. Affect macroeconomic and institutional forces. The research used 42 emerging
markets (Yartey, 2008). Major stock market factors include law & order, political risk, & bureaucratic quality. Money supply, total traded value, gross capital creation, CPI, and private sector credit had positive significant impacts on the Amman stock exchange (El-Nader & Alraimony, 2012). Nominal GDP and net remittances had negative effects on stock market growth. Recently, market liquidity has gotten a lot of (Amihud et al., 2005). Numerous studies have examined the impact of oil price fluctuations on stock markets in various economies, including the US, UK, and Europe. (Al-hajj et al., 2017) According to Raza et al. (2016), the price of oil has a negative long-term and short-term impact on stock markets (Al-hajj, Mulali, & Solarin, 2017).

Most studies revealed a negative association (Chen, 2009; Filis, 2010; Basher et al., 2012), although some found a positive one (Basher et al., 2012; Abhyankar et al., 2013). In short, exchange rate and stock market liquidity are linked. Inflation causes foreign capital to flow into the domestic market. It should be opposite stock market liquidity. Finance, trade, real output and stock market liquidity are all affected. Wage depreciation would reduce export costs, increase global competitiveness, and boost cash flow (Li, Lu, Ren, & Zhou, 2018). Controlling inflation is a top issue for emerging markets, and measuring economic growth is vital (Omran & Pointonb, 2001). Plusieurs research on inflation and stock market growth have been conducted (Pradhan, Arvin, & Bahmani, 2015). So, as long as inflation rises, common stock prices should rise to compensate investors. This model predicts an inflation-stock price relationship (Omran & Pointonb, 2001). It appears that the Chinese and US stock exchanges are linked via interest rate, industrial output index, and money supply. On the long term, Japan's money supply is positive. On the Japanese stock market, the industrial production index is favourably correlated with long-term interest rates. Stock prices in India, Pakistan, Bangladesh, and Sri Lanka (Muhammad & Rasheed, 2002). India and Pakistan do not have a long-term correlation between stock values and exchange rates. They didn't exist in South Asia. The effect of inflation on the Egyptian stock market was studied. Stock market performance is affected by inflation both long and short term (Omrana & Pointonb, 2001). In addition, the relationship between stock market volatility, real macroeconomic volatility and economic activity was examined. Leverage and stock market volatility go hand in hand.

Data and Research Methodology
The study's initial sample includes 443 Pakistani listed enterprises. This study's sample duration is 10 years, from 2010 to 2019. We excluded the financial sector due to its capital structure and profit needs. The sample also excludes companies for whom no data is available. This study's ultimate sample size is 53 listed non-financial textile companies from Pakistan, and sector wise detail has been presented in table 1. The Karachi Stock Exchange is Pakistan's largest and most liquid. World's Best Performing Stock Market, according to Business Week. The KSE has 602 listed companies worth Rs5.22 trillion (PSX, 2016). FDI in KSE peaked in 2007. The sway began in 2007. A rapid rise in the last two decades The KSE was one of the top ten stock exchanges in 2015. Since 2009, the KSE has been ranked third by Bloomberg. The Pakistan stock exchange unified all three in January 2016. On January 26, 2016, PSX had 558 listed companies worth $95 billion. Now called Pakistan Stock Exchange.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Sector Detail</th>
<th>Listed Companies</th>
<th>Selected Sample</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Automobiles</td>
<td>22</td>
<td>16</td>
<td>73%</td>
</tr>
<tr>
<td>2</td>
<td>Sugar</td>
<td>28</td>
<td>21</td>
<td>75%</td>
</tr>
<tr>
<td>3</td>
<td>Cement</td>
<td>22</td>
<td>16</td>
<td>73%</td>
</tr>
<tr>
<td>4</td>
<td>Total</td>
<td>72</td>
<td>53</td>
<td></td>
</tr>
</tbody>
</table>

Measurement of Variables
Market liquidity refers to the ability to buy and sell assets at steady prices. (Akhtar, 2018) There
are various indicators of stock market liquidity (Bannan, 2017). We use three proxies to assess stock market liquidity. First is the Amihud stock market liquidity (2002), second, proxy is the share traded average and third is the trade volume.

Amihud Liquidity
This statistic is the absolute daily return divided by the daily trading volume (Amihud, 2002)

$$\text{Amihud Liquidity} = \frac{P - 1}{\text{Avg of the daily dollar trading volume}}$$

Average Value of Share Traded
The second indicator of stock market liquidity is average value of the share traded. It is the daily average share traded times the market price.

$$P - 2 = \text{Average value of share trading in a day} \times \text{Market Price of Share}$$

Trading Volume
Trading volume is the third proxy for stock market liquidity. Trading volume counts shares. Larger trading volume equities are more liquid (Bogdan et al, 2012; Baruch & Saar, 2009).

$$\text{Trading Volume} = P - 3 = \text{Average number of share trading in given day}$$

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Variable Name</th>
<th>Measurement</th>
<th>References</th>
<th>Data Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Oil Prices</td>
<td>Europe Brent Spot Price</td>
<td>(Husnain &amp; Akhtar, 2016)</td>
<td>US energy information administration</td>
</tr>
<tr>
<td>2</td>
<td>Exchange Rate</td>
<td>Pakistani Rupee Per USD</td>
<td>(Husnain &amp; Akhtar, 2016)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Stock Market Index</td>
<td>KSE-100 Index</td>
<td>(Sarwar et al., 2018)</td>
<td>Bloomberg</td>
</tr>
<tr>
<td>4</td>
<td>Market Volatility</td>
<td>Standard deviation of stock market return</td>
<td>(Matar et al., 2013)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Inflation</td>
<td>Changes in consumer price index</td>
<td>(Stanford, 2008)</td>
<td></td>
</tr>
</tbody>
</table>

Research Methodology
This study examines the impact of oil prices, exchange rates, stock market returns, volatility, and inflation on stock market liquidity by using three proxy measures of stock market liquidity, and we developed the following equations.

$$\text{LIQ} = \alpha + \rho \text{LIQ}_{t-1} + \beta_1 \text{OP}_{t-1} + \beta_2 \text{ER}_{t-1} + \beta_3 \text{Mkt Rtn}_{t-1} + \beta_4 \text{VTl}_{t-1} + \beta_5 \text{CPI}_{t-1}$$

In this example, LIQ stands for stock market liquidity, OP represents oil prices, ER stands for exchange rate, Mkt Rtn stands for market return, VTl is for market volatility, and CPI stands for consumer price index.

First, the stationarity of variables is evaluated using the ADF and PP tests. If all variables are stationary at I (0), I (1), or I (2), we can use the ARDL technique. Following the ARDL, we perform diagnostic tests such as normality, serial correlation, and heteroscedasticity. For our estimated models, we use CUSM and CUSM square graphs to test model stability. The bound test between variables shows the long run relationship. The long run and short impact of oil prices, exchange rate, market return, market volatility and inflation on stock market liquidity is estimated through the following equations.

$$\text{LIQ} - \text{P1} = \alpha + \rho \text{LIQ}_{t-1} + \beta_1 \text{OP}_{t-1} + \beta_2 \text{ER}_{t-1} + \beta_3 \text{KSE100 index}_{t-1} + \beta_4 \text{VTl}_{t-1} + \beta_5 \text{CPI}_{t-1}$$

$$\text{LIQ} - \text{P2} = \alpha + \rho \text{LIQ}_{t-1} + \beta_1 \text{OP}_{t-1} + \beta_2 \text{ER}_{t-1} + \beta_3 \text{KSE100 index}_{t-1} + \beta_4 \text{VTl}_{t-1} + \beta_5 \text{CPI}_{t-1}$$
\[
\text{LIQ} - P3 = \alpha + \rho \text{LIQ}_{t-i} + \beta_1 \text{OP}_{t-i} + \beta_2 \text{ER}_{t-i} + \beta_3 \text{KSE100 index}_{t-i} + \beta_4 \text{VTl}_{t-i} + \beta_5 \text{CPI}_{t-i} + \varepsilon_{t-i} \quad \ldots \quad (4)
\]

To capture the short run association among the variables, we estimated the following equations:
\[
\Delta \text{LIQ} - P1 = \alpha + \Delta \rho \text{LIQ}_{t-i} + \Delta \beta_1 \text{OP}_{t-i} + \Delta \beta_2 \text{ER}_{t-i} + \Delta \beta_3 \text{Mkt Rtn}_{t-i} + \Delta \beta_4 \text{VTl}_{t-i} + \Delta \beta_5 \text{CPI}_{t-i} + \text{ecm} + \varepsilon_{t-i} \quad \ldots \quad (5)
\]
\[
\Delta \text{LIQ} - P2 = \alpha + \Delta \rho \text{LIQ}_{t-i} + \Delta \beta_1 \text{OP}_{t-i} + \Delta \beta_2 \text{ER}_{t-i} + \Delta \beta_3 \text{Mkt Rtn}_{t-i} + \Delta \beta_4 \text{VTl}_{t-i} + \Delta \beta_5 \text{CPI}_{t-i} + \text{ecm} + \varepsilon_{t-i} \quad \ldots \quad (6)
\]
\[
\Delta \text{LIQ} - P3 = \alpha + \Delta \rho \text{LIQ}_{t-i} + \Delta \beta_1 \text{OP}_{t-i} + \Delta \beta_2 \text{ER}_{t-i} + \Delta \beta_3 \text{Mkt Rtn}_{t-i} + \Delta \beta_4 \text{VTl}_{t-i} + \Delta \beta_5 \text{CPI}_{t-i} + \text{ecm} + \varepsilon_{t-i} \quad \ldots \quad (7)
\]

**Empirical Results**

ADF and Phillips-Perron tests were used to determine the stationarity of time series data (table 3). The results reveal that all three proxies of stock market liquidity for selected three sectors are stationary at level, i.e. I(0). Furthermore, the oil prices are stationary at their first difference, I (1), as is the CPI. Exchange rate, stock market return, and volatility are stationary at level. These findings coincide with the PP test.

<table>
<thead>
<tr>
<th>Variables</th>
<th>ADF test</th>
<th>PP test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level</td>
<td>1st Diff</td>
</tr>
<tr>
<td><strong>Automobiles</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LIQ - P1</td>
<td>-3.65***</td>
<td>-11.7***</td>
</tr>
<tr>
<td>LIQ - P2</td>
<td>-3.78***</td>
<td>-14.9***</td>
</tr>
<tr>
<td>LIQ - P3</td>
<td>-3.38***</td>
<td>-12.0***</td>
</tr>
<tr>
<td><strong>Sugar</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LIQ - P1</td>
<td>-3.06***</td>
<td>-11.9***</td>
</tr>
<tr>
<td>LIQ - P2</td>
<td>-4.39***</td>
<td>-11.1***</td>
</tr>
<tr>
<td>LIQ - P3</td>
<td>-3.72***</td>
<td>-14.6***</td>
</tr>
<tr>
<td><strong>Cement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LIQ - P1</td>
<td>-4.93***</td>
<td>-13.3***</td>
</tr>
<tr>
<td>LIQ - P2</td>
<td>-5.49***</td>
<td>-13.2***</td>
</tr>
<tr>
<td>LIQ - P3</td>
<td>-5.09***</td>
<td>-12.6***</td>
</tr>
<tr>
<td><strong>Oil Prices</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-1.13</td>
<td>-9.26***</td>
</tr>
<tr>
<td><strong>Exchange Rate</strong></td>
<td>2.48**</td>
<td>-5.01***</td>
</tr>
<tr>
<td><strong>KSE 100 Index</strong></td>
<td>-2.14*</td>
<td>-10.59***</td>
</tr>
<tr>
<td><strong>Stock Market Volatility</strong></td>
<td>-9.05***</td>
<td>-11.58***</td>
</tr>
<tr>
<td><strong>CPI</strong></td>
<td>0.128</td>
<td>-2.01**</td>
</tr>
</tbody>
</table>

*Note: *, **, *** shows significance at level 10%, 5% and 1%, respectively.*

After the unit root analysis, next we perform the bound test. The bound test compares F-statistics to upper and lower critical values. The null hypothesis for this test is "no long term connection." No long term correlation if F statistic is below lower bound. An upper bound value indicates a long-term relationship. F-statistics 0-1 are regarded inconclusive. This study measures stock market liquidity using three proxies: P1, P2 and P3. When the F-statistic is larger than the upper bound, the bound test indicates a long-term connection. The F value for automobile, sugar and cement are 8.10, 11.52 and 12.01 respectively. The value of F-stats is clearly bigger than the bottom and upper bounds. Thus, the bound test null hypothesis is rejected. Thus, there is a long run relationship between variables in three sectors and three proxies of stock market liquidity.

**Long Run and Short Run Coefficient of ARDL**

Co-integration test used to find long-term relationships. This study used the ARDL model (equations 2, 3, and 4) to estimate the long run coefficient among variables for each proxy of three selected sectors in Pakistan stock market. Table 4 shows the outcomes. The results show that historical stock market liquidity patterns have a major impact on future liquidity. Exchange rate and inflation are long-term negative whereas oil prices, stock return, and market volatility are long-term positive relation with stock market liquidity. These findings hold for three separate
proxies of stock market liquidity in Pakistan: automobile, cement and sugar.

The co-integration test is also used to find short-run relationships. This study used the ARDL model (equations 5, 6, and 7) to determine the short run coefficient between variables for three sectors of the Pakistan stock exchange. Table 5 shows the outcomes. An adjustment from disequilibrium to equilibrium in a short time is also analyzed. Short run model has two pieces. A measure of error correction speed is dependent on the short run dynamics coefficient. It shows how quickly disequilibrium becomes equilibrium. The results show that historical stock market liquidity patterns have a major impact on future liquidity. Exchange rate and inflation are short term negative whereas oil prices, stock return, and market volatility are short term positive co-movement with stock market liquidity. These findings hold for three separate proxies of stock market liquidity in Pakistan: automobile, cement and sugar. Also, F-Stat is significant for all estimated models, indicating that they are statistically stable and fit.

<table>
<thead>
<tr>
<th>Variables</th>
<th>LIQ - P1</th>
<th>LIQ - P2</th>
<th>LIQ - P3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Δ ln_ LIQ (-1)</td>
<td>0.406*</td>
<td>0.978**</td>
<td>0.684</td>
</tr>
<tr>
<td>Δ ln_ OP</td>
<td>0.367***</td>
<td>0.295***</td>
<td>0.599**</td>
</tr>
<tr>
<td>Δ ln_ OP (-1)</td>
<td>0.712**</td>
<td>0.186**</td>
<td>0.945**</td>
</tr>
<tr>
<td>Δ ln_ ER</td>
<td>-0.159**</td>
<td>-0.658**</td>
<td>-0.642***</td>
</tr>
<tr>
<td>Δ ln_ KSE 100</td>
<td>0.857**</td>
<td>0.238***</td>
<td>0.274***</td>
</tr>
<tr>
<td>Δ ln_ VTL</td>
<td>0.230***</td>
<td>0.833</td>
<td>0.269</td>
</tr>
<tr>
<td>Δ ln_ CPI</td>
<td>0.720**</td>
<td>0.489***</td>
<td>0.115**</td>
</tr>
<tr>
<td>Ecm (-1)</td>
<td>0.850</td>
<td>-0.861**</td>
<td>-0.256***</td>
</tr>
<tr>
<td>F – Statistics (Sig.)</td>
<td>0.021</td>
<td>0.011</td>
<td>0.000</td>
</tr>
</tbody>
</table>
the econometric model is stable. The coefficients in the ECM model are stable) cannot be rejected if the statistical curve is within 5% determined using CUSUM statistics against Brown et al (1975). The null hypothesis (all model holds up over time (Bahmani–Oskooee, 2001). The stability of the regression coefficient is determined using CUSUM statistics against Brown et al (1975). The null hypothesis (all coefficients in the ECM model are stable) cannot be rejected if the statistical curve is within 5% significance level. These figures show that the stability plot stayed within crucial bounds. Thus, the econometric model is stable.

### Diagnostic Test

In the Breusch–Godfrey serial correlation test, the LM test determines whether or not a regression model’s errors are autocorrelated. To finish the calculation, it uses the residuals from the regression model. The null hypothesis is that the two variables are not serially correlated. The null hypothesis of heteroscedasticity states that the data are homoscedastic. Moreover, despite its low P-value, the null hypothesis cannot be rejected because the model’s residuals remain constant throughout time. So, the model is statistically stable and well-fit. Stability tests show how well a model holds up over time (Bahmani–Oskooee, 2001). The stability of the regression coefficient is determined using CUSUM statistics against Brown et al (1975). The null hypothesis (all coefficients in the ECM model are stable) cannot be rejected if the statistical curve is within 5% significance level. These figures show that the stability plot stayed within crucial bounds. Thus, the econometric model is stable.

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Variables</th>
<th>Serial Correlation</th>
<th>Heteroscedasticity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobiles</td>
<td>txt P1</td>
<td>0.304</td>
<td>0.495</td>
</tr>
<tr>
<td></td>
<td>LIQ - P1</td>
<td>0.394</td>
<td>0.062</td>
</tr>
<tr>
<td></td>
<td>LIQ - P2</td>
<td>0.719</td>
<td>0.363</td>
</tr>
<tr>
<td>Sugar</td>
<td>LIQ - P3</td>
<td>0.540</td>
<td>0.721</td>
</tr>
<tr>
<td></td>
<td>LIQ - P1</td>
<td>0.544</td>
<td>0.931</td>
</tr>
<tr>
<td></td>
<td>LIQ - P2</td>
<td>0.539</td>
<td>0.757</td>
</tr>
<tr>
<td>Cement</td>
<td>LIQ - P3</td>
<td>0.252</td>
<td>0.102</td>
</tr>
<tr>
<td></td>
<td>LIQ - P1</td>
<td>0.349</td>
<td>0.942</td>
</tr>
<tr>
<td></td>
<td>LIQ - P2</td>
<td>0.138</td>
<td>0.131</td>
</tr>
</tbody>
</table>
Conclusion
Liquidity refers to the volume of trading securities on the stock market as opposed to the price of the securities being traded. At the same time, oil is viewed as a critical component of the economic infrastructure. A non-diversifiable risk factor could arise if the oil price and market liquidity are connected. Stock investors will hence expect a systematic liquidity premium. Theoretical and empirical research on this problem has proven in recent years. The stock market is a great area to invest in large and small projects. The long run and short run association of oil prices with Pakistani stock exchange liquidity is studied. This study's sample duration is 10 years, from 2010 to 2019. The ultimate sample size for this study is 53 non-financial enterprises listed on the Pakistan Stock Exchange. Stock market liquidity is estimated using three proxies — Amihud liquidity, share traded value and trading volume. We use auto-regressive distributed lag (ARDL) to examine long-term and short-term relationships between variables. In order to test the model's stability, we use ARDL, serial correlation, heteroscedasticity, and CUSM models.

Overall, the results show that all three stock market liquidity proxies tested are stationary at the same level (0). Also, the oil price is stationary at first difference i.e. $I(1)$, while the CPI is stationary at $I(1)$. (1). Exchange rate, stock market return, and volatility are stationary at level. The PP test results match this study's conclusions. The value of F-stats shows that this number is
greater than the distribution's bottom and top bounds. As a result, the data show that the bound test null hypothesis is rejected. A long-term link exists between variables in three industries that are quantified using three different stock market liquidity proxies. The findings show that past stock market liquidity patterns have a significant impact on future liquidity. Oil prices, stock returns, and stock market volatility have a long-term positive association with stock market liquidity. On the Pakistan stock exchange, these findings are robust under three different proxies of stock market liquidity. Also, these findings hold true in the short term. The numerous diagnostic tests, including normality check, serial correlation test, heteroscedasticity test, and CUSM models, revealed that the econometric model is stable. In practice, central banks and regulators are concerned about rapid changes in oil prices and macroeconomic situations. Our findings suggest that central banks and regulators should be able to pinpoint the role of oil price before designing stabilisation policies to increase liquidity and attract investors.

This study has some limitations, e.g. data is not fully available and contains several discrepancies. Only a few papers have been written on time-series liquidity variations, and none link stock and bond markets. Also, future researcher should focus on the theoretical linkages between monetary policy, money flows, stocks, and bonds. Liquidity and risk are valued in the market, but little is known about how market design effects this price (risk). When deciding on a portfolio, how much do liquidity and execution risk weigh? This is an exciting and challenging future research direction.

Reference
Kilian, L. (2009). Not all oil price shocks are alike: Disentangling demand and supply shocks in


Impact of Cloud Based Accounting Finance Mechanism with Mediating Effect of Innovative Work Behavior on Business Performance

Gohar Mahmood, Department of Commerce, Bahauddin Zakariya University, Multan, Pakistan
*Zainab, Putra Business School, Malaysia
Qaisar Maqbool Khan, Department of Commerce, Bahauddin Zakariya University, Multan, Pakistan
Sadia Munir, Government College Women University, Faisalabad, Pakistan
*Corresponding author’s email address: zainabasif1999@gmail.com

Purpose: The motivation behind this study is to investigate how the practical implementation of cloud-based accounting/finance mechanism effects business performance with a mediating effect of innovative work behavior among the employees of banking sector.

Design/Methodology: To explore the relationship between the independent, dependent and mediating variables questionnaire method is used. The main view of study is how cloud-based accounting/finance mechanism influences business performance in banks along with the impact of innovative work behavior on business performance. Data collected from 280 managerial level employees of different banks in Faisalabad division.

Findings: This study indicates that cloud-based accounting/finance mechanism has a positive and significant impact on business performance. Innovative work behavior is strengthening the relationship between cloud-based accounting/finance mechanism with business performance. In the presence of innovative work behavior the impact of independent variable considered significant and in more strength. Moreover, this study recommends that firms should focus on innovative work behavior in order to increase their business performance.

Research limitations/implications: The findings suggest that furthermore detailed research is required to explore the effects of cloud-based accounting/finance mechanism and innovative work behavior on business performance.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0
Introduction

World is a place of diverse culture and technology and due to globalization and internet widespread the emergence of cloud-based accounting/finance mechanism occurred. Globalization transformed and revolutionized the world’s business and Cloud based accounting/finance mechanism provides the base for acceleration and flexibility in business (Vijai, 2020). Due to high competition and globally indulged business trend, it is very challenging for the businesses to put efforts for the improvement of strategic agility and reduction of the complexities of business operations to sustain their business competence (Tadapaneni, 2020). Therefore, cloud computing in an innovative way is a best solution to provide various on demand IT services to multiple clients by using internet technologies (Sharma, 2020). The main stakeholders of this technology are the providers and consumers. The consumers own use and keep a check on systems upgrading and maintaining while the providers deal with systems sales its installation providing license to the owner and consultants. Cloud computing has the tendency to change and add new roles for the stakeholders (Alezadeh, 2020). Due to the use of cloud computing stress is reduced on IT departments because of new innovative applications which reduced the system maintenance time and improve the business performance. Almost all cloud computing companies now a day are dealing as a large-scale data centers and having a latest infrastructure providing cloud computing services to third parties (Amron, 2019). Among various cloud computing service providers, it is observed that area of specialization is developed related to different components like software, platform and infrastructure that make the cloud computing infrastructure more efficient (Sudhakar, 2014). According to various studies, enablers are the key players and having an important role to facilitate the businesses in order to sell their products and services and also in adoption and use of cloud computing infrastructure (Thabit, 2019). It is a great hurdle so this time yet many of the cloud computing infrastructure and service providers having lack of competencies to interact with their client businesses and its application in true spirit and according to researchers in future this problem can be reduced with the important role of enablers (Oredo, 2019). According to the (Quasim, 2019) innovation is a tool that is meant to be different and distinct and these are the innovative ideas that gains money for business and becomes a creative entity. When an employee adds newness to ideas, improvement in processes and products than this individual behavior is called innovative work behavior. Due to this act of employees the productivity and innovation in products increased results in greater business performance (Singh, 2018). When it is specifically met with the problems of the firm and organization it is supposed that the innovative work behavior process should act and resolve the problems and set new lines of work for the workers and management (Tripathi, 2018). The real cloud computing application in the business environment has recently been emerged (Stewart, 2021) and few studies have talked about this new business phenomenon and with the evolution of cloud computing and the benefits it is providing new areas of research will be opened to researchers (Asadi, 2017).

In this study, the focus is on the cloud computing infrastructure which validates its economic perspective for the businesses which are interested in the adoption of cloud computing infrastructure. Furthermore, the impact of economic perspective due the implementation cloud computing environment will also be investigated in this study. Various studies both academic and industry shows the significant economic perspective impact on business performance due to the use of cloud computing infrastructure (Devi, 2021). This core idea of use of cloud computing infrastructure investigates the firm’s market value which is impacted after the adoption of this new innovative idea (Tiwari, 2021). There is significant and positive increase in the market value of the firms who adopted the cloud computing environment. However, there are significant differences due to the level of adoption of cloud computing infrastructure, firm size and industry sector on the market returns of the. It is therefore very easy and useful for the firms whether, when and how to opt the cloud-based accounting/finance mechanism in order to maximize the business worth (Padmaja, 2021). Last few years has seen the massive convergence of knowledge
by using cloud because knowledge has become more accessible through cloud. Furthermore, open data initiatives are more prominent now for a variety of uses that includes research purposes and document preservation by creating the online digitalized material (Nguyen, 2021). The amount of born digital data gives rise to the need of management of the corresponding information in such a way that ensures the exploitation of available data sources. Previous research says that the impact of cloud-based accounting/finance mechanism with mediating effect of innovative work behavior might also have impact on business performance (Asadi, 2016). The reason to check the impact of independent variable on dependent variable with mediating variable is that if firms adopt Cloud based accounting/finance mechanism it has the potential to strengthen all the two elements of the study in a positive and significant manner (Keskar, 2016). The findings of this research will contribute to develop economic contextual dimensions that help to increase growth of businesses. These sets of variables are limited study in case of Pakistan. The beginning of cloud computing has enabled firms of varying of sizes to upgraded bookkeeping, equipment and systems administration limit, without a relating necessity of capital speculation. This study focused that how much effects of Cloud based accounting/finance mechanism having a positive and significant impact on business performance which help to increase firm growth. Furthermore, innovative work behavior has mediating the relationship of independent variables and dependent variable. These research questions and objectives are helped to improve to measure the ability, capability, information, knowledge and attainability of relevant fields. Innovative work behavior has been strengthening the relationship between Cloud based accounting/finance mechanism with business performance.

**Literature Review**

Cloud computing generally refers to the attentiveness of all parts of an organization. Computer resources shared and provide better work environment (Elzamly, 2016). Companies were also using information systems for good performance (Kouser, et al 2011). Cloud computing access is generally restricted to relevant authorized users through internet-supported devices (Awadallah, 2016). By using cloud computing organization gain potential assistances including the capability to measure suitability of global data system according to information technology desires and removes obstacles to innovation and cost consumed, easy access to software updating (Elzamly, 2019). Cloud computing just facilitates larger organizations for the significant necessities of capital investment but now a days it simplifies the utilization of influential information technology for smaller organization (Alezadeh, 2020). Besides, software computing can possibly free up rare assets in every aspect of a company's business, including accounting/finance (Messabia, 2019). Such assets would some way or other are consumed fundamentally on IT upkeep instead of being utilized for more vital and esteem making purposes (Thabit, 2019). All the organizations using cloud computing have the ability to cope with the data variation in all perspectives like at the maximum and minimum level (Baker, 2019). Furthermore, all the organizations should change their infrastructure according to changing market needs which is also very helpful to become more responsive and cost efficient with quality of services (Bose, 2019). Due to innovation cloud computing-based applications and software and more easy, quick and more responsive as compared to conventional and outdated systems (Padmaja, 2021). Cloud computing infrastructure is built on the principle of economies of large scales production which reduces the cost and enables the firm to become more competitive and cost efficient with no capital investment (Huttunen, 2019). Now a days, the firms at all levels are converting from conventional IT methods which are expensive to cloud computing which is very cost efficient and attractive for organizations (Asadi, 2020). Also, in building up the innovation work behavior, to give harmony is imperative. Since, while imaginative idea or development is an individual action alone, making advancement and executing this development is an aggregate achievement (Niazmand, 2015).

**Model**
Hypothesis
H1: Cloud based accounting/finance mechanism has significant impact on innovative work behavior
H2: Innovative work behavior has significant impact on business performance
H3: Cloud based accounting/finance mechanism has significant impact on business performance using innovative work behavior as mediator.

Methodology
The proposed study at hand is quantitative in nature. Collection of data is by using survey method through questionnaires, which are distributed among the respondents of the selected organizations working in banking sector of Pakistan. Banking organizations providing cloud-based services in banking sector of Pakistan will be taken as the unit of analysis. The entire population for this study based on the employees working at different managerial levels (Managers, Operational Managers) at different branches of banks based in Faisalabad Division. The 300 questionnaires collected as a sample for this study due to time constraint. Factor analysis, correlation, regression and reliability analysis is done on the collected data by using SPSS. The questionnaire is based on the 47 items with 7-point likert scale.

Demographic variable
The demographic variable characteristic has been stated as under.

**Table 01 Gender Male, Female**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>240</td>
<td>85.7</td>
<td>85.7</td>
<td>85.7</td>
</tr>
<tr>
<td>Female</td>
<td>40</td>
<td>14.3</td>
<td>14.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>280</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 01 shows the results of demographic variable with the help of gender. The study describes the total frequency 280 show among the male and female. The Male frequency is 240 and cumulative % is 85. The female frequency is 40 and cumulative % is 100.

**Table 02 Qualification, Intermediate, Graduation, Masters**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduation</td>
<td>96</td>
<td>34.3</td>
<td>34.3</td>
<td>34.3</td>
</tr>
<tr>
<td>Masters</td>
<td>184</td>
<td>65.7</td>
<td>65.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>280</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 02 shows the results of demographic variable with the help of Qualification. The study describes the total frequency 280 show among the intermediate, Graduation, and Masters. The graduation level frequency is 96 and cumulative % 34.3. The master level frequency is 184 and cumulative % 100.
Table 03 Designation, Branch Manager, Operational Manager

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch Manager</td>
<td>35</td>
<td>12.5</td>
<td>12.5</td>
<td>12.5</td>
</tr>
<tr>
<td>Operational Manager</td>
<td>245</td>
<td>87.5</td>
<td>87.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>280</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 03 shows the results of demographic variable with the help of designation. The study describes the total frequency 280 show among the Branch manager and operation manager. The branch manager frequency is 35 and cumulative % 12.5. The operation manager frequency is 245 and cumulative % 100.

Table 04 Sector
Bank Names

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCB</td>
<td>36</td>
<td>12.9</td>
<td>12.9</td>
<td>12.9</td>
</tr>
<tr>
<td>HBL</td>
<td>20</td>
<td>7.1</td>
<td>7.1</td>
<td>20.0</td>
</tr>
<tr>
<td>ALFALAH</td>
<td>67</td>
<td>23.9</td>
<td>23.9</td>
<td>43.9</td>
</tr>
<tr>
<td>SILK</td>
<td>6</td>
<td>2.1</td>
<td>2.1</td>
<td>46.1</td>
</tr>
<tr>
<td>STANDARD CHARTERED</td>
<td>20</td>
<td>7.1</td>
<td>7.1</td>
<td>53.2</td>
</tr>
<tr>
<td>SUMMIT</td>
<td>13</td>
<td>4.6</td>
<td>4.6</td>
<td>57.9</td>
</tr>
<tr>
<td>JS</td>
<td>12</td>
<td>4.3</td>
<td>4.3</td>
<td>62.1</td>
</tr>
<tr>
<td>MEEZAN</td>
<td>19</td>
<td>6.8</td>
<td>6.8</td>
<td>68.9</td>
</tr>
<tr>
<td>FAISAL</td>
<td>18</td>
<td>6.4</td>
<td>6.4</td>
<td>75.4</td>
</tr>
<tr>
<td>NATIONAL</td>
<td>15</td>
<td>5.4</td>
<td>5.4</td>
<td>80.7</td>
</tr>
<tr>
<td>PUNJAB</td>
<td>29</td>
<td>10.4</td>
<td>10.4</td>
<td>91.1</td>
</tr>
<tr>
<td>UBL</td>
<td>25</td>
<td>8.9</td>
<td>8.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>280</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 04 shows the results of demographic variable with the help of Sector. The study describes the total frequency 280 banks of Pakistan.

Table 05 Experience
Less than 1 year, more than 1 to 3 Years, more than 4 to 5 years

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>16</td>
<td>5.7</td>
<td>5.7</td>
<td>5.7</td>
</tr>
<tr>
<td>More than 1 to 3 Year</td>
<td>72</td>
<td>25.7</td>
<td>25.7</td>
<td>31.4</td>
</tr>
<tr>
<td>More than 4 to 5 years</td>
<td>192</td>
<td>68.6</td>
<td>68.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>280</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 05 shows the results of demographic variable with the help of Experience. The study describes the total frequency 280. The variable divided into three options. The employees having experience less than 1-year frequency is 16. The Second frequency shows 72 in case of more than 1 to 3 years’ experience. The third frequency shows 192 in case of less than 4 year to 5 years.

Empirical Results Analysis
Table 06 shows one factor solution of Cloud based Accounting/Finance Infrastructure. Total variance explained is 55.131 cumulative % and only one item has a low factor loading which has
been excluded from the study for more precise results. Generally KMO value of 0.50 is considered as acceptable value while in this study Cloud based Accounting/Finance Infrastructure has a KMO value of 0.811 that is significant and above the minimum acceptable level of 0.50.

Table 06 Factor Analysis of Cloud based accounting/finance mechanism

<table>
<thead>
<tr>
<th>Cloud based accounting/finance mechanism (KMO=.811)</th>
<th>Factor</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Our daily accounting tasks more standardized due to CBAFI.</td>
<td></td>
<td>.657</td>
</tr>
<tr>
<td>2. Our accounting processes are simplified due to CBAFI.</td>
<td></td>
<td>.756</td>
</tr>
<tr>
<td>3. All the staff members are at great ease to perform all accounting tasks due to CBAFI.</td>
<td></td>
<td>.751</td>
</tr>
<tr>
<td>4. The communication of accounting rules and procedures to the new members of accounting staff is easier due to CBAFI.</td>
<td></td>
<td>.802</td>
</tr>
<tr>
<td>5. It is easier to documents accounting procedures due to CBAFI.</td>
<td></td>
<td>.734</td>
</tr>
<tr>
<td>6. It is easier to adapt accounting procedures due to CBAFI.</td>
<td></td>
<td>.766</td>
</tr>
<tr>
<td>7. It is very easy to adopt and implement the accounting and finance systems to other parts/branches of the organization due to CBAFI.</td>
<td></td>
<td>.725</td>
</tr>
</tbody>
</table>

Cumulative percentage of the variance explained (%) 55.131%

Table 07 shows one factor solution of Innovative Work Behavior. Total variance explained is 64.685 cumulative % and no item has a low factor loading that why no item has excluded from the study for more precise results. Generally KMO value of 0.50 is considered as acceptable value while in this study innovative work behavior has a KMO value of 0.788 that is significant and above the minimum acceptable level of 0.50.

Table 07 Factor Analysis of Innovative Work Behavior

<table>
<thead>
<tr>
<th>Innovative Work Behavior (KMO=.788)</th>
<th>Factor</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. In my bank my opinion is asked by my leadership.</td>
<td></td>
<td>.860</td>
</tr>
<tr>
<td>2. In my bank my leadership inquires suggestion from my side to carry out day by day tasks.</td>
<td></td>
<td>.815</td>
</tr>
<tr>
<td>3. In my bank my leadership consults with me before planning and implementing any kind of changes.</td>
<td></td>
<td>.817</td>
</tr>
<tr>
<td>4. In my bank my leadership warmly welcome my ideas for long term planning and future directions.</td>
<td></td>
<td>.875</td>
</tr>
<tr>
<td>5. In my bank my leadership has fully authorized me to set my own goals and objectives align with the vision and mission of the bank.</td>
<td></td>
<td>.778</td>
</tr>
<tr>
<td>6. In my bank my leadership gives me considerable opportunities for independence and freedom</td>
<td></td>
<td>.662</td>
</tr>
</tbody>
</table>

Cumulative percentage of the variance explained (%) 64.685%

Table 08 shows one factor solution of Firm Performance. Total variance explained is 62.587 cumulative % and no item has a low factor loading that why no item has excluded from the study for more precise results. Generally, KMO value of 0.50 is considered as acceptable value while in this study innovative work behavior has a KMO value of 0.864 that is significant and above the minimum acceptable level of 0.50.

Table 08 Factor Analysis of Firm Performance

<table>
<thead>
<tr>
<th>Firm Performance (KMO=.864)</th>
<th>Factor</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Enhance shareholder/business value</td>
<td></td>
<td>.855</td>
</tr>
<tr>
<td>2. Enhance our corporate reputation</td>
<td></td>
<td>.840</td>
</tr>
<tr>
<td>3. Outperform our main trading rivals</td>
<td></td>
<td>.816</td>
</tr>
<tr>
<td>4. Enhance our strategic decision-making</td>
<td></td>
<td>.796</td>
</tr>
<tr>
<td>5. Attain a competitive advantage</td>
<td></td>
<td>.776</td>
</tr>
<tr>
<td>6. Improve our overall business performance</td>
<td></td>
<td>.645</td>
</tr>
</tbody>
</table>

Cumulative percentage of the variance explained (%) 62.587%

Table 09 shows the correlation analysis of the three variables which are Cloud based accounting/finance mechanism, innovative work behavior and business performance; so, for this purpose correlation analysis technique is used in order to measure the correlation between these
three study variables. The results of correlation analysis shows that there is a strong positive significant relationship between the each factor of Cloud based accounting/finance and business performance using innovative work behavior as a mediator in this study (p<0.001).

**Table 09: Correlation Analysis**

<table>
<thead>
<tr>
<th></th>
<th>AVGCB</th>
<th>AVGCB AF</th>
<th>AVGCB AF</th>
<th>AVGCB AF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PEARSON CORRELATION</strong></td>
<td>1</td>
<td>.497**</td>
<td>.634**</td>
<td></td>
</tr>
<tr>
<td><strong>SIG. (2-TAILED)</strong></td>
<td></td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td><strong>N</strong></td>
<td></td>
<td>280</td>
<td>280</td>
<td></td>
</tr>
<tr>
<td><strong>AVGIW</strong></td>
<td></td>
<td></td>
<td>.586**</td>
<td></td>
</tr>
<tr>
<td><strong>PEARSON CORRELATION</strong></td>
<td></td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td><strong>SIG. (2-TAILED)</strong></td>
<td></td>
<td>280</td>
<td>280</td>
<td></td>
</tr>
<tr>
<td><strong>N</strong></td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** **Correlation is significant at the 0.01 level (2-tailed).** (CBAF) is Cloud based accounting/finance, (IWB) Innovative work behavior, and (BP) Business performance.

**Table 10 Reliability Analysis**

Table 10 shows the reliability analysis of the three variables which are Cloud based accounting/finance mechanism, innovative work behavior and business performance; For the expression of the results of the study the values of means, standard deviations and alpha values are given in the table 10. Each factor of Cloud based accounting/finance mechanism, innovative work behavior and business performance has been found in significant reliability with each other (p<0.001). The rating of means given in this study is above two for each factor that is rated high and all the study variables have acceptable and reliable Cronbach’s alpha values, which are given here. i.e., CBAF (α=0.863), IWB (α=0.887) and BP (α=0.878)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>S.D</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBAF</td>
<td>2.7964</td>
<td>1.16744</td>
<td>0.863</td>
</tr>
<tr>
<td>IWB</td>
<td>3.1107</td>
<td>1.36442</td>
<td>0.887</td>
</tr>
<tr>
<td>BP</td>
<td>2.6327</td>
<td>1.21804</td>
<td>0.878</td>
</tr>
</tbody>
</table>

**Note:** (CBAF) Cloud based accounting/finance mechanism, (IWB) Innovative work behavior, (BP) Business performance.

**Regression Analysis**

In order to test the hypotheses of this study regression analysis has been done with the help of SPSS 23 software. There are two tables (11,12) which are given in order to discuss the results. As shown in Table 11, Adjusted $R^2$ value is 0.244, which explains the variation in Cloud based accounting/finance, mechanism and Innovative Work Behavior is explained up to 24.4 % respectively. Standard regression coefficient between Cloud based accounting/finance mechanism and Innovative Work behavior is significant (β=1.487, p<.001) with significant T value (8.069, p<.001) and F value (91.073, p<.001). Hence, hypotheses H1 supported but in a very weak relation.

**Table 11: Regression Analysis of Cloud based accounting/finance mechanism and Innovative work behavior**

<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>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.497*</td>
<td>.247</td>
<td>.244</td>
<td>1.18630</td>
<td>91.073</td>
<td>.000*</td>
</tr>
</tbody>
</table>
Table 12 shows the results of Adjusted R² with a value of 0.693 that means that the variation between the study variables business performance and Cloud based accounting/finance mechanism and mediation of innovative work behavior is 69.3% respectively. The values of standard regression coefficient of the study variables business performance and cloud-based accounting/finance mechanism is significant and values are given (β=.028, p<.001) with significant T value (-.534p<.001) and F value (210.961, p<.001). All the values show that hypotheses H2 is supported. While the values of standard regression coefficient between Business performance and innovative work behavior is significant and all the values are given (β=.134, p<.001) with significant T value (3.214, p<.001) and F value (210.961, p<.001). This means that hypotheses H3 of this study is supported.

Table 12: Regression Analysis of Business Performance and CBAF and IWB

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Constant</td>
<td>1.361</td>
<td>.120</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Avg CBAF</td>
<td>-.029</td>
<td>.120</td>
<td>-.859</td>
</tr>
<tr>
<td></td>
<td>Avg IWB</td>
<td>.120</td>
<td>.037</td>
<td>-.534</td>
</tr>
</tbody>
</table>

a. Dependent Variable: IWB Note: IWB= Innovative Work Behavior, CBAF= Cloud based accounting/finance mechanism

Conclusion
The purpose of this study was to investigate the impact of Cloud based accounting/finance mechanism on business performance through mediating effect of innovative work behavior. Different questions are used to explore this study. Cloud based accounting/finance mechanism have positive influence on business performance. If the firms adopt cloud base accounting and finance infrastructure and also adopt innovative work behavior then there is a great positive increase in business performance in terms of growth and profit. Results show that those firms who have more conscious about innovation and innovative work behavior seem more oriented towards their business growth. According to the results of this study Cloud based accounting/finance mechanism has positive and significant impact on the business performance and thus the hypothesis H1 is supported. Innovative work behavior has a positive and significant impact of the business performance and thus the hypothesis H2 is supported. Cloud based accounting/finance mechanism has a strong and significant impact on business performance through meditating effect of innovative work behavior and thus the hypothesis H3 is supported and it also proved the same results with many studies that were conducted in different countries and almost on the same sample size. This study only based on banking sector and only private sector commercial banks are the sample of this study. Questionnaire did not cover all aspects of Cloud based accounting/finance mechanism, innovative work behavior and business performance and might be possible lot of other factor may positively effect on business performance. Data collection is done by questionnaire it is possible that face-to-face questions related to study will
provide more information about the study. The data were collected by only from managerial level bankers who are currently working on theses posts because of ease of access to them. This study leads to number of implications for academic, banking sector and government regulatory bodies. This study will help to banks to overcome their barriers or problems in automation and systematic operations of the business. This study also indicates some basic areas of Cloud based accounting/finance mechanism for future research, as this study mention in limitations that while unnecessary delay in cloud-based adoption will drastically impact the business performance as it can be seen in the national bank of Pakistan and all other privatized banks business working models. In future with different and other variables study can be conducted to know the effect of variables. Future research may be conduct with other variables to explore the other aspects of this study. This research study has some limitations while like all other research studies while the very first limitation is that this study is based on one sector of the country that is banking from where all the data is collected for the analysis and check the effect of study variables as suggested by many studies but in different perspectives. The second limitation of this study is related to the small sample size of the study which means that when the sample size will be large it can affect the results of the study in both positive and negative manner. Additionally, data was collected only from the managerial level who has limited usage of computing resources. This study is just focus on the very limited no. of explanatory variables. So therefore, still many other factors that should be considered in order to get the better results.

References


Impact of Credit Risk on Financial Performance: Mediating role of Operational Efficiency in Banking Sector of Emerging Economy

Muhammad Husnain, Department of Business Administration, University of Sahiwal, Sahiwal, Pakistan
*Qaisar Maqbool Khan, Department of Commerce, Bahauddin Zakariya University, Multan, Pakistan
Mumtaz Ahmad, Department of Commerce, The Islamia University of Bahawalpur, Pakistan
Zainab, Putra Business School, Malaysia

*Corresponding author’s email: qmk707@gmail.com

ARTICLE DETAIL

History
Revised format: Aug 2021
Available Online: Sep 2021

Keywords: Operational Efficiency, Financial Performance, Credit Risk, Banking sector.

JEL Classification
C58, E31, E58, G21

ABSTRACT

Purpose: Financial performance of banks is an estimation of how better a company can use its assets for generating profits. Mostly the performance of banks is affected by modernization of financial system, technological advancements and deregulation. The aim of this study is to examine the mediating role of operational efficiency in relationship between credit risk and financial performance of banks.

Design/Methodology/Approach: The research sample is 29 banks of Pakistan. Data for the study is collected from the published financial statements of banks ranges from 2011 to 2018. The data analysis technique used in this study is simple mediation analysis in structure equation modeling.

Findings: The results reflect that operational efficiency partially significantly and inversely mediates the relationship of credit risk with financial performance.

Implications/Originality/Value: One the basis of results it can be suggested that managers need to utilize their deposits carefully and should take more precautionary measures while granting loans. Managers and employees should maintain a better relationship and align their goals with the banks.

© 2021, The authors, under a Creative Commons Attribution-NonCommercial 4.0


Introduction

Bank is referred to as “a financial institution that invests the money of its clients and investors and works as a financial broker between the investors who have a surplus and the investors who borrow these money to cover their investment needs”. Mostly the performance of banks is affected by modernization of financial system, technological advancements and deregulation (Tarus et al., 2012). Such factors form the shape of profitability and costs incurred by
management. In every financial institution acceptable generation of revenue is the major concern also take severity of risk exposure in its consideration (Raza et al., 2019). The financial system of any economy always contributes a lot in transmitting funds from different sources into profitable investments which can increase economic growth so inequality of income can be decreased in an economy (Rao, 2016). Bank contributes a lot in the growth of an economy because banks are intermediaries between those who provides funds to banks in the form of deposits and those who needs who are in the need of funds (Asmar, 2018).

Financial Performance of banks is an estimation of how better a bank can use its assets from its private mechanism of business and generate profits. This term is used as the general estimation of an organization’s overall financial strength over a given period of time (Nazmoon Akhtar, 2018). Financial performance can be used by the analysts to compare different firms and organizations in aggregate. A company has many stakeholders that consists of trade creditors, employees, bondholders and management. Each of them has their own interest in analyzing the financial performance of any organization (Harcourt, 2017). Stakeholders or analysts get information regarding financial performance of any organization from the annual reports published the company. Stakeholders use these reports for getting accurate and consistent information given in financial statements that provide an outline of a company’s financial performance (Boadi et. al., 2016).

There are different determinants of financial health of banks are observed. Banks with better financial performance are essential for better economic health. Banks with better financial performance can make economy of a country more stable. Bank specific factors are those factors which can help in identify the current financial situation of banks in such poor economic situations and also to investigate are those factors are maintaining banks financial and also to address which areas of financial system of banks needs improvement. Profitability or financial performance is referred to as usage of assets by firms for the purpose of generating revenue. Both factors internal or external can have huge impact on financial performance of firm. Economic activities are facilitated by the financial intermediaries through collaboration these units and eradicating the hindrances in financial relations. Financial intermediaries are presented as delegated monitor minimizing costs of monitoring and problem of free-riding can be decreased which is increasing in public markets. Financial intermediaries are also mitigating principal agent problems.

Efficiency is referred to as “the best allocation of resources to obtain the highest level of output it measures a bank’s performance in relation to a set standard for a specified period of time” (Ray and Rammohan, 2004). We can say bank efficiency means how banks can minimize expenses or cost and with that maximize their profits with operating current level of production. Banks need to take into consideration input and output facet for enhancing the performance of efficiency. Their main focus is on reduction of cost as well on the expansion of revenue. There are some concepts of efficiency which include for the purpose of making analysis of bank performance which includes revenue efficiency, cost efficiency and profit efficiency (Mahendru and Bhatia, 2014).

There are different researches done on the relationship between different internal and external factors of banks and operational efficiency and profitability (Ahmad & Matemilola, 2019; Olarewaju & Obalade, 2015; Eldomiaty, 2015; Muskowa, 2014). According to the study of Olarewaju & Obalade, 2015 Loan to deposit ratio has a negative influence on operational efficiency. According to them if bank gives more amount to public as loan then is always chance of more default. According to the study of Eldomiaty, (2015) conducted in Egypt credit risk and capital ratio has a positive and significant with operating efficiency. The positive relationship between credit risk and operational efficiency reflects banks in Egypt undergo increasing expenses related to interest to the degree that banks depend on increasing total loans.
The objective of this study is to find the impact of credit risk on financial performance with mediating role of operational efficiency in banking sector of emerging economy. It is known that geographical location of Pakistan is quite strategic this has increased the regional integration and globalization maximized the importance of banking of Pakistan on the globe (Hafez, 2018). Financial performance of banks of Pakistan are becoming more better day by day but still Pakistani banks are facing problems for maintaining their profitability and needs for more better policy implications for management (Raza et al., 2019). Therefore, several studies have been conducted to examine the factors affecting financial performance of banks such as bank size, credit risk, loan to deposit ratio, deposit ratio, asset utilization and operational efficiency (Ahmad & Matemilola, 2019; Olarewaju & Obalade, 2015; Eldomiaty, 2015; Muskowa, 2014). There are some other studies done on several factors like firm size influencing financial performance with mediating role of operational efficiency (Prybudi et al, 2017; Ruslan et al, 2019). Therefore, this study analyze whether operational efficiency plays a mediating role in the relationship between credit risk and financial performance in emerging economy of Pakistan. Data is acquired from all the 29 banks that were operational in Pakistan from the year 2013 to 2018. The study uses net interest margin (total interest income – total interest expense/total asset) as a proxy for financial performance. To identify the mediation in relationship between independent and dependent variables study apply single level mediation model. This study extends the previous researches by adding more factors in Pakistan banking sector. This study will help in assessing whether operational efficiency is intervening factor for determining financial performance in terms on net interest margin.

Literature Review
Credit Risk is one of the most essential determinants which influence profitability of banking because lending is one of the basic functions of bank and there are many chances that a borrower may default at the time of recovery (Ikram et. al., 2016). BASEL defines credit risk as “potential that a borrower or counter party will fail to meet its obligations in accordance with agreed terms.” The central reason of credit risk is that the time limit of borrowed amount is not honored by debtors as mentioned in the contract. In this risk debtors cannot fulfill their financial obligation as it is agreed (Hu, 2012).

Credit risk occurs where the correspondents are in the condition of fulfill their commitment. According to Base II loans are the biggest and noticeable cause of credit risk for majority the banks (Sharifi et. al., 2019). Credit risk refers to as a probability that borrower will be unable to fulfill his or her obligations according to the specified terms and conditions. Managing risk of credit grants banks to customize this order by relocating the loans from their own records to a third-party servicer (Lassoued, 2017). By permitting credit a bank can generate large amount of interest income and it also indicates financial performance of any bank. In some cases, loans can’t perform as expected and appear as bad debts and have a poor impact on financial performance of banks (Ferhi, 2017). If we talk about the issues faced by financial institutions especially banks the central reason of severe banking problems is strongly related to underprivileged risk management. Sometimes banks expand their credit with the assumption that borrowers are able to pay the amount borrowed and as a consequence bank’s earnings started to decrease because of the arrangement of the amount that recover the loss occur due to default in loan repayments of borrowers (Poudel, 2018). Credit Risk has the ability to generate enormous risk-taking and eradicate majority of the bank’s equity that results in bankruptcy and management of credit risk creates new challenges for banking sector. Financial institutions that involve in lending to consumers and businesses can take risks and face large losses in case of default in payments. Many creditors assess the life of growth (Al-Shakrchy, 2017).

Handling the exchange between risk and return continual profitability in banking sector. Credit risk one of the most essential risk which has a strong relationship asset which provoke substantial
income (Ferhi, 2017). Management of credit risk is essential because it builds better credit portfolio and it is of supreme importance for booming financial performance of banks and other financial institutions and also the whole economy (Sharifi et al., 2019). In the literatures of finance and economics, deficiency can be seen in management of credit risk results in crisis of banking sector which has adverse impact on economy. Credit risk management is the critical indicator of financial performance. Thus, the prosperity of financial performance of banks relies on the efficacy of management of credit risk (Gizaw et al. 2018).

Banks now a days give more consideration to credit risks. The reason is that providing loans is a dominant mechanism by which banks make profits so more consideration is given to credit risk (Ikram et al., 2016). The robustness of banks in an economy is estimated by how banks efficiently manage its credit risks. Credit risks are systemically linked with financial performance. Whenever banks provide loans to borrowers every loan has its own risk (Lassoued, 2017). An analytical assessment regarding the trends of banking in the past gave us indication that risks related to asset portfolio became the reason of most of banks to worry about (Basel committee on banking supervision, 2006). The capability of a bank for earnings and to continue its operations rely on how efficiently it responds to risks and to able eliminate the effects of non-performing loans. There are different risks and they are managed differently but one thing is same among them and credit risk which is the requirement of identification of risk and to plan for the weakening the effects of risks (Kutum, 2017). The process of risk protection includes banks take necessary measures before providing loans and revamping decrepit credit facilities. In past, banks analyze the borrowers by checking the background of borrowers and their credit history and then a time comes when banks secured loans through taking their valuable belongings as securities so in case of default banks possession of their belongings (Yimka et al., 2015). Now a days banks check the borrower’s ability to generate profit from the cash borrowed. Borrower’s ability is analyzed through an efficient appraisal system of credit by dissecting the applications of loans before advancing of loans to reduce credit risk (Kutum, 2017).

The primary reasons of credit risk include narrow capacity of institutions, irrelevant policies of credit, erratic rates of interest, poor interest rates, low levels of capital and liquidity etc (Sun & Chang, 2018). To curtail the risks, it is crucial that any financial structure should have banks with maximum capital that can protect banks from insolvency, banks should provide its service to broad range of customers, interest rates should be stabilize, non-performing loans should be minimized, deposits should be increased and increased credit should be extended to borrowers. Default in loans and non-performing loans should be reduced (Basel committee on banking supervision, 2006). Management policies of credit are applied by different banks according to their ownership like private, government and foreign banks, policies of credit, credit calculating systems, banks regulatory setting and the competence of management of banks (Gizaw et al. 2018). Sometimes banks have adequate management policices of credit but still not document high revenues. In addition, sometimes industry set standards regarding which credit policy is better and which policy is unsuitable and in addition banks have different attributes (Yimka et al., 2015).

Credit Risk is also called the default risk. It is most crucial type of risk exposed by many financial organizations especially banks. It is the probability of loss which can be arise when the borrower defaults in payment of loans according to agreed terms (Al-shakrchy, 2017). Management of credit risk provides a fair and well-designed approach for the identification, estimation and risk prioritization for the purpose taking action in order to reduce the chance of risks. An efficient management of risk preparation doesn’t eradicate risk but curtail risk (Akram & Rahman, 2018). If effective credit risk management is implemented and maintained then an organization can increase the efficiency of its business processes (Nwude & Okeke, 2018). There are a lot of advantages of this efficient risk management such as it can the assets, time and personnel of the organization and also protects the image and position of the company, bank can
also shun fines for not confirming to the regulations of central bank and for the building the capability for tackling with the uncertain situations and it can also heighten competitive advantage with the help of better decision making and market understanding which is based on authentic modified credit risk management instruction and it can also increase value of shareholder and it also enhance their confidence (ferhi, 2017).

Credit is given more importance because banks now-a-days are facing greater level of anticipated risks from the attributes of its clients and their business situations. Management of credit risk is crucial to every business especially for banks because the main inventory of bank is cash (Rajhi & Hassairi, 2014). The main activity from which banks earn profit is lending and the basic purpose of lending is risk reduction, which is to figure out the capability of borrower and the tendency to repay the amount that is borrowed (Saravia Matus, 2015). Management of credit risk begins with gauging the probability of credit risk which involves borrower’s past records regarding his borrowings with other banks or financial institutions and his or her earnings (Antwi & Apau, 2015). A borrower with better credit rating mien less risk rather than borrower with poor rating. It can’t be possible to isolate the banking system from credit risk management and this process should extended and should also be implemented wherever banking system exists (Musah et al., 2018). For the implementation of efficient credit risk management depends upon financial managers that they should have deep understanding of risks that corporate may face in future and how those managers link such risks with credit risk. Such type of understanding helps in identification, measurement, monitoring and controlling of credit risk so that the necessary steps should be taken to minimize risk (Nwadu and Okeke, 2018).

The principles of credit risk management are implemented for the purpose of value creation and for tackling uncertain situation depend upon on the information which is available. Providing credit is the central source of earning of a commercial bank and it is also the reason of credit risk (Mukoswa, 2014). The credit risk management also impacts on banks profitability as well. Actually, finite size of a financial institution, improper policies of credit, fluctuating rates of interest, indulgence in assessment of credit, underprivileged lending practices, imprudent system of collateral, intervention by governments and poor supervision by central banks included by credit risk (Poudel, 2018). When credit risk of bank increases than chances insolvency also increases. Greater exposure of credit risk leads to the greater financial crisis of financial institutions especially banks. The framework of credit risk is very critical for the sustainability of both private and government banks (ferhi, 2017). Lending or advancing loans to borrowers have a risk of default but banks also extend their services to those borrowers who have good credit history and bank is sure of that he or she will pay the loan (Sun & Chang, 2018).

Efficiency is referred to as “the possibility of firms to produce a certain level of certain optimal level of output from a given bundle of inputs or a certain level of output at minimum cost” (Farrell and Amaza, 2005). Efficiency can be an important component for the production growth in such economy which is facing shortage of resources and lack opportunities for advance technologies. Some studies showed that productivity can be increased without escalating the resource base or enhancing technology by improvement of efficiency (Adeyemi, 2017). Operational efficiency means assessment of bank’s relative performance by lowering operating expenses or costs so it can produce the output which is similar to technological condition. Revenue efficient banks are those banks which estimates the performance comparatively with banks of best practice with production of maximum output and minimum input. A firm or bank can achieve this efficiency by choosing a combination of input and output through which a firm or bank earn maximum revenue at the applicable prices of input and output.

According a study of Mukoswa, 2014 credit risk negatively influenced operational efficiency of banks but according to his studies with low market share can’t be able to manage risks regarding
advancing loans. His study also highlights that there are structural differences high market and low market share banks. And further also explained decrease operational efficiency also decrease financial performance of banks. So according to the above discussion we can say may be credit has a significant effect on financial performance of banks through operational efficiency of banks. So, we can develop the following hypothesis:

**H₀:** There is no significant impact of credit risk on financial performance of banks via operational efficiency.

**H₁:** There is a significant impact of credit risk on financial performance of banks via operational efficiency.

**Data and Research Methodology**

Pakistani banking sector encompasses private banks, government banks, microfinance banks, specialized banks and foreign bank. There are 34 banks operating in Pakistan according to Pakistan stock exchange. But in this research, we select 29 banks for our study. The rest of the banks are excluded because of improper data. For our purpose of study, the other 5 banks are excluded from the study due lack of financial data that is needed for the study. Data is acquired from all the 29 banks that were operational in Pakistan from the year 2013 to 2018. Secondary data is collected from the financial annual reports from the website of state bank of Pakistan and World Bank website for period 2013-2018. Financial reports represent information on income statement for the year for the banks and also the balance sheet information as the year ends and notes of other accounts.

**Measurement of Variables**

This section discusses the measurement of the studied variables.

**Net Interest Margin**

Net Interest Margin reflects the capacity of earning by employing all assets through core business of banking. Banks normally get cash in form of deposits from savers and lend this money to the investors. It is estimated through difference between interest earned by the bank and interest expense divided by total assets (Asmar, 2018). Interest rate margins are the most essential factor that gauge the financial performance of banks and sometimes wide interest margins have a positive effect and sometimes they have a negative effect on financial institutions. We measure the bank performance with the following formula:

\[
\text{Net Interest Margin} = \frac{\text{Interest Income} - \text{Interest Expense}}{\text{Total Assets}}
\]

**Credit Risk**

It is estimated by non-performing loans divided by total loans. It reflects the proportion of loans that have been finally written off from the cash book. The figure of this ratio should be lower because in comparable banks this written off policy is the same. Credit risk is an essential internal or micro economic factor that effects the efficiency of banks. Management of risk is a vibrant aspect which is strongly related to its operating activities and a bank’s survival, any variation in credit risk demonstrates the health of loan portfolio of the banks. Poor quality of assets increases probability of failure of banks (Cooper et al., 2003). Previous literature reflects that risk-taking of banks can be dependent on operational efficiency. Banking business is one of the riskiest businesses because each activity of bank is not separated from risk. The primary function of bank work as an intermediary between depositors and borrowers the most prominent risk faced by banks is credit risk (Raharjo et al., 2014). The scale used for measuring operational efficiency is taken from the study of (Bargam and Ali, 2018) as follows:
Credit Risk = non-performing loans/Total loans

**Operational Efficiency**
It refers to “how bank is being efficient in terms of utilizing its resources to achieve maximum output” (Gilbert et al, 2008). Operational efficiency is estimated by dividing interest income, non-interest income and security gains by interest expense, non-interest expense and provisions of loan losses and taxes (eldomiaty et al, 2015). The scale used for measuring operational efficiency is taken from the study of (Bargam & Ali, 2018) as follows:
Operational Efficiency = Interest income + non-interest income + securities gains/Interest + non-interest expense + provisions for loan losses + taxes

**Empirical Findings**
This table reflects Pakistani banks overall performance regarding internal determinants effecting financial performance from 2011 to 2018. The mean value of net interest margin is .0410 with a minimum ratio of -.0014 and with maximum ratio of .161, while the mean value of the operational efficiency is .0380 with minimum value of 0.007 and maximum ratio of .308. Similarly, the descriptive stat of the credit risk is also presented in table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Risk</td>
<td>0.104</td>
<td>0.0968</td>
<td>0</td>
<td>0.79</td>
</tr>
<tr>
<td>Operational Efficiency</td>
<td>0.038</td>
<td>0.036</td>
<td>0.0007</td>
<td>0.308</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>0.041</td>
<td>0.0312</td>
<td>-0.0014</td>
<td>0.161</td>
</tr>
</tbody>
</table>

**Impact of Credit Risk on Net Interest Margin via Operational Efficiency**

In this table we observe that the direct effect of operational efficiency on net interest margin is positive which shows that operational efficiency has a direct and significant impact on net
interest margin ($\beta=0.676$ at $p<0.05$). On the other hand, credit risk has a direct negative and significant effect on net interest margin ($\beta=-0.1063174$ at $p<0.05$). While indirectly but negatively effects the net interest margin via operational efficiency ($\beta=-0.1321$ at $p<0.05$). In total effects we observe that credit risk has a significant but negative impact on operational efficiency ($\beta=-0.2384$ at $p<0.05$) and operational efficiency has a positive and significant impact on net interest margin ($\beta=0.676384$ at $p<0.05$) and credit risk has significant and negative impact on operational efficiency. According to Hayes, A. F. (2017) if both direct and indirect effect are significant then that is partial mediation and our results are reflecting operational efficiency partially mediating the relationship between credit risk and net interest margin.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Direct Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coefficient</td>
<td>P-Value</td>
</tr>
<tr>
<td>Operational Efficiency</td>
<td>Credit Risk</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>Operational Efficiency</td>
</tr>
<tr>
<td></td>
<td>Credit Risk</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Indirect Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coefficient</td>
<td>P-Value</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>Operational Efficiency</td>
</tr>
<tr>
<td></td>
<td>Credit Risk</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 4</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coefficient</td>
<td>P-Value</td>
</tr>
<tr>
<td>Operational Efficiency</td>
<td>Credit Risk</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>Operational Efficiency</td>
</tr>
<tr>
<td></td>
<td>Credit Risk</td>
</tr>
</tbody>
</table>

According to results in the tables credit risk has negative and significant impact on net interest margin. In direct affects table, it can be observed credit risk has negatively and significantly affecting net interest margin. The result is in the agreement with arguments of Kwan, (1997), Saunders et al., (1990) and Mukoswa, (2014). According to authors management and shareholders have agency problems in banks. In banks managers have risk taking attitude and they take more risks for the purpose of their own benefits. Such managers letting down the objectives of banks shareholder and this can increase problems between management and shareholders. The reason is managers try to achieve more loan target keeping in mind their benefits this in result increase non-performing loans. This can also decrease financial performance/net interest margin and same can be observed in table of indirect affects that operational efficiency is significantly
mediating relation between credit risk and net interest margin. The result is consistent with Mukoswa, (2014). According to author increase in non-performing increase operating costs which cause decrease in net interest margin.

In table no. 5 goodness of fit is presented which guide whether the model is suitable for study or not. According to the study of Daire Hooper, et al. 2008 if root mean square error of approximation is below 0.08 that means the model is fit. Baseline comparison contains comparative fit index and Tucker-Lewis index both of which values should be minimum 0.90 and maximum above 0.90. Both values in the model are above 0.90 which means the model is fit. Another value namely Standard root mean squared residual also studied and this value should be below 0.08 and our result indicate that its value is below 0.08 that means our model is fit.

<table>
<thead>
<tr>
<th>Fit Statistic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population error</td>
<td></td>
</tr>
<tr>
<td>RMSEA lower bound</td>
<td>0.000</td>
</tr>
<tr>
<td>RMSE of approximation</td>
<td>0.00</td>
</tr>
<tr>
<td>upper bound</td>
<td>0.00</td>
</tr>
<tr>
<td>Baseline comparison</td>
<td></td>
</tr>
<tr>
<td>CFI</td>
<td>1.000</td>
</tr>
<tr>
<td>Comparative fit index</td>
<td></td>
</tr>
<tr>
<td>TLI</td>
<td>1.000</td>
</tr>
<tr>
<td>Tucker-Lewis index</td>
<td></td>
</tr>
<tr>
<td>Size of residuals</td>
<td></td>
</tr>
<tr>
<td>SRMR</td>
<td>0.000</td>
</tr>
<tr>
<td>Standardized RMS residual</td>
<td></td>
</tr>
</tbody>
</table>

**Conclusion of study**

This study examines the impact of credit risk on the financial performance of banks with mediating role of operational efficiency. This study used credit risk as independent variables, operational efficiency as mediating variables and net interest margin as dependent variable and proxy for financial performance. For sample selection this study used 29 banks based on availability of data. The time horizon of this study is 8 years started from 2011 to 2018 on annual basis. To identify the mediation in relationship between independent and dependent variables study apply single level mediation model.

The negative relationship found between credit risk and net interest margin via operational efficiency. Credit risk also have negative impact on operational efficiency which means higher credit inversely impact net interest margins of banks via operational efficiency. It is caused by higher distribution of loans by managers for their own benefits and this cause problems between shareholders and managers which cause increase in non-performing loans and thus decreasing net interest margin. Therefore, according to this managers should maintain a good relationship with shareholders and other supervisory authorities and higher authorities. Shareholders should also plan some incentives for managers for the purpose of increasing their commitment towards the bank and monitoring regarding providing loans needs to be improved. This way, the non-performing loans can be decreased which in turn increase efficiency thus in financial performance/net interest margin of banks.

This study can help managers to make policies regarding granting loans to protect banks from loan defaults and make policies regarding reward system for employees so they can align their goals with the banks and avoid agency problems and help managers make policy regarding better utilization of deposits. The limitations of this study are that 29 banks are chosen out of total banks in Pakistan because of improper information and limitations of this study is that this research only limited to banks and few factors were used, time period in this is not so much long...
and only Pakistan banks is used in this study. The future research can be done other sectors of the country and other countries can be added in this research and time period can be extended.

References


Provision of Technical and Vocational Education and Training to Needy Youth in Punjab: An Explanatory Study

*Dur-e-Nayab, Institute of Education and Research, University of the Punjab, Lahore, Pakistan  
Abid Hussain Ch., Institute of Education and Research, University of the Punjab, Lahore, Pakistan  
Ghulam Fatima, Institute of Special Education, University of the Punjab, Lahore, Pakistan

*Corresponding author’s email address: durenayab18@yahoo.com

**ARTICLE DETAILS**

**ABSTRACT**

**Purpose:** The main focus of the study was to explain the perspective of the principals of Vocational Training Institutions (VTIs) on the provision of Technical and Vocational Education and Training (TVET) to deprived and needy youth. These institutions are being run by Punjab Vocational Training Council (PVTC). This paper is an intellectual effort to search out the strengths and weaknesses of TVET program and to find out the actual needs of the institutes for providing quality technical and vocational education.

**Design/Methodology/Approach:** The study was qualitative in nature. An in depth interview schedule, validated by a panel of three experts, was designed to collect data. The population of the study consisted of all 208 principals working in VTIs in Punjab. The sample of study consisted of 20 principals (10% of the population) who were randomly selected from all the institutes of Punjab.

**Findings:** Results revealed that TVET is an effective tool for imparting skills to the deprived and needy youth which enables them to live their lives with prosperity and dignity. Additionally, it is an important factor to alleviate poverty. On the other hand, TVET program is lacking in provision of latest equipment, trained and sufficient staff and demand driven skills.

**Implications/Originality/Value:** The study will be beneficial to policy makers, provincial government and the authorities of Punjab Vocational Training Council.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0

Introduction
Technical and Vocational Education and Training (TVET), also called Vocational Training and Career and Technical Education (CTE) gives employment related technical training to work in a particular profession. These projects commonly emphasize on furnishing students with practical education and can lead to a certificate or a diploma (Sarasyuen, 2020). Vocational and technical training is usually uninterested with content or conventional educational skills. Technical and Vocational Education and Training (TVET) courses are ordinarily more limited and more useful than higher education courses and have an industry and job centered, related with the work market. Vocational training, hence, gives a connection between education and the working world (Doak, 2019).

The Technical and Vocational Education and Training (TVET) is especially significant for encouraging financial growth, extending the scope of employment, improving the nature of work and eradicating poverty. The current social and economic improvements, vocational and technical institutes and industries’ collaboration is quite possibly the best technique for professional training. Preparing the students with most advanced and demanded skills is a significant assurance for the improvement of professional training and vocational education (Moodie, 2020). In the present globalizing world, economic markets are moving from a local to an international arena. Competition in financial business sectors has gotten increasingly intense. The economic development drives the demand for employment skills and great labour force in different fields of the entire society, starting another round of improvement of vocational education. In the international market, skilled labour force is the way to economic growth and development (Cong & Wang, 2012).

Punjab Vocational Training Council (PVTC) was set up in October 1998 by the Government of the Punjab, under the Punjab Vocational Training Council Act. This act was passed by the Punjab Assembly on September 24, 1998; consented to by the Governor of the Punjab on September 29, 1998. It is founded on public and private partnership. It is using Zakat (2.25 % of the total amount of a wealthy Muslim to be given to the needy Muslims) Funds for poverty alleviation on the principle of dole out to pay roll by providing demand driven skill and training to deserving needy youth specially Mustahaqeen–e–Zakat (deserving Muslims) at their doorstep. There are 3,634 public and private technical and vocational institutes in Pakistan, in which Punjab Vocational Training Council is running 208 vocational institutes. The number of students, who can finish their graduation from these institutes is 40,000 for every annum. This council offers various courses related to 51 trades to needy young boys and girls. The Punjab Government dispensed Rs. 400 million for Punjab Vocational Training Council (PVTC) in spending plan 2019-2020 (Lodhi, 2019).

Literature Review
Technical and Vocational Education and Training (TVET) programs give an education that help in getting a new job or work. These programs impart training on improving skills that is also called skill-based training. This training focuses on creating and applying particular skills and behaviours (Pioneer State High School, 2020). Students must spend most of their training time in learning, creating, and practicing skills in a range of real situation and environment. After completing the TVET courses and trainings, the skilled labourers can do their jobs and work independently or join any kind of industry or market. A definitive target of skills training is not just empowering the student to gain capability in the skills, yet have the confidence to expertly apply it at work (Moodie, 2020).

Importance of TVET
Technical and Vocational Education and Training is vital and essential for economic and social development. Technical and Vocational Education and Training (TVET) is seen as a tool for
improving productivity and decreasing poverty. As there is a positive correlation between the proportion of TVET students at the post-secondary level and per capita income. Many nations have taken numerous steps to enforce and improve policy guidelines and governing structures for TVET and to improve associations with private sectors and employers (Shakir, 2020). However, there is a contrast between developed and developing nations as far as their main goals with respect to TVET are concerned. The developed nations accentuate quality improvement, observing and assessing TVET, the obtainability of national development plans, however, the developing countries center around the expense of enrolment and execution of TVET. Although skilled human resources are the main strength of numerous nations, an incompetent labour force is still among the most challenging factors for working together or doing business in numerous nations (Abdullah, 2016).

Current Situation of TVET in Pakistan
In Pakistan, TVET sector has a great strength to face the severe challenges like minimizing skills gaps and reducing joblessness. On the other hand, TVET also experiences the negative view of policy and decision makers that it is less important as compared to the general education which brought about decrease in supply of talented workforce (Shakir, 2020). Such negative insight leaves unfavourable effects on TVET sector that is considered as bad quality and yielding low returns restricting investments for skill development (Shah, 2017). Such lowering predictions, TVET institutes gradually experience the inferior infrastructure as compared to general education channels, that is why they also do not receive sufficient funds for teacher training, curriculum updates, and the equipment required for skill development (Lodhi, 2019).

In the context of Pakistan, it is believed that the current TVET system, technical education standards, curriculum and teacher training materials does not match with the growing demand of national and international jobs. Such a high concentration of private sector does not follow any minimum academic standards that results in imbalances owing to the increased supply of skilled workforce in the labor market (Khan & Zaib, 2017).

Objectives of the Study
The following objectives were framed:
1. To collect the background information about the establishment of Punjab Vocational Training Council (PVTC) for the Technical and Vocational Education and Training program of needy youth enrolled at Vocational Training Institutes (VTIs).
2. To know the views of principals on provision of Technical and Vocational Education and Training to Needy Youth in Punjab.

Research Questions
The study was planned to answer the following questions:
1.1 What were the objectives about the establishment of Punjab Vocational Training Council for providing technical and vocational education and training to needy youth?
2.1 What are the strengths and weaknesses of curriculum being implemented in Vocational Training Institutions (VTIs) of Punjab Vocational Training Council?
2.2 What are the strengths and weaknesses of currently running TVET program?
2.3 Which suggestions have been given by the principals of VTIs to improve the TVET program of Punjab?

Methodology
It was a qualitative study in nature and data were collected through conducting interviews of the principals of VTIs.
Population
The population of the study consisted of all 208 principals working in VTIs in Punjab.

Sample
The sample of study consisted of 20 principals (10% of the population) who were randomly selected from all the institutes of Punjab.

Instrument
An in-depth interview schedule, validated by a panel of three experts, was designed to collect data.

Data Analysis
Qualitative data analysis techniques were used including generating themes, making categories, coding, and reporting findings. By listening to and analyzing the responses of principals, these were transcribed, and themes were derived through thematic analysis technique.

Findings
The findings of the study are being presented as under:

Q1: What were the objectives of establishing Punjab Vocational Training Council?
To answer the first question, almost all the principals were having the same views that PVTC is utilizing Zakat Funds for poverty alleviation and by providing demand driven skill training to deserving youth, involving private sector to enhance employability and assist the graduates in their placement for permanent rehabilitation and arranging financial support for their self-employment from Micro Finance Institutions and NGOs.

Q2: The students of TVET are facing the problems in life skills (honesty, team work, cooperation etc.), what steps are being taken to improve the life skills of the students?
To answer the above question, all principals were having the same answer that improving the life skills of the students, the institute had included a book named “Life Skills and Entrepreneurship” which is a part of curriculum and mandatory with all the TVET courses. A separate teacher has been hired for teaching life skills. The institutes are trying their level best to improve the life skills of the students by using curricular and co-curricular activities. On the other hand, principals give frequent lectures to the students on the topic of life skills and teachers use different activities in the classrooms for improving the life skills of the students.

Q3: What are the strengths and weaknesses of curriculum being implemented in Vocational Training Institutions (VTIs) for teaching academics, ethics and demand driven and employable vocational skills in various trades to needy young boys and girls after passing matriculation?
According to all the principals of VTIs, PVTC has its own CRC (Curriculum Review Committee), which sends the pro forma to the principals of every institute to be filled in by the teachers after every academic year to amend the curriculum according to the need of the market but, unfortunately, all the changes are not made. As principal 1 gives the example that “when the curriculum is reviewed and changed before the new academic year and after two months some innovation is taken place in any equipment or trade, CRC does not change the curriculum at that specific time”. So the curriculum is changed on its own time and during the whole year students study the old curriculum and use old equipment which was obsolete in the market.
According to the participants, following are the strengths and weaknesses of the curriculum which were stated by almost all the participants.
Table 1.1: Strengths and weaknesses of the implemented curriculum

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>The institute involves teachers for the upgradation of curriculum.</td>
<td>Institutes do not involve the people from industry.</td>
</tr>
<tr>
<td>Curriculum is very comprehensive.</td>
<td>PVTC does not amend the curriculum according to technological advancements.</td>
</tr>
<tr>
<td>Curriculum is based on 80% practical and 20% theory.</td>
<td>On Job Training (OJT) is only of two months.</td>
</tr>
<tr>
<td>Curriculum is according to needs of the market.</td>
<td>Curriculum is not updated periodically.</td>
</tr>
<tr>
<td>Curriculum is based on the demand driven skills.</td>
<td>The linkage of institutes with industry is not strong.</td>
</tr>
</tbody>
</table>

Q4: What type of teachers training courses are arranged for teaching to vocational students effectively?

All the principals were having the same perspective related to different training courses. According to them, PVTC has its own institute named STTI (Staff Teacher Training Institute) which is responsible for conducting all types of pedagogical and skill trainings. This institute issues its calendar on the beginning of every academic year for training of different selected teachers. They have given the trainings in the field of pedagogical, technical and vocational skills. In the COVID 19 Pandemic, the trainings were not suspended instead these were shifted from traditional to online mode. They further described that many national and international trainers are invited for the trainings of teachers. Online teachers’ training also has potential benefits for teachers and enable all of them to attend it.

Q5: How are you going to create or provide jobs for the TVET students?

While answering the above question, most of the principals had the same answer related to creating or providing jobs. According to them, PVTC has a separate department for Career Guidance and Job Placement which supports graduates with career related challenges through their expertise in career counseling and labour market. Admission & Placement Officers are often capable of supporting PVTC’s graduates in finding suitable placement / jobs. Admission & Placement Officers are also responsible for arranging on job trainings for trainees in local industry. Two months On Job Training (OJT) is mandatory for every trainee before final assessment / examination.

Graduates interested in overseas employment are also guided how to seek employment abroad, how to prevent them from fraud by dealing with registered overseas employment only. Graduates are encouraged to become entrepreneurs rather than job seekers so graduates having good business plans are encouraged to apply for financial assistance through government and non-government small grants and loans to start their own businesses. On the other hand, PVTC has signed MOUs with different companies and industries. Whenever these companies need workers, they contact local VTIs to provide employees to them. Some of the principals (40%) also stated that PVTC is lacking behind in this department. Students have to face lot of problems while doing OJT and for finding a job, but 60% students managed to get a job and survive in the industry.

Q.6. Which awareness programs and vocational guidance activities are arranged for students, parents, and teachers?

According to the principals, Admission and Placement Officers (APOs), with the help of principals are responsible for creating awareness in the society related to TVET programs. In the supervision and guidance of APOs, principals plan different strategies for the awareness of TVET. They use to print pamphlets, prepare banners, make visits to villages, give advertisements on television and in newspaper, and make announcements in mosques during admission campaign. Three to four principals also stated that their teachers also do the corner meetings and campaign in the rural areas and create awareness among people of the benefits of TVET.
Q.7. What are the strengths and weaknesses of currently running TVET program?

According to the principals working in VTIs, TVET is the most effective tool for imparting skills to the deprived and needy youth and enable them to live their lives with prosperity and dignity. It is also an important factor to alleviate poverty. They further explain that Pakistan is a developing country, so it faces a lot of financial problems in every field. There are many problems which are faced by TVET sector but the most important is equipment. As principal 7 states that “As you know that, refrigerators and air conditioners are available in the market with inverters but we don’t have refrigerators and air conditioners with inverters in institutes and students are forced to practice on the obsolete equipment, this is great drawback of TVET sector”. Some strengths and weaknesses of TVET program are as follows.

Table 2.1: Strengths and weaknesses of TVET program

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>VTIs have signed MOUs with different companies.</td>
<td>Syllabus is not updated according to the market needs.</td>
</tr>
<tr>
<td>PVTC arranges quarterly district wise meetings with the principals for the development of VTIs.</td>
<td>There is no staff for every trade.</td>
</tr>
<tr>
<td>Facilities are available for the training of faculty by PVTC.</td>
<td>Those courses are also being taught which are obsolete in the market.</td>
</tr>
<tr>
<td>Curriculum is based on 80% practical skills.</td>
<td>Buildings of VTIs are not purpose built.</td>
</tr>
<tr>
<td>VTIs restrict students to follow strict discipline.</td>
<td>Equipments are not latest.</td>
</tr>
<tr>
<td>80% attendance is compulsory in institutes.</td>
<td>Budget is not sufficient for VTIs.</td>
</tr>
</tbody>
</table>

Q8: Is OJT effective, which kind of behavior students have to face during OJT?

Almost all the principals were agreed on the point that OJT is very effective. Additionally, it gives the students real working environment and enables them to learn many things related to their job. They further said that it is so much effective that its duration should be more than two months. As far as the behaviours of employers are concerned, 40% principals reported that students have to face nice and welcoming behavior whereas 60% of principals stated that students have to face the rude behavior of the employers. The main reason of the employers’ impolite behavior is the incompetency of the students in managing their jobs, that is why employers consider them a burden on their industries.

Q.9. What are your suggestions to improve the performance of TVET programs?

All the principals have given the following suggestions for the improvement of TVET programs.

➢ Trades should be updated and demand driven.
➢ Tools should be latest.
➢ The number of qualified staff should be increased.
➢ Infrastructure should be improved.
➢ Salaries should be increased.
➢ Budget should be increased.
➢ Obsolete trades must be removed from the list of courses.
➢ There should be a separate institute like HEC (Higher Education Commission) to look after all the matters of TVET.
➢ Curriculum should be modified and reviewed periodically.
➢ Quality training should be given to teachers.
➢ The number of qualified staff should be increased.
➢ There should be a proper check and balance system for TVET sector.

Discussion

A good initiative taken by PVTC was to give demand driven and employable skills to needy young boys and girls by utilizing zakat funds, enabling them to earn their livelihood and be an efficient part of society. These TVET programs are also helpful in alleviating poverty (PVTC, 1998). For the success of the programs, it is very essential to update the curriculum periodically.
and train the teachers according to that curriculum (Gull, Hashmi & Altaf, 2019). According to Abdullah (2016), an effective curriculum and its timely upgradation provides teachers, students, administrators and community stakeholders with a measurable plan and structure for delivering a quality education. The curriculum identifies the learning outcomes, standards and core competencies that students must demonstrate before going to the next level (Lofgren, Llomak & Toom, 2020). Teachers play a key role in developing, implementing, assessing and modifying the curriculum. An upgraded and effective curriculum acts as a road map for teachers and students to follow the path to academic success (Raza & Khalid, 2017).

Teacher trainings are also very important for refreshing their previous knowledge and imparting new knowledge. These trainings are really helpful for the development and grooming of teachers. These trainings also aware them of the progress of the world in their related field (Bukit, 2012). These trainings are arranged every year but data collected from the teachers show that every teacher does not get a chance to attend these trainings. These programs not only facilitate the needy youth but also play an effective role for the development and progress of the country. These programs enable students to earn their livelihood with respect and honor. These programs also make them self-reliant and confident in their daily life (Study International, 2021). So, it is need of the hour to make TVET programs efficient and effective because with the weaknesses it is not possible for any institution or organization to give excellent results and achieve its objectives.

**Recommendations**

Based on the findings of the study, it is recommended that:
- The government should sufficiently fund, design, implement, and accomplish TVET programs in VTIs of Punjab.
- The quality of TVET programs must be measured. This can be attained by providing adequate facilities, tools, effective teaching materials, qualified TVET staff and provision of in-service training for TVET teachers.
- There should be proper supervision and monitoring of the implementation of TVET programs by government.
- Labs should be properly maintained and equipped with the required technologies.
- Curricula should be reviewed and revised periodically to meet the necessities of rapid technological advances.
- At least one University of Technical and Vocational Education and Training (TVET) should be established in every province.

**References**


Does a Relationship Exist Between Poverty Human Capital and Economic Development in Pakistan A Case Study of Bahawalpur Division

*Salyha Zulfiqar Ali Shah*, School of Economics, Bahauddin Zakariya University Multan, Pakistan  
*Imran Sharif Chaudhry*, School of Economics, Bahauddin, Zakariya University Multan, Pakistan  
*Fatima Farooq*, School of Economics, Bahauddin Zakariya University Multan, Pakistan

*Corresponding author’s email address: salyhazulfiqar@bzu.edu.pk*

**ARTICLE DETAILS**

**History**  
*Revised format: Aug 2021*  
*Available Online: Sep 2021*

**Keywords**  
Human Capital, Economic Development, Household Poverty, Per capita income

**JEL Classification**  
O1, O10

**ABSTRACT**

**Purpose:** To pursue the poverty reduction goals, various socio-economic, demographic, human development factors should be linked together for a better quality of life and good macro-economic performance of the developing countries. The present study focuses on the Bahawalpur division, Pakistan.

**Design/Methodology/Approach:** A household survey was conducted to collect data from 353 household heads, i.e., respondents using the Binomial Logit and Ordinary Least Squares (OLS) regression techniques.

**Findings:** The findings of the study reveal that human capital is the most influencing factor that positively affects the per capita income of households. Moreover, Human capital shows a negative relationship with the household’s poverty.

**Implications/Originality/Value:** Long-term planning and programs are necessary for the promotion of the human capital of the respondents. i.e., households of the Bahawalpur division. It would further promote job opportunities for raising the standard of living of the people living in this region.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0


**Introduction**

The elimination of high and widespread poverty is at the core of all the development issues and problems. The headcount ratio of the South Asian region was 18.17 percent in 2012 which has been reduced to 16.15 percent in 2013. Under the international poverty line of 1.90 US $ by World Bank (2013), the headcount ratio of India is 21.2 percent, Bhutan 2.2 percent, Bangladesh 18.5 percent, Maldives 7.3 percent, Nepal 1.5 percent, Pakistan 6.1 percent and Sri Lanka stands at
1.9 percent respectively. Over the past quarter-century, the developing countries of the South Asian region have made noteworthy and extraordinary efforts in reducing extreme poverty.

Nelson and Phelps (1966), contended that investment in human capital leads to technological progress which helps to produce more dynamic technology. Todaro and Smith (1999), stated that human capital enhances skill development, health, capacities that further increase the productivity and efficiency of the people. IMF (2018-19), reported that the growth rate of Pakistan is 5.6 percent. While growth rates of other South Asian countries like Sri Lanka, Bangladesh and India are 4 percent, 7 percent and 7.4 percent, respectively. In Pakistan during the year 2018-19, the total national savings are 10.7 percent of GDP. The present study focuses on the Bahawalpur division, which is one of the important divisions of Southern Punjab Pakistan. Due to the gradual increase in poverty, lack of resources and low employment level. The present study has been focused to analyze the relationship between human capital, poverty and economic development in the Bahawalpur division.

Considering the above discussion, this paper is structured as follows. Section 2, presents a brief overview of existing literature. Section 3 offers data and methodology. Section 4 explains the empirical findings. Section 5 provides the concluding remarks.

The Literature Review

Poverty

Poverty can be addressed through developing opportunities, entitlements and capabilities [Sen (1981, 1985)]. A log-linear regression model by Malik (1996) examined the determinants of rural poverty in a village named ‘Wanda” near Bhakar district in Punjab. The author has collected primary data from 100 households during the year 1990. The study has revealed that female-headed households are more likely to be poverty-driven. Education plays a vital role in raising the per capita income of those households headed by an educated person. But households headed by illiterate persons and low per capita income are more prone to poverty. The study suggested that better institutional arrangements, non-farm activities, distribution of assets and access to resources can enable the households to get rid of poverty in the long run.

Dreze and Sen (2002) highlighted the importance of education that fosters growth and reduced the poverty status of households. Simler et al. (2003), examined the extent and distribution of poverty in Mozambique. The authors had conducted a survey of 8289 households during the year 1996-1997. Various demographic seasonal determinants of poverty are taken into consideration. The study suggested that the general disparities regarding the attainment of education should be eradicated. It was revealed that individual landholding doesn't necessarily reduce the poverty if the landholding size is small. The study has suggested that poverty can only be minimized by fostering economic growth, investment in education. Productivity in the agriculture sector can be raised only by generating employment opportunities. The high dependency ratio is due to the increased birth rate that must be reduced to lower the burden of households.

Human Capital

Bildirici, et al. (2005) studied the determinants of economic growth, human capital and brain drain in different countries. The author had collected cross-country panel data of 77 countries from a Human Development report by the United Nations and Development Program (UNDP). Three models were constructed to analyze the impact of various independent variables on migration, Human Capital Index (HDI) and economic growth. The study concluded that the education index, average life expectancy showed a positive relation with human capital. Regional development showed a negative relation with human capital.
Mammadov (2012) examined the determinants of economic growth and foreign direct investment and human capital in transition economies. The author collected secondary data, constructed three models to analyze their relationship with each other respectively. GDP per capita is the proxy of economic growth, secondary and tertiary enrollments were the proxy of human capital and in the third model dependent variable is foreign direct investment. The study concluded for human capital was that foreign direct investment showed a positive and significant relation between secondary and tertiary enrollment. An increase in foreign direct investment leads to provide better job opportunities for skilled workers and thus resulting in raising their standard of living. The population density would be positively correlated with secondary enrollment but negatively with tertiary enrollments.

**Economic Development**

A study by Obersteiner and Wilk (1999) had observed the major contributing factors of long-term economic development by conducting a cross-country survey using Ordinary Least Squares (OLS) regression analysis. The authors had segregated the countries into different classes like industrialized fast-growing countries, industrialized slow-growing countries, non-industrialized fast-growing countries, non-industrialized medium fast-growing countries, non-industrialized medium low growing countries and non-industrialized slow-growing countries. Later the results were compared with the study of Sala-i-Martin (1997). The study has found that secondary and higher schooling plays an important role in accelerating economic growth however the institutional arrangements such as democratic freedom and primary education do not necessarily play a vital role in supporting economic growth.

Barashov (2011) investigated the non-economic determinants of economic development for the Russian economy. The political factors include social and political stability, political regime, state economic policy factors, etc. The economic system includes the type of economic system, trade openness. The geographical factors include geographical location, climate, mineral resources, and human reproduction. The finding revealed that in the long run physical, innovation, geographical and technological factors were very important, in the medium run, innovation and technological and psychological factors were very crucial. Psychological and institutional and political factors were important in the short run.

**Data and Methodology**

The primary data has been collected through a household survey in the Bahawalpur division during the year 2019. The sample size consists of 353 households head, using simple random and stratified sampling techniques.

**Multiple regressions Analysis**

In the present study, two econometric methods i.e., the Binomial Logit and Ordinary Least Squares (OLS) regression have been utilized. For the poverty model, the Binomial Logit has been employed in the present study. For the human capital and economic development model, the OLS regression technique has been used to analyze different socio-economic and demographic determinants in the Bahawalpur division.

It starts with a general function,

\[ Y_i = f(X_1, X_2, \ldots, X_n) \]  

Where “\( Y_i \)” indicates Poverty. \( Y \) is equal to “1” if poverty exists in the household and equal to “0” if poverty does not exist in the household.

The following model is as follows,

\[ Y_i = \alpha + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \ldots + \beta_K X_{KI} + u_i \]  

Where \( X_j \) is a set of \( j \)th independent variables where \( j = 1, 2, \ldots k \).
If the present study, household ‘s poverty ($Y^*$) is a dependent variable i.e., a dummy variable then the logistic regression model can be explained through the equation:

$$Y^* = \beta_1 + \beta_2 X_2 + \beta_3 X_3 + \ldots + \beta_k X_{ki} + \epsilon_i$$

$$Y_i = 1, \quad \text{if} \quad Y_i < 0; \quad Y_i = 0,$$

Thus, logistic equation can be written as

$$F(-\sum X_i \beta) = \frac{e^{-\sum x_i \beta}}{1 + e^{-\sum x_i \beta}}$$

| Table 1: Variables Utilized for Binomial Logit and OLS Regression Estimates |

<table>
<thead>
<tr>
<th>Variables</th>
<th>The Description of the Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variable for Binomial Logit Model</strong></td>
<td></td>
</tr>
<tr>
<td>$Y$</td>
<td>Poverty</td>
</tr>
<tr>
<td></td>
<td>= 1 if per capita income is lower than $1.90/day then the household is Poor</td>
</tr>
<tr>
<td></td>
<td>= 0 if per capita income is more than $1.90/day then the household is non-Poor</td>
</tr>
<tr>
<td><strong>Dependent Variable for OLS Regression Model</strong></td>
<td></td>
</tr>
<tr>
<td>LNPCI</td>
<td>Log of Per Capita Income</td>
</tr>
<tr>
<td></td>
<td>It is the proxy for Economic Development. It is the natural log of per capita income.</td>
</tr>
<tr>
<td>HCI</td>
<td>Human Capital Index</td>
</tr>
<tr>
<td></td>
<td>It is the proxy for Human Capital. It is an index constructed by considering the household's education and health-related factors.</td>
</tr>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
</tr>
<tr>
<td>HSIZE</td>
<td>Household ‘s Size</td>
</tr>
<tr>
<td></td>
<td>The total person in a household</td>
</tr>
<tr>
<td><strong>Economic Variables</strong></td>
<td></td>
</tr>
<tr>
<td>OCC</td>
<td>Occupation of Household Head</td>
</tr>
<tr>
<td></td>
<td>= 1 if household head working in the primary sector</td>
</tr>
<tr>
<td></td>
<td>= 0 if household head not working in the primary sector</td>
</tr>
<tr>
<td>NOEIH</td>
<td>Number of Earners</td>
</tr>
<tr>
<td></td>
<td>The household comprising of total earners</td>
</tr>
<tr>
<td>LNVOLPA</td>
<td>Physical Assets</td>
</tr>
<tr>
<td></td>
<td>The natural log of value of physical assets owned by the household</td>
</tr>
<tr>
<td>REM</td>
<td>Remittances</td>
</tr>
<tr>
<td></td>
<td>= 1 if household receive remittances</td>
</tr>
<tr>
<td></td>
<td>= 0 if a household does not receive remittances</td>
</tr>
</tbody>
</table>

**Specification of the Models**

The specification of the models presenting an interrelationship between poverty, human capital and economic development nexus in Southern Punjab, are given below:

$$Y = f(HCI, REM, OCC, PHYASSETS, HSIZE)$$

$$HCI = f(Y, LnPCI, NOEIH, HSIZE, REM)$$

$$LnPCI = f(HCI, Y, REM, OCC, HSIZE)$$

| Table 2: Descriptive Analysis of Poverty, Human Capital and Economic Development in Bahawalpur Division |

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty</td>
<td>0.39</td>
<td>0.48</td>
</tr>
<tr>
<td>Human Capital</td>
<td>9.30</td>
<td>0.65</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>9685.901</td>
<td>6461.68</td>
</tr>
<tr>
<td>Remittances</td>
<td>0.13</td>
<td>0.34</td>
</tr>
<tr>
<td>Occupation of the Household Head</td>
<td>0.56</td>
<td>0.49</td>
</tr>
<tr>
<td>Value of the Physical Assets</td>
<td>4739052</td>
<td>11704526</td>
</tr>
<tr>
<td>Household Size</td>
<td>6.37</td>
<td>2.59</td>
</tr>
<tr>
<td>Number of Earners in the Household</td>
<td>1.96</td>
<td>1.11</td>
</tr>
</tbody>
</table>

**Source:** Survey data, 2019
Table 3: Correlation Analysis of Poverty Model in Bahawalpur Division

<table>
<thead>
<tr>
<th>variables</th>
<th>Y</th>
<th>HCI</th>
<th>REM</th>
<th>OCC</th>
<th>PHYASSETS</th>
<th>HSIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCI</td>
<td>-0.19436</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REM</td>
<td>-0.13203</td>
<td>0.056875</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCC</td>
<td>0.482356</td>
<td>-0.15966</td>
<td>-0.1176</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHYASSETS</td>
<td>-0.62017</td>
<td>0.263299</td>
<td>0.105861</td>
<td>-0.51324</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>HSIZE</td>
<td>0.229894</td>
<td>0.021067</td>
<td>-0.06212</td>
<td>0.088358</td>
<td>0.318272</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Survey data, 2019;

Table 4: Correlation Analysis of Human Capital Model in Bahawalpur Division

<table>
<thead>
<tr>
<th>variables</th>
<th>HCI</th>
<th>Y</th>
<th>PCI</th>
<th>NOEIH</th>
<th>SIZE</th>
<th>REM</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCI</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y</td>
<td>0.263299</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PCI</td>
<td>0.709534</td>
<td>0.199327</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOEIH</td>
<td>0.444607</td>
<td>0.258393</td>
<td>0.132612</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HSIZE</td>
<td>0.318272</td>
<td>0.021067</td>
<td>-0.28699</td>
<td>0.460296</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>REM</td>
<td>-0.62017</td>
<td>-0.19436</td>
<td>-0.74703</td>
<td>-0.11327</td>
<td>0.229894</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Survey data, 2019;

Table 5: Correlation Analysis of Economic Development Model in Bahawalpur Division

<table>
<thead>
<tr>
<th>Variables</th>
<th>PCI</th>
<th>HCI</th>
<th>Y</th>
<th>REM</th>
<th>OCC</th>
<th>HSIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCI</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCI</td>
<td>-0.74703</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y</td>
<td>0.199327</td>
<td>-0.19436</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REM</td>
<td>-0.51881</td>
<td>0.482356</td>
<td>-0.15966</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCC</td>
<td>0.709534</td>
<td>-0.62017</td>
<td>0.263299</td>
<td>-0.51324</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>HSIZE</td>
<td>-0.28699</td>
<td>0.229894</td>
<td>0.021067</td>
<td>0.088358</td>
<td>0.318272</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Survey data, 2019;

Results of Econometric Analysis of Poverty, Human Capital and Economic Development Nexus in Bahawalpur Division

In this section, the results of an econometric analysis of poverty, human capital and economic development nexus in the Bahawalpur division are reported. In Table 6 poverty is engaged as a dependent variable to analyze its relationship with human capital and economic development in the Bahawalpur division. The Binomial Logistic regression technique has been utilized to analyze the results.

Table 6 present the impact of human capital on household poverty. The econometric analysis of the coefficient of the human capital of a household points out a negative relationship with household poverty, significant statistically. In the labor market, the highly educated household head would have more job opportunities. The marginal effect infers that there is an 0.184 percent probability of reducing poverty if the human capital index or human capital of the household increases by one unit [Sasin et al., (2007), Dao (2008), Chaudhry et al. (2009) and Otsuka et al., (2010)]. Higher education provides better job opportunities and prospects for future earnings. High-income level increases the per capita income of the household and helps to mitigate household poverty.

To capture the effect of occupation of the household in the primary sector, it is found out to be a positive relationship with poverty, significant statistically at a 1 percent significance level. From
Table 6 the marginal effect shows that if a household head works in the primary sector, the likelihood of household poverty increases by 0.238 percent. The income per capita of the household is very little if they are associated with the occupation in the primary sector and therefore more chances for them to face chronic poverty [Agenor (1996), Kar and Marjit (2001; 2009)].

Table 6 shows the econometric analysis of the coefficient of the value of physical assets. The results concluded that a negative relationship exists between the value of the physical assets and household poverty, statistically significant. The marginal effect infers that with the increase in the value of the physical assets owned by the household by one percent, the chances of poverty reduced by 0.097 percent. Households having physical assets are financially stable and able to make deliberate decisions regarding their education, health, and investments in other occupations. This is very supportive of them to raise their future earnings and get rid of long-term poverty [Hashmi et al., (2008) and Neilson et al., (2008)]. Relating to the household size, the results of the coefficient of household size depicts a positive relationship between household size and household poverty, at a 1 percent level of significance. Households suffering from chronic poverty are having low per capita income due to large family sizes. Hence, they are forced to live in poverty. Similar results are also concluded [Gang et al., (2004), Khalid et al., (2005) and Hashmi et al., (2008)]. The marginal effect concludes that if the size of a household is added by one person, there is a 0.051 percent likelihood of increasing household poverty [Gang et al., (2008), Khalid et al., (2005) and Hashmi et al., (2008)]. The coefficient of remittances is found to be statistically insignificant and no relation between economic development and remittances has been found. The McFadden R-squared of the model is 0.517. The LR statistics is 244.326 and the p-value is 0.000, which is significant statistically.

Table 6: Binomial Logistic Regression Results of Poverty Model in Bahawalpur Division

<table>
<thead>
<tr>
<th>Dependent Variable: Poverty (if Poverty =1, Otherwise = 0)</th>
<th>Coefficients</th>
<th>Standard Errors</th>
<th>Z-Statistic</th>
<th>P-value</th>
<th>Marginal Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>8.111</td>
<td>1.604</td>
<td>5.057</td>
<td>0.000</td>
<td>------</td>
</tr>
<tr>
<td>Human Capital</td>
<td>-0.775</td>
<td>0.104</td>
<td>-7.423</td>
<td>0.000</td>
<td>-0.184</td>
</tr>
<tr>
<td>Remittances</td>
<td>-0.556</td>
<td>0.603</td>
<td>-0.922</td>
<td>0.357</td>
<td>-0.132</td>
</tr>
<tr>
<td>Occupation of the Household Head</td>
<td>1.000</td>
<td>0.376</td>
<td>2.658</td>
<td>0.008</td>
<td>0.238</td>
</tr>
<tr>
<td>Value of the Physical Assets</td>
<td>-0.409</td>
<td>0.095</td>
<td>-4.286</td>
<td>0.000</td>
<td>-0.097</td>
</tr>
<tr>
<td>Household Size</td>
<td>0.214</td>
<td>0.073</td>
<td>2.925</td>
<td>0.003</td>
<td>0.051</td>
</tr>
<tr>
<td>McFadden R-squared</td>
<td>0.517</td>
<td>Mean dependent var</td>
<td>0.391</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LR statistic</td>
<td>244.326</td>
<td>Prob. (LR statistic)</td>
<td>(0.000)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey data, 2019

In Table 7, the human capital is the dependent variable to analyze its relationship with household poverty and economic development in the Bahawalpur division. For this purpose, the human capital index is constructed and employed as a proxy for human capital. The Ordinary Least Squares (OLS) regression technique is used for the econometric analysis. From Table 7, the econometric analysis shows the negative relationship between household poverty and the human capital of the household, significant statistically at a 10 percent significance level. The coefficient of the variable shows that if household poverty rises to one unit, it reduces the human capital index or human capital of the household by 0.642 units. The Bahawalpur division is quite backward in terms of infrastructure and social facilities. Poor households cannot raise their earnings as the majority of households are associated with the agriculture sector. These circumstances restrict them to spend on education and health facilities due to the low level of earnings. The same results are concluded by Becker (1995), Warren, et al., (2001), Takahashi and Otsuka (2008).
Regarding the per capita income, the econometric results show a positive relationship between the human capital and income per capita. If earnings per capita rise to one percent, it will lead to an increase in the human capital index or human capital of a household by 1.730 units. This connection is found to be statistically significant. The reason may be that the households having more per capita income have the potential to gain education and health facilities. Which in turn, further helps to raise their future earnings [Mincer (1981), Benhabib and Speigel (1994), Oded (2011)]. Relating to the number of earners in the household, the results from the econometric analysis show a positive relationship between the numbers of earners in the household and human capital, significant statistically. A better-educated household head has a better ability to learn and think professionally. They can utilize assets more efficiently, and generate new income opportunities more quickly. An increase in the number of an earner in the household by one member will increase the human capital index or human capital of the household by 1.295 units. Due to the increase in earnings, the standard of living of the household will be improved and now be able to afford education and health facilities [Smith, 2007; Estudillo et al., 2008; Jehovaness, (2010)].

Considering the household size, the results of the econometric analysis from the study show a negative relationship between household size and human capital. From table 7 the finding reveals that an increase in household size by one person results in falling the human capital index or human capital by 0.288 units. Due to the large size of the families, it is very difficult for the household to spend a large proportion of their limited income on education and health facilities. This relationship is found to be significant statistically. Therefore, households living in rural and backward areas have a large household size and consistently face deprivation and poverty. This study supports the findings of Black et al., (2005), Maralani (2008), De Haan (2010). The coefficient of remittances is found to be statistically insignificant and no relation between the human capital and remittances has been found. The value of the constant is -9.101. The R-squared of this model is 69.2 percent and the values of F-statistics are -155.985, having a p-value of 0.000. To investigate the presence of Heteroskedasticity, the White test indicates that there is no issue of Heteroskedasticity.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficients</th>
<th>Standard Errors</th>
<th>t-Statistic</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-9.101</td>
<td>2.174</td>
<td>-4.187</td>
<td>0.000</td>
</tr>
<tr>
<td>Poverty</td>
<td>-0.642</td>
<td>0.346</td>
<td>1.852</td>
<td>0.065</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>1.730</td>
<td>0.227</td>
<td>7.635</td>
<td>0.000</td>
</tr>
<tr>
<td>Remittances</td>
<td>0.278</td>
<td>0.271</td>
<td>1.025</td>
<td>0.306</td>
</tr>
<tr>
<td>Number of Earners in the Household</td>
<td>1.295</td>
<td>0.102</td>
<td>12.724</td>
<td>0.000</td>
</tr>
<tr>
<td>Household Size</td>
<td>-0.288</td>
<td>0.044</td>
<td>6.611</td>
<td>0.000</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.692</td>
<td>Adjusted R-squared</td>
<td>0.688</td>
<td></td>
</tr>
<tr>
<td>F-statistic</td>
<td>155.985</td>
<td>Prob(F-statistic)</td>
<td>(0.000)</td>
<td></td>
</tr>
<tr>
<td>Diagnostic Test: Heteroskedasticity</td>
<td></td>
<td>White Test</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-statistic</td>
<td>1.710</td>
<td>Prob. F(18,334)</td>
<td>0.095</td>
<td></td>
</tr>
<tr>
<td>Obs*R-squared</td>
<td>83.061</td>
<td>Prob. Chi-Square(18)</td>
<td>0.108</td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey data, 2019

In Table 8 economic development is the dependent variable to analyze its relationship with household poverty and human capital in the Bahawalpur division. For this purpose, the per capita income of the household is employed as a proxy for economic development. The Ordinary Least Squares (OLS) regression technique is used for the econometric analysis.
Poverty is one of the important determinants of the per capita income of the household. Considering Table 8 the poverty estimates show a negative relationship with economic development or per capita earning of the households, significant statistically. The coefficient of poverty infers that if the household poverty rises to one unit, it will decrease the income per capita or economic development of the household by 0.966 percent. Due to the chronic poverty in the rural areas of Bahawalpur, therefore it is very difficult for the household to uplift their income level and thus remain in poverty. The present study supports the result of Midgley (2008), Hilson (2009), and Donaldson (2011).

Regarding the estimates of human capital in the Bahawalpur division, the econometric results show a positive relationship between human capital and economic development. If the human capital index or human capital rises by 1 unit, it will increase the per capita income or economic development of the household by 0.065 percent. The p-value of the coefficients is statistically significant. If earning of a household increase, they tend to spend more on the education of their children and tend to improve their knowledge by enhancing their job-related skills. This provides them with vast opportunities to raise their future earnings prospects. The present study supports the result by Borojo and Yushi (2015), Pelinescu (2015), Škare and Družeta (2016) and Fashina et al., (2018).

Regarding the occupation of the household in the primary sector, the results from Table 8 show the negative association between the household working in the primary sector and income per capita, significant statistically. The finding reveals that if the occupation of the household head in the primary sector increase by one unit, it will reduce the per capita income or economic development of the household by 0.219 percent. Poor households are unable to diversify their resources into nonfarm income sources and therefore rely only on activities about farming [Abdulai and CroleRees (2001), Hoogeveen (2001)]

By considering the impact of household size, it is found out from Table 8 that there is a negative relationship exists between household size and income per capita, statistically significant. The larger the household size, the lesser will be per capita income. Moreover, a rise in household size by one member will reduce per capita income or economic development of the household by 0.030 percent [Jansen et al., (2006), Tuyen et al., (2014), Jin and Xie (2017)]. Due to limited resources and income, it would be difficult for poor households to meet their ends and be forced to live in poverty.

The coefficient of remittances is found to be statistically insignificant and no relation between economic development and remittances has been found. The value of the constant is 9.143. The R-squared of this model is 0.805 percent and the values of F-statistics are 286.734, having a p-value is 0.000. To investigate the presence of Heteroskedasticity, the White test indicates that there is no issue of Heteroskedasticity.

<table>
<thead>
<tr>
<th>Table 6: OLS Regression Results of Economic Development in Bahawalpur Division</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Variable</strong></td>
</tr>
<tr>
<td>Constant</td>
</tr>
<tr>
<td>Poverty</td>
</tr>
<tr>
<td>Human Capital</td>
</tr>
<tr>
<td>Remittances</td>
</tr>
<tr>
<td>Occupation of the Household</td>
</tr>
<tr>
<td>Household Size</td>
</tr>
<tr>
<td>R-squared</td>
</tr>
</tbody>
</table>
Conclusions

The present study focuses on the relationship between poverty, human capital and economic development in the Bahawalpur division, Southern Punjab, Pakistan. Data was collected through a household survey collected from 353 household heads. The study concludes that human capital is the most influential factor that positively affects the per capita income of the household and is negatively related to the household’s poverty. Government should spend on education and skill development programs to enhance human resources and development of this region.

References


Inclusive Practices in the Existing School Environment: Parental Perceptions and Concerns

Laila Khalid, Special needs Education University of Management and Technology, Lahore Pakistan  
*Saima Malik, University of Management and Technology, Lahore Pakistan  
Muhammad Zaheer Asghar, University of Management and Technology, Lahore Pakistan  
Research Fellow, ICT & Education (e-learning) Universitat Oberta De Catalunya, Barcelona Spain

*Corresponding author’s email address: saimamalik666@yahoo.com

<table>
<thead>
<tr>
<th>ARTICLE DETAILS</th>
<th>ABSTRACT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>History</strong></td>
<td><strong>Purpose:</strong> This qualitative research paper explores the factors affecting parental perceptions and concerns about inclusive education. It also investigates the factors influencing the access and participation of children with disabilities in mainstream schools.</td>
</tr>
<tr>
<td><strong>Keywords</strong></td>
<td><strong>Design/Methodology/Approach:</strong> Ten parents (n=10) of children with and without disabilities were selected through purposive sampling from inclusive primary schools of Punjab. Semi-structured interviews and thematic analysis were employed for data collection and analysis.</td>
</tr>
<tr>
<td><strong>JEL Classification</strong></td>
<td><strong>Findings:</strong> Findings revealed that parents of children with disabilities are more inclined towards inclusive education. Reactions of parents, quality of instruction and institutional support have created a feeling of un-certainty and dissatisfaction amongst the parents of children with disabilities about inclusion. Large class sizes and time constraints have been established as barriers to inclusion.</td>
</tr>
<tr>
<td></td>
<td><strong>Implications/Originality/Value:</strong> The study would be constructive for the school department to consider the factors adversely affecting the process of inclusion. Parents’ guidance and counselling may be made mandatory to make inclusive education successful.</td>
</tr>
</tbody>
</table>

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0


**Introduction**

Inclusive education has emerged out as a drive aimed at changing discriminatory policies and exercises. It is progressively becoming the most effectual strategy for fulfilling the educational requirements of all students and guaranteeing that all children, regardless of their disabilities and
impairments, have the right to education in regular school settings (Carrington, Bourke & Dharan, 2012). Nevertheless, owing to a number of issues, including a low parental engagement in school decision-making processes, which is critical to the creation of laws to safeguard parents and their children in inclusive education, inclusive education remains a highly discussed topic (Alur & Timmons, 2004).

In Pakistan, inclusive education stays a dry field in education, with many unsolved issues, particularly about the perspectives, thoughts, and attitudes of parents with and without disabilities regarding inclusion (UNICEF, 2017). Only private sector, and that too, a small number of schools are catering diversity, however full inclusion model is rarely visible in those schools, too (UNICEF, 2003). It is important to study and understand the effects of inclusion keeping in view the well-being of abled children, children with special needs, parents/families and the teaching-learning process towards inclusion (Duhaney & Salend, 2004).

Parents undoubtedly play a critical role in the lives of their children therefore investigation of the parents’ views and fears is an important aspect regarding evaluation of the inclusion movement. According to Mapolisa and Tshabalala, (2013) parents show apprehension about the institutional and related professionals’ support for the enhancement of cognitive and social skills of children with disabilities. The level of satisfaction of the parents rely on regular counselling and parents-teachers along with flexible curriculum (Pomerantz, Moorman, and Litwack, 2007). Parents of children without disabilities feel uncomfortable due to the presence of children with disabilities in the classrooms (Ehsan, 2018).

However, necessary issues including parents’ attitudes and concerns need to be addressed in order to bridge the gap between the theory of inclusion and its application in the existing learning environment of the country. The purpose of this study was to examine the parents’ perceptions and concerns of children with and without disabilities towards inclusive education and the factors influencing the access and participation of children with disabilities in inclusive settings at primary level.

**Objectives of the Study**
1. To explore the parents’ concerns about inclusive education.
2. To investigate the factors affecting the attitudes and perceptions of parents with and without disabilities about inclusive education settings.
3. To determine the factors influencing the access and participation of children with disabilities in inclusive education.

**Significance of the Study**
The findings of the study are expected to contribute considerably to the corpus of knowledge on present inclusive practices in primary schools. The study would undoubtedly deliver information on parental attitudes and beliefs toward inclusive education, as well as their responsibilities in bolstering inclusive policies in schools. The study would likely help to evaluate the parental attitudes and perceptions of children with and without disabilities about inclusion with an emphasis to resolve those through parents’ guidance and counselling. Findings of the study has established the significance of parental guidance and counseling, and would make the stakeholders realize its importance and usefulness to promote inclusion. The study has highlighted the gaps in the quality of instruction and available institutional support to make the schools administration revisit their existing inclusive practices and to move towards making a viable plan in augmenting the process of inclusion in primary schools.

**Literature Review**
Inclusive education approach is an emerging concept that advocates in including all children in mainstream education irrespective of their religion, culture, language, ability/disability, etc. (UNESCO, 2009). According to a report by UNESCO, (2003) the status of inclusive education is not satisfactory in Pakistan, as the government is not supporting inclusion. A small number of
Inclusive schools are operating in urban cities of Pakistan, and these are not accessible to children with disabilities of remote or rural areas, which cover the larger disabled population (UNICEF, 2017). The schools, in urban areas, or less urban areas are mostly run by the private sector and NGOs. Those schools are also struggling to create an inclusive environment through experimentation of various approaches (Farooq, 2012).

Unfortunately, no desired outcome is visible in the implementation of inclusive education so far in the public sector in the country (Singal, 2018). Factors like parents’ perceptions; untrained teachers; rigid curriculum and teaching techniques; absence and shortage of learning material, and assistive devices also contribute to preventing inclusive education approaches in the schools of Pakistan (Hameed, 2009; Singal, 2018).

According to Mitchell, (2015) inclusive education is a multi-faceted concept. Inclusive education is a concept whose time has come throughout the world, the driving force behind it is UN Convention on the Rights of People with Disabilities. Its range has now been expanded to include all learners with special education needs, regardless of their backgrounds. It also goes beyond simply placing such students in typical and regular classrooms to take into account a variety of educational considerations. Criteria are given and indicators are proposed for each of these dimensions. The model of inclusive education by Mitchell (2015) is as follows:

![Figure 1: Model of Inclusive Education, (Mitchell, 2015)](source: Center for Educational Policy Studies Journal)

**Parental Attitudes and Concerns Regarding Inclusion of Children**

Parents play a critical part in the perplexing dynamic inclusion process, which begins with the parents' decision to place their special needs child in a conventional learning environment. As a result, during the last two decades, a number of researches have viewed the perspectives of parents of children with and without disabilities on inclusion, yielding contrary results (Leyser &
Reactions of Parents

For parents of children with special needs, initially, acceptance becomes the main concern. Parents of children with disabilities believe that inclusion could increase their child’s learning ability due to higher standards in a regular class as it provides stimulating environment for learning. Parents reported that the teachers do not accept children with disabilities wholeheartedly as their presence overburden them and classroom environment do not accept and welcome their disabled child (Fatima, Malik & Ashraf, 2020). Najjingo, (2009) pointed out the teachers and classmates’ bleak acceptance level towards the disabled children highlighted by the parents in the classroom environment. All adverse reservations like rejection; labeling; bullying; injuries and mishaps can lead parents to overprotect their vulnerable children that impede the process of the child’s development (Taller-Azuly, 2015). Parents were reported hesitant in sending their children with disabilities in mainstream setting due to adverse views of teachers and parents of abled peers (Aziz and Madani, 2007; Grigal; Neubert; Moon & Graham, 2003).

In another study, negative attitudes of the parents of pupils without disabilities were cited by almost all parents of children with disabilities (Farooq, 2013). A study reported that the demands of children with special needs become so great that the teachers have to compromise on the growth and education of their abled peers (Kugelmass, 2006). In a study by Thakur and Abbas, (2017) it was reported that the perceptions of parents of students with disabilities is that children with special needs do not receive enough help from teachers, and the children feel isolated and out of the classroom learning environments. Abled children are forthcoming and welcoming having disabled children in the class that improves their self-worth by helping and supporting them reported by the parents of children with special needs. Parents of children with disabilities have fears that their child would be bullied by their peers (Taub, 2006).

Role of teachers and quality of instruction

Educators’ role in creating an effectual inclusive learning environment is imperative. Lack of in-service teachers’ training has become an obstacle in promoting inclusion (Brownell, Smith, Crockett & Griffin, 2012). Parents feel that teachers are not skilled professionally to tackle a diverse classroom, in particular, children with special needs effectively (Manzoor, Hameed & Nabeel, 2018). Pre-service courses were not enough to prepare them for the realities of teaching students with a wide range of abilities and behaviors. Teachers reported significant feelings of inadequacy with regard to teaching students with special educational needs (Carol, 2003; Gould & Vaughn, 2000). Both pre-service and in-service courses that address the skills and attitudes of teachers towards students with disabilities are deemed insufficient by many teachers (Bartak & Fry, 2004; Gary, 2002; Westwood & Graham, 2003). In-service general school teachers need training in identifying, assessing, adapting, differentiating curriculum, and managing diversity in the classroom through workshops, which is the duty of the state and school authorities (Darling-Hammond, 2010). Parents highlighted rigid pedagogy and standardized assessment process the reasons of academic failure and drop-outs, when children fail to meet the criteria set by the institutions (Jeynes, 2005). It is the responsibility of the teachers to plan lessons in such a manner that they range from the most basic level to the most sophisticated level, keeping in view the varied cognitive abilities of the learners (Skrebneva, 2015). It is not simple to tackle inclusive classrooms without prior preparation by the teachers. (Westwood, 2018). Good pedagogical approaches that can be used with all children by all teachers may be applied (Palomino, 2017). Hull, (2005) reported that the lack of continuing training for in-service educators also leads to vulnerability, confusion, poor self-esteem, and a lack of creative and productive classroom activities leaving parents of children in uncertainty and distress. According to Price, (2018) serious concerns are often indicated by teachers and researchers when the abilities of teachers are discussed as far as training for inclusive classrooms is concerned to entertain the diverse needs of
According to Takala and Sume (2017), teachers reported that inclusion is successful in Finland due to the practical measures in the form of pedagogical and technical support. Various studies established that parents of children with disabilities are concerned about their child’s poor academic performance in inclusive schools, and highlighted lack of teachers’ training as a primary reason of this failure (Ainsco, 2005; Ehsan, 2018; Skrebneva, 2015). According to Suprayogi, Valcke & Godwin, (2017) implementation of differentiated instruction is only possible through teachers’ training to deal with diverse learners in inclusive classrooms.

Following figure illustrates the factors to be emphasized in executing differentiated instruction:

**Figure 2: Teachers and their implementation of differentiated instruction in the classrooms**

*Source: Suprayogi, M. N., Valcke, M., & Godwin, R. (2017).*

**Class Size and Time Demands**

Inclusive class sizes are often no smaller than other classes, and do not allow room for the additional individualized attention some students need (Westwood & Graham, 2003). Class size and composition also have obvious implications for inclusive education “smaller classes may have the greatest positive impact on students with greatest educational needs” (Bascia, Nina, 2010). Various researches reported dissatisfaction with the large class sizes, despite the inclusion of students with significant additional needs (Avrimidis, 2000). Although most teachers want to help low-achieving students, but are short of time to prepare special materials (Margolis & McCabe, 2003). Student’s lack of progress is certainly distressing for teachers. Time is also one of the major challenges associated with inclusion (Bartak & Fry, 2004). Time demands of
collaborating with different professionals is also limited. Parents of the abled students have this apprehension that teachers ignore their children in the presence of children with special needs, extra time is given to them, that adversely affects the academic performance of their children (Nketsia, Saloviita & Gyimah, 2016). Parents of children with disabilities are dissatisfied, and highlighted the aspects of helplessness and isolation of their children in the inclusive classrooms by the teaching staff as they are overburdened and could not manage the time (Akinbola, 2010). Lowering class size can help with inclusion. Large class sizes not only challenge teachers, they also result in students with academic and emotional needs not being able to participate in their classroom resulting in frustration (Jodi & Sal Mendaglio, 2014). With smaller class sizes, teachers can support students more fulsomely to help them with their learning needs and reduce behavioral challenges (Filges; Schmidt & Nielsen, 2018).

Institutional Support
Inclusive education is practically not possible without adequate institutional support. According to Mahlo, (2011), fears of the parents of children with disabilities include unavailability of assistive devices; weak support of related professionals, leading to their children’s isolation and non-engagement in varied learning activities. Parents are also concerned how to meet the needs of the learners with impairments in the absence of professionals that include audiologists, psychologists, speech therapists etc. are there to support and meet the needs of learners with impairments (Engelbrecht, 2013; Sibley, 2004). Inclusive education is not successful so far due to lack of teachers’ training and required resources in the regular education settings (Loreman, Deppeler & Harvey, 2005). Hidayat, Gunarhadi and Hidayatullah, (2017) reported that the challenges regarding inclusion were lack of training of the teachers for hearing impaired students in inclusive education and shortage of assistive devices. Erbas, (2017) reported that children with disabilities are likely to develop behavior issues and communication gaps that affect their academic performance in the schools and team of related professionals help teachers in filling these gaps (Patil & Pujar, 2019).

In the schools of Pakistan, parental involvement, counselling and training to be a part of the support program for struggling learners is passive, just restricted to the parent-teachers meeting, and that too, not regularly (Ahmad & Yousaf, 201; Farooq, 2012). The movement towards inclusion is likely to be disturbed if school administration and staff do not adequately address the concerns and challenges of the parents, since the child’s wholesome development is largely dependent on the manner he/she is dealt in the schools (Akhmetzyanova & Saitgaleeva, 2016; Taub, 2006).

Methodology
The research study was qualitative in nature, and data was collected through semi-structured interviews.
Following research questions directed the study:
1. What are the parents’ concerns about inclusion education?
2. What are the factors affecting the attitudes and perceptions of parents with and without disabilities about inclusive education settings?
3. What are the factors influencing the access and participation of children with disabilities in inclusive education?
Population constituted of parents of children with and without disabilities of inclusive primary schools of Punjab. Purposive sampling technique was used to select sample of 10 parents of children with disabilities (n=5) and parents of children without disabilities (n=5) for data collection. Introductory characteristics of the sample is as follows:

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Parents’ introductory characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Characteristics</td>
<td>n</td>
</tr>
</tbody>
</table>

290
Gender
Female (Mothers) 8
Male (Fathers) 2

Educational Status
Illiterate 4
Primary school graduate 4
High school graduate 2
Associate degree 0

Occupation
Un-employed 6
Self-employed 0
Government job 1
Private job 3

Number of children
1 2
2 3
3 2
4 3
5 3
6 2

An interview guide was developed by the researcher constituting six key questions for conducting in-depth interviews. The protocol was validated by the experts of the field and pilot tested on three participants, not included in the sample. Parents were made well-aware of the purpose of the study and ensured of their anonymity and confidentiality. Interviews were audio recorded, transcribed and coded by the researcher. Thematic analysis was used for analyzing the data. The analysis came up with four themes: Acceptance, Quality of instruction, Class sizes and time demands, Institutional support.

Following figure illustrates the four themes derived from the categories of semi-structured interviews.

Figure 3
Themes

This section provides findings first and then elaborate on the findings with proper quotations from the participants. Responses were categorized into four broad thematic topics below:

Acceptance
Majority of the parents of the children with disabilities reported that abled peers are quite cooperative and helpful, and do not bully their children, but in very rare case, they are non-cooperative in the learning environment. However, their parents come and complain to the principals about their children without any strong reason most of the times. Parents of abled
students are not accepting their children’s presence and fear that children with disabilities might hurt or injure their children in the schools and they also take additional support from teachers, whereas their children are ignored. Almost all parents of children without disabilities showed unacceptable attitude towards inclusion of children with disabilities in mainstream schools. Below are the responses of the informants:

One of the mothers reported with grief:

“My daughter is intellectually challenged, and she does not have a destructive behavior or create any problem in the classroom for her peers and teachers. Still teachers and parents are irritable about her behavior and displays rejection. This type of attitude annoys us and cause stress amongst all of us.”

One father of the abled son stated,

“I am afraid that my child could be hurt by his intellectually challenged class fellow someday. There are special schools also and such children should be enrolled in those schools. I am upset. I have spoken to the principal, but in vain.

A mother of the hearing-impaired child reported,

“My child enjoys a lot in the school with his hearing peers. His social skills and confidence are boosted. He plays games and enjoys all activities of the classroom. The principal of the school once called and told me that your child is very naughty and beats other children. Parents of other children are not happy with his presence. I could feel discrimination towards my child.”

Another mother reported,

“My child is always happy with his class fellows. Although he is wheel-chair bound but his friends try to make his mobility easier. Sometimes, he feels helpless when all students are busy playing in the playground and if he wants to go to the washroom at that time, then nobody comes to facilitate him. Otherwise, he has no problem and feels comfortable in the learning environment.”

Another mother reported with sadness,

“I am annoyed with the behavior and attitude of the teachers and parents of the abled peers, as they are not accepting my intellectually child son in the inclusive environment. When my child gets frustrated because of this rejection and isolation in the classroom, he uses foul language out of frustration. The abled peers go back homes and tell their parents. They complain about my child all the times with the headmistress, and insist that my child should be shifted to a special school. I don’t want to shift him to a segregated special school.”

**Quality of Instruction**

Almost all parents of children with disabilities informed that in-service teachers lack professional training while dealing with their children in inclusive classrooms. Teachers use the same teaching technique for all students and do not modify or adapt the teaching approaches and fail in giving extra time and additional support to the children with impairments. Teachers are not sufficiently trained to deal with diverse classroom and differentiated instruction is hardly visible in inclusive learning environment. Majority of the teachers feel overburdened, when they have children with disabilities in their classrooms. However, majority of the parents of children without disabilities were of the view that children with disabilities take more time and attention of the teachers, due to which their children are suffering in academics. Below are the responses of the parents:

One mother said,

“The teacher has appointed my abled child with the intellectually challenged child to guide and help him in performing his tasks, and my child could not complete his own classroom assignment. It is not good. Teachers lack training for inclusion. My son cannot refuse the teacher’s order. He also feels good when he helps his disabled peer, but I am afraid, not at the cost of his own work.”

A father responded,
“My child with hearing impairment is failing repeatedly in all assessments as teachers do not guide him during assessments and do not give him extra time to complete his test. In addition, the teachers have insufficient knowledge about hearing impairment and inclusive education that is why my child cannot come up to the required standard. Teachers use the same teaching style for the whole class, overlooking my child’s sensory impairment. Teachers’ training is mandatory for inclusive education. I am quite worried about his future.”

One of the mothers informed,

“The quality of instruction is so poor for children with disabilities. Educators use one teaching style for all students, which is disappointing. Teachers are not trained enough to fulfill the requirements of creating successful inclusive learning environment. My daughter with learning disability is isolated in the classroom. The teachers are busy in completing the syllabus ignoring my child’s needs and requirements. They are just concerned to satisfy the Headmistress and the parents of children without disabilities as they are more in number. It is sheer discrimination displayed by the teachers for this marginalized segment.”

Another mother stated, “I am not comfortable with the presence of children with disabilities in my child’s class. Teachers give more attention to them and overlook rest of the children during the classroom activities. I am not happy with this arrangement.” One of the mothers said:

“My child with speech impairment is not improving academically in the inclusive school, however, his confidence level and self-esteem have improved. His speech problem has created a communication gap between him and his teachers. Teachers need proper training to make him include successfully in the teaching-learning process, otherwise there is no use of making him sit in this school isolated and out of all classroom activities.”

Class size and Time Demands

Majority of the parents blamed the large class size and time constraint for teaching staff as a barrier to inclusion. According to them, due to huge class size, the teachers are unable to give proper time to all students. Most of the parents of children with disabilities were of the view that the teachers give more attention to the abled students as compared to their children in the learning environment of the classroom. Time constraint is one major factor that is impeding effective inclusion of their children. Parents of children without disabilities complained that their children’s learning atmosphere is distracted because of the presence of children with impairments. Teachers are puzzled how to manage their timings and class completion of syllabus, as children with disabilities seek more time and additional support in performing their tasks. Teachers ignore the abled students in facilitating them, which is a huge point of concern. Below are the answers of the informants:

One mother stated:

“There are 40 children in the class including four children with impairments. How is it possible for the teachers to make all of them succeed academically, when adequate time is not provided to them. I am not satisfied with the teachers of the school as they are overburdened. They cannot manage the time due to large class size. My child is not performing well in the assessments and I am thinking to shift him to some other school where the class strength is less, otherwise I am afraid he will fail in the annual exams.”

Another mother informed,
“My child with intellectual disability is not attended by the teacher due to limited time and large class size. I am very upset. He is isolated and his peers are so much busy in doing their own work. His teachers expect that the peers would help him, but nobody does. I spoke to his teachers, but they are also helpless as they are unable to provide him extra support as they have to complete the syllabus, check notebooks and the class size is out of control and teachers are short of time.”

One of the fathers reported,
“Inclusive education setting is quite demanding. The school staff is untrained, overburdened and have time limitations due to which my child is in distress and so are we. There is nothing we can do, only we can request the school principal to hire more staff, as students’ ratio is quite high in each section as compared to the staff strength. It is not possible for the staff to accommodate 45 children in the classroom and adequately run the teaching-learning process. My child is always complaining that the teachers do not give him sufficient time and support.

One of the mothers informed,
“There should not be more than 25 children in the class. The students’ strength is more and the teaching staff is less in each section. It is not the teacher’s fault when he is unable to tackle all children including children with disabilities. Although abled children seem to be suffering more as compared to children with special needs in inclusive settings as due time and attention are not given to them. They help their struggling peers, too during classroom activities and sometimes unable to complete their own classroom assignments. I feel children with disabilities should be shifted to special schools where they would be looked after, and will learn more.”

A mother reported in grief,
“My hearing-impaired child is disturbed and lagging behind the rest of the students academically since there is a communication gap between him and teachers. He is isolated in the classroom. He cannot comprehend information, and teachers are not so concerned about it. I feel he is not given much attention as teachers are overworked and do not have sufficient time to provide him additional support as they need to complete the syllabus in time. Classroom sizes and time constraints are preventing successful inclusion of children with and without disabilities. The school administration must consider these important factors before enrolling the students.”

Institutional Support
The majority of respondents stated that relevant experts such as audiologist, speech therapist, psychologist, and physiotherapist etc. are not available at a regular basis in schools. Necessary assistance is not offered by the institutions to children with disabilities. Their children are suffering greatly as a result of this team's absence. Most of the parents stated that these professional services are too expensive for them to use in their personal capacity since they are poor, and that all of these service providers demand excessive fees when the child is taken to them for support outside of school. Hearing aids are either being purchased by the parents themselves or are not obtained because hearing aids are costly for them. According to two informants, the school directed their disabled children to public and private hospitals for evaluation and other screening services, which is unaffordable for them due to time and financial constraints. The following are the informants' responses:

One father reported,
“There are no supportive services provided by the institution. I have purchased the hearing aid, which is very expensive. There are no provisions of speech therapist, audiologist and psychologist etc. in the school. My child has some behavior problems
due to his communication and speech delay. Secondly, teachers also need help of this team as they are not trained enough to deal with language delay of my child. I am not guided by the schools and the teachers how to make my child improve academically. Due to their absence, our child is suffering a lot. We are poor, so we do not afford all these services from private clinics and hospitals.”

One mother informed,

“Only free books are available to the children from school, but there is absence of other provisions to improve the functionality of my hearing-impaired child, like free hearing aid. Presence of audiologist, psychologist, speech therapists etc. are missing. My child is facing a lot of challenges in inclusive setup since there is no collaborative support provided to him from the institution. There is a need of audiologist in the school to check the degree of his hearing loss regularly and to guide teachers how to cope with it. Guidance and counselling services for us are missing. Although the audiologist visits the school once a year, but that is not enough.”

A father stated in grief,

“I am so depressed as I am too poor to get the provisions of related professionals for the benefit of my speech-impaired child at my own, and the school is not cooperating with me in this regard. My child feels helpless as he has speech problems and if proper speech therapy is done, he can perform better in the learning environment. His confidence level is getting low due to this impairment which the school is not addressing in a proper manner. Teachers do not guide us in the resolution of various challenges my child is facing in the inclusive school.”

A mother responded,

“I face a lot of hurdles in order to make my child assessed and provided with intervention in the public hospital. The institution does not provide such support to our child. My child with intellectual disability was showing weird behaviour, and his teacher referred me to a psychologist in some private hospital as the school does not have a psychologist. I took my child there and when I came to know about the heavy fee, I returned. I feel, it is the responsibility of the schools to ensure the availability of psychologist, otherwise it will become very difficult for my child to survive in inclusive schools, although he enjoys interacting and playing with his peers but that is not enough.”

Another mother reported,

“My child is physically impaired, and she needs physiotherapy at regular basis to improve her functional skills. The physio-therapist rarely visits the school, and do not have enough time to do physio-therapy of all children as per requirement. I feel good that my child is getting education in regular schools with abled peers, but what I desperately miss is the consistent presence of physio-therapist and psychologist. Both these provisions, if provided by schools, will resolve so many problems of the children with disabilities. I can only request to the school administration to hire them as my child is suffering a lot because of their absence.”

**Discussion and Conclusion**

The move towards inclusive education is relatively slow due to quite a number of unsolved issues in the education system of the country. The public sector has so far failed to bring inclusive education in the public educational settings. A small number of the schools in the private sector has implemented inclusion and have accommodated children with disabilities in primary
Parents of children without disabilities show reluctance in accepting the children with disabilities in inclusive primary schools, however the abled peers are quite welcoming and helpful for these children (UNICEF, 2017). Najjingo, (2009) established that parents of children with disabilities are worried about the level of acceptance by the teachers and classmates in the learning environment towards their children. Abled children are forthcoming and welcoming having disabled children in the classroom that improves their self-worth by helping and supporting them reported by the parents of children with special needs (Taub, 2006).

Parents of abled children have a perception that their children would be hurt or injured by children with disabilities, and ignored by the teachers, too in inclusive classrooms. Negative attitudes of the parents of pupils without disabilities were cited by almost all parents of children with disabilities, especially those parents who have children with intellectual disabilities (Farooq, 2013). Kugeless, (2006) reported that the demands of children with special needs become so great that the teachers have to compromise on the growth and education of their abled peers in the classroom. Teachers lack training for inclusion and do not use diverse teaching approaches to deal with all children effectively in inclusive learning environment. Poor quality of instruction is preventing the process of inclusion in classrooms. Lack of in-service teachers’ training has become an obstacle in promoting inclusion (Brownell; Smith; Crockett & Griffin, 2012).

Parents feel that teachers are not skilled professionally to tackle a diverse classroom, in particular, children with special needs effectively. Sometimes teachers ignore abled children to give additional support to children with impairments according to the parents of children without disabilities, resulting in their weak academic performance.

However, parents of children with disabilities are dissatisfied with the single and fixed teaching style by the teachers for all children as their children are showing poor performance academically in inclusive setups. Differentiated instruction is rarely visible in the existing school environments. Parents highlighted rigid pedagogy and standardized assessment process the reasons of academic failure and drop-outs, when children fail to meet the criteria set by the institutions (Jeynes, 2005). Large class size and time constraint have also proved a barrier to inclusion. Various researches reported dissatisfaction with the large class sizes, due to the inclusion of students with significant additional needs (Avrimidis, 2000). Time is also one of the major challenges associated with inclusion (Bartak & Fry, 2004). Teachers are overburdened and unable to give proper time to all students in the class, that is a serious point of concern for all parents. Regular parents-teachers meetings and parents’ guidance and counseling to be a part of the support program for struggling learners is passive in the schools of Pakistan (Ahmad & Yousaf, 2011). Absence and insufficient services of the related professionals; weak institutional support; unavailability of assistive devices are also impeding the process of inclusion. Children with disabilities are mostly isolated within the inclusive classroom by the teachers. According to Mahlo, (2011), fears of the parents of children with disabilities include unavailability of assistive devices; weak support of related professionals, leading to their children’s isolation and non-engagement in varied learning activities. According to Takala and Sume (2017), teachers reported that inclusion was successful in Finland due to the practical measures in the form of pedagogical and technical support. From the discussion, it has been concluded that the status of inclusive education in the country can only be improved if all the retarding factors preventing inclusion highlighted by the parents which include mindsets; teachers’ training; differentiated pedagogy; class size and time demands; professional support; parents’ guidance and counselling may be taken into consideration by the stakeholders.

**Recommendations**

- Parents’ guidance and counselling may be made mandatory to resolve issues and misconceptions about inclusion between parents of children with and without disabilities.
- The school management should revisit their educational plans and align with inclusive education approaches.
• Regular in-service teachers training courses focusing on attitudinal change towards inclusive education, including the required knowledge and skills should be conducted by the school management to cater diverse learners in an effective manner.
• The regular schools should ensure the availability of related service providers and assistive devices to children with disabilities, in particular, and for struggling learners in general.
• The schools should seriously consider the class sizes and availability of the teaching staff in accordance with the strength of students before their enrollment to lower the burden of teachers in order to manage time and for smooth running of inclusion process.
• The school department should allocate funds for teacher-training programs at regular basis in mainstream schools.

References


Carrington, S., Bourke, R., & Dharan, V. (2012). Using the index for inclusion to develop


Inclusive Education Opportunities in Punjab Pakistan: A Locale Based Comparison

Muhammad Jahanzaib, University of the Punjab, Lahore, Pakistan
*Ghulam Fatima, University of the Punjab, Lahore, Pakistan
Dur-e-Nayab, University of the Punjab, Lahore, Pakistan

*Corresponding author’s email address: fatima.dse@pu.edu.pk

ARTICLE DETAILS

History
Revised format: Aug 2021
Available Online: Sep 2021

Keywords
Inclusive education, Opportunities, Locale, Differences.

JEL Classification
120, 124

ABSTRACT

Purpose: The constitution of Pakistan firmly stated that no discrimination of opportunities will be tolerated among the citizens of Pakistan on behalf of color, creed, language, disability etc. But unfortunately, the dream of equality could not become reality. Inclusive education has been taking significant importance for the education of persons with disabilities (PWD’s) for a few decades. But, without equal opportunities, the seed of inclusion can never be fertiled. This study is an effort to depict the difference of existing inclusive education opportunities between rural and urban secondary schools of Punjab Pakistan.

Design/Methodology/Approach: Survey method was used to collect data from 196 male and female teachers serving in rural and urban secondary schools of conveniently selected five districts viz Okara, Lahore, Pakpattan, Sahiwal, and, kasur with a self-reporting questionnaire named Research Questionnaire on the Condition of Available Inclusive Education Opportunities in Secondary Schools of Punjab. For cross-validation, an interview schedule was made to take data from 17 students with disabilities. Both descriptive and inferential statistics were used.

Findings: The study found that there was no significant difference of inclusive education opportunities in rural and urban secondary schools of Punjab.

Implications/Originality/Value: However special students denied various opportunities claimed by the inclusive education teachers.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0

Introduction
Human beings and their environment have been affecting each other since the beginning of life. Different places are not the same for living according to their circumstances. Usually, a man prefers to such places for his accommodation which can provide him better opportunities and facilities of life. That is why a large sect of the population is migrating from rural to urban areas. Researchers narrated that people migrated from villages to cities and towns due to large economic activities, as well as, to obtain financial benefits in the shape of better economic opportunities and rewards (Khan & Shahnaz, 2000). Persons with disabilities have been one of the most marginalized segments of society since the start of human civilization. It is seen that the disabled residents of rural areas are usually more deprived of opportunities than handicapped residents of urban areas. In ancient times, such parents felt that they could not do anything for them. So, they considered these children a burden and a curse of God. Therefore, their physical and emotional abuses have been reported in every era. Persons with disabilities faced bigotry, injustice, and biasness in different shapes (Otieno, 2009).

Many centuries were left with such kind of unjustified and impolite behavior towards them. With the passage of time, a paradigm shift occurred when some sensitive people started to think about the communal rights of persons with disabilities. After that, many personnel took different initiatives for the rehabilitation of PWDs. Leo (1964) narrates that many of the researchers of special schooling were European doctors and most of the young, motivated persons. Moreover, segregated special education institutions were evolved for PWDs. In that kind of institution, students with disabilities got expertise excluded from the mainstream of society. Philippe Tremblay (2007) says that Pedro Ponce de Leon (1578) in Spain formed the first institution about the instruction of hearing-impaired students. After many experiences and observations, reserachers and humanists found many flaws in segregated school system. Then different approaches were introduced for educational rehabilitation of PWDs. Inclusive education is one of those significant approaches which acquired more attention of experts due to its effectiveness. Both defines inclusive education as a continuing course of action to enhance the involvement of learners in the culture and curricula of conventional academic institutions and communities (Booth, 1996). In simple words, inclusive education is a system where students with disabilities get educational benefits with the non-disabled peers in the same classroom of general education school with proper facilitation but without any descrimination. But at the same time, it is an undeniable reality that without some essential arrangements and opportunities inclusive education can not show its benefits. In this article, the researchers would like to identify the situation of inclusive education opportunities in secondary schools of Punjab Pakistan. Similarly, he will try to compare the situation about the provision of inclusive education opportunities in rural and urban secondary schools.

Review of the Literature
Persons with disabilities are one of the most destitute segments of society since start of human life. They have been mistreated, cursed, and deprived by their families and society of any social and cultural activity. In ancient times, parents considered them as a burden for their home and resources. Tremblay narrates (2007) that in Greek and Roman Empire disability was considered as the curse of God. Similarly, it took as bad symbol of sin. As a result of such philosophies sometimes disabled children were left alone on the hill for death, or they were fallen from the high mountains or sometimes they were put into the prison, or they sunk into the water (Bruce, 2010; Stavrianos, et al, 2018). In the same way Rymber (2014) depicts that sometimes people accommodated the disabled persons as slaves or servants at their homes (Turner, 2014; Garland, 2020). Furthermore, Otieno (2009) reports that Bible portrays the disability as a disease. Visual impairment, hearing impairment and speech loss are common kinds of illnesses as narrated by Bible. Most of the old testament writers believe that disability is, in fact, a horrible consequence of bad deeds as well as it is a prominent sign of God’s reprisal for his insubordination. In this
regard, the New Testament also accepts a hidden connection between disability and sin. This kind of concepts about people having impairments made them excluded from all circles of social life (Imhoff, 2017). With the passage of time people became conscious of the rights of persons with disabilities. Some people took initiatives for their education. Winzer (1993) gave a list of those historical events when people took some early steps for educational rehabilitation of children with disabilities as: “Chronology of Landmark Events in the Education of the Disabled Population”. In 1745, Jacob Rodrigues Perrier began his work with deaf students. In 1749, Denis Diderot published his study on blind people. In 1760, Abbe Charles Michel de I” Epee started an educational institution for deaf children in Paris. In 1784, Valentin Haüy set up a school for blind children in Paris (Esteves & Rao, 2008). In the same way, Leo expresses that the majority of the researchers of special schooling were European doctors and most of the young motivated persons (Cretu & Morandau, 2020).

During the 18th and 19th century, different educational institutions were evolved for persons with disabilities but no significant step was taken for any legislation to protect the rights of persons having impairments by any government. After a long time, in 1975, American Congress took an initiative in this regard when it approved an act for the educational rights of entire children with disabilities (CWDS). Disabled students (94–142) in community Law in 1975 named “The Education for All Handicapped Children Act”. This act recommended that all students with disabilities will be given a free, suitable public education, and economic support. After a few years, this act became famous as “The individuals with Disabilities Education Act (IDEA)” (Lipki & Okamoto, 2015). At that time most of the special schools used to follow the segregated module in which special students obtained some educational skills in separation from the mainstream of society. But on the other side as time passes different humanistic groups raised their voice against the special education schooling system due to its segregated characteristic. Frederickson and Cline gave their opinion that the formulation of special services for segregated students with disabilities from their entire age fellows may be creating the inferiority complex, feeling of injustice, and in the end revenge from non-disabled people. As well as many questions can be raised about this system (Goransson, et al, 2020).

After such kind of criticism on segregated schooling system, various ideologies were established to fulfill the special learning needs of students with impairments without their exclusion from the mainstream. These ideologies were integration, mainstreaming, and inclusive education. UNESCO defines inclusive education as a process of addressing as well as responding to the personal learning needs of every student through enhancing involvement in education and minimizing the elimination of students with disabilities from schooling (UNESCO, 2005). Moreover, different universal declarations about human rights provide the legal foundation for inclusive education. Salamanca statement is a declaration about equal educational opportunities for persons with disabilities. In this declaration term, inclusive schooling was used first time by delegates and participants for the educational rehabilitation of children with special needs (UNESCO, 1994). Similarly, the Dakar framework emphasizes education for all (EFA) that governments have a liability to ensure that EFA aims will be fulfilled and maintained (World Education, 2000; Shaefler, 2002). In this regard, it is a good sign of hope that different countries provide different kinds of inclusive education opportunities to their people. Waldschmidt and Meinert (2010) express that the government of Germany provides supportive gadgets as well as arrangements to PWDS for enhancement of independence and accessibility in their daily life. German UNESCO Commission Grants awards to inclusive educational schools (Ahrbeck & Felder, 2020). In the same way, Sweden’s establishment is liable through legislation to grant several essential need base services, particularly education (Biamba, 2016).

Furthermore, Kohama depicts that the establishment of India is taking an interest to plan out strategies towards inclusive education. But on the other side, UNICEF reports that in Pakistan
usually students having impairments were commonly expelled from the general education schools because school authorities and class teachers could not be able to understand the academic needs of such kinds of children (Omer, 2015; Shah, 2015). It is seen that the situation in rural areas is worse than in urban areas. The ratio of illiteracy in villages is 2-3 times greater than in cities. And this proportion is most influenced by opportunities of life. In the same scenario education policy 2009 elaborated some important facts and figures about the situation of Pakistan in this way in the public sector, around 40% of the schools are without boundary walls, 36% without drinking water facilities, 61% without electricity, 39% without sanitary facilities and 6% without any buildings (UNESCO, 2017; Kapur, 2018; Shahid, 2020; Narayan & Patnaik, 2021).

Objectives of Study
The following objectives were made to conduct the study:
1. To identify the prevailing inclusive education opportunities in secondary schools of Punjab.
2. To compare the current inclusive education opportunities of rural and urban secondary schools.

Research Questions
The study was conducted to answer the following questions:
1. What is the existing situation of inclusive education opportunities in secondary schools of Punjab Pakistan?
2. Is there any difference in prevailing inclusive education opportunities between rural and urban secondary schools?

Methodology
The current study was conducted to identify as well as to compare the prevailing inclusive education opportunities between rural and urban secondary schools of Punjab Pakistan. The study was descriptive by nature. According to Creswell (2012) survey provides the most reliable data to evaluate programs and services in academic organizations. Due to such types of experts’ opinions, a survey technique was used to collect the data from research participants.

Population
The target population of the study consisted of secondary school teachers working in male, female, rural, and urban secondary schools of Punjab. Similarly, the handicapped students who had been studying in the male, female, rural, and urban secondary schools of Punjab during the academic session 2012-2015 were also the target population of the study. The accessible population of the study consisted of male, female, secondary school teachers and their secondary level special students from rural and urban schools in conveniently selected five districts viz Okara, Sahiwal, Lahore, Pakpattan, and Kasur.

Sample
To assure comprehensive representation of the population, the convenient sampling technique was applied to extract the sample of the study. For the selection of the sample five districts, viz Okara, Sahiwal, Lahore, Pakpattan, and Kasur were conveniently chosen. The convenient sampling technique was used because of the visual impairment of the researcher as he could not collect data from far-off districts of Punjab. From all the five districts the researcher randomly selected 20 schools including 10 rural and 10 urban schools. The rural and urban schools were further divided into two strata i.e., 5 male schools and 5 females. From the selected 100 schools secondary level teachers were again randomly selected for the data collection. Thus, the sample of this study comprised 300 teachers. Questionnaires were delivered to all the 300 teachers and 196 teachers returned the filled questionnaires.
Instrument
The first instrument was a self-reporting questionnaire for secondary school teachers i.e., a Research Questionnaire about the Condition of Available Inclusive Education opportunities in Secondary Schools of Punjab. This questionnaire consisted of 12 items about inclusive education opportunities. The coefficient of reliability (Cronbach Alpha) was calculated for the scale, and it turned out as .882.

The second instrument was a structured interview schedule for the disabled students studying at secondary level in inclusive education. There were 17 items in the interview schedule. For the convenience of the students, the interviews were conducted in Urdu and later on translated into English for further analysis.

Data Collection Procedure
To collect data from the questionnaires were personally administered to the teachers at selected schools. Some educational institutions were in far-flung territories, therefore, from such areas data was obtained with the help of the researcher’s friends, class fellows, and colleagues. The second stage of data collection was interviews of disabled students studying in inclusive schools. These interviews were personally carried out by the researcher.

Data Analysis
Both descriptive and inferential statistics were used to analyze the collected data. The decision about the opportunities for inclusive education was taken based on the mean score of the respondents. Whereas the differences of the opportunities in the rural and urban secondary schools were determined through the application of t-test. The interviews were transcribed, coded, and categorized to determine the frequency of coded aspects.

Results/Major Findings

| Table 1: Teachers’ Opinions About Admission without Discrimination in their Schools. |
|---------------------------------|----------------|-------------|-------------|---------------|
| Statement | Responses    | Frequency  | Percentage  | Mean Score   |
| Chance of admission without any discrimination | Not Available | 17          | 8.7         |              |
|          | Poor         | 21          | 10.8        |              |
|          | Satisfactory | 36          | 18.5        | 3.54         |
|          | Good         | 82          | 42.1        |              |
|          | Excellent    | 39          | 20.0        |              |

The above table reveals that a large number of respondents (42.1%) reported that the situation about the chance of admission without any discrimination was good in their educational institutions. The mean score ( \( \bar{X} = 3.54 \) ) also expressed the good situation of this opportunity.

| Table 2: Teachers’ Opinions About the Professional Training for in-service Inclusive Class Teachers. |
|-------------------------------------------------|----------------|-------------|-------------|---------------|
| Statement | Responses    | Frequency  | Percentage  | Mean Score   |
| Professional pieces of training for in-service inclusive class teachers | Not Available | 12          | 6.2         |              |
|          | Poor         | 20          | 10.3        |              |
|          | Satisfactory | 27          | 13.8        | 3.70         |
|          | Good         | 91          | 46.7        |              |
|          | Excellent    | 45          | 23.1        |              |

The above table shows that a big number of respondents (46.7%) answered that the condition of special pieces of training for inclusive class teachers was good in their schools. The mean score ( \( \bar{X} = 3.70 \) ) also narrated the good situation of the opportunity.
Table 3: Teachers’ Opinion About the Avoidance of Attitude of Neglection

<table>
<thead>
<tr>
<th>Statement</th>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid the attitude of neglection with Special students</td>
<td>Not Available</td>
<td>21</td>
<td>10.8</td>
<td></td>
</tr>
<tr>
<td>Poor</td>
<td>17</td>
<td>8.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfactory</td>
<td>31</td>
<td>15.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good</td>
<td>82</td>
<td>42.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excellent</td>
<td>44</td>
<td>22.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table depicts that a wide range of respondents (42.1%) replied that the situation about avoiding attitude of neglection with special students was also good in their educational institutions. The mean score ($\bar{X} = 3.57$) supports their answers.

Table 4: Teachers’ Opinions About the Participation of Special Students in Academic Activity.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation of special students in each academic activity</td>
<td>Not Available</td>
<td>28</td>
<td>14.4</td>
<td></td>
</tr>
<tr>
<td>Poor</td>
<td>24</td>
<td>12.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfactory</td>
<td>23</td>
<td>11.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good</td>
<td>71</td>
<td>36.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excellent</td>
<td>49</td>
<td>25.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table shows that a lot of respondents (36.4%) were of the opinion that the situation of participation of special students in each academic activity was good in their institutes. The mean score ($\bar{X} = 3.46$) was supportive of their response as well.

Table 5: Teachers’ opinions about the participation of students.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation of students with special needs in co-curricular activities</td>
<td>Not Available</td>
<td>22</td>
<td>11.3</td>
<td></td>
</tr>
<tr>
<td>Poor</td>
<td>21</td>
<td>10.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfactory</td>
<td>28</td>
<td>14.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good</td>
<td>76</td>
<td>39.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excellent</td>
<td>48</td>
<td>24.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table informs that (39.0%) respondents opined that the situation about the participation of students with special needs in co-curricular activities was good in their schools. The mean score ($\bar{X} = 3.55$) represents the good situation of this opportunity.

Table 6: Teachers’ opinions about the existence of a collaborative environment among disabled and non-disabled students.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative environment among disabled and non-disabled students</td>
<td>Not Available</td>
<td>22</td>
<td>11.3</td>
<td></td>
</tr>
<tr>
<td>Poor</td>
<td>19</td>
<td>9.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfactory</td>
<td>27</td>
<td>13.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good</td>
<td>78</td>
<td>40.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excellent</td>
<td>49</td>
<td>25.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table narrates that (40.0%) respondents expressed that the situation of collaborative environment among disabled and non-disabled students was good in their educational institutions. The mean score ($\bar{X} = 3.58$) was also supporting their opinion.

Table 7: Teachers’ opinions about the take care of self-respect of children with special needs.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take care of self-respect for special needs</td>
<td>Not Available</td>
<td>14</td>
<td>7.2</td>
<td></td>
</tr>
</tbody>
</table>
The above table explains that (40.5%) respondents answered that the situation about taking care of self-respect for special children was good in their schools. The mean score ($\bar{X} = 3.94$) also expressed same reality.

**Discussion on Major Findings**

This study aimed at identifying the available inclusive education opportunities in the secondary schools of Punjab Pakistan. At the same time, the comparison of existing inclusive education opportunities between rural and urban secondary schools of Punjab was also an objective of the study. The study narrated that the situation of inclusive education opportunities was good in the urban as well as the rural secondary schools of Punjab. It is a proven fact that there is a severe lack of physical and infrastructural facilities of inclusive education in general schools of South Asia. Simultaneously different researchers report that despite many gaps, there is a hopeful situation regarding inclusive education opportunities and desired attitudes in mainstream schools of this region. Julia and Bansal (2013) support the findings of this study that there are a lot of well-organized funded programmers like the IEDSS which provide full provision to facilitate inclusive education at the secondary and higher secondary stage (Julka & Bansal, 2013). On the other hand, Kohama (2012) contradicts the findings of this study in the case of sufficient training opportunities for inclusive education teachers that instructors and school heads have no professional development for inclusive education, and it badly influences the students’ achievements. Finally, Farooq bears out the results of the study at hand that although the general education schools are not obligated to accommodate the students with special needs. However, they give their generous support to them. In spite of the lack of proper professional development opportunities and behavioral modification, teachers at mainstream schools welcome the disabled children in their classes, as well as the non-disabled peers of special students, and behave in an encouraging way to them (Farooq, 2012).

**Conclusions**

In spite of the lack of inclusive education facilities, it is an amazing fact that there is a good condition of inclusive education opportunities and desired attitudes in the secondary schools of Punjab. There is a good chance of admission without any discrimination, collaborative environment between disabled and non-disabled students, caretake of self-respect for special children, good condition of avoidance of neglective attitude with special students, and avoidance of overprotective attitude with disabled students. There is a good situation of participation of special students in each academic activity, participation of students with special needs in co-curricular activities, similarly there exists evidence of assigning the seats to special students according to their special needs.

The secondary schools of Punjab have good financial encouragement and support for both inclusive class teachers and special students. The study shows that there are special incentives for inclusive class teachers, good conditions of scholarship for brilliant disabled students, financial aid for needy handicapped students. Similarly, there is an opportunity for special trainings for inclusive class teachers. The present study describes that there is no significant difference in inclusive education opportunities between rural and urban secondary schools of Punjab. The admission policy of secondary schools is accommodating for children with special needs. Particularly for those students who have minor disabilities. The secondary schools of Punjab do not have need-based and merit-based scholarships, satisfactory instructional and examinational
methodology, as well as services and strategies to fulfill the special educational needs of students with impairments. In most of the schools, teachers, school staff and examination staff show non-cooperative attitudes towards disabled students. There is no equal chance of participation in curricular and co-curricular activities for CWSN. In spite of these realities, it is a sign of hope that peers and classmates of handicapped students support their special fellows in their capacity.

**Recommendations/Implications of the study**

The following recommendations are presented based on the results of study:

- Although teachers at secondary schools reported a good situation about ensuring the self-respect of persons with disabilities, in fact, students with special needs fully denied their claim and expressed the non-cooperation of teachers and staff. So, the situation needs to be improved and their level of trust should be raised.
- Special students may be encouraged for taking part in the curricular as well as in co-curricular activities because special students are found dissatisfied and disappointed.
- The provision of merit-based and need-based scholarships may also be enhanced and regularized.
- Comprehensive and fruitful Programs for professional development of inclusive class teachers and examination staff regarding inclusive education should be arranged.

**References**


UNESCO. (1994). *The millennium development goals: They are about children*. UNESCO


An Assessment of Financial Stability of Textile Sector of Pakistan: An Altman Z Score Approach

*Peeral Chandio, Mehran University of Engineering & Technology, Jamshoro, Pakistan
Arifa Bano Talpur, Mehran University of Engineering & Technology, Jamshoro, Pakistan

*Corresponding author’s email address: peeral13te54@gmail.com

ARTICLE DETAILS

Revised format: Aug 2021
Available Online: Sep 2021

Keywords

JEL Classification
G10, G19

ABSTRACT

Purpose: The study purpose is to examine the financial stability of Pakistani textile enterprises. Investment towards textile is crucial to boost the textile sector’s financial performance, which can be analyzed by adopting the model of Altman Z-score.

Design/Methodology/Approach: The Altman Z-score approach is a method, applied to analyze the financial stability of textile firms for seven years from 2013-2014 to 2019-2020 through the annual reports of textile firms which were taken from companies’ website and PSX links. Quantitative analysis is done by MS-Excel using simple random sampling technique of secondary data of 10 firms taken from 5% listed companies.

Findings: Finding of the study shows that financial performance of textile sector lies in all three zones of safe, grey and distress zones. 30% of textile sector falls in safe zone, 40% falls in grey while only 30% of textile sector of Pakistan falls in distress zone. Average result of textile sector of Pakistan is in grey zone, which shows the companies can get safe zone if they control required ratios.

Implications/Originality/Value: Result shows that textile firms of Pakistan may improve financial performance and stability because it lies in grey zone by controlling their financial ratios which are the part of Altman Z-Score model.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial 4.0


Introduction

Edward I. Altman created a model of Altman Z-Score in 1968 as a way to predict bankruptcy or financial soundness (strength). This model can be utilized for the estimation of credit risk and bankruptcy (corporate defaults) of any company. It is very beneficial for the investors in making decisions if they need to purchase or sell a particular company’s stock. As a result, the study will
employ Altman's Z-score to evaluate the textile industry's financial sustainability. (Ali, Rahman, & Mahmud, 2016). Textile sector is a main source for growth of the economy. There is no other industry or service capable of boosting foreign earning and job generation economy especially efforts are made to develop the readymade clothing sector. Textile Industry of Pakistan had showed stability at global level during the last years. (Textile Industry in Pakistan, 2017-18).

The textile industry is Pakistan's main industry having huge contribution in trade growth, job generation and foreign exchange. Textile sector contributes 60% in industrial sector to economy in 2019 (Textile Industry Division of Pakistan, 2019). The textile industry is the second largest in Pakistan’s employment sector and the 8th biggest sector in exporting textile products in Asia, while it accounts for 8.5% of GDP of Pakistan (Textile, Investment board, 2017-18). There are 423 textile industries working in the country and out of them 5% are registered on the Pakistan Stock Exchange (Textile, Board of Investment, 2021).

Bankruptcy analysis of any firm is so important for its managers and stakeholders. Investors are also interested in the financial position of organization to make decision for investment and other purposes. (Hussain, Ali, Ullah, & Ali, 2014). According to Hapsoro & Husain, 2019, sustainability of financial report matters because it attracts the investors to invest in the company. Altman Z-score technique helps investors to decide whether to buy or sell stock. It is also a useful tool to indicate a firm’s distressed situation.

The companies which are financially strong always attract investors because they give them better dividend (Ozturk, & Karabulut, 2018). The research aim is to check the stability of financial soundness of the textile sector of Pakistan. The model of Altman Z-Score has been applied to assess textile firms in Pakistan and provide a useful measure to analyze the sustainability and risk-free investment not only for firms but also for investors of this industry.

**Background of the Study**

Analysis of the companies is so important that like examine the performance of the company to know whether it’s working perfect or some flaws are in it. Various outcomes of financial insolvency that took place in several countries in the world and having a short-term as well as long-term effect on the countries’ economics condition that considered to be developing as well as developed countries showing in deficiency of investment and financial instrument which leads to instability to attain growth in financial sector leading to benefits for business ahead. (Aziz & Dar, 2006).

So, for these problems are revealed by finding its solution for the betterment of the company that which factor affects the company more than other or factor has great role in making the firms stable. Many researchers have worked to analyze the performance of the companies. A few researchers have worked on stability in terms of financial health of Pakistan’s textile sector.

If financial analysis of firms is not done in timely manner, then instability has probably to occur. The effects of insolvency are various which may affect company’s financial position and investors in making decision for investment. (Altman, 1984).

**Literature Review**

The interrelation between liquidity and performance of corporate has long been a source of debate among academics of finance. From 2005 to 2014, the study examined the impact of ratios of liquidity on Pakistan's textile business performance and profitability. According to the findings, the performance and the profitability is favorable influenced by the current ratio but a very minor impact on performance effected by acid ratio but profitability was more influenced by acid ratio in the time of study (Sundas & Butt, 2021). Hussain, et al investigated the impact of certain components on five Pakistan’s textile industry through capital structure sample. They took secondary data of five industry companies between 2004 and 2014 from a review of the
balance accounts of Pakistan Stock Exchange firms. Profitability is no impact on leverage ratio, while leverage ratio is connected to tangibility according to regression and correlation study using panel data. Leverage is also positively and significantly connected with business size and growth. Leverage has a negative relationship with return on equity (Hussain, Yu, & Ling 2021). This article showed the Intellectual Capital (IC) effect on Indian textile sector’s financial health by adopting the model of Public’s Value-added intellectual capital coefficient (VAICTM). To measure the financial performance of company, they used three factors; Profitability (ROA), productivity (ATO) and return on equity (ROE) in this research by choosing reputed 81 textile firms. The findings revealed that efficiency of IC has a large and having positive connection with Indian textile industry’s profitability and return on equity, with a negligible impact on productivity. This study also discovered that textile industry’s profitability, productivity, or return on equity is not affected by Structural Capital Efficiency (SCE) in India (Shaneeb P, & M Sumathy, 2021). The study evaluated the model of Z-Score classification performance in showing the Insolvency and other kinds of firm distressful conditions of firms. Using several variations of the original model, they analyzed the model of Z-Score performance of enterprises by selecting thirty-one European and 3 non-European nations. They applied the original model of Z-Score published by Altman in Corporate Financial Distress of private, manufacturing and non-manufacturing enterprises. Some proofs indicated that rival bankruptcy prediction model beats Z-Score model, The Foundation for Economic Education, as well as the Jenny and Antti Wihuri Foundation, provided financial help to Laitinen and Suvas. Laitinen also acknowledged the OP-Pohjola Group Research Foundation for funding a comprehensive international comparison; yet, it’s difficult to generalize the conclusions of competing models. This research showed that the common work of model Z-Score quite fit for almost all countries with approximate predication accuracy of 0.75 and that an accuracy of classification may be increased more with beyond 0.90 through utilizing country-specific estimation with extra factors (Altman, E. I., Drozdowska. M. I., Laitinen. E. K., & Suvas. A., 2017). The goal of Pervez and Anjum was to work on model of Altman Z-Score to estimate financial health for textile plants from Maharashtra from 2006-07 to 2015-16. This study summarized that the financial situation of public textile units were not safe and needs urgent attention of government and policy makers. Z-score of company shows a poor position, with bankruptcy score (<1.23) and there is urgent need of proper remedial steps in order to enhance working capital, retained earnings, EBIT and sales to achieve target of safe zone (Above 2.99) (Pervez, & Anjum, 2019). In 2018, Al-Manaseer & Al-Oshaibat took 21 insurances enterprises which are registered on Amman Stock Exchange (ASE) to predict financial failure from 20011 to 2016. They employed method of statistical analysis and Multiple Linear Regression by working on the statistical assessment between variables; dependent and independent variables. According to them, Z-score model is the best way to evaluate the drawback (financial). The Z-score will be best tool not only for the inventors to invest but also the best for the managers to make policies. And they found the positive results for the financial failure of insurance companies (Al-Manaseer, & Al-Oshaibat, 2018). Hussain, Ali, Ullah, & Ali (2014) have deduced that model of Z-score for predicting bankruptcies of Pakistan is correct. This study examined the insolvency forecasting of the model of Z-Score with era of four years and concluded that the model of Altman Z-score is a good tool for the predictions of insolvency. Rashid, & Abbas (2011) studied those financial ratios which are very effective in determining the bankruptcy of non-financial sectors (1996-2006). For predicting bankruptcy, they used twenty-four financial ratios; profitability, liquidity, leverages, and turnover ratios for 52 manufacturing companies of Pakistan. They applied multivariate analysis method approach. If the magnitude of Z-Score of company is greater than 2.99, then selected company will be non-bankrupt and if the magnitude of Z-score is below than 1.81, then the firm will be insolvent company. 26 companies were found to be bankrupt while 26 were found to be non-bankrupt. Awais, Hayat, Mehar, & Hassan (2015) predicted the bankruptcy of textile sector by applying the Current Ratio and Z-Score. They examined the relationship between them by applying Paired Sample T-Test in SPSS and investigated that Z-score and Current Ratio relationship of 22 selected textile industries is
significance positive. Comparing between time of 2008 and 2012, Pakistan’s textile sector faced the most problems in 2008. The study recommended that a part of current ratio and the liquidity ratio be taken with Z-score for more accuracy for results. Khatik, & Varghese (2013) examined financial position of the SAIL, so they calculated earning capacity; liquidity, and solvency. They stated that financial analysis is used for the analysis of an entity that with respect to investment that either firms is financially stable or not. Therefore, to measure soundness of steel authority of India limited (SAIL), they used ratio analysis technique by applying Correlation and Student T test. According to them, financial analysis is similar that when doctor examines the human body for his or her fitness.

Comparing between time of 2008 and 2012, Pakistan’s textile sector faced the most problems in 2008. The study recommended that a part of current ratio and the liquidity ratio be taken with Z-score for more accuracy for results. Khatik, & Varghese (2013) examined financial position of the SAIL, so they calculated earning capacity; liquidity, and solvency. They stated that financial analysis is used for the analysis of an entity that with respect to investment that either firms is financially stable or not. Therefore, to measure soundness of steel authority of India limited (SAIL), they used ratio analysis technique by applying Correlation and Student T test. According to them, financial analysis is similar that when doctor examines the human body for his or her fitness.

Defining the Constructs

R1 (Liquidity Ratio)
Liquidity shows the debtor’s ability to pay off current debt’s obligations. Its formula is Working capital divided by total assets.

R2 (Profitability Ratio)
It shows firm’s capability to produce its earnings. According Altman Z-score its formula is such that total assets divide retained earnings. Profitability ratio describes how company is effective.

R3 (Solvency Ratio)
The productivity of assets of a firm before tax is measured by solvency ratio. In Solvency ratio, the total assets divide earnings before interest and tax of a firm. Firms depend upon its earning power and this ratio show firm’s failure if liabilities exceed.

R4 (Leverage Ratio)
Volatility analysis shows that how much assets of firm decline in value which can be measured by dividing market is equity market value by total liabilities.

R5 (Activity Ratio)
Activity Ratio includes total assets turn over which measure the sale or revenue of the company to its total assets. Its formula is sales divided by total assets. It shows the firm’s ability to produce sales over its total assets.

Problem Statement / Research Gap
Pakistan's textile industry is one of Pakistan's main industries, playing a key role in Pakistan's economy and influencing investors to invest in the sector. This research study has importance in terms of the sustainability of textile sector which specifically affects the investor’s decisions towards the investment in this sector. Altman Z-score is best tool to evaluate the insolvency of Agricultural companies (Grushniene, 2016).

There are few studies that have worked on textile sector’s sustainability in terms of bankruptcy among such as Awais, H., Hayat, F., Mehar, N., & Hassan, U. W. (2015) studied the relationships between current ratio and Z-score model covering period from 2008 to 2012 and examined bankruptcy of textile firms of Pakistan. The Altman Z-Score will be the focus of this research and
which will cover period from 2013-2014 to 2019-2020 fiscal years to fill this gap. The study is to analyze financial stability in Z-score Model to assess textile firms’ soundness in three scales such as safe zone (>2.99), Grey Zone (from 1.81 to 2.99) and Distressful (<1.81) that scales can help in the decision making of not only firms but also the investors of textile firms (Investopedia, 2021).

Scope of the Study
This portion continues to describe the research scope of this study. Scope of the study is mentioned below:
1. Determining of financial performance of Pakistan’s textile firms and listing the textile firms in safe, grey, and distress zones.
2. Examining the outcomes for the stability of textile firms of Pakistan.

Importance of Study
The model of Altman Z-Score is very useful method for performance indicators analysis of the firms’ management to evaluate its performance according three zones. And it also helps investors to decide to buy or sell a particular stock through financial stability of company. Therefore, the analysis will alert the textile sector to make strategic decisions for the firm’s sound position to maintain its financial stability and it may attract the investors to invest in the specific stock. Furthermore, the findings of this research may be helpful for business forecast, management of company, government policies, financial institutions, investors and stakeholders, and conduction of further research.

Objectives of Study
1. To investigate financial ratios of textile sector in Z-score model.
2. To assess the factors that affects the financial soundness of textile sector in Pakistan.
3. To come up with decision to sustain the performance of textile industry in terms of investment for investor.

Research Questions: To achieve the above-mentioned objectives, this research would explain the following research questions:
1. Does Altman Z-Score help textile firms and investors for making decision?
2. How Z-score help to analyze the soundness of textile sector?

Hypothesis
1. H0: There is a negative effect of profitability, liquidity, leverage, solvency, and activity ratios on soundness (Altman Z-Score) of textile firms.
2. H1: There is a positive effect of profitability, liquidity, leverage, solvency, and activity ratios on soundness (Altman Z-Score) of textile firms.

Research Methodology
This research is based on quantitative research. The data is secondary which will be taken from companies’ websites and stock exchange official website. Ten listed textile firms will be selected to analyze their financial statements of seven years (2014-2020). This study is cross sectional study. The soundness of textile industries will be analyzed according to Altman Z-score measurement model with the help of MS-Excel software (Pervej, &Anjum, 2019). Individual company’s yearly data and over all company’s Altman Z-score will be assessed.

Altman Z-score predicts financial performance of any company. The Altman Z-score model is consisted of 5 financial ratios. It is very beneficial for the investors in making decisions if they need to purchase or sell a particular company’s stock. In this study, above model is applied in textile industry to check its financial sustainability. Altman Z-score has ability to check the bankruptcy of textile firms. (Hussain, Ali, Ullah, & Ali, 2014).
Altman Z-Score = 1.2R₁ + 1.4R₂ + 3.3R₃ + 0.6R₄ + 1.0R₅  equation--------- (1)

- R₁ = Working Capital / Total Assets
- R₂ = Retained Earnings / Total assets
- R₃ = EBIT / Total Assets
- R₄ = M.V of Equity / Total Liabilities
- R₅ = Sales / Total Assets

If magnitude of Z-Score is below 1.81, it means that selected organization is bankrupt, whereas companies Z-score value from 1.81 to 2.99 indicates that it could be headed for bankruptcy or can be in solid in next year, and if Z-score exceeds than 2.99 then organization is in solid position. To decide whether they purchase or sell stock, if the Altman Z-score value is greater than 2.99, investors are recommended to buy stock in other case, they may have to sell stocks if the value is below 1.81 or from 1.81 to 2.99 (Edward, 1968).

**Research Design:** This study is cross sectional study based on fiscal years from 2013-2014 to 2019-2020 of ten textile firms. In this study, financial analysis is done of each firm with each individual year. And finally, overall financial performance of seven years and textile sector of Pakistan is analyzed. This study is comprised of secondary data which is collected through online resource of each firm and Pakistan Stock Exchange (PSX) of seven years from 2013-2014 to 2019-2020. This study follows simple random sampling technique. Some data were extracted from online resources such as website of firms and PSX links. The sample selection size is primarily linked to the data analysis technique and the available resources. There are 423 textile industries working in the country and out of them 5% (21) are registered on Pakistan Stock Exchange websites source covering from 2013-2014 to 2019-2020 fiscal years (Textile, Board of Investment). The data collected during the seven years cross-sectional time having was 10 samples (Secondary data of 10 companies are) taken from 5% listed companies which are listed on Pakistan Stock Exchange. Percentage of sample size will be (10/21) 48%.

**Data Analysis**

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Z-score</th>
<th>Z &lt; 1.81 (Distress Zone)</th>
<th>1.81 ≤ Z ≤ 2.99 (Grey Zone)</th>
<th>Z &gt; 2.99 (Safe Zone)</th>
<th>Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>BTML</td>
<td>3.9</td>
<td>√</td>
<td></td>
<td></td>
<td>Safe</td>
</tr>
<tr>
<td>GATML</td>
<td>2.0</td>
<td></td>
<td>√</td>
<td></td>
<td>Grey</td>
</tr>
<tr>
<td>STML</td>
<td>2.3</td>
<td></td>
<td>√</td>
<td></td>
<td>Grey</td>
</tr>
<tr>
<td>SCML</td>
<td>3.5</td>
<td></td>
<td></td>
<td>√</td>
<td>Safe</td>
</tr>
<tr>
<td>TT</td>
<td>3.3</td>
<td></td>
<td></td>
<td>√</td>
<td>Safe</td>
</tr>
<tr>
<td>CTML</td>
<td>1.0</td>
<td></td>
<td></td>
<td>√</td>
<td>Distress</td>
</tr>
<tr>
<td>KML</td>
<td>1.8</td>
<td></td>
<td></td>
<td>√</td>
<td>Distress</td>
</tr>
<tr>
<td>AHTML</td>
<td>1.8</td>
<td></td>
<td></td>
<td>√</td>
<td>Distress</td>
</tr>
<tr>
<td>CFL</td>
<td>2.4</td>
<td></td>
<td></td>
<td>√</td>
<td>Grey</td>
</tr>
<tr>
<td>NML</td>
<td>2.4</td>
<td></td>
<td></td>
<td>√</td>
<td>Grey</td>
</tr>
<tr>
<td>Average</td>
<td>2.44</td>
<td></td>
<td></td>
<td>√</td>
<td>Grey</td>
</tr>
</tbody>
</table>

*Table 1. Overall Altman Z-score of textile sector*
Figure 2. Bar graph of overall all financial performance of textile sector (2014-2020)

The benchmark of Altman Z score for safe zone is greater than 2.99, and for grey zone is from 1.81 to 2.99 and for distress zone is less than 1.81. According figure 2 and table 1, out of ten textile firms, three textile firms CTML (1.0), KML (1.8), and AHTML (1.8) fall in distress zone, four textile firms; GATML (2.0), STML (2.4), CFL (2.4), and NML (2.4) were placed in grey zone which showed the average financial performance than other firms and these firms can improve them. And three companies; BTML (3.9), SCML (3.5), TT (3.3) were placed in safe zone which shows that these firms are financially stable and can attract the investors. Overall result of textile sector is in grey zone, which means the companies may be bankrupt if their financial ratios were not controlled.

Figure 3. Pie graph of financial performance of textile sector (2014-2020)

In percentage wise, the zone of textile is divided into three parts in pie graph figure 3. Above pie graph shows that 30% of textile sector of Pakistan which are BTML, SCML, and TT textile firms fall in safe zone, 40% textile of Pakistan which are GATML, STML, CFL, and NML textile firms fall in grey while 30% as CTML, KML, and AHTML firms of textile sector of Pakistan fall in distress zone.

Altman Z-Score (Dependent Variable)
Least Square (Method)
Date: 11/05/2021, Time: 12:23
Sample size: 170, Total Observations: 70

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-statistics</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>1.200004</td>
<td>1.43E-06</td>
<td>838192.8</td>
<td>0.0000</td>
</tr>
<tr>
<td>R2</td>
<td>1.400000</td>
<td>1.93E-06</td>
<td>724807.4</td>
<td>0.0000</td>
</tr>
<tr>
<td>R3</td>
<td>3.299993</td>
<td>8.64E-06</td>
<td>381890.3</td>
<td>0.0000</td>
</tr>
<tr>
<td>R4</td>
<td>0.600000</td>
<td>4.49E-07</td>
<td>1335874</td>
<td>0.0000</td>
</tr>
<tr>
<td>R5</td>
<td>0.99999</td>
<td>7.80E-07</td>
<td>1281878</td>
<td>0.0000</td>
</tr>
<tr>
<td>C</td>
<td>1.18E-06</td>
<td>1.17E-06</td>
<td>1.011144</td>
<td>0.3158</td>
</tr>
</tbody>
</table>

Table 2. Relationship of dependent and independent variables

Regression equation, Y = a + b(x) + e... (2)

Table 2 proves the hypothesis of the study. It shows positive and direct relationship between all the independent variables such as R1 (Profitability), R2 (Liquidity), R3 (Solvency), R4 (Leverage), and R5 (Activity) and dependent variable (Altman Z-Score). Summary of Altman Z-score results show the equation 1 showing R squared (R) 1.00000 and Adjusted R 1.00000 squared. T statistics is more than 2(standard) so its shows strong value and the value of Durbin-Watson value is 1. 894631. The equation shows F value is 3.72x10^12 and prob. value 0.000 is statistically significant. The coefficient values of five ratios are R1 (1.200004), R2 (1.400000), R3 (3.299993), R4 (0.600000) and R5 (0.99999). Hence, all five ratios (profitability, liquidity, solvency, leverage and activity) are directly proportional to Altman Z-score. Hence H1; is proved that there is a positive relationship between profitability, liquidity, solvency, leverage and activity and Altman Z-score.

Findings

Altman Z-score of 10 textile companies has been calculated from seven years from 2013-2014 to 2019-2020 fiscal year. Alternative hypothesis is proved that textile sector of Pakistan falls that, here is a positive effect of profitability, liquidity, leverage, solvency, and activity ratios on soundness (Altman Z-Score). Safe zone which is 30%, textile companies which lies in Safe zone are BTML, SCML, and TT. 40%, textile sector of Pakistan falls in grey zone which are GATML, STML, CFL, and NML and only 30% of textile sector of Pakistan falls in distress zone and textile companies which lay in distress zone are CTML KML, and AHTML. Overall result of financial performance textile sector was lying in grey; it means they are in average position which they can improve if the look after control liabilities and total assets.

Conclusion of Study

Altman Z-score uses financial ratios to give score to the textile firms to analyze its financial strength in term of three zones; Safe zone, Grey zone, and Distress zone. For achieving good results the ratios should be positive.

As per benchmark (Edward, 1968), the financial performance of BTML (3.9), SCML (3.5), and TT (3.3) were excellent with Altman Z score greater than 2.99 fall in safe zone. GATML (2.0), STML (2.3), CFL (2.4), and NML (2.4) textile firms showed average results having Altman Z score between 1.80 and 3.00 fall in grey zone, while KML (1.8), AHTML (1.8), and CTML (1.0) firms lying in distress zone have worst position among given textile companies because its Altman Z score is less than 1.81. Managers of Textile Company should make plan efficiently to increase the sales and decrease the cost because overall result showed that textile sector of Pakistan lies in grey zone which means either they should improve their performance or they can
be in position to bankrupt in future otherwise.

**Limitations of the Study**
This study is carried on seven years of financial data of textile companies with spinning and composite mills of Pakistan by applying Altman Z-score. This model is consisting of only five ratios. Other models could be applied to check the financial position of the textile sector.

There are many other formulas of financial ratios of liquidity, profitability, solvency, leverage, and activity ratios, but according fixed model of Altman Z-score, its own standard financial ratios were used.

This Altman Z-score Model is used in textile companies and its can be used in other sectors to examine the financial health of sector.

**Suggestions for future work**
This study applied the model of Altman Z-score in textile sector. It could be applied in different sectors; agriculture sector, banking sector, cement factories, automobiles industries of Pakistan, etc. And the comparative analysis can be carried on textile sectors.

For analysis of financial performance of textile companies, other variables can be taken instead of liquidity, profitability, leverage, solvency, and activity ratios or some variables can be added like relationship between liquidity ratios with Altman Z-score model or profitability ratio and Altman Z score model.

**Reference**
Grushniene, V. K. (2016). Altman Z-Score Model for Bankruptcy Forecasting Of the Listed Lithuanian Agricultural Companies. 5th International Conference on Accounting, Auditing, and Taxation (ICAAT 2016)


An Empirical Investigation of E banking Service Quality Customer Trust and Customer Loyalty of Pakistani Banks

Shakeel Ahmad, Scholar Institute of Business Management & Administrative, Pakistan
Farheen Zahrah Hussain, Department of Commerce, BZU, Multan, Pakistan
*Khawar Naheed, Department of Commerce, BZU, Multan, Pakistan
Muhammad Sadiq Shahid, Bahauddin Zakariya University, Multan, Pakistan

*Corresponding Author’s email: khawarnaheed@bzu.edu.pk

ARTICLE DETAILS

ABSTRACT

Purpose: Technological evolution has transformed businesses in the new era. Modern paradigms shift towards adoption of gadgets that has changed the methods of providing services to clients. Banks provided themselves with the current contrivances to offer creative and dynamic types of assistance to customers. Banks has now offered "advanced and digital banking" through e-banking services to facilitate their customers. However, there are several e-banking services depends on e-service quality that affects loyalty of their customers. The main purpose of the current study is to measure the direct relationship of e-banking service quality on customer loyalty and also indirect effect of trust as mediating variable.

Design/Methodology/Approach: The data was collected from 250 clients using questionnaire from top five commercialized banks of Pakistan. Convenient sampling technique was used to collect the information. PLS-SEM was employed to statistically test the data.

Findings: This study found significant direct effect of e-banking service quality through its three dimensions “reliability, website design and security” on customer loyalty. In addition, the results also supported the mediation of three dimensions of e-banking service quality with customer loyalty.

Implications/Originality/Value: All three dimensions increase the customer loyalty and trust played important role it this mechanism.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0


Introduction
Evolution of technology has shifted today’s business in the new era. The new technology has
transformed the methods of providing service (Pierri & Timmer, 2021). Modern technology provides e-banking access to people in all over the world. In recent era, clients want ease in doing businesses and making e-banking transactions. Banks are doing their best to facilitate people by providing assistance through Electronic Banking (e-banking) services (Mamadiyarov, 2020). Now, electric gadgets or services are the main source by which people can use e-banking. By using computers, laptops, and other devices, consumers can make transactions without going to bank personally and save their time (Kumar & Gupta, 2020). No doubt, at initial level e-banking was just the source of information, but now e-banking is transformed into the complete banks. Customer loyalty plays a prominent role in every type of business-like banks; it connects people with organization and builds trust between customer and organization. At initial level, customer loyalty was considered only for developing association with the consumers but now it has lot of benefits for organizations. Since the consumers’ perspective, they are aware of technology benefits along with risks associated with new technology. E-banking influences the individuals in their daily lives, they can do all the banking transactions from any part of the world. According to the State Bank of Pakistan (SBP) report, published in 2019, total payments processed through banking channels were 1337.6 million transactions (valued at Rs. 601.9 billion) in which (64%) transactions were through online transaction.

In developing economies, consumers are reluctant to adopt e-banking services because of low trust level and customer loyalty. It is very important to get the consumer perspective around the usage of e-banking as it helps the bankers and the top management in making suitable strategies to make it successful. It has been investigated about the physical relation of the customers with business and the result of their behavior in past studies such as the comfort and loyalty of the customers in traditional and digital finance respectively. The criteria of consumers to perceive value of service vary from context to context and customer expectations and perception to perceive service quality can vary in both e-banking and physical banking. Moreover, there is a limited study on the effect of “e-banking service quality” on behavior results like as customer satisfaction, customer objective to use e-banking services, customer loyalty and retention (Wewege et al., 2020). Due to the lack of physical contact with banks it creates deficiency of trust in service delivery. People do not say positive words towards the e-banking which creates the lack of trust between people. It is necessary to provide premium services to customers to persuade and retain with e-banking. Therefore, this research intends to determine the impact of “e-banking services quality” practices on consumer’s trust and customer loyalty. Customers’ trust played a crucial role in building confidence to involve in e-banking services quality offered by the banks. This trust in turn create customer loyalty to involve in banking services for longer period of time. Therefore, customer trust plays important role between e-banking services quality and customer loyalty. Thus, the current study measured trust as mediator to enhance the customer loyalty with e-banking service quality.

**Literature Review**

In the current era, all banks are providing digital banking explanations and they are providing best services to attain competitive edge and improve organizational performance. E-service quality is explained as customer’s general assessment and evaluation of the services quality of consumers which is provided through e-banking (Haq & Awan, 2020).

**E-Banking Services Quality**

Service Quality drives customer happiness and loyalty towards bank (Haq & Awan, 2020). E-banking service quality is explained through its three facets namely “Website Design, Reliability, and security”. E-banking service through its super quality facilitates business within few seconds, this in turn increase the reliability and speed. Such speedy transaction helps business individuals in accomplishing their business needs, and hence it increases their performance. The fast and trustable mechanism is an important features of e-banking that attract more customer
and exiting customer loyalty help to gain potential customers (Sleimi & Musleh, 2020). Three dimensions of e-service quality are:

Reliability is the one of the crucial facets of e-banking service quality. It is the ability of the service provider to deliver on the assured services in a consistent and correct manner. Reliability plays a significant role in digital banking performance. If the services provided to the customers are errors free and meet the requirements of the customers) then it indicates the positive impact of e-banking in the customer’s mind (Islam et al., 2020). A positive response from the customers’ side depends upon the reliability of e-banking Service Quality “Timely transaction and accurate billing system” are the main elements that attract the customers and keep them in touch with the e-banking services providers (EBSQ). Past study found a positive and significant association reliability as a measure of e-banking service quality has a significantly positive impact on e-banking customer intention (Khatoon et al., 2020). Based on above discussion, following hypothesis is proposed:

**H1:** “Reliability of e-banking services has a significant positive impact on customer loyalty”

The extent to which customers believe the site is secure and that personal information shared on the platform is kept private.). Security also an important factor in e-banking service quality (EBSQ) as customers are concern about the personal information, they are providing on the website is safe. According to Hongkong and Shanghai Banking Corporation Limited (HSBC) many users stop using e-banking service when the cyber bank site was attacked so it is mandatory to ensure the safety and confidentiality of customers. As there is no physical interaction in e-banking, therefore, consumers are most anxious about the monetary transactions while using the website when e-banking services providers ensure the safety of customers’ personal data then they are more willing to employ these services instead of using offline (Garg et al., 2021). Thus following hypothesis is planned:

**H2:** “Security of e-banking services has a significant impact on customer loyalty.”

Researchers recommend that “it is essential for the victory of an online organization to evaluate the standard of website they offering to compete in the industry and also to upgrade their reputation in operational system (Pal Kapoor & Vij, 2020). Banks must pay attention to the appearance of their websites. According to Al take on website design as significant factor of their research and more stated that it grants more faithfulness of customers. It indicates that more users are happy with e-banking, the more positive connection they will build with banks and eventually users will be more loyal with them. According to above discussion, following hypothesis is established:

**H3:** “Web-Site Design of e-banking services has a positive impact on customer loyalty.”

**Mediation effect of Trust in E-banking**

In e-banking facilities customers didn’t easily trust online services until or unless they get some definite reason to use this e-banking service which provides the ease and fulfill their basic requirement of the customer. When customers start enjoying e-services then the number of e-service users will also increase as their trust on e-banking also increase (Trivedi & Yadav, 2020). When e-banking suppliers come up with a reliable e-banking policy, strong participants perceive more trust and loyalty with banks than weak participants users do. When strong participants assess the precision and authenticity of the assistance provided, it builds loyalty when banks fulfill their word of honor. Trust raised users’ long-term loyalty to e-banking suppliers, by that increasing adherence of service providers (Kaur et al. 2021).

Trust plays significant role in increasing customer loyalty and builds a long-lasting association between users and service providers. If the clients are happy with the services, they are getting they become a loyal customer to the company. Customers will incline toward e-banking is secure if it is encrypted performs an important role on trust in e-banking likewise on time e-banking's and accurate answer increase trust of the clients on e-banking is becoming more popular, and
customers’ trust in it is growing. “Website design” also plays significant role in gaining client’s trust as it involves presentation, appropriate content, precise data, consistent improvement of information, and quick dealings these all factors strengthen customer trust in banking service providers (Bjørnstad & Ulleberg, 2021). Hence, hypothesis is as follows:

H4: “Trust mediates the relationship between Reliability and Loyalty”
H5: “Trust mediates the relationship between Security and Loyalty”
H6: “Trust mediates the relationship between Website design and Loyalty”

Methodology
This research was conducted in Pakistan as are facing major e banking issues in adoption of e banking. Clients of five major Pakistani banks operating in South Punjab who use e-banking services. This study was carried out during second wave of Covid-19 and gather information through distributing or sending questionnaire through email as well as personally (Hair Jr et al., 2020). The questionnaire used in this study comprised of two sections. First section consisted of demographic information about the respondents. Second section consisted of dependent and independent variables that were adopted from well-established previous studies. The current study used “Five-point Likert scale” In this research non probability (purposive) sampling technique is used. The sample size is planned based on the rule of thumb i.e. 255 samples that is sufficient to get valid outcome (Hilkenmeier et al., 2020).

Data Analysis
Descriptive results of the respondents were: regarding gender, out of 255 respondents 21.6% were females while 78.4% were male. The majority of the respondents, 41.9 percent, are between the ages of 20 and 26, accounting for 38.4 percent of the total are in the fraction of 26-32 and 18.7% are in fraction of 33 and above years. Education status showed that larger part of the respondents is studying in the bachelor program 60.6% while in the master program There are some 54.8% had 1-3 months of experience, 29.5 percent had 4-6 months of e-learning experience, whereas 13.7 percent had more than 6 months of e-learning experience program.

Measurement Model Results
In the current study, sixteen items are used to assess five constructs to measure the outer model “measurement model” results. "Confirmatory Composite Analysis (CAA)" is carried out through fractional smallest modelling of structural equations utilizing PLS-SEM software (Hair et al., 2020) for the estimation of the model as displayed in the Figure 2. The constructs investigated in the current study are reflective, as evidenced through writings and reflective exercises estimation. Internal consistency is measured by "Composite Reliability (CR)", the normal normality of validity is through "Average Variance Extracted (AVE)" While Fornell and Larcker provide discriminatory legitimacy technique (Fornell & Lracker, 1981).

Assessment of Measurement model

![Figure 1]

The results of “measurement model” showed in measurement model table obtained through running Smart-PLS algorithm, the item loadings of all constructs are greater than 0.60, indicated
In the current study, discriminant validity is calculated using Fornell and Larcker's criteria, which is the most widely used method for determining how different models are from one another. According to Fornell and Larcker (1981), the AVE's foundation is in a slanting position, and it should be higher than other structures connecting values. In addition, all diagonal values are larger than the correlation values in the table mentioned below, indicating that model is extremely valid.

| Table: Criterion of Fornell and Larcker |
|-------------------------------|---|---|---|---|---|
| Loyalty (LO)          | 0.813 |   |   |   |   |
| Reliability (RL)    | 0.482 | 0.752 |   |   |   |
| Security (SC)       | 0.598 | 0.515 | 0.791 |   |   |
| Trust (TR)          | 0.682 | 0.509 | 0.567 | 0.800 |   |
| Website design (WD) | 0.523 | 0.596 | 0.570 | 0.521 | 0.758 |

Structural results Table reported the results of hypothesized direct relationships of e-banking service quality three dimensions with customer trust and customer loyalty. In H1 proposed a positive relationship between reliability and customer trust that means a notably positive relation exists between reliability and trust as shown by the results where (β= 0.225, t-value= 2.904, p-value= 0.000) and the hypothesis is support with significant positive association. Similarly, H2 proposed a positive relationship between security and customer trust. The result supported a significant positive relationship with the values (β= 0.345, t-value= 4.308, p-value= 0.000). H3 proposed a significant positive relationship between website design and customer trust. The results obtained supported a significant positive association between the variables (β= 0.198, t-value= 2.628, p-value= 0.000). H4 proposed a significant positive relationship between customer trust and customer loyalty. The obtained result supported the direct significant positive association between customer trust and customer loyalty with (β= 0.692, t-value= 13.233, p-value= 0.000). The value of R2 values of 0.640 and 0.662 for exogenous variables customer trust and customer loyalty are greater than Cohen's recommended value of 0.27 that showed the significance of the current model. The value of Q² of quality dimension of reliability to trust
0.248 and trust to loyalty 0.300 that are measured above zero shows that the model can be used to predict the future relevance.

**Structural Model**

![Diagram of Structural Model]

**Indirect Effect Results**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>Std. Beta</th>
<th>T value</th>
<th>P Values</th>
<th>2.50%</th>
<th>97.50%</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H5</td>
<td>RL -&gt; TR -&gt; LO</td>
<td>0.156</td>
<td>2.759</td>
<td>0.000</td>
<td>0.034</td>
<td>0.253</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>SC -&gt; TR -&gt; LO</td>
<td>0.245</td>
<td>3.848</td>
<td>0.000</td>
<td>0.137</td>
<td>0.365</td>
<td>Supported</td>
</tr>
<tr>
<td>H7</td>
<td>SC -&gt; TR -&gt; LO</td>
<td>0.144</td>
<td>2.548</td>
<td>0.000</td>
<td>0.035</td>
<td>0.254</td>
<td>Supported</td>
</tr>
</tbody>
</table>

**Discussion**

The current study empirically tested H1, H2, H3 that measured the direct relationship of e-banking service quality dimensions: “reliability, security, website design” with loyalty of customer using e-banking service facility. The study found a significant positive relationships of
e-banking service quality dimensions with customer loyalty. The result indicated that reliability of e-banking site fundamentally affects trust of customers who use e-banking services through bank. The results also indicated that security of e-banking services essentially affects the trust of customers while utilizing their services via e-banking facilities. Direct effect of e-banking service quality dimensions “reliability, security, and web-site design” are in lined with results of prior study (Reddy et al., 2020).

Moreover, the current study also empirically examined H4, H5, H6 that have empirically tested the indirect relationship of customer trust between the direct relationships proposed as H1, H2, and H3. The results of current research supported the direct and indirect (mediation) effects of customer trust as an important factor in the process of reliability, security and web site design and customer loyalty. The result supported the partial mediation of customer trust on e-banking services. The mediation or indirect effect of online customer trust is also synchronized with the result of previous study (Federal & Retrieved, 2021). There is absolute three indirect hypotheses that are associated with the facilitating impact of belief among various independent variables and trust of clients utilizing online banking services. Then, results showed that security of e-banking site affects the trust of clients utilizing benefactors’ e-banking facilities (Raza et al., 2020). Current research takes various efforts. First, this research has investigated a model with mediation utilizing TAM Theory. The study employed a mediated model of trust and loyalty among e-banking consumers that has been empirically investigated by few studies in e-banking environment, especially in Pakistan. Present research contributed the facilitating effect of trust between website design, reliability, security and loyalty of customers using e-banking facilities. Next, the current research was conducted in Pakistan. Pakistan is the world's fifth most populous country, and there are various public sectors in Pakistan that provide e-learning services. Future studies can measure the model in other sector like hospital, other financial institutions with moderating and mediating variables. There is still need of further studies about e-learning in Pakistan's background to increase the generalizability of results that will more insights concerning e-learning in Pakistan's context.

References


What Drives Individual Investors to Invest in Mutual Funds in a Developing Economy

*Manasseh Mwanza, Department of Banking and Finance, Zambia Catholic University, Kalulushi, Zambia  
Stella Zulu Chisanga, School of Business, Copperbelt University, Kitwe, Zambia  
Stephen Mpembele, School of Business, Copperbelt University, Kitwe, Zambia  
Shikaputo Chanda, School of Business, Copperbelt University, Kitwe, Zambia

*Corresponding author’s email address: manasem2@gmail.com

**ARTICLE DETAILS**

**History**
Revised format: Aug 2021  
Available Online: Sep 2021

**Keywords**
Mutual funds, Investment behaviour, Awareness, Financial Literacy, Zambia

**JEL Classification**
E22, G11

**ABSTRACT**

**Purpose:** The aim of this study is to investigate factors that influence investment in mutual funds by individual investors in a developing economy. Drawing insights from the theory of planned behaviour, the study identified and tested the effect of awareness, attitude, financial literacy and preference for other competing investments on intention to invest in mutual funds by individual investors.

**Design/Methodology/Approach:** Data was collected from 280 respondents in Zambia. Data was analysed using correlations and hierarchical regression models.

**Findings:** The study reveals that awareness and attitude towards mutual funds significantly influence intention to invest in mutual funds. Surprisingly, financial literacy and preference for other investments do not significantly affect an individual investor’s intention to invest in mutual funds.

**Implications/Originality/Value:** This study contributes to the financial services marketing literature by increasing understanding of individual investors’ investment decisions and drivers that influence intention to invest in mutual funds in Zambia. The study recommends that mutual funds marketers should invest more in building awareness and positive attitude towards investment in mutual funds in order to develop retail demand. Also, investment companies and financial services marketing policy makers should carefully consider their financial literacy programmes as the study reveals that financial literacy and competing investments are not significant drivers.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0

Introduction

Innovative financial investment instruments which reduce investment risk and minimize transaction costs are critical to the economic development of any nation. One such instrument is the investment in mutual funds. Mutual funds are companies that pool resources from institutional and/or individual investors and invest the resources in stocks, bonds and other money market securities on behalf of investors (Kacperczyk et al., 2005; Sialm and Tham, 2016). Investment in mutual funds has become popular world over as it offers investors an opportunity to invest their funds at a relatively lower risk and cost in a diversified and professionally managed securities basket (Fernando et al., 2003; Mayo, 2013). Scholars agree that mutual funds play a significant role in channelling and optimally investing idle savings available in an economy of both individual and institutional investors and as such, have a powerful influence on economic development and poverty alleviation (Demirgüç-Kunt et al., 2012; Mayo, 2013; Kumar and Abdulla, 2020).

However, while there has been an increasing number of investors in mutual funds in developed countries, investment in mutual funds at an individual level remains under-developed and under-utilised in most developing African economies (Bauer et al. 2007; Klapper et al., 2004; Lemeshko and Rejnus, 2015). Yet, as an emerging concept in Africa, mutual funds could be a necessary vehicle that can enhance the development of capital markets and also provide an alternative to high dependency on pension packages (Tan, 2015; Hoepner et al., 2011; Adjasi and Yartey, 2007). Also, with the increased fluctuation of inflation rates experienced in most African countries, it should be prudent for individuals to participate in capital markets, which have the potential to provide returns that can beat inflation. The fact that one does not need to have huge investment volumes or be a financial expert to invest, as an investor can indirectly invest in capital markets using mutual funds, means that investment in mutual funds offers investors high financial stability. It is therefore imperative that an enquiry into the drivers of demand in investment in mutual funds in developing African economies is undertaken to understand and explain the low demand. A study on this kind of saving vehicle is very important because having an adequate supply of domestic savings is a core national policy objective, both because of its direct growth effect and also due to the fact that a high national savings ratio in line with an economy’s investment needs reduces the economy’s exposure to fluctuations in international capital flows (Jagadeesh, 2015). As Tang and Ch’ng (2012) posit, one of the most fundamental strategies for long term economic growth and development is mobilization of savings so as to generate enough capital for investments. In other words, increased investments can be financed domestically through an increase in the domestic savings level and this can be achieved through the use of mutual funds (Lewis, 1955; Tan, 2015).

Globally, the significant growth in the mutual fund industry has attracted interest by scholars and practitioners in this area (Lemeshko and Rejnus, 2015). However, a critical review of the literature indicates that studies on mutual funds have largely been conducted in developed countries, focusing on mutual funds holder characteristics and performance. There is little research in both the marketing and financial economics worlds that investigates the behaviour of individual mutual funds investors in developing countries and factors that influence their investment decisions (Amiril and Lafuente, 2016; Adjasi and Yartey, 2007). In addition, findings on the few available studies on drivers of mutual funds investment remain largely inconclusive with positive, negative and non-significant effects being reported. For example, while studies by Jureviciene and Jermakova (2012) and Sabri et al. (2010), found that financial literacy is an important factor in determining the saving and investment behavior of individuals, more recent studies by Fernandes et al. (2014) and Octarina et al. (2019) indicate that financial literacy has no significant effect on investment decisions. As such, we know very little about mutual funds investment, individual mutual fund investor behavior and factors that influence mutual fund investment decisions in developing African economies.
Accordingly, this study attempts to fill these voids by investigating factors that influence investment in mutual funds among individual investors in Zambia, a developing Sub-Saharan African country. By so doing, the study is a timely response to appeals to scholars to advance the understanding of investor behavior in the under-researched African markets with massive business opportunities and have attracted interests from both researchers and business practitioners yet very little is known (Bauer et al., 2007; George et al., 2016). Furthermore, the study fosters evidence-based decision making with regards to the drivers of mutual funds investment demand. It informs policymakers, researchers, mutual funds investment companies, investors and business leaders in Africa and the world on appropriate strategies to devise to improve demand for investment in mutual funds in an African market.

**Theoretical Background and Hypotheses Development**

To better understand possible antecedents of intentional behavior, the study draws insights from the theory of planned behavior (TPB). The TPB incorporates three variables, namely; the attitudinal belief, normative belief and control belief as antecedents of behavior. The theory has been widely used by many researchers studying investor behavior in different avenues (e.g., Buchan, 2005; Carpenter and Reimers, 2005; Raut, 2020). With specific regard to investment in mutual funds, Schmidt (2010) and Ali, Zani and Kasim (2014) draws insight from the theory to study investor willingness to invest in mutual funds. Consistent with the aforementioned studies, this research draws from the theory of planned behavior to better understand factors that explain individual investor mutual fund investment decisions. Just like the behavior towards any other commodity, we postulate that investment in mutual funds is influenced by attitudinal belief, normative belief and control belief and the influence can be positive, negative or even not significant at all.

While there are a number of factors that influence investment in mutual funds identified in the literature, this study focuses on awareness, attitude towards investment, financial literacy and preference for other investment vehicles as potential drivers of intention to invest in mutual funds. The selection of these factors is informed by theory and a review of the literature. So, in line with extant financial investment and marketing literature and in following the decomposed theory of planned behaviour, our conceptual model in figure 1 below proposes that awareness, attitude, financial literacy and preference for other investments will affect a person’s intention to invest in mutual funds.

![Figure 1: Conceptual model](image_url)
Investor’s Awareness of Investment in Mutual Funds and Intention to Invest in Mutual Funds

There is consensus in the literature that awareness has a positive influence on investment decisions of individuals. According to Moon and Lee (2019), as long as one is ignorant about an investment alternative, it becomes difficult to invest in it. In line with this thought, a study by Design et al. (2006) found that investors are generally hesitant to invest in mutual funds due to their lack of knowledge and awareness regarding investment protection, procedure of making investment, valuation of investment and reporting grievances when they have investment related problems. Kozup et al. (2008) also show that if potential investors are provided with sufficient information the desire to invest in a mutual fund can increase. In fact, a study by Kaur and Kaushik (2016) found that better awareness of the different aspects of mutual funds had a positive effect on investment intentions. Finally, a more recent study by Jain, V., Kumar, A., & Kansal, A. (2021) argued that once Mutual fund information is published in investor friendly language and style by including risk, return and tax, investment is stimulated. Therefore, the following hypothesis is proposed:

**H1:** There is a positive relationship between awareness of investment in mutual funds opportunities and intention to invest in Mutual Funds

Attitudes Towards Unit Trusts and Effect on Intention to Invest in Mutual Funds

Alleyne and Broome (2010) define attitudes toward behavior as the degree to which a person has a favorable or unfavorable evaluation or appraisal of the behavior in question. Attitudes of an investor are very influential to the investment intentions of an investor (Ajzen, 1991). The relationship between investor attitudes and intention to invest has been widely investigated (e.g., Ramayah et al., 2009; Ali, 2011; Ajzen, 2015; Ajzen, 1991). Corter and Chen (2006) assert that individuals’ risk attitudes predict their comfort level with different investment strategies, and perhaps their level of happiness with investment outcomes. Drawing from the decomposed theory of planned behavior, findings by Sudarsono (2015) show that attitudes toward investment and subjective norms have a significant influence on intention to invest.

Listyarti and Suryani (2014) study on individual investors’ behaviour in decision making on securities investment in Indonesia’s Stock Exchange found that subjective norms positively affect the investment intentions and is consistent with Ali et al’s (2014) findings that attitude was one of the most important factors in influencing investors’ intention to invest in Islamic unit trust funds. It is also consisted with (Kumar, & Abdulla, 2020) who found that investors who made profits from mutual fund investments developed a positive attitude leading to reinvestment and influencing others to invest in Unit trusts. Although relatively more studies indicate relationship between attitude and intention to invest, results remain ambiguous. For example, a more recent study by Sivaramakrishnan et al. (2017) found attitude had a negative effect on intention to invest in the equity markets. However, drawing insights from the theory of planned behaviour, we expect individuals with a positive attitude towards mutual funds to have high intentions to invest in the funds. Thus, we hypothesise that:

**H2:** There is a positive relationship between attitude towards investment risk and intention to investing mutual funds

Financial Literacy and Intention to Invest In Mutual Funds

Financial literacy, defined by Servon and Kaestner (2008) as a person’s ability to understand and make use of financial concepts, has been found to have a strong link with savings and investment behavior. De Bondt (2008), for example, shows that households with higher levels of financial literacy are more likely to plan for retirement, invest in securities and that planners arrive at retirement with substantially more assets than non-planners. A study by Van Rooij et al. (2011)
established that individuals with low financial literacy are less likely to participate in stock market. In fact, more recent studies by Mouna and Anis (2015), Sivaramakrishnan et al. (2017) and Hsiao and Tsai (2018) indicate that financial literacy is an important prerequisite for stock market participation and mutual fund investment. In addition, (Jiang et al., 2020) found that advanced literacy has a significantly larger impact on investment performance than basic literacy.

In contrast to the above literature, however, Willis (2009) and Fernandes et al. (2014) contend that financial education programmes have less effect on improving consumer financial decision making. A similar conclusion was made in a more recent study by Octarina et al. (2019) which found that financial knowledge has no significant effect on the intention to invest. Despite these ambiguous findings, this study finds it reasonable to argue that financial literacy is positively related with intention to invest in mutual funds. Our reasoning is in line with findings of a study on mutual funds in developing economy markets by the Divakaran et al. (2015) which points out that if financial literacy and awareness are low, there may be decreased retail interest in mutual funds. Therefore we expect that respondents who are financially literate would be able to understand the benefits of investing in mutual funds and as such be more willing to invest in mutual funds. Thus, the following hypothesis is proposed

\[ H_3: \text{There is a positive relationship between financial literacy and intention to invest in mutual funds} \]

**Preference for Other Investments and Intention to Invest in Mutual Funds**

A study by Divakaran et al. (2015) on mutual funds in developing economy markets indicates that the amount of investment in mutual funds can be affected by competition from other saving and investment vehicles such as mandatory pension fund savings and bank deposits. Although Rathnamani (2013) and Singh and Jha (2009) found that consumers actually prefer investment in mutual funds due to return potential, liquidity and safety, we argue that competition from other savings and investments negatively affects investment in mutual funds. The logic is that since different kinds of investment avenues are available to investors, it is more likely for an investor to prefer investing in an avenue that offers the most in terms of balancing the benefits and shortcomings (Agrawal and Jain, 2013). Thus, an investor who perceives investment in mutual funds not to be more beneficial than investment in other avenues is not likely to invest in mutual funds. Our argument is consistent with Sahoo (2020) study which found that investors relied on traditional pattern of investment like investment in banks and real estates and as such investment in mutual funds was not preferred. Therefore, the following hypothesis is proposed:

\[ H_4: \text{There is a negative relationship between investment preference in other investment vehicles and investment in mutual funds} \]

**Methods**

**Sample and Data Collection**

To assess factors affecting intention to invest in mutual funds by individual investors in the under-researched developing African economy context, data were collected from Zambia, a developing Sub-Saharan African country. The development of collective investment vehicles such as mutual funds (Unit trusts) is important in Zambia as it offers individual investors the opportunity to invest in a less risky diversified and professionally managed portfolio at relatively minimal costs and so has potential to contribute to investor base broadening by including the unbanked small-scale investors and lead to an increase in capital formation (Vajja and White, 2008). Despite these benefits, the Finscope Zambia (2015) shows that the number of individuals putting their money in mutual funds in Zambia were low at 0.2%. Further, when compared to other African countries such as South Africa (18%) and Nigeria (24%) (Divakaran et al., 2015), the size of investments in mutual fund is very low in Zambia. Therefore, an enquiry into factors that influence individual investors intention to invest in mutual fund becomes cardinal in Zambia and as such Zambia makes a useful case to study investment decisions by individual investors.
The study targeted individual potential investors in the middle to upper class because this class is believed to have adequate income and financial knowledge to plan for the future and make different forms of investments. The data was collected from Kitwe district, Copperbelt province. This target area was chosen because it is the second largest town in Zambia with high economic activities behind Lusaka (MCTI, 2018). A structured questionnaire was administered to potential investors that met the following requirements: (1) they were of middle to upper class as indicated by their level of income of not less than 5,000 Zambian Kwacha (Shebo, 2013), (2) they were financial literate as indicated by their level and type (business training) of education; and (3) the respondents were aware of investment opportunities in mutual funds. A total of 350 questionnaires were face-to-face administered. However, 280 useable questionnaires were collected and used in the analysis, representing an impressive response rate of 80%. The response rate confirms Saunders and Lewis’ (2012) claim that the face-to-face approach is usually associated with high response rate. The Table 1 gives the sample profile.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>185</td>
<td>66.1</td>
</tr>
<tr>
<td>Female</td>
<td>95</td>
<td>33.9</td>
</tr>
<tr>
<td>Age range</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21-30 years</td>
<td>73</td>
<td>26</td>
</tr>
<tr>
<td>31-40 years</td>
<td>120</td>
<td>43</td>
</tr>
<tr>
<td>41-50 years</td>
<td>76</td>
<td>27</td>
</tr>
<tr>
<td>Over 50 years</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Education level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grade 12 Certificate</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>College Certificate</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Diploma</td>
<td>85</td>
<td>30</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>103</td>
<td>37</td>
</tr>
<tr>
<td>Post graduate</td>
<td>76</td>
<td>27</td>
</tr>
<tr>
<td>Income Range</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K5, 000 –K9, 000</td>
<td>197</td>
<td>70</td>
</tr>
<tr>
<td>K10, 000-K19,000</td>
<td>67</td>
<td>24</td>
</tr>
<tr>
<td>K20,000 and above</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>Rating of aware of opportunity to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>invest in mutual funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>82</td>
<td>30</td>
</tr>
<tr>
<td>Good</td>
<td>74</td>
<td>26</td>
</tr>
<tr>
<td>Very Good</td>
<td>124</td>
<td>44</td>
</tr>
</tbody>
</table>

**Authors’ compilation**

**Measures**

Multi-item measures anchored on five point Likert-type scales were used for all constructs. The dependent variable, intention to invest, was adapted from East (1993) and Buchan (2005) and captures respondent’s own assessment of their intention to invest in mutual funds. Specifically, respondents rated their intention to invest in terms of whether they plan to invest in mutual funds in the future given the availability of money or other opportunities. Each item was measured on a five-point scale with 1 = “below average,” and 5 = “above average”.

The scale for awareness captured the extent to which individuals were aware of the opportunity to invest in mutual funds and was adopted from Kaur and Kaushik (2016). Respondents were asked to rate the extent to which: mutual funds are advertised, they know the benefits and risks of investing in mutual funds. Attitude in this study refers to respondents’ perception of the extent to which they perceive investment in mutual funds to be pleasant, rewarding and whether it should be encouraged. The scale on attitude was adopted from East (1993) and Ajzen (1991) and had four items.
Financial literacy refers to how well an individual understands and uses personal finance-related information. The scale for financial literacy was adopted from Van Rooij et al. (2011). The scale had five items capturing the extent to which an individual has gone through some financial investment training and chooses financial products after gathering information. Preference for other competing investments captures a respondent’s preference to invest in other investments other than mutual fund. Respondents were asked to indicate the extent to which they perceive the risk involved in investment in mutual funds relative to investment in real estate, financial assets, Savings account, Farming and Others. Statements on individual investor preference were adopted from Du and Budescu (2005).

Control Variables
Previous studies indicate that demographic factors such as age, gender and income can affect investment in mutual funds. For example, Ramanujam and Devi (2012) and Chavali and Mohanraj (2016) provide evidence that income, age and education are important drivers of investment behavior in mutual funds. In line with these previous studies, it seemed prudent to control for age and income, which have the potential to influence investment behaviour. A natural logarithm transformation was taken for the two variables to normalise the data as recommended by Osborne and Waters (2002).

Measure Assessment and Purification
Measure purification and analysis was done using Principal Component Analysis (PCA) with Varimax rotation in SPSS. One item of intention to invest variable: “I will invest in mutual funds if I have more money was deleted as it cross-loaded on awareness. Results after the deletion show that all the remaining scale items were generally adequate for measuring the latent variables. For example, the KMO test of sample adequacy of 0.845 was above the minimum 0.50 threshold (Pallant, 2020) and bartlett’s test of sphericity was significant (approx. chi-square = 3,291.307, df = 157, sig. <0.0005). This is a good indication that the item sample was adequate. Also, commonalities for all items have scores higher than 0.4 and all five factors with eigenvalues above 1.0 were extracted, consistent with the number of the main variables in the conceptual model. These factors together explained 78% of the variance in the model. The factor loadings of the variable on each of the factors were greater than the 0.6 recommended threshold (Osborne et al., 2008). Furthermore, all the scales showed discriminant validity since each scale item loaded on the respective factor and there were no cross loadings apart from one item which was deleted as earlier mentioned. The scales also showed reliability based on the Cronbach’s alpha values that were all above 0.7 satisfying Bagozzi and Yi’s (2012) threshold. Table 1 shows results of the factor analysis.

Table 1: Results of the Factor and Reliability Analyses

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor loading</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Awareness 1</td>
<td>.781</td>
</tr>
<tr>
<td>Awareness 2</td>
<td>.909</td>
</tr>
<tr>
<td>Awareness 3</td>
<td>.795</td>
</tr>
<tr>
<td>Awareness 4</td>
<td>.715</td>
</tr>
<tr>
<td>Awareness 5</td>
<td>.795</td>
</tr>
<tr>
<td>Attitude 1</td>
<td>.847</td>
</tr>
<tr>
<td>Attitude 2</td>
<td>.898</td>
</tr>
<tr>
<td>Attitude 3</td>
<td>.868</td>
</tr>
<tr>
<td>Attitude 4</td>
<td>.811</td>
</tr>
<tr>
<td>Financial Literacy 1</td>
<td></td>
</tr>
<tr>
<td>Financial Literacy 2</td>
<td></td>
</tr>
<tr>
<td>Financial Literacy 3</td>
<td></td>
</tr>
<tr>
<td>Financial Literacy 4</td>
<td></td>
</tr>
</tbody>
</table>
Correlation Results
Table 2 presents the means, standard deviations and correlations among all the variables in the study. From the table, it can be seen that all the independent variables, awareness, attitude, financial literacy and other investments are positively correlated to intention to invest in mutual funds, ranging from 0.144 to 0.668, p < 0.001. Of the two control variables, age is positively correlated with intention to invest while income is not significantly correlated. In summary, the correlation results suggest a strong relationship among the main variables in the study.

Regression Results
Hierarchical linear regression using the SPSS version 23 was used to test the four hypotheses. First, the effect of control variables, age and income, on intention to invest in mutual funds were estimated in model 1 and the model explains 15.2 percent of the variance in the dependent variable ($R^2 = 0.023, F(2.186), p < .05$). Then all the four independent variables plus the control variables were added and their effects estimated in model 2. Results in model 2 indicate that control variables (age and income) are not significantly related to intention to invest. In terms of the main variables, model 2 indicates that awareness has a positive significant effect on intention to invest in mutual funds ($\beta = 0.537, p <0.05$). Therefore H$_1$ is supported and accepted. H$_2$ is also accepted as a significant positive relationship is established between attitude and the intention to invest in mutual funds ($\beta = 0.157, p <0.05$). However, financial literacy is not positively significantly related with the intention to invest in mutual funds ($\beta = 0.119, p > 0.05$) and so H$_3$ is not supported. H$_4$ is also not supported as preference for other investments is not significantly related to intention to invest in mutual funds ($\beta = -0.013, p > 0.05$).

Overall, model 2 explains 68.9% of the variance in intention to invest in mutual funds and is statistically significant ($R^2 = 0.474, F (35.081), p < .05$). While awareness and attitude towards...
investment in mutual funds significantly affect intention to invest, financial literacy and preference for other competition investments do not significantly affect intention to invest in mutual funds or not. Table 3 below shows a summary of the regression results of the hypotheses tests.

Table 3: Summary of the Regression Results of the Hypotheses Tests

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Model 1 Beta (t-values)</th>
<th>Model 2 Beta (t-values)</th>
<th>Hypothesis supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>.415 (.2171)</td>
<td>-.004 (-.024)</td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>-.128 (-1.068)</td>
<td>-.091 (-1.012)</td>
<td></td>
</tr>
<tr>
<td>Awareness</td>
<td>-.128 (-1.068)</td>
<td>-.091 (-1.012)</td>
<td></td>
</tr>
<tr>
<td>Attitude</td>
<td>.157 (3.197)**</td>
<td>.119 (1.230)</td>
<td>H2 supported</td>
</tr>
<tr>
<td>Financial Literacy</td>
<td>.537 (6.667)**</td>
<td>H1 supported</td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>.119 (1.230)</td>
<td>H3 not supported</td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>.152</td>
<td>.689</td>
<td></td>
</tr>
<tr>
<td>R Square</td>
<td>.023</td>
<td>.474</td>
<td></td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>.013 (.245)</td>
<td>.461</td>
<td>H4 not supported</td>
</tr>
<tr>
<td>F- Statistic</td>
<td>2.186</td>
<td>35.081</td>
<td></td>
</tr>
</tbody>
</table>

Notes: Dependent variable = Intention to invest in mutual funds; **p < 0.001; *p < 0.05

Authors’ compilation

Discussion

Investment in mutual fund remains under-developed in most developing economies in spite of the favourable investment returns that this instrument avails. The two main objectives of this paper were to examine intention to invest in mutual funds by individual investors and factors affecting this in a developing economy. The study was conducted in Zambia because of the relatively low investment in this investment avenue compared to other countries. Drawing insights from the decomposed theory of planned behaviour, the effects of awareness, attitude, financial literacy and preference for other investments on intention to invest were examined. Findings of this study reveal that individual investors have high intentions to invest in mutual funds and that this decision is affected by awareness and attitude toward mutual funds. Surprisingly, financial literacy and preference for other investments do not have a significant effect on intention to invest in mutual funds.

The study confirms H1 that there is a positive relationship between awareness and intention to invest in a mutual fund. This means that an investor who is aware of the operations of a mutual fund is likely to invest in this avenue. This finding is consistent with findings of similar studies by Deb and Singh (2018) and Kaur and Kaushik (2016) and provides evidence that the mutual fund business had the potential to grow if only investors were well informed about them. A more recent study by (Jain., Kumar., Kansal, A, 2021) also agrees with the finding by stating that Mutual fund information should be published in investor friendly language and style and should concentrate on risk, return and tax in order to stimulate investment. The present study also confirms H2 that there exist a positive relationship between attitude and investment in mutual funds. This implies that depending on referent groups and beliefs about potential obstacles and opportunities, an individual investor will develop a positive or negative attitude, which in turn affects the interest to invest in mutual funds. This finding is contrary to Sivaramakrishnan et al. (2017) but resonates with findings of (Kumar, & Abdulla, 2020), who found that attitude was quite important when it comes to investment behaviour. This is so because in the absence of financial experts’ information on returns from investing in mutual funds, investors tend to consult referent groups and beliefs about potential obstacles and opportunities (Ajzen, 1991). The attitude that is formed thereafter will be utilized for the investment decision.

The study does not find support for H3 that financial literacy does have a significant effect on intention to invest in mutual funds. This finding is surprising and is contrary to findings of Sabri
et al. (2010), Chen and Volpe (1998) and Siva Ramakrishnan et al. (2017) studies of a positive significant relationship between financial literacy and intention to invest. However, our finding finds support in a more recent study by Cuccinelli et al. (2016) who indicate that financial literacy does not have significant effect on the intention to purchase medium-high risk financial investment. Finally, H4, which postulates that investor investment preference of other investments negatively affects intention to invest in mutual funds, is not supported in this study. The study shows that individual investors’ preference of other investments does not significantly predict individual investor intention to invest in mutual funds in Zambia. This finding contradicts the findings of the Divakaran et al. (2015) and (Sahoo, 2020) who found that amount of investment in mutual funds can be affected by competition from other saving/investment media such as bank deposits, real estate and others. However, the finding is in line with a study by Kumar and Bansal (2014) who indicated that reliance on traditional pattern of investment was because mutual funds were unknown to investors and not because of competition among the alternatives. The study raises serious theoretical, managerial and policy implications which are discussed in the next section.

Managerial and Policy Implications
Overall, this study contributes to the financial services marketing literature by helping to clarify individual investors’ intention to invest in mutual funds in a developing economy. Considering the poor economic status of most developing countries, the study reveals that individual investors investigated in this study do have intentions to exploit this investment pathway. More importantly, this study helps to expand our understanding of factors that influence investment in mutual funds by providing evidence that awareness and attitude towards mutual funds are key drivers while financial literacy and preference for other investments do not significantly affect investment in mutual funds in this study setting. The study thus challenges findings of earlier studies of a significant link between financial literacy and preference for other investments and cautions that the findings cannot be generalised as the effects could be contextual. This study extends the theory of financial services marketing and contributes to the body of existing literature by presenting an in-depth consideration of the drivers of investor behaviour in a developing economy context that is largely under-researched.

Considering the fact that investment in mutual funds remains low in most developing economies in general and Zambia in particular, investment companies are encouraged to invest more in increasing awareness and building positive attitude towards investment in mutual funds in order to build retail demand. Mutual fund companies should come up with appropriate promotion and advertisement strategies to boost awareness of investment in mutual funds. The finding that financial literacy is not significantly related to intention to invest in mutual funds raises serious policy implications. There is need for training institutions to critically reconsider the composition and structure of financial trainings so as to come up with more relevant ones that encourage the public to consider investing in mutual funds. The result that preference for other investments do not significantly affect intention to invest in mutual funds means that investment companies and policy makers should focus more on policies and support mechanisms that promote diversified investments including investment in mutual funds. As there is a pressing need to improve the economic growth, in view of the increasing instability of the financial world, the study informs investment policy makers, especially from developing economies like Zambia, that one way to achieve economic development is to invest in more awareness programs that encourage individuals to invest in mutual funds.

Limitations and Future Research
Like any other research, this study has some limitations that could be avenues for future research. First is the fact that the study used a cross-sectional research design in a developing economy context. While the study unleashes from a context that is largely under-researched, generalising
the findings to other countries should be done with care. Future research should aim at conducting a longitudinal study to replicate and extend the research scope on the study constructs in order to study the relationships over a longer period of time to provide well-grounded results. Second, studies on the mechanisms through which these factors influence or how the factors interact to affect intention to invest in mutual funds is another avenue for future research. The fact that financial literacy and preference of other investments were not significant drivers could be that these factors work with or through other factors to affect investment in mutual funds. Also, this study focused on responses from individual investors. There are many other factors that affect intention to invest in mutual funds that were not examined in this study. Future studies could look at factors such as tax benefit, past experience, and convenience influence intention to invest in mutual funds. Another study can be done to look at institutional investors’ investment and their impact on the growth of the mutual fund industry.

References


Finscope Zambia, (2015), Results of a National Survey on Demand, Usage and Access to Financial Services in Zambia, Final report.


Antecedents and Consequences of Green Human Resource Management in Oil and Gas Companies of Pakistan

*Ali Junaid Khan, Institute of Business, Management & Administrative Sciences, The Islamia University of Bahawalpur, Pakistan
Salyha Zulfiqar Ali Shah, School of Economics, Bahauddin Zakariya University Multan, Pakistan
Furrukh Bashir, School of Economics, Bahauddin Zakariya University, Multan, Pakistan
Jawad Iqbal, Institute of Business Management and Administrative Sciences (IBMAS), The Islamia University of Bahawalpur (IUB), Pakistan

*Corresponding author’s email address: junaaidkhan@yahoo.com

ARTICLE DETAILS

ABSTRACT

Objective: The objective of this study is to look at the causes and consequences of green human resource management in Pakistani oil and gas companies.

Methodology: The data is collected from Pakistani oil and gas corporations. The reason for concentrating on this business is that it practices the most environmentally friendly labor practices of any other The PLS approach is used to evaluate the data received from 121 managers.

Findings: It has been found that top-level management support and environmental orientation are prerequisites to implementing green human resource management in this study. Second, it is also discovered that implementing green human resource management increase employee happiness, organizational commitment, and environmental performance. Because it provides new insights into green human resource management as well as a roadmap for accomplishing sustainable development goals, this study is important both theoretically and practically.

Implications: Employees play a critical role in helping companies achieve environmental sustainability because they are the backbone of organizations and a significant source of competitive advantage by implementing green human resource management practices, such as establishing environmental performance metrics, training employees and rewarding them for their environmental performance, this can be achieved.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0


**Introduction**

Corporate social responsibility (CSR) demands that businesses take a more pro-active stance toward environmental management by achieving a better balance between environmental, economic, and societal performance. This growing concern has led to an increase in the adoption of environmental management systems (EMSs) by businesses, and research shows that adopting EMSs such as ISO 14001 certification will help companies reduce pollution, waste, and emissions, all of which can improve their performance (Abdel-Maksoud et al. 2016).

This has led to an increased level of awareness and focus on environmental management strategies used by businesses to improve their environmental performance among professionals as well as scholars and elected officials (Longoni et al. 2016). This is a strategy that promotes the firm to use a wide range of environmental systems while also promoting the firm's brand identity and increasing its profitability. Green HRM is one of these strategies (Nejati et al. 2017). Green HRM practices have been shown to improve firm performance in the past, but their effectiveness and potential benefits are still being debated (Longoni et al. 2016).

Stakeholders are pressuring businesses to take a more assertive stance on environmental issues by taking responsibility for their environmental implications, ensuring that future generations can also meet their needs and goals. This also applies to organizations. Enhancing environmental sustainability demands more than corporate compliance. Businesses, as well as the way products and services are supplied, must change in order to achieve environmental sustainability. Employees are the primary agents of change in terms of environmental performance improvement, and their success is important (Nejati et al., 2017). Without an ecologically conscious human resources department, green strategies and environmental management practices cannot be implemented successfully (Renwick et al., 2013). As described in the realm of human resources, sustainable human resource management (SHRM) refers to strategies that encourage and maintain environmental awareness while also attaining high performance results in environmental preservation.

While there has been a surge in green HRM studies due to the importance of green HRM in accomplishing environmental sustainability, current research on green HRM antecedent factors and how it affects organizational outcomes is still largely undefined (Dumont et al., 2017; Pham et al. 2019). With so few studies, we do not have a good grasp on what causes green HRM and what it does because of its effects. Green HRM precursors and consequences need to be better understood. Another issue is the lack of studies and analyses on how green HRM impacts employees. Due to the importance of identifying the implications of green HRM on workforce in order to create an effective system, this is essential (Ren et al., 2016).

Researchers are working to address this gap by looking into what causes Green HRM (GHRM) and to see the benefits of GHRM. A two-study design is used to look for GHRM's precursors. Next, we will see if putting in place green HRM has any positive effects. We add to the existing body of knowledge in two ways as a result of using a dual-perspective research strategy. As a first step, we establish a link between organizational environmental orientation, top management support, and green HRM that can facilitate the adoption of green HRM more than an aggressive management practice. Aside from helping advance knowledge on green HRM, our research identifies results at the organizational and individual level (i.e. job satisfaction and organizational commitment).

**Literature Review**
Antecedents of Green HRM

Top Management Support and Green HRM

Research has linked the adoption of green practices to a variety of organizational and environmental factors (Gadenne et al. 2009; Abdel-Maksoud et al. 2016). Increased regulation, uncertainty in the environment, and consumer demand are examples of environmental variables. A company's size and resources are two examples of organizational characteristics (Lin and Ho 2011). There may only be a few notable outliers found in studies on green initiatives that take these factors into account (Guerci et al. 2016). In order to fill this knowledge gap, this research examines the most important organizational determinants of the adoption of green human resource management and finds that they are very important indeed. Top management support and a dedication to environmental protection are two examples.

For firms to implement environmentally friendly practices, support from the top down has been found in numerous studies (Daily and Huang 2001). Top management teams' views of environmental concerns as either opportunities or challenges influence corporate environmental strategy (Magrini and Lins 2007). This is up to the company's top executives to encourage a can-do attitude toward environmental policies. The implementation of disciplinary procedures and leadership support are crucial to the success of environmental management projects. Employee empowerment and disciplinary procedures are also critical. Environmental data should also be broadly distributed inside the organization (Zoogah 2011). In contrast to Miles and Covin's (2000) claim that top management has a significant impact on employee commitment to environmentally sound practices, Daily et al. (2007) claims that senior executives can act as change agents to help the organization implement an environmental management system (EMS).

An organizational culture that encourages change initiatives requires the backing of top executives (Daily and Huang 2001). Corporate cultures that encourage innovation, facilitate employee participation and reward good behavior are the only ways to encourage environmental concerns and practices. Because of this, we believe that encouraging green human resource management at the highest levels is advantageous.

H1: Top management support has a significant positive effect on green HRM.

Environmental Orientation and Green HRM

Environmental orientation is a commitment to the natural environment that reflects organizational actors' awareness of and adherence to ethical norms (Banerjee 2002). It can also be defined as "organizational mindset" that influences and is influenced by all company actions (Nair, 2015). Management and staff have the power to set and articulate internal values about the importance of environmental protection, as well. Instead, external environmental orientation focuses on how a corporation interacts with other parties outside its immediate surroundings (Banerjee et al. 2003) because of the existence of an environmental strategy that is clearly communicated allowing companies to understand their path towards environmental protection, according to preliminary research (Ramus and Steger 2000). It has been proved that implementing an effective EMS that combines company policies and initiatives results in enhancing environmental performance (Theyel 2000). This will assist the company in improving its environmental performance by cultivating a corporate culture that fosters a diversity of environmental values throughout the organization (Nair and Ndubisi 2015).

Environmental orientation could indeed help companies which become more environmentally conscious; it is contended that it can also help them adopt more environmentally friendly practices in human resource management. An environmental value system is fostered by environmental orientation, and employees are educated about the increased importance of environmental concerns, that can serve as a deterrent to the application of green human resource practices. For example, the degree to which employees in organizations care about environmental
issues is a necessary requirement for green human resource management (Paille et al. 2014). A company's corporate culture is more likely to attract environmentally conscious employees and encourage environmentally friendly practices like green human resource management if environmental values are given top priority (Guerci et al. 2016). Environmental protection values will be adhered to if people are more dedicated to environmental preservation. To put it another way, environmental orientation encourages employees to engage in eco-friendly behaviours like green human resource management.

**Hypothesis 2:** Environmental orientation has a significant positive influence on green HRM.

![Figure 1: Antecedents](image)

**Consequences of Green HRM**

**Green HRM and Environmental Performance**

For a company's competitive advantage to grow, it is critical to manage its human resources well (Combs et al, 2006). Additionally, the literature shows that firms are actively adopting environmentally-friendly practices with lower costs and increased revenue streams to meet their company's environmental business objectives (O'Donohue and Torugsa, 2016). Environmental performance can be improved by employing green human resource management because it creates a solid foundation for effectively managing an organization's environmental impact. The commitment of an organization to environmental protection and stewardship demonstrated through the establishment of quantifiable operational parameters is referred to as environmental performance (Roscoe et al., 2019). Employer engagement and retention go up when green human resource management practices like environmentally-friendly human resource activities are used. As a result, companies will experience a reduction in their overall carbon footprint (Sheopuri and Sheopuri, 2015). In addition, by increasing employee awareness of environmental issues, green human resource management enables organizations to improve their environmental performance (Fayyazi et al., 2015).

Human resource management is another effective way for companies to improve their environmental performance because it encourages the growth and development of 'green employees,' who are those who are hired, compensated and trained to be environmentally friendly. Employees are a company's backbone, and their pro-environmental attitudes and activities contribute to the company's overall environmental performance improvement (Kim et al., 2019). Employees are more likely to see environmental efforts and activities as shared values when they know their employers value them. There are empowering businesses to improve their environmental performance while also increasing their involvement in environmental management is a welcome side effect of this (Nejati et al., 2017). Green human resource management, according to Jabbour et al. (2008), has a significant impact on an organization's environmental performance. Firms with a strategic approach to green human resource management and personnel at all levels participating in the activities have positive environmental benefits (Yusoff et al., 2018).
Green human resource management methods foster employee green behavior and a green organizational culture. It is possible that using these measures will help organizations enhance their environmental performance (Kim et al., 2019). Studies suggest that environmentally sound human resource management is critical for long-term stability (Arda et al., 2019; Paillé et al., 2014). Vidal-Salazar et al. (2012) found a connection between environmental training and organizational learning and environmental performance. Environmental sustainability principles can only be adopted and implemented if the organization's employees are concerned about the environment (Tariq et al., 2016).

**Hypothesis 3:** Green HRM is positively related to the organizations’ environmental performance.

**Green HRM and Job Satisfaction**

A company's environmental performance and employee outcomes like job satisfaction are aided by green human resource management (Chan and Hawkins, 2010). According to studies, employees' perceptions about the features of their employment have an effect on their work habits (Yusoff et al., 2018). Certain employment qualities, such as pride, involvement, and recognition, can have an effect on how people view their occupations and, consequently, their pleasure (Arnett et al., 2002). Skills diversity, task identity, task importance, autonomy and feedback are all included in the Job Characteristics Theory as being essential job traits that might cause people to feel a variety of different kinds of emotional responses. It is possible to increase an employee's intrinsic motivation by embracing different work components, which leads to increased job satisfaction and performance (Hackman and Oldham, 1976).

Corporate environmental goals can be met through green human resource management, which fosters a green environmental culture and an ecologically conscious workforce (Kim et al., 2019). According to employees, businesses should emphasize environmental protection, despite the fact that this also comes at a cost (Chan and Hawkins, 2010). This makes sense since, according to objectives of green HRM; environmental conservation should take precedence above all other factors. Chan and Hawkins (2010) discovered that when employees demonstrate environmental stewardship and try to build a healthier, more sustainable environment, they feel good about their work, which can result in job satisfaction.

Environmental visions must be established, people must be educated to communicate their environmental ideas and aspirations, environmental performance must be acknowledged, and environmentally conscious personnel must be rewarded. Green human resource management may be implemented in four steps, according to Daily and Huang (2001): manager support, training, empowerment, and rewards. Implementing eco-friendly human resource management is straightforward when done according to industry best practices. By creating a shared environmental vision and goals and providing environmental awareness training to employees, green human resource management in particular enhances skill variety, job identity, and task importance. When businesses empower and encourage employees to cooperate on environmental goals, employees develop a sense of self-determination. Additionally, they will be able to analyze, recognize, and reward their environmental performance, allowing them to determine the real environmental effect of their activities. Green human resource management enables employees to enhance their work behaviors by defining key job qualities.

**Hypothesis 4:** Green HRM has a positive relationship with employees’ job satisfaction.

**Green HRM and Organizational Commitment**

Practices of green human resource management strengthen or establish the commitment of the organization (Jyoti, 2019). This relationship's philosophy can be summarized as a person's overall commitment to environmental stewardship. Workers who believe that the entire operation of an organization is dedicated to environmental conservation do their part by showing commitment.
towards the organization. One could therefore argue that practices of green human resources management help in increasing commitment of employees by boosting and enhancing organizational commitment (Yusliza et al., 2019).

**Hypothesis 5:** Green HRM has a positive relationship with organizational commitment

![Diagram showing relationships between Green HRM, Environmental Performance, Job Satisfaction, and Organizational Commitment]

**Methods and Data Collection**

The data is collected from Pakistani oil and gas corporations. The reason for concentrating on this business is that it practices the most environmentally friendly labor practices of any other (Wilkinson et al. 2001). Oil and gas firms are also more ecologically concerned as a result of conforming to international requirements for environmental management systems (EMS ISO 14001 certification). These systems have resulted in the establishment of policies and processes for managing a business's operations and environmental impact. Each of the participating companies employs more than 300 employees. Larger firms are more likely to implement an EMS system (Guerci et al. 2016).

This study relied on managers since they are the best sources of essential information, according to previous studies (Wagner 2013; Guerci and colleagues 2016). Drop-off and pick-up were used to deliver and collect self-administered surveys. There was a better chance of getting more responses by using this strategy (Bryman 2008). A total of 200 questionnaires were distributed and 121 were returned and included in analysis. The response rate of 60.5% in this study is considered appropriate when compared to other research in the same field (Guerci et al. 2016; O'Donohue and Torugsa 2016).

**Measures**

The importance of each concept has been graded using a seven-point Likert scale. The scale is built entirely on previously used and well-researched measures. The questionnaire, which was originally written in English, has been modified several times. Green HRM was quantified using the Jabbour et al. scale (2010). Respondents were asked to indicate how much of their organizations’ human resource procedures are ecologically friendly. Environmental performance is quantified using a Paille et al., (2014). Organizational commitment through Allen et al. (1996) and job satisfaction is measured through the scale used by Javeria et al. (2013). Respondents were presented with a set of environmental performance indicators and questioned about their company's potential to meet them. The entire list of items can be found in Table 1.
Data Analysis
Partial Least Squares (PLS) has been utilized to verify the research model. However, it is used in a wide range of fields, not just management research (Henseler et al. 2015). Measurement and structural models can both be evaluated in terms of their predictive validity with PLS, making it a promising technique for making predictions (Henseler et al. 2016). Because of this, multiple constructs can be analyzed at once (Hair et al. 2012).

Findings
Measurement model
There are so many items were assessed i.e. loadings, average variance extracted, composite reliability, and Cronbach alpha to confirm the measurement model for Green HRM's antecedents and consequences. The constructs' reliability has also been established using convergent and discriminant validity tests. The item loadings, AVE, Cronbach's alpha, and CR of the constructs are listed in Table 1. All structures have item loadings that are within the suggested range of 0.7, with the exception of a few items. It makes little difference if these items are troublesome; the fit is adequate because the constructs' AVE and CR are within an acceptable range (Hair et al., 2010). Additionally, the AVE values above the 0.5 cutoff value (Hair et al., 2010; Fornell and Larcker, 1994). According to Henseler et al. (2015), the discriminant validity of the constructs was evaluated using the HTMT (heterotrait–monotrait ratio) criterion. As shown in Tables 2 and 3, all HTMT values are less than 0.85, showing that the constructs are discriminant valid (Kline, 2011).
### Table 1: Measurement Model Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Item Loading</th>
<th>AVE</th>
<th>Cronbach’s Alpha</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Antecedents</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Top Management Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization's top management views EMS as a critical concern.</td>
<td>0.83</td>
<td>0.88</td>
<td>0.90</td>
<td></td>
</tr>
<tr>
<td>Our organization's top management commits sufficient resources to EMS activities.</td>
<td>0.75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization's top management permits staff to devote time to EMS activities.</td>
<td>0.65</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization's top management follows up on proposals for EMS improvement.</td>
<td>0.86</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Environment Orientation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We make a concentrated effort at our organization to ensure that every employee understands the critical nature of environmental preservation.</td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organisation has a clear policy statement that emphasises environmental stewardship in all aspects of our operations.</td>
<td>0.83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization's members place high value on environmental preservation.</td>
<td>0.66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preserving the environment is a central corporate value in our organization</td>
<td>0.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Green HRM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization recognizes employees for their environmental stewardship.</td>
<td>0.72</td>
<td>0.79</td>
<td>0.88</td>
<td></td>
</tr>
<tr>
<td>My firm provides financial incentives to employees who demonstrate superior environmental performance.</td>
<td>0.91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization develops precise and measurable environmental objectives for each employee.</td>
<td>0.88</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental education is a priority in our organization.</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization develops environmental goals for each employee.</td>
<td>0.62</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Consequences</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Job Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In general, I am fairly content with my employment.</td>
<td>0.80</td>
<td>0.86</td>
<td>0.92</td>
<td></td>
</tr>
<tr>
<td>I enjoy my job.</td>
<td>0.93</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have no intention of working for another company.</td>
<td>0.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Organizational Commitment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am proud to tell others that I am an employee of this organization</td>
<td>0.75</td>
<td>0.78</td>
<td>0.80</td>
<td></td>
</tr>
<tr>
<td>I am genuinely concerned about the organization's future.</td>
<td>0.94</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have a little amount of loyalty to our organization.</td>
<td>0.90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Environmental Performance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization decreased trash and emissions associated with operations.</td>
<td>0.73</td>
<td>0.82</td>
<td>0.83</td>
<td></td>
</tr>
<tr>
<td>By forming relationships, my organization was able to mitigate environmental effect.</td>
<td>0.69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization's products/services have a lower environmental impact.</td>
<td>0.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Green HRM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization recognizes employees for their environmental stewardship.</td>
<td>0.77</td>
<td>0.80</td>
<td>0.86</td>
<td></td>
</tr>
<tr>
<td>My firm provides financial incentives to employees who demonstrate superior environmental performance.</td>
<td>0.58</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization develops precise and measurable environmental objectives for each employee.</td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental education is a priority in our organization.</td>
<td>0.74</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization develops environmental goals for each employee.</td>
<td>0.91</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Structural model
The precision and stability of the structural model were determined using the standard error and t values, and the intensity of path coefficients. (Chin 1998). Tables 4 and 5 highlight the hypothesized correlations between Green HRM antecedents and outcomes using PLS structural analysis. There is compelling evidence that senior management support is associated with effective green human resource management (B=0.053, P = 0.001). Further research demonstrated an association between environmental orientation and green human resource management (β = 0.049, P < 0.001), corroborating H2. Additionally, all hypotheses regarding Green HRM's impacts were confirmed. There is a significant positive link between green human resource management and environmental performance (β= 0.038, P<0.001), job satisfaction (β=0.055, P<0.001), and organizational commitment (β= 0.030, P<0.001). As a result, it is commonly agreed that all hypotheses regarding the sources and effects of Green HRM exist.

Table 2: Heterotrait-monotrait ratio (HTMT) of Antecedents

<table>
<thead>
<tr>
<th></th>
<th>Environmental Orientation</th>
<th>Green HRM</th>
<th>Top Management Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Orientation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Green HRM</td>
<td>0.74</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Top Management Support</td>
<td>0.52</td>
<td>0.44</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 3: Heterotrait-monotrait ratio (HTMT) of Consequences

<table>
<thead>
<tr>
<th></th>
<th>Environmental Performance</th>
<th>Green HRM</th>
<th>Job Satisfaction</th>
<th>Organizational Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Performance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Green HRM</td>
<td>0.84</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.36</td>
<td>0.81</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.77</td>
<td>0.50</td>
<td>0.70</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 4: Hypothesis & Results (Antecedents)

<table>
<thead>
<tr>
<th>Hypothesis Pathways</th>
<th>Coefficient (β)</th>
<th>t-Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management Support -&gt; Green HRM</td>
<td>0.053</td>
<td>14.718***</td>
<td>Supported</td>
</tr>
<tr>
<td>Environmental Orientation -&gt; Green HRM</td>
<td>0.049</td>
<td>8.263***</td>
<td>Supported</td>
</tr>
</tbody>
</table>

***Significant at p < 0.001 level, t >1.96

Table 5: Hypothesis & Results (Consequences)

<table>
<thead>
<tr>
<th>Hypothesis Pathways</th>
<th>Coefficient (β)</th>
<th>t-Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green HRM -&gt; Environmental Performance</td>
<td>0.038</td>
<td>20.403***</td>
<td>Supported</td>
</tr>
<tr>
<td>Green HRM -&gt; Job Satisfaction</td>
<td>0.055</td>
<td>12.703***</td>
<td>Supported</td>
</tr>
<tr>
<td>Green HRM -&gt; Organizational Commitment</td>
<td>0.030</td>
<td>27.898***</td>
<td>Supported</td>
</tr>
</tbody>
</table>

***Significant at p < 0.001 level, t >1.96

Discussion and Conclusion
This study adds to the body of knowledge by creating and evaluating a complete model of green human resource management's causes and effects. Green human resource management is associated with top-level management support and an environmental perspective, which supports the first two theories. To emphasize the importance of top-level management for program execution in general and environmental management programs in particular (Steinbach et al. 2017). As previously stated, environmental orientation is critical for effective implementation of environmental management systems (Paille et al. 2014). This research shows empirically that incorporating green human resource management solutions improves environmental performance, which is in line with previous findings (Kassinis and Vafeas 2006; Guerci et al. 2016). Human resource management methods like as green hiring and green remuneration have been linked to environmental performance, according to Renwick et al. (2013).
Hypothesis 3 predicted that green human resource management will have an impact on environmental outcomes, and the results confirm this. A strong environmental value system can be established through green human resource management, and it educates employees about environmental issues' importance, which can serve as an enforcement mechanism to ensure that green human resource management practices are implemented and, as a result, lead to improved environmental outcomes.

The research also found a link between green human resource management and motivated employees (i.e. job satisfaction & organizational commitment). Increasing job satisfaction and commitment has been shown to occur as a result of clarifying how green human resource management works. Considering these correlations through the prism of job characteristics theory helps explain them (Hackman and Oldham, 1976). Human resource management that prioritizes green training, develops green chances, and acknowledges green behavior promotes the three main job values of skill variety, task identity, and task importance. All of these aspects of work have an impact on people's psychological health in some way. The attitudes and views of employees about their work may have an impact on their job satisfaction and commitment to the organization. While Chan and Hawkins (2010) discovered that companies that take a proactive role in environmental problems increase the workload of employees, people maintain a strong sense of identity with their organization and a sense of purpose in their work. Employees report greater job satisfaction and organizational commitment when their workplace is ecologically friendly (Aguinis and Glavas, 2019).

**Practical and Managerial Implications**

The findings of this research have a wide range of practical and managerial implications. An effective strategy for improving an organization's environmental performance while also aiding the Pakistani government's Climate Action Vision is green human resource management. However, a company must lay a foundation for environmental activities before implementing green human resource management practices. In order to achieve this, the driving force behind the implementation of green initiatives should be the organization's environmental orientation. As an organization grows, its leaders need to show that environmental sustainability is a top priority by making it a part of their mission and setting business objectives around that sustainability. Middle and human resource managers can benefit from the organization's environmental culture by focusing on the green behaviors of their employees, which leads to better environmental performance.

Employees play a critical role in helping companies achieve environmental sustainability because they are the backbone of organizations and a significant source of competitive advantage by implementing green human resource management practices, such as establishing environmental performance metrics, training employees and rewarding them for their environmental performance, this can be achieved.

**Limitations and Direction for Future Research**

Study findings should be viewed with caution due to limitations that also indicate to future research areas. The study was meticulously designed. The study's research paradigm hinders it from studying the impact on environmental and organizational performance of top management support, environmental orientation and green human resource management at the same time. As an example, the model might be developed to look at the mediating effects of an environmentally oriented company's leadership, as well as Green Human Resources Management (HRG). It was also found that a reflective rather than formative evaluation of the Green HRM concept had been applied during the research. Studies as to whether the green HRM measurement approach is reflective or formative could be conducted in the future (Longoni et al. 2016).
References


Jabour, C.J.C., Santos, F.C.A. and Nagano, M.S. (2008). Environmental management system and human resource practices: is there a link between them in four Brazilian companies?. *Journal of Cleaner Production, 16* (17), 1922-1925.


Impact of Corporate Governance on Dividend Policy: Evidence from Pakistan

Abdul Hameed, Ilma University, Karachi, Pakistan
*Farheen Zahra Hussain, Department of Commerce, Bahauddin Zakariya University, Multan, Pakistan
Khawar Naheed, Department of Commerce, BZU, Multan, Pakistan
Muhammad Sadiq Shahid, Department of Commerce, BZU, Multan, Pakistan

*Corresponding author’s email: farheenzh@gmail.com

ABSTRACT

Purpose: The objective of the paper is to examine the impact of corporate governance on the dividend payout policy of firms listed on the Pakistan stock exchange during 2010-2020. As Pakistani investors face issues regarding their return in the shape of dividends and depend upon the firm’s corporate governance strength. To test whether changes in firm code of corporate governance have a significant influence on dividend policy.

Design/Methodology/Approach: The panel data has been used for the period 2010-2020 and panel least square has been applied. Further, to test the association, following factors such delisting risk, government tenure, political connection with institutional shareholding as many political firms hold corporate shares which influence the decision to pay dividends.

Findings: Findings from the fixed effect model show that corporate governance has a negative impact on dividend policy while government tenure, politically connected firm has a positive impact on the dividend. The study also concludes that firm size, profitability, tax, asset turnover, leverage, and firm shareholding also influence firm dividend payment behavior.

Implications/Originality/Value: The implication of study reveals that firms must focus on strong their governance and include more independent directors on the board which leads to favorable strategies regarding investors. The investor must invest in those firm where lower political connection, pay continuous dividend either high or low decrease/increase delisting chances, strong corporate governance and firm specific factors also lead to make decision of dividend payment.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0

Introduction

Distribution of firm’s profits to insider and outsider shareholders is called dividend who invest in the shape of purchase of firms shares when firm announce self to offer share to the general public called initial public offering (IPO). Firms have two choices when firms earn profit either to retain all of their income future investment opportunity or some of the earnings are distributed to shareholders as dividends. Dividend policy is a decision to pay dividends either constant, change in dividend rate, and or not to pay a dividend in any period depending on the decision of firm’s management. This decision was made by the firm board of directors as they are keen to either pay or not dividends. Payment of dividends to shareholders made either annually; a semiannually or quarterly basis depends on the size of the firm small, medium or large. Payment of dividend called dividend policy is a most important topic and one of the puzzles yet not resolved in the corporate finance from more than 60 years. This issue debate starts after the study of Modigliani & Miller (1958, 1961) on the dividend relevance to the firm performance, a number of opinions have been offered on the relevance of dividends to the market prices of the firm variability and lack of relevance too. Yet, there is no consistency in the relationship of dividend on share prices increase, decrease or no change due to multiple reasons such as investment policy or dividend payout depending on the decision of the board of directors.

According to the study of Modigliani and Miller, (MM, 1961) stated that dividend has no impact on stock prices of the listed companies based upon assumptions of no taxation, perfect market capital, no asymmetric information, no cost of sale and purchase of shares and equity is the only mode of financing. On the other hand, the second school of thought demonstrates that relaxing M&M assumptions of a perfect market, no fee charge on sale and purchase of equity, tax as well information asymmetric shows that there is a negative or positive impact on stock prices of dividend. Extensive literature reveals a number of theories developed based on the relaxation of assumptions such as the theory of tax clientele, agency theory, bird in the hand, signaling theory, and catering theory explain more about dividend phenomenon. The differences in the taxes such as the income of corporation as well as personal suggest double taxation on dividend.

Firm management and owner’s conflict determines the payout policy of firm dividend behavior during any period due to conflict of interest (Jensen, 1986). Based on the above condition, management never selects that policy of dividend which does not increase their profit (Jiraporn et al. 2012). Management first decides to utilize their retained profit for the best investment option rather than paying dividends. Managers mostly work to utilize firm funds into new nosiness proposals and do work their own favors rather than focus on the wealth of owners maximizing (Jensen & Meckling, 1976). Henceforth, improper allocation of project investment and low profitability leads to a decline investors’ dividend payout. Freidman (1962) stated that firms' essential purpose is to increase the wealth and for the best interest of owners to fulfill their requirements. The sole objective of the owners is to obtain the wealth growth of the owner by a corporate manager. The study finds that managers must operate firm assets in the best interest of all shareholders such general public, employees and consumers by Freeman (1999). So reasonable prices paid by consumers as they are an end user of firms manufactured products as well as services with affordable prices. Huge Many previous studies find that there is an enormous breach regarding consumers whereas in view of maximization of stakeholder’s wealth. Based on the above discussion, end users of the firm products are also part of shareholders (Ikeda et al. 2018). Price pay by consumers also display a noteworthy participation to increase firm wealth Coleman (1979). Fama & Jensen (1983) hypothesize that corporate governance plays an important role to increase the payout of firm dividend (wealth maximization). Theory of agent described conflict among managers and firm owners or stakeholders reveals that firm cost of financing or investing rises as conflict increases which impact on firm performances. This leads to a decrease in payment of dividends to stockholders as a firm lower performs rather than dividend increases as firm performance increases due to less conflict. This leads to the
maximization of firm goals through corporate governance (Shleifer & Visheny, 1997). Veljanovski (1981) describes that efficiency to decline cost of sale is more appropriate to increase owners' profit and maximization. This objective must be attained through utilization of assets in the best way and offering less price to consumers for the purchase of the product. Conversely, the study of (Coleman, 1979) shows that this objective is not related and concerned about end users. If firms consider the final user’s concentration about payment of the product is little concern about the primary objective. The ethical responsibility of the firms is to maximize the wealth in a way that does not affect prices. Consequently, the management of the firm must see the best utilization of resources to obtain better profit through the efficiency of cost.

There are many factors that effect on firm decision to pay dividends. Internal governance of firm and external policies about business made by the government mainly depends on tenure or political party governs the country also effect on the firm dividend. According to (Bliss & Gul, 2012a) it is very important to understand that the politically connected firms in non-Western economies have been played a very vital role in supporting their development and success. In other words, we can understand that politically connected firms attract the researcher's attention in pressure of political connections in Asian countries (Berkman & Galpoththage, 2016).

The present study explores the association between dividend policy and corporate governance under the new code of CG. This leads the investors as well as market analysts to focus on more changes made regarding CG codes and their impact on dividend policy. This study also tests the effect of political governance tenure and the connection of firm management politically.

**Research Problem**

Dividend policy has been a long debate since Berle and Means (1932) and Miller and Modigliani (1961). There are multiple theories developed but yet has no consensus on this unresolved corporate finance. The primary objective of any firm is to earn profit. The distribution of profit to shareholders in the shape of dividends has income received from their investment. The payment of dividends has impact on stock market prices of the listed firms either decreased or increased. This phenomenon creates some ambiguity for investors and management of the firms due to differences in the payment of dividends or investment opportunities. There are many factors that affect stock prices but dividend policy is one of the main factors to certain market prices. To understand this problem, the researcher wants to explore the impact of the corporate index on dividend policy. Most of the developing countries such as Pakistan are facing pathetic law implementation and corruption at a high level in politically involvement (Javed & Iqbal, 2008) deficiency of crystal clear strategy making a higher connection of political affiliation in the listed corporate firms, as well as more in family control firms (Muttakin et al. 2014). Emerging markets such as, Pakistan face a high agency problem among managers and owners’ conflicts (Yusuf et al. 2018; Lau, 2009). Decisions about dividend and investment policies made by management are not in favour of stockholders especially in family-owned firms (Li & Qian, 2013). Due to changes in process of dividend payment date decrease 3 day from 15 days changes the behavior of board by the securities exchange commission during 2017. Under the changes in the regulations for payment of dividends by corporations to their investor's act (2017), reveal that firms must pay approved dividends from the management during board meetings within 3 business days as announced. No such things happen to delay in payment of dividends to shareholders as the case approved in the board meeting (Haque, 2021). The findings of the prior studies show little and unclear evidence while comparing developed countries' market with developing countries as rights of investors has more strong rather than weak in developing countries. The firm has faced profitability decline during the recent period and pays less dividend by firms.

The objective of the current study is to find out the main factors that affect on firm dividend
policy of the listed firms.
The following research question based on research problem explore in this study:
1. Is there any relationship between corporate governance and dividend policy?
2. Is there any negative association between corporate governance and dividend policy using political party tenure and delisting risk?
3. Which one factor of governance has more impact on dividend policy?
4. Does Pakistani listed firms follow a strong or weak corporate governance structure which impact on dividend decision behavior?
5. Does politically connected firm negative on dividend policy decision?
6. Do the firm specific factors have impact on dividend policy and corporate governance?

This study is significant for academicians, investors, researchers and managers of the company regarding corporate governance and dividend policy. This study explores new paradigms of the governance pattern and their implication on Pakistani listed firms.

In this study, the limitation of published data of corporate governance has mainly lowered the sample size to get more appropriate results. Most of the company’s historical data of board members, shareholding pattern not same or not published has limited the sample size of the study. Another limit is regarding less time to study and collect appropriate data.

The outline of the study has the following structure to complete this comprehensive research on corporate governance and dividend policy. After a comprehensive discussion on the topic introduction, section 2, explores the literature review of the corporate governance and dividend policy with especially dividend theories. Further also developed the hypothesis based on previous literature. Section 3 describes the methodology of the study data. Study also a description of result, interpretation, a summary of result and conclusion in section 5.

Literature Review
Dividend policy is an unresolved issue since 1932 as Berle and Means (1932). Studies more focus on dividend policy after the seminal work of Modigliani and Miller (1958) documented that dividend policy has no effect on share prices of listed firms as investment and dividend decisions already made by the management. They supported their findings based on a perfect capital market where no tax, no transaction cost, only equity is option to obtain funds and no asymmetric information to investors. Many studies have attempted the impact of dividends on share prices after the relaxation of MM (1961) assumptions. There are two schools of thought; one school focus on no impact on value still finds no reasons to not focus on this theory of irrelevant. On the other hand, the second school of thought shows that dividend has either a negative or positive effect on stock prices after the relaxation of assumptions. Dividend to pay dividend has dependent mostly on different financial variables such income earned by a company, tax payment by the corporation, and how much investment is needed for the future period. The payout policy of the corporation is also determined by the manager's interest in making the decision to investment proposal as well as many factors that relate to agency theory. The decision to pay dividend or investment policy has depended on the firm agent which knows better about the above mentioned factors and informed well creates agency conflict. This agency conflict states that agents always do not use dividend policy as wealth maximization. They prefer personal benefits rather than investors as well as owners. This shows some cost on firms regarding this agency problem and has impact on dividend payment decisions.

Nowadays many developing countries focus to ensure a better corporate governance index for better performance of the firm as the board mostly impact firm performance. In Pakistan, standards and regulations related to corporate governance amendments and made some reforms during the last two decades. Changes in the board of directors and their management occurred after the introduction of the original CG code was introduced in 2002 by SECP (Tariq & Abbas,
The primary objective of these is to improve and tackle any issue that arises between owners, management and shareholders and codes must be the same as of emerging markets such as failure to pay dividends over a long period. All the same, many firms don’t understand these codes when practically implemented in the PSX listed firms and many firms delisted from the stock exchanges. For these challenges, in 2006 (CIPE) held a conference regarding distinguishing whether codes implemented were understandable for the corporation or if there was any need to modify the codes with good explanations (Fudda, 2007). At that time, corporate governance codes change in 2021 with new changes occurring regarding accountability of directors’ higher (Awan, 2014). Furthermore, the Pakistan Institute of Corporate Governance (PICG) more enriches the consciousness of corporate governance implementation quality (Salman & Siddique, 2013).

The introduction of the new corporate governance code 2002 suggested that only one independent director must be in board of directors, the board never consist of more than 75% of executive directors of the firms, member of the audit committee never be an executive member as well as same for chairman of the firm board should preferably be a non-executive director (SECP, 2002). On the other hand, changes suggest that in the governance code 2012 required that board should have a minimum of 1 non-executive member from any party who have higher shares in the firm, the executive directors never be more than 67% of the total number of board members, chairman of the board as well as CEO should not be the same person. These revised codes suggest that NEDs must be chairman of the firm board of director member of the audit committee specifically be a non executive directors and all members must consist of non executive as they have less influence (SECP, 2014). They also suggest that both types of directors numbers may be increased as per the requirement of the firm based on nature of the business, experience member requirements as well as for firm better communications. This may decrease the power of the executive directors and increase the interest of the directors in the favour of shareholders. The aim is to reduce the power of the executive directors and to increase the independence of the board so that the boards can be properly managed and monitored. Board diversity was not specified in the original CG Code 2002 while the revised CG code 2012 recommended gender diversity on the boards (SECP, 2002:2014). To spotlight the primary modification in the two codes (2002 & 2012) and these provisions cover six main dimensions: board evaluation, board independence, executive directors, leadership, audit committee and board diversity. Studies more focus on board size, CEO duality, independent director in the board, audit committee members, number of board meetings, audit fees, audit committee meetings. Also studies focus on the shareholding pattern of the listed firm behavior number of entities, shares total holds by firm’s, individual, institutional share, foreign as well insider shareholding. In Pakistan, the most listed firms are owned by a few families except multinational firms listed in Pakistan.

Prior to M&M (1961) study developed the hypothesis, numerous specialists accepted that with no market flaws, the more the firm delivers profit, the more it’s worth increments. As indicated by the M&M model (1958) under the ideal market suspicion the capital structure is unimportant for the financing choice of the firm, thus, inward and outer financing are amazing substitutes and profit is insignificant on the estimation of the firm.

Signaling theory suggests that firm's managers have more access to information about firm future expectations due to high insider reports they know well. They also tend to know about payment of cash dividend or not incoming period which provides signal for him as e.g., constant or increasing policy to pay a dividend. Theory of asymmetric way of information don’t have enough information to shareholders about the future dividend which leads to managers can focus on trading inside of the share when he knows better information. So, the external shareholders have no such information about future predictability to increase share value as of earning management (Khan, 2016).
To find out the association between companies profitability performance, managing risk, as well as corporate governance index, mostly reveals in money related industries. This is also necessary to mitigate the information about risk and management perception regarding this in the financial sector as a “leading paradigm, supporting organizations to identify, evaluate and manage risks at the enterprise level” Anton & Nucu (2020). It is an application for corporations, academicians, and researchers in the field based on the increasing importance of corporate governance and board characteristics in as long as comprehensive tracks for an improved monetary performance and risk acquaintance justification (Florio & Leoni 2016), efficiency to growth in the capital (Lechner & Gatzert 2018), and to change in prices of stock in the market due to uncertainty, that becomes stronger over time (Bunea & Dinu (2020).

Information about the firm managing risk release is, mostly, evaluated “via annual accounts and reports by corporate entities”, in acquiescence through “rules and regulations governing financial reports”, mostly in the banking sectors, insurance companies as well as mutual funds (Kakanda & Salim, 2017). Changes in the corporate governance regulations codes or practices implemented in the field and review the association of performance of the firms. the study also analyzed and suggest that there is no such scale to measure the risk management by many researchers (Abdullah et al. 2016; Kakanda & Salim 2017) are the availability of committees to manage risk, their codes of conduct as well as their functional responsibility, implementation of policies and objective, and the subsistence of audit committee. Findings of the study show that there is a significant positive association normally emphasize with risk management disclosure and financial performance (Kakanda & Salim 2017).

Mehar (2005) studies the corporate governance and payout policy of dividends of Pakistani listed firms early in the 21st century. The findings also show that firms mostly pay dividends based on large shareholders groups rather than minority shareholders. Firms less motivated to pay minority shareholder dividend or engage minority shareholders to purchase new shares. This is a result of the tax break. Ahmed & Javid (2009), uphold the speculation that Pakistani recorded non-monetary firms depend on both the adjustment in profits and change in net income which plainly show that the organizations depend on both current income per share and past profit per offer to set their profit installments (Khan, 2016). They contend that their examination plainly shows that profit will in general be touchier to current income than earlier profits. Moreover, they demonstrate that the possession fixation and market liquidity have a positive effect on profit payout strategy and market capitalization and size of the organizations have a negative effect on profit pay-out strategy which unmistakably shows that the organizations want to put resources into their resources instead of delivering profits to its investors. The impact of the members in the board, as well as their size structure, has more concern nowadays. This also influences on the environment both internal as well as external, the situation of firms' current income, sale, assets and debt. The study also confirms that the size of board members heavily impacts on firms' current as well as last year’s performance (Johl et al. 2015). As Sheikh et al. (2013) supposed that higher number in the board has benefits because they may better knowledge as well as experience to deal things in the firms which leads to increase the performance of the firms (Elmagrhi et al. 2016). Many previous studies documents that there is no influence of member in the board. For example, higher the number of board has lower chance to decide any one point or reach a particular decision and has improper timings of boards meetings. (Cheng, 2008; Arora & Sharma, 2016). Independent directors more focus on to protect minority shareholder rights and look after the resources used in the firm by executives (Mura, 2007), for that reason they support to diminish the problem of agency in the firm as well as secure the stakeholders interest (Froud et al. 2008). Independent director also called non executive directors have diverse backgrounds which deliver various viewpoints to the board and decreases satisfaction (Mathew et al. 2016) and also have more judgmental mixture due to the expertise (Sundarasen et al. 2016).
Additionally, NEDs have their standing and profession at risk which powers them to be careful judgment to make sure that directors work in the interest of stockholders. Presence in the board of NEDs impact on firm growth in profit. They work independently and not under the stake of owners. This also gives better oversee the decisions of boards and utilization of firm resources to ensure the interests of shareholders are protected (Mura, 2007). Like other studies, Liu et al. (2015) also explain that companies with directors independent or non-executive in government ownership help to lower insider trading, increase the firm performance as well as work for a better option of investment growth.

Strategic roles of chairman as well as chief executive officer of the board have different in different companies and sectors (Doan, et al. 2020). The firm CEO is actively playing a role to run and execute all operations of the firms while chairing meetings regarding the policy of the firm in the board of directors responsible by the chairman. The duality of chairman brings taking both responsibilities by the same person called CEO duality. This creates two assumptions one called stewardship and the other called agency theory. The performance of firms depends on CEO duality because assigning more power to agents and CEO attempts to use them in the firm as a agency problem (Jensen & Meckling, 1976; Muhammad et al. 2019). On the other hand, duality develops a good relationship and better managing officer of the firm as skills improve known as stewardship theory. This leads to timely decisions and more appropriate for firm better performance. As a result, high autonomy will produce firm results (Donaldson & Davis, 1991; Bich & Thai, 2019). Many studies did not provide the different differential impacts of powerful CEO on firm performance concerning the life-cycle of the firm. Vafeas (1999) proved that firm core strategies impact on corporate earnings with a number of meetings held by the board of directors during any period. Their findings also suggest that board meetings impact on future investment opportunities. This is due to the interest of managers mostly fitting more as both directors inside or outside meet each other to make decisions about future projects. In addition to this, independent directors have aligned both policies and decisions for the future as well as highly monitor the policies of the managers and internal directors of the firm (Adams & Ferreira, 2009). Demirtas (2017) authenticated that capital gains and dividend related policies are core decisions. This decision is more appropriate as firm realized that higher sales are expected or achieved during any period as directors meet before. This shows that board meetings have more impact on the dividend. Gugler & Yurtoglu (2003) documented the impact of companies’ profit distribution to shareholders with combining governance index by utilizing the data for 1992-1998 of firms in Germany. Their study has more implications using the category of shareholdings based on majority and minority investors listed in Germany. Findings demonstrate that minority of stakeholders have less power to influence on firms to pay dividends. They conclude that firms must more focus on to protect minority shareholdings for better and transparency for both types of investors.

Nguyen et al. (2021) explore the association of payout policy of dividend with board management through Vietnam listed companies. They study the behavior of dividends with corporate governance from the period 2008-2018 using a sample of data 2,937. They used CEO duality, size of the board, independent directors, number of meetings held during each period, and gender diversity as a corporate governance index mechanism with the dividend policy of listed firms. A panel data was used for this study by applying generalized least square regression techniques on listed firms’ data. Study findings show that board characteristics such as CEO duality have a negative impact on the dividend policy of listed firms in the Vietnam stock exchange. The study also shows that strong the corporate governance board of directors has lowered the payment of dividends. The study also utilized the control financial factors due to firms having a different sizes in assets, sales growth, leverage structure, and opportunities of investment also impact on firms dividend payment behavior. The study highlights that firms with feeble board governance have led to pay higher dividends to investors due to the pattern of
shareholding in the firms. Usually, the dividend is decided in the annual meeting of the board of directors (Pike & Neale, 2009). The primary intention is to facilitate the recognition securing a reasonable payment of cash dividend in lieu of its shareholders which remain consistent with the decision of the corporate management. While preparing the distribution of dividends managers in addition to current profits also look into the expected future earnings as well. The ability of a company in maintaining a constant pay-out percentage of cash dividends in relation to maintaining a growth rate ratio in carrying weight. At the same time, the investors remain conscious of this fact as well as aspect forward for a profit increase having a positive outlook for future dividends. When a company achieves high profit in any specific year but does not expect to continue the trend in future years, it makes a regular basis of dividend and also provides supplementary dividend therefore that the investors do not get discouraged and they hope for a brighter future ahead. Under such situations, the profit is divided into two dividends. One normal and the other incremental specifying that this type of dividends is unpredicted besides may not carry on in forthcoming (DeAngelo et al. 1996). There are more than a few alternatives for the distribution of dividends. It may be distributed in the form of a regular cash dividend or in the form of a share dividend to shareholders. They are both distributed simultaneously. Shareholders can also gain profits if the company repurchases its share while considering the regular cash dividend as common practice (Broyles, 2003). A number of factors govern the percentage of profits. In some cases, the law prohibits the distribution of profits unless the company is profitable deducting its reserves, the bonds, etc. It also prevents the companies from increasing the cash dividend proportion beyond some particular level to secure the interests of bondholders (Black & Cox, 1976).

It is therefore obvious that the dividend policy is seen as the basis for differentiating between share and cash dividends through profit capitalization or may even be through buying back the shares. It happens due to the fact of fixed investment policy. As a result, the company detains profits to finance capital spending for spending and future growth or maybe even debt repayment or to distinguish the bonds. The company may also decide to distribute cash dividends and finance the deficit in capital spending and they issue new shares or through external borrowings. These alternatives in general do not affect the company’s values or the wealth of shareholders under a condition of market operating characterized by ideal, efficiency and deep (Miller & Modigliani, 1961, Black & Scholes, 1974). If these attributes are not available one should expect arguments on impact of dividend policy, more specifically on cash dividends. This will result in the value of the company creating wealth for the shareholders. A number of authors (Gordon, 1959, Koch and Shenoy, 1999) have criticized this policy and they are of the opinion that increases in the percentage of cash dividend increases company value, resulting in the increase in wealth of the shareholders. Some other authors like (Litzenberger &Ramaswamy, 1979) are of the opinion that an increase in cash dividend lead to the decrease in company value resulting in the decrease in wealth of the shareholders. While Pieloch-Babiarz (2019) identifies companies' structural features also influencing their dividend distribution policy. Conversely, those whose majority shareholders participate in their management choose to retain and reinvest profits, prioritizing future returns.

An uncertain political environment may have a greater influence over business in Pakistan, since Pakistan is a transition economy and also an emerging market. Dramatic changes have occurred in Pakistan in the shape of dictatorship and democratic government in recent decades. Therefore, study examines how the political uncertainty in government changing affects corporate decision-making behaviour from the perspective of cash dividend policy. This study considers the political government tenure as a dummy variable based on period of political party government tenure. Delisting has raised attention in recent years. This is because delisting may post a negatively direct or indirect impact on shareholders, managers, employees, firms, and other stakeholders. Therefore, the needs to understand the symptoms of financial distress in a company and to be
able to predict the firm’s delisting are crucial Chaiyawat & Samranruen (2016). As delisting from stock has impact on payment of dividend. Risk of not paying dividend to shareholder impact has on profitability. Studies have shown a significant association between politically connected firm’s and various firm results (Benjamin et al. 2016; Bliss & Gul, 2012; Fung et al. 2015). the concentrated ownership creates agency problems as it allows self-dealings by controlling shareholders to go unchallenged by the board. Agency theory posits that opportunistic behavior by top managers can be constrained through effective monitoring by institutional investors (Jensen & Meckling, 1976). Heng & Zhang (2013) find that institutional monitoring is associated with lower R2 (higher stock price informativeness) because they can reduce manager’s extraction of the firm’s cash flow, while Benjamin et al. (2016) find that institutional investors can constrain the ability to expropriate shareholders’ wealth through higher dividend pay-outs in Politically connected firm’s. Theoretical framework for the study given below

### Independent Variable
- Corporate Governance (board size, duality, independent directors, number of meetings), firm specific factors, political connection, delisting risk, Government tenure, Market capitalization to GDP

### Dependent
- Dividend Policy (dividend payout, dividend yield)

### III. Research Method
In this study secondary data is used to test the hypothesis. A sample of 319 companies data taken from the period 2010-2020 from the state bank of Pakistan website as well as library data of published statement regarding corporate governance, stock exchange listed companies website and business recorder. This study employs annual data for all variables. This study use panel data techniques such panel fixed or random based on Hausmann test results.

#### Summarily of the variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Symbol</th>
<th>Definition</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Pay-out Ratio</td>
<td>DPR</td>
<td>Total dividend divided by net income of the firm during specific period</td>
<td>Hussainey et al., (2011); Kagzi &amp; Guha (2018) and Mirza &amp; Malik (2019)</td>
</tr>
<tr>
<td>Political connected not connection</td>
<td>PCNC</td>
<td>Political connection of the directors, CEO, and any other higher authority of the firm’s with any political party. If yes = 1 and No = 0</td>
<td>Fan, Wang, and Zhang (2007); Wu, Wu, and Rui (2010); Lin et al., (2016) and Cheng and Leung (2016)</td>
</tr>
<tr>
<td>institutional shareholder</td>
<td>PCNC_instsh</td>
<td>Total institutional shareholder interaction with Political connection of the firm’s during specific period</td>
<td>Ayers et al., (2011); Chhaochhria et al., (2012).</td>
</tr>
<tr>
<td>Probability of Delisting</td>
<td>Probdelist</td>
<td>Delisting risk calculated using criteria if firm’s not pay continuous more than 3 years = 1 otherwise =0</td>
<td>Chaiyawat. T, and Samranruen, P; (2016).</td>
</tr>
<tr>
<td>Government Tenure</td>
<td>Govt_tenure</td>
<td>Democratic Government tenure if PMLN = 1 and PPP = 0, PTI=0</td>
<td></td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>Mkt_cap</td>
<td>Total market value calculated as total shares multiplied by share price of the specific period</td>
<td>Kurihara (2016)</td>
</tr>
<tr>
<td>Mkt_GDP</td>
<td></td>
<td>Calculated total GDP divided by Market capitalization of the firm’s</td>
<td>Tuomas, Ricardo &amp; Isabel (2011); AL-Shubiri, (2010) and (Forson et al. 2013)</td>
</tr>
<tr>
<td>Corporate Governance Index</td>
<td>CGI</td>
<td>Number of board meetings, board member size, independent director in board and duality (yes=1, No=0)</td>
<td>Doan (2020); Hussainey et al. (2011); Kagzi &amp; Guha (2018); Mirza &amp; Malik (2019)</td>
</tr>
<tr>
<td>Insider shareholder</td>
<td>INSDRSH</td>
<td>Total number of share hold by the insider of the firm’s during specific period</td>
<td>Abdallah and Ismail (2017); Kumar and Zattoni, (2016)</td>
</tr>
</tbody>
</table>
Results

Findings of the study and results interpretation based on panel data results. First study conducts Hausmann test to find out the appropriate test result either fixed or random effect model used in this study. Finding of the Hausmann test given below:

Table 4.1 Correlated Random Effects – Hausman Test

<table>
<thead>
<tr>
<th>Test Summary</th>
<th>Chi-Sq. Statistic</th>
<th>Chi-Sq. d.f.</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-section random</td>
<td>103.3067</td>
<td>16</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

The study result shows that data output favours the fixed effect model as chi square value 103.306 with prob value 0.000 less than 0.05 and random effect model is not appropriate for that data. So here we discussed and conclude the result based on fixed effect model.

Table 4.1: Dependent Variable: DPR

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-11.5948</td>
<td>35.6254</td>
<td>-0.3254</td>
<td>0.7449</td>
</tr>
<tr>
<td>ASTO</td>
<td>101.5573</td>
<td>23.3083</td>
<td>4.3571</td>
<td>0.0000</td>
</tr>
<tr>
<td>CG_IND</td>
<td>-1.340185</td>
<td>0.6520</td>
<td>2.0619</td>
<td>0.0298</td>
</tr>
<tr>
<td>FORSH</td>
<td>2.46E-08</td>
<td>5.02E-08</td>
<td>0.4895</td>
<td>0.6245</td>
</tr>
<tr>
<td>GOVT_TENURE</td>
<td>1.9444</td>
<td>0.3757</td>
<td>5.1743</td>
<td>0.0168</td>
</tr>
<tr>
<td>INDSH</td>
<td>7.17E-08</td>
<td>9.93E-08</td>
<td>0.7208</td>
<td>0.4703</td>
</tr>
<tr>
<td>INSTSH</td>
<td>-1.95E-08</td>
<td>3.67E-08</td>
<td>-2.0984</td>
<td>0.0332</td>
</tr>
<tr>
<td>LEVERAGE</td>
<td>-1.59E-08</td>
<td>3.01E-08</td>
<td>-1.1921</td>
<td>0.2333</td>
</tr>
<tr>
<td>MKT_GDP</td>
<td>2.98E-05</td>
<td>3.68E-05</td>
<td>0.8074</td>
<td>0.4187</td>
</tr>
<tr>
<td>PROBDELIST</td>
<td>-5.2897</td>
<td>2.4161</td>
<td>-0.8247</td>
<td>0.0097</td>
</tr>
<tr>
<td>SIZE_S</td>
<td>7.4624</td>
<td>4.0857</td>
<td>2.2029</td>
<td>0.0461</td>
</tr>
<tr>
<td>TAX</td>
<td>-0.0128</td>
<td>0.0028</td>
<td>-6.0315</td>
<td>0.0024</td>
</tr>
<tr>
<td>PCNC_INSTSH</td>
<td>3.62E-08</td>
<td>1.67E-08</td>
<td>2.1670</td>
<td>0.0378</td>
</tr>
<tr>
<td>PBT</td>
<td>0.0020</td>
<td>0.0009</td>
<td>2.0977</td>
<td>0.0360</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.7549</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.7281</td>
<td></td>
<td>Mean dependent var</td>
<td>55.1302</td>
</tr>
<tr>
<td>S.E. of regression</td>
<td>110.5242</td>
<td></td>
<td>S.D. dependent var</td>
<td>211.974</td>
</tr>
<tr>
<td>Sum squared resid</td>
<td>37233117</td>
<td></td>
<td>Akaike info criterion</td>
<td>12.3418</td>
</tr>
<tr>
<td>Log likelihood</td>
<td>-20536.12</td>
<td></td>
<td>Schwarz criterion</td>
<td>12.9468</td>
</tr>
<tr>
<td>F-statistic</td>
<td>28.1937</td>
<td></td>
<td>Hannan-Quinn criter.</td>
<td>12.5581</td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
<td>0.0000</td>
<td></td>
<td>Durbin-Watson stat</td>
<td>1.8228</td>
</tr>
</tbody>
</table>

Results show that keeping all independent constant then dividend policy will decrease due to many other factors not taken in this study. Study results also show that asset turnover, government tenure, market to GDP, profit before tax, firm size, the interaction of political connection with institutional shareholders, foreign shareholdings, profit before tax, individual shareholders has positive and value adding factor for firm to pay more dividend while corporate
governance, insider as well as institutional shareholdings, leverage, tax and probability of delisting risk decrease the payout of the firm to their shareholders. Study results also show that asset turnover, corporate governance index, profit before tax, pcnc_instit shareholding, government tenure, insider shareholdings, size, tax, leverage and probability of delisting risk has a significant association with dividend policy while other variables have insignificant association with dividend policy. F statistics value 28.19 with P-value 0.000 shows that model is a good fit as p-value less than 0.05. This implements that dependent and independent variable have associations among them. Adjusted R2 value 0.728 shows that model explains 72.80% variation due to added independent variables and 27.20% variation unexplained due to other factors which are not taken in the study model. Model Durbin Watson value 1.82 shows that there is no autocorrelation between the independent variables.

Conclusion
Corporate governance plays an important role for any firm regarding investment and dividend decisions. The objective of the paper is to find out the internal and external factors that influence on dividend policy of firm as investors more focus on return. The study used data from 2009-2020 to test the results applying panel regression. Study results favors the fixed effect model as Haussmann test p-value is less than 0.05. Based on the findings study concludes that dividend policy depends on many factors. The corporate governance index has a negative influence on dividend policy. This also shows that firm with a lower CG index has paid lower dividends and a firm with a strong following of the new CG code has higher paying firm. Delisting also plays important role to pay dividend and results shows that continuous payment of dividend leads to decrease the delisting and vice versa. In Pakistan, political government changes after a few periods and corporate business policies depend on government tenure. They made friendly or unfriendly business policies related to their objectives. So, firm dividend policy also depends on party government tenure. PMLN government tenure shows in favors of business which leads to higher payments of dividend and lowers the payments of dividend in other parties’ government. In Pakistan, many firms’ leaders have some affiliation of political. This also negative impact on the payment of dividends due to heavy financing from the banks and relation leads to the lower payment due to lower concern about investors. In Pakistan, a politically connected firm has the influence to get loans and depends either to pay or not to pay or write off without payment due to relation with the government party. Market capitalization to GDP also has impact on firms paying dividends due to the good or bad economy of the country. Firm specific factors such as size, leverage, tax, profit before tax, and asset turnover also influence firm dividend policy. Study implication shows that firm management must focus on strong corporate governance in the organization accordance with the need of investors which leads to increased profitability to pay higher dividend payments to lower the agency conflict. Analysts also focus on these factors and develop better choices of portfolio for their investors. The manager must focus to earn higher profits to pay more dividends leads to decrease delisting risk from the stock. Firm management lowers the connection of politically to pay more dividends and intends more about investors. This study also implication for researchers and academicians to more focus on these factors by exploring more about the governance of firm and taking higher value addition through data. The study also intends about the relationship of institutional shareholding and their nature of political relation implication on dividend policy. Policymakers of the firm must develop policies in accordance with the objective of both investors as well as for firm owners' profit maximization. Future studies focus on comparing the results with political and nonpolitical connected firms, adding a number of committees of each listed firm in corporate governance, distributing firms with firm size, taking non payers and payers of dividend lead to better results. Future studies also consider using more advance statistical techniques and advanced software for better results. Future studies may also use moderating variables such as investment policy to test the CG and dividend policy of firms in a listed stock exchange.
References


Measuring the Stressors in Undergraduate Medical Students: A Cross Sectional Study

Ayesha Sadiq, The University of Lahore, Punjab, Pakistan  
*Muhammad Furqan Ashraf, Department of Sociology, Government College University, Faisalabad, Punjab, Pakistan  
Paris Zakaullah, Department of Sociology, Government College University, Faisalabad, Punjab, Pakistan  
Ammara Asghar, Department of Sociology, Government College University, Faisalabad, Punjab, Pakistan

*Corresponding author’s email address: furqanashraf882@gmail.com

ARTICLE DETAILS

ABSTRACT

Purpose: The purpose of this study is to identify and measure the possible potential stressors among undergraduate medical students and explore the correlation of stress with gender and level of academic year.

Methodology: The cross-sectional study was conducted to identify and measure possible stressors of undergraduate medical students. Data was collected from 243 medical students of Independent Medical College through a questionnaire between August and September 2016. Frequencies and percentages of level of stress were determined through descriptive analysis. Reliability of the MSSQ questionnaire was also checked for possible demographic variations.

Findings: Study proved that the foremost cause of stress experienced by the students was associated to academics that was represented by ARS factor, showing the utmost mean degree off 2.0453. Females perceive more stress than males in all domains but no significant correlation found on statistical analysis. Level of academic related stress remains same in all levels of academic years whereas IRS, DRS, TLRS, GARS, SRS related stress levels shows progressive reduction from first year to final year.

Implication: Academics related stress is the leading cause of stress in undergraduate medical students, followed by stress related to interpersonal and intrapersonal factors.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0

Introduction
Stress is defined as an inability to cope with the pressures generated due to certain situations and circumstances (Brey & Clark, 2012). This is a well-established phenomenon which is encountered by medical students throughout the world (Nandi, Hazra, Sarkar, & Mondal, 2012). Medical students are exposed to many stressors during their 5 years stay in a medical college. Stressors are the possible factors that can impart stress; they can be related to family, health, academic, psychological, social and emotional issues of an individual (Civitci, 2015; Solanky, Desai, Kavishwar, & Kantharia, 2012). Medical students are more prone to develop stress than general population. Several studies revealed that this is related to the hectic routine followed by the medical students along with the large amount of content to be learned (Salam, Yousuf, Muhammad, Bakar, & Haque, 2013). High levels of stress lead to symptoms of depression, anxiety and lack of confidence in students (Salam et al., 2013). No certain criterion is there to determine the level and magnitude of stress that can affect, as individuals react differently to different situations. For some people a situation may be stressful but others will respond normally towards it. Therefore it is completely dependent on one’s personality and internal abilities that how they perceive and react to certain situations (Ongori and Agolla, 2009).

Significance of the Study
Focus of this article is on medical student’s inability to cope with the pressures generated due to certain situations and circumstances, leading to health issues as well as poor academic performance of the students. Medical students are exposed to many stressors during their 5 years of training. This study is a corner stone to understand the role of different measures of stressors to get a clear picture that how stress effect academic performance correlated with academic year and gender of medical students enrolled in MBBS.

Research Question
What are the measures of possible potential stressors among undergraduate medical students and explore the correlation of stress with gender and level of academic year?

Research Objectives
1) To identify the common stressors among undergraduate medical students.
2) To measure the intensity of stressors among different academic years.
3) To study the relationship between gender and stressors.

Materials And Methods
This is a cross sectional, questionnaire-based study to identify and measure possible stressors in undergraduate medical students. This study was conducted from 1st August 2016 to 1st September 2016 at Independent Medical College, Faisalabad. All the enrolled students from 1st year MBBS to final year MBBS who gave consent were included in this study. A sample size of 243 was calculated using openepi; with a confidence level of 97%. The Medical Student Stressor Questionnaire (MSSQ) was used in this study, which is a validated instrument to identify sources of stress. The items in MSSQ represent 20 possible sources of stress in medical students identified from the literature grouped into six main factors; Academic Related Stressor (ARS), Intrapersonal and Interpersonal Related Stressor (IRS), Teaching and Learning Related Stressor (TLRS), Social Related Stressor (SRS), Drive and Desire Related Stressor (DRS), and Group Activities Related Stressor (GARS). Respondents were asked to rate each source by choosing from five responses, “causing no stress at all”, “causing mild stress”, “causing moderate stress”, “causing high stress” and “causing severe stress”. The scoring method assigns marks from 0 to 4 to each of the responses respectively.

Data Collection Procedure
The voluntary students from each class were invited, and particulars concerning the study with
respect to rationale, confidentiality and outcome were provided to them. The questionnaire was
danced over to the students after proper consent. The participants were requested to respond to all
statements in the questionnaire. During time of questionnaire administration, the investigator
provided proper guidance and assistance to the participants whenever needed.

Data analysis
Analysis of data is done using SPSS version 20. Descriptive analysis of levels of stress in all six
main factor domains was done, stratified by gender variation and level of academic years and
inculcated in the form of frequency & percentages of subjects having that level of stress.
Reliability of the questionnaire was also checked and found reliable.

Results and Discussions
A total of 245 questionnaires were distributed to the respondents, out of which 243 ques-
tionnaires were filled and 2 were missing providing a response rate of 99%. 120 (49.2%) of
the total respondents were female students and 123 (50.4%) were male students.
To test the reliability of the responses Cronbach’s Alpha value was calculated, the result showed
up more than 90% consistency in the responses; hence the instrument was found fit for the
research (Table 1). On the basis of this analysis it is concluded that MSSQ is a reliable tool to
identify sources of stress among undergraduate medical students.

Table No 1.
Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.916</td>
<td>20</td>
</tr>
</tbody>
</table>

Table No.2
Domain, Score and Descriptive Statistics

<table>
<thead>
<tr>
<th>Domain</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARS</td>
<td>243</td>
<td>1.00</td>
<td>3.00</td>
<td>2.0453</td>
<td>.65714</td>
</tr>
<tr>
<td>GARS</td>
<td>243</td>
<td>1.00</td>
<td>3.00</td>
<td>1.6667</td>
<td>.58916</td>
</tr>
<tr>
<td>SRS</td>
<td>243</td>
<td>1.00</td>
<td>3.00</td>
<td>1.5638</td>
<td>.58832</td>
</tr>
<tr>
<td>IRS</td>
<td>243</td>
<td>1.00</td>
<td>3.00</td>
<td>1.7202</td>
<td>.59255</td>
</tr>
<tr>
<td>DRS</td>
<td>243</td>
<td>1.00</td>
<td>3.00</td>
<td>1.7531</td>
<td>.70765</td>
</tr>
<tr>
<td>TLRs</td>
<td>243</td>
<td>1.00</td>
<td>3.00</td>
<td>1.6255</td>
<td>.55641</td>
</tr>
<tr>
<td>Valid N</td>
<td>243</td>
<td>1.00</td>
<td>3.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Score interpretation 0 to 1.00= mild stress, 1.01 to 2.00= moderate to high stress,
2.01 to 3.00 = severe stress

Based on the results, it is proved that the major source of stress experienced by the students was
related to academic requirements that were represented by ARS, showing the highest mean
degree off 2.0453.

Table No 3
Mean and standard deviation of 20 items scale

<table>
<thead>
<tr>
<th>tests/examinations</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>243</td>
<td>2.43</td>
<td>.861</td>
</tr>
<tr>
<td>Stressor</td>
<td>Mean Degree</td>
<td>SD</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-------------</td>
<td>-----</td>
<td></td>
</tr>
<tr>
<td>falling behind in reading schedule</td>
<td>2.20</td>
<td>.856</td>
<td></td>
</tr>
<tr>
<td>large amount of content to be learnt</td>
<td>2.77</td>
<td>.812</td>
<td></td>
</tr>
<tr>
<td>lack of time to review what have been learnt</td>
<td>2.74</td>
<td>.772</td>
<td></td>
</tr>
<tr>
<td>heavy workload</td>
<td>3.13</td>
<td>.806</td>
<td></td>
</tr>
<tr>
<td>participation in class presentation</td>
<td>1.74</td>
<td>.962</td>
<td></td>
</tr>
<tr>
<td>need to do well</td>
<td>1.77</td>
<td>.970</td>
<td></td>
</tr>
<tr>
<td>feeling of incompetence</td>
<td>1.79</td>
<td>1.024</td>
<td></td>
</tr>
<tr>
<td>unable to answer questions from patients</td>
<td>1.44</td>
<td>1.098</td>
<td></td>
</tr>
<tr>
<td>talking to patients about personal problems</td>
<td>1.63</td>
<td>1.119</td>
<td></td>
</tr>
<tr>
<td>facing illness or death of the patients</td>
<td>1.81</td>
<td>1.039</td>
<td></td>
</tr>
<tr>
<td>verbal or physical abuse by other students</td>
<td>1.30</td>
<td>1.023</td>
<td></td>
</tr>
<tr>
<td>verbal or physical abuse by teachers</td>
<td>1.89</td>
<td>1.104</td>
<td></td>
</tr>
<tr>
<td>verbal or physical abuse by personnel</td>
<td>1.27</td>
<td>1.083</td>
<td></td>
</tr>
<tr>
<td>conflict with teachers</td>
<td>2.07</td>
<td>1.036</td>
<td></td>
</tr>
<tr>
<td>unwillingness to study medicine</td>
<td>1.46</td>
<td>1.057</td>
<td></td>
</tr>
<tr>
<td>parental wish for you to study medicine</td>
<td>1.78</td>
<td>1.160</td>
<td></td>
</tr>
<tr>
<td>not enough feedback from teachers</td>
<td>1.48</td>
<td>.920</td>
<td></td>
</tr>
<tr>
<td>uncertainty of what is expected from me</td>
<td>1.77</td>
<td>.990</td>
<td></td>
</tr>
<tr>
<td>lack of recognition for work done</td>
<td>1.81</td>
<td>.955</td>
<td></td>
</tr>
</tbody>
</table>

The highest mean degree of stress was caused by “Heavy workload”, with mean degree of 3.13 indicating high to severe stress. Followed by “large amount of content to be learnt”, “lack of time to review what have been learnt”, and “Tests/Examinations”. All these top stressors belong to ARS group. The lowest mean degree of stress was 1.27 related to “verbal or physical abuse by personnel” that belongs to IRS factor.

Overall, the mean stress level ranged between 1 and 4, indicating that the stress level among undergraduate medical students ranged between mild to severe stress. The study revealed that most of the stress is related to ARS factor. The interpretation of results for each stressor group, along with their relationship with gender variation and level of academic year are discussed individually as follows;
ARS
The stressor items included within the ARS factors are considered as the main cause of stress among undergraduate medical students. “Heavy workload” with a mean value of 3.13 is the leading cause of stress, whereas “falling behind in reading schedule” with a mean value of 2.20 remained the lowest in this group. Analysis of data revealed that out of 120 females, 11(9.1%) feels mild stress, 70(58.5%) feels moderate stress and 39(32.5%) feels severe stress related to academic requirements. On the other hand, out of 123 males 36(29.2%) feels mild stress, 68(55.2%) feels moderate stress and 19(15.4%) feels severe stress. Pearson’s value of .283 indicates a weak relationship between gender and stress.

The degree of stress related to ARS; in different levels of academic years remain almost the same. Although a mild reduction of stress is seen from first year to final year. Pearson’s R value of .358 indicates a moderately signification correlation between the two variables.

GARS
The leading cause of stress related to this group is “feeling of incompetence” with a mean value of 1.79. 34(28.3%) out of 120 females feel mild stress, 76(63.3%) feels moderate stress and 10(10%) feels severe stress while participating in group activities. Whereas, 62(50.4%) out of 123 males feel mild stress, 56(45.5%) feel moderate stress and 5(4%) feel severe stress in performing group activities. Pearson’s R value of .224 does not indicate a significant correlation between stress and gender variation. Group activity related stress significantly reduces with each progressing level of academic year. Pearson’s R value of .316 indicates a moderately significant correlation between these two variables.

SRS
This factor has got the highest degree of stress related to “facing illness or death of patients” with a mean value of 1.81. Out of 120 females, 46(38.3%) feels mild stress, 70(58.3%) feels moderate stress and 4(3.3%) feels severe stress while socializing with patients. 72(58.5%) out of 123 males feels mild stress, 43(34.9%) feels moderate stress and 8(6.5%) feels severe stress. Pearson’s R value of.145 indicates a weak correlation. Social related stress also shows a progressive reduction from first year to final year. Pearson’s R value of .356 indicates that these two variables have got a moderately significant correlation with each other.

IRS
“Conflict with teachers” is the most common stressor of this group showing a mean value of 2.07, whereas “verbal or physical abuse by personal” remained a least affective stressor. Out of 120 females, 26(21.6%) feels mild stress, 83(69.1%) feels moderate stress and 11(9.1%) feels severe stress in issues related to interpersonal and intrapersonal matters. On the other hand, 60(48.7%) out of 123 males feels mild stress, 56(45.5%) feels moderate stress and 7(5.6%) feels severe stress in these matters. Pearson’s R value of .259 indicates a moderately significant correlation of this stress factor with gender variation. Interpersonal and intrapersonal related stress domain also indicates a moderately significant correlation with level of academic year by showing progressive reduction of stress level from 1st year to final year and a Pearson’s value of .321.

DRS
This stressor group has got least contribution in developing stress among undergraduate medical students. Out of 120 females, 44(36.6%) feels mild stress, 61(50.8%) feels moderate stress and 15(12.5%) feels severe stress related to desire and drive related stress domain. Out of 123 males 54(43.9%) feel mild stress, 46(37.3%) feels moderate stress and 23(18.6%) feels severe stress. Pearson’s R value of.007 indicates a very weak correlation between gender variations and
stressors related to desire and drive. Stress levels related to this domain are higher in 1st year than final year. Pearson’s R value of .478 indicates a significant correlation between these two variables.

**TLRS**

The stressors included in this group cause mild to moderate stress in students. The Leading cause is “lack of recognition for work done.” with a mean value of 1.81. Out of 120 female students, 37(30.8%) feels mild stress, 78(65%) feels moderate stress and 5(4.1%) feels severe stress related to teaching and learning matters. 63(51.2%) out of 123 males feels mild stress, 56(45.5%) feels moderate stress and 4(3.2%) feels severe stress. Pearson’s R value of .192 does not indicate a significant correlation between gender variation and teaching and learning related stress domain. Teaching and learning related stress remains the same from 1st year to final year. Pearson’s R value of .185 indicates a weak correlation between TLRS and level of academic year.

**Discussions**

This study concluded that Undergraduate medical students experience mild to severe stress during their stay in a medical school. Out of 243 respondents, 138(56.7%) feels moderate to high stress, whereas 58(23%) of the respondents feels severe stress related to academic requirements. Studies performed in Malaysia (Saiful, Bahri, Fuad, & Y, 2009), India (Mehrotra & Devarakonda, 2015) and Iran (Khanehkeshi, 2011) generated similar results and concluded that academic related stress is the leading cause of stress among undergraduate medical students. Studies also revealed that academic stress is an integral part of medical training as it proves to be a stimulator and a source of positive reinforcement for students to do well in the medical training(Salam et al., 2013). Contrary to this, another study proved that, academic stress and academic performance are inversely related to each other. Increased academic stress not only cause damage to student’s health (physical and psychological) but also affects their academic performance (Kormi-nouri, Macdonald, Farahani, Trost, & Shokri, 2015). The study also proved that stress has no significant correlation with gender. This fact is supported by the other studies performed internationally (Mehrotra & Devarakonda, 2015)(Baldassin et al., 2008)(Amr, Hady, Gilany, & El-hawary, 2008). This study proved that; female students reported a slightly higher level of stress compared to males in all domains. However, this difference was not statistically significant. In addition, gender was not a significant factor in stress reporting, as mean number of stressors was similar in both male and female students. The analysis of data proved that the level of stress related to academic factors remains the same with insignificant difference from 1st year to final year. Whereas, stress caused by IRS, DRS, TLRS and GARS factors showed a progressive and significant reduction from 1st year to final year. Another study performed in India showed similar results (Mehrotra & Devarakonda, 2015). Another research proved that stress related to social, interpersonal and intrapersonal factors reduces I the clinical years due to increased interaction with the patients(Firth, 1986).

**Conclusion**

This study proved that the leading cause of stress in undergraduate medical students is academics followed by interpersonal and intrapersonal factors. The students feel mild to severe degree of stress during 5 years training. Academics related stress is essential to some extent in order to motivate and reinforce the students. But this should not exceed the limits to cause adverse physical and psychological effects on students.

**Limitations**

Self- reported information was accorded through conducting a cross-sectional study. The information was collected around one single point and found potential bias due to understanding
of questions by the students according their emotions or it might be occurred due to response inaccuracy. The generalizability of the results may also be affected because study was conducted in only one medical college.

Acknowledgements
Thanks to all students of Independent Medical College, who participated in this study to complete the research.

References


Exploring the nexus between Empowering Leadership and Work Engagement through Employee Resilience during times of Covid 19

Khawaja Khalid Mehmood, Institute of Management Sciences, Bahauddin Zakariya University, Multan, Pakistan
Shahbano Saeed, Institute of Management Sciences, Bahauddin Zakariya University, Multan, Pakistan

*Corresponding author’s email: shahbanosaeed980@gmail.com

ARTICLE DETAILS
History
Revised format: Aug 2021
Available Online: Sep 2021

Keywords
Empowering Leadership, Employee Resilience, Psychological Empowerment, Work Engagement, Private Schools of Pakistan.

JEL Classification
L20, M12

ABSTRACT
Purpose: Online learning system was adopted by private schools across Pakistan to lessen students’ learning losses during the pandemic. It entailed the reliance on work from home model for their teaching staff. The success of these institutions must have been driven by a leadership style espoused by them which helped to keep their employees engaged. Thus, drawing on the job demand resource principle, conservation of resource principle, and broaden and build theory, this could be argued that empowering leadership may have engendered employee resilience which ultimately kept intact the work engagement of employees. Moreover, moderating impact of psychological empowerment has been studied to determine extent to which it might influence the employee resilience nurtured by empowering leadership.

Design/Methodology/Approach: Respondents for this study were faculty members of the private schools affiliated with the Multan board of Intermediate and Secondary Education Pakistan. Probability sampling was employed to select the schools and the faculty members of those schools were given questionnaires. The total responses obtained were 210. Structural equation modeling involving moderated mediation techniques was utilized to conduct analyses.

Findings: The study concluded that employee resilience mediated the association among empowering leadership and work engagement. However, the moderating effect was not proved.

Implications/Originality/Value: The study pays an original contribution to research by linking empowering leadership with employee resilience and work engagement for the faculty members during the time of Covid-19 Pandemic. It suggests schools’ management to focus upon and reinforce empowering leadership for better work engagement of teachers. This would probably help them to retain students and sustain their performance.
Introduction
The outbreak of the novel Corona Virus has precipitated a gigantic health crisis. It initially erupted in the Wuhan city of China but then quickly engulfed the world. WHO had to ultimately declare it a pandemic in March 2020 (Cucinotta & Vanelli, 2020). It’s a crippling disease that shocked the whole world to the core (Dhawan, 2020) and created unprecedented circumstances (Fernandez & Shaw, 2020). However, in response to these horrendous circumstances, the health community worldwide devised a sensible plan to curb its spread. Social distancing seemed to be a fruitful strategy because it had been used in the past to combat the influenza virus (Ahmed, Zviedrite, & Uzicanin, 2018).

Covid-19 catastrophe truly created a chaos which has terribly influenced every aspect of human life. When the medical community built a consensus over the usage of social distancing, the whole world apart from a few countries opted for a lock down to reduce the spread of the disease (Atalan, 2020). However, the radical measure didn’t turn out to be a viable strategy because it landed the world in a financial crisis. The industrial sector worldwide is still trying to steer itself from a huge economic predicament that has had adverse impact on the lives of many people (Hart & Halden, 2020).

Besides other sectors, the emergence of this disease also wreaked havoc in the education sector all over the world. The education institutions were also instantly closed to flatten the curve of the plague (Toquero, 2020). However, to continue the process of learning, online education system was adopted (Dhawan, 2020) which compelled the educational institutions to espouse the work from home model. Fortunately, many countries quickly shifted to the online mode of education which showed that the leadership and employees of these institutions intelligently navigated the challenges posed by the disease. It means that they would have adopted a right course of action which sustained the learning process in these distressing times. They must have gone for empowering leadership which has been proven to guarantee survival in turbulent times (Lee, Willis, & Tian, 2018) and this leadership style should have been able to cultivate employee resilience which enabled their work force to persevere in these taxing conditions (Kuntz, Näswall, & Malinen, 2016) like Pandemic. The leadership must have had fostered sufficient resilience which kept the employees engaged. Additionally, the employees must have felt enough psychological empowerment from inside which helped empowering leadership to successfully translate into employee resilience.

Different Scholars suggest that empowering leadership enhances job performance (Kundu, Kumar, & Gahlawat, 2019). Similarly Employee resilience is considered to be a prerequisite for work engagement (Malik & Garg, 2017). Work engagement considerably improves organizational performance and is a consequence of empowering leadership. Moreover, psychological empowerment is argued to have possible moderating impact for the association among empowering leadership and employee creativity (Özaralli, 2015).

Many studies did investigate an impact of empowering leadership on work engagement however no research has so far examined employee resilience as a crucial intervening variable between them. Additionally, only little studies have tried to probe the moderating effect of individual
factors on the development of employee resilience and limited research has tried to discover psychological empowerment as a boundary condition. Hence, this study was carried out to determine the aforementioned relationships. Moreover, it obtained theoretical support from a couple of seasoned theories like Job demand resource principle (Bakker & Demerouti, 2017), broaden and build theory (Fredrickson, 2001) and conservation of resource principle (Hobfoll, 2001). It’s true that these theories have been abundantly used before in relation to these variables but they have never been employed to explain these particular relationships.

The study was organized in the private schools of South Punjab region of Pakistan which adopted the online education method to examine that how did they manage to navigate this crisis. Secondly, it tried to evaluate the success of the work from home model which was chosen by them to continue imparting education in these disturbing times. It’s no brainer that until the employees have the capacity to brave a storm like pandemic then they may not be able to stay engrossed in their work. Thus employee resilience seems imperative to keep employees engaged. Hence, it’s incumbent upon the leadership to instill this characteristic and its development has to be contingent on the level of empowerment felt from inside by an employee. If the employees get intimidated then the empowering leadership may not translate into employee resilience.

The rest of the paper is organized as follows. Section 2 presents the literature review containing the fundamental information on the variables involved as well as critical evaluation of past studies in the area. Section 3 delineates the methodology employed whereas section 4 explicates the results of the study in great detail. Lastly, section 5 encompasses an elaborated discussion on the results and also includes the implications, limitations, and future directions for the research.

**Literature Review and Hypotheses Development**

**Empowering Leadership and Work Engagement**

Empowering leadership is a type of leadership which entails the leader to share power, delegate responsibility, and provide autonomy to followers which would eventually increase the intrinsic motivation of the followers (Özaralli, 2015). That’s a holistic type of leadership consisting of three major leadership behaviors i.e. participative decision making, coaching and informing (Arnold, Arad, Rhoades, & Drasgow, 2000). It’s deemed as one of the best positive leadership styles that predict high employee career satisfaction (Kim & Beehr, 2017), job crafting behaviors (Thun & Bakker, 2018) and improves the mental balance of employees thereby leading to more employee positivity (Park, Kim, Yoon, & Joo, 2017). Intellectuals have recommended the organizations to espouse this leadership style and throw off the shackles which cage their work force (Hu et al., 2018).

Work engagement can be understood as a productive and gratifying work related state of mind which comprises of vigor, absorption, and dedication (Schaufeli & Bakker, 2004). Organizations are encouraged to increase work engagement because it elicits employee creativity (Hui et al., 2020) and increases their work related satisfaction (Lu, Lu, Gursoy, & Neale, 2016). Many studies have shed light on the antecedents of work engagement. Different leadership styles such as transformational leadership (Breevaart & Baker, 2018) have been identified as a potent predictor of engagement. Empowering leadership has also been found to influence work engagement via psychological empowerment (De Klerk & Stander, 2014) and person job and group fit (Cai, Cai, Sun, & Ma, 2018).

Job Demand and Resource theory (Bakker & Demerouti, 2017) is used to explicate the development of work engagement. As per the theory, job characteristics could be divided into two categories i.e. Job demands and job resources. Job resources are those aspects in a job that are vital to the achievement of organizational goals and mitigate tensions associated with work. This theory has time and again posited job resources as paramount to development of work...
engagement. Additionally, empowering leadership is considered as an integral job resource (Storen, 2017) and also focuses on nurturing resources such as autonomy (Kim & Beehr, 2020). Hence, drawing on the prior research and job demand resource principle, following hypothesis could be developed:

**H1.** Empowering leadership would positively impact work engagement.

**Empowering Leadership and Employee Resilience**
Employee resilience refers to an employee capability fostered by immense organizational support to constructively harness resources to intelligently adjust and survive in turbulent working environment (Kuntz et al., 2016). It has grabbed abundant attention because of the salutary effects that it guarantees. Highly resilient employees are very productive and courageously deal with any workplace challenges (Cooper, Wang, Bartram, & Cooke, 2019).

Empowering leadership has also been recognized as one of the predictors of employee resilience (Nguyen, Kuntz, Näswall, & Malinen, 2016). Additionally, Conservation of Resource theory (Hobfoll, 2001) also elucidates this relationship. This theory postulates that the human behavior is contingent on their capacity to procure and save resources which are essential to continue their lives in this world (Hobfoll, Halbesleben, Neveu, & Westman, 2018). Besides the job resources, there are some psychological (personal) resources possessed by an employee to maintain a healthy state of mind and accomplish organizational goals (Schaufeli & Taris, 2014). It further states that availability of certain resources can guarantee provision of other pivotal resources.

Employee resilience is frequently recognized as a crucial personal resource (Paek, Schuckert, Kim, & Lee, 2015). Moreover, as stated above empowering leadership is one of the cardinal job resources. Thus, grounding on the conservation of resource theory, it can be presumed that employee resilience can be cultivated by using empowering leadership. Thus, following hypothesis could be conveniently proposed:

**H2.** Empowering leadership would positively impact employee resilience.

**Employee Resilience and Work Engagement**
Employee resilience is imperative to succeed because it enables the employees to accommodate in the dynamic circumstances (Franken, Plimmer, & Malinen, 2020). It also alleviates tension amongst the team members (Meng, Jin, Guo, 2016). Moreover, it’s found to engender work engagement because it’s an important personal resource. A couple of studies have confirmed employee resilience as an antecedent of work engagement (Malik & Garg, 2017; Turner, 2019). Additionally, Job demand and Resource theory (Bakker & Demerouti, 2017) also supplies the theoretical underpinnings for the relationship because it categorically mentions that the job and personal resources foster work engagement when they outweigh the job demands. Since employee resilience is a personal resource so following is hypothesized:

**H3.** Employee resilience would positively impact work engagement.

**Empowering Leadership, Employee Resilience, and Work Engagement**
Prior researches have unveiled employee resilience as a consequence of empowering leadership (Kuntz et al., 2016) and a predictor of work engagement (Malik & Garg, 2017). Thus, it’s reasonable to assume that it may be an intervening construct between the two variables. Furthermore, its value as an important underlying mechanism can be derived from two very seasoned theories namely Broaden and Build theory (Fredrickson, 2001) and Conservation of Resource theory.

As per the conservation of resource (COR) theory, presence of one type of resource assures the availability of other resources so continuing on this idea, empowering leadership will augment
employee resilience which would subsequently enhance work engagement. Moreover, broaden and build theory posits that healthy experiences elicit positive emotions which may augment different kinds of resources. Hence, empowering leadership may trigger employee resilience because it provides autonomy to employees. The employee resilience may ultimately bolster work engagement because it stimulates them to perform job related tasks better (Ojo, Fawehinmi & Yusliza, 2021). Therefore, following mediation hypothesis is developed:

**H4.** Empowering leadership would impact work engagement of employees through employee resilience.

**Moderating Role of Psychological Empowerment**

Psychological (felt) empowerment can be understood as a mental state developed over time that is likely to nurture perceptions which include meaning, competence, self-determination, and impact (Spreitzer, 1995). It has been manifested as one of the outcomes of adopting empowering leadership style (Alotaibi, Amin, & Winterton, 2020; Kundu et al., 2019). Moreover, it’s recognized as a mediator between empowering leadership and work engagement (Qatrunnada & Parahyanti, 2019). Although many researches have underscored its importance as a critical mediator but very few researches have probed its moderating effect. Recently, study of Özaralli (2015) investigated psychological empowerment’s moderating impact for the association among empowering leadership and employee creativity. The findings corroborated its moderating effect and confirmed that degree to which empowering leadership may channelize creativity is dependent on the empowerment experienced by an employee.

In the same vein, it can be argued upon that it may also influence the development of employee resilience. It’s likely that even if the organization adopts the empowering leadership style but employees may not feel empowered from inside which may ultimately obstruct the development of employee resilience. Furthermore, it is proposed to have an interaction effect with empowering leadership and ultimately affect employee resilience because previous researches have acknowledged the moderating effect of individual factors (like proactivity and optimism) over cultivation of employee resilience (Nguyen et al., 2016). Now, if the employee is too scared and lacks self-belief then there is a possibility that empowering leadership may not instill employee resilience which is crucial to development of work engagement in the face of the daunting crisis like Pandemic. Thus following hypothesis is developed:

**H5.** The relationship between empowering leadership and employee resilience is moderated by psychological empowerment.

Figure 1 illustrates various variables involved and the relationships proposed between them. Empowering leadership is the independent variable which is proposed to engender work engagement that is deemed as the dependent variable. Moreover, employee resilience is placed as an intervening variable which can be considered to be one of the critical underlying mechanisms by which empowering leadership might instigate work engagement. Furthermore, psychological empowerment is drawn as a moderating variable between empowering leadership and employee resilience which shows that like other individual characteristics it can also affect the development of employee resilience which will consequently influence work engagement.
Research Methodology

Sampling and Data Collection

This research made use of quantitative research methodology. It was carried out in Pakistan’s education sector wherein the data were collected from private schools affiliated with the Multan board of Intermediate and Secondary Education. The affiliated schools are based in Multan and the surrounding areas of the city. The total population of the schools was 566. Probability sampling technique was employed to draw a random sample of the private schools. Specifically, stratified sampling was used and two strata were made: one included private school based in Multan (228 schools), the other included schools operating outside Multan city (338). Systematic sampling was further used to draw a random sample from each strata.

Concerning sample size adequacy recommendations of Sekaran (2003) were followed according to which a study’s sample must be greater than the total number of constructs in the study. In this research, there were four variables and since some were multi-dimensional, so in total there were 12 constructs; hence a sample of 120 or more was considered adequate. This study succeeded in securing responses from 220 respondents which was considered adequate. 113 responses were obtained from Multan based private schools and 107 responses from other schools operating outside Multan city. Ten questionnaires were discarded as they were substantially incomplete, so it left with 210 questionnaires for further analyses.

Questionnaire Development

The questionnaire for this study was developed using the scales from the previous studies and a 7 point Likert scale was utilized for the questions. For empowering leadership, the scale was adapted from the study of Ahearne, Mathieu, and Rapp (2005) which employed four dimensions for empowering leadership. These were 1. participation in decision making, 2. enhancing meaningfulness of work, 3. providing autonomy from bureaucratic constraints, and 4. expressing confidence in high performance. With each dimension having three items, empowering leadership was measured with 12 items. Work engagement was assessed using three dimensions (vigor, dedication, and absorption) and 12 items and the scale was adapted from Schaufeli, Bakker, and Salanova (2006). For employee resilience, scale from the study of Hodliffe (2014) was used that had 14 items. Finally, Spreitzer’s (1995) scale was employed for measuring psychological empowerment. It had four dimensions (meaning, impact, competence, self-determination). Each dimension had three items, so psychological empowerment was assessed through 12 items. The items were adapted to suit the nature of industry and the respondents.
Analysis and Results of the Study
The analysis technique used for this study was structural equation modeling and it was conducted through SmartPLS3.0 software. This software performs amazingly with smaller sample sizes (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). The two significant stages of this analysis are the measurement modeling and the structural modeling.

Reliability and Validity of the Instrument
After the model was constructed, firstly the measurement model was tested with the help of PLS algorithm. It was required for evaluating the reliability, validity and the model fitness. Initially, the factor loadings of the items of different variables were seen and those which were less than 0.65 were removed (Birkinshaw, Morrison, & Hulland, 1995). After that a new model was built which only consisted of the items that had the loadings of 0.65 and above. As noted earlier, out of four variables, three were multi-dimensional and only employee resilience was a unidimensional construct. Thus employee resilience was deemed as reflective construct and the other variables were treated as 2nd order formative constructs. The item loadings for all items for all the dimensions of all the constructs were at least 0.65 and above. After verifying the loadings of all the items, the multi-dimensional variables were converted to 2nd order formative constructs and their latent variable scores were used in the structural model. The validity and reliability tests for all constructs were found satisfactory before proceeding for further analysis.

The reliability of the constructs is asserted through the values of Cronbach alpha and composite reliability. Reliability of any construct is deemed fine if the Cronbach alpha’s values are 0.7 and above (Raghu & Rodrigues, 2021). Additionally, it’s considered suitable if the composite reliability is ranging between 0.7 to 0.9 (Taber, 2018). Secondly, the convergent validity of all constructs is verified through the values of AVE (Average Variance Extracted) and values of outer loadings. The values of (AVE) are required to be higher than 0.5 (Hair et al., 2014). The reliability and the convergent validity of all the constructs were conveniently established because the Cronbach alpha’s values were more than 0.7 and composite reliabilities were falling in the range of 0.7 to 0.9 and the values of AVE were greater than 0.5. Lastly, most of the outer loading of all the constructs were greater than 0.65.

There are multiple ways for establishing the discriminant validity of a construct but this study analyzed HTMT ratios to ascertain the discriminant validity of its constructs. Ideally, the values of HTMT ratios should be less than 0.1 (Garson, 2016). As displayed by the table 1, HTMT ratios of all constructs are less than 0.1 and support the claims of discriminant validity.

<table>
<thead>
<tr>
<th></th>
<th>Employee Resilience</th>
<th>Empowering Leadership</th>
<th>Psychological Empowerment</th>
<th>Work Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Resilience</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowering Leadership</td>
<td>0.843</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychological Empowerment</td>
<td>0.853</td>
<td>0.826</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Work Engagement</td>
<td>0.901</td>
<td>0.804</td>
<td>0.827</td>
<td>---</td>
</tr>
</tbody>
</table>

A model’s fitness is evaluated through the SRMR values which should be lesser than 0.08 if the model has to be declared fit (Raghu & Rodrigues, 2021). The value of SRMR was 0.044 so the model was pronounced fit for testing. Besides this, NFI values were checked which should be closer to 1 if the model is to be deemed fit (Smith & McMillan, 2001); and here the value was 0.88 which further corroborated model fitness.

Structural Model
A structural model was created after obtaining satisfying results from the calculations of the measurement model. It helped to test the hypotheses previously stated in the literature review. As suggested by Bergh et al. (2016), the structural model is needed for probing the indirect/direct effects as well as for doing mediation analysis. The hypotheses were tested using the bootstrapping procedure with a sub sample of 1000. It was carried out through a one-tailed hypotheses test and analyzed that whether a hypothesis was significant or not. The bootstrapping process supplied the p-values, t-values and the path coefficients of the different variables included in the research. The structural model is illustrated in figure 2.

![Figure 2: Structural Model](image)

**Results of Hypotheses Tests**
For mediation tests, recommendation of Baron and Kenny were followed (1986). Thus, before constructing the full model, empowering leadership and work engagement were only placed to evaluate the direct association among the two. The results deemed the relationship significant so H1 was accepted. After that, a mediator (employee resilience) was added and then the impact of empowering leadership on work engagement was again checked and it also came out to be significant having p-value = 0.000 and t-value = 5.824 (Table 2). Moreover, positive coefficient’s (0.534) value substantiated a positive impact of empowering leadership on work engagement. Secondly, the impact of empowering leadership on employee resilience was examined and it also turned out to be significant positive with a p-value of 0.000, t-value of 4.20, and coefficient as 0.424. Thus, H2 was also accepted. Thirdly, the relationship between employee resilience and work engagement was probed and it was also declared significant (p-value=0.000, t-value=9.260, coefficient=0.679). So, H3 was also supported. Thirdly, the mediating role of employee resilience was investigated and this was also proved significant as again the findings provided p-value = 0.000, t-value = 4.383 and positive coefficient as well (0.288) (Table 3). Hence, H4 was accepted and it was confirmed that if organizations adopt empowering leadership then it will foster employee resilience which will trigger work engagement. The mediation effect was partial because the direct relationship between empowering leadership and work engagement was also significant. Lastly, the moderating effect of psychological empowerment was studied.
but it did not come out to be significant because the p-value of the test came out to be 0.576, t-value was 0.560 (Table 2). Thus, H5 was rejected and it was concluded that degree to which empowering leadership may instill employee resilience didn’t depend on psychological empowerment.

<table>
<thead>
<tr>
<th>Paths</th>
<th>Coefficient</th>
<th>p-values</th>
<th>t-values</th>
<th>Bias Corrected Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL → WE</td>
<td>0.534</td>
<td>0.000</td>
<td>5.824</td>
<td>0.338 - 0.692</td>
</tr>
<tr>
<td>EL → ER</td>
<td>0.424</td>
<td>0.000</td>
<td>4.200</td>
<td>0.222 - 0.613</td>
</tr>
<tr>
<td>ER → WE</td>
<td>0.679</td>
<td>0.000</td>
<td>9.260</td>
<td>0.523 - 0.806</td>
</tr>
<tr>
<td>Mod effect1 → ER</td>
<td>0.016</td>
<td>0.576</td>
<td>0.560</td>
<td>-0.043 - 0.067</td>
</tr>
</tbody>
</table>

As noted earlier, the values of coefficients for all the relations are positive so it can be concluded that all the relationships were positive. Specifically, when the levels of empowering leadership are high then it will escalate the levels of employee resilience which will consequently nurture increased work engagement.

**Discussion and Implications**

The results confirmed a positive relationship between empowering leadership and work engagement. It’s already backed by previous studies. The studies conducted by Alotaibi et al. (2020) and Støren (2017) supported this relationship. Moreover, a research organized in Pakistan linked these two variables via organization justice perceptions (Kazi, Kazi, Kazi, & Ahmedani, 2017). Although, the relationship has been studied in the past but in the context of a crisis the success of educational institutions could only be expounded by it because only empowering leadership would have fueled work engagement of their employees. Secondly, the findings supported a direct impact of empowering leadership on employee resilience which has been reported earlier (Nguyen et al., 2016). Development of employee resilience was imperative to succeed in pandemic because it would have helped the faculty members to show tenacity in these trying times. A study arranged in the telecommunication sector of Pakistan demonstrated that employee resilience could be instilled by a couple of HR practices (Khan et al., 2019). Thirdly, the positive relationship between employee resilience and work engagement was supported which has also been proven by prior studies (Dai, Zhuang, Huan, 2019; Malik & Garg, 2017). Moreover, under these challenging circumstances employee resilience could be a fundamental prerequisite for work engagement because they would not have stayed committed to their work if they did not confront the situation with courage. Fourthly, the findings supported the mediating effect which showed that empowering leadership must have inculcated employee resilience which enabled them to stay indulged in their work. Lastly, the moderating effect was rejected so it was concluded that psychological empowerment didn’t affect the level of resilience fostered by empowering leadership. It is to be highlighted that the moderating effect of psychological empowerment was rejected in a study that was conducted recently by Muniandi, Richardson, and Salamzadeh (2021) to investigate influence of ethical leadership on leader subordinate relationship amongst the women employees of the multinational enterprises of Malaysia. Hence, the findings of this research are in line with the extant research.
The relationships proposed in this study are adequately supported through the theories mentioned in the literature review section. According to the Job demand Resource Model (Bakker & Demerouti, 2017), job and personal resources are critical to development of work engagement. Therefore, empowering leadership which is classified as an important job resource (Støren, 2017) and employee resilience which is categorically identified as a personal resource (Paek et al., 2015) can foster greater work engagement in employees. Moreover, according the COR (Hobfoll, 2001) the existence of one resource will foster the search and acquisition of the other resource, so therefore, drawing upon this phenomenon, it is confirmed that empowering leadership can generate employee resilience which would enhance work engagement. Lastly, broaden and build theory posits that great experiences may elicit healthy emotions which can lead to the cultivation of multiple types of resources. Since empowering leadership guarantees sufficient freedom which is likely to trigger wonderful experiences that will evoke positive emotions thereby leading to the development of employee resilience which will ultimately escalate the levels of work engagement.

The study discovered that employee resilience is a mechanisms which the help of which empowering leadership improves and enhances employee work engagement. Moreover, it acknowledged the success garnered by private schools of Pakistan during the pandemic. Additionally, it provides a couple of suggestions too. It stresses the public schools of the country to follow the same route to maintain normalcy in turbulent times. It further recommends that organizations should take concrete steps to cultivate employee resilience to confront situations like Covid-19 pandemic. They can develop it if they select leadership whom they feel can work collaboratively and break traditional hierarchies.

Limitations and Future Directions
The data could only be gathered from Multan and nearby regions because travel was considerably interrupted. It was a quantitative study because of the shortage of time and a more thorough analysis of the situation would be presented by a qualitative study. The research paves the way for future studies. Researchers can study the effects of a different kind of leadership style such as spiritual leadership on employee resilience and similar studies can be conducted in other provinces where the moderating effect of Psychological empowerment may be proven. Moreover, studies like these can be arranged in other industrial sectors to investigate how did they cope with a huge crisis.

References


Hodliffe, M. C. (2014). The development and validation of the employee resilience scale (EmpRes): The conceptualisation of a new model. (Master Dissertation). University of
Canterbury, New Zealand.


The Art of Manipulating Masses and Failure of Leadership in Orwells Animal Farm and Pakistani Politics: A Comparative Study

*Shahab Rehman*, Department of English, Kohat University of Science & Technology, Hangu Campus, Pakistan  
*Shahzad Khan Durrani*, Institute of Management Sciences, Kohat University of Science & Technology, Hangu Campus, Pakistan  
*Atteq-ur-Rahman*, Department of English, Islamia College University, Peshawar, Pakistan

*Corresponding author’s email address: shahab.rehman@kust.edu.pk*

**ARTICLE DETAILS**

**History**  
Revised format: Aug 2021  
Available Online: Sep 2021

**Keywords**  
Animal Farm, George Orwell, The Pakistani government, Political Scenario, Leadership, Totalitarianism

**JEL Classification**  
P16, P26

**ABSTRACT**

**Purpose:** The purpose of this research study is to comparatively study George Orwell’s *Animal Farm* (1945) and Pakistani political scenario. The study attempts to find similarities between the two from various aspects such as economy, freedom of speech, leadership, etc., and their effect on the masses.

**Design/Methodology/Approach:** The study is mainly qualitative as the evidence is gathered from the novella *Animal Farm* and the public speeches, interviews, and from the social media handles of leading politicians. Critical Discourse Model (CDA), developed by Van Dijk (2001), is employed for the analysis and discussion. The selected texts were then contextualized for comparative analysis.

**Findings:** The textual evidence collected from the novella *Animal Farm* and the speeches, interviews, and social media posts from the political leaders reveal that there are certain common elements in both parties. The common elements include censorship on freedom of expression, lack of deliverance on the part of leadership, worsening economy, etc.

**Implications/Originality/Value:** This research study is significant in the sense it is applicable on various levels such as leadership and its role in shaping the fate of society, the importance of freedom of speech as it paves the way for discussion for a better future of a nation. It also discusses the reason for the failure of economy. Furthermore, it is applicable to prevail justice and equality in society in all forms. This study aimed at discussing the common elements between *Animal Farm* and Pakistani politics. This is, to the best of my knowledge, perhaps, the first attempt in this regard. It is beneficial for readers in the sense that it provides them to relate the fictional world of *Animal Farm* to the real happenings in society and its impact on members of the society. Furthermore, it is suggestive in the sense that it provides a solution/alternative

Introduction

George Orwell was a British novelist who published Animal Farm in 1945. It mocks the idea of communism in a satirical way. The story is allegorical in nature and it is criticism on communism. Orwell always criticised the philosophy communism. The hope of a promised land and freedom ended in a disaster as the Manor Farm was destroyed by totalitarianism. As stated earlier that Animal Farm an allegory that Baldick (2001) defines as “a story or a visual image with a second distinct meaning that partially hidden behind its literal or visible meaning” (Baldick 2001). Mr. Jones owns the Manor Farm. He is being the unkindest and tyrant, runs Manor Farm, situated in England. A big pig named Old Major convenes a meeting with all animals living in the farm one night. Keeping in view the limited time he has; Old Major delivers an emotional speech in which he reveals to all the animals that man is evil in his actions. Old Major further adds that all animals are equal and persuade them to come out to revolt against the tyranny of man. He reveals to them an enthusiastic tune called ‘Beasts of England’. Old Major gets confused, still two other pigs, Snowball and Napoleon try to help him adjust his thinking into the ways that reflect true spirit of Animalism. After a year or so the animals defeat Mr. Jones and name Manor Farm as Animal Farm.

Animal Farm was a prosperous prospect because the pigs were quite innovative and came up with idea that helped the Farm. Boxer was a hard-worker and it had dedicated his life to the Farm. All the members of the Farm collectively worked for the betterment of the Farm and in the end it helped. Seven Commandments of Animalism were adopted by the members of the Farm and it was agreed that it would be strictly followed. It is evident from the fact that all animals agreed not to act as if they are humans. Using bed for sleeping was prohibited. Using two legs for walking was also banned. It was also agreed not to drink liquor so that they may not end up like a drunk as was the former owner Mr. Jones. All went well as long as Old Major was alive. As soon as he died, everything went south. His two protégé Napoleon and Snowball fiercely fought for rule of Farm. In the end, Napoleon defeats Snowball by means of propaganda. After that, Napoleon snatchs the right from other animals cast a vote. Napoleon knows the ways through which the masses can be misled and controlled so he feeds information that benefits his agenda. He forcibly silences those who question his authority and methods. As a result, he becomes dictator and decides the fate of the Manor Farm on his own which ultimately results in a disaster. The idea of Revolution and starry future proved nothing more than just a dream and for Napoleon it was an opportunity to control the Farm for his own benefit to keep himself in power. The current political conditions in Pakistan are somewhat similar to those of Animal Farm (1945). The ruling party, Pakistan Tehreek i insaf (PTI) won 2018 General Election and officially started ruling on August 17, 2018. The motto and slogan of the ruling party Pakistan Tehreek-e-Insaf (PTI) is ‘Tabdeeli’ – change, and Naya Pakistan. The party leaders have been very critical of the previous government and their policies. They PMLN leaders as corrupt and incapable of running the government. They promised to change it. PTI promised to deliver on their promises but since taking oath as a Prime Minister of Pakistan, Imran Khan, has failed to deliver on its promises and has even acknowledged his lack of preparation. He took many U-Turns on his own statements and claims that taking U-turns have made Prime Minister. In Animal Farm (1945), Napoleon disdained being criticized and same is the case with the current ruling party. The government has been misusing its authority by sending opposition leaders to jail (PMLN leaders such as Shehbaz
Sharif, Maryam Nawaz Sharif, Ahad Cheema, Rana Sanaullah etc) and the media is facing censorship. The economy is sinking (Malik, 2019) as it did in Animal Farm when Napoleon insisted on building Windmill and it did not provide favorable conditions. As a result the ruling party blames everything on the previous government and that all politicians are corrupt as did Napoleon when he and his follower blamed Snowball for everything. This narrative sells and is popular among masses. PTI’s 2014 Dharna had too many side effects on Pakistan’s economy (Mulla, 2017). Both Napoleon and Imran Khan promised ‘Revolution’ and ‘Tabdeeli and Naya Pakistan’ respectively but it has not worked so far as the country faced wheat crisis, sugar crises, more loans from IMF (Malik, 2019).

Research Questions
Q1. In what ways the elite class manipulate the masses both in Animal Farm (1945) and the political leaders?  
Q2. How is Pakistani political scenario similar to that of Animal Farm (1945)?

Limitation of the Study
A text can be investigated from different aspects but this study limits itself to examine and analyse Animal Farm for the exploitation of power, elitism and false. Similarly, there are numerous issues for the current ruling party in Pakistan can be criticized but this study concerns itself with the state of economy, freedom of speech and censorship, false promises given by the leaders to the people.

Significance of the Study
This study concerns itself with comparative study of George Orwell’s Animal Farm (1945) and current Pakistani Government. This research study is significant in the sense that it highlights and discusses the common elements both parties i.e. Animal Farm and current Pakistani political scenario. It is significant because it brings forward the problems for the common people to note and understand so that they may take their decision wisely regarding their representatives. Furthermore, it signifies the importance of free speech as it creates a dialogue and accountability of the government officials with the aim to improve the lives and state of the nation.

Literature Review
Van Dijk (1998) opines that that “Critical Discourse Analysis is a type of discourse analytical research that primarily studies the way social power abuse, dominance and inequality are enacted, reproduced and resisted by text and talk in the social and political context. With such dissident research, critical discourse analysts take explicit position, and thus want to understand, expose and ultimately to resist social inequality.” The primary aim of Critical Discourse Analysis is to critically examine and interpret discourses as well as understand the discourses so that these discourses can either be resisted on accepted. According to Faud (2016), the major characters and their approach in The Animal Farm nothing short that a totalitarianism. The major characters, such Old Major and Napoleon find new ways to manipulate and exploit the common folks in order to fulfill their own goals. They employ certain strategies to convince and manipulate people such propaganda campaigns, and sometimes the use of force to silence people as in the case of Napoleon. Yasin (…) in this regard states that propaganda campaign supported and advance by the media in Animal Farm registers the fact that the elite employ media to run their PR so that they can convince people. They not only use for their own PR but also to silence the opposition and any kind of criticism which is what happened in Animal Farm where Napoleon used brute force to silence his critics. Majority of the common folks were misled by their propaganda campaign and they readily believed it and those who did not believe, were forcefully influenced and bullied.

For Abubakar quotes Interior Minister regarding their strategy to control dissent. They strategy is
to imprison every individual whom they consider ‘thief’ and ‘corrupt’ and in this way every critic of the government will be silenced and put behind the bars. For Abubakar, this strategy is dangerous as it entails grave consequences for democracy to thrive in the country. Osama in his essay, published in Herald, states that throughout his political career, Imran Khan preached idealism, perfect future, prosperity and fighting the corrupt elements. Once, he became Prime Minister, most of his cabinet members are those who left other political parties and joined PTI just for the sake of power and these members have failed him miserably. He did not fulfil the hope which he had given to the people. Similarly, the followers of the PTI are too blind and they readily believe whatever is told to them and they defend anything the party leaders claim. The followers often criticize and abuses the critics of the party’s approach. The author raises questions on the leadership of Imran Khan as he is unable to handle the country on many fronts. Post (2009) in his detailed analysis, discussed the speeches of the presidential candidates during 2008 US Elections. The authors applied CDA in order to analyse speeches of Barak Obama, and John McCain. The author concluded that both the politicians’ statements during the election campaign and their actions are contradictory. They employ certain linguistics terms and tools to persuade people and convince them so they can get higher number of votes. The kind of vocabulary that they employ is quite well-picked. The author concludes that this approach is extremely fruitful as the voters are persuaded by the charming language and linguistics terms. In his research article, Fronkwa (2015) investigated and analysed the vital role of national newspapers on the issues that are related to state policies such as budget. The researcher concludes that newspapers’ approach completely changes from objectivity to subjectivity when the issues are related to budget. Most of the newspaper report according to their own agenda and this coverage is mostly negative and it agitates common citizens of the state.

Methodology
Qualitative approach has been used in this research study. The theoretical framework used for this study is Critical Discourse Analysis (CDA) developed by Vvn Dijk & Norman Fairclough (1993). Wodak & Meyer (2009) state that CDA is a multidisciplinary in its nature. According to van Dijk (2001) CDA primarily concerns itself with the problems of society and ‘…especially on the role of discourse in the production’ (p. 96). “Discourse” as defined by Oxford Advance Learners Dictionary (OALD) is “a long and serious treatment or discussion of a subject in speech or writing”. Discourse is employed to persuade the audience, to attain strong position and to dominate intellectually. According to Rogers (2004) CDA is quite different than other methods of discourse analysis as it is not only descriptive and interpretative but at the same time offers to answer the questions of why and what (p. 3). It can be also said that Discourse can be employed for dissent and for criticism as well. Luke (1997), in this regard, states that “Given the power of its written and spoken word, CDA is necessary for describing, interpreting, analyzing and critiquing social life reflected in text’. Additionally, Fairclough (1993) contends that “CDA strives to explore how these non-transparent relationships are a factor in securing power and hegemony, and it draws attention to power imbalance, social inequities, non-democratic practice, and other injustices in hopes of spurring people to corrective actions.” The researcher employs CDA to analyze, interpret the theme of totalitarianism and false hopes given by the elite in Animal Farm with the current ruling party and its politics in Pakistan. This study is an effort to find similarities between the two; in exercising their power during the governance.

Analysis
Question: In what ways the elite class manipulate the masses both in Animal Farm (1945) and the political leaders?
Orwell’s Animal Farm is satirical in nature as it criticizes communism for its ideals and practices. There are certain characters such as Old Major and Napoleon who represent historical figures of the movement. Old Major, a powerful and a sly pig, proposes a rebellion against the farm owner. His ultimate aim is to have a better and free future where everybody is equal. He says “Man is the
only real enemy we have. Remove Man from the scene, and the root cause of hunger and overwork is abolished forever” (Orwell, 1945, p. 28). The idea of better future was exhilarating for the rest of the animals as it gave them hope to be free and equal one day. The animal had never imagined anything like this before even in their dreams. They liked the sound of it and they totally accepted the idea presented before them.

Another debated point was whether to consider rats and rabbit as their allies as Major asks:

..here is a point that must be settled. The wild creatures, such as rats and rabbits— are they our friends or our enemies? Let us put it to the vote. I propose this question to the meeting: Are rats comrades?” The vote was taken at once, and it was agreed by an overwhelming majority that rats were comrades (Orwell, 1945, p. 30-31).

Old Major’s death left a hole to fill. Snowball and Napoleon were two strong candidates to take his place and run the Animal Farm. Both Snowball and Napoleon wanted the position of power so the race became intense as both of them claimed their right to the position. They used different tactics to take advantage and defeat the other. In order to fully convince masses and to crush Snowball, Napoleon declared that Snowball is responsible for the demolition of the Windmill in Animal Farm. This tactic got Napoleon his desired result and masses believed his propaganda as Napoleon says “Comrades, do you know who is responsible for this? Do you know the enemy who has come in the night and overthrown our windmill? SNOWBALL!” (Orwell, 1945, p. 77).

Napoleon was quite sly as he understood the importance of fake news and the impact of propaganda on commoners. After this successful attempt, Napoleon made it his habit to mislead masses. On another occasion, Boxer is hurt and there a van to take him away, Napoleon again lies to the animals. Benjamin warns his fellows that “they are taking him [Boxer] away to the knackers!” (Orwell, 1945, p. 116). Everyone is worried after that and questions about the van but Napoleon’s supporter is too smart for them as he makes them guilty to even question Napoleon leadership. Squealer tells them “The van had previously been the property of the knacker, and had been bought by the veterinary surgeon, who had not yet painted the old name out. That was how the mistake had arisen.” (Orwell, 1945, p. 118). Napoleon time and again uses Squealer to convince masses and make them believe in his leadership. In the beginning, he tries to scare them that “If the pigs fail, then Jones would come back” (Chapter 3, p. 51). Napoleon was aware of the fact that nobody wished to Mr. Jones back as he was a drunkard and a cruel master. They used their fear to his own advantage to easily convinced everyone.

Boxer was a hard worker and he spend his whole time for Handworkers such as Boxer were easily manipulated by the likes of Napoleon and his dodgy supporters. Boxer believed till the last breath that the only hope is to blindly follow Napoleon.

‘Napoleon is always right’ Boxer (chapter 5, p. 66). Napoleon had Squealer by his side who was a sly customer as he propagated for Napoleon and manipulated animals easily. He reminded them time and again that Napoleon is their only choice for a leader. He told them after Boxer’s death that: No one believes more firmly than Comrade Napoleon that all animals are equal. He would be only too happy to let you make your decisions for yourselves. But sometimes you might make the wrong decisions, comrades, and then where should we be? Squealer (Orwell, 1945, p. 66).

He knew that the animals were highly impressed with Boxer’s dedication to the great cause and he played it to perfection as everyone agreed to work harder and harder under the leadership of Napoleon without questioning him. On the other hand, if we compare the Animal Farm with the Pakistani political scenario, there are numerous examples that can be found that validates the notion that such strategies were applied that convinced, and manipulated masses to gain their trust. The politicians have many members who gave hope to the masses of a bright and a fair world. The slogan of the current government was ‘Tabdeeli’ roughly translated as ‘Change’. The aim was to build a Pakistan that is corruption free. Esteemed member Umar, A. (personal communication, Jan 31, 2016) stated that “petrol price without taxes is Rs.46.8 and taxes (PDL+GST) on it are Rs.24.5 so the total tax on petrol is now equal to 52%” when he was part of
the Opposition party. Ironically, when Asad Umar became Finance Minister, he failed to successfully implement his suggested plans. In fact, the prices were increased. Ironically, he not only increased the petroleum prices but also defended the move. (Kiyani, K, April 2, 2019). Another PTI leader, Murad Saeed, who is quite enthusiastic, is hailed for his remarks against opposition parties. During a speech he promised that as soon as Imran Khan becomes Prime Minister, all debt would be paid the next day to IMF (Network, BOL. 2016 May, 31). This was, of course, a sentimental narrative that led masses to believe that Imran Khan is the only savour. Imran Khan himself is an admirer of Riyasat e Madina. He promises to make the state Riyasat e Madina – a state that is ideal for everyone. (Dawn, 2018, July 26). His vision and his practices as Prime Minister do not match as his government has so far failed to deliver on numerous occasions e.g., wheat crisis, sugar crisis, inflation rate, currency losing its value against US Dollars, dip in GDP growth etc. He vowed to not take loans from IMF, rather he would commit suicide. His government did go to IMF for 6-billion-dollar loan (Mulla, 2019). The politics of sentiment sells and it sells well. The masses truly believed that all other parties have lost their credibility and PTI is their only chance. The slogan Tabdeeli i.e. Change was popular among the masses and it led them to vote for PTI. The result, though, has been a disastrous one like Animal Farm (1945).

Q2. What are elements that are common both in Animal Farm and present political scenario?

After taking oath as a Prime Minister of Pakistan, Imran Khan in his first speech to the nation, made many promises and vowed to deliver (August, 2018). He promised to make Pakistan an exemplary state like Riyasat e Madina, which was based on equality, justice, truth, brotherhood and piousness where rulers lived among the masses and had not special treatment. He vowed to chase corrupt politician and jail them. He told the nation that Governor Houses will be open for public and Governors will not live there and that a university will be established in the Prime Minister House. He lashed against the previous governments for taking loans from IMF and other countries and promised that unlike them, he will not take loans at all cost. He also welcomed positive criticism in order to steer the country in right direction. All things look pretty when it is a idea, but problem arises when an idea is test in reality. This is what happened to ‘Tabdeeli’ and ‘Naya Pakistan’. Most of the promises that Imran Khan made, have not been fulfilled. For example, the government took 6 billion dollars loan in their first year (Malik, 2019). The government jailed opposition members without following proper rule of law. Governors still reside in Governor

Houses and Prime Minister House remain PM House and it is not turned into a university

The current government has so far failed to deliver on its promises that were made to the people. The party leader, Imran Khan, now Prime Minister of Pakistan, has always been against taking loans from other countries and IMF. In theory, this stance and narrative was a success as people cheered for him as it was promised to them that everything would be fine once their rule starts. In practice, things have been different. After taking the oath, the present government have taken loans from Saudi Arabia, and IMF (Rana, Shahbaz 2019 July 23). Napoleon in Animal Farm, always assured the masses that everything will be perfect and that there a golden era just round the corner for all. In theory, it was fascinating and exhilarating but in practice it was a disaster. When things went south, Napoleon blamed his critics and opponent, Snowball, for the failure just like Pakistan government blames everything on Mian Nawaz Sharif, leader of the opposition party PML-N. Imran Khan time and again states that he will never stop chasing Nawaz Sharif.

Boxer, is the most hard-working individual Animal Farm as he blindly trusts Napoleon, and works for the greater future of the farm. He truly believed in Napoleon’s leadership as he says “Napoleon is always right,” (p. 66) and his own motto that “I will work harder” (p. 66). When Boxer is injured, a truck comes in and he is carried away in it. The truck had a banner attached to it which and inscribed ‘Slaughter Horse’ on it. It is noticed by Napoleon the animals may find it doubtful so he tricks them. Napoleon tells other animals the truck which has taken away Boxer was formerly used in a slaughterhouse but now it is part of a hospital and is used as an
ambulance. Animals saw and witnessed everything with their own eyes yet they believed Napoleon and his followers (Chapter 9, p. 118). This goes on to show the power of narrative as propagated time and again. Similarly, the popular leader of PTI, Asad Umar, once tweeted that then government of PMLN is robbing people by adding surcharges to the fuel prices. He blamed government for the failure of economy and promised that he would take it in right direction once his party wins the general election. His wish came true and PTI won the election and he became Minister of Finance. His approach and policies were not popular among his own party so the party leadership decided that Asad Umar is not capable enough to run the economy so he was officially relieved off his position as a Finance Minister on April 18, 2019. This came as a surprise because the whole party and their followers had strongly advocated for Asad Umar’s wizardry, yet they did not object to his removal as they defended this with the counter argument that Imran Khan knows best and whatever he does, is for the best, the way Boxer always maintained that ‘Napoleon is always right’ (Chapter 5, p. 66). Squealer was the one who chiefly propagated for Napoleon. He used various tactics to convince all that Napoleon is their only savior. Squealer paved the way for Napoleon as he would convince people with his charming words. When the Windmill is destroyed, Napoleon decides to not let anyone vote. He snatches their right to cast vote. This step seemed impossible to defend but Squealer succeeds in not only defending the move, but also justifying it that this move is for their own good (p. 119). Squealer convinced them that Napoleon is always right and that he has done everything for their cause (Orwell, 1945, p. 85). This blinding following of Napoleon is applicable to the current political scenario. The followers of PTI believe that the party leader Imran Khan is always right and whatever he does, is best for the country and people. The other party leaders tend to agree with the sentiment and pave way for him. They praise him and manipulate people’s opinions. In this regard, we can say that there are many characters like Napoleon and squealer. Some do the propaganda and others reap its reward and anyone who questions them, is a traitor. As a political leader, Imran Khan has a massive numbers follower. The followers of Imran blindly believe in him. His political aides are also his staunch followers. His party members, Naeem ul Haq, Murad Saeed, Jahangir Tareen, Shehryar Afridi, Ziaullah Bangash, registered their allegiance on the social media app, Twitter Imran Khan’s decision. Same is the case with other political parties, PML (N) and PPP, where the party leaders Nawaz Sharif, and Bilawal Bhumto Zardari, are considered perfect political leader who cannot do any wrong. Napoleon and Squealer used media to their own advantage and as they spread fake news to convince masses. They also censored news and information that did not support their narrative and simple imprisoned such animals. In today’s Pakistan, the situation is same as media is under immense pressure. The government is censors those media outlets that speak out against government’s policies. The government does not like to dissent as many journalists, who have been vocal against their governance, have lost their jobs. The ruling party’s official twitter handle @PTI tweeted names of the journalist who in one or another way are against the ruling party’s strategies. These journalists were then viciously targeted by the party’s followers (The Current, Dec 3, 2020). These journalists were labeled as ‘Ghaddar’ ‘Indian Agents’ etc. This shows that the ruling party does not tolerate criticism in any way. The economy of Pakistan is not doing great as was the case in Animal Farm (1945). When animals started building Windmill, they were told that it would be great for the farm economically and that it would generate revenue. PTI maintained the same narrative that once they take oath, the country would be in safe hands and they would hold corrupters accountable. The government did not improve the economic conditions so they persisted with the successful tactics of blaming the previous governments and their corruption. Masses are fine with opposition leader being jailed as they see this success of the party. The problem is that the government is ignoring the corrupt elements within their own ranks which again is similar to the only commandment in Animal Farm (1945) that “All animals are equal but some animals are more equal than others” (chapter 10, p. 126). Most of the current party leader left their previous parties to become members of PTI and their act to join PTI were hailed. One such political figure Firdous Ashiq Awan was part of Pakistan Peoples Party (PPP) for greater part of her political career, left and
became a member of Pakistan Tehreek-e-Insaf (PTI) (Tribune, 2017 May, 30). Asad Umar joined PTI in 2011 (Tribune, 2012, April, 18) Usman Buzdar, Punjab CM, in 2018, Mehmood Khan, Khyber Pakhtunkhwa CM, in 2017 and Shah Mehmood Qureshi, current Foreign Minister of Pakistan, joined PTI in 2011 (Tribune, 2011, November, 11). For most of his political career, Imran Khan severely criticized such politician and always maintained that such politician is the root cause for the failure but now that such politician have boosted his party, they are considered ideal. Like Animal Farm (1945) as long as one agrees with the ruling class, everything is forgiven and forgotten.

Conclusion
George Orwell in Animal Farm (1945) relentlessly criticized Communism. He used allegory and fable for his criticism. Orwell (1945) criticized those who highjack a movement/idea and use it for their own interest which is what happened in Animal Farm (1945). The same kind of characters can be found in contemporary Pakistani politics as most of the politicians look after their own interest. They manipulate and mislead masses and play with their sentiments in order to attain their own agendas and group. The current government is not different in this regard. The way Napoleon took over and his totalitarian regime was the reason that Manor Farm was ruined. The politician and stakeholders of the state need to ensure that they deliver on their promises. In case, they face difficulties, the stakeholders need to be honest with their fellow countrymen. This is particularly not applicable to a single political group but it is generally applicable to all the political parties of the country. It is, the only possible way for a country to become successful in all regards be it economy, political stability, security, regional peace, peaceful coexistence and the standard of life of an individual.

References
Acar, Y. Corruption of power by media in animal farm. Academia.edu
Rana, S. (2019, July 23). Pakistan borrows record $16b in just one year. The Express Tribune
Kiyani, K. (2019, April 2). Finance minister defends increase in petroleum prices.
Agency in Computer-Assisted Language Learning (CALL): Learning to Use Language for a Sustainable Post-COVID-19 Society

*Riaz Hussain*, Assistant Professor, Dept. of English Linguistics, The Islamia University of Bahawalpur, Pakistan
Usman Ilyas, M.Phil Scholar, Department of English Linguistics, The Islamia University of Bahawalpur, Pakistan
Aisha Ilyas, Associate Lecturer, Department of English Linguistics, The Islamia University of Bahawalpur, Pakistan

Corresponding author’s email address: dr.riazhussain@iub.edu.pk

**ARTICLE DETAILS**

**History**
Revised format: Aug 2021
Available Online: Sep 2021

**Keywords**

**JEL Classification**
Z13, Z19

**ABSTRACT**

**Purpose:** Against a background of educational world hampered by the pandemic of COVID-19, the current study aimed to explore ESL learners’ perceptions about the potential of Computer-Assisted Language Learning in helping them create and share knowledge for a sustainable Post-COVID-19 society.

**Design/Methodology/Approach:** The current study followed Quantitative approach with exploratory research design. A close-ended questionnaire designed and piloted by the researches was distributed among 100 ESL learners pursuing their studies at the department of English, the Islamia university of Bahawalpur and the department of English, the Government Sadiq Egerton College Bahawalpur.

**Findings:** The findings of the study reveal that 71% of the respondents are not aware of the novel concept of ‘agency’ in Computer Assisted Language Learning (CALL) and education. However, the results show that 80% of the respondents are aware of the importance of the ESL learners making linguistic, communicative and interactive contributions in real life and the potential of computer technology for sustainable L2 development.

**Implications/Originality/Value:** In Pakistan there have been done few studies on the aspect of “agency” in Computer Assisted Language Learning (CALL). The findings imply that since most of the learners are unaware of the concept of “agency” in CALL, therefore, ESL teachers should acquaint ESL learners not only with the dynamic concept but also with the novel practical applications of the concept.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0

Introduction

Traditionally, a sustainable society is a society in which energies are not misused, environment is not damaged and resources are not overworked. Coomer (2014) argues that human quest for a sustainable society entails a continual evaluation of political, social and economic aspects. Thus, in the post-COVID-19 world we need to redefine our sustainable society amid newer fears. The same is the case with sustainable learning. Usually, a sustainable learning is learning in which healthy learning takes place and knowledge is co-created and shared in the community. In this type of learning, teachers and educationists are self-reflective and adoptive to the transformations taking place. In this background, the concept of agency in Computer-Assisted language learning offers us tools and insights with which we can translate into practice the concept of sustainable learning. The importance of these soft tools gained momentum in the wake of COVID-19 pandemic. The world witnessed how schools, colleges and universities were closed and students had to learn from their homes. The threat of pandemics still looms large on us. Hence, there is a need to stand with the newer definitions of sustainable society and sustainable learning in the post-COVID-19 world. While the world intellectuals try to find new definitions of sustainable society flanked by viruses and pandemics, it is the duty of linguists to find newer tools of language learning and teaching. Amjid, Hussain & Siddiq (2020) and Asgher and Hanif (2021) have already discussed the importance of digital technologies for language teaching and learning in Pakistan in the pre-COVID-19 and post-COVID-19 world. But, still there is need to further explore the topic from the perspective of agency in Integrative CALL.

The use of latest technologies in the classroom offers interesting opportunities for the learners to construct meaningful connections with the real-world. Integrating the connections of the outside real-world with the learning plan, assist the students to make sense of their learning. In this way they can realize why and what they are actually learning and how this learning can be valuable outside the classroom. This approach is suitable for every single curriculum in order to enhance engagement in the process of learning as learners acquire helpful insights into real life applications of the skills they are being taught.

Learning a second or a foreign language is not an easy task, however, technology has revolutionized the process of second language learning (Levy, 2009). Technology has transformed the way we acquire languages. Gone are the days of pouring over textbooks and massive bilingual dictionaries to learn a second language. There is a paradigm shift in the instruction framework of second language learning with the use of multitudinous tools and latest technology. Innovation in the field of language learning has propelled the learners as well as the instructors to shift from the traditional methods of language learning towards more advanced and learner-centered approaches. In the learners-centered approaches to language learning more focus and attention is given to the autonomy and self-sufficiency of the leaners by connecting learning to the real-life situations. Connecting classroom learning with real life can encourage creativity, enhance learning and make students independent leaners. By linking classrooms to the globe, educators can show the significance of topics and provide learners with a vision of what is feasible-offering a useful structure for educational and personal growth.

Computer-based language learning operations provide a wealthy context for organized learning and alternative techniques of teaching. Bringing content to life through textual and images means such as podcasts, newsfeeds, and video streaming, connects the classroom to a wider globe. Interactive technology in education promotes the active participation of the students and they can regulate their own learning by empowering themselves with the latest language learning tools and by taking notice of what is happening in their surroundings. Taking advantage of latest technology is a good approach to ignite student’s willingness to learn language across their all academic levels. By using the technology ESL learners can practice their own learning independently thus, achieving high language proficiency.
The concept of agency occupies a central position in instructional studies. The idea behind agency is that education should enable the learners to become self-sufficient and independent thinkers, forming the basis for self-directed action. This concept has a profound impact on recent educational theories and practices. In the past few years, there was a serious debate regarding learner-centric approaches to education. These all aspects are linked with the notion of learner but the notion of agency goes deeper than this.

**Agency in Education**

Society imparts education to children for better development of society. According to Biesta and Tedder (2007), the root of the term ‘agency’ can be found in legal and commercial register. In legal and commercial language, a difference is drawn between ‘principal’ and ‘agent’. In legal and commercial discourse, agent is granted the capacity to act autonomously on behalf of the principal. Furthermore, in social sciences, agency is defined as ‘the capacity for independent social action’ or ‘the capability to work autonomously of restraints of social structure’ (Biesta and Tedder, 2007). Let us further explore the idea further in the light of opinion of experts.

“Agency is the capacity to act in the world.” (Heuman, 2014). Heuman refers to capacity to meet challenges in real world. ‘Agency can be defined as ‘the sociocultural mediated manner to act’ (Ahearn, 2001). It means society and culture play their role in preparing an individual for his/her contribution in society.’ ‘Individual agency—the capability to create, produce, or generate and make a significant difference in societal practices.’ (Stetsenko, 2005). Agency is one of the most basic and essential trait of universal human behavior and it has been defined as an individual’s determination and ability to act (Gao, 2010). Agency refers to the ways people act and interact within sociocultural settings (Blair, 2009). Agency is, according to Bruner (1996), ‘captivating more control of one’s own mental activity’ (p. 87). The capability and aptitude to make choices, to make use of various approaches, and to generate frames that allow understanding are ‘key concepts of the agentive approach to mind’ (p. 93). Moreover, Swanwick (1999) explicates on Bruner's concepts, explaining agency as ‘the natural drives that endures spontaneous learning: inquisitiveness; a yearning to be competent; a desire to outdo others and a requirement for social interactions’.

In the field of education, learners’ ability to work independently seems to have always been the priority of educationists in making educational policies, designing curriculum, designing teaching learning materials and setting educational goals. Biesta and Tedder (2007) find the origin of agency in education in the enlightenment and in the views of Immanuel Kant. According to Elder, Kirkpartrick & Crosnoe (2003), the notion that education should support people in developing their aptitude and abilities for agented and self-directed act has been a deep-rooted philosophy in Western societies since the age of Enlightenment. In this background, the researchers tried to find out the answer of the following research question.

**Research Question**

1. What are learners’ perceptions about “Agency” in Computer Assisted Language Learning (CALL) and its different aspects?

Since agency in integrative CALL is related to computer-based language teaching, the researchers thought it germane to focus on technology and language in sieving the literature.

**Literature Review**

In the following the researchers give review of relevant literature. The literature relevant to the above-mentioned question focuses on origin and development of CALL.
What Is CALL?
CALL is defined as “the quest for and study of applications of the computer in language learning and teaching” (Levy, 1997: 1). The fundamental point of CALL is to discover approaches to utilize computers for the purpose of language learning using interactive media, CD-ROM, Software packages and web applications. CALL is differently known as Computer-Assisted Language Instruction (CALI), Computer-Aided Language Learning (CALL), and Computer-Enhanced Language Learning (CELL). The initial two terms for the most part allude to computer applications in language learning and instructing.

Importance of Call
CALL has restructured the process of language learning. It would now be said that Computer Aided Language Learning has become the new normal and that we are currently entering a completely coordinated and naturalized period of CALL (Reinders and Thomas, 2012). CALL has advanced into the standard instructing of Language learning, broadly and globally, and the eventual fate of CALL is straightforwardly identified with language education (Hubbard, 2008). Various researchers found that learners utilizing CALL have performed better as compared to their fellows who never made use of CALL (Chapelle, 2001; Warschauer, 1997).

Bush (2008) concludes that computer not only facilitate teachers in language teaching but also aids students in learning the language. Modern technology has changed the traditional teaching methods as well learning techniques. It has transformed the learning methods from the traditional approaches to more modern techniques where students can learn the language in a comfortable environment with games, activities and hand-on practices. These modern learning approaches enable the students to practice their target language in situations that re-create real-life situations (Bush, 2008).

There are countless reasons why ELT instructors should use CALL. According to Pennington and Steven (1992), computers can share exercise skills by making educators more proficient and give extraordinary help to the student even without the nearness of the instructor. New advancements have seen computers quicker, and simpler for the instructor to utilize. According to Felix (1998), advancements enable computers run sight and sound applications, fusing video, sound, and content, and this limit enables the student to interface with both the program and other learners. Moreover, computer offers incredible adaptability for the pacing of picking exercises and substance to suit individual learning styles (Levy, 2009).

Agency in Call
The fundamental aim of integrative CALL is to foster the learner’s agency (Warschauer, 1996). In the present study the term “agency” is taken as “the ability of individual beings to make choices and act on these choices in a way that makes a difference in their lives” (Martin, 2004, p.135) and which is socio-culturally, contextually and interpersonally mediated (Mercer, 2011). In order to carry out intentional actions, learners can use their motor and/or sensory systems (Bandura, 1999) and/or language (Austin, 1962). Pedagogical activities, like information-gap, role-plays or quests are performed with technology. These tasks involve learners to receive or articulate language (both spoken and written) and also intercede with several visual, textual and audio screen-based resources.

Agency includes the learner's initiative or self-regulation. Before learners can practice agency in their own specific learning contexts, they are supposed to believe that their behavior and learning strategy will actually make a difference for them in language learning. Moreover, agency is symbiotic. It mediates and is mediated by the sociocultural context of the classroom. It does not mean that learners are alone and they are doing whatever they want to do or whatever suits them. Learners must have the awareness that their choices and decisions may have the consequences
(levy, 1997). Furthermore, agency also includes the awareness of the fact that learners should be able to take responsibility of their own actions on the surroundings and on others. So, there’s a social connectedness kind of dimension to every choice a learner makes and every action she or he takes will have an effect on other people's thinking, behavior or choices and vice versa.

Figure 1. Agency; connecting learning to real life.

Research Methodology
The following paragraphs discuss important points of research design, research methods and data analysis tools followed and used in this study.

Design of the Study
Research design is a framework of methods and techniques chosen by any researcher to connect the different components of research in a logical manner so the research question can be effectively addressed. It offers perspectives on how to conduct research using a specific methodology. The research design of this particular study is non-experimental and simple exploratory at the same time.

Methods
This study employed a quantitative research approach as it made use of the principles of quantitative approach, therefore; a quantitative tool i.e. close ended questionnaire was used to acquire more objective and generalizable results.

Selection of the Population for the Study
The concept of agency seems to contain elemental interactivity. Therefore, learners with better learning were required for this study. In this context, researchers selected MA level because their learning abilities seem to be far better than the learning of intermediate and graduation levels of students. Population of this study includes students of MA English studying at The Islamia University of Bahawalpur and Government S.E College Bahawalpur.

Data Collection Tool
Data collection tools are the pillars of any research study, so to speak. A questionnaire comprising of close-ended questions was used in this study to gather the desired data. This tool had a two-fold benefit for the researchers. Primarily, maximum amount of data was gathered in a short time span. Furthermore, this tool helped the researchers to control the irrelevant variables. Hence, make the results more reliable and valid. The data was collected from 100 students. The questionnaire was designed in simple and easy language so that the participants could fill it easily.

Data Analysis
In this research, quantitative approach was followed by the researchers to collect the data. The gathered quantitative data was then analyzed in order to arrive at the findings with the help of SPSS version 22; calculating percentage, frequency, valid percent, and cumulative percent. The
significant variables in the demographic information included age and gender. The reliability and validity of the questionnaire was considered important and determined by using SPSS version 22. The reliability of questionnaire was 87.3%.

**Reliability Statistics**

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.873</td>
<td>53</td>
</tr>
</tbody>
</table>

Table 1. Reliability of Questionnaire

**Results and Discussion**

The following graphs show the finds of the study. They contain frequencies of responses of the ESL learners who participated in the research.

Computer not only enhances the learning skills of the students but it also helps in creating new ideas and thoughts among the language learners of different age which is directly related with creativity. Out of 100 respondents, 32% of respondents strongly agreed, whereas, 48% agreed, 17% were neutral and 3% of the respondents disagreed to the statement. Basic aim behind this query is to check interest of language learners towards computer learning.
Use of computer is increasing with the passage of time in all the domains of language learning. Primary reason behind this question is to investigate if computers provide more control to its users. The analysis of the questionnaire showed that 26% of the respondents strongly agreed while 54% of the respondents agreed. Moreover, 13% of the total respondents were neutral and 7% showed disagreement. The responses show that the usage of computer gives more control to individuals in learning.

With computers in hand, learners become responsible for their own learning and they experience a great deal of autonomy and independence. When asked about the role of computers in making students independent; 31% of respondents strongly agreed whereas, 48% agreed to the above statement. 15% of respondents were neutral, 5% chose “disagree” and only 1% of the total respondents strongly disagreed to the above statement.
When the learners were asked if Computer-Assisted language learning (CALL) aids them in relating their learning to the outside real life. 26% of respondents chose “strongly agree”, 47% agreed, 22% of the respondents were neutral, 3% disagreed whereas, only 2% of the respondents strongly disagreed to the above statement. The response rate shows that a majority of respondents thought that CALL helped them to connect their learning to the real life.

When the learners were asked if Computer-Assisted language learning helps them become active they shared the following responses; 25% of the respondents selected “strongly agree”, 52% of them agreed, 17% remained neutral and 2% disagreed. The responses imply that CALL is useful for learners in so many ways as it aids in learners become active.
The term “agency” in the integrative CALL is new for most of the respondents who filled the questionnaire. The responses show that at the time of the filling out of the questionnaires the respondents didn’t know about the concept of agency. When researchers asked them about it, only 20% of the total respondents strongly agreed to the statement, 51% of them agreed, 24% were neutral and remaining 5% disagreed to the statement.

Integrative CALL helps and motivates learners, at the same time, CALL offers tools to learners so that they can connect their learning with the real life in the global village. Respondents shared the following responses as it can be seen in the figure 8; 26% of the respondents chose “strongly agree”, 57% of the respondents agreed, 12% of the respondents remained neutral and 4% of the respondents disagreed to the statement.

Active learners are more autonomous and self-sufficient therefore, there are so many online web-based tools are present that can help active learners to practice their agency. Learners were asked about the statement if web based online tools could assist active learners to practice their agency. In response of this question, 25% of the respondents opted “strongly agree”, 53% of the respondents selected “agree”, 18% remained neutral and 4% of the learners disagreed to the statement.
Weblogs are the pages on the internet that can motivate and arouse interest among learners. It can ignite the element of creativity in the learners. Learners were asked if blogs could ignite the creativity in the person. In response of this question, 34% of the respondents opted “strongly agree”, 47% of the respondents selected “agree”, 17% remained neutral and only 2% of the learners disagreed. A majority of the respondents believed that blogs increase productivity and creativity of the language learners.

Learners can access the internet any time to advertise their work, text and the multimedia. Learners were asked for their responses about the statement; “Learners can access the web to publish their own texts or multimedia materials”. In response to the above statement, 31% of the respondents opted “strongly agree”, 48% of the respondents selected “agree”, 20% remained neutral and 1% of the respondents disagreed to the statement.
Lack of any skill may cause a serious issue for a learner similarly if a learner has limited digital skills so there is a chance that lack of these skills may stop him from accessing digital education. In response of this statement, 36% of the respondents selected the “strongly agree” and 50% of them agreed and “neutral” was selected by 10% and 4% selected “disagree”.

Conclusion
Sustainable learning prepares learners for productive contribution in society. In sustainable learning, knowledge is co-created and shared in society. Agency helps us realize the concept of sustainable learning in the post-COVID-19 world.

This study focused on learners’ perceptions about their own independence in learning, connecting classroom learning with real life, and contributing to their culture and society linguistically. The concept of agency in education and CALL refers to learner’s ability to make contribution in real life. In Pakistan, little research has been done on this aspect of integrative CALL--agency. In this context, a questionnaire was designed to know about learners’ perceptions about the potential of CALL to connect classroom learning with the real life or the aspect of agency.

71% of the respondents didn’t know about the concept of agency at the time of filling out the questionnaire. 86% of the respondents believed that lack of digital skills in global village might prevent them from accessing digital education. The learners were also aware of the importance of CALL in creating links between classroom and real-life. Lack of digital skills, in this digital post-COVID-19 age, means staying away from the latest information. 87% of the respondents thought that learners’ contribution in knowledge should be for the public. 78% of the respondents believed that internet offered platform for publishing their own views and text. 81% of the respondents were of the view that Blogs could provide them with medium to produce their own creative stuff. 83% of the respondents agreed that CALL offered them tools to learners to link their learning to the real life. 69% of the respondents were of the opinion that CALL helped to make learners active. 83% of the respondents were of the view that CALL helped learners to link the learning with real life. 80% of the respondents agreed that use of computer gave them more control on their studies. 50% of the respondents maintained that computer enhanced the creativity of the learners. 92% of the respondents were of the opinion that computer offered platform for better language practices. The learners believed that computer could be used not only for language learning but it can also be used for connecting to real life.

Thus, the ESL learners have positive perceptions about the potential of CALL in helping them make linguistic and communicative contributions for a sustainable post-COVID-19 society. The findings imply that ESL teachers should acquaint ESL learners not only with the dynamic concept but also
with the novel practical applications of the concept.

References


The Mediating Relationship of Political Skills between Political Personality Traits and Career Success of Educators in Punjab, Pakistan

Muhammad Farooq Rehan, Assistant Professor, College of Commerce, Government College University, Faisalabad, Pakistan
Raheel Mumtaz, Assistant Professor, College of Commerce, Government College University, Faisalabad, Pakistan
*Quaisar Ijaz Khan, Assistant Professor, College of Commerce, Government College University, Faisalabad, Pakistan
Samreen Iqbal, M. Phil Scholar, College of Commerce, Government College University, Faisalabad, Pakistan

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

ARTICLE DETAILS

History
Revised format: Aug 2021
Available Online: Sep 2021

Keywords
Political Personality Traits, Political Skills, Career Success, Punjab, Educators

JEL Classification
P16, P26

ABSTRACT

Purpose of the Study: The study explored a unique framework developed from social cognitive career theory by hypothesizing the mediating relationships to test.

Design/methodology/approach: The statistical model measured mediating relationship by using SPSS version 23 and Process version 4.0 to summarize the findings. Total 400 questionnaires were distributed in different secondary schools of Punjab, Pakistan from which 317 were returned and 289 were found fit for analysis. The study is cross sectional in nature and data were collected physically and online as well through self-administrative questionnaire.

Findings: The results can be generalized as all the secondary schools follow the same rules and regulations. As for the results are concerned the mediating relationship of political skills between political personality traits and career success is significant.

© 2021 The authors, under a Creative Commons Attribution-NonCommercial-4.0


Introduction

Teacher is a person who devotes his time towards the academic and professional development of student for becoming a leader in his future. In Pakistan teachers have to face many problems that become a hurdle on their carrier growth or success. Management wants to take different work other than the workload of teachers (Alsughayir, 2021; Ilyas & Rafiq, 2012). Teachers bear a lot of stress and workload of school which is a very critical issue in this regard. Extraordinary efforts
expected from teachers by the management authorities shows negative results when teachers became unable to show them performance according to the wishes or expectations of the management (Akhtar & Kalsoom, 2014; Karuhanga, 2015).

Some important problems are given such as favoritism is a major cause that becomes very common now a days in private and government institution. It means to favor the person for job who is familiar and favorite to the management (Alfes, Shantz, Truss, & Soane, 2013; Azeem, Rubina, & Paracha, 2013; Javed, Abrar, Bashir, & Shabir, 2014). In this regard non-capable persons will hold the jobs as compared to deserving and capable person. It will also affect the working environment conditions in an organization because relation will exist there (Bashir, Bashir, Rana, Lambert, & Vernallis, 2021). Pay scale and salary slab is also another problem. Every teacher or employee in teaching organization must think that he or she might have handsome amount as a reward. Low packages will demotivate employee and it may in return enhance the chances of turnover (Chunyu & Liping, 2021). It will become difficult to hold or retain employees. Salary slab must be focused because it will enhance the performance and business activities as well as the reputation in competitive market (Masood, 2019).

Another issue in this regard is that increment on salary is not according to the requirement of teacher. A new comer teacher’s salary will be high as compared to old ones. This shows a negative impact on old employee, he or she will demotivate due to this discrimination (Imran, Arif, Cheema, & Azeem, 2014). Over workload and stress is a major issue regarding this situation. The strict and hard rules designed by the principal and management when imposed on employee it will leave a negative impact on staff because it have been noticed that if these rules followed by management or principal what will happen? are they willing to follow or obey these hard rules for themselves or they should be considered that these persons are human being and they need some rest and friendly working environment (Nayyar & Naqvi, 2013).

Sometimes parents are directly blamed the teachers that they are liable for the enactment of student, and they thought teachers don’t have right to say something harshly to the students basically parents must have vision of that teachers are also spiritual parents of students. The basic purpose of this attitude of teacher is to guide the student to become a responsible citizen (Nelofer, 2013). Organization justice if positive it will prove best for employees and if it becomes negative it will destroy the peace in an organization. Merit based judgment will discriminate the high performer and low performer (Lee & Lee, 2015; Pak & Kim, 2018).

Friendly working environment can play a vital role in any organization because it is a condition where employee can work easily. Because in this environment employee can work with great passion and enthusiasm. He or she can work with free mind and out of stress. Another advantage is that he or she can communicate his or her employer or management easily (Saher, Bibi, Farmanullah, & Abbas, 2014).

However, the teachers’ satisfaction from his own work is important and the career success of the teacher is desired and necessary for organizations as well as for the individuals. As the success of an individual contributes towards organizational success. (Quaisar, Shukor, & Soffian, 2016a).

Therefore, the study intends to reinforce the mediating relationship of political skills between political personality traits and career success of educators working in Government owned schools.

**Review of Literature**
The purpose of this section is to analysis present theoretical as well as empirical literature that analyzes the factors that influence careers. The review seeks to find and show the progression of
Sustainable Business and Society in Emerging Economies

Vol. 3, No 3, September 2021

literature in career success from an organizational political perspective. This review has been conducted to provide the background knowledge essential for this research and try to identify the gaps in the literature that require further research. Furthermore, this literature review also attempts to conceptualize, find, and show the progression of studies in the area organizational politics and to identify the antecedents and impact of organizations politics.

Conceptualizing of Career Success

A review of the literature revealed that, over time, career research has become a popular focus of management research. Individual and management of the organization both can get benefit from career success. Researchers have examined this topic from many different perspectives. For example, career success, career commitment, career plateau, career outcome. Career expansion is a continuing procedure by which individuals progress through a chain of steps. The structure of a school principal’s career path specifies that only a minority of teachers have the chance to make it a priority at the top. Before a school principal is promoted to the job, he or she has to undergo the teaching career stage. Therefore, an idea of Professional achievement is flattering a prevalent investigation in the perspective of organization. Career achievement is a method for persons to accomplish their needs for success and authority. Both researcher and individual can get benefit from the research. Different policies can be developed by individual if he/she has the knowledge of career success (Pavlin & Svetlik, 2014).

Numerous theories help as the theoretic basis supporting the schoolwork of career success. However, many of the past research studies examined career success using variables without considering the theoretically based variables. This social cognitive career theory assumes that everybody has different quantity of capital or asset. Investment in potential workforce is highly desired and can get more privileges as compared to others. It will also enhance the performance of individuals’ and may result in organizational performance (Tan, 2010).

Career success is a fusion of two perspective objective commonly deemed as extrinsic in nature and subjective that reflects intrinsic in nature. A person getting high-ranking, enjoying superior position in any organization and with being paid better is objectively assumed progressing in career and attaining career success with an extrinsic perspective ((Ng & Feldman, 2010; Tan & Yahya, 2013; Traavik & Richardsen, 2010). Whilst the person enjoying the superior position in organization withdrawing a good salary might be at the cost of physiological, psychological and socialization cost. How can a person be satisfied with his/her professional attainments on the cost of keeping him/herself away from his friends, family, and physiological needs? Therefore there is a consensus of researchers that the satisfaction of someone from his/her attainments are purely intrinsic in nature and known to him/her only (Quaisar, Shukor, & Soffian, 2016b; Quaisar et al., 2016a).

An examination of the relevant literature shows that several factors influence individual career success. Career success can be predicted by different factors. It can provide a way to predict those factors which are relevant to the career success. Organizations an attention in recognizing the features that envisage career success in respect to efficiently select and develop high-potential teams to work in their organization (Wesarat, Sharif, & Majid, 2014).

Several categories of the factors of career success emerged in the literature. In sum, the determinants of career success could be identified and organized into two different major categorizations: (a) individual attributes and (b) organizational structure. Many models of career success propose that individual factors play important roles in achieving success. Thus, the purpose of the following literature review is to examine the individual attributes of leaders that have been used in the previous studies (Kreng & Huang, 2009; Naseer & Jadoon, 2015).
The scientific studies of leadership in organization literature began by concentrating on a leader’s trait study approach. This trait approach theory concluded that individuals are born with or without the trait for leadership. It was assumed that there were distinctive physical and psychological characteristics of leaders to which the leader behavior can be attributed. Many leadership studies have related leader traits features such as physical presence, nature, aptitude, skill, and biographical (age, gender, marital status) factors with leader effectiveness and organizational outcomes (Choi, 2010). Hence, an individual difference approach is the focus of this study. This research is in line with the suggestion by Judge et al. (2004) that individual attributes exert a stronger influence on career success compared to other factors.

**Political Personality Traits**

Personality is a stable cognitive and behavioral pattern over time and across situations and is made up of various traits (Busby, Gao, & Shidore, 2018; Sanchez-Ruiz, Mavroveli, & Poullis, 2013). Therefore, it is sensible to expect that personality influences personal values and approaches and, hence, relates to career outcome. In the literature, the effects of individual personality on career outcome have been studied extensively (Nabi, 2001; Seibert, Sargent, Maria, & Kiazad, 2016; Spector, Fox, & Domagalski, 2006). As suggested in earlier studies on personality traits, here is stout theoretical basis to suggest that temperament variables should be comprised in models of career success. Individual characteristics such as personality traits and general intellectual aptitude, intelligence emotional and interpersonal relationships have been shown to influence career success (Judge & Ilies, 2004; Poon, 2004; Ter Bogt & Scapens, 2012). Researchers taking an approach in research have underlined the effect of a temperament trait on job approaches and other career behaviors. There have been inconsistent findings in the personality and career success literature. For example, Judge, et al. (1999) longitudinal study demonstrated that personality traits had a significant influence in both dimensions of career success. However, their longitudinal study showed that a proactive personality is significantly related to career satisfaction (Seibert et al., 2001). In today’s working environment it is right to say that politics become fact in an organizational setting. It can destroy the flow of work of organization’s performance. Politics can play a vital role near the smooth regulations of organization’s environment. It can create potential career success for an individual. Organizational scientists have offered many different definitions in attempts to conceptualize organizational politics. Their definitions consist of combination elements: formal and informal, sanctioned and non-sanctioned, self-interest and non-self-interest, and a focus on the use of power and effect. Use of power or authority is to obtain the desired objective. Mintzberg described organizations as “political arenas” and recommended four forms of the political arena in an organization: conflict, instable association, politicized organization, and complete political ground.

In this present study, organizational politics has been referred to the individual influence actions, perceptions, and behavior at the individual level, which are directed to furthering self-interest, are informal, and are not prohibited by the organization. However, the theoretical basis for explaining the organizational politics phenomena in organizations is discussed. According to this model, the organizational influence contains of four factors: (a) centralization, (b) formalization, (c) ranked level, and (d) span of control (Ferris, Russ, et al., 1989). Centralization, hierarchical level, and distance of control have a direct positive relationship, but formalization has an adverse relationship with perceived structural politics. Job/work environmental influence factors, job autonomy, job variety, feedback, and advance opportunity have a negative relationship with organizational politics (Ferris, Russ, et al., 1989). Women, older age workers, those with a Machiavellianism personality, and high self-monitor view the work environment more politically (Ferris, Russ, et al., 1989). Researchers have intensely examined the outcome variables of organizational politics in organizations (Jaewon & Riccardo, 2011; Rashid, Islam, & Ahmer,
Previous studies showed that organizational politics have both beneficial effects and detrimental effects. Ammeter et al. (2002) proposed a political theory of leadership that specifies the consequences of the leader’s political behavior on leader effectiveness. According to Ammeter et al., a leader’s organizational politics behavior influences his or her self-interest outcome including performance evaluation, promotion and mobility, compensation, and power and leader reputation.

### Organizational Political skills as a Moderator

Few studies have focused on organizational politics as indirectly influencing the organizational outcomes. The acuities of organizational politics as situational variables act as moderators of the predictor’s organizational outcomes relationship. Previous researchers have reported that organizational political skills act as a moderator variable (Harrell-Cook et al., 1999; Harris, James, & Boonthanom, 2005; Hochwarter et al., 2000; Hochwarter, James, Johnson, & Ferris, 2004; Kacmar, Bachrach, Harris, & Zivnuska, 2010; Zhang & Lee, 2010). The interaction of organization politics and personal attributes is likely to provide greater insight into the prediction of career success.

### Research Design and Methodology

The school principals’ career success is the dependent variable of the study and is defined as the optimistic emotional and work-related consequences one has gathered because of skills through the period of his or her working life (Judge et al., 1995). Career success is a multidimensional construct comprised of both extrinsic and intrinsic dimensions. Therefore, in this study, intrinsic career success has been measured. Personal perspective has been found to affect individual career success. Personal characteristics factors were independent variables in the study. Nevertheless, Political personality traits (independent variable), Political skills (mediating variable) and Career success (dependent variable) are involved in this study.

**Political Personality Traits:** Political personality traits refer to the energetic and prepared set of features of a person that exclusively stimuli his/her thoughts, incentives, and actions that are used to control and/or influence others (Christie & Geis, 1970). The current study strived for highlighting the political personality traits in organizational settings of Pakistan.

**Political Skills:** Political skill denotes to the aptitude to comprehend others at work efficiently and to use such information to stimulus others to performance in habits that improve one’s personal and/or structural objects. It has been recommended that political skill as an important forecaster of subjective career success as mediating variable.

As the study is primary in nature and cross-sectional data has been used, the purpose of the study is to test the social cognitive career theory rather than to develop the new one. The proposed theoretical model for this study represents and attempts to inspect the predictors of the career success empirically. Grounded on the existing theories, the literature review, the notional outline, and the research question, four hypotheses in alternate forms are proposed.

### Research Design

The research design is an overall plan on how a research study is to be completed through the operational variables that can be measured, sampled, and data collected for testing the hypotheses (Sekaran, 2000). A research design will answer the research questions. This research study assumed the cross-sectional statistical or arithmetical study approach with a survey questionnaire as the main tool for data collection. The primary sources of data for this study were collected from school principals’/vice principals and coordinators as respondents. The survey questionnaire was used in this study was adopted from different established measuring instrument having better Cronbach’s Alpha, a sign of reliability. Pakistan’s educational administration at the secondary
school level is managed by a principal. They are top managers and senior level managers in school management level. The positions enable them to be promoted for higher designation on the basis of their performance. Thus, the population utilized in this study consists of school principals who serve in public sector’s secondary schools in Pakistan.

**Sampling Method and Sample Size**
Sampling includes a process that uses a portion of a population to assume regarding the whole population. Concurrently one drop of blood can represent whole body for diagnosing purposes rather than testing the whole blood. The Probability sampling technique has been applied, where every group of people has a possibility to be designated. The sample involved in this study was selected by a proportionate stratified random sampling procedure. Stratified sampling ensures the sample is chosen according to location. The stratified sampling method reduces the sampling error in such a way that distinguished subcategories within the population are represented in the sample in the similar quantity as they exist in the population. Data through self-administrative questionnaire were collected personally and online as well.

**Questionnaire Design**
The questionnaire was settled in English originally to ensure that the contributors were able to respond comfortably to the questions. However, since all the participants in this study have high qualifications (at least graduate degrees), language is presumed not to have much effect on their ability to comprehend questions. Section (a) deals with demographic factors, section (b) deals with different items as scale to measure the variables of the study such as: Career Success was measured from 05 items scale developed by Greenhaus, Parasuraman and Wormley (1990), Political Personality Traits was measured using 15 items Political Skill was measured by 16 items scale developed by Ferris, Treadway, et al. (2005). This measurement scale was used in the Asian context by some previous researchers (Poon, 2003, Rusinah et al., 2003). Total 36 items were included in the section (b) for data collection purposes. These items are good for responses as no. of items above the range of 40 to 50 are difficult for the respondents to answer honestly (Tan & Yahya, 2013).

**Research Framework**
The Figure presented below represents the hypothesized model and conceptual framework for the current study in hand.

![Research Framework](image)

**Data Analytical Approach**
The survey data collected was examined using the SPSS Version 23. An examination of the data for scanning and cleaning was done. This involved examination for authenticity including labeling the variables and coding the items, checking the missing values, performing reliability
and validity of the data, assessing normality and outliers, and then evaluating statistical molds for multivariate analysis. Some facts and figures are presented in tables for understanding as below:

**Data Analysis and Research Findings**

The following section deals with the statistical finding for the data collected and tested. The researchers have found the wellbeing of the data and considered it fit for analysis. The data were applied to test the moderated mediation through process version 4.0 developed by Hayes and available freely online that can be attached with SPSS latest versions. The following table are presented below developed by using the process patch: Model 05, applied and suitable for the construct. Career Success (Y), Political Personality Traits (X) and Political Skills (M) are the variables labeled and coded as: Y= Car_Suc, X= PPT and M= PS with a sample size of 289 has been tested as follow:

<table>
<thead>
<tr>
<th>Table:1 Model Summary for Outcome Variable Political Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>0.5503</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table:2 Model Explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coeff</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Constant</td>
</tr>
<tr>
<td>PPT</td>
</tr>
</tbody>
</table>

The model explained the statistical findings for the relationship of political personality traits and political skills. Therefore (H1) the relationship of political Personality traits and political skills is significantly positive. Whilst the next table elaborates the findings for career success as below:

<table>
<thead>
<tr>
<th>Table: 3 Model Summary for Outcome Variable Career Success (Y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>0.5678</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table: 4 Model Explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coeff</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Constant</td>
</tr>
<tr>
<td>PPT</td>
</tr>
<tr>
<td>PS</td>
</tr>
</tbody>
</table>

The model explained the relationship of political personality traits and political skills with career success, as t values for political personality traits with career success is >1.96 whilst on the other hand relationship of political skills with career success is significant as the t value is 3.0011 which is higher than 1.96 the threshold values. The model explained r² is 32.24%, that are 67.76% portion remained undiscovered in the said model. For further evaluation the table is provided below as:

<table>
<thead>
<tr>
<th>Table:5 Outcome variable Career success</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>0.5494</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table: 6 Model Explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coeff</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Constant</td>
</tr>
<tr>
<td>PPT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table:7 Total Effect of Political Personality Traits on Career Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect</td>
</tr>
<tr>
<td>-------</td>
</tr>
</tbody>
</table>
Table: 8 Direct Effect of Political Personality Traits on Career Success

<table>
<thead>
<tr>
<th>Effect</th>
<th>SE</th>
<th>T</th>
<th>P</th>
<th>LLCI</th>
<th>ULCI</th>
<th>C^_CS</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5692</td>
<td>0.0716</td>
<td>7.9535</td>
<td>0.0000</td>
<td>0.4284</td>
<td>0.7101</td>
<td>0.4450</td>
</tr>
</tbody>
</table>

Table: 9 Indirect Effect of Political Personality Traits on Career Success

<table>
<thead>
<tr>
<th>Effect</th>
<th>BootSE</th>
<th>BootLLCI</th>
<th>BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS</td>
<td>0.1182</td>
<td>0.0425</td>
<td>0.0385</td>
</tr>
</tbody>
</table>

Table: 10 Completely standardized indirect effect of x on y

<table>
<thead>
<tr>
<th>Effect</th>
<th>BootSE</th>
<th>BootLLCI</th>
<th>BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS</td>
<td>0.0945</td>
<td>0.0323</td>
<td>0.0321</td>
</tr>
</tbody>
</table>

*Level of Confidence 95% for all confidence intervals in output
**Number of bootstrap samples for percentile bootstrap confidence intervals: 5000

Conclusion and Future Recommendations

The study brought majestic argue of testing mediating relationship of political skills between political personality traits and career success. The model was tested for the total, direct and indirect effect and found the partially significant mediating relationship with career success. The said model was tested first with outcome variable political skills which is a mediating variable. The relationship of political personality traits and political skills has been found significant with a coefficient value 0.4873 and t value 11.3775. it reveals as significant. Then secondly the model was tested for outcome variable career success with political personality traits and political skills having t values 7.9535 and 3.0011 will is significant and then tested for C and C^ path having 11.3520 and 7.9535 respectively which is significant. When C and C^ both the paths are positively significant it demonstrates the partially significant mediation (Baron & Kenny, 1986; Preacher & Hayes, 2008; Sarstedt, Hair, Ringle, Thiele, & Gudergan, 2016). The study has few constrains such as financial and time scarcity. It is recommended for future researchers to conduct qualitative research for better results.

References:


Evaluating the Impact of Behavioral Factors on Purchase Intention of Green Products in Pakistan

Muhammad Ikram, M.Phil Scholar, Department of Commerce, The Islamia University of Bahawalpur, Pakistan
*Ayesha Shoukat, Assistant Professor at Department of Commerce, The Islamia University of Bahawalpur, Pakistan

Corresponding Author: ayesha.shoukat@iub.edu.pk

ARTICLE DETAILS

ABSTRACT

Purpose: Today, global warming is one of the most pressing issues facing the world, and it is primarily caused by greenhouse gases. Thus, the development of green products is one of the industrial endeavors to address this dilemma by permitting at least partial proportionate decrease in global-gas- emissions. Determinants of customer purchasing intention for green products are examined in this study.

Design/Methodology/Approach: For conducting this research, the data is gathered from 304 respondents. SPSS is used for descriptive analysis and inferential analysis using the software Smart PLS 3. The provided hypothesis was analyzed in two-step approach using partial least squares structural equation modeling (Smart-PLS 3).

Findings: The findings revealed that ATGP and SN do not significantly influence green purchase intention but have an indirect impact on it. WTP has a significant mediation between ATGP, SN and GPI, while EC are seen to predict directly and indirectly GPI.

Implications/Originality/Value: To explain the effect of behavioral factors on green purchasing intention, this study uses willingness to pay as a mediator to add environmental concern as a predictor to the standard TPB behavioral model. The novelty of the study is evaluating the mediating impact of willingness to pay more.

© 2021 The authors, under a Creative Commons Attribution-Non Commercial 4.0


Introduction

There has been increasing concern about global warming, climate change, depletion of natural resources and degradation of renewable land, erosion, and ozone layer loss that has made more
consumers aware of their environmental problems. We have to think and speak about sustainable protection and practice in the current scenario. Two of the most emergent issues are global warming and climate change faced by the entire world. The imminent and devastating effects of climate change on human life, economic growth and prosperity are perceived to be one of the huge challenges for mankind (Pérez-Suárez & López-Menéndez, 2015).

Global warming is defined as, “Incidental human acts like greenhouse gas emissions cause the Earth's average surface temperature to rise by burning fossil fuels through deforestation. The warming of the Earth over the last 50 years has been demonstrated mainly by anthropogenic activities (Mackay, 2008).

Global warming has been noticed in recent decades. A recent example of climate change's influence on natural and human systems Temperature change, rainfall pattern, CO2 level in the atmosphere, and the frequency and intensity of extreme weather events might all have a substantial influence on agriculture. Global warming is expected to reduce agricultural productivity by 9 to 21% in developed countries (Cline, 2007). Bakhtyar (2019) also mentioned in his study that greenhouse gas (GHG) emissions will significantly increase and natural resources will be degraded. Pakistan has a complex air pollution mix. Mobile vehicles include high-speed vehicles and two- or three-wheelers. Stationary sources include thermal power plants and industrial operations (TheWorldBank, 2019).

Pakistan has a very severe impact on health, worldwide competitiveness and economic productivity, and its natural resources because of Pakistan's environmental deterioration (TheWorldBank, 2019). However, the degradation of air and water and natural resources still imposes heavy costs on the people of Pakistan and economy through their influence on health and productivity (TheWorldBank, 2019).

Consumers contribute directly or indirectly to the worsening of the environment through product choice and waste disposal decisions (Gooch & behavior, 1995; Stern et al., 1995). 30–40% of environmental degradation has been estimated to be caused by household activities (Grunert, 1993), researchers and environmental activists are generally convinced of the numerous contributions made by buying environmental products, recycling product packs, or disposing of non-biodegradable waste to enhance environmental quality. There has been increased public concern about environmental concerns. Many customers are aware that their purchasing behavior can harm the environment and begin searching for and purchasing ecologically friendly products and even paying a premium for them (Kahn & Management, 2007; Laroche et al., 2001; J.-S. Lee et al., 2010). This environmental concern has evolved into environmentally friendly and sustainable buying practices (Do Paco et al., 2009). This has made green consumption a significant force for environmental protection and earth conservation (Y. Kim & Choi, 2005).

How many of those people realize that daily activities, such as driving a car or buying new goods, lead to expanding environmental issues directly or indirectly? Individuals' contributions are not critical, but they inspire businesses and industries to increase production and make better use of the planet's resources (Charter, 1992). Therefore, without customer awareness, achieving sustainability is difficult. The world's people must be able to take environmental care and responsibility. Customers are becoming more aware that environmental degradation is serious. It is easier to acquire and spread knowledge because of the digital world. It leads to an increase in environmental awareness and changes in environmental attitudes and beliefs (Kaufmann et al., 2012; Y. Kim & Choi, 2005). Consumers are aware that their purchase choices have a major environmental impact (Vazifehdoust et al., 2013). Customers are maturing in their understanding of their preferences and attitudes about these issues.
Consumers have taken on sustainable consumption through environmentalism in the past two decades (Han et al., 2009; Kalafatis et al., 1999). As people become conscious of environmental concerns associated with their purchases, they are trying to buy eco-friendly products (W. E. Kilbourne et al., 2009) for the sake of future generations. The understanding and interest in sustainable consumption should have an impact on consumer buying decisions (de Moura et al., 2012).

In response to the above discussion, PSO mentioned in its annual report that the health and safety of internal and external stakeholders are of utmost importance and a vital part of the key business goal. The firm is committed to conducting business in a sustainable manner that has a minimal environmental effect. PSO's emphasis on environmental conservation can be supported by its environmentally-friendly fuel initiatives 97 euro 5 and euro 5 hi-octane Altron Premium, as well as the launch of charging units for electric vehicles under the Electro brand. PSO is the first oil marketing company to improve Pakistan's Euro 2 to Euro 5 gasoline standards (PSO, 2020)

One of the issues in research is that Pakistani customers' attitudes about green products are ambiguous. People are becoming more aware of the need of environmental preservation and are seeking out green products. Green purchasing are still in their infancy in many developing nations, including Pakistan. There is no study on green consumption in Pakistan, utilizing individual behavioral factors and desire to pay extra for eco-friendly products. Researchers overlooked the influence of willingness to pay more as a mediator. So research on the willingness to pay more mediating influence is required.

It is worthwhile to conduct a detailed examination of these arguments. Therefore, this is a novel domain which has not been studied before, along with all these variables present in this study, including attitude toward green products, environmental concern, subjective norms and willingness to pay more, green purchase intention. Specifically, in the present study, behavioral factors such as Attitude towards green product, subjective norms, and environmental concern will be discussed in relation to the Green purchase intention. Second, we will examine the mediating impact of willingness to pay more between behavioral factors and green purchase intention.

Theoretical framework
From the introduction of this theory till now, the planned behavior theory becomes the most cited and used very often by the measures of its objectives, also prestigious models to predict the behaviors of individuals (Ajzen, 2011). In line with planned behavior theory, intention is a crucial determinant for behavior (Ajzen, 1991). In point of fact, planned behavior theory in several researches is effectively utilized for scrutiny a link in between intentions and actual behavior (Ferdous, 2010). Planned behavior theory used for understanding the green consumption behavior (Albayrak, Aksoy, & Caber, 2013). The study's framework is completely supported by planed behavior theory (I. Ajzen, 1985). Customer's willingness and internal incentive to purchase environmentally friendly items may be termed as "consumer intention" (Dagher & Itani, 2014). Figure 1 depicts the theoretical framework for this study's assessment of Pakistani customers' purchase intentions for green products, on the basis of TPB's theoretical framework. Moreover, numerous research have proven TPB's validity as a model to predict customer behavior towards environment friendly products in Asia, such as organic foods and veggies (Zagata, 2012; Zhao et al., 2014), energy-efficient products (Ha & Janda, 2012), environment friendly packaging (Prakash & Pathak, 2017) and general eco-friendly products (Lai & Cheng, 2016; Yadav & Pathak, 2016).

Relationship between behavioral factors (ATGP, EC, SN) and willingness to pay more
Figure1. Conceptual Framework

Attitude refers to an individual's perception of a particular behavior as favorable or unfavorable (I. Ajzen, 1985). The attitude toward green products is a clear indicator of a customer's readiness to pay a premium for them. Green or eco-friendly items have been demonstrated to be attractive, even among consumers willing to pay a premium for them (Coddington, 1990; Laroche et al., 2001; Myburgh-Louw & O'Shaughnessy, 1993). Economic value is determined by measuring the maximum amount of willingness for a person to sacrifice to obtain goods and services (Hartono & Harahap, 2007). This notion is formally called readiness to pay for goods and services produced by someone. Payments are utilized to determine the more people who are prepared to pay. This research examines, willingness to pay more is a variable that measures the willingness of a person to pay the price difference between non-green and green products. As previously stated, environmental awareness has significantly increased. Many people who have a favorable attitude toward green products consider themselves to be environmentalists and expresses its desire to make extra efforts to buy items or services from environmentally friendly organizations (Donaton & Fitch, 1992; Hume et al., 1989).

The amount of awareness of environmental problems and their efforts at resolving them is known as environmental concerns (EC) (Tan et al., 2017). EC is a widely studied environmental variable and it has been discussed by most of the researchers as far as studies on green products are concerned. It is commonly referred regarded as a person's knowledge and readiness to become part of the solution to the environmental problem (Y. Kim & Choi, 2005). Environmental concerns are a multifaceted structure that refers to how concerned people are concerned and even prepared to pay a green product premium (Dunlap & Jones, 2002). Numerous research evaluated consumer concern and willingness to pay for sustainable products (Van Doorn & Verhoef, 2011).

Subjective norms are defined as societal pressure to do or refrain from performing a particular action (I. J. O. b. Ajzen & processes, 1991). SN is perceived to have an effect on the WTP for RE through the influence of coworkers, friends, and family members. For instance, Lopes et al. (2019) established a positive connection between SN and energy saving attitudes of households. Based on these findings, for the current study we propose that:

\[ H1. \text{ Attitude toward green product is positively related to willingness to pay more.} \]

\[ H2. \text{ Environmental concerns are positively related to the willingness to pay more.} \]
H3. Subjective norms positively influence willingness to pay more.

**Relationship between behavioral factors (ATGP, EC, SN) and Green Purchase Intention**

Attitude is a psychology term that refers to a person's like or disliking of something (Eagly & Chaiken, 2007). The notion of planned behavior is more positive that a specific behavior is more likely to happen (I. J. O. b. Ajzen & processes, 1991). In previous empirical investigations, the claim is that the attitude and purchasing intentions have favorable relationships (Bredahl, 2001; M.-F. J. F. Q. Chen & preference, 2007; Michaelidou & Hassan, 2010; Sheppard et al., 1988; Tang & Medhekar, 2008). According to Laskova (2007), people with strong environment concerns are more eco-friendly than people who feel that they are more environmentally friendly than those who do not engage in eco-environmental activities. The examination of this argument is also justified Y. Kim and Choi (2005), in cases of environmental concerns which affect customer buying green products directly and positively. Besides Mostafa (2009) it emphasized the relevance for the consumer's green purchase behavior, together with other characteristics. Additionally, he stated that it is feasible to discriminate between green and conventional customers based on environmental concerns. There are several authors who observed that EC and environmentally friendly behavior are correlated (Kinnear et al., 1974; Roberts & Bacon, 1997; Straughan & Roberts, 1999).

The perceived/social compulsion to conduct specific behavior is referred to as a “subjective norm” (I. Ajzen, 1991; Fishbein & Ajzen, 1977). Subjective norm as perceived social force can be presented. If the individual acts under social pressure the subjective norms provide an estimate of the appropriate level of behavior (Jager, 2000). Social norms may also influence people's purchasing decisions (I. Ajzen, 1991). Subjective standards have a major impact on consumers when purchases for specific goods and services, the effects are stronger than purchasing behavior (Ali et al., 2019; Bashir et al., 2019; T. B. Chen & Chai, 2010; Jaiswal & Kant, 2018; Lai & Cheng, 2016; K. Lee, 2008; Qi & Ploeger, 2019; Yadav & Pathak, 2016). If someone believes that other people consider green products are good, consumers are likely more willing to purchase these products (H. Y. Kim & Chung, 2011). Based on these findings, for the current study we propose that:

**H4:** Attitude toward green products positively influences green purchase intention.

**H5:** Environmental concern positively influences green purchase intentions.

**H6:** Subjective norms positively influence green purchase intentions.

**Relationship between Willingness to pay more and Green Purchase Intention**

Economic value is determined by measuring the maximum amount of willingness for a person to sacrifice to obtain goods and services (Hartono & Harahap, 2007). How much a customer is prepared to pay extra for a product in order to reap the financial and emotional rewards of doing so” (Anderson, 1996). A desire to pay more for ecologically friendly/green items is also described in the relevant literature (Hsu et al., 2017; Kotler & Zaltman, 1971; Laroche et al., 2001; Ling, 2013). It was found that willingness to pay more is positively associated with green purchase intention by (Ng et al., 2018) in a study. There are many factors that contribute to the price of a green product being more expensive than the price of an otherwise comparable product, such as increased production and logistics costs associated with green products as well as the use of environmentally friendly technologies and eco-labels for products. And a global poll found that more than 55% of customers are prepared to pay a premium to support firms devoted to environmentally friendly output, and 52% of global consumers had purchased at least one product or service from at least one eco-conscious company in the last six months (Nielsen, 2014). Therefore, following (Ng et al., 2018), this study hypothesized the following:
H7: Willingness to pay more positively influences the green purchase intention.

Mediating Role of Willingness to pay more
Given that this research hypothesized the influence of attitudes toward environmentally friendly products, environmental concern and subjective norms on willingness to pay, as well as the effect of consumers' willingness to pay more on green purchase intention, this study rationally anticipates that willingness to pay more will mediate the effect of attitudes toward eco-friendly product, subjective norms, and environmental concern on green purchase intention. According to TPB, intention is also supported by the theory (willingness to pay) should totally mediate the effects of predictor factors (i.e., attitudes toward eco-friendly product, social norms, and concern) on consumer purchase intention (I. J. O. b. Ajzen & processes, 1991). As a result of this investigation, the following hypotheses are proposed:

H8a. WTP plays the role of mediator between the relationship of attitude toward green product and green purchase intention.

H8b. WTP plays the role of mediator between the relationship of environmental concern and green purchase intention.

H8c. WTP plays the role of mediator between the relationship of subjective norms and green purchase intention.

Methodology
Participants and Sampling Design
The Population of this study is who at the very least have a working knowledge of environmentally friendly products were classified by a study population. All those people who drive their own car and use gasoline collected data and educated farmers using pesticide for crops located in south Punjab. Hence in this research while following (Henry et al., 2003). Henry et al. (2003b, pp.31-40), 300-400 sample size is considered good enough to yield reasonable results. To test our hypotheses, the respondents were approached through self-administered survey and questionnaires were distributed. Those who are aware of green products or have some understanding of them were selected for our study by use of a convenience sample technique. A final sample of 339 responses was collected through questionnaire and online survey technique s (i.e. using a link of an online Google form).

Measurements
Sections on customer demographics and questions on all possible constructs were included in a survey form to measure the green purchase intention. To measure their level of agreement or disagreement, participants filled out a five-point Likert scale ranging from 1 to 5 (Wang et al., 2014). The measurements used in this study are adapted and adopted from past research in this area. The scale of 20 items measuring the variables like as green purchase intention (4 items) adopted from (Bolton & Drew, 1991). The attitude toward green product contains 4 items adopted from (McCarty & Shrum, 1994). The environmental concern contains 2 items adopted from (W. Kilbourne & Pickett, 2008), as used by (Paul et al., 2016) and 4 items adopted from (Abdul-Muhmin, 2007). The subjective norms contain 3 items adopted from (Arvola et al., 2008; A. Chen & Peng, 2012; Dean et al., 2012; Sparks et al., 1997). willingness to pay more contains 3 items adopted from (Jang et al., 2011) and (Kang et al., 2012).

Results
Analytical procedures
This data was analyzed through SPSS and Smart PLS, not frequently used in past studies. The data were analyzed using descriptive and inferential statistics. SPSS 21 was used for descriptive
analysis which attempted to explain a thoroughness of profiling, demographics, etc. by summing up the figures and giving a variety of table formats and also by displaying how often different outcomes occurred (Agresti et al., 2009).

For inferential statistics, the conceptual model was put to the test using partial least squares structural equation modelling (PLS-SEM). PLS-SEM has been acknowledged by marketing researchers across a range of disciplines (Channa et al., 2020; Tariq et al., 2020). As a result, PLS-SEM was the most effective option for doing the analysis because it was designed to predict green buy intention (Memon et al., 2017; Hair et al., 2013). As a result, the Smart PLS 3 software has been employed in this investigation with a two-step approach (Hair et al., 2013; Ringle et al., 2012).

**Measurement Model Assessment**

Measurement model were evaluated using a criteria developed by Hair Jr et al. (2016) to evaluate the factor loadings, Cronbach's $a$, composite reliability (CR), and average variance extracted (AVE) in the measurement model. Detailed findings of the measurement model are shown in Table 1 and Figure 2. Given that reliability is a prerequisite, the reliability of the indicator is first verified such that the indications linked with the latent construct have much in common. Following examination of outer loadings for all latent variables 20. Meanwhile, 2 indicators (EC3_1, EC4_1) are found to have loadings between 0.4 to 0.7. Therefore, for these two indicators a loading relevance test is done to determine if they are sustained in the model. As both indicators are deleted from the PLS model, the average variance extracted (AVE) and their respective latent constructs are increased. All other indicators are retained since they have 0.6 or greater outer loadings (Wong, 2016). Cronbach's $a$ and CR values were likewise higher than the recommended threshold of 0.70. (Bagozzi & Yi, 1988; Hair Jr et al., 2016). Next, we tested the AVE to report convergent validity, as shown in Table 1, each of the latent variables had an AVE value higher than 0.50, indicating significance (Hair Jr et al., 2016). The Heterotrait-Monotrait ratio of correlation criteria was used to determine the discriminant validity. A look at the data in Table 2 reveals that each value falls below the 0.85 criterion set by (Henseler et al., 2016).

**Table 1. Measurement model assessment**

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach’s $a$</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude toward green products</td>
<td>0.831</td>
<td>0.887</td>
<td>0.664</td>
</tr>
<tr>
<td>Green purchase intention</td>
<td>0.87</td>
<td>0.912</td>
<td>0.721</td>
</tr>
<tr>
<td>Environmental concern</td>
<td>0.74</td>
<td>0.834</td>
<td>0.561</td>
</tr>
<tr>
<td>Subjective norms</td>
<td>0.811</td>
<td>0.887</td>
<td>0.724</td>
</tr>
<tr>
<td>Willingness to pay more</td>
<td>0.659</td>
<td>0.814</td>
<td>0.598</td>
</tr>
</tbody>
</table>
Notes: ATGP=Attitude toward green products, SN= Subjective Norm, EC= Environmental concern, WP= Willingness to pay more, GPI=Green purchase intention, GOGP= Green oriented government policy

Table 2. Discriminant Validity Assessment

<table>
<thead>
<tr>
<th>Constructs</th>
<th>ATGP</th>
<th>EC</th>
<th>GPI</th>
<th>SN</th>
<th>WTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATGP</td>
<td>0.628</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC</td>
<td>0.356</td>
<td>0.500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GPI</td>
<td>0.731</td>
<td>0.483</td>
<td>0.221</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SN</td>
<td>0.572</td>
<td>0.494</td>
<td>0.574</td>
<td>0.527</td>
<td></td>
</tr>
</tbody>
</table>

Assessment of Structural Model
First of all, to determine multi-collinearity, the variance inflation factor (VIF) was used. All the VIF values within the acceptable limits of 5 given by (Hair Jr et al., 2016), in order to show that the exogenous variables do not have multi-collinearity (Table 3).

Assessment of Path Coefficients
With 5,000 sub-samples, the standard bootstrapping procedure was applied, using the one-tailed test at 0.05 significance level and 304 cases to regulate the significance of path coefficients as suggested by (Hair et al., 2013; Hair Jr et al., 2016; Henseler et al., 2016).

Table 3 includes all of the structural model's statistics, including the mediating and moderating interactions. H1 hypothesized that attitude toward green product is positively related to willingness To Pay More. Results show that there is a positive correlation between attitude and wtp, hence supporting H1 (b = 0.247, t = 3.05, p < 0.05). H2: This hypothesis was also accepted on the basis of statistically acceptable figures. The results showed that there was a significant influence of environmental concern on willingness to pay more with a positive coefficient of 0.168, t = 2.938, p < 0.05, thus the proposed hypothesis got accepted. Similarly, significant influence of subjective norms on willingness to pay more with a positive coefficient of 0.174, t =...
2.657, p < 0.05, supporting H3. The findings showed that there was no significant influence of attitude toward green products directly on green purchase intention with a value of (b=0.067, t=0.845, p > 0.05) thus the proposed hypothesis was rejected H4. The findings indicated that there was a considerable impact of environmental concern on green purchase intention with a positive (b= 0.284, t = 4.374, p < 0.05), therefore accepting the proposed hypothesis H5. H6: The findings showed that there was no significant influence of subjective norm directly on green purchase intention with a value of (b=-0.093, t = 1.304, p > 0.05) thus the proposed hypothesis was rejected. Likewise, the results showed that there was a significant influence of willingness to pay more on green purchase intention with a positive coefficient (b=0.356, t = 4.883, p < 0.05) therefore accepting the proposed hypothesis H7.

Apart from, exogenous variable’s coefficient of determination (R²), predictive relevance (Q²) and effect size (f²) were examined in this study (attitude toward green products, environmental concern, and subjective norms) on the endogenous variable (willingness to pay more, green purchase intention). The results (Table 3) suggest that R2 value for willingness to pay more is 0.232 which is moderate to explain variance in willingness to pay more by attitude, environmental concern, subjective norms and for green purchase intention is 0.284 which is substantial enough (Cohen, 1988) to explain variance in green purchase intention by attitude, environmental concern, subjective norms.

Subsequently, Q² for willingness to pay more and green purchase intention suggests the predictive relevance of independent variables (attitude toward green products, environmental concern, subjective norms) for the dependent variable (willingness to pay more and green purchase intention). According to Henseler et al. (2009), Q² in the research model should be larger than zero, Table 3 demonstrate that it is larger than 0 (0.132, 0.198), and hence supports the predictive relevance of the study model.

R² endogenous variable values reflect the strength of the model. A variable in a structural model may be affected/influenced by a number of different variables. Deletion of an exogenous variable may affect the variable dependent. F-square is the variation in R-square when an exogenous variable is excluded from the model. The resulting change in R² achieved as such is used to estimate the effect size (f²) computed using the formula below (Hair et al., 2013):

\[ f^2 = \frac{(R^2 \text{ included} - R^2 \text{ excluded})}{(1-R^2 \text{ included})} \]

Cohen (1988) recommended the guidelines for assessing f² values are: 0.02, 0.15, and 0.35, respectively, represent small, medium, and large effects (Hair et al., 2013).

Mediation analysis: A third construct intervenes when two connected constructs, there is said to exist a mediating effect (Hair et al., 2013). During this study Smart PLS was used to analyse the data. By following the guidelines provided by (Hair et al., 2017), the research examined the mediation effect.

### Table 3. Structure Model Assessment

<table>
<thead>
<tr>
<th>Paths</th>
<th>VIF</th>
<th>Beta</th>
<th>SD</th>
<th>t values</th>
<th>P values</th>
<th>R²</th>
<th>Q²</th>
<th>F²</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: ATGP &gt; WP</td>
<td>1.798</td>
<td>0.247</td>
<td>0.081</td>
<td>3.05</td>
<td>0.002</td>
<td>0.232</td>
<td>0.042</td>
<td></td>
</tr>
<tr>
<td>H2: EC &gt; WP</td>
<td>1.326</td>
<td>0.168</td>
<td>0.057</td>
<td>2.938</td>
<td>0.003</td>
<td>0.232</td>
<td>0.132</td>
<td>0.026</td>
</tr>
<tr>
<td>H3: SN &gt; WP</td>
<td>1.580</td>
<td>0.174</td>
<td>0.066</td>
<td>2.657</td>
<td>0.008</td>
<td>0.232</td>
<td>0.023</td>
<td></td>
</tr>
<tr>
<td>H4: ATGP &gt; GPI</td>
<td>-</td>
<td>0.067</td>
<td>0.08</td>
<td>0.845</td>
<td>0.398</td>
<td>0.284</td>
<td>0.198</td>
<td>0.008</td>
</tr>
<tr>
<td>H5: EC &gt; GPI</td>
<td>-</td>
<td>0.284</td>
<td>0.065</td>
<td>4.374</td>
<td>0.000</td>
<td>0.284</td>
<td>0.081</td>
<td></td>
</tr>
</tbody>
</table>
After establishing the significance of the indirect impact, the strength of the mediator may be determined using the total effect and Variance Accounted for (VAF). Bear in mind that total effect = direct effect + indirect effect according to (Hair et al., 2013).

For H8a, the total effect = 0.155. Meanwhile, VAF = Indirect effect/Total effect. In H8a, VAF = 0.088/0.155 = 56.7%. Alternatively, for the hypothesis H8a, 56.7% of ATGP effect on GPI
can be explained via the WTP mediator. For H8b, the total effect is 0.344. Meanwhile VAF= 0.060/0.344= 17.4%. For H8c, the total effect is -0.031. Meanwhile VAF= 0.062/-0.031= -202.1%.

**Discussion**

Predicting the impact of independent variables (i.e. attitude toward green product, subjective norms and environmental concern) directly and indirectly on consumers’ GPI. This study's findings demonstrate that attitude toward green product, subjective norms, environmental concern have a significant positive impact on consumers’ willingness to pay more for green products. Attitude toward green product, subjective norms have an insignificant impact on consumer’s green purchase intention, but environmental concern has a significant positive impact on consumer’s green purchase intention. The mediation impact of willingness to pay more was verified in the connection between behavioural variables (attitude toward green products, environmental concern, subjective norms) and green purchasing intention. Hence, this study supported H1, H2, H3, H5, H7, H8a, H8b, H8c but did not support H4, H6.

This study's findings demonstrate that the person is generally conformist, or the direction of the attitude of the people they consider important. Sometimes direct instruction can affect attitude formation. We can adopt a positive or a negative attitude to these green products on the basis of this information. This study shows that after being informed directly about green products, and eventually being willing to pay more for green products, individuals show positive attitudes. Environmental concern has a substantial effect on one's willingness to pay extra. Additionally, the findings indicate that buyers who were more concerned about the environment paid a premium for green products. Thus, this study explores how environmental concerns influence the willingness to pay more for green products. Numerous studies have established that SN has a considerable and beneficial effect on customer decisions (M.-F. Chen & Tung, 2014; Cheng et al., 2006; Han & Kim, 2010; Y. J. Kim et al., 2013). SN has a beneficial effect on the willingness to pay more (WPM). The sole aspect evaluated was subjective norms, which were predicted to influence WPM (Sinthusiri, 2016).

This study reveals that the firms and other external variables have not managed to develop positive consumer attitudes to green while customers are ready to pay a premium for environmentally friendly items, they do not change their purchasing intentions to green ones. Green manufacturing needs to launch a green product feature campaign. Our economic and occupational circumstances also contribute to the development of attitudes. Our socio-economic background has an effect on our present and future attitudes. Green products in a developing country are more expensive than non-green products and innovative products. Thus, this study discovered that an individual's attitude toward green products had no effect on their intention to purchase green products. Additionally, the findings indicate that environmental concern is a predictor of green purchase intentions. It is argued that a green purchasing recommendation might be delivered most successfully by increasing Pakistani consumers' environmental sensitivity. Various environmental campaigns, such as "Go Green", should be promoted by politicians, business organizations, or any other NGO organization, in order to enhance Pakistani consumer knowledge or environmental concern. Pakistani customers may therefore enhance their readiness to buy green products. Additionally, current study sheds light on the relevance and influence of EC on green purchasing intentions. Mass media like TV, radio, and social media have a massive effect on forming the attitudes and beliefs of people through their way of communication. New knowledge about something offers the basis for the development of new cognitive attitudes towards it. This study demonstrated that the press and electronic media in respect of green products do not create societal pressure. This is why subjective norms do not influence green buying intentions.
Our study, however, suggests that if consumers can receive environmentally friendly products, they are prepared to give extra money. In addition, people like to purchase things in an environmentally responsible manner from companies. The results contradict earlier studies which have shown that price is a hurdle to the use of green practices. The mediation impact of willingness to pay extra was verified in the connection between behavioural variables (attitude toward green products, environmental concern, subjective norm) and green purchasing intention (H8a, H8b, H8c). Additionally, this study indicates the considerable indirect influence of an individual's attitude toward environmentally friendly items, environmental concern, and subjective standards on their desire to purchase environmentally friendly products.

Implications
Theoretical Implication
Prior studies examined extensively the variables of the intention to buy Green products for consumers. However, willingness to pay more towards green products have been disregarded especially in the framework of a developing economy. In addition, willingness to pay more was not addressed in earlier studies and is an essential factor influence the intention to adopt green products. The novelty of this study is of contributing three levels of theoretical. First, this study adds components of green purchase intention to previous studies, particularly in connection with environmentally friendly products i.e. high octane fuel (euro 5). Second is that the study had provided the empirical results of green purchase intention at a product category level. Third, the study will provide information on the consumer GPI decision-making process by adding a mediating variable willingness to pay more in Pakistan's petroleum. No-one in the oil industries had yet witnessed the influence of WTP as a mediating variable.

Practical Implication
- These analyses can ensure that businessmen establish strategic plans and advise the government on the design of policies. Consumers who are positive about Green products are more inclined to purchase these products. These product manufacturers may work with the government to create a good picture of the green products and encourage customers to build a positive green product approach.
- Subjective norms have a favorable effect on green purchases. Consumers are quickly influenced by "significant others." Some highly recognized people, such stars or celebrities, could be involved in organizing campaigns to underline the importance of business practitioners to increase their market share. Therefore, manufacturers need to give more information, expertise and experience on how simple access to green products is for the consumer and how the pricing variations between green and non-green products should be explained, showing the production costs and value of green products. Moreover, the average score for products was rather low.
- Education on green products can boost consumer awareness with less intent to purchase. Producer groups should be focused on a number of consumer groups' tailored marketing. Therefore, in order to identify the main green customers, the green consumer markets should be separated.

Limitations and Future Research
Although many concepts are covered in research, there are still limitations which can help researchers to expand this study. First of all, this study is a cross-sectional study due to time constraint. Secondly, the data for this study was gathered just from some educated people. Along with those actual customers, those actually consumers of green products weren’t reached out to. Thirdly, this research focuses on the intention, not the actual buying behavior, but the purchases of green products.
There are always gaps in studies, there are many constraints in our study, and some guidance is provided for additional research, which can be a chance for other researchers to conduct future studies. On the basis of this specific study, which they aim to carry out in the near future, there are recommendations for future research. This study focuses on providing the TPB constructs with an individual level study. The research has developed a unique TPB model to detect the aim of green purchasing.

In future studies, another specific green product might be explored, and consumer buying intentions could be compared between green products. In this research, more exogenous variables can be introduced, such as media exposure. This could give practitioners a clearer image for the implementation of methods. The fact that there is no particular definition of "green product" is another limitation of this research. And finally, as stated in limitations, our model includes only one mediator. However, others can expand this model of research and attempt different mediator or two or more mediator for the same study in order to enhance generalizability and to get better results.

**Conclusion**

The majority of customers contribute to environmental pollution, as there are several purchase habits that create environmental damage. This study tried to understand customers' purchase intentions and behavioral factors lead to their intent to use green products, which leads to green consumption. With this current study in mind, we evaluate and examine a real and genuine problem of the contemporary environment called green purchase intention, and this idea has to be taken into account in Pakistan's industry. The theory of planned behavior was utilized to better comprehend this idea in order to evaluate a person's attitude and intention towards green products. Therefore, to understand the attitudes of consumers and their intentions to use green products are considered important for industrial sector of Pakistan. Though a concern towards green products is growing rapidly among consumers are now give a rise to green products industry and also highlight the green products importance although the practical implications and different strategies are still not developed by different industries of Pakistan. Generally, the concept of green is still very new for the markets of Pakistan. Thus, the organizations must understand the behaviors of consumers and explore how their buying patterns towards green products are affected by the attitude of using green and intentions to use green products.

This study provides a prediction of the influence of TPB variables in green product buyers' GPIs (i.e. attitude, subjective norms, and environmental concern) on the GPI for green products. In addition, the mediating influence of willingness to pay more on the relationship between consumers’ GPI and its determinants (attitude toward green products, subjective norms, and environmental concern) is also being investigated. This study indicated in particular that subjective norms and environmental concerns are positively and strongly associated with the intention to buy green products for consumers excluding green product attitudes. The findings support the mediation of willingness to pay more for the relationship between behavioral factors and consumer's GPI. This study also presents significant practical and theoretical implications for green industry to work towards preserving a good attitude to green products. In addition, it must be encouraged to embrace strong social values and the easy usage of green products. The prices must also be considered carefully to increase consumers' acceptance of green products. In conclusion, this study shows that customers who adopt a high positive attitude and are more likely to be inducted to buy green products, subjective norms and environmental concerns. Green manufacturers therefore have a chance to leverage on this important fact to safeguard the environment and to reduce greenhouse gas emissions through the promotion of green products.

**References**


Chen, & Tung. (2014). Developing an extended theory of planned behavior model to predict consumers’ intention to visit green hotels. 36, 221-230.


Conner, BE (1988). The Box in the Barn. Columbus: Highlights for …. 


Dunlap, & Jones. (2002). Environmental concern: Conceptual and measurement issues. 3(6), 482-524.


Grunert. (1993). Everybody seems concerned about the environment: But is this concern reflected in (Danish) consumers' food choice?

Ha, & Janda. (2012). Predicting consumer intentions to purchase energy-efficient products.


Han, & Kim. (2010). An investigation of green hotel customers’ decision formation: Developing an extended model of the theory of planned behavior. 29(4), 659-668.


Lee, Hsu, Han, & Kim. (2010). Understanding how consumers view green hotels: how a hotel’s green image can influence behavioural intentions. 18(7), 901-914.


Sinthusiri. (2016). The effect of attitude toward green, subjective norms, perceived behavioral control, and perceived value on behavioral intention and willingness to pay more for Thai green hotels. Rajamangala University of Technology Thanyaburi. Business Administration…,


