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.
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Intervening Role of Sustainability Practices in the Nexuses of Responsible Leadership and Environmental, Task, and Contextual Performance  1-16
Sulaman Hafeez Siddiqui, Ali Ijaz, Rahil Nazar Chawla, Muqaddas Naz

Impact of Relational Benefit on Customer Loyalty with the Mediating Role of Customer Satisfaction: A Study of Selective Banks of Pakistan  17-26
Rana Muhammad Shahid Yaqub, Muhammad Awais Javeed, Zobia Javeed, Ali Haider

Information Technology Factors Impacting Educators before and during COVID-19: A Study of Developing Countries  27-40
Monique keevy

Strategic Direction and Firm Performance: Evidence from the SACCO Sector  41-52
Jackline Akoth Odero

Factors Influencing the Selection of Kids’ Preliminary School in Pakistan: A Qualitative Approach  53-62
Muhammad Adnan Tariq, Faheem Shaheen, Qasim Zahoor
Intervening Role of Sustainability Practices in the Nexuses of Responsible Leadership and Environmental, Task, and Contextual Performance

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ABSTRACT

Purpose: The current study assessed the function of responsible leadership in the banking industry using the stakeholder theory. The current study also looks into the connection between responsible leadership and task, contextual, and environmental performance.

Methodology: The banking industry's 389 branch employees, including branch managers, business development officers, general banking officers, branch operation managers, cash officers, and relationship managers, were surveyed using a survey questionnaire approach to gather data. Mplus was used to analyze the data using the structural equation modeling method.

Findings: The study's findings showed that ethical leadership had a direct influence on a firm's environmental (0.204), task (0.365), and contextual performance (0.188), as well as indirect effects through varied sustainability policies.

Implications: It implies the significance of sustainable policies concerning responsible leadership and a company's success. The current study is a pioneering effort that added to the body of knowledge on the relationship between organizational tasks, contextual performance, and environmental performance in Pakistan's banking industry. It also evaluated the role of sustainability strategies in the interim.

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Introduction

For work and organizational psychologists, understanding the factors that contribute to job performance has long been a major concern since it directly affects organizational effectiveness and offers essential information. To establish a comprehensive knowledge foundation for such organizational goals across diverse work settings, it is essential to understand the processes and mechanisms involved in the many indicators of performance since job performance is a
multidimensional construct. Task performance and contextual performance are two of the most essential elements of work performance (Conway, 1999). Task performance refers to how well employees accomplish the real duties outlined in the official job description or other duties that directly or indirectly support the technological infrastructure of the company. Contrarily, contextual performance refers to work behaviors that go above and beyond what is expressly specified in the job description but are nevertheless essential to the effective operation of a company. It includes actions like offering to perform extra work, working harder than necessary to complete tasks, helping colleagues, cooperating, and publicly supporting and promoting corporate goals (Demerouti, Derks, Ten Brummelhuis, & Bakker, 2014). Task and contextual performance are both subject to within-person variation, which means they can change over time for a single individual, even from one day to the next.

Companies all around the world have realized how crucial performance measurement is to growth, success, and stability (AlNuaimi, Al Mazrouei, & Jabeen, 2020; Lee, 2021). Without performance, an organization's survival is at stake due to competition and globalization. Prior studies have identified various aspects of performance i.e. overall performance (Lynham & Chermack, 2006), environmental performance (Liao & Zhang, 2020), and task performance (He, Morrison, & Zhang, 2021). In these studies, researchers identified responsible leadership linked with financial and non-financial performance. In the present business world, organizations are changing rapidly and it is essential to keep the organizations alive, practices must be perform as per prevailing standards. Now, businesses focused on triple bottom approach which includes people, planet, and profit simultaneously. In the past, businesses focused on profitability alone instead of focusing planet and people (Kharlamov & Parry, 2021). Pakistan is facing severe environmental issues (Ullah et al., 2019) which calls the importance of environmental performance. In the present paper, researchers defined the role of responsible leadership in relation to environmental performance.

The banking industry in Pakistan has advanced significantly in recent years. Pakistan's banking industry is thought to be one of the fastest-growing in the world (Rahim & Malik, 2010). This research will examine the function of responsible leadership in the context of employee performance. Any nation's financial system is crucial to that nation's overall economic health. Consequently, the leadership position is essential, and without it, the banking industry cannot continue to succeed. The banking sector of Pakistan covers the whole of Pakistan without any discrimination in any area which motivates the researchers to take this sector for the present study.

Researchers have identified several antecedents, including transformational leadership (Arif & Akram, 2018), ethical leadership (M.-S. Kim & Thapa, 2018), transactional leadership (Kalsoom, Khan, & Zubair, 2018), servant leadership (Alafeshat & Aboud, 2019), environmental strategy (S. Zhang, Wang, & Zhao, 2019), environmental proactivity and environmental awareness (Pusparini, Soetjipto, Rachmawati, & Sudhartio, 2018), and response management (Pusparini et al., 2018) for the performance of employees. Studies have shown that leadership plays a paramount role in organizational performance (Rehman, Shafique, Khawaja, Saeed, & Kalyar, 2021). As per leadership studies, executives are crucial due to their role in strategy formulation and implementation for achieving organizational performance. A responsible leader cares firm’s economic, social, and environmental aspects simultaneously (Siddiqui, Viswanathan, & Rasheed, 2020). Although the body of existing work substantially deepens our comprehension of the crucial part that leadership plays a crucial role in the environmental, task, and contextual performance. This line of inquiry is nevertheless constrained in several ways.

First, with an eye toward the future, responsible leadership has become more important for the future environment. Organizations are converting their energy systems into green energy (Xin-gang, Wei, & Jieying, 2022) which is an essential element of the environment. Making ethical business decisions that take into account the interests of all parties—including shareholders, customers, producers, staff, the environment, and future generations—is necessary to achieve sustainable performance (Voegtlin, Patzer, & Scherer, 2012). This style of leadership is crucial for enabling environmental practices and improving business performance because responsible leaders are accountable for sustainable
decisions by taking into account all stakeholders and future generations (Miska & Mendenhall, 2018). However, the majority of the current research has heavily emphasized other leadership styles, such as servant leadership, transformational leadership, and agile leadership, and has generally ignored the paramount of responsible leadership regarding environmental performance. Second, responsible leadership due to its triple bottom approach is effective for the economic, environmental, and social aspects of the firm. It indicates that responsible leadership will ultimately be beneficial for boosting organizational tasks and contextual performance. Past studies have tested the various leadership styles with task and contextual performance as the role of visionary leadership in contextual performance (WIDODO & YUSUF, 2021), and transformational leadership's impact on task performance (Pradhan & Pradhan, 2015).

Individual performance has a significant impact on how long an organization will exist. Performance is based on an individual's actions or conduct and performance may be evaluated from the perspective of contextual performance, which comprises actions that enhance the efficacy of the organization by creating a conducive atmosphere for task performance (Aguinis & Burgi-Tian, 2021). Additionally, actions that are not specifically connected to work duties but have a big influence on organizational, cultural, and psychological settings are included in the contextual performance. These actions act as catalysts for the effective completion of the duties that have been given to them. A person's performance is demonstrated to spur business expansion (Abbas, Tahir, Abbas, & Shabbir, 2022), organizational effectiveness (J. A. Zhang, Chen, O’Kane, Xiang, & Wang, 2022), and overall performance of the organization (Anwar & Abdullah, 2021). Whereas, individual performance can be boosted through the induction of responsible leaders at workplaces (Dong & Zhong, 2022). So, the present study will explain the role of responsible leadership in relationship with the environmental, task, and contextual performance in the banking sector of Pakistan. The banking sector covers the whole of Pakistan and bank branches are working all around the country without any discrimination. However, the literature reveals that the majority of research was conducted on other leadership styles with task performance. The current study will add to the body of literature and fill the gap by testing the role of responsible leadership in contextual, environmental, and task performance.

Literature and Hypotheses
The organizational environment, task, and contextual performance are thought to play a role in an organization's success. According to some academics, leaders may encourage their staff to compete by adopting leadership styles (Hurdzuzeu, 2015) as leadership is considered a key player in organizational success. Measuring organizational success in the context of environmental, task, and contextual performance is essential because without measuring performance, organizational success is unable to evaluate. In the past literature, various studies conducted to evaluate the role of various leadership styles to measure the impact on task and environmental aspects of performance. However, the present study evaluated the role of responsible leadership on organizational environmental, task, and contextual performance.

Banking Industry and use of Stakeholder’s Theory
Since India split in 1947, Pakistan's banking industry has seen dramatic transformations. The only two commercial banks run by Muslims at the time were located in Pakistan, hence the banking system at the time had 195 branches and was dominated mostly by non-Indian international banks. Currently, Pakistan’s banking sector has five public sector commercial banks, four specialized banks, fifteen local private banks, five Islamic banks, and four foreign banks (SBP, 2022). Pakistan's banking sector played a crucial role in the firm’s performance by providing funds through commercial banks to entrepreneurs for the setup of businesses. Stakeholders’ theory depicts that all the stakeholders are key players in the organizational success and no one should be ignored. The banking sector covers the whole of Pakistan and the stakeholders' perspectives were used to conduct the present study.

Responsible Leadership and Environmental Performance
Environmental pollution has been focused on in various research fields due to its impact on society and overall organizational performance (Islam, 2022). Environmental pollution causes irreversible damage to a firm’s economic interests and natural environment. Various countries are under intense pressure to reduce their environmental emissions. Waste-to-energy technology provides the benefits of renewability, minimal pollution, and steady supply as a type of clean energy. For the transition to a low-carbon society, developing an inexpensive, practical, and ecological waste disposal system is essential (Wei, Xin-Gang, & Jieying, 2022). Organizations are being used various innovative technologies to produce green energy (Xin-gang, Wei, & Ling, 2021). Consequently, it is important to research the role of responsible leadership in improving the environmental performance of the organization. Therefore, it is the need of the hour to protect the natural environment and improve environmental performance. Recent studies have found that responsible leadership has an impact on environmental performance in the context of the link between these two concepts (Liao & Zhang, 2020; Mantikei, Christa, Sintani, & Negara, 2020; Wang, Shen, Chen, & Carmeli, 2021). A responsible leader covers the triple bottom approach and simultaneously focused on the economic, social, and environmental aspects of the firm (Siddiqui et al., 2020). Drawing upon stakeholder theory, the goal of the current study is to determine how responsible leadership affects environmental performance. Hence, 

H1. Responsible Leadership improves Environmental Performance.

![Figure 2.1: Theoretical Framework](image)

Note: H1, H2, H3, H4, H5, H6, and H7 hypothesized for direct relationship and H8, H9, and H10 hypothesized for mediating impact.

**Responsible Leadership and Task Performance**

A responsible leader under the triple-bottom-line approach performs economic, social, and environmental simultaneously. Past studies defined that responsible leadership enhanced organizational performance (He et al., 2021; Lynham & Chermack, 2006). Task performance is a core need of the organization that is expected from its workforce for organizational performance. Without the task performance of employees, organizational goals cannot be achieved. A recent study conducted in the Chinese hospitality industry found that responsible leaders have a direct impact on the task performance of employees (He, Morrison, & Zhang, 2019). In light of the stakeholders’ theory, the responsible leader is assumed to positively impact the task performance of employees working in the banking sector of Pakistan. Hence, 

H2. Responsible Leadership improves Task Performance.
Responsible Leadership and Contextual Performance
Organizations are expecting more and more from the workforce due to the competitive environment and globalization. Task performance is an essential element but contextual performance is essential for excellence in the industry. Literature support is available as transformational leadership improves contextual performance (Ahmad Zawawi, 2020; Manesh, Singh, & Hussain, 2018) and transactional leadership improves contextual performance (Young, Glerum, Joseph, & McCord, 2021). The role of contextual performance is undeniable in the success of an organization because contextual performance determines the ability of employees for contributing to organizational well-being. Stakeholders are essential players in organizational performance and under the light of stakeholder theory and literature, it is assumed that responsible leadership will improve contextual performance. Hence, H3. Responsible Leadership improves Contextual Performance.

Responsible Leadership and Sustainability Practices
Responsible leadership starts from being responsible for economic, social, and environmental aspects simultaneously. Literature reveals that responsible leadership positively impacts sustainability practices (Colley & Spyridonidis, 2022; James & Priyadarshini, 2021). Sustainable practices are essential for environmental performance and to save the planet. Responsible leadership is essential for protecting the environment as well as social and economic aspects. Hence, H4. Responsible Leadership improves Sustainability Practices.

Sustainability Practices and Environmental Performance
Concerns of investors and consumers have been raised regarding the environmental performance of organizations (K. Kim, 2018). Firms need to develop strategies for reducing pollution and protecting the natural environment. Sustainability practices can provide the solution to overcome pollution and protect the natural environment which will ultimately enhance environmental performance. Literature suggested that sustainability practices are an essential element of environmental performance (Mapar et al., 2020; Nguyen, Elmagrhi, Ntim, & Wu, 2021). Hence, H5. Sustainability Practices Improve Environmental Performance.

Sustainability Practices and Task Performance
Sustainability practices are the need of the hour to protect the planet from fast-growing businesses. Sustainability practices are essential for task performance as organizations have paid focused on sustainability and consider it the key component for success. Literature reveals that environmental practices are influencing task performance (Min, 2017). Hence, it is assumed that sustainability practices will positively influence task performance. H6. Sustainability Practices Improve Task Performance.

Sustainability Practices and Contextual Performance
The contemporary business world is complex and dynamic due to globalization and the competitive environment. Contextual performance is an essential element for competitive advantage (Kappagoda, 2018). Sustainability practices have been found essential for organizational success (Biswas, 2021; Fok, Morgan, & Zee, 2021). Based on the above discussion, it is assumed that sustainability practices will positively influence contextual performance. Hence, H7. Sustainability Practices Improve the Contextual Performance.

Mediating Role of Sustainability Practices
Drawing upon the stakeholder’s theory, organizations have changed their stance from motives of profit to long-term success which includes all stakeholders of the society. The sustainability concept is prominent in the business world for achieving long-term success (Singh, Pradhan, Panigrahy, & Jena, 2019). Past studies' result reveals that sustainability practices performed mediating role between management innovation and organizational performance (Y. Zhang, Khan, Lee, & Salik, 2019), and social performance enhancement (Agussani & Akrim, 2020). Hence, it is obvious that sustainability practices provide a mediating role in organizational performance studies. We argue that
due to the competitive business world, sustainability practices can play mediating role between responsible leadership and environmental, task, and contextual performance. Hence, 

H8. The connection between responsible leadership and environmental performance is favorably mediated by sustainability practices.

H9. The association between responsible leadership and task performance is favorably mediated by sustainability practices.

H10. Contextual performance and responsible leadership are favorably mediated by sustainable practices.

Research Methodology

Sample and Data Collection

The targeted sample was employed in the present study to gather data using a survey questionnaire approach. From February to June 2022, a sizable survey was carried out. The research subjects chosen were the top four local private banks working in Pakistan. Only officers who were knowledgeable about the general state of their organizations were asked to participate in the survey, allowing the respondents to evaluate the questions on the questionnaire in an unbiased manner. The technique of stratified simple random sampling was employed to gather cross-sectional data. 560 questionnaires were distributed among officers of the banking sector and valid 398 valid questionnaires were returned with a 71% response rate. 11 responses that were outliers during the process of ensuring that the data was normal were removed, and 387 responses were then used for final data analysis.

Constructs Measurement

There are two components of the questionnaire that was used for this investigation: conceptual variables (independent, mediating, and dependent variables) and demographic variables (age, gender, qualification, experiences, and province).

Responsible Leadership

RL was measured using a 5-item (Voegtlin et al., 2012). Examples of possible elements include "My direct supervisor shows an understanding of the relevant stakeholder claims," "My direct supervisor examines diverse stakeholder claims before deciding," and "My direct supervisor attempts to reach consensus among the affected stakeholders."

Environmental Performance

The 6-item scale was utilized in the current study to measure environmental performance (Zailani, Eltayeb, Hsu, & Tan, 2012). Examples include "During the last three years, my firm significantly improved its overall environmental position" and "During the last three years, my firm significantly reduced its energy consumption."

Task Performance

The three-item scale used to assess task performance was adapted and focused on quality, efficiency, and quantity (FARH, Dobbins, & CHENG, 1991). The criteria included "High quality, low errors, and high accuracy in main job responsibilities," "High efficiency, fast execution, and high quantity in main responsibilities," and "Achieve high goals and in key job responsibilities."

Contextual Performance

Four items scale is used to measure the contextual performance of employees (Lin & Peng, 2010). Contextual performance is an essential player for competitive advantage as well as overall organizational performance.

Sustainability Practices

Five items scale is used to measure the sustainability practices of organizations (Lawrence, Collins, Pavlovich, & Arunachalam, 2006). Researchers asked simple questions to measure the sustainability practices of the organizations i.e. impact of employee activities on the environment.

Data Analysis and Results
The analysis is of two types: the first one is descriptive analysis and the second one is hypothesis testing. SPSS was utilized to carry out a descriptive analysis and hypothesis testing was conducted through Mplus. Results of descriptive analysis depict that there were more men than women among the respondents indicating that men predominate in Pakistan's banking industry. Male respondents 339 and female respondents 48 which is comparatively low. The majority of respondents belong to the less than thirty years category as 189 respondents were below 30 years of age which is 48.8% of the sample size. Five private sector commercial banks were selected for the study and the majority of the responses were collected from HBL, MCB, UBL, ABL, and BAHL respectively. HBL is the largest private-sector commercial bank with the highest number of branches across Pakistan. Most of the respondents have master’s education. 249 respondents have master’s degrees which are 64.3% of the sample size.

<table>
<thead>
<tr>
<th>Table 4.1: Demographic Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
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<tr>
<td>Male</td>
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<tr>
<td>Female</td>
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<tr>
<td><strong>Age</strong></td>
</tr>
<tr>
<td>Up to 30 years</td>
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<tr>
<td>31 to 40 years</td>
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<tr>
<td>41 to 50 years</td>
</tr>
<tr>
<td>50 and above</td>
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<tr>
<td><strong>Banking Organization</strong></td>
</tr>
<tr>
<td>HBL</td>
</tr>
<tr>
<td>MCB</td>
</tr>
<tr>
<td>UBL</td>
</tr>
<tr>
<td>ABL</td>
</tr>
<tr>
<td>BAHL</td>
</tr>
<tr>
<td><strong>Education</strong></td>
</tr>
<tr>
<td>Graduation</td>
</tr>
<tr>
<td>Masters</td>
</tr>
<tr>
<td>MPhil</td>
</tr>
<tr>
<td>PhD</td>
</tr>
<tr>
<td>Others</td>
</tr>
<tr>
<td><strong>Banking Experience</strong></td>
</tr>
<tr>
<td>Up to 1 year</td>
</tr>
<tr>
<td>1-3 years</td>
</tr>
<tr>
<td>3-6 years</td>
</tr>
<tr>
<td>6-9 years</td>
</tr>
<tr>
<td>9 years and above</td>
</tr>
<tr>
<td><strong>Province</strong></td>
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<tr>
<td>Punjab</td>
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<tr>
<td>Sindh</td>
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<tr>
<td>KPK</td>
</tr>
<tr>
<td>Baluchistan</td>
</tr>
<tr>
<td>AJK</td>
</tr>
<tr>
<td>GB</td>
</tr>
</tbody>
</table>

Source: Author's completion

A large number of respondents have 3-6 years of experience in the banking sector and 118 respondents have 3-6 years of banking experience which is 30.5% of the sample. Punjab is the largest province according to population and 209 respondents belong to Punjab which is 53% of the entire sample size. Whereas, extensive details regarding respondents were given in Table 4.1.

Through the use of the Mplus software, the structural equation modeling (SEM) approach is employed to assess the study's hypothesis. SEM is the second generation of multivariate analysis which covers every characteristic of the first-generation and updated version for handling complex models (Fornell, 1982). One of the most important advancements in the field of social sciences is SEM due to its significant role in social sciences (Dash & Paul, 2021).

We have confirmed the validity and reliability of the scale to verify the study's hypothesis. The reliability of the scale is already measured as the scale was adopted whereas the Average variance extracted (AVE) and the square root of AVE was used to assess the convergent and discriminant validity of the model. Each of the AVE scores exceeded 0.5 which is acceptable as per the criteria (Henseler, Ringle, & Sarstedt, 2015); while, by utilizing the square root of AVE, we have established the discriminant validity, where the square root of AVE value must be higher than the correlation of the relevant construct (Rönkkö & Cho, 2022) which is fulfilled in the present study. Table 4.2 depicts descriptive statistics, i.e. mean (M), standard deviation (SD), composite reliability (CR), average
variance extracted (AVE), and correlation among variables. Means and SD were calculated (responsible leadership (Mean = 4.011, SD = 0.875), environmental performance (Mean = 3.998, SD = 0.801), task performance (Mean = 4.101, SD = 0.890), contextual performance (Mean = 3.895, SD = 0.795), and sustainability practices (Mean = 0.3.929, SD = 0.799)). To investigate the relationship between the variables, correlation studies were carried out. The results of correlation analysis revealed that responsible leadership and environmental performance are strongly and positively associated ($r = 0.244$, $p < 0.01$), task performance ($r = 0.365$, $p < 0.01$), contextual performance ($r = 0.188$, $p < 0.01$), and sustainability practices ($r = 0.289$, $p < 0.01$). Environmental performance ($r = 0.264$, $p 0.01$), task performance ($r = 0.319$, $p 0.01$), and contextual performance ($r = 0.209$, $p 0.01$) are all substantially and positively connected with sustainability practices.
Table 4.2: Mean, Standard Deviation, Validity, and Correlation

<table>
<thead>
<tr>
<th>Variable name</th>
<th>Mean</th>
<th>SD</th>
<th>CR</th>
<th>AVE</th>
<th>RL</th>
<th>EP</th>
<th>TP</th>
<th>CP</th>
<th>SP</th>
</tr>
</thead>
<tbody>
<tr>
<td>RL</td>
<td>4.011</td>
<td>0.875</td>
<td>0.899</td>
<td>0.525</td>
<td>(0.725)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP</td>
<td>3.998</td>
<td>0.801</td>
<td>0.862</td>
<td>0.559</td>
<td>0.244***</td>
<td>(0.748)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TP</td>
<td>4.101</td>
<td>0.890</td>
<td>0.955</td>
<td>0.519</td>
<td>0.365***</td>
<td>0.027</td>
<td>(0.720)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP</td>
<td>3.895</td>
<td>0.795</td>
<td>0.888</td>
<td>0.577</td>
<td>0.188***</td>
<td>0.066</td>
<td>0.072</td>
<td>(0.760)</td>
<td></td>
</tr>
<tr>
<td>SP</td>
<td>3.929</td>
<td>0.799</td>
<td>0.819</td>
<td>0.511</td>
<td>0.289***</td>
<td>0.264***</td>
<td>0.319***</td>
<td>0.209***</td>
<td>(0.715)</td>
</tr>
</tbody>
</table>

Note: *p < 0.05, **p < 0.01, ***p < 0.001

Note: Discriminant Validity is measured through the Square root of AVE

SD= Standard Deviation; CR= Composite Reliability; AVE= Average Variance Extracted;

RL= Responsible Leadership; EP= Environmental Performance; TP= Task Performance;

CP= Contextual Performance; SP= Sustainability Practices

Source: Author’s completion
The findings of the structural model, which was employed to evaluate the present study's hypothesis, are presented in Table 4.3. The findings of the hypothesis show that responsible leadership significantly improved environmental performance ($b = 0.204; p < 0.01$), task performance ($b = 0.365; p < 0.01$), contextual performance ($b = 0.188; p < 0.01$), and sustainability practices ($b = 0.289; p < 0.01$) which indicated that results supported H1, H2, H3, and H4. The current study's findings are in line with previous research, which has shown that responsible leadership improves the performance of employees in Indonesia's education department (WIDODO & YUSUF, 2021). The findings of a recent study suggested that responsible leadership has a favorable relationship with task performance (He et al., 2021). Responsible leaders are those who performed three functions namely economic, social, and environmental simultaneously (Siddiqui et al., 2020) and recent study results indicated that responsible leaders improve the environmental performance of their organizations (Liao & Zhang, 2020). In line with the findings of a recent study, which found that environmental practices had a beneficial influence on firms' environmental performance, the intervening variable, sustainability practices, had a substantial positive effect on environmental performance ($b = 0.264; p < 0.01$) (K. Kim, 2018). According to the findings of a recent study, sustainability practices have a beneficial influence on task performance ($b = 0.319; p < 0.01$) as well as on employees' task performance (El-Khalil & El-Kassar, 2018). Contextual performance is positively impacted by sustainability practices ($b = 0.209; p < 0.01$) and literature supported the present study results as recent study results revealed that the contextual performance of employees is significantly improved by sustainable measures. (Dongrey & Rokade, 2021). So, it is established that hypotheses of present study namely H5, H6, and H7 are supported.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Environmental Performance</th>
<th>Task Performance</th>
<th>Contextual Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td></td>
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<tr>
<td>RL→</td>
<td>0.204(***</td>
<td>0.365(***</td>
<td>0.188(***</td>
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<td>0.319(***</td>
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<tr>
<td>SP</td>
<td>0.102(***</td>
<td>0.099(***</td>
<td>0.178(0.214</td>
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<tr>
<td>RL→</td>
<td>0.306(***</td>
<td>0.464(***</td>
<td>0.348(0214</td>
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</tbody>
</table>

Source: Authors' completion

Note: *p <0.05, **p <0.01, ***p < 0.001

RL= Responsible Leadership SP= Sustainability Practices

H8, H9, and H10 were recommended to investigate the mediation effect. Before now, there hasn't been much data to support the idea that sustainable leadership practices and environmental, task, and context performance are mediated by sustainability practices. H8 claims that the association between responsible leadership and environmental performance is mediated by sustainability practices ($b = 0.102; p < 0.01$). Hence, the p-value and beta value supported the proposed hypothesis and resulted in the acceptance of the H8 hypothesis. H9, which also provided support for the hypothesis, asserts that sustainability practices mediate the relationship between task performance and responsible leadership ($b = 0.099; p < 0.01$). In the last proposed hypothesis H10, mediating role of sustainability practices was tested between responsible leadership and contextual performance ($b = 0.178; p < 0.214$). Results of hypothesis H10 depict that there is no mediation due to the insignificant value of p. Hence, the present study is based on ten hypotheses, one was rejected and nine hypotheses were accepted as detailed mentioned in tabulated form in table 5.1.

**Discussion, Implications, and Future Directions**

Drawing light on stakeholders’ theory, by mediating the impact of sustainability practices, the current study experimentally examined the impact of responsible leadership on environmental, task, and contextual performance. There were seven direct hypotheses and...
three were used to test the mediating role of sustainability practices. Out of ten hypotheses, nine were accepted and one was rejected as mentioned in table 5.1. The results of this study are in line with those of other earlier ones as responsible leadership significantly impacts environmental performance (Liao & Zhang, 2020; Rehman et al., 2021), and task performance (Ambad, Kalimin, Damit, & Andrew, 2021; He et al., 2021). However, the role of responsible leadership in contextual performance was less empirically tested areas as the role of transformational leadership in contextual performance were tested (Pradhan & Pradhan, 2015). So, the present study empirically tested the relationship and found that contextual performance is significantly improved by responsible leadership, whereas the mediating role of sustainability practices was rejected. Results of the study were shown in figure 5.1 which clearly defined that sustainability practices, environmental performance, task performance, and contextual performance are all impacted by responsible leadership. Stakeholders theory defines that leadership must engage all stakeholders of society instead of shareholders. A responsible leader balances the needs of the economy, society, environment and engages all stakeholders of the society i.e. shareholders, clients, community, employees, and future generations (Haque, Fernando, & Caputi, 2018; Javed, Akhtar, Hussain, Junaid, & Syed, 2021; Voegtlin et al., 2012). Responsible leadership has a favorable effect on a firm's multifaceted performance by employing stakeholders' theory to comprehend why and under what conditions to adopt sustainable policies. However, the literature reveals that performance context was examined to gauge the responsible leadership position in the light of social network theory (Miska & Mendenhall, 2018) and institutional theory (Peters, 2019).

![Figure 5.1: Theoretical Model along with Results](image)

We suggested that responsible leadership, categorized as leadership behavior that reflects an optimization of numerous stakeholders for network ties with them (Javed et al., 2021), improves the performance of the firm both monetarily and non-monetarily, i.e. task performance, environmental performance, and contextual performance directly and through sustainability practices expect contextual performance.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Statement</th>
<th>Beta Coefficient</th>
<th>Decision</th>
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<td>Responsible Leadership has a positive impact on Environmental Performance.</td>
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<td>Endorsed</td>
</tr>
<tr>
<td>H2</td>
<td>Task Performance is influenced favorably by responsible leadership.</td>
<td>0.365(***</td>
<td>Endorsed</td>
</tr>
<tr>
<td>H3</td>
<td>Contextual Performance is enhanced by responsible leadership.</td>
<td>0.188(***</td>
<td>Endorsed</td>
</tr>
<tr>
<td>H4</td>
<td>Sustainable practices are benefited from responsible leadership.</td>
<td>0.289(***</td>
<td>Endorsed</td>
</tr>
<tr>
<td>H5</td>
<td>Environmental Performance is positively impacted by sustainability practices.</td>
<td>0.264(***</td>
<td>Endorsed</td>
</tr>
<tr>
<td>H6</td>
<td>Task Performance is positively impacted by sustainability practices.</td>
<td>0.319(***</td>
<td>Endorsed</td>
</tr>
<tr>
<td>H7</td>
<td>Sustainability Practices improve Contextual Performance.</td>
<td>0.209(***</td>
<td>Endorsed</td>
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</table>
The connection between responsible leadership and environmental performance is favorably mediated by sustainability practices.

0.102(***)
Endorsed

The association between responsible leadership and task performance is favorably mediated by sustainability practices.

0.099(***)
Endorsed

Sustainability Practices positively mediate the relationship between Responsible Leadership and Contextual Performance.

0.160(0.214)
Rejected

Source: Authors Completion

Responsible leaders take care of the triple bottom approach and cover social, economic, and environmental aspects simultaneously. The findings are further supported by the notion of responsible leadership, which contends that it is about making sustainable business decisions while keeping the interests of all stakeholders in mind, such as shareholders, workers, customers, and other parties. Customers, suppliers, society, the planet, and subsequent generations (Rehman et al., 2021). We proposed that responsible leadership, defined as leadership conduct that takes into account the goals of many stakeholders to foster social links with them, enhances firm performance both financially and non-financial. However, based on the triple bottom approach, the current study assessed the impact of responsible leadership on employees' performance concerning their environment, tasks, and context. and the results of the present study depict that the following hypotheses H1, H2, and H3 are accepted. Present study results depict that if the leader is responsible then organizational performance will be better in terms of task, contextual, and environmental. It is possible to accept hypothesis H4 since responsible leadership has a considerable and beneficial direct effect on sustainability practices. We proposed that sustainability practices due to their multidimensional effect can enhance the environmental, task, and contextual performance of employees. The current study’s findings indicate that sustainability practices have a significant positive effect on environmental, task, and contextual performance which provides the basis for acceptance of the H5, H6, and H7 hypotheses. However, H7 and H8 were accepted as sustainability practices that perform mediating roles between responsible leadership and environmental performance as well as task performance. Whereas, in the case of contextual performance, sustainability practices didn’t perform the intervening roles.

The Study's Theoretical Implications
Leadership is a vast and diversified topic and the current study adds to the body of knowledge by empirically examining the function of responsible leadership in the context of task performance, and contextual performance via the lens of stakeholders' theory. The role of responsible leadership is essential to be empirically tested because of its ability to perform based on the triple bottom approach (Siddiqui et al., 2020). In the present study, the role of sustainability practices was empirically tested which further added a body of knowledge and pave way for future research. The present study provides understanding regarding the role of responsible leadership in performance and also identifies the mediating role of sustainability practices (Ijaz, Siddiqui, & Rasheed, 2020) which is essential due to sustainability importance which is acknowledged worldwide (Siddiqui & Ijaz, 2022).

Managerial Implications of the Study
Responsible leadership plays a vital role in the performance outcomes, not only financial but it’s also effective for environmental, task, and contextual performance. It’s worldwide accepted that for multidimensional performance results, responsible leadership is necessary. (Tsui, 2021; Voegtlin et al., 2012). Responsible leadership is essential for performance due to its stakeholders’ approach under which the leader takes care of every stakeholder instead of shareholders. This study was conducted in the banking sector of Pakistan which covers the whole of Pakistan and covers all financial industries. The banking sector has millions of customers in Pakistan and therefore, its performance in terms of environment, task, and context is essential. Various studies reported the burnout and turnover ratios in the banking sector are higher than in other sectors (Asif & Nisar, 2021; Mushtaq, Shafqat, Khan, Ellahi, & Ansar, 2021; Shah, Saeed, Yasir, Siddique, & Umar, 2018) which emphasis the higher management to become responsible leaders. By realizing the importance of responsible
leadership by higher management, they will be able to boost multilevel performance. Policy-makers can enhance the organization

**Limitations and Directions for the Future**

In the present study, data were collected from private commercial banking sector employees whereas it could be collected from the whole industry including specialized institutions, public sector banks, microfinance banks, and foreign banks working in Pakistan. Data collected cross-sectional due to time resources whereas, future researchers can collect data in a time-lagged way to minimize the common method biasness. Future researchers should test the comparative analysis among various forms of bank and cross-sector analysis for its generalizability. In the present study, researchers used firm-level variables whereas future researchers should use employee-level variables like pro-environmental behavior, organizational citizenship behavior, self-efficacy, etc. Finally, sustainability practices were used as mediation whereas, future researchers can use self-efficacy, environmental strategy, and inner motivation as mediation.

**References**


Impact of Relational Benefit on Customer Loyalty with the Mediating Role of Customer Satisfaction: A Study of Selective Banks of Pakistan

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**ARTICLE DETAILS**

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<td>Revised format: Feb 2023</td>
<td>Objective: The research paper opens up to Relationship Marketing approach with the objective to find an array of factors facilitating Customer Loyalty in Banks: Customer Relational Benefit has been studied to increase Customer Satisfaction and thus, Customer Loyalty as well.</td>
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<td>Available Online: Mar 2023</td>
<td><strong>Methodology:</strong> This study focuses on and talks about empirical findings from 422 customers of different banks situated in Multan. AMOS and SPSS were used to analyze the data. Descriptive statistics, frequency distribution, correlation, confirmatory factor analysis and structure equation modeling tools were used to analyze the data.</td>
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| Keywords       | Findings: The key finding in this Research Paper indicates that customer relational benefits & customer satisfaction are key players that enhance and retain the customer loyalty. |
|----------------|**Implications:** This study provides a comprehensive guide line for managers to access and retain the loyal customers. |

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**Introduction**

Banking sector happens to be the vital sector of a society as they play a pivotal role in a country’s economy empowerment. Due to changing External and Internal Environmental factors, banking sector dynamics are evolving to their accord (Athanasoglou, Brissimis, & Delis, 2008; Gentle, 1993). As someone has well said, *Customer is your King*; the statement holds especially true for all Service Organizations converging into Banking Sector. Globalization invites to additional competition which reinforces Banks to focus all synergies to Customer needs and demand fulfillment. Virtualization, global networking and Technology competitiveness has empowered Customers through information transparency about Banking products and services. Thus, Customers now own the key attention of all Banks. With intense
competition and market saturation, Customer relationship management has been of utmost importance these days. Customer Relationship Management incorporates all strategies and tactics for analyzing, occupying and retaining customers throughout the customer lifecycle.

The study of Hafeez and Muhammad (2012) depict that Banks stand as crucial institutes in adjusting the surpluses coming from investors and deficits for borrowers to maintain economic balance. Expansionary and Contractionary Monetary and Fiscal policies, issuance of bonds, development of saving and governmental plans and a lot more is facilitated to National Growth of developing countries through banks(Ariiss, 2010). State Bank Pakistan (SBP) playing the role of utmost importance in Pakistan. The four types: Public, Private, Foreign and Islamic banks also create vacancies for employment. These institutes have been effected by Environmental crises of politics, socioeconomics, professional and capital deficiency ever since 1947(Burki & Niazi, 2010). In the study conducted by Hussain (2004), he states that financial sector contributes to 95 percent which puts a direct impact on national economic growth. But Bad debts weakens customer-bank relationship: as banks are profit oriented like all other organizations (Arby, Malik, & Hanif, 2010). In order to achieve and maintain competitive edge, customer relationship management is using marketing automation capabilities and Relational benefits for capturing customer satisfaction and loyalty.

The main objectives of the current study is to explore and explain customer loyalty, judge the perception of service provider about Relational benefits offered by banks and conclude this research paper by offering a roadmap for bank managers and employees in order to capture and retain customer loyalty. Using the research questions of how to enhance customer loyalty, customer perceptions about bank’s relational benefits and how to retain customer loyalty, this research paper focuses on capturing and retaining customer loyalty and its management with the help of relational benefits of bank.

**Literature Review**

With increased market saturation and intense competition, measurement of behavioral study of customers has become grim. Customer behavior varies for tangible and intangible services. Since bank efficiency and effectiveness is dependent upon customer satisfaction (Siddiqi, 2011), Bank officials create and evaluate positive and negative combinations of services to enhance customer loyalty keeping risk and return considerations in focus with loyal customers(Szüts & Tóth, 2008). Product and service combinations are catered to with respect to customers’ view that builds perceived value worth (Ramaseshan, Evanschitzky, & Johnston, 2008). This also improves bank performance, customer involvement developing a brand image and a sustainable long term customer loyalty(Tu, Wang, & Chang, 2012). According to Kotler, Keller, Manceau, and Hémonnet-Goujot (2015)relationship marketing is the continuous engagement of organization to meet customers’ needs with the intention of securing customer loyalty and long term customer retention. Relational benefits approach is the most auspicious approach used by service organizations like Banks that reinforces Relationship Marketing. The Customer retention promise accomplished through Relationship Marketing has been of high consideration and appeal to Service Sectors (Krasnikov, Jayachandran, & Kumar, 2009; Palmatier, Dant, Grewal, & Evans, 2006; Verhoef, 2003)

**Relational Benefits**

The kinds of combinations of Relational benefits offered by Banks determine the strength of its relationship marketing. These benefits are offered to retain profit oriented, long term, mutual relationships built on trust between customers and service provider bank. Morgan and Hunt (1994),s Commitment trust theory fosters the concept of Relationship Marketing; that by acquiring mutual benefits, a bond of confidence is developed by customers towards bank which is the building block RM concepts. Main types of Relational benefits are confidence, social and special treatments. When customer has inadequate knowledge about services best suited to his needs, relational benefits are offered for him to confide in Bank, reducing the mental risk and thus, avoiding switching costs(Reynolds & Beatty, 1999)
efforts in regard to all ethical and moral consideration are offered through Social benefits. Bank and Customers nurture a friendly relationship through special treatment: price adjustments, delivery of fast and diverse services.

**Customer Satisfaction**

Customer satisfaction is a result of consumption experiences (Anderson, Fornell, & Lehmann, 1994; Yi & Zeithaml, 1990). According to Williams and Buttle (2011), word of mouth (WOM) marketing is very common. Customers who are satisfied tell and share their experiences with others. According to Shank (2012), there is a significant direct relationship between customer satisfaction and profitability. According to A (2002) the elements of customer satisfaction response in term of emotion or cognitive: which can be of pleasure or disappointment in relation to what their expectations and evaluations (Fornell, Rust, & Dekimpe, 2010). Customer satisfaction is used as a key performance indicator (KPI) for businesses (McCull-Kennedy & Schneider, 2000). Customer satisfaction criteria in Pakistani banking industry towards service quality generally includes the association between customers & service providing organization through efficient and effective service, confidentiality, competitive pricing, friendly behavior of bank personnel on continuous basis (Hokanson, 1995).

Higher profitability due to increased customer loyalty minimizes marketing cost, increases sales, cuts down switching attitudes, eventually reducing operational cost. Satisfied and thus loyal customers pertain bountiful knowledge of offered services and products thus less time and energy is spent convincing them to purchase products and cost less to the business. Satisfying and retaining loyal customers in longer run allows bank to converge all resources on capturing new customers thus, expanding organization’s market share. In this point of time with intense market competition and high customer focus, banks are reviewing all policies with respect to individual and corporate clients. Other than that, they have kept a close eye on all relational benefits that can be a distinctive marketing edge, increasing revenues and adding to customer (Bennett, 1996).

**Customer Loyalty**

Oliver (1999) describes loyalty as a strong commitment towards a product, strong preference of buying it again in future despite of the situational factors. Researchers identify commitment as behavior. The kinds of attitudes that effect commitment and feelings belong to cognitive behavior of customers (Hallowell, 1996). This commitment conceptualization of customer loyalty can be divided into three factors: behavioral conceptualization of retention to a bank, attitudinal conceptualization that defines physiological commitment and two-dimensional conceptualization which includes both behavioral and attitudinal conceptualization.

Yi and La (2004) suggested service providers to use three measure to ensure customer loyalty: repeated purchase intention, willingness to recommend a service provider, and tendency to resist switching. Despite using one Customer loyalty conceptualization that restricts to a sole approach, a combination of behavioral and attitudinal approaches are brought into use for Example, (Day, 1969; Dick & Basu, 1994; Jacoby, 1978; Jacoby & Kyner, 1973; Jones & Farquhar, 2003). This collaborative two dimensional approach is of high interest in theoretical literature.

Four types of loyalty are taken in accord to differentiate between customer loyalty, customer attitude and behavior (Dick & Basu, 1994). These four types of loyalty include the following:

- **True loyalty**: customers present favorable communication between relative attitude and repeat benefaction.
- **Superior loyalty**: customers present low comparative attitude accompanied by high repeat benefaction.
- **Latent loyalty**: customers present high comparative attitude, with low repeat benefaction.
- **Low or no loyalty**: customers present weak or little levels of both comparative attitudes combined with low repeat benefaction.
After conducting a comprehensive literature review of relational benefits, customer satisfaction, loyalty through relationship marketing, following hypothesis have been developed:

**Theoretical Model**

![Model 1. The Research Model](image)

**H1:** Perceived relational benefits have positive impact on customer satisfaction.

**H2:** Customer Satisfaction has a mediating impact on perceived relational benefits.

In order to test the hypothesis, data and information was collected from different types of account holders from selective banks keeping time and financial constrains in regard. *Five hundred sixty-six questionnaires* were distributed personally among the sample of population and 422 questionnaires were received back. They calculated response rate of 74%, which is sufficient sample size. Optimal guideline was provided to respondent until all questionnaires were completed and retrieved. After the collection of data, the data was entered in SPSS (version 19) to analyze independent variable and dependent variable.

To review the data from respondents’ descriptive statistics, reliability and validity, correlation performed in SPSS & AMOS to analyze the data with respect to demographic and other variables (Janssen et al., 2008). Reliability measures the degree of internal consistency between multiple measurements of variable (Hair et al., 1995) and was checked using Chronbach Alpha. Three types of Validity were calculated: content validity measures the accuracy of items; convergent validity measures the extent in which two different indicators of variable confirm each other and discriminate validity indicates the squared correlation between two constructs.

Confirmatory factor analysis conducted using AMOS 20 to check reliability and validity. Structure equation modeling technique was used to check the good fit of model. The confidence interval of the study is 95% with 5% of significance level. This study provides a comprehensive road map to access and sustain the customer loyalty. The results depicted positive correlation between customer satisfaction and customer relational benefits with the value of .49. Customer loyalty and customer relational benefits (.42) positively correlated with each other’s. There is also significant positive correlation between customer loyalty and customer satisfaction. All variables in this study are positive correlated with each other at the 0.01 level. After conducting a comprehensive literature review, it is necessary to bridge the gap between theory and practice to provide practical roadmap for accessing the customer loyalty in Pakistani banking sector. Customer relational benefit is an important factor that plays a key role in enhancing customers’ loyalty.

Purposive sampling was used in this study by identifying needs of selected groups pertaining important characteristics. This sampling technique uses experienced individuals with specified skills to give response. According to Tabachnick, Fidell, and Osterlind (2001) that sample size would be i.e \( N \geq 50 + 8M \) (where M is the number of predictor variable. There are five important factors, which served as a guide to select the sample from population. First, to determine goals, second; to consider desired precision value, third; to determine the confidence level, fourth factor is degree of variability of sample attributes and fifth, the response rate.

The questionnaire used in the study consisted of 77 questions with a five-point Likert scale. Independent variable, Customer relational benefit consists of thirteen items and this questionnaire was used previously by Hennig-Thurau, Gwinner, and Gremler (2002). Customer satisfaction has nine constructs and these were used by (Anderson & Sullivan, 2002).
Dependent variable customer loyalty consists of eight items and were used by Kashif, Wan Shukran, Rehman, and Sarifuddin (2015), Fandos Roig, García, and Moliner Tena (2009), Gerrard and Barton Cunningham (1997). Due to the sensitivity and some restriction, only volunteer customer selected to participate in this research.

Pilot study was conducted to check the reliability of this questionnaire. First, Cronbach alpha was analyzed. Fifty-seven questionnaires were first distributed among the customer of different banks for piloting testing in several phases. After retrieving all questionnaires, back reliability was measured. Three types of errors occurred in measuring reliability: subject error, bias error and observer error. The reliability of questionnaires depicted that Customer Relational benefit has thirteen items with (0.841) value of cronbach alpha. Customer satisfaction has nine items with the cronbach alpha of (0.799). Customer loyalty has eight items and its reliability value is (0.822). The overall cronbach alpha of this questionnaire is 0.854, which is reliable and acceptable.

Results described the regression weight and hypothesis. Hypothesis 1 customer relational benefit has positive impact on customer satisfaction accepted because standardized estimate value is .093 which is acceptable and p-value <.05. H2 indicates that customer satisfaction has positive impact on customer loyalty is also accepted because it has significant positive estimated value .765 and p value <.05. So above table describe the regression weights and hypothesis testing. Result shows that all hypothesis is accepted having the positive value.

<table>
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Table 2. Reliability of Instruments using Pilot Testing

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Table 3. Regression Weight and Hypothesis testing of Structure Equation Model

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<td>CLS</td>
<td>.765</td>
<td>.023</td>
<td>42.398</td>
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</table>

Structure Equation Modelling

Limitation and Future Research Direction

Although every research has strength but limitation exists side by side (Van Dolen, De Ruyter, & Lemmink, 2004)
The data was collected from Multan only that is not sufficient sample to draw efficient conclusion. More regions and areas should be included for more specific and efficient results. Convenient sampling technique was used in this study for collecting sample. There might exist a chance of error in sample distribution. AMOS does allow to conceptualized model. So, discriminate validity was not measured.

This study provides a comprehensive guideline for CRM but many other aspects still exist that have to be considered in future research. Cultural aspect of organization can also be helpful to access customer loyalty.

Comparative study is preferred in future to access customer loyalty among different banks. The model of this study can also be practiced in other service providing industries and manufacturing sectors. New variables can also be tested along with the developed model.

**Conclusion & Recommendation**

The finding of the study indicates that customer relational benefits and customer satisfaction are important predictors of customer loyalty. Finding proves that:

Our developed hypothesis is positively related and there exists a strong impact of customer relational benefit on customer satisfaction.

Customer satisfaction has positive correlation with customer loyalty (Hennig-Thurau et al. 2002).

Banks have allocated resources for increasing customer relational benefits to enhance the customer satisfaction (Xu, Goedegebuure, and Van der Heijden 2007)

Results of regression weights and standardized coefficient indicate that these variables have positive impact on customer loyalty.

Perception of customers about customer relational benefits is although positive but mostly practices are not being implemented in banks.

If relational practices are adopted and implemented can be used as a competitive advantage for Banks for capturing and retaining them.

This research provides a comprehensive roadmap to managers and practitioners to develop policies, strategies and allocate resources to sustain and retain customer relationships.

The paper helps managers to know the important factors that are helpful for retaining customers. As the customers perceive high relational benefits, they become satisfied which is very important for loyalty. Service providers strengthen the relational benefits to greater satisfaction level. Managers should be aware that introducing relational benefits is mandatory to enhance the quality of relationship that customers have with them. Managers have to focus and be careful about the benefit that bank is offering and the benefit that competitor is offering.

In this reference, Crosby, Evans, and Cowles (1990) indicates that relationship quality is the best forecaster of a customer’s preferences of maintaining future relation with banks. This may indicate that managers should try to adopt better relational benefits that enhance the competitive edge in the market. Furthermore, it has been confirmed by the results of this study that once customers become emotionally attached to their relationship with a bank, it becomes harder for them to change their banks. Thus, knowing how customers feel about their relationships will help managers to develop appropriate strategies that focus on relational benefits to enhance the satisfaction and loyalty. Then managers will know which strategies...
they need to adopt and update, they will be able to enhance the satisfaction that leads to customer loyalty.

Just as the theory explains in Relationship Marketing, a small increase in loyal customers result in substantial increases in profitability (Bowen & Shoemaker, 1998; W. G. Kim & Cha, 2002; Tepeci, 1999). However, developing and sustaining loyalty is becoming increasingly difficult to achieve (Liang & Wang, 2005). Which is why the study was conducted to provide Relationship Marketing Model; through which customer loyalty can be secured in competitive Pakistani Banking sector. Within the context of Pakistani Banking Sector, this linkage between relational benefits with mediating effect of customer satisfaction on customer loyalty is a fist.

One of the main reasons why this model has a significant impact on research is because the relational exchanges if variables were widely accepted and acknowledged in Literature review but empirical evidence about the cause-effect of this construct has remained under-researched. The other three components that strengthen Relational construct through methodological processes are trust, satisfaction and commitment. Moreover, this study furthers the literature by investigating the two constructs: relationship quality and customer in one single model. Reliabilities and validates of each construct has been accessed through CFA and confirm the correspondence rules between both empirical and theoretical concepts (Bagozzi, 1984; S. H. Kim, Holland, & Han, 2013). This framework is designed for Pakistani Banking Sector only and the world altogether, thus the current study will serve as the basic guidelines for the effective implementations of CRM practices in the banks and as new addition in the field of CRM.

References


Information Technology Factors Impacting Educators before and during COVID-19: A Study of Developing Countries

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**Keywords**


**JEL Classification**

A20, A24

**ABSTRACT**

**Purpose:** The purpose of the paper is to explore the negative impact of information technology (IT) factors prior to and during COVID-19 from the perspectives of developing country educators, to obtain context to the higher education environment to aid future teaching practices.

**Design/methodology/approach:** The study employs a mixed method approach comprising a questionnaire and interviews with educators situated in two African developing countries from the South African Development Community (SADC).

**Findings:** This paper found that the IT factors that most adversely impacted educators’ delivery of the academic programme, was the student element (students’ internet access, students’ access to IT equipment, students’ proficiency with technology and data costs for students). The IT factors negative impact was mostly also intensified amid the pandemic.

**Implications/Originality/Value:** Far from being just a disruption, the pandemic is an indication of the urgent need to build sustainable higher education institutions to ensure that educators deliver quality academic programmes to all. The research obtained an understanding of IT factors (past and present) that may hinder educators’ orientations towards the future. Bringing to the fore the IT hindrances, educators can act by means of their environment, to enable teaching to continue under all conditions.

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**Introduction**

During the past two years, the COVID-19 pandemic disrupted global education, particularly higher education (Tharapos, 2021). According to a statement made by Audrey Azoulav, Director General of the United Nations Educational, Scientific and Cultural Organisation (UNESCO), “Never before have we witnessed educational disruption on such a large scale” (UNESCO, 2020). The consequences of the COVID-19 outbreak, which included lockdown restrictions, social distancing and other public health interventions to curb the spread, resulted in a sudden and unplanned transition to online learning for many contact-based institutions across the globe (Hodges, Moore, Lockee, Trust & Bond, 2020). Previously, only a small
portion of students globally was taught online (Sangster, Stoner & Flood, 2020). Approximately 220 million students were disrupted by the pandemic, resulting in a rapid transition to online learning (UNESCO, 2021).

Pope Francis when describing the human experience of the pandemic stated that “we are on the same boat” (Religion News Service, 2020). Contrary to this Doria and Mendinueta (2021) convey that “we are going through the same storm rather than in the same boat” (p. 112). Consequently, the sudden pivot to online learning disproportionately impacted the vulnerable and disadvantaged higher education institutions (HEIs) and deepened inequalities (Azevedo et al., 2021). Goal 4 of the sustainable development goals (SDGs) on education conveys that it must: ‘Ensure inclusive and equitable quality education’ for all (United Nations, 2015). Yet the “uneven impact” of the pandemic was felt between HEIs, especially between those in developed and developing countries (Sangster et al., 2020, p. 436). The latter is considered to have the “weakest safety nets” (Azevedo et al., 2021, p. 6), with the lack of state funding often being the largest contributing factor (UNESCO, 2021). Moreover, the sudden pivot online was particularly difficult for educators in developing countries due to the digital divide (Mpungose, 2020) as information communication technologies (ICTs) became the crux around which formal education evolved (Hussein, 2021).

The pandemic is now a thing of the past. However academic programmes have been altered, and hybrid learning is here to remain for the previous contact-based offerings (Prabawangi, Fatanti & Ananda, 2021). Furthermore, in view of this global pandemic, or other social disruptions that may arise, it is important to explore the impact of IT factors on educators, to ensure that quality programmes are delivered to all (UNESCO 2020; United Nations 2015).

A plethora of studies have resulted since the pandemic, often with a focus on educators (Beatson et al., 2021; Burt et al., 2021; Drinkwater, 2021; Sangster et al., 2020) and students (Adnan & Anwar, 2020; Agormedah et al., 2020; Burt et al., 2021; Drinkwater, 2021; Kaisara & Bwalya, 2020; Mpungose, 2020; Prabawangi et al., 2021; Reid et al., 2021; Sturm & Pinsent-Johnson, 2021) at HEIs. This study adds a different dimension by underscoring the agency theory. Emirbayer and Mische (1998) suggest that agency should be understood as a temporally embedded process of social engagement, informed by the past (in its habitual aspect), but also oriented toward the future (as a capacity to imagine alternative possibilities) and toward the present (as a capacity to contextualize past habits and future projects within the contingencies of the moment) (p. 963).

In using the agency theory, this study aims to understand IT factors (past and present) that may hinder educators’ orientations towards the future (Emirbayer & Mische, 1998). The agency theory emphasizes that individuals must act by means of their environment (i.e., available resources, contextual conditions, structural factors) to bring about change (Priestley, Biesta & Robinson, 2015).

This study will address the IT factors that negatively impacted educators’ delivery prior and during the pandemic to provide context to the higher education environment. This context should be assessed to assist educators in achieving agency for their future teaching practices (Biesta, 2015; Priestley et al., 2015), to ensure “inclusive and equitable education” for all (United Nations, 2015). This paper frames its exploration of the agency theory through its intersections with the digital divide experienced by HEIs within developing countries.

The following section details the use of online learning, followed by describing the impact of the COVID-19 pandemic on developing markets by outlining the challenges of the digital divide. The research methodology is then explained in Section three, followed by a discussion of the findings of the IT factors that negatively impacted educators prior and during the pandemic. Section five concludes the paper where the contribution, limitations of the study
and suggestions for future research are detailed.

Literature Review
Historically, HEIs afforded attention to online learning given the opportunities to communicate and deliver academic programmes from innovative ICT platforms (Mittelmeier et al., 2021). With online learning, the barriers of distance, time and borders are no longer relevant (Adnan & Anwar, 2020; Prabawangi et al., 2021) as it can be provided to students in remote rural areas or densely populated urban areas (Mittelmeier et al., 2021). Moreover, given its flexible provisions, it is an avenue for part-time students to balance family and work commitments (Mensah & Owusu-Mensah, 2002) and thus can reach a larger cohort of the student population (Mittelmeier et al., 2021). Online learning can take place in real-time using ICT platforms such as Skype, Zoom or Microsoft Teams (synchronous learning), or it can occur with a time-delay by using for example forums, pre-recorded videos or podcasts (asynchronous learning) (Drinkwater, 2021). Online learning, is thus referred to by some as an equalizer, given its flexible provisions (Mensah & Owusu-Mensah, 2002; Task Force, 2000).

With the onset of the pandemic, many HEIs globally had to cancel their contact-based offerings, and educators were forced to deliver academic programmes online (Ali, 2020). This form of emergency remote teaching is different from carefully planned and designed online courses. It rather served as a transitory shift to fully online delivery and assessment, due to the pandemic, where educators would otherwise present their academic programmes using contact or blended learning offerings. There was no easing-in period or careful design and planning during the pandemic, which is generally accompanied with major educational changes (Hodges et al., 2020). The disruption to online learning “pushed the possibilities for how technology might be used to support and enhance learning” (Kelly, Hall & Connolly, 2022, p. 2). This often resulted in increased learning and collaboration among educators to ensure continuity of the academic programme (Tharapos, 2021). Furthermore, COVID-19 highlighted the benefits of ICTs to teaching and learning (Kaisara & Bwalya, 2022). Scholars for example, argue that online learning can improve the quality of education (Adnan & Anwar, 2020) as students report increased confidence when engaging in online classroom discussions (Prabawangi et al., 2021). Students are also able to access pre-recorded content and find this helpful for their learning (Al-Mawee, Kwayu & Gharaibeh, 2021). Moreover, online learning can result in a reduced cost for students (Prabawangi et al., 2021).

Despite the benefits for online teaching and learning, the pivot online revealed emerging vulnerabilities in higher education systems globally which cannot be ignored or dismissed (Ali, 2020). Online learning within the African continent, is thus referred to being in “an embryonic stage” (Kaisara & Bwalya, 2022, p. 309) as 24% of HEIs cancelled teaching because of the disruption caused by the pandemic, and only 29% of African HEIs were able to transition to online learning, compared to 85% of HEIs in Europe (Marinoni, Land & Jensen, 2020). Certain scholars view, that this result was anticipated given the digital divide experienced on the Africa continent (Mpungose, 2020). The African continent for example, has the lowest internet penetration rate globally (46.8%) among the seven regions of the world (Internet World Stats, 2022). The second lowest region is Asia with a 67.4% internet penetration rate and North America the highest with a 93.4% internet penetration rate (Internet World Stats, 2022).

Similarly, Holmner (2008) remarks on the absence of the pillars of information and knowledge societies in developing countries, resulting in a challenge for educators and students keeping abreast of the constant advances in ICTS (Mpungose, 2020). While others highlight that ICT infrastructure and educator development are key challenges facing HEIs in Africa (Hussein, 2021).

1 The second lowest region is Asia with a 67.4% internet penetration rate and North America the highest with a 93.4% internet penetration rate (Internet World Stats, 2022).
Educators from developing markets were therefore, challenged on all fronts during the pandemic and several factors impaired students’ learning, including, inter alia, inadequate connectivity (in terms of internet access, data costs and the instability of power supply) (Prabawangi et al., 2021; Sturm & Pinsent-Johnson, 2021), the absence of devices (printers, WIFI routers, computers, laptops or tablets)2 (Agormedah et al., 2020; Mpungose, 2020), the lack of adequate learning resources, and shortage of ICT training (Hussein, 2021; Sangster et al., 2020). Students were also impeded by their capacity to use HEIs’ Learning Management Systems (LMSs) (Mpungose, 2020) and other ICT learning platforms (Mhlanga & Moloi, 2020; Sturm & Pinsent-Johnson, 2021).

The divide between the “haves” and the “have nots” is widening with online learning in emerging markets (Sturm & Pinsent-Johnson, 2021). In the words of Sturm and Pinsent-Johnson (2021):

Those who are excluded or have limited access do not have the digital means to take part in increasingly online-only interactions. They are unable to fully engage with technology and benefit from its use (p. 75).

The digital divide needs to recognized otherwise the “existing social inequalities will prevail” (Sturm & Pinsent-Johnson, 2021, p. 78). Investment is urgently required to upgrade technology at both a university and community level (Mpungose, 2020). Basic technological infrastructure needs to be available to ensure equitable access to educators and students (Crandall, 2021). This is echoed by Marinoni et al. (2020) who point to infrastructure and online access as two essential prerequisites to transit to online teaching and learning. Furthermore, this requires an,

[…] ongoing effort. Not just because technology is rapidly changing but more so because the access challenges are complex and have been persisting and increasing, so that continued efforts are essential to mitigate the digital divide effects (Sturm & Pinsent-Johnson 2021, p. 78).

Lastly, the move to online offerings was unexpected and confounding (Hodges et al., 2020), resulting in HEIs not having contingency plans or policies to guide the use of online teaching and learning amid the pandemic (Sangster et al., 2020). Furthermore, even before the pandemic “the world was in the midst of a global learning crisis that threatened countries’ efforts” to build the human capital of students (Azevedo et al., 2021, p. 1). It is therefore, both necessary and timely to examine the impact of these IT factors on educators to ensure that no student is left behind (United Nations, 2015). Together, the above studies underscore the imperative of ascertaining the negative impact of IT factors on the delivery of the academic programme, before and during the COVID-19 pandemic in developing counties.

Research Method
This research was conducted using two stages of data collection. The first data source was collected through a questionnaire, while the second stage used interviews to augment findings and obtain deeper information from participants. The participants in the study are educators employed at HEIs in developing countries in South Africa and Namibia. In both South Africa and Namibia, the governments declared a nation-wide lockdown to curb the spread of COVID-19 (Amesho, Ahmadi & Lucero-Prisno, 2020), resulting in a sudden transition to online learning (Kaisara & Bwalya, 2021). These two developing countries were selected given that they are both situated in the Southern African Development Community (SADC) and experience similar internet penetration rates. South Africa and Namibia for example, have

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2 Students, for example, mainly accessed academic content via their mobile phones (Kaisara & Bwalya, 2020).
an internet penetration rate of 57.5% and 52.1% respectively (Internet World Stats, 2022).3 Furthermore, both HEIs are public universities. The educators from both HEIs teach on professional undergraduate academic programmes and did not have previous experience with online offerings prior to the pandemic.

A self-developed questionnaire was administered to educators in Stage 1. Section 1 of the questionnaire asked respondents to provide their demographic information. Sections 2 and 3 required respondents to rate on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) about the negative impact of IT factors on the delivery of a quality academic programme. The IT factors included in the questionnaire were obtained following an extensive canvassing of the literature. Section 2 focused on the IT factors prior to the pandemic, while Section 3 asked respondents to rate these IT factors and their impact amidst the pandemic. Both Sections 2 and 3 contained open-ended questions for respondents to comment on the provided IT factors or provide any additional IT factors that hindered them in the delivering a quality academic programme.

Stage 1 comprised distributing questionnaires to 27 participants, 13 from institution A (Namibia) and 14 from institution B (South African). In total, 23 respondents completed the questionnaire; 11 from institution A and 12 from institution B, giving a response rate of 85%. However, in line with the stipulations in the ethical approval, the completion of the questionnaire was voluntary, and respondents could refrain from completing the questionnaire or answering certain questions. The demographic composition of respondents is outlined in Table 1.

<table>
<thead>
<tr>
<th>Table 1 Demographic composition of respondents</th>
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<tbody>
<tr>
<td><strong>Institution A</strong></td>
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<tr>
<td>-------------------</td>
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<tr>
<td><strong>n = 11</strong></td>
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<tr>
<td><strong>Gender</strong></td>
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<tr>
<td>Male</td>
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<tr>
<td>Female</td>
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<tr>
<td><strong>First language</strong></td>
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<tr>
<td>English</td>
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<tr>
<td>Other</td>
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<tr>
<td><strong>Highest qualification</strong></td>
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<tr>
<td>Bachelor’s degree</td>
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<tr>
<td>Postgraduate diploma</td>
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<tr>
<td>Master’s degree</td>
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<tr>
<td>Doctoral degree</td>
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<tr>
<td><strong>Position at institution</strong></td>
</tr>
<tr>
<td>Assistant lecturer</td>
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<tr>
<td>Lecturer</td>
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<tr>
<td>Senior lecturer</td>
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<tr>
<td>Associate professor</td>
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<tr>
<td>Professor</td>
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</table>

**Source:** Authors compilation

**Note:** Percentages do not always equal 100%, due to decimal rounding.

As regards to respondents’ other demographic composition, respondents accounted for 70% male and 30% female. Three respondents indicated their first language as English, while 87% of respondents first language was not English. Respondents’ highest qualification ranged from a postgraduate diploma (52%) to doctoral degrees (9%). Evidently, academic positions ranged from assistant lecturer to associate professor, with most respondents holding the position of

3 Some of the lowest internet penetration rates are experienced by other SADC countries such as Malawi (13.8%), Democratic Republic of Congo (17.4%) and Mozambique (20.3%) (Internet World Stats, 2022).
The second technique used to gather data was semi-structured interviews. Semi-structured interviews provide an appropriate method for collecting the participants’ views, by offering structure, while providing room to probe further and augment findings (Ellington & Williams, 2017). Interviews were not conducted with all participants in Stage 1. The demographic data from Stage 1 of the study was used to identify participants for the interview stage. Using this technique, the researcher purposively selected a mix of educators to ensure an equal split of interviewees from both HEIs. Secondly, interviewees were also selected ensuring a wide range of characteristics (gender, highest qualification and position at the HEI) to obtain a variety of perspectives. An array of characteristics was evident in Stage 1 of the data collection process, and this provided a good foundation for Stage 2 to allow for the possibility of a wider range of application for the researcher (Merriam, 2009).

The study, therefore, followed a mixed method approach. Open-ended questions (Stage 1) and interviews (Stage 2) were employed to augment the quantitative findings. The data was merged for both HEIs, as they were “categorically bound together” (Merriam, 2009 p. 49). Non-parametric testing was also performed to compare the two HEIs, to ensure that they are comparable (bound together) (Merriam, 2009). No statistically significant differences were identified between the participants at the two HEIs, barring one IT factor (power disruptions) which is further detailed in Section 4.

**Empirical Findings and Discussion**

The questionnaire sought to ascertain the negative impact of IT factors that hindered educators’ ability to deliver a quality academic prior and during the COVID-19 environment. The factors prior to COVID-19 and during COVID-19 are contrasted in Table 2 and further detailed below.

| Table 2 IT factors hindering the ability to deliver a quality academic programme |
|---------------------------------|---|---|---|---|---|---|---|
| 1. Students’ internet access | 1 | 2 | 3 | 4 | 5 | Mean | Median |
| Pre-COVID-19 | 0.0% | 8.3% | 8.3% | 29.2% | 54.2% | 4.29 | 5.00 |
| Amid COVID-19 | 0.0% | 0.0% | 4.3% | 30.4% | 65.2% | 4.61 | 5.00 |
| p-value | 0.17 |

| 2. Students’ access to IT equipment (computers, laptops, tablets) | 1 | 2 | 3 | 4 | 5 | Mean | Median |
| Pre-COVID-19 | 4.2% | 12.5% | 8.3% | 29.2% | 45.8% | 4.00 | 4.00 |
| Amid COVID-19 | 0.0% | 4.3% | 8.7% | 26.1% | 60.9% | 4.43 | 5.00 |
| p-value | 0.19 |

| 3. Students’ proficiency with technology | 1 | 2 | 3 | 4 | 5 | Mean | Median |
| Pre-COVID-19 | 4.2% | 12.5% | 12.5% | 45.8% | 25.0% | 3.75 | 4.00 |
| Amid COVID-19 | 0.0% | 30.4% | 4.3% | 30.4% | 34.8% | 3.70 | 4.00 |
| p-value | 0.60 |

| 4. Data costs for students | 1 | 2 | 3 | 4 | 5 | Mean | Median |
| Pre-COVID-19 | 8.3% | 20.8% | 12.5% | 12.5% | 45.8% | 3.67 | 4.00 |
| Amid COVID-19 | 8.7% | 8.7% | 8.7% | 30.4% | 43.5% | 3.91 | 4.00 |
| p-value | 0.34 |

| 5. IT support provided by my institution | 1 | 2 | 3 | 4 | 5 | Mean | Median |
| Pre-COVID-19 | 8.3% | 16.7% | 20.8% | 33.3% | 20.8% | 3.42 | 4.00 |
| Amid COVID-19 | 0.0% | 30.4% | 26.1% | 26.1% | 17.4% | 3.30 | 3.00 |
| p-value | 0.29 |

| 6. IT training provided by my institution |

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4 Participants from Stage 1 are referred to as ‘respondents’ and participants from Stage 2 are referred to as ‘interviewees’ in Section 4 when presenting the combined findings.

5 Non-parametric testing was also performed to compare the two HEIs, to ensure that they are comparable (bound together) (Merriam, 2009). No statistically significant differences were identified between the participants at the two HEIs, barring one IT factor (power disruptions) which is further detailed in Section 4.
The IT factors prior to, and during the pandemic are largely aligned, with small differences noted in the ranking of the mean scores as set out in Table 2. No significant differences were noted before or amid the pandemic, barring power disruptions, which is reflected further below.

The IT factors pertaining to the student element (statements 1 – 4) namely: students’ internet access, students’ access to IT equipment, students’ proficiency with technology and data costs for students had the largest impact in hindering educators’ delivery prior and during the pandemic. Even though there weren’t significant differences noted prior and during the pandemic, the qualitative comments affirm the exacerbated impact of these factors in an online environment. Specifically, one educator succinctly conveyed:

How do I impart that knowledge? How do I bridge the gap between the haves and the have nots? (Interviewee 9)

The educator went further to explain that COVID-19 “amplified” these challenges for students as “it exposed” the pre-existing challenges that “were there, but we didn’t take them seriously” (Interviewee 9). This viewpoint agrees with the literature (Kaisara & Bwalya, 2022; Sturm & Pinsent-Johnson, 2021), as scholars attest to the inequalities deepening as a result of the pandemic (Azevedo et al., 2021). The respondents mentioned that prior to COVID-19, students had contact-based offerings and that there was not a need to data, IT equipment or internet access (Interviewee 1), as students received printed materials (Interviewee 9) and in some instances they were required to print some documents, however, this was considered “manageable” (Interviewee 1).

In terms of the students’ specific challenges, students’ internet access (statement 1) was identified as the biggest hindrance prior and during the pandemic (mean = 4.29 and 4.61 respectively). Furthermore, this hindrance amid the pandemic was reaffirmed in the qualitative comments. Educators conveyed that the increased use of online platforms and the internet created an issue for students in terms of reliability (Interviewees 1, 2, 3, 4, 8, 10), as the internet is not “that reliable in all the corners of the country” (Interviewee 1; also conveyed by Respondent 18) and some students “come from faraway places, where they do not have, connectivity. It’s actually a big issue” (Interviewee 4).
Students’ access to IT equipment (statement 2) was the second biggest hindrance prior and during the pandemic (mean = 4.00 and 4.43 respectively). The qualitative comments endorsed the negative impact of this IT factor as educators noted the absence of tablets, laptops and sometimes even a smartphone for students (Respondent 8; Interviewees 1, 2, 6, 8). The absence of suitable devices negatively impacted students’ ability to access online content, attend online classes and conduct online assessments amid the pandemic (Interviewees 2, 6).

The absence of suitable devices placed serious constraints on the educators’ teaching in an online environment (Interviewees 2, 8), as students often resorted to using their mobile devices for online activities (classes, tutorials, working through course content, assessments, etc.) (Interviewees 1, 2, 6, 8, 9). The use of mobile phones to conduct online activities is similarly evident in the literature (Kaisara & Bwalya, 2020). Educators, therefore, conveyed that “online activities would be easier for students if they have more suitable devices”, referring to tablets, laptops, or smartphones (Interviewee 2), as these types of devices can be used to log onto Microsoft Teams (Interviewees 6, 8). The lack of access to suitable electronic devices also made it difficult for students to complete assessments, as “cell phones have their own limitations” (Interviewee 6).

For statement 3 (students’ proficiency with technology), the mean score decreased slightly from before to during the pandemic (mean = 3.75 and 3.70 respectively). Educators noted that “students’ level of computer literacy is very low” (Respondent 24). Moreover, with regards to during the pandemic, another educator remarked that “student's proficiency or unwillingness with technology hinders them from accessing material uploaded on Moodle”, which concomitantly impacts the delivery a quality academic programme (Respondent 2).

Then lecturers, they can get the system, but the students themselves didn't have enough time to phase them into this world. (Interviewee 9)

For the last IT factor pertaining to the student element, namely students’ data cost (statement 4) the mean score increased slightly from before to during the pandemic (mean = 3.67 and 3.91 respectively). This hindrance during the pandemic was largely observed in the qualitative comments from educators, and the concomitant impact on the delivery of the academic programme (Respondents 2, 8, 14, 15, 18, 25). Educators conveyed that data is expensive (Respondent 25; Interviewee 1), which often results in students missing live online classes amid the pandemic, as they can only access data in the evenings (non-peak times) (Respondent 25; Interviewees 1, 8).

A lot of students complain about the data being expensive, then they don't attend the day classes and they opt to listen to the recordings, in their own time, which I assume will be, after 12, because then usually most network providers give you free data to use around those times. (Interviewee 8)

The remaining IT factors (statements 5 – 10), either pertained to the educators’ digital divide (statements 8, 9 and 10), areas that impact the digital divide of students and educators given the support offered by the HEI (statements 5 and 6) and lastly power disruptions (statement 7) that impact educators and students in accessing IT platforms. These IT factors generally had a moderate negative impact on educators’ delivery of the academic programme, as mean scores of less than 3.50 were observed. However, most of the statements were supported by qualitative comments also point to the negative impact of these IT factors on the delivery of the academic programme.

For statement 5, IT support provided by my institution, the mean score decreased slightly from before to amid the pandemic (mean = 3.42 and 3.30 respectively). The negative impact of this IT factor amid the pandemic was observed in the qualitative comments, as educators
noted that support from IT only became available a few months into the COVID-19 pandemic (Interviewee 6). Furthermore,

It was a little bit delayed, and I think because we were sort of at a backlog. So, there were all these different platforms that were being presented to us in Teams, Zoom, some different functionalities within the Moodle platform itself, and then these YouTube videos and you were kind of at a loss for what exactly to do. (Interviewee 3)

For statement 6, IT training provided by my institution, the mean score decreased slightly from prior to during the pandemic (mean = 3.29 and 3.22 respectively). One educator remarked that they were being “trained on the job” amid the pandemic (Interviewee 9).

[…] you go to a session today on how to set a paper online and then tomorrow you’ve got a test. So, the online learning experience, the transition, there was no transition. (Interviewee 9)

While another educator reflected on the lack of student training amid the pandemic.

Lack of support from institution to students in IT knowledge. (Respondent 21)

Educators also commented on the negative impact of IT training prior to the pandemic noting the

[…] lack of formal training in recent developments in IT. Employer did not show any willingness to support attendance to IT CPD training programmes. (Respondent 6).

Furthermore, one educator specifically referred to the difficulty of using IT platforms in large classroom environments prior to the pandemic.

IT support was hindering ideas on how to convey class in a more inclusive environment. The university did not have the adequate facilities to do this exercise in an inclusive environment for a large class. (Respondent 13)

For statement 7, power disruptions, the mean score decreased slightly from before to amid the pandemic (mean = 3.04 and 2.78 respectively), with a statistically significant difference ($p = 0.05$). A statistically significant difference was also observed between the two institutions ($p = 0.001$). This provides context for South Africa’s electricity reliability and supply challenges. South Africa is plagued by frequent electricity disruptions as the state-owned entity, Eskom – which supplies more than 90% of the country’s electricity – rations electricity consumption through load shedding (Ateba, Prinsloo & Gawlik, 2019). Namibia also faces certain unique electricity supply challenges, as it imports more electricity than it generates. However, unlike South Africa, NamPower – Namibia’s national power utility – had 0% load shedding for 2020 (NamPower, 2020). On the other hand, Eskom implemented 46 days of load shedding in 2020, which is an increase from the 30 days in 2019 (Eskom, 2020).

For statement 8, my internet access, a slight increase in mean score was observed from prior to during the pandemic (mean = 2.96 and 3.22 respectively). However, the negative impact amid the pandemic was also observed in the qualitative comments.

We were kind of on our own at home and there was just these expectations for you to just continue delivering. I had to buy my own data, I never had WiFi at home, I never saw the need for it. (Interviewee 5)

Furthermore, it was conveyed that educators did not receive support in terms of data provision (Interviewees 5, 10) and had to make use of their own resources for data and internet access (Respondent 4).

For statement 9, my access to IT equipment, a small increase in mean score was noted from 2.88 to 2.91 from prior to amid the pandemic respectively. In the qualitative comments,
educators merely noted that they had access to devices (laptops) during the pandemic and they could continue teaching online (Interviewees 6, 8).

Lastly, for statement 10, my proficiency with technology, there was a slight increase in mean score from prior to during the pandemic from 2.54 to 2.61 respectively. Certain educators remarked about their proficiency in terms of technology amid the pandemic (Interviewee 9).

Initially I was using Zoom and later the university invested in a Microsoft Teams license, and we moved all our classes to Microsoft Teams. I did not experience any issues with technology, as academics we managed to unlock the underutilized technological tools that we have at our disposal. (Respondent 7).

While another noted that educators showed “some resistance to going online because” they “didn’t really understand” (Interviewee 3) or they were not aware of the various functionalities contained within previously used online platforms.

[…] most of us we were not sure of what we were supposed to do. Yes, we did have Blackboard, I think we now moved on to Moodle, we did have all these things, but we were not using them. That's the issue. So, most of us were not prepared. (Interviewee 4)

A hindrance for their proficiency with IT technology amid the pandemic was noted in the terms of assessments by several educators (Interviewees 1, 4, 7, 8, 9).

There was a problem with assessment because we didn't know how to set up assessments for online. (Interviewee 1)

An additional IT factor that came to the fore in the qualitative comments was the “inefficient investment in IT infrastructure” at their institution and nationally amid the pandemic (Respondent 5). This was echoed by another educator: IT infrastructure was not ready to handle such a sudden huge volume. (Respondent 23)

Another educator added that the institution lacked funds in terms of online assessments. Our institution could not, due to a lack of funds, invested in the latest technology regarding online assessments. (Respondent 25)

For the period, prior to the pandemic, another educator provided more context to the IT impediments at the HEIs by remarking that the WIFI at their institution often causes “disruptions due to increased usage” which makes “it difficult for students and lecturers alike in the teaching and learning activities” (Respondent 15).

The additional comments provided indicate the importance of governments’ fiscal policies supporting IT investment (Mhlanga & Moloi, 2020) at universities and for communities at large. IT hindrances were similarly observed by educators in this study, as students were not able to successfully partake in online learning from their homes, but also that the universities infrastructure is not well resourced in this regard (Respondents 15, 25).

Overall, the biggest IT hindrance to educators’ delivery of the academic programme (prior and amid the pandemic) were the student element namely: students’ internet access, students’ access to IT equipment, students’ proficiency with technology and data costs for students. Moreover, the qualitative comments from participants mainly pertain to the period amid the pandemic and provide evidence of the exacerbated problem of a fully online environment for students who experience the digital divide, which concomittantly impacts educators' delivery of the academic programme. Thus, the knowledge gap will continue to widen between developed and developing countries, given the digital divide experienced by students (Mpungose, 2020).
Conclusion, Limitations and Areas for Future Research

The objective of this paper was to ascertain the negative impact of IT factors, prior and during the pandemic, to provide context to the higher education environment. The context could aid future teaching practices to assist educators in achieving agency (Biesta, 2015; Priestley et al., 2015), for “inclusive and equitable education” for all (United Nations, 2015). The findings reveal that the adoption of online learning by HEIs, face a number of challenges for developing countries within the SADC. Interestingly, no significant differences were noted between the IT factors prior and during the pandemic (barring power disruptions). Most notably, the IT factors pertaining to the student element, namely: students’ internet access, students’ access to IT equipment, students’ proficiency with technology and data costs for students had the largest impact in hindering educators’ delivery prior and during the pandemic. The IT factors negative impact were mostly also intensified amid the pandemic. As succinctly conveyed by one educator, the COVID-19 pandemic “amplified” these challenges for students as “it exposed” the pre-existing challenges that “were there, but we didn't take them seriously” (Interviewee 9). This comment is equally evident in the literature (Azevedo et al., 2021).

What does the negative impact of these IT factors mean for educators in terms of their agency? The agency theory emphasizes that educators must act by means of their environment (Priestley et al., 2015). Consequently, educators need to aware of the negative impact of the IT factors to bring about empowerment and change to their teaching practices (Biesta, 2015; Priestley et al., 2015). The digital divide needs to recognized by educators otherwise the “existing social inequalities will prevail” (Sturm & Pinsent-Johnson, 2021, p. 78). Therefore, educators need to find ways to deliver the academic programme to students regardless of the context (digital divide), as online learning is the best way to continue learning amid a social disruption such as that caused by the COVID-19 pandemic (Adnan & Anwar, 2020). Failure to address the various challenges within an online environment could ultimately lead to the detriment of students learning in this new post COVID higher education environment (Tharapos, 2021).

This requires educators to rethink instructional strategies, and forms of assessment (Tharapos, 2021) in light of the digital divide experienced in developing countries. Educators need to be creative and flexible in achieving quality within a constrained higher education environment (Priestley et al., 2015). This calls for collaboration and robust debates among educators (Tharapos, 2021) on how to sustain teaching and assessment under all conditions.

Educator agency, however, does not negate the responsibility of the state and HEIs. The knowledge gap will continue to widen between developed and developing countries if access to knowledge is not addressed (Task Force, 2000). Mhlanga and Moloi (2020) specifically call for the government of South Africa to invest in online learning and the adoption of 4IR technologies. HEIs also have a role in developing educators in terms of IT training to sustain teaching under all conditions, as evidenced by educators constraining their ability to deliver a quality academic programme. Taken together, the negative impact of the IT factors prior and during the pandemic should inform redress in government, HEIs, but also educators in terms of their teaching practices.

Overall, the study makes a contribution to the literature by providing context to the higher education environment on IT factors that negatively impact educators in the delivery of the academic programme. Firstly, this study provides context to the environment by indicating that the student element pertaining to the IT factors most adversely impact on educators’ delivery. This study also revealed that there are no significant differences between the IT factors prior and during the pandemic. However, prior to the pandemic, these IT factors were not taken seriously given the nature of the the contact-based academic programme. However, these IT factors came to the fore in a fully online environment and should thus be part of educators future agency.
Despite these contributions, this study is not without limitations, the main one being the research setting of the COVID-19 pandemic. The relatively small sample data limits the generalisability of the results. However, this study was purposefully designed with a small number of participants to generate a rich and detailed understanding of the perceptions of educators employed at HEIs in the SADC during the pandemic. As previously detailed, other SADC countries experience even lower internet penetration rates than Namibia and South Africa (Internet World Stats, 2022). These IT factors may, therefore, have an even greater negative impact on educators’ delivery from other SADC countries. Future research could investigate ways in which educators can bring about redress in their teaching practices, despite the context of the digital divide, to ensure that students are not left behind and equitable education is provided to all (United Nations, 2015).

Far from being just a disruption, the pandemic is an indication of the urgent need to build sustainable HEIs for educators to deliver quality academic programmes to assume their intellectual responsibility toward society. This study obtained an understanding of IT factors (past and present) that may hinder educators’ orientations towards the future. Bringing to the fore the IT hindrances, educators can act by means of their environment, to enable teaching to continue under all conditions.

References


Strategic Direction and Firm Performance: Evidence from the SACCO Sector

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**ARTICLE DETAILS**

**ABSTRACT**

**Purpose:** Strategic direction setting is a critical leadership practice to be adopted by organizations that intend to attain good performance. This study sought to examine the influence of strategic direction on SACCO performance.

**Design/Methodology:** The study utilized descriptive and correlational research design. The study was conducted in SACCOs in Kenya. Primary data was collected using a close ended questionnaire from SACCOs senior managers and CEOs were also interviewed. For data analysis, the study used descriptive statistics, inferential statistics and content analysis.

**Findings:** The study established that strategic direction setting significantly influenced SACCO performance.

**Implications/Originality/Value:** The findings provide a valuable insight on the importance of strategic direction setting in enhancing performance. This study will guide SACCO leaders to proactively set strategic direction through developing and communicating the vision, mission, goals and objectives as this will boost performance in terms of increased level of customer satisfaction, increase in members, asset base growth and growth in deposit base. The findings can be used as a basis for further research by scholars who are interested in understanding strategic direction in SACCO’s.

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**Introduction**

Development of strategic goals and objectives, as well as preparing a strategic plan. Strategic direction provides structure and clarity for members in an organization (Denison, 2013). Successful firms have a clear purpose as well as direction that defines the objectives both organizational and strategic which informs the company’s mission.

Leaders have a role in defining the mission, vision including goals that support an excellent culture leading to high performance (Aziz, Abdullah, Tajudin & Mahmood 2013, Kanji, 2008, Bichanga & Masika 2014; Bryson 2011; Okibo & Masika, 2012).

Alexander (2015) contended that strategic direction contributed to performance of firms as it
enabled generation of relevant information thus reducing uncertainty. Moreover, it enhanced better understanding regarding the environment within which firms operated. A great deal of research has been done on the impact of strategic direction and the significant role it has played in enhancing firm performance (Olaka, 2016, Ng’ang’a, Waiganjo & Njeru, 2018, Njagi, 2019).

A SACCO is a Savings and Credit Co-operative. According to Bwisa (2010) cooperatives are associations formed, owned and also used to satisfy members social-economic needs Jussila, Byrne and Tuominen (2012) reiterated that cooperatives existed worldwide for instance in Japan, 91% of farmers were members and 22% of New Zealand’s GDP was generated by cooperatives. Further, Birchall (2010) noted that cooperatives existed in all economic sectors. In several rural areas SACCO’s lead in providing finance (FSD, 2010). In Kenya there are deposit taking as well as non-deposit taking SACCO’s. SACCO performance is enhanced by good governance as well as leadership practices (Njagi, 2019, Makori, Munene & Muturi, 2013; Odera, 2012).

**Statement of the Problem**

SACCOS are part of the financial sector that mobilize savings and provides credit to its members (Moturi & Mbiwa, 2015). They play a critical role in economic growth however they have been characterised by challenges such as decline in number of members (Kiragu, 2014), dismal performance (Wanyama, 2014) and poor governance (KNBS, 2016; Mumanyi, 2014, Nkuru, 2015, KNBS, 2016). Moreover, most of SACCOS (deposit taking) are managed by persons who are not enlightened on strategic leadership issues (Nyaga, Muhoho & Kinyua, 2022) yet their performance can be enhanced by engaging in strategic leadership practices (Odero, Egessa & Oseno, 2019, Nyaga, Muhoho & Kinyua, 2022). The challenges experienced in SACCO’s calls for leaders to set the strategic direction in order to enhance performance.

Having regards to strategic direction Nthini (2013), Kitonga, Bichanga and Muema (2016) and Olaka (2016) attributed firms’ superior performance to the adoption of strategic direction. However, the degree to which strategic direction influenced performance differed from one sector to another. Furthermore, the findings of the studies done in different sectors may not apply to SACCO’s due to disparities in their operations and structures.

Despite the growth in scholarly publications on strategic direction and firm performance little empirical evidence exists especially in regards to SACCO’s in developing countries particularly in Kenya. Thus, the study intends to examine the influence of strategic direction on firm performance by answering the question, does strategic direction setting influence firm performance?

**Main Objective**

To examine the influence of strategic direction on firm performance.

**Study Hypotheses**

H0: Strategic direction has no significant influence on firm performance.

**Literature Review**

**Theoretical Review**

This theory holds that transformational leadership is an active leadership where followers are inspired by leaders towards collective vision, giving and also receiving feedback and being encouraged to pursue their personal as well as professional goals (Frooman, Mendelson & Murphy, 2012). Burns (1978) developed the theory and Subsequently Bass (1985) enhanced the theory and made an argument that transformational leaders effectively motivated their followers. Bass (1985) stated that transformational leadership theory had four components namely the inspirational motivation, intellectual stimulation, individualized consideration and
idealized influence. Inspirational motivation calls for leaders to communicate their expectations to followers. Transformational leaders usually visualize a vision emphasizing ways that the goals collectively conform to values of the followers, thus enabling them to perceive the firm’s goals as theirs and put extra effort in achievement of the goals (Hoffman, Bynum, Piccolo & Sutton, 2011). Inspirational motivation pertains to transformational leader’s ability for creation of a vision that’s inspiring, convincing, motivating and attractive. Inspirational motivation actually arises from using styles of influence that are effective and communicative.

**Conceptual Review**

**Strategic Direction**

Ireland and Hitt (2005) asserted that it’s a process leading to an organization’s goal. It’s a brief expression of words that states the place that a firm wishes to be in the long run. The role of determining strategic direction vests on strategic leaders (Aziz, Abdullah, Tajudin and Mahmood 2013, Bichanga & Masika 2014; Bryson 2011; Okibo & Masika, 2012). Kanji (2008) asserted that leadership role involved defining the firm’s mission, vision and also goals that promoted an excellent culture as well as establishing sets of shared values that result in high performance. Goodale (2011) posited that setting a strategic direction was a critical pillar to be adopted by organizations if they wanted to attain good performance.

The strategic direction elements in the study consists of determination of an organization’s vision, mission, goals and objectives. A vision is the mental picture of a firm’s future state that’s developed through creative imagination and also foresightedness. According to Papulova (2014) vision gives direction, acts as a reference point and indicates where a firm is going and possibly why. The vision statement explains an organization’s intention to accomplish goals and it inspires members, staff and even supporters and it conveys the ideals of the organization (David, 2011; Ozdem, 2014; Taiwo, Agwu & Lawal, 2016). Bart (1998) posited that a mission is a statement of purpose which reveals a firm’s clients, products, philosophy and services. Candemir and Zalluoghlu (2013) alluded that a mission identifies the organization’s sphere of operations by focusing on the products/services offered and also the market being served. According to Abashe (2016) goals are statements of direction or what organizations or the organizations sub unit intends to do. According to Koontz (2011) objectives describes a firm’s intention to attain something within a given time frame including the available resources. David (2007) referred to objectives as specific results that a firm sought to achieve to pursue its basic mission.

**Organizational Performance**

Wang, Tsui and Xin (2011) defined performance as a record of produced outcomes regarding a particular job function for a specific timeframe. Brown, Gray, McHardy and Taylor (2015) asserted that organizational performance had become a vital issue that had attracted many scholar’s interest. Wang, Sharma and Cao, (2016) contended that Organizational performance was crucial to the firm’s competitiveness and survival. Ramezan, Sanjaghi and Rahimian-Kalateh, 2013 posited that leaders try to improve firm performance so as to respond to competition and the changes in business environment. The parameters of performance in this study were increased level of customer satisfaction, increase in members, asset base growth and growth in deposit base.

**Strategic Direction and Performance**

Lopes and Ross (2013) established that using a mission statement, having long-term goals and also continuous evaluation strongly influenced profitability. Khan, Afzal, Chaudhry and Khan (2010) conducted a study in Banking, Telecommunication and also Pharmaceutical Sector in Pakistan. They intended to assess the effect a mission statement had on organizational performance. Results indicated that mission was strongly and positively associated to performance. Thus, it was concluded that organizational mission enhanced organizational performance. This study viewed goals and objective, strategic decision and intent and vision as elements of a mission. Similarly, the findings of Jonyo (2017) confirmed that mission and
vision were strongly and positively associated to organizational performance. In contrast, Kirk and Nolan (2010) established weak correlations between the mission statement elements and performance though statistically significant in not-for-profit institutions.

Siorei (2012) assessed whether strategic leadership aspects for instance vision, mission as well as the core values were implemented. Findings revealed that strategic direction was implemented using the balanced score card. Focusing on Tourism organizations owned by the government in Kenya, Ng’ang’a, Waiganjo and Njeru (2018) examined the effect strategic direction had on performance. Cross sectional survey research design was adopted by use of quantitative data together with qualitative data. Data collection was done using questionnaires. The study found that strategic direction which entailed vision, mission, objectives and values significantly influenced the organizational performance of tourism agencies which was measured in terms of client satisfaction, tourist arrivals and growth rate. It was suggested that firms should involve subordinate staff more involved during strategy formulation and that leaders should be trained to improve enhance the strategic direction quality in tourism government agencies.

Nthini (2013), Kitonga, Bichanga and Muema (2016) and Olaka (2016) confirmed that adoption of strategic direction by firms led to superior performance. However, the degree in which it influenced performance differed from one sector to another for instance in government corporations and in not-for-profit organizations Kenya it affected to a great extent while in banks it affected strategy implementation to a moderate extent.

Nzioka (2017) investigated the adoption of strategic management practices and their influence on service delivery in the health department of the County government of Nairobi. The study revealed that the department was guided by the strategic direction which entailed a vision, mission and also core values. The study established that the provision as well as quality of services rendered was influenced by the strategic direction. The study was done in the County government health department thus presenting a sectoral gap and as such the findings may not be applied in SACCOS due to disparities in their operations. In a study conducted by Olaka (2016) in commercial banks in Kenya it was established that having a vision/mission/strategic intent that’s clearly defined and well understood by the staff was the most important sub-construct of determining the strategic direction. The study confirmed that strategy implementation was significantly influenced by determination of strategic direction. This study was done in banks and had implementation as the dependent variable thus creating a contextual and constructs gap as the current study was conducted in DTS and had performance as the dependent variable. 

A study by Njagi (2019) done in Kisumu’s Matatu SACCO’s concluded that strategic direction affected performance of Matatu SACCOS in Kisumu as management monitored the achievement of goals and vision, staff understood the organizational policies including procedures however the staff opined that the organizational vision, mission as well as plans were not well expressed during staff meetings. This study focused solely on Matatu SACCO’s and data was collected using structured questionnaires only. In a study conducted by Olaka (2016) in commercial banks in Kenya it was established that having a vision/mission/strategic intent that’s clearly defined and well understood by the staff was the most important sub-construct of determining the strategic direction. The study confirmed that strategy implementation was significantly influenced by determination of strategic direction. This study was done in banks and had implementation as the dependent variable thus creating a contextual and constructs gap as the current study was conducted in DTS and had performance as the dependent variable.

Muriithi (2022) examined the link between mission culture and Kenyan Christian Faith-Based Hotels performance and the study utilized cross-sectional survey research design. Aspects of mission culture were strategic direction and intent, goals and objectives and vision and they
significantly influenced performance. This study had strategic direction as an aspect of mission and it influenced performance.

Prior studies have provided support for effect of strategic direction setting on performance however the studies were done in different contexts, sectors and have measured strategic direction using different aspects thus providing a conceptual gap. Additionally, for most studies data was collected using structured questionnaires thus failing to consider respondents views in general unlike the current study which also utilized an interview schedule.

Research Methodology
A descriptive and correlational study design was employed. The study was done in Nairobi County’s 42 SACCOS (deposit taking) in Kenya. Data was collected using close ended questionnaires from 126 senior managers. Furthermore, 12 CEOs were to be interviewed. The questionnaire items were calculated using a five-point Likert scale ranging from “1” to “5”. Strategic direction setting statements were adapted from various studies (Olaka, 2016, Ng’ang’a, Waiganjo & Njeru, 2018 & Muriithi 2022). Organizational performance was calculated on the basis of items which evaluated the SACCOS’s success in obtaining “customer satisfaction, increase in membership numbers, growth in assets and growth in members deposits. A pilot study was conducted in 4 deposit taking SACCOS in Kakamega County. Data analysis was done using descriptive statistics, inferential statistics and content analysis. For descriptive statistics the study used frequencies and percentages, for inferential the study used simple linear regression and for interviews, content analysis was employed where the data was organized in themes.

The simple linear regression equation was as provided:
\[ Y = \beta_0 + \beta_1 X_1 + \varepsilon \]
\[ Y = \text{Firm performance} \]
\[ \beta_0 = \text{Constant,} \]
\[ \beta_1 = \text{Coefficients of determination,} \]
\[ X_1 = \text{Strategic direction,} \]
\[ \varepsilon = \text{Error term.} \]

Results and Discussion
Response Rate
Out of the one hundred and twenty-six (126) questionnaires issued one hundred and two (102) were returned which represented 81% response rate. 50% has been considered as adequate, 60% as good while above 70% is very good (Hardigan, Popovici & Carvajal, 2016).

Pilot Results
The study constructs were reliable as they all had values above the recommended 0.7 Cronbach’s Alpha value (Sekeran & Bougie, 2013) as indicated in Table 1 below

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of items</th>
<th>Cronbach alpha</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic direction</td>
<td>5</td>
<td>.915</td>
<td>Accepted</td>
</tr>
<tr>
<td>Performance</td>
<td>6</td>
<td>.883</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Descriptive Statistics Analysis Results
Descriptive Analysis Results for Strategic Direction
Descriptive analysis results for statements relating to strategic direction setting are presented in table 2 below;

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>N</th>
<th>1 (%)</th>
<th>2 (%)</th>
<th>3 (%)</th>
<th>4 (%)</th>
<th>5 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our Sacco has clear, compelling and realistic map to right destination</td>
<td>102</td>
<td>0(0%)</td>
<td>8(7.8)%</td>
<td>40(39.2)%</td>
<td>34(33.3)%</td>
<td>20(19.6)%</td>
</tr>
</tbody>
</table>
Our Sacco has a clearly articulated vision  102  0(0%)  9(8.8%)  23(22.5%)  45(44.1%)  25(24.5%)

The Sacco’s vision and mission are appealing to employees  102  0(0%)  4(3.9%)  5(4.9%)  58(56.9%)  35(34.3%)

There’s a written mission statement  102  0(0%)  9(8.8%)  26(25.5%)  26(25.5%)  41(40.2%)

Our Sacco’s goals and objectives are specific, measureable and manageable  102  0(0%)  9(8.8%)  16(15.7%)  53(52.0%)  24(23.5%)

Valid N (listwise)  102

Note: 1=Strongly Disagree, 2=Disagree, 3=Fairly Agree, 4=Agree, 5=Strongly Agree,

Table 2 shows that majority fairly agreed 40(39.2%) that the SACCO has clear, compelling and realistic map to right destination. Majority agreed 45(44.1%) that their Sacco has a clearly articulated vision. Majority agreed 53(52.0%) and strongly agreed 24(23.5%) that their SACCO’s goals and objectives are specific, measureable and manageable. Majority were in agreement to statements on strategic direction hence depicting that the leaders engage in it. Goodale (2011) posited that setting a strategic direction was a critical pillar to be adopted by organizations if they wanted to attain good performance.

Descriptive Analysis Results for Performance

Descriptive analysis results for statements relating to firm performance are presented in table 3 below;

Table 3: Descriptive statistics for firm Performance

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>N</th>
<th>1 (%)</th>
<th>2 (%)</th>
<th>3 (%)</th>
<th>4 (%)</th>
<th>5 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>increased level of customer satisfaction</td>
<td>102</td>
<td>0(0%)</td>
<td>0(0%)</td>
<td>25(24.5%)</td>
<td>61(59.8%)</td>
<td>16(15.7%)</td>
</tr>
<tr>
<td>Customer loyalty has improvement</td>
<td>102</td>
<td>0(0%)</td>
<td>8(7.8%)</td>
<td>35(34.3%)</td>
<td>42(41.2%)</td>
<td>17(16.7%)</td>
</tr>
<tr>
<td>The Sacco responds to customers promptly</td>
<td>102</td>
<td>0(0%)</td>
<td>0(0%)</td>
<td>18(17.6%)</td>
<td>44(43.1%)</td>
<td>40(39.2%)</td>
</tr>
<tr>
<td>increase in number of members</td>
<td>102</td>
<td>0(0%)</td>
<td>16(15.5%)</td>
<td>8(7.8%)</td>
<td>55(53.9%)</td>
<td>23(22.5%)</td>
</tr>
<tr>
<td>growth level in assets</td>
<td>102</td>
<td>0(0%)</td>
<td>8(7.8%)</td>
<td>16(15.7%)</td>
<td>28(27.5%)</td>
<td>50(49.0%)</td>
</tr>
<tr>
<td>growth in level of member’s deposits</td>
<td>102</td>
<td>0(0%)</td>
<td>8(7.8%)</td>
<td>8(7.8%)</td>
<td>45(44.1%)</td>
<td>41(40.2%)</td>
</tr>
</tbody>
</table>

Valid N (listwise) 102

Note: 1=Strongly Disagree, 2=Disagree, 3=Fairly Agree, 4=Agree, 5=Strongly Agree,

Most respondents agreed that there was increased level of customer’s satisfaction 61(59.8%). Majority agreed that there has been an improvement in customer loyalty 42(41.2%) and there’s an increase in number of members 55(53.9%) Further majority strongly agreed 50(49.0) % and agreed 45(44.1%) that there has been a growth in assets and there has been a growth in the level of member’s deposits.

Regression Analysis Results

The results of hypotheses testing are stated in tables 4.a, b and c

Table 4.a: Model Summary for Strategic Direction

<table>
<thead>
<tr>
<th>Mode</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Durbin-WatsonDU</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>.231*</td>
<td>.053</td>
<td>.044</td>
<td>.64638</td>
<td>.053</td>
<td>5.637</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.019</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.334</td>
</tr>
</tbody>
</table>

46
The value of $R^2$ is 0.053 as in table 4a above. This indicates that strategic direction explains 5.3% of the variance in SACCO performance while the remaining 94.7% can be attributed to other factors which are not covered in the study. The durbin watson value is 1.334 which is within the accepted limits of between 1 and 3 Alsaeed (2005) hence there’s no autocorrelation problem.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2.355</td>
<td>1</td>
<td>2.355</td>
<td>5.637</td>
<td>.019</td>
</tr>
<tr>
<td>1 Residual</td>
<td>41.781</td>
<td>100</td>
<td>.418</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>44.136</td>
<td>101</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The ANOVA table 4b shows that the regression model can be used to explain the effect of Strategic direction on performance as $P=0.000$ is significant at 95% confidence level.

The null hypothesis was rejected that Strategic direction did not significantly influence Sacco performance. The results indicated that strategic direction setting positively and significantly influenced performance ($B=0.203$, $t=2.374$, sig= 0.019).

The current study confirmed that strategic direction influenced performance. These findings are similar to earlier findings of studies by Nthini (2013), Kitonga, Bichanga and Muema (2016), Olaka (2016), Nganga (2018) and Mutole (2019) who confirmed that adoption of strategic direction by firms led to superior performance. Nzioka (2017) noted that the provision as well as quality of services rendered were influenced by the strategic direction. Yazdani et al. (2011) contended that it was crucial for firms to have a well-articulated vision, objectives as well as direction. Aziz et al. (2013) observed that the leader’s role of equipping staff with direction by clearly spelling out the vision, mission and goals influenced firm performance. Waihenya, Kimaru and Kamaku (2018) found that strategic direction identification significantly influenced customer growth in SACCOs. Therefore, the results of this current study confirms that strategic direction setting is crucial for Sacco’s performance.

Regarding the interview, the respondents explained that the SACCO leaders inspired employees towards a set strategic direction by involving them to give their views in strategic planning process, effective communication of strategies, plans and policies, having a clearly stated vision and mission including well-articulated goals and objectives. Thus, these findings mirror the quantitative data results on the aspect of having a clear vision, mission, goals and objectives. Similarly, Goodale (2011) posited that setting a strategic direction was a critical pillar to be adopted by organizations if they wanted to attain good performance.
**Conclusion**

The study concludes that strategic direction setting has a positive and significant influence on SACCO performance. For Sacco’s to achieve greater performance leaders should determine the strategic direction and communicate it to the staff as it may result to better organizational performance. The increase in performance as strategic direction increases concurs with the transformational leadership theory that inspirational motivation through setting strategic direction improves performance. The study’s findings provide a guideline for Sacco leaders to understand why they should incorporate strategic direction setting aspects of vision, mission, goals and objectives in their operations as it may lead to increased level of customer satisfaction, increase in members, asset base growth and growth in deposit base.

**Further Studies**

Future studies may cover other sectors such as microfinance, banks and state corporations. The results apply to Kenyan experience; thus, the study can be replicated in other contexts. Further research can use different study designs. Additionally, future studies may be conducted on each aspect of strategic direction setting independently. To broaden the horizon, other aspects of performance such as innovation and employee performance should be studied. Furthermore, studies can be done on moderating effects on the link between strategic direction setting and performance.

**References**


Factors Influencing the Selection of Kids’ Preliminary School in Pakistan: A Qualitative Approach

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ABSTRACT

Purpose: The study aimed at exploring those factors by following the procedures of qualitative research as well as exploration of rich sources of information contemplated by parents in order to get a better idea of schooling institutions.

Methodology: The data was collected by interviewing the parents who had lately admitted their kids to the schools and had the selection process fresh in their memory. To provide more valuable insights to the readers and by keeping in view the importance of parents’ mindfulness in the decision making, only those participants were considered who had at least 14 years of education themselves; about half of them are working as faculty members in the education sector in Pakistan. An in-depth qualitative analysis was done using NVIVO 20 software by utilizing the thematic analysis technique.

Findings: The findings revealed that numerous factors were considered by the parents such as the affordability of the educational expenses, the cultural values, the transportation issues, involvement of school in extra-curricular activities, the distance from home, the environment, the infrastructure of the school, the faculty and education level as well as the skills and creativity enhancement of kids. Although the educated participants talked about affordability issue but most of them were of the view that quality education of children should not be compromised because of this issue and other expenses could be lessened accordingly. The participants mostly relied on personal visits and consultation with educated people in their access for the collection of information about the institutes.

Implications: The readers of the paper could benefit from these decision-making insights of educated citizens as well as of those involved with education sector professionally.

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**Introduction**

The first learning institution for kids away from home is always considered very important in their academic development. It is the first step taken by their parents in their academic journey and serve as the foundation of whatever they achieve in that journey going forward. Appropriate preliminary education is an important aspect to consider in the individual capacity. Getting the right education is not only important for individual character building but also a basic human right for every individual (Wofford & Tibi, 2018). Apart from individual perspective, getting the right education also plays a critical role in nation building. It is the human capital of any country that differentiates it from the other countries and determines the way forward for the nation (Suppramaniam et al., 2019). For developing countries like Pakistan, it is of imperative nature that they produce personnel with quality education and skills to help them prosper socially and economically. It is of utmost importance that parents wisely take the decision of choosing appropriate preliminary schooling for their kids to let them get the appropriate education by considering all the relevant factors because erring in taking this decision results in adverse effects on their academic achievements (Lai et al., 2009). The decision of choosing the right school is dependent on the consideration of relevant factors and this consideration in turn depends on the awareness of parents as to whether they gather right information from appropriate sources. From institutional point of view, the institutions also need to have a good notion regarding the prevalent factors in the parent’s minds when they make the important decision of their kids’ schooling in order to better their offerings. In this way, the study finds its significance for both ends; the decision-making parents/guardians and educational services offering institutes.

The study aims to explore the various factors which the parents consider important while addressing the question, ‘Which is the best school for our kids?’ Interviews of parents who recently, in a span of 3 years, admitted their kids to the schools are conducted to serve the purpose. Keeping in view the importance of parent’s mindfulness, only those parents who have at least 14 years of education themselves are interviewed.

**Statement of the Problem**

Multiple factors are involved in the important decision of choosing the right institutions for kids’ education. It is of high importance that adequate attention is given to this important decision by the parents or guardians of kids as their preliminary educational institute serves as the basis of what-to-come in their academic careers. In the same way, the institutions who offer the educational services also need to cater as to which aspects are undertaken by the guardians of kids while choosing one of those institutions. If enough impetus is not given by those responsible for the selection of schools for kids, then it may result in kids missing out on their right of getting the appropriate education to kick start their academic journey. In the same way, if the institutions offering those educational services to the kids fail to consider the important facets which their guardians look for, the situation also becomes problematic for them. The services offering organizations are always at a risk of ousting themselves from the competition if they fail to consider the important factors the services’ receivers look for (Kindström & Kowalkowski, 2009). This research is aimed at exploring those factors which those responsible for admitting the kids to their preliminary school look for. The exploration of these factors are ought to be helpful for the parents in a way that there are certain factors that could be overlooked while making the important decision of preliminary school selection. The fact that most only educated people qualify as participants of this research, it adds more value to the soughted results. Similarly, the examination of different important factors as an outcome of this study will certainly provide those who run the institutions with helpful insights.
Various attempts have been undertaken by the previous researchers to explore the underlying factors of educational decisions. However, most of them (Chan & Mongkolhutthi, 2017; Ilgan et al., 2018; Issa & Nwalo, 2008; Sabir et al., 2013) targeted the University or College level students. Few or little studies (Siah et al., 2018) have been a part of relevant literature which targeted the factors affecting the choice of preliminary school for kids; mainly with a quantitative approach (Dahari, 2011). This study addresses this narrow opening by exploring the unearthed in the context of Pakistan especially with a qualitative approach.

**Objectives of the Study**

To explore the sources through which the parents/guardians gather information for decision making regarding preliminary school for their kids.

To explore the various factors considered by the parents/guardians during the selection process of preliminary schooling institutes for their kids.

To determine whether the parents/guardians chose the schooling institutions as per their set criteria and felt satisfied with their decision afterwards or not.

**Review of the Literature**

The choice of parents differ in terms of independent and national schools, those preferring the former prioritized the faculty level as well as learning systems whereas the later ones found to be more concerned with affordability and location of school; interestingly, the language and the cultural factors were also undertaken by the parents (Siah et al., 2018). The authors through a quantitative approach stressed in the study that preferences could differ when different schools in terms of their ownership are considered by the parents. As per Spinney et al., (2019), there are different characteristics which are involved in the decision of choosing the schools which include those pertaining to personal level as well as to neighborhood but the standout factor among all is the school’s distance from home. The institutional popularity as well as the quality of education is at the core of decision making while preferring an educational institution over the other when it comes to the choice of institutions (Ilgan et al., 2018). The result of regression analysis suggested that choice of parents were affected by the security & safety of the schools, the hygiene level, the quality of teaching, preference towards privately owned institutions as well as branding strategies of these institutions; the decision of pre-schools for the kids also depends on the preferences of their parents owing to different institutions (Dahari, 2011). In terms of one parent, the mother, choosing the educational platforms for her children, it has been argued that mothers are not free in making the educational and bringing up decisions of their kids in line with the public policy as they are faced by a range of constraints within the social context of making their choices (David et al., 1997).

It has been argued that private schooling in Pakistan has been on a rise since late 90s and the start of 21st century. In this context, Andrabi et al., (2002) were of the view as per their presented evidence that educational institutes owned by private owners are a major and important factor in the educational context of Pakistan. They further said that there has been an increased improvement especially in the rural areas in terms of growth of private schooling despite the urban-rural gap and that private schools are not a core phenomenon of urban elite as they expected it to be. Even though citizens of northern areas of Pakistan are not as wealthy and affording, it was observed that most of them still believe that private schools are better for their kids in terms of quality of education and that it is an essential requirement that they get their education from English medium institutes (Harlech-Jones et al., 2005). The affordability is a secondary aspect as it was found that services of private schools have been utilized extensively in Pakistan regardless of the economic situation of the households; even the poorest of them seemed to prefer the private schooling over the government schooling which is consistent with the language achievement of privately owned institutions (Alderman et al., 2001). Rather than varying within the households, the private school preference varies among children from one household to the other and the extent is much more than in case of Public sector schooling institutions (Nguyen & Raju, 2014). The examination of the literature in the
context of Pakistan suggests that there has been an increased preference of private schooling systems over public schools regardless of the affordability factors and in line with the medium of instructions’ language.

Methodology
The research has been conducted to explore various factors that are considered by the parents/guardians of the kids when they seek to admit them to their preliminary educational institute. The research is based on exploration of factors and hence the ‘Grounded Theory’ research method has been deployed under the qualitative approach. The data for qualitative analysis was collected by conducting the interviews of the participants. The criterion to qualify as a participant of the study was that the participant must have 14 years of education himself/herself. Moreover, only those participants were considered who had admitted their kids to school in a span of 3 years preceding their interview for the study so that they could provide more appropriate answers owing to their recent memory. Interviews of 8 participants from two cities of Pakistan, Lahore and Gujranwala, were conducted by the researcher. Different questions were asked from the participants as to which type of schools were under their consideration in terms of ownership and medium of language, the sources from which they collected the information regarding different schools and also the important factors which got their attention while choosing the best possible preliminary school for their kids. The analysis on the collected data was done using the thematic analysis with the help of NVIVO 20 software designed for qualitative research analysis (Wong, 2008). The tools like Word Cloud, Word Tree and Hierarchy Charts were utilized to conduct the analysis using the NVIVO software.

Analysis & Findings
Demographics of the Participants

<table>
<thead>
<tr>
<th>Participant</th>
<th>Gender</th>
<th>Profession</th>
<th>Qualification</th>
<th>No. of kids recently admitted to school</th>
</tr>
</thead>
<tbody>
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<td>Teacher</td>
<td>PhD Scholar</td>
<td>2</td>
</tr>
<tr>
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<td>Teacher</td>
<td>Masters</td>
<td>1</td>
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</tr>
<tr>
<td>5</td>
<td>Female</td>
<td>Housewife</td>
<td>Graduation</td>
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<td>Masters</td>
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</tr>
<tr>
<td>8</td>
<td>Female</td>
<td>Teacher</td>
<td>Graduation</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 1: Demographics

The demographic analysis of the participants’ highlights that majority of the participants were highly educated. Another major finding of this analysis is that about half of the research participants are working in the education sector themselves; their decision making and consideration of factors regarding the choice of school must have involved their own experience of education sector of Pakistan.
Word Cloud Analysis

The word cloud represents the most occurring words in the data by highlighting the tags; it is fundamentally a visual representation of underlying themes in a data set (Castleberry, 2014). It works by magnifying the sizes and differentiating the colors of most discussed themes or concepts during the collection of data. The word cloud of this study in the above figure is highlighting that participants have frequently talked about the factors they considered during the school admission process of their kids. The word ‘school’ is at the most talked of all because of the fact that questions were asked in line with the preliminary school of the kids. Moreover, the figure also showcases the preference of parents to the schools where medium of instructions followed the English language. In addition to this, the inclination of most of the participants towards privately owned schools over public sector schools is also represented. The various underlying factors such as affordability of the guardians, the institute’s environment, the distance from home were also discussed frequently. From the viewpoint of collecting the information, personal visits were favored by the participants of the study.

Word Tree Analysis

Figure 1: Word Cloud

Figure 2: Word Tree Analysis of the word ‘Factors’
Word Tree analysis allows the researcher to see the patterns around a core concept which are sought to be analyzed for valuable inferences (Sotiriadou et al., 2014). The core objective of this research was to examine the core factors considered by the parents while choosing the first educational institute for their kids, hence the word tree of the word ‘factors’ is presented above in Figure 2. For a thorough and meaningful analysis of the factors, up to 12 words were included by the researcher. The figure depicts different factors talked through by the participants which they considered during the choice of schools for their kids. The factors such as the affordability, the cultural norms, the creativity enabling factors of the institute, the distance from home, the quality of education, the quality of faculty, the infrastructure, the consideration of private schools and their engagement in extra-curricular activities, came to the fore as a result of analyzing the patterns around the word ‘factors’ under the word tree analysis of the data.

Hierarchy Chart

In addition to the word cloud and word tree, the hierarchy chart was also utilized by the researcher to analyze the patterns of coding of the data. The hierarchy chart enables the qualitative researchers to examine how the data unfolds and what sort of attributes the participants value during the collection of data (Trigueros-Cervantes et al., 2017). The hierarchy chart of the data of this study as represented by Figure 3 provides valuable insights. The core factors considered by the parents as highlighted by the chart had been their affordability of education expenses, the cultural & family values, the transportation issues, the distance from home as well as involvement of schools in extra-curricular activities. These factors have been at the center of the mix when it came to decision making owing to the selection of preliminary school of participants’ kids. Several other factors were also scrutinized related to the faculty and education prospects as well as infrastructure of the institutions.

It was interesting to note that all of the participants were in favor of privately owned schools to go with one exception where public sector institutions were preferred. Similarly, the English medium schools were the choice of all the parents considered for data collection. Personal visits of the school were preferred by most of the participants in order to collect information regarding different schools they considered as per their criteria. The use of Internet and social media platforms also came to the fore when it came to using different sources to get information. Majority of the parents chose the schools which fulfilled their sought criteria and they seemed satisfied with their decision.
Discussion of the Findings
The study was conducted to unearth different factors that are considered by educated citizens of Pakistan when they seek the admission of their kids in their preliminary schools. Different tools of the NVIVO software were utilized to analyze the data using a qualitative approach. It was found that majority of the participants of the study were in favor of private schools as well as they preferred those schools with English as medium of instructions. When asked about the reasons for these choices, the respondents collectively, with one exception, were of the view that the environment at the public sector schools is not good for their kids in Pakistan. The reason that came to the fore for the preference of English medium schools was that parents were concerned about the competition prevailing in the country when it comes to future career growth of the kids. Also, when it came to the question of consideration of different factors, serving the core objective of the study, the parents seemed concerned about the affordability which was the standout factor among all. These findings show that even though parents are concerned about the affordability issues, they are still not convinced that public sector schools are appropriate for their children. As per Andrabi et al., (2002), the fee structure of public schools is much more affordable than private schools but still there is an inclination of citizens towards the private schooling. The respondents of this study were all educated themselves and about half of them are involved in education sector to earn their share of bread. This goes to show that educated people value the educational environment of their kids even if they have to go extra mile in terms of affording the better environment as one of the respondents said that they try to cut their other expenses but does not compromise on their kids’ education. The findings are in line with the existing literature on private schooling in Pakistan.

In addition to the affordability, another major factor that popped out as a result of the analysis was the effect on cultural and family values of the kids when they go to school. The parents which considered this factor (majority of them), did not want that they choose such a school where there is an overhaul of western values over the cultural and family norms in the country. Apart from that, the creative and skillful knowledge, the extra-curricular activities and the infrastructure of the institutes were also highlighted as a part of decision-making process of the parents. These factors are very important to consider from the institutional point of view since this study provides some key insights to those who are offering or plan to offer preliminary educational services in Pakistan as to become a part of decision-making process of parents or guardians of kids regarding selection of their schools. While offering their services, the service providers should look for the key factors that their potential service consumers seek while choosing the suitable provider (Dorsch et al., 2000).

Another objective of the study was to explore different sources that the parents look to while gathering information regarding the desired institutions as per their criteria. When it came to collecting such information, the educated respondents preferred visiting the schools themselves to gather insights about the institutions. The use of Internet and social media is imperative nowadays since there is a lot of content available and different institutions look to these platforms for their marketing campaigns. The exploration of these information sources along with consultation with educated family members and colleagues could provide parents with information rich sources who seek to make the important decision of their child’s preliminary school.

The results of the analysis also suggested that after considering the discussed factors and collecting information from the highlighted sources, the parents mainly chose those schools which were fulfilling their criteria and they seemed to be satisfied with their decisions as the time went by. This provides more impetus to the unearthed factors and sources of information since about 50% of the respondents are involved as faculty members in the education sector themselves and were better placed to take this important decision for their kids. Hence the
readers of the paper could benefit from this decision-making insights of educated citizens as well as of those involved with education sector professionally.

**Limitations of the Study**
The study only involved the participants from two cities, Lahore and Gujranwala, of Pakistan due to time and resources constraints. Participants from different parts of the country could be included to explore better insights as to the thinking process of people from different cultural and regional backgrounds within the country. The study is also limited, in the context of the countries, to Pakistan only. Further research could cater the viewpoints of guardians of kids from different parts of the world for due comparisons among the preferences of people from different backgrounds.

**Directions for Future Researchers**
The study paves way for future research in the context of preliminary school education in Pakistan and decision-making process of parents while making the choice of schools for their kids. The studies relevant to this in the future may seek to examine the impact of explored factors on the decision making of the parents using a quantitative approach. The data in this study was collected from the decision makers only. The future researchers may collect data from the educational institutions in order to arrive at a conclusion as to the better understanding of a general gap or no gap between the factors sought by the parents and by the handlers of schooling institutions.

**References**


