Sukkur IBA Journal of Management and BUSINESS

Recognized by HEC Pakistan in "Y" Category

Volume 7 | No. 1 | January - June 2020 | P-ISSN: 2313-1217 | E-ISSN: 2410-1885

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Sukkur IBA Journal of Management and Business (SIJMB) is the semi-annual research journal published by **Sukkur IBA University**, Sindh Pakistan. **SIJMB** is dedicated to serve as a key resource to provide practical information for the people associated with business, management and economics research at global scale.

Sukkur IBA Journal of Management and Business – SIJMB has been recognized by **Higher Education Commission of Pakistan– HEC**.

Mission Statement

Sukkur IBA Journal of Management and Business is peer-refereed and multidisciplinary journal. The mission of **SIJMB** is to contribute and promote research in the field of business and management sciences. The journal encourages findings of innovative and solution oriented applied research.

Aims & Objectives

Sukkur IBA Journal of Management and Business aims to publish cutting edge research in the field of business, economics and management sciences. It accepts original research articles, case studies, reviews, and short comments on diverse issues, problems, unique concepts, hypotheses, and solution-oriented findings in interdisciplinary studies of economics and management sciences.

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- Entrepreneurship
- Finance
- General Management
- Globalization
- Economics
- Knowledge Management
- Leadership
- Marketing
- Operation Management
- Organization Behavior
- Organization Development
- Supply Chain Management
- Sustainability
- Human Resource Management
- Total Quality Management

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In continuation of endeavors to touch new hallmarks in the field of business education and research, **Sukkur IBA** publishes an international referred journal. **Sukkur IBA** believes research is an integrated part of modern learning and development. Consequently, **Sukkur IBA Journal of Management and Business – SIJMB** is the modest effort to contribute and promote the research environment within the institution and Pakistan as whole. **SIJMB** is peer reviewed and multidisciplinary research journal to publish findings and results of the latest and innovative research in the fields, but not limited to business, economics and management. Following the tradition of **Sukkur IBA**, **SIJMB** is also aimed to achieve international repute and high impact research publication in the near future.

Sukkur IBA is mission driven university and committed to serve towards the socioeconomic development of Pakistan through education and research.

Prof. Nisar Ahmed Siddiqui
Sitara-e-Imtiaz
Vice Chancellor, Sukkur IBA University

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Editorial

Dear Readers,

Once again, it's a pleasure to bring you the latest issue of **Sukkur IBA Journal of Management and Business - SIJMB**. Following our editorial policy, this issue contains double blind peer-reviewed articles which address the key business, management and economic issues pertaining to both national and international levels. The continued efforts of our editorial team and reviewers have enabled **SIJMB** to present you the high-quality research work based on the innovation, originality and contemporary issues in the core areas but, not limited to business, management and economics. **SIJMB** follows continuous improvement policy, and I thank all the stakeholders who have been the part of it. Moreover, **SIJMB** has continued its open access policy in order to reach larger audience and wider dissemination of published work.

While not forgetting that the **SIJMB** has an institutional association with **Sukkur IBA University**. In fact, the initiation of **SIJMB** is an outcome of strong research orientation followed by the Sukkur IBA and I am grateful for continuous institutional support in this regard. In addition, the **SIJMB** provides valuable platform for national and international researchers and publishes their research findings and disseminates those to the largest audience. The journal does not charge any fees and provides complimentary copy (in hard form) to each author. In addition, the supplement copies of the journal are also distributed to HEI and R&D institutions of the country. The journal has been archived by world's renowned scientific repositories. Journal has received recognition from several research agencies, universities and renowned professors. With pleasure, it is also to share with you all that the **SIJMB** has recognized by the **Higher Education Commission (HEC)**. In coming years, the journal aims to improve its current state by attracting more national and international researchers in the field of business, management and economics.

On behalf of the **SIJMB**, I welcome submissions for the upcoming issues of the journal and looking forward to receiving your valuable feedback.

Dr. Khalid Ahmed
Editor-in-Chief
SIJMB

Volume 7 | No. 1 | January -June 2020

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Sukkur IBA Journal of Management and Business (SIJMB)
Publications Cell, Office of Research, Innovation & Commercialization - ORIC
Sukkur IBA University, Airport Road Sukkur-65200, Sindh Pakistan
Tel: (092 71) 5644233 Fax: (092 71) 5804425 Email: sijmb@iba-suk.edu.pk URL: sijmb.iba-suk.edu.pk

Sukkur IBA University

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P-ISSN: 2313-1217
E-ISSN: 2410-1885

A Study of Consumer Attitude Towards Counterfeit Fashion Luxurious Products: The Mediating role of Purchase Intention

Ikramuddin Junejo[1], Jan Muhammad[2], Sumaiyah Hassan Ali[1], Saba Qureshi[3], Saeed Ahmed Shaikh[4]

Abstract

The aim of this study was to find the factors that influence the students' attitude towards counterfeit fashion luxurious products in Hyderabad, Pakistan. It has been observed that students maintain their social status within the university by purchasing branded but, due to insufficient income leads them to counterfeit products such as Adidas shoes so on. The Primary data has been collected through a survey by distributing questionnaires (face to face) to university students, a total of 330 respondents participated in this research. For the analysis, various statistical tests were performed data such as Factor analysis, Reliability Analysis, and Regression Analysis testing hypothesis in SPSS version 18 and AMOS version 24. Findings revealed that all study variables such as Novelty Seeking, Social Influence, and Social Consumption are mediating by Purchase Intention for consumer's attitudes towards counterfeiting fashion products and partial mediation revealed of these variables. However, university students buy more counterfeits products due to Social Consumption as compare to other factors because the standardized beta value of Social Consumption revealed greater than other variables of this study. Previous scholars measured consumer attitude towards counterfeiting fashion products in terms of female and working men. This study will give insights into university students and Purchase Intention is used as a mediator.

Keywords: *Purchase Intention, Fashion Luxurious Products, Consumer's Attitude*

JEL Code: M31, M37, D11, L67

1. Introduction

Counterfeit refers to illegal use of trademarks, patents, and copyright of the certified brand on products that are being manufactured by counterfeiters and are presented at a minor worth and are actually replicas (Veloutsou and Bian, 2008). There are 2 types of counterfeiting done on genuine goods. First is deceptive counterfeiting and the second is non-deceptive copying. The misleading fake things are sold in the marketplace deliberately to mislead the consumers (Penz and Stottinger, 2008). The willingness to repurchase and buy counterfeit as a substitute for any product defines customer purchasing conduct (Phau et al., 2009).

[1]Department of Management Sciences, SZABIST Hyderabad Campus
[2]Jiangsu University, Zhenjiang, China
[3]University of Sindh Jamshoro, Pakistan
[4]Wuhan university of technology, China
Corresponding Author: 5103190207@stmail.ujs.edu.cn

When the consumers are not capable of purchasing original goods due to the high prices they demand and prefer buying counterfeit of it because of the reasonable prices of them. Counterfeiting is being very common and is promptly growing globally in both under developing as well as developing countries. It refers to an uncertified representation of certified products with a purpose to cheat the buyer through creating them accept as true that consumer is purchasing the genuine products (WTO,2017). Counterfeiting famous fashion luxury brands has now become a crucial problem globally (Triandewi and Tjiptono, 2013). Recent research by Mark Monitor (2018), found that around 47% of brands are failing to cash due to counterfeiting, with one in three saying the decline in sales corresponds to more than 10% and with four in ten businesses have experienced an increase in the counterfeiting who are involved in selling unauthorized brands by breaching laws of authorized brands.

According to OECD and EUIPO (2016), the intensification of counterfeit products has been notified by the countries worldwide, it is estimated that the world's five percent products are counterfeit. Also due to counterfeiting about two hundred billion US dollars, a year contributes and as a result, various negative impacts revealed such as unemployment, reduction in sales of original products, and government revenue badly affected (Furnham and Valgeirsson, 2007).

The past two decades have witnessed a rapid growth in counterfeiting which has now become an important political, social, and economic issue worldwide (Cant, et al., 2014). Counterfeiting has become a crime of 21st century not only due to reason of violating laws and affecting profits of businesses of all sectors but it is also causing serious health and safety risks for consumers using counterfeit products which is ultimately causing heavy bleeding in the global economy (Schneider and Bikoff, 2015). According to (ICC) International Chamber of Commerce (2017) globally faking and piracy is continuously rising at an astonishing level and it is forecasted that by 2022 counterfeiting possibly will increase up to the US $2.3 trillion. According to Organization for Economic Cooperation and Development (OECD) and European Union Intellectual Property Office (EUIPO), the international trade of counterfeited and bootlegged goods is worth $461 Billion, which was 2.5% of international trade in 2013 and could reach to $991 Billion by 2022. The key motive for the continuous progress and presence of copying products within the country is due to the rapid growth of consumer demand which is the driving force of the market and results in the growth of counterfeiting globally (Ang et al., 2001).

The press release of Tribune International by (Ghauri, 2014), Pakistan has been ranked thirtieth nation in the world where replica and counterfeit products including medicines, foodstuffs of all kinds, soaps, cosmetics, perfumes, and consumer goods especially luxurious fashion products are produced and are floating freely in the market in huge amount. About 65% of consumer goods are counterfeits that have put the well-being and care of the persons in great danger, as their contents are never tested. Manufacturers of original and genuine products, government revenue, and buyers of counterfeits are all facing harmful effects because of the free-floating of counterfeit brands in the country.

Marketers must understand the "Black Box" and develop strategies for responding to stimuli. The black box model indicates "how a consumer is responding to stimuli in terms of the decision process, consumer characteristics and consumer responses interact (Sandhusen, 2000). Blackwell et al., (2001), developed model so call tripartite model that explains the attitude. In this model, they suggested that attitude is consists of three important components such as cognitive component (known as beliefs), affective component (Known as feelings or emotions), and last a conative component (known as a behavioral intention).

Due to the rise in counterfeits in Pakistan today, it is essential to figure out which elements force consumers to buy counterfeit goods. This paper will help the company's manufacturing genuine goods, to design an appealing marketing strategy by knowing the attitude of people towards the intention to purchase and reasons for shifting their demand towards counterfeited goods. Earlier investigates devices by now been directed in different countries such as Malaysia, Indonesia, Vietnam, etc. to know the attitude and intention to purchase counterfeits. Therefore, the reason for researching in Hyderabad, Pakistan is to fill the research gap by knowing the consumer buying pattern of university students of Hyderabad which might vary in comparison to other countries due to the influence of country-specific factors for which a study should be conducted to explore these factors.

2. Empirical Literature Review and Development of Hypothesis

2.1 Theoretical Framework

2.1.1 Consumer Decision Model

In the field of marketing, many well-studied models are suggested by various scholars such as Howard and Sheth (1969), Engel et al., (1968). These models find out the psychological state of a consumer in which consumers try to satisfy themselves by purchasing goods and services after depth evaluation of alternatives. Another study developed by Festinger (1957), in the theory of cognitive dissonance of the end consumer, in which he suggested the future purchase has a great influence on the decision process. Engel and Blackwell (1982), recommended that the environmental influence which may also affect the final decision of consumer with respect to intention and motivation to buy goods and services. However, they suggested that there are certain uncontrolled factors that may influence this process such as insufficient funds and unavailability of the desired brand into the market. This model assumed the intrapersonal psychological events and states from intention to attitude.

2.1.2 Stimulus-Response Model

In the field of marketing, buyers enter the "Black Box" and develop a few choices for purchasing goods and services. Marketers must understand the "Black Box" and develop strategies for responding to stimuli. The black box model indicates "how a consumer is responding to stimuli in terms of the decision process, consumer characteristics and consumer responses interact (Sandhusen, 2000). The black box model is associated with the theory of behaviorism, in this theory consumer not related insight process of consumer and relationship with stimuli as well. Environmental stimuli are mainly based on social factors and economic and cultural in a specific society.

2.1.3 Tripartite Model

Blackwell et al., (2001), developed model so call tripartite model that explains the attitude. In this model, they suggested that attitude is consists of three important components such as cognitive component (known as beliefs), affective component (Known as feelings or emotions), and last a conative component (known as a behavioral intention). The relationship between attitude and behavior seems to be stronger in the case of the shorter time interval and in other situations the attitudes may expression of behavior itself. In these situations, consumers adopt a certain attitude based on behavior.

2.2 Mediator Purchase Intention

Attitude refers to the inclination of an individual to behave in a likely or unlikely manner regarding their buying behavior. Attitude is a persistent behavior that how a person responds in a particular situation in a favorable or unfavorable way. (Huang et al., 2004). Attitude is a psychological position that people used to perceive the environment. According to Wu et al. (2011), Purchase intention refers to the consumer's likelihood to purchase certain products or services in the future.

Therefore, the attitude of people towards counterfeiting products is significant. Nordin (2009) considered variables such as price consciousness, normative susceptibility, perceived risk, and novelty seeking as determinants of consumer behavior to buy counterfeits. Based on results Nordin concluded that consumers most favorable have the intention to buy counterfeited goods. Attitude has a direct relation to the consumer's behavior. Therefore, there is a high chance that people will purchase counterfeit goods, if, they have a favorable attitude towards counterfeiting products. Although people think that counterfeits do not have similar benefits as compared to genuine, but consumers find it advantageous when buying counterfeit fashion products (Krishnan et al., 2017).

Pakistani consumers purchase counterfeit products and do not put much attention to the quality aspects of counterfeit (Hussain et al., 2017). Past buying experience strongly affects the consumer's purchase intention of counterfeited luxury goods. Whereas it further states that people who buy counterfeits of luxury goods have an intention to buy original goods and people who buy original products of luxurious companies does not have an intention to buy counterfeits of it. This indicates that consumers purchasing counterfeit will most probably switch to buying originals over time and would not return to counterfeits again (Yoo and Lee, 2009). Either people choose to buy original fashion luxury products or counterfeits depends upon multiple factors like income, shopping convenience, hedonic purposes, etc. While buying there are numerous factors that affect consumer attitude towards counterfeits but purchase intention is an important and vital factor to know consumer-buying behavior (Phau and Teah, 2009).

2.3 Novelty Seeking and Consumer's Attitude

The word novelty seeking is defined as the consumer's behavior to search for a unique and new variety of products. Therefore, the people who like to keep themselves stick with the latest trends will be seen inclined to try new and latest products and designs. Consumers will preferably buy counterfeit goods by putting low cost and continuously changing their styles and remains up to date (Krishnan et al., 2017).

According to Wang et al., (2005), people always search for unique and different products. The results of this study suggested that after price, novelty is the strongest influencing element of intention to purchase counterfeits of luxury brands. Many factors affect consumer buying behavior in fashion products. However, people forget an ordinary product and rush for novelty if the product is unique (Yoo and Lee, 2009). Consumers always demand new and latest fashion products and if they are expensive, they go for their counterfeits available at a low price (Nordin, 2009). Consumers support counterfeit products more because they most likely want to follow the latest trend at low prices knowing that it is less chosen but then also they buy just to enjoy the novelty and present themselves differentiated from others (Harun et al., 2012). So the following hypothesis is presented:

- **H1a: Novelty Seeking relates positively to Consumer Attitude.**
- **H1b: Purchase Intention mediating relationship between Novelty Seeking, Consumer Attitude.**

2.4 Social Influence and Consumer's Attitude

The word Social Influence means the effect that people around or social circles like family members, colleges, and friends make on a person by influencing its buying behavior. The suggestions from the reference group influence the decision of people to either buy counterfeits or original fashion luxury brands (Wang et al., 2005, Phau and Teah 2009). According to Krishnan et al., (2017), consumers not usually take advice from their peer groups for their counterfeit purchases and they also do not recommend their friends and relatives because of financial conditions.

Hidayat and Diwasasri (2013), in their study, defines factors like "communalism, peer pressure, susceptibility towards social influence and family", which impact the consumer decision to buy counterfeit products or not. Eisend and Guler, (2006), they stated that reference groups have the power to influence purchaser mindset related to brand image and brand. Reference groups and consultants influence consumer behavior. Consumers do understand, if their friends or relationships around them support the specific brand, they are interested in buying (Phau et al., 2009). So the following hypothesis is presented.

- **H2a: Social Influence relates positively to Consumer Attitude.**
- **H2b: Purchase Intention mediating the relationship between Social Influence, Consumer attitude.**

2.5 Social Status and Consumer's Attitude

The word status means the position and lifestyle that a person holds based on honor, respect, and prestige in the society (Ergın, 2010). Social status defines the position of a person in society. Social norms are single of the reason that upset the shoppers' willingness to purchase branded products (Tang et al., 2014). People prefer to buy those products which display their high status through which global companies increase their revenues by serving those products to consumers (Krishnan et al., 2017).

According to Kwak and Sojka (2010), people living abroad and outside their home countries have a strong association with their ethnic culture and they pay for branded products portraying their national culture to show their social status. Snob appeal attracts people to purchase elite products to distinguish themselves from other people (Husic and Cicic, 2009). The increase in demand for luxury goods shows that status can cause damage to the financial progress of the nation in the long run as consumers are more concerned about their social standings and esteem (Phau et al., 2009).

According to Mukhtar (2016), people purchase patented goods in a mandate to prompt their respect and position in front of people in their around and create a positive approach in the direction of fake goods leading towards buying purpose. Consumers having lower status generally buy counterfeit goods for showing their higher position (Budiman, 2012). The reason for buying a counterfeit product is to express the class, image that it makes towards the society, and to see how people view those (Yoo and Lee, 2009). Status consumers are more conscious about how they present and display themselves in front of others because to them it expresses prestige and status (Phau and Teach, 2009).

When a product represents high status the people possessing characteristics of status consciousness most preferably buy and are even ready to pay more for consuming that product. The status-conscious consumers do not share about their purchase of counterfeit products in the forward-facing of noble individuals and domestic associates because they feel that their image will get hurt. Therefore, the following hypothesis is proposed:

- **H3a: Social Status relates positively to Consumer Attitude.**
- **H3b: Purchase Intention mediating the relationship between Social Status, Consumer Attitude.**

Based on the above theoretical framework and literature review following the conceptual frame of this study has been developed.

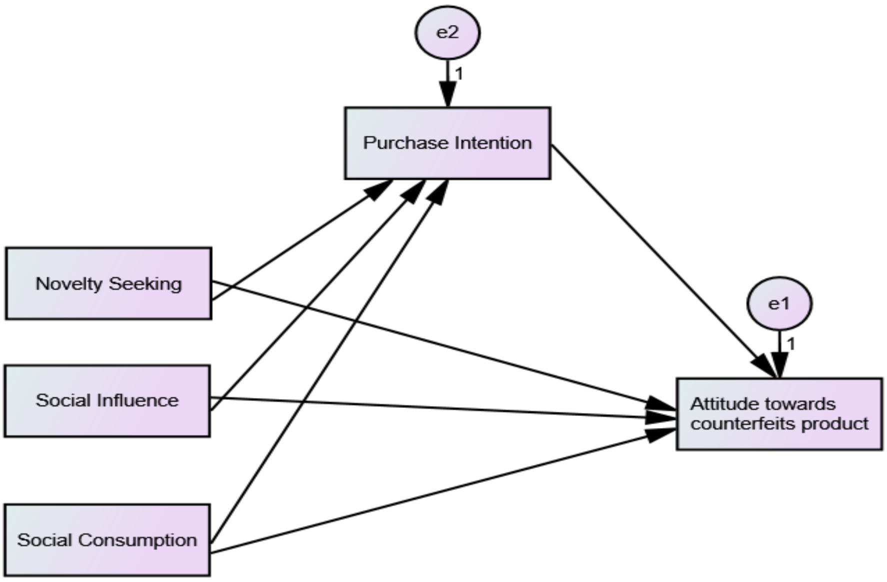

Figure 1: Conceptual Framework (Source: This Study)

3. Methodology

In this study, respondents were nominated via convenience sampling techniques. The convenience sampling technique is a non-probability sampling, it is used when the researcher was unable to select respondents in the study (Malhotra, 2010). The convenience techniques were adopted for data collection due to counterfeit is a very sensitive topic and most respondents reluctant to respond to asked questions. In order to reduce this effect, the respondents were informed that the data has been collected for academic research purpose only and they will ensure that their responses will remain confidential and no privacy will be effective through this study.

Primary data has been collected with the help of adopted questionnaire from previous studies. Most of the time adopted questionnaires reveal reliability and validity for data collection. Data were collected to test the above-proposed hypothesis. The questionnaire was consisting of structural close-ended questions with two parts. In the first part of the questionnaire, the respondents filed the personal profile and the second part of the questionnaire was included both dependent and independent variables were measured. The questionnaire's second part was adopted from previous studies and all the independent and dependent variables were measured from studies of Nguyen and Tam (2015), Nguyen and Tran (2013), and Nordan (2009). The questionnaire was consisting of five Likert scale from negative to positive approach ranges from Strongly Disagree (1) to Strongly Agree (5), University students were asked to fill the questionnaire (face to face). Furthermore, the questionnaire did not comprise any specific counterfeit brands, as in this study, it measured the consumer attitude and purchase intention counterfeit products as an entire. The university students from Hyderabad, Pakistan were asked to respond to questions for concluding this study.

For the sample size rule of thumb for survey method formula was:

$$N = \text{No of items in questionnaire X } 10$$

In this study a total number of items were 18, hence sample size was calculated as:

$$N = 18 \text{ X } 10 = 180$$

The required sample size from university students was 180 but to get reliable results, 330 university students were asked to fill the questionnaire (face to face). They were told to fill a questionnaire and return it within a little time. The data has been collected in 1 week from a total of 330 university students, however, during data cleaning and screening only 250 printed questionnaires were considered for the analysis purpose. Based on this number response rate was 75.7 percent.

4. Result and Discussion

4.1 Descriptive Analysis:

The total questioners filled in this research were 250 out of 330 distributed to students in University students of Hyderabad. The last question of the profile was asked to easily identify the students who had not purchased counterfeits so that their responses would not be included. As the data analysis would only be done of those respondents who had purchased counterfeits of fashion luxury products. The 75.7% response rate includes both male and female students in which 43.2% were males and 56.8% were females as summarized in table 1.

Table 1: Respondent Profile (source: This study)

Construct	Category	Frequency	Percentage
Gender	Male	108	43.2%
	Female	142	56.8%
Marital status	Single	203	81.2%
	Married	47	18.8%
Monthly Income	Less than 10,000	60	24%
	10-20 thousand	27	10.8%
	20-30 thousand	36	14.4%
	More than 30,000	42	16.8%
	None	85	34%
Program	BBA	120	48%
	MBA	67	26.8%
	BSCS	63	25.2%
Have you purchased counterfeit products?	Yes	250	75.7%
	No	80	24.2%

4.2 Factor Analysis (Exploratory)

The Factor Analysis (Exploratory) applied individually for each study. Hair et al., (2010), EFA is used to apply for ensuring the reduction in items for each construct should be decreased at a great level. The cut-off value for KMO should be 0.50 and Bartlett's test of septicity should be less than 0.05. Furthermore, according to Kaiser's (1958), the eigenvalue should be 1 or greater than 1. The factor loading value would be at minimum 0.35 or larger to achieve the level of significance and further statistical test analysis.

Table 2: Unidimensionality and Convergent Validity

Constructs	Indicator (parameter)	Factor loadings
Novelty Seeking	α = .723, AVE = 0.637	
	I always want to be the first one to try new fashion products.	0.783
	I own a lot of popular fashion products.	0.843
	I keep up with fashion.	0.766
Social Influence	α = .701, AVE = 0.55	
	People around me buy counterfeit luxurious fashion products.	0.768
	It is acceptable in my society to buy counterfeit of luxurious brand products.	0.845
	People around me encourage me to buy counterfeit luxurious fashion products.	0.661
Social Consumption	α = .794, AVE = 0.625	
	I would pay more for a fashion product if it has status.	0.757
	A product is more valuable to me if it has a high status.	0.866
	I would buy a fashion product just because it has a status.	0.744
Attitude towards counterfeits product	α = .737, AVE = 0.648	
	Buying counterfeit of luxurious brand fashion products generally benefits the consumer.	0.366
	Buying counterfeit of luxurious brand fashion products is a better choice.	0.682
	Counterfeit of luxurious fashion products provide functions similar to genuine	0.743
		0.874

	products. Counterfeit luxurious fashion products are as reliable as genuine products.	
Purchase Intention towards counterfeits product	α = .756, AVE = 0.465 I think about a counterfeited of luxurious brand fashion product as a choice when buying something. I buy counterfeit luxurious fashion products if I think genuine designer products are too expensive. I recommend friends and relatives to buy a counterfeited luxurious fashion product. I intend to buy counterfeit luxurious products in the future due to my financials. My willingness to buy counterfeit products is high.	0.575 0.711 0.749 0.707 0.655

Note: **significance level at 0.05
Source: Author's Estimation
Method: Component factor analysis (Varimax)

Table 2, revealed that all variables (Novelty seeking, Social influence, Social consumption, Attitude towards counterfeits products, and Purchase Intention towards counterfeits products). All the 18 items of these constructs have factor loading greater than 0.35. The value of Eigenvalue is greater than 1 and the total variance explained is 65.8%, 60%, 61.1%, 73.7%, and 75.6% respectively. The value of KMO is also greater than 0.50 and level of significance (p-value) all above-stated variable has less than 0.05. Based on this result of Exploratory Factor Analysis confirmed that we can now apply further statistical tests for the analysis.

4.3 Reliability Analysis

Table 3: Summarizes the Results of Reliability Analysis

Name of variable	Cronbach's Alpha	No of Items
Novelty Seeking	0.713	3
Social Influence	0.642	3

Social Consumption	0.691	3
Attitude towards counterfeits product	0.724	4
Purchase Intention	0.708	5

Source: Author's Estimation

You are able to get in above table 3, in our case Cronbach's Alpha value of Novelty Seeking (71.3%), Social Influence (64.2%), Social Consumption (69.1%), Attitude towards counterfeits product (72.4%) and Purchase Intention towards counterfeits product (70.8%). All the studied variables are found reliable and the decision for reliability can be suggested that the data is consistent.

4.4 Hypothesis Testing

Table 4: Regression Weights

Variable (Independent variables)	Attitude Towards Counterfeits Product	
	β (Standard coefficient)	Significance value
Novelty Seeking	0.163	.024**
Social Influence	0.162	.009**
Social Consumption	0.205	.004**
R-Square	0.163	

Note: **significance level at 0.05
Source: Author's Estimations

A coefficient table 4, shows two important values, the value of beta and p-value. The value of beta usually determines the relationship among variables, whereas probability value shows the level of significance. In this study, all studied variables such as Novelty Seeking (NS), Social Influence (SI), and Social Consumption are revealed positive and significant relationship attitudes towards counterfeits product (ATCP) in the context of Hyderabad, Pakistan. Hence hypotheses such as H1a, H2a, H3a have been supported.

4.5 Mediation Results

4.5.1 Novelty Seeking

Table 5: Summarize the Mediation Results (Novelty Seeking)

Construct	B	R^2	Significant value
*NS->CA	0.552	0.354	.004
**NS->CA	0.402	0.089	.012
***NS->PI->CA	0.150	0.070	.005

Note: NS=Novelty Seeking, CA=Consumer Attitude, PI=Purchase Intention
*Total Effect
*Direct Effect
*Indirect Effect

You can see in the table- 5, indicates that three effects such as total effect, direct effect, an indirect effect on Consumer attitude with the mediating role of purchase intention. The total effect between Novelty seeking and Consumer attitude positive (Beta=0.552) with a value of R2 0.354 and statistically found significant (p-value=.004). The direct effect between Novelty seeking and Consumer attitude positive (Beta=0.402) with a value of R2 0.089 and statistically found significant (p-value=.012). The indirect effect between Novelty seeking, Purchase intention, and Consumer attitude positive (Beta=0.15) with the value of R2 .07 and statistically found significant (p-value=.005) respectively. Based on these findings proposed hypothesis H1b has been supported and mediation analysis revealed partial mediation. Furthermore, the direct effect (beta=0.402) is stronger than the indirect effect (0.15) due to beta standardized value of the direct effect is greater than the indirect effect.

4.5.2 Social Influence

Table 6: Summarize the Mediation Results (Social Influence)

Construct	β	R^2	Significant value
*SI->CA	0.435	0.281	.000
**SI->CA	0.322	0.015	.004
***SI->PI->CA	0.103	0.120	.020

Note: SI=Social Influence, CA=Consumer Attitude, PI=Purchase Intention
*Total Effect
*Direct Effect
*Indirect Effect

You can see in table-6, illustrates that three effects such as total effect, direct effect, an indirect effect on Consumer attitude with the mediating role of purchase intention. The total effect between Social influence and Consumer attitude positive (Beta=0.435) with a value of R2 0.281 and statistically found significant (p-value=.000). The direct effect between Social influence and Consumer attitude positive (Beta=0.322) with the value of R2 .0153 and statistically found significant (p-value=.004). The indirect effect between Social influence, Purchase intention, and Consumer attitude positive (Beta=0.103) with a value of R2 .012 and statistically found significant (p-value=.020) respectively. Based on these findings proposed hypothesis H2b has been supported and mediation analysis revealed partial mediation. Furthermore, the direct effect (beta=0.322) is stronger than the indirect effect (0.103) due to the beta standardized value of the direct effect is greater than the indirect effect.

4.5.3 Social Consumption

Table 7: Summarize the Mediation Results (Social Consumption)

Construct	B	R^2	Significant value
*SC->CA	0.485	0.394	.000
**SC->CA	0.331	0.018	.002
***SC->PI->CA	0.154	0.140	.021

Note: SC=Social Consumption, CA=Consumer Attitude, PI=Purchase Intention
*Total Effect
*Direct Effect
*Indirect Effect

You can see in table 7, indicates that three effects such as total effect, direct effect, an indirect effect on Consumer attitude with the mediating role of purchase intention. The total effect between Social consumption and Consumer attitude positive (Beta=0.485) with a value of R2 0.394 and statistically found significant (p-value=.000). The direct effect between Social consumption and Consumer attitude positive (Beta=0.331) with the value of R2 .018 and statistically found significant (p-value=.002). The indirect effect between Social consumption, Purchase intention, and Consumer attitude positive (Beta=0.154) with a value of R2 .14 and statistically found significant (p-value=.021) respectively. Based on these findings proposed hypothesis H3b has been supported and mediation analysis revealed partial mediation. Furthermore, the direct effect (beta=0.331) is stronger than the indirect effect (0.154) due to the beta standardized value of the direct effect is greater than the indirect effect.

4.6 Discussion on Results

First, the result concluded is strong and it gives a clear picture that students of Hyderabad's students purchase counterfeit products because of factors like Novelty Seeking Social Influence, and Social Consumption. Consumers with low-income support counterfeiting. Second, previous scholars also concluded the same results in their studies related to this study such as Santi (2012), her study revealed that attitude has a significant impact on counterfeiting on bag products in Indonesia and higher status among women was a unique finding of this study. Yoo and Lee (2009), luxuries counterfeits product purchase intention in Korea. Their findings showed that many consumers buy luxuries counterfeits due to economic benefits, cheaper rates attract them for buying such products for future use. Finally, factors influencing buy luxuries counterfeits products. In this study, their results revealed that celebrity endorsement along with the marketing mix in luxury products leads to purchase intentions among consumers (Stravinskiene et al., 2013).

5. Theoretical Contribution

This study based on university students has both theoretical and piratical contributions. First, In the context of theoretically, this study has suggested new linkages among Novelty seeking, Social Influence, and Social Consumption to an attitude in the presence of Purchase Intention. In this study, the authors used the tripartite model that explains the attitude.

Second, The Consumer decision model is used in this study as a theoretical framework, that suggested the environmental factors such as Social Influence and Social Consumption. These factors will have a significant influence on the final consumer purchase intention and motivation to buy products. In this model, the authors mentioned there are uncontrolled factors such as insufficient funds and the unavailability of desired brands in the market. This study supports this augment of a consumer decision model that Hyderabad university students may attract towards counterfeits products due to lack of income and inaccessibility of demanded brands into the Hyderabad market.

Third, the Stimulus-response model is also applied in this study as a theoretical framework, which is also known as the "Black box model" that explained environmental stimuli that are based on social factors in the society. This study supported this model in terms of theory as well because social factors are considered in this paper such as Social Influence and Social Consumption are used and the results of this paper revealed that university students' of Hyderabad, Pakistan as their consumer behavior is supported for purchasing the counterfeits products.

Fourth, this is a new study that verified the mediating role of purchase intention between Novelty seeking, Social Influence, and Social Consumption in regard to counterfeit fashion products. This would be a significant contribution to the theory of consumer behavior in regard to university students with low-income factors.

6. Managerial Implication

First, this study would be a new insight for managers in the context Hyderabad, Pakistan with respect to fashion product counterfeit. The outcome of this study focused on social factors in terms of Social Influence and Social Consumption that the ethical perspective not to buy fake products that have a negative impact on both firms and society as well in the long run.

Second, the government bodies and key decision-makers in Hyderabad, Pakistan should observe this behavior in the education system like universities, in order to protect or discourage the current behavior and for improving the quality of life among university students. Lastly, the seminars and conferences should be organized in both private and public universities in order to address the issue of fake products and recommending possible strategies related to fashion products for minimizing this effect in the future.

7. Limitations and Research Direction for Future

This study provides insights for counterfeits products from Hyderabad, Pakistan but there are certain limitations. First, the inadequacy of this research is that due to convenience sampling and limited time the data was collected only from students of University students Hyderabad.

Second, this research only focused on counterfeit fashion luxury products whereas counterfeit is done of other product categories also as well. So, to completely comprehend the consumer's perception and purchase intention towards counterfeit future research could be conducted including other counterfeit range of products for better understanding the consumers' perception. Factors such as Price consciousness, Personal gratification, perceived risk, Integrity, product Involvement, materialism, past experience, and more were not included in this research.

Third, the recent study conducted by Gilal et al., (2018), the relationship between product design and consumer behavior in terms of negative word-of-mouth and willingness to pay. They have compared both male and female, in the context of Pakistan results revealed that men are more aesthetic and hedonic as compare to women. These findings were oppositive in regards to China. So, based on these findings it can be concluded that gender behavior may respond differently with respect to the country or culture.

Fourth, another recent study by Gilal et al., (2018), nexus between parent's brand passion and child's brand passion by using socialization theory and emotional contagion theory. The findings of this suggested that parents' airline passion translated into the child's airline passion in relationships with daughter and son without any geographical distance.

Finally, moderate mediation of age and gender explored in the latest study by Gilal et al., (2018). In this study, the authors used an organismic integration theory and linking motivational regulation to brand passion. The moderation results revealed that women have more brand passion in the perspective of intrinsic motivation than men, however, the external motivation seems to salient for the case of men as compared to women. Furthermore, with respect to age older customers have more brand passion due to external motivation and parental motivation is found more among young customers as compare to aged customers. Based on these studies, it is highly recommended that in future the moderated mediation analysis also can be performed in terms of Age and gender in the future in regard to counterfeit products for fashion products.

8. Conclusion

Factors including Novelty Seeking, Social Influence, and Social Consumption were taken to know the influence on the attitude of students towards counterfeit fashion luxury goods. Whereas this research it was also proposed that the attitude of students affects the intention to purchase fake fashion extravagance products. The findings of this research showed that all university students such as Business and non-business students are buying luxuries counterfeits producers due to similar above-stated factors in this study. Students for social concern prefer to buy counterfeits products for sake acceptance in their social circle. This attitude towards counterfeits luxury products leads them to purchase intention towards counterfeits products.

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Volume 7 | No. 1 | January– June 2020

Sukkur IBA Journal of Management and BUSINESS
P-ISSN: 2313-1217
E-ISSN: 2410-1885

Antecedents of Green Consumer Behavior the Mediating Role of Brand Image in the Cosmetic Industry

Sikandar Ali Qalati[1], Wenyuan Li[1], Sajid Hussain Mirani[2], Jan Muhammad Sohu[1], Rana Yassir Hussain[1], Naveed Ahmed[1]

Abstract

In today's world, the demand for cosmetic products is increasing at a faster rate than before, and companies have begun to manufacture cosmetic products to cater to the needs of local and international users. This paper aims to explore the relationship between celebrity endorsement, promotional activities, packaging, brand image, and green consumer buying behavior in the cosmetic industry of Pakistan. It also examines the mediating role of the brand image. The paper used a closed-ended questionnaire to gather data from randomly selected respondents. Partial least square structural equation modeling (PLS-SEM) using ADANCO 2.0.1, used for the path analysis of 190 responses from four universities of Pakistan. The findings revealed a direct positive relationship between celebrity endorsement, promotional activities, packaging of a product, and brand image with the green consumer buying behavior. Partial mediation was found between celebrity endorsement and green consumer buying behavior. This study has implications for practitioners and researchers interested in investing in green consumption behavior.

Keywords: *celebrity endorsement, promotional activities, packaging of products, brand image, cosmetic industry, green consumer buying behavior.*

JEL Code: M31, O13, O47, Q01, Q50

1. Introduction

Green Consumer buying behavior refers to the "concerns for the environment, and about population, willingness to recycle, and to pay more for environmentally friendly products form this behavior." (Kaufmann & Panni, 2017). The increasing trend has been shown towards the consumption of green products, as it enables individuals to participate in environmental sustainability (Sun, Liu, & Zhao, 2019). Globally, celebrity endorsement in Asian countries is higher than the United States and European countries.

[1] School of Management, Jiangsu University, 301 Xuefu Road, Jinkou District, Zhenjiang, Jiangsu, P.R. China
[2] Department of Public Administration, Shah Abdul Latif University, Khairpur
Corresponding Author: jansohu7@gmail.com

In China and South Korea, it ranged from 25 to 61 percentage, while just 15 percent in European countries (Chekima, Wafa, & Sulong, 2018).

Intrinsic as well as extrinsic motivation play a vital role in the green behavior of consumers as consumer green buying behavior is affected by consumer motivation. In contrast, intrinsically, females are more motivated to show green buying behavior compared to males (Gilal et al., 2019). Nowadays, organizations are motivated to find efficient communications strategies and design innovative marketing activities that energize consumers to buy environmentally friendly products and adopt green consumption buying behavior (Amatulli et al., 2019). Consumers tend to show more green behavior when they use green products as green products satisfy their environmental concerns (Zhang, Xiao, & Zhou, 2019). However, people's concerns extended from the food industry to the cosmetic industry. Consumers have shown increasing interest in sustainable packaging, natural ingredients, and other green factors of cosmetics. Therefore, the cosmetic industry needs to be investigated; also, green cosmetics is considered an emerging trend in the beauty industry (Lin et al., 2018).

Nowadays, cosmetic products are considered as essential as other daily products, especially women, are more likely to attract. When companies use harsh chemicals in their products, not only consumers but also the environment faces an adverse effect (Amberg & Fogarassy, 2019). The cosmetic industry is one of those industries in Pakistan, which uses a massive amount of chemicals and artificial materials that cause consumers and the environment to suffer a lot (Jamil, Ali, & Iqbal, 2017). Nevertheless, with time, consumers are getting aware of the situations and adverse effects. So the demand for organic or green cosmetic items is increasing, and customers prefer green cosmetic products to accomplish consumption sustainability (Ali, 2017). Indeed, green products and green buying behavior have taken all the lame light because of the environmental degradation where the consumption is also increasing (Taufique & Vaithianathan, 2018). The resultant of which cosmetics companies have started considering different factors that affect their sales revenue and consumers (Wang & Uslay, 2018).

Several factors influence the buying behavior of customers, such as packaging, promotional activities, brand image. Moreover, endorsements are done by the favorite celebrities of the consumers, also influence their buying behavior and help to promote products. There are many other factors, too, which affect consumer buying behavior in a cosmetic product, but this study focuses on four factors only which are; celebrity endorsement, promotions, packaging and brand image and its relationship on women's behavior to buy such products.

Byrne, Whitehead, and Breen (2003) defined celebrity endorsement as "any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement. It is a popular form of advertising through which companies promote their products or services and create awareness (Chekima et al., 2018).

Moreover, marketers hope that the fame and status of endorses would create a distinct and positive image in the minds of customers; also, it will attract customers to buy a product. According to Adam and Hussain (2017), celebrities positively impact the green Consumer buying behavior and transfer the meaning to the product. Consumers readily accept the endorsed products and make them feel classy and consider it as a symbol of status. This process is mainly used by fashion or beauty brands.

Promotional activities refer to those set of activities that communicate the product, service, or brand to the end-user (Shallu & Gupta, 2013). The main idea is to aware of people and makes them buy a particular product in preference over the other brands. More profoundly, promotional activities not only include advertising but also used to attract customers to purchase and try the products (Mullin, 2018). Promotional activities are playing a vital role in changing the consumer's perception of a brand. Also, to attract and invite customers to purchase a product or service and even to switch to other brands (Khare, 2015).

Packaging refers to the overall designing, evaluating, and producing the container for a product to keep or store it against the damages and to attract the customers to a particular product. According to Salem (2018), it is one of the essential element through which companies communicate to the consumers by providing the necessary information on the packages and (Prakash & Pathak, 2017), consider packaging as one of the essential tools to attract the green consumers, and also affects their purchase decision.

Brand image refers to an image a customer has in his mind regarding a brand. It plays a vital role in boosting up any business or company performance, and it is now considered as an asset. It is developed with time by company quality service/product given to its customers and by customers' direct interaction and experience (Jin, Line, & Ann, 2015). Chen et al. (2020), proposed that brand image should be focused and increased to improve green consumer buying behavior.

To explain these associations, the theory of planned behavior (TPB) has been used. After verifying the conceptual model, the theory of planned behavior has been associated with green consumer buying behavior and celebrity endorsement. Gilal et al. (2020) studied the CSR and brand passion among consumers for soft drink brand, findings concluded that consumer passion is directly affected by consumer perception of CSR and showed a positive impact on brand attachment, Which means that when consumers know that company is playing its role for the betterment of the environment, then they create an emotional attachment with the brand and prefer to buy its products or services. In the same way, this study also focuses on the consumer buying behavior and how celebrity endorsement influences their buying behavior towards the particular product in the cosmetic industry, as providing green cosmetic products referred by favorite personality create the sense of credibility and positive image of the company, which influence the consumer to buy green cosmetic products.

The objectives of the study are to investigate the effects of celebrity endorsement, promotional activities, packaging, and brand image on the green consumer buying behavior and mediating role of brand image in the cosmetic industry of Pakistan.

2. Literature review

2.1. Celebrity endorsement and green consumer buying behavior

Globally, celebrity endorsement in Asian countries is higher than in the United States and European countries (Chekima et al., 2018). In China and South Korea, it ranged from 25 to 61 percentage, while just 15 percent in European countries (Chekima et al., 2018). Today's era of celebrity endorsement shifted from traditional towards celebrity 2.0, where celebrity endorses the products via using Facebook profile and other e-media. It also faster the process of reach (Jin, 2018). This social, technological change was the most useful to reduce the adverse environmental effect and speed up the process to achieve sustainable consumption. The conceptual model has been developed based on the theory of planned behavior.

According to the theory of planned behavior; developed by Ajzen (1985), a person's attitude, along with subjective norms, and perceived behavioral control, shapes the behavioral intentions and, finally, behavior. Behavioral intentions shaped by attitude (attitude of celebrity choice) and subjective norms (luxurious brands) and behavioral control (Cuomo et al., 2019). In the cosmetic industry, consumer perception has a positive effect on purchase intension while consumer perception is positively affected by expertise (Skill, experience, and knowledge) and physical attractiveness(Adi, 2012).

The prior scholars confirmed that celebrities could influence green buying behavior (Kumar & Tripathi, 2019). Industries are growing with time, along with that the sales of goods and services also shooting up, but when we see their impact on the environment, it is getting worse. So sustainable consumption is one of the ways to reduce it. The environmentally friendly products, which we also call green products, can help to accomplish sustainable use (de Medeiros & Ribeiro, 2017). Therefore, we proposed the following hypothesis

H1: There is a significant relationship between celebrity endorsement and green consumer buying behavior.

2.2 Promotional activities and green consumer buying behavior

The promotion of green purchase and environmentally friendly practice is considered a significant medium to lessen the adverse effects on the environment and its sustainability. The promotional activities, especially change in prices, can influence green purchase behavior (Liobikienė, Grincevičienė, & Bernatonienė, 2017). Promotional activities are one of the dominant factors in green marketing to impact green consumption. However, Codini, Miniero, and Bonera (2018), the study confirmed that promotional activities rather than prevention influence people towards green buying behavior. Khare (2015), proposed that social organizations, government, and firms should establish green promotional activities that focus on environmental prevention, green identity, and social image of individuals linked with green buying behavior. Henceforth, we develop the following hypothesis

H2: There is a significant relationship between promotional activities and green consumer buying behavior.

2.3 Packaging of products and green consumer buying behavior

Nowadays, green packaging plays a vital role in the sustainability of environmental and consider as a solution for numerous environmental issues. There are increasing concerns related to environmental prevention among green consumers, which are forcing producers to develop environmentally friendly products (Mishra, Jain, & Motiani, 2017). As most individuals aware of the influence of packaging on the atmosphere, they prefer to buy eco-friendly products due to environmental prevention, feeling of being responsible, and recycle. Orzan et al. (2018), the study confirmed that the eco-friendly packaging leads to green buying. More particularly, young consumers showed a positive attitude towards eco-friendly packaging and are willing to pay high prices for green products (Prakash & Pathak, 2017). According to Ghosh (2016), in a competitive market environment, packaging plays a crucial role and is become a tool of differentiating the product. Moreover, it has significant impacts on consumer buying behavior (Simmonds & Spence, 2017).

H3: There is a significant relationship between the packaging of products and green consumer buying behavior.

2.4 Celebrity endorsement and brand image

Celebrity endorsement is one of the common advertising strategies for developing a brand image (recall and recognition) (Chan, Ng, & Luk, 2013). Due to increasing competition and advertising clutter, marketers prefer celebrities to endorse marketing communication strategies to receive consumer attention, develop interest, increase desire, and motivate them towards the purchase action and also strengthen the bonding with firm bands (Ateke, Onwujiariri, & Nnennanya, 2015). Ford (2018), proposition, organizations have realized the celebrity endorse can improve the brand image, brand awareness as well as advertisement credibility, liking, and buying behavior. Therefore, we proposed the following hypothesis;

H4: There is a significant relationship between celebrity endorsement and brand image.

2.5 Relationships between brand image and green consumer buying behavior

A body of literature on brand image and eco-friendly consumers has developed over the years. In general, consumers are influenced by social, personal, and psychological factors that impact their perception of a brand. Brand image is a powerful tool to influence more consumers and motivate them to buy green products (Suki, 2016).

Indeed, the benefits of waste reduction and environmental prevention for several green products may resonate more efficiently with consumers. This behavior hopes to generate both a positive brand image and a higher rate of acceptance of green consumption (Royne et al., 2016). Consumers incline to observe more top quality and brand image of firms when it dues to offer eco-friendly products (Ng et al., 2014). Durrani et al. (2015), studied the relationship between the impact of brand image on teenagers buying behavior in the context of Pakistan. Besides, Nagar and Rana (2015), found a significant association between brand image and green purchase intention. Hence, we proposed the following hypothesis;

H5: There is a meaningful relationship between brand image and green consumer buying behavior.

2.6 Mediating role of brand image

According to Gill and Dawra (2010), proposition brand image can mediate the relationship between the proposed construct. Tariq et al. (2017), confirmed the mediating role of brand image and found full mediation between the electronic word of mouth and purchase intention, and partial mediation between brand awareness and purchase intention. Moreover, the green brand attitude and positioning receive strong bonding with green consumer and green value-driven activities of the firms (Suki, 2016). Marketers believe that celebrity endorsement impacts advertising effectiveness, brand recognition, and also purchase decision and follow-through (Spry, Pappu, & Cornwell, 2011). Likewise, Chan et al. (2013), found the mediating role of a brand image between celebrity endorsement and purchase intention. Moreover, the brand image also mediates the relationship between corporate social responsibility and purchase intention (Ramesh et al., 2019). Thus, we proposed the following hypothesis;

H6: Brand image has a mediation effect on celebrity endorsement and green consumer buying behavior.

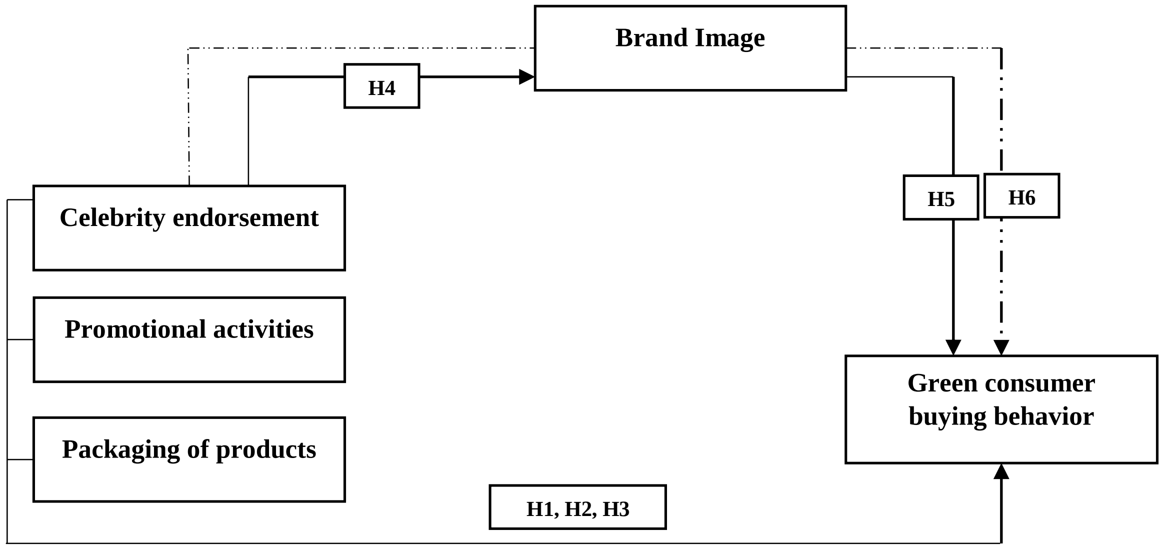

Figure 1. Conceptual Framework

3. Methodology

3.1 Sampling and data collection

This study used a quantitative method to collect data, as the field is becoming increasingly quantitative (Groeneveld et al., 2015). A technique of convenient random sampling used to select the respondent as it is considered one of a fast, simple, and less costly approach of collecting data (Salganik & Heckathorn, 2004). The data source of the study is 'primary'; this data is collected directly from the respondents. The respondents are only females from different universities of Pakistan (SZABIST Islamabad, Shah Abdul Latif University Khairpur, UMT Lahore, and IQRA University) as they mostly use the cosmetics products (Singhal & Malik, 2018). The respondents were assured that their participation is voluntary, confidential, and anonymous. At first, we informed participants about the purpose of the study, then we distributed a questionnaire among them with the permission of educators' and 20 minutes were allowed to fill the questionnaire. The reason behind the selection of female students includes, they are more inclined towards beauty products and have higher possessiveness towards environments (Yousaf et al., 2012). Also, because, according to Weiss (2012), a suggestion, the respondents of the study should possess similar characteristics. In the present study, 200 questionnaires were distributed, resulting in 190 valid responses, with a 95% response rate.

3.2 Measures of the study

This study used five-point Likert scales (1= "strongly disagree"; 5= "strongly agree") to record participants' responses. The participants were informed through about content and the purpose of study through many convenient methods of the survey, which includes some personal interviews, emails, telephone calls, and online approaches. Data were collected with their consent, and participants were informed about research before the survey. Celebrity endorsement was measured using four items (e.g. you are likely to purchase celebrity-endorsed cosmetics) adapted from (Gauns et al., 2018). Promotion activities were assessed using four items (e.g. promotions are necessary to attract customers) borrowed from (Lin, 2015; Sohail, 2016). Packaging of products was evaluated using three items (e.g. packaging of the cosmetic products is important to me) adapted from (Silayoi & Speece, 2004). The brand image was measured using four items (e.g. cosmetics Brand image affects your buying behavior) taken from (Ng et al., 2014). Green consumer buying behavior was assessed using four items (like the quality of cosmetic products makes you loyal to the brand) taken adapted from (Khare, 2015).

3.3 Data analytical tool

This study used ADANCO 2.0.1, partial least squares structural equation modeling (PLS-SEM) to build, execute and validate hypothesized model and the mediating effect of brand image (Henseler & Dijkstra, 2018), given its widespread application in business management and related disciplines (Fassott, Henseler, & Coelho, 2016), and it is considered fastest and newest fully developed and comprehensive system of variance (Henseler, 2018). In contrast, we used PLS-SEM over co-variance-based structural equation modeling (CB-SEM) because CB-SEM requires data to be normally distributed. Whiles PLS-SEM holds no assumption about distributions of data. Thus, the overall results of a statistical test are not contradicted by non-normal data (Goodhue, Lewis, & Thompson, 2012), hence the use of PLS-SEM.

4. Results Analysis

4.1 Descriptive information

The sample of this study was only female. Table 1 illustrates that most of the respondents [173 (91.1%)] were aged between 18 and 25 years and were undergraduate [122 (64.2%)]. Thus, most decision-makers were young and well-educated. 14.2% of intermediate students were those who are either preparing for admission tests or doing short courses. The majority of respondents' expenses were over 3000 (65.7%). Regarding frequency, the majority of respondents frequently buying were 87 (45.8%). Regarding the preferences, most of the respondents, 171 (90.0%), reported imported products.

Table 1: Descriptive Information

Respondents		Frequency	Percentage
Age (years)	18–25	173	91.1
	26–33	15	7.9
	34–41	2	1.1
	Over 41	0	0
Education	Intermediate	27	14.2
	Undergraduate	122	64.2
	Master’s	41	21.6
Expenditure in (Rs)	<3000	65	34.2
	>3000	125	65.7
Frequency of buying cosmetic products	Rarely	69	36.3
	Frequently	87	45.8
	Very frequently	29	15.3
	Don’t shop	5	2.6
Preference for products	Local	19	10
	Imported	171	90

4.2 Model analysis

Before conducting PLS-SEM tests, reliability, validity, and path-coefficient assumptions related to multicollinearity, normality, and bias were measured using the two-step approach proposed by (Barclay et al., 1995) to assess the measurement model and the structural model.

4.2.1 Assessment of the measurement model

According to Roldán and Sánchez-Franco (2012), a proposition to measure the model is required to assess the individual item reliability, internal consistency, content validity, convergent validity, and discriminant validity (see Table 2).

Individual item reliability was measured by outer loadings of items related to a particular dimension (Hair et al., 2012). Hair et al. (2016) recommended that factor loading should be between 0.40 and 0.70, whereas (Hair Jr et al., 2017) proposed a value of ≥0.7 (Table 2). According to Nunnally (1978), Cronbach's alpha values should exceed 0.7: the threshold values of constructs in this study ranged from 0.881 to 0.959.

Internal consistency reliability Bagozzi and Yi (1988) requires composite reliability (CR) to be ≥0.7: the coefficient values of CR in this study were between 0.838 to 0.960.

Regarding convergent validity, Fornell and Larcker (1981) recommended that the average variance extracted (AVE) should be ≥0.5. AVE values in this study were between 0.670 and 0.892, confirming a satisfactory level of convergent validity.

Table 2: Measurement model

Construct	Item code	Loading	CR	CA	AVE
Celebrity endorsement	CE1	0.767	0.838	0.835	0.670
	CE2	0.837			
	CE3	0.867			
	CE4	0.800			
Promotional activities	PA1	0.941	0.960	0.959	0.892
	PA2	0.947			
	PA3	0.946			
	PA4	0.944			
Packaging of product	PoP1	0.917	0.891	0.886	0.815
	PoP2	0.895			
	PoP3	0.896			
Brand image	BI1	0.882	0.912	0.908	0.785
	BI2	0.879			
	BI3	0.892			
	BI4	0.889			
Green consumer	GCBB1	0.840	0.885	0.881	0.738
buying behavior	GCBB2	0.889			
	GCBB3	0.883			
	GCBB4	0.822			
Note: CE=Celebrity endorsement, PA=Promotional activities, PoP=Packaging of the product, BI=Brand image, GCBB=Green consumer buying behavior, CR=Composite reliability, CA=Cronbach's Alpha, AVE=Average variance extracted					

Source: *Authors' processing from ADANCO (Advanced Analysis of Composites) 2.1 Version*

Regarding discriminant validity, according to Fornell and Larcker (1981), the square root of the AVE for each construct should exceed the inter-correlations of the construct with other model constructs. Table 3 demonstrates the discriminant validity of the results.

It is worth noting that the values in the diagonal (in bold) of the Fornell- Lacker's table (see table 3) indicate AVE's of the measured constructs and must greater than 0.5. At the same time, each construct's AVE should be of higher value (coefficient) at both column and row position over other constructs.

Table 3. Discriminant Validity: Fornell-Larcker Criterion

Construct	1	2	3	4	5
Green consumer buying behavior	0.7383				
Celebrity endorsement	0.4483	0.6705			
Promotional activities	0.3631	0.3584	0.8927		
Packaging of products	0.3995	0.4925	0.3182	0.8153	
Brand Image	0.4409	0.3046	0.3186	0.1925	0.7852
Note Squared correlations; AVE in the diagonal.					

The Heterotrait-Monotrait ratio is used to assess factors discriminant validity. According to Voorhees et al. (2016), proposition it would be better if the value of constructs is below 0.85 (see table 4), 0.8142 become maximum value retained.

Table 4. Discriminant Validity: Heterotrait-Monotrait Ratio of Correlations (HTMT)

Construct	1	2	3	4	5
Green consumer buying behavior					
Celebrity endorsement	0.7766				
Promotional activities	0.6536	0.6688			
Packaging of products	0.7115	0.8142	0.6087		
Brand Image	0.7382	0.6318	0.6027	0.4838	

Source: *Authors' processing from ADANCO 2.1 Version*

4.2.2 Assessment of the structural model

This study used PLS bootstrapping with 999 bootstraps and 190 cases to reflects the path coefficients and their significance (Henseler, Ringle, & Sinkovics, 2009). Figure 2 displayed the comprehensive picture of assessments from the structural model. According to Wong (2013), the structural model should be deployed to evaluate the liner regression effects of the dependent variables on one another. A structural equation model used path coefficient and indicator of the level of significance as well as the coefficient of determination.

According to Cohen (1998), R^2 values of 0.60, 0.33, and 0.19 are, respectively, substantial, moderate, and weak. As shown in Table 5, the estimated R^2 of the brand image showed the construct celebrity endorsement explains 30.46% of the variation in the brand image. Again, the R^2 of green consumer buying behavior (0.6207) showed a 62.07% variation in the construct green consumer buying behavior is explained by the construct's celebrity endorsement, promotional activities, packaging of the product, and brand image.

The standard root means square residuals defines "quantifies how strongly the empirical correlation matrix differs from the model-implied correlation matrix" (Henseler, 2017). Hu and Bentler (1999), proposed 0.08 cut-off value, according to (Byrne, 2013), if the value is less than 0.05, it reflects an acceptable and perfect fit (see Table 5).

4.2.3 Mediation analysis

To test the brand image mediating role, we employed Hair et al. (2016) approach. According to MacKinnon et al. (2002), Z mediates the link between X and Y if the direct path between X to Z and Z to Y is significant. As demonstrated in (Table 5) the direct path from the celebrity endorsement to brand image (β=0.2204, *p*=0.007) and from brand image to green consumer buying behavior (β=0.3625, *p*=0.001) were positive and statistically significant.

If the direct and indirect effects are substantial, there is partial mediation (Matthews, Hair, & Matthews, 2018). Hence, this study confirmed the partial mediation of brand image between celebrity endorsement and green consumer buying behavior in the cosmetic industry of Pakistan.

Table 5. Path coefficient, hypothesis testing, coefficient of determination (R^2) and model fit (SRMR)

Hypothesis	Relationships	Original coefficient (β)	Standard bootstrap results				Decision
			Mean value	Standard error	*t*-value	*p*-value (2-sided)	
Direct effect:							
H1	Celebrity endorsement → Green consumer buying behavior	0.220	0.221	0.081	2.710	0.007	Supported
H2	Promotional activities → Green	0.127	0.124	0.060	2.103	0.035	Supported

	consumer buying behavior						
H3	Packaging of products → Green consumer buying behavior	0.247	0.249	0.065	3.783	0.002	Supported
H4	Celebrity endorsement → Brand image	0.552	0.553	0.061	8.951	0.001	Supported
H5	Brand image → Green consumer buying behavior	0.362	0.362	0.070	5.159	0.001	Supported
Indirect effect:							
H6	Celebrity endorsement → Brand image → Green consumer buying behavior	0.200	0.200	0.043	4.693	0.001	Supported
Dependent variable:		Coefficient of determination (R^2)				SRMR	
Brand image		0.3046					
Green consumer buying behavior		0.6207				0.0491	
Note: β = regression coefficient and t= significant value (t> 1.96) or (P<0.05)							

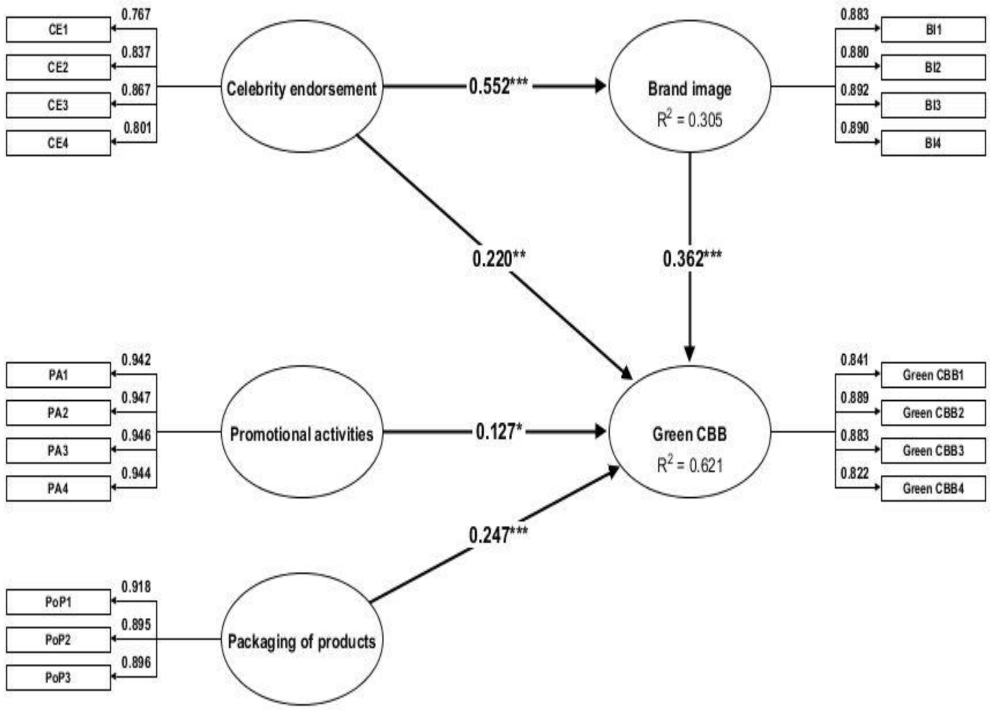

Figure 2. Structural equation modeling.

Our survey shows that celebrity endorsement and green consumer buying behavior have a positive and statistically relationship (β=0.2204, p=0.0070); hence, hypothesis 1 supported. Promotional activities have a positive and statistically significant relationship with green consumer buying behavior (β=0.1268, *p*=0.0357); thus, hypothesis 2 supported. The positive and statistically significant relationship found between the packaging of products and green consumer buying behavior (β=0.2468, p=0.0002); therefore, hypothesis 3 supported. Celebrity endorsement has a positive and statistically significant relationship with a brand image (β=0.5519, *p*=0.0000); hence, hypothesis 4 supported. Brand image has a positive and statistically significant relationship with green consumer buying behavior (β=0.3625, p=0.0000), henceforth, hypothesis 5 supported. The brand image significantly mediates a positive relationship between celebrity endorsement and green consumer buying behavior (β=0.2000, p=0.0000); thus, indirect hypothesis 6 supported.

5. Discussion and Conclusion

Based on the objectives of our paper and to reduce the research gap, we used the theory of planned behavior and developed the conceptual model. Our approved model investigated the important role of promotional activities, brand image, celebrity endorsement, packaging and their effects on green consumer buying behavior. Based on the results and findings, all of the hypotheses are confirmed. Our results correlate with Cuomo et al. (2019), which states that celebrity endorsement has positive effects on luxurious brands, purchase intentions, and brand awareness. Our survey shows that celebrity endorsement and green consumer buying behavior have a positive and statistically relationship. This research finding consistent with Chekima et al. (2018), who found positive impacts of celebrity endorsement on consumer purchase decisions through using expertise, attractiveness, and trustworthiness characteristics of celebrity endorsement.

Promotional activities have a positive and statistically significant relationship with green consumer buying behavior. The findings of the study consistent with Codini et al. (2018), who conclude that consumers under a state of promotional activities intend to buy green products.

The positive and statistically significant relationship found between the packaging of products and green consumer buying behavior. This finding of study consistent with the work of Orzan et al. (2018); the author found the positive effects of eco-friendly packaging on consumers' sustainable behavior.

Celebrity endorsement has a positive and statistically significant relationship with a brand image. These findings of the study consistent with work of Ford (2018), who proposed that celebrity endorsement improve the credibility of advertisings, linking of advertisement and also enhance the purchase behavior, brand awareness, and brand image.

Brand image has a positive and statistically significant relationship with green consumer buying behavior. This result of the study consistent with Ng et al. (2014), who found the significant effects of brand image on green product buying intention.

The brand image significantly mediates a positive relationship between celebrity endorsement and green consumer buying behavior. These findings of the study consistent with Chan et al. (2013); Ramesh et al. (2019), who found positive mediation of brand image between the proposed construct.

This study aims to investigate the relationship between consumers buying behavior and celebrity endorsement while purchasing the cosmetics products in Pakistan, from results it has been concluded that independent variables have a significant relationship with dependent variable green consumers buying behavior, so cosmetic companies/brands should focus on these factors to increase their sales and their shares in the market. As well as the government and environment-friendly organization should motivate public and private firms to promote green consumption of products.

6. The theoretical and managerial implication

6.1 Theoretical implication

This study has practical implications of consumer buying behavior and celebrity endorsement. This study explored the relationship of Consumer buying behavior and celebrity endorsement, while earlier studies focus on customer satisfaction and consumer perception of the brand (Erkmen & Hancer, 2019) or efficient use of resources (Yue, Long, & Chen, 2013), and how much consumers are committed towards the brand (Albert & Merunka, 2013). As celebrity endorsement is the most influential way of marketing in the cosmetic industry and provides better returns despite its importance, there was less attention paid towards its literature work, so this study aims to cover up that literature gap in the new perspective of marketing.

Secondly studied the green consumer Buying behavior, as the consumer behavior is influenced by the celebrity endorsement and consumer wish to buy item promoted by celebrity, as studies focus on the behavior of consumers to purchase green products (Liang et al., 2019; Wang et al., 2017). But the effect of celebrity endorsement on purchasing green products was ignored. Theory of planned behavior used to construct the theoretical framework which helps us to determine the behavioral intentions of the consumer buy green cosmetic products, whereas the study confirms that the subject norms of consumers and attitude influence their intention to buy green products. The theory helped us to understand the whole phenomenon.

6.2 Managerial implication

This paper also has implications for the managers, as the competition for sales among companies has increased, and each company wants to have maximum sales, competition among the cosmetic industry is also increasing. So, this study will help managers and advertisement agencies create stimuli for their consumers.

First, managers need to find the most influential celebrity to endorse the product to influence consumer green buying behavior. As a result of this study illustrated the majority of respondents are well educated, frequent buyers, and spend over 3000 a month, and prefer to buy imported products. It directs to managers that their marketing strategies should be targeted to youth and focused more on the quality of products and cumulative advantage it provides to society.

Besides, it also helps practitioners to achieve sustainability and increase the company image; for instance, according to our study, celebrity endorsement for buying environmental-friendly products motivates consumers to buy green cosmetic products as people follow them. Managers can use this result and can advertise their product through celebrities and gain profits. It will increase the image of the company because it is promoting environmental-friendly products, which is positively contributing to climate.

7. Limitations and future recommendation

This study has certain limitations that highlight the avenue for future research. The limitations of the study include that we had only 190 respondents. As we considered four universities of Pakistan only, and the model was tested in a single country through a convenience sampling approach. Therefore, limiting the generalizability of the findings, future studies should employ a cross-cultural approach to investigate the impacts of antecedents used and the mediation of brand image on green consumer buying behavior.

This study focused on females only; this can be extended to males' as well as also studied from different age group's perspectives. We only took females as our sample because females tend to be intrinsically motivated to buy green products (Gilal et al., 2019). The majority of the consumers in the cosmetic industry are females compare to males, so we go with the majority. However, we left room for future researchers to explore the study while taking both female and male into consideration and how gender influences consumer buying behavior because it states that there is a difference in the product design preferences when it comes to gender (Gilal et al., 2018).

There are many other predecessors and influencing factors, using only four-factor (e.g. celebrity endorsement, packaging of the product, promotional activities, and brand image) may be considered a limitation. Hypotheses were developed using developing country data; therefore, the results may not be generalizable to developed countries.

In future researchers can also add the age demographics into the research to explore the effect of celebrity endorsement on different age groups of consumers. As well as gender can moderate the link between antecedents and green consumer buying behavior. Whereas because of the limitation of time, only a few variables are studied, other variables can also be considered to study the behavior of green consumers. This study can be extended with the mediation of brand image and moderation of gender. Also, this study can be used in other developing countries and industries.

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Sukkur IBA University

Volume 7 | No. 1 | January– June 2020

Sukkur IBA Journal of Management and BUSINESS
P-ISSN: 2313-1217
E-ISSN: 2410-1885

Contribution of Balanced Scorecard Implementation in Performance Management System to Enhance Job Satisfaction: Empirical Evidence from FMCG Sector of Pakistan

Sophia Khalid[1], Ansar Waseem[2]

Abstract

Many conglomerates employ various performance measurement tools to monitor the performance of their employees. Most of these performance measures only concentrate on the financial dimension of the performance. The balanced scorecard is one such tool that measures the performance of a firm along multiple dimensions. This study investigated the implementation of a balanced scorecard in the performance measurement system of the FMCG Sector of Pakistan and measured its impact on employee satisfaction. To achieve this objective, a quantitative study was designed on FMCGs and primary data was gathered using a Likert scale questionnaire administered to 218 respondents. Results indicate that employee satisfaction experience improved after the implementation of a balanced scorecard in the Performance Management System. Moreover, the mediating role of the Performance Management System in the relationship between the Balance Score Card and Employee Satisfaction was also partially proved.

Keywords: *Balanced Scorecard; Performance Management System; Employee Satisfaction.*

JEL Code: J28, M11, M41, M52

1. Introduction

Employees are the most important asset in an organization and the management needs to keep motivating them to succeed (Hung, 2012). Managing the performance of the employees and giving them periodic feedback aids in enhancing their performance. It also motivates employees to exploit the available opportunities which contribute to their satisfaction (Jamil & Mohammed, 2011). This in turn leads to the achievement of both strategic and tactical objectives of the organization (Malina, Nørreklit & Selto, 2007). According to Gupta and Upadhyay (2012), the performance management system of an organization should have the ability to motivate employees as well as improve their performance and satisfaction level. Balanced scorecard (BSC) is a tool that measures performance of a firm along multiple dimensions (Kaplan & Norton, 1992). Balanced scorecard is popular

[1] Institute of Business & Management, University of Engineering & Technology, Lahore
[2] School of Business and Economics, University of Management &Technology, Lahore
Corresponding Author: sophiakhalid@ymail.com

among managers due to its simplicity and multi-disciplinary focus (Akkermans & Van Oorschot, 2005). This framework is consistent with the suggestions of different researchers such as Dixon, Nanni and Vollman (1990) and Daly (1996) who believed that an evaluation system that measures multiple performance dimensions is more effective as compared to the one that only measures the financial dimensions. Inclusion of non-financial indicators extends the scope of performance measurement system and financial measures solely may not give a clear picture (Narayanamma, 2017). Balanced scorecard makes the performance evaluation process more general (Bazrkar, Iranzadeh, & Farahmand, 2018) and it enables a firm to monitor its financial and non-financial performance viz a viz the set objectives (Mehralian et al., 2017). It has established itself as a comprehensive performance measurement framework and a new strategic management approach (Bazrkar, Iranzadeh, & Farahmand, 2018).

A balanced scorecard is designed to give feedback to employees. Over the years, it has helped firms to improve their performance as well as enhance employee’s job satisfaction. However, it is not clear how a balanced scorecard achieves this. Most studies on balance scorecards have focused on customer satisfaction. But, surprisingly, the satisfaction of employees is somewhat ignored. In addition, the majority of the research on the balanced scorecards were conducted in the context of large organizations. However, within these studies, Fast Moving Consumer Goods Companies (FMCGs) have limited attention. To the best of authors’ knowledge, no study about the effects of a balanced scorecard has been previously carried out in the FMCG sector of Pakistan.

Although a balanced scorecard is established as an effective performance management system, very little empirical work has been conducted to study the relationship between a balanced scorecard, performance management system, and employee’s job satisfaction. Traditionally, performance measurement tools, and related research on these, emphasize more on financial aspects. However, the individual effect of both financial and non-financial indicators on the performance management system has received little attention.

Therefore, our research questions are:

1. What is the relationship between the balanced scorecard and employee job satisfaction?
2. Does the performance management system mediate the relationship between balance scorecard and employee job satisfaction?

There are two main objectives of this paper. The first one deals with studying the strategic process and implementation of a balanced scorecard among the FMCGs of Pakistan; whereas the second one aims to measure the effect of a balanced scorecard in measuring the performance of firms and its subsequent effect on employee’s satisfaction. In this way, this study attempts to establish the importance of different factors in the balanced scorecard within the larger performance management system. Also, it focuses on the role of a balanced scorecard in improving the satisfaction level of the employees.

For this purpose, data using the survey method was collected from the FMCG sector of Pakistan. To the best of author’s knowledge, very few studies have been conducted in the context of Pakistan to study the implementation of the balanced scorecard and its subsequent effect on the performance. Drawing on the theory of organizational justice, equity theory of motivation, and expectancy theory, this paper tests the implementation of a balanced scorecard in the performance management system of the FMCG sector of Pakistan. By doing so, this study contributes to the extant literature by developing a logical relationship between a balanced scorecard, performance management system, and job satisfaction of employees.

2. Literature Review

Balanced Scorecard

During the course of time, different frameworks have been proposed within the performance management system. The balanced scorecard is one of the many performance measures which has been derived from the strategy of the organization and implemented successfully around many organizations in the world (Malina, Nørreklit and Selto, 2007). The concept of a balanced scorecard was proposed by Kaplan and Norton in the early 1990s (Baporikar, 2015). According to them, a "balanced scorecard translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system." (Kaplan & Norton, 1992). The balanced scorecard keeps a watch on whether the short term and long term objectives of the organization are being met or otherwise. It guides an organization towards achieving a desirable future state. The framework of the BSC measures the economic and operating performance of the firm. The balanced scorecard includes a set of financial and non-financial measures that are part of the strategy executing the procedure of an organization. Thus, it communicates the strategy of the organization to employees and provides feedback to managers regarding the achievement of the organization' goals.

Initially, the balanced scorecard was designed to be used as a simple performance measurement framework. But, it has now evolved into a strategic planning system of management. The balanced scorecard acts as a system of management and measurement simultaneously. It also enables managers to put both vision and strategy into action. Due to its popularity, it is equally used in small and large firms. Silk (1998) and Rigby (2009) report that a balanced scorecard is used by around 60% of large US-based firms and 53% of worldwide firms. Also in terms of manager's satisfaction, BSC is among the top six managerial tools (Cooper, Ezzamel, & Qu, 2017). This shows that a balanced scorecard has established their importance in organizations because it is easier for organizations to implement them within different departments and its ability to achieve goals of the organization by combining tangible and intangible goals (Chand et al., 2005; Shen, Chen, & Wang, 2016).

A balanced scorecard gives a more holistic view of the firm's performance because both financial and non-financial measures are considered in it. BSC is based on the assumption to balance cause-and-effect relationship i.e. the leading measures such as non-financial ones lead to achieving lagging financial measures (Akkermans &

Van Oorschot, 2005; Malagueño, Lopez-Valeiras, & Gomez-Conde, 2018; Nørreklit, Kure, & Trenca, 2018). It consists of four perspectives which include financial perspective, customer perspective, internal business perspective, and learning and growth perspective. The financial perspective follows the traditional emphasis on performance management on the financial aspect of a firm's performance (Baporikar, 2015). With the rise of Service-Dominant Logic and the concept of value co-creation, the customer perspective focuses on the needs of the customers and their satisfaction. This perspective may be extended to include stack-holders and society (Greiling, 2010). Internal business perspective measures critical internal activities as well as efficient and effective ways to manage these activities (Panicker & Seshadri, 2013). Lastly, the knowledge and learning perspective pertains to training, development, knowledge acquisition, and learning of employees as well as the cultural attitude of the entire organization (Amirkhani, Nazeryani, & Faraz, 2016; Gawankar, Kamble, & Raut, 2015).

Performance Management

Performance management is defined as "the measurement and management of employee performance aimed at increasing organizational effectiveness" (Dewettinck & van Dijk, 2013, p. 806). It is a multi-level concept which may include individuals, teams, departments, and organization (Yadav & Dabhade, 2013). Performance management entails a number of activities such as setting performance expectations, observing employee's performance, developing performance evaluations, delivering feedback, and performance coaching, etc. Through these activities, the performance management system is a mechanism to measure individual and organizational performance (Burney & Matherly, 2007) as well as giving feedback to the employees regarding their performance. This is an attempt to get things done correctly from employees with the right kind of behavior. Unfortunately, many organizations fail to achieve this and ultimately are not able to achieve their strategic goals and objectives. For performance management to be successful, organizational behavior should be developed so that the performance and behavior of the employees could be monitored, controlled, and modified in a way that they can meet the overall aims and objectives of the organization (Jamil & Mohammed, 2011). The success of a performance management system is correlated with the employees' expectations of how accurate the feedback on their performance would be given (Hung, 2012). If the expectations of the employees are met, the relationship with their performance would be positive (Malina, Nørreklit & Selto, 2007). Another important thing to consider while developing the performance management system is that it should be in accordance with the employees and their organizational capability so that the system can work at its maximum efficiency and effectiveness (Gupta & Upadhyay, 2012). The right type of performance management system would check, monitor, and control the performance of employees from all dimensions. The balanced scorecard checks the performance of employees from various dimensions; however, its effectiveness could only exist if it implemented with its real soul. Only then will the system have positive outcomes like enhanced employee performance, commitment, and satisfaction.

Employee's Job Satisfaction

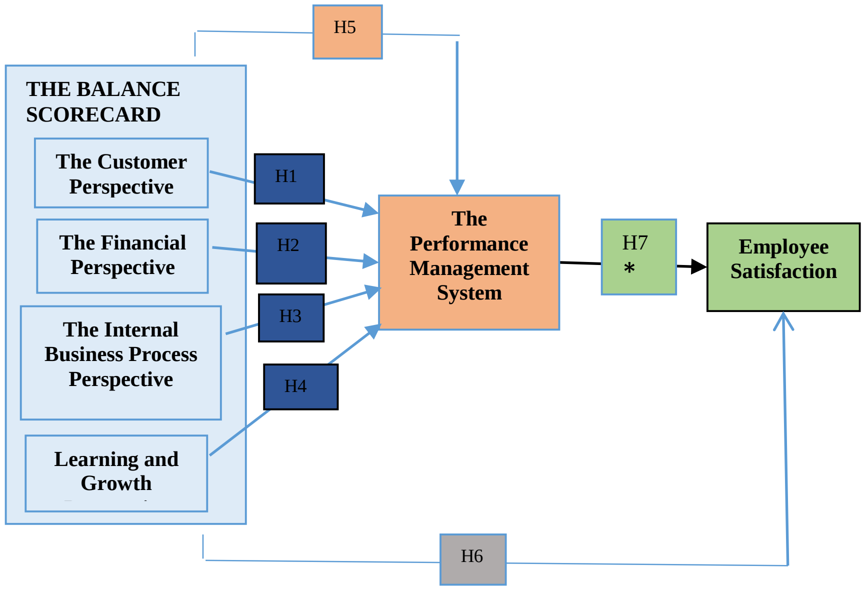
Employee satisfaction is considered as a very important and crucial variable in organizational behavior studies. It can also refer to an employee's overall attitude towards his job or the level of contended an employee feels over his job. Employee's job satisfaction is the mental, physical, and environmental satisfaction of employees related to their job. Job satisfaction forms a very vital base of the company's overall performance and the company's general relations. Employee satisfaction is an important variable at all levels of the organization since only a satisfied employee would perform well at the job and would contribute to the overall effectiveness and success of the company. Generally, job satisfaction being less among employees would make them leave their jobs as compared to those satisfied. To achieve employee satisfaction, the employee should be given the right amount of salary and benefits, proper training opportunities, and the right appraisal and feedback on their performance (Gupta & Upadhyay, 2012).

Conceptual Framework and Research Hypothesis

A balanced scorecard is an explicitly described performance measurement system that makes it suitable to evaluate the performance of an organization (Shen, Chen, & Wang, 2016). It takes into consideration present measures and future drivers of performance at the same time (Kerai & Saleh, 2017). Within the performance measurement system, a balanced scorecard enables a firm to convert its strategy into objectives (Narayanamma, 2017; Nørreklit, Kure, & Trenca, 2018). Therefore, BSC is believed to positively influence the performance of a firm (Malagueño, Lopez-Valeiras, & Gomez-Conde, 2018). Therefore, it could be hypothesized that the implementation of BSC as an evaluation system in an organization could impact its performance management system (Risher, 2003).

A balanced scorecard establishes a culture of accountability and control in the organization. When BSC is implemented in any organization, it gives rise to a culture of open communication and sharing. In the context of performance measurement, employees are actively involved in setting organizational objectives. This reduces any doubts related to the job which results in greater satisfaction level for them (Ángel Calderón Molina et al. 2014). Employees have a better understanding of organizational strategy due to the implementation of a balanced scorecard and they feel more satisfied with their job (Alhyari et al., 2013). Moreover, Decramer, Smolders, and Vanderstraeten (2013) have demonstrated that a higher level of internal consistency in the performance measurement system is related to job satisfaction among employees. This means that an effective performance measurement system of any organization contributes to a higher level of employee satisfaction.

This study extends this line of reasoning by suggesting that the implementation of a balanced scorecard in the performance management system creates a sense of procedural, informational, and interactional justice among employees. The literature on organizational justice and equity theory of motivation informs that employees are motivated by fairness in the organizational activities and procedures. Similarly, expectancy theory postulates that individuals tend to spend more energy and time on actions they perceive to be more satisfactory (Dewettinck & van Dijk, 2013). Sharma, Sharma, and Agarwal (2016) warn that the success of any performance measurement system depends upon its credibility among employees. A balanced scorecard provides multiple performance feedback to the employees that improve their satisfaction by giving a sense of justice and equity.



Based on the above discussion, our research hypotheses are:

H1: The customer perspective of BSC has a positive impact on the Performance Management System.

H2: The financial perspective of BSC has a positive impact on the performance management system.

H3: The internal business process perspective of BSC has a positive impact on the performance management system.

H4: The learning and growth perspective of BSC has a positive impact on the performance management system.

H5: The balanced scorecard has a positive impact on the performance management system.

H6: The balanced scorecard has a positive impact on employee satisfaction.

H7: The improvement in the performance management system has a positive impact on employee satisfaction.

H8: The relationship between the balanced scorecard and employee satisfaction is mediated by the performance management system.

3. Research Methodology

The research approach that was used in the present study is deductive where a detailed literature review was conducted on the basis of which a theoretical framework of the study was developed (Bryman & Bell, 2003). The research hypotheses were formulated from the conceptual framework; that were tested via the collection of empirical evidence (Saunders, Lewis & Thornhill, 2007). Moreover, the design of the research was explorative as the study aimed to explore the impact of the BSC implementation of the performance management system and employee satisfaction at the FMCG Sector of Pakistan.

A research instrument designed based on a literature review was used to collect data. The five-point Likert scale was the basis of the instrument. It included choices like strongly agree, agree, neither agree nor disagree, disagree, and strongly disagree. A close-ended questionnaire was distributed among the employees at different FMCGs of Pakistan. The employee was chosen as a unit of analysis following the suggestion of Sharma, Sharma, and Agarwal (2016) who stresses the need to study the performance management system from the perspective of employees.

Hair et al (1998) recommend that for determining sample size, the ratio between observations to items should not fall below 5:1. This means that for each item in the questionnaire there should be five observations or respondents. Since the questionnaire contained a total of 39 items; therefore, the sample size should not be below 195. A provision of 10% was kept for any incomplete, wrong, or unattended questionnaire. A sample of 240 respondents was selected on the basis of convenience sampling and the respondents were asked to fill in the questionnaire. However, 218 questionnaires were duly completed and received back. This means a response rate of 90.83%.

4. Results and Discussions

The majority of the respondents (66.972%) were clerical staff; while 11.926%, 12.844%, and 8.257% were supervisory staff, middle-level management, and senior-level management respectively. Most of the employees had worked for 6 to 10 years representing 42.66%. 33.027% of the respondents had worked for 1 to 5 years, 17.431% for 11 to 15 years while 6.881% had served for 16 to 20 years. It is an indication that the majority of the employees in FMCGs (66.3%) had worked in the company for more than 5 years. They were, hence, in a better position to give information as sought by the study as they had adequate experience with the working of their respective company. The majority of the respondents (47.248%) had a first degree 25.229% had the education to masters' level, 14.678% had diplomas and only 12.844% had certificates. This was a plus point of the research that the respondents had adequate education and therefore were in a position to give reliable information as sought by this study.

Hypothesis Testing

Regression analysis using the Ordinary Least Square (OLS) method was used to test the research hypothesis. For this purpose, different regression models were developed after fulfilling the requisite conditions of regression analysis. Following the suggestions of Mendenhall, Sincich, & Boudreau (2012), all the requisite conditions of regression i.e. normality of data, auto-correlation, multi co-linearity were tested and these were fulfilled.
The results of these models are shown in Table No 1.

Hypothesis No. 1: Our first hypothesis predicted a positive relationship between customer perspective and performance management system. As evident from Model, No 1 given in Table No 1, the un-standardized coefficient between both the variables bears a positive sign. Moreover, the same was statistically significant at a p<0.01. This was proved as there was a positive and significant relationship between both the variables. However, a relatively weak association was found between both the value of R2 for this model was low.

Hypothesis No. 2: Similarly, our second hypothesis was also proved as a significant and positive relationship was found between financial perspective and performance management system. The value of the un-standardized coefficient for this model is 0.689 (Model No 2) which is significant at p<1%. The value of R2 for this model is 0.536 which means that nearly 53% variation in the value of performance management can be predicted by a financial perspective.

Hypothesis No. 3: Likewise, a moderate association was found between the internal business process perspective and performance management system which was also statistically significant at a p-value below 0.01. The value of the un-standardized coefficient for this relationship is 0.747; thereby confirming the presence of a positive relationship between both variables (Model No 3).

Hypothesis No. 4: As predicted in the fourth hypothesis, learning and growth perspective score was positively related to the performance management system. The value of R2 for this regression model is 0.821 which indicates the presence of a strong relationship between the predictor and the outcome (Model No 4). Moreover, this association was also statistically significant at a p-value below 1%. Therefore, our fourth hypothesis was also supported.

Table 1: Relationship of different predictors with the performance management system

Name of Variable	Model 1	Model 2	Model 3	Model 4	Model 5
Customer Perspective Score	0.568^{***} (0.050)				
Financial Perspective Score		0.689^{***} (0.045)			
Internal Business Process Perspective Score			0.747^{***} (0.045)		
Learning & Growth Perspective Score				0.892^{***} (0.029)	
Balanced Scorecard Score					0.879^{***} (0.038)
Value of R^2	0.39^{***}	0.536^{***}	0.566^{***}	0.821^{***}	0.722^{**}

Hypothesis No. 5: Also, in the last case, the balance scorecard score has a moderate relationship with the performance management system at p-value<0.001. Positive sign with un-standardized coefficient means that the relationship between both the antecedent and outcome variable was positive. This means that our fifth hypothesis is also proved (Model No 5).

Testing of the mediating role of performance management in the relationship between the balanced scorecard and employee satisfaction – Baron and Kenny Method

The second part of the study investigates the mediating role of performance management in the relationship between balance scorecard and employee satisfaction. For this purpose, Baron and Kenny (1986) approach were used to test this mediation. According to this method, the mediation is established in four steps described as under:

Step I

In the first step, the direct relationship between the independent variable (I.V) and the dependent variable (D.V) is determined.

Step II

In the second step, the correlation between the independent variable (I.V) and the mediating variable (M.V) is tested.

Step III

Then, the mediating variable (M.V) is correlated with the dependent variable.

Step IV

In the last step, the effect of the independent variable on the dependent variable is tested by controlling the mediating variable.

If in this last step, the mediator is significant while the independent variable becomes insignificant; then full mediation is proved. However, if both the independent variable and the mediator remain statistically significant, then partial mediation is established. If the independent variable is statistically significant but mediating one is not; this means that the mediation is not proved.

For this study, the above discussion can be summarized as under:

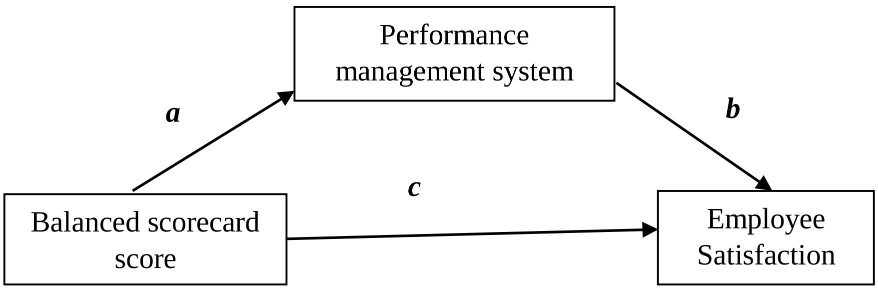


Figure 1: Baron and Kenny Approach (Author's Developed)

Hypothesis No. 6 (Step- I): Following this approach, we have first tested the direct relationship of a balanced scorecard score with employee satisfaction. The result presented in Table 2 shows that both are significantly related (Model No 6). This supports the Research work of Ángel Calderón Molina et al. (2014) who have highlighted that implementation of BSC in a firm is positively related to employees' affective reactions such as their commitment, job satisfaction, and job dedication.

Table 2: Relationship of the balanced scorecard (I.V) with employee satisfaction (D.V)

	Model 6
Balanced scorecard score	0.924^{***} (0.044)
Value of R^2	0.688^{***}

Step-II: As shown in table 2, the independent variable viz balanced scorecard is positively and significantly associated with the mediating variable namely performance management score. This proves the path "a" positive and significant relationship exists between balance score care and performance management.

Table 3: Relationship of the balanced scorecard (I.V) with performance management system (M.V)

	Model 7
Balanced scorecard score	0.879^{***} (0.038)
Value of R^2	0.722^{**}

Hypothesis No. 7 (Step-III): In the third step, the relationship between mediator (M.V) and outcome (D.V) is tested. Table No 4 illustrates that performance management is positively related to employee satisfaction at $p<0.01$. This establishes the existence of a relationship between the mediating variable and the dependent variable. **(Model 8)**

Table 4: Relationship of the performance management system (M.V) with employee satisfaction (D.V)

	Model 8
Performance management system	0.942^{***} (0.027)
Value of R^2	0.850^{***}

Hypothesis No. 8 (Step-IV): In the last step, both independent variable and mediator are regressed on the dependent variable at the same time to test path c.

Table No 5 shows that both the independent variable and mediator are statistically significant. **Partial mediation was thus proved**.

Table No 5: Mediating role of performance management system on the relationship between balanced scorecard (I.V) and employee satisfaction (D.V)

Name of Variable	
Balanced scorecard Score	0.236^{***} (0.054)
Performance Management Score	0.806^{***} (0.042)
Value of R^2	0.852^{***}

Sobel Test and Indirect Effect

Baron and Kenny method as described above was used to test the existence of the mediating role of performance management system score on the relationship between the balanced scorecard and employee satisfaction performed. However, this test could not calculate the direct, indirect, and total effect of a balanced scorecard on employee satisfaction. Another problem with this approach is the lack of ability to predict the level of significance of the indirect pathway.

For this paper, the Sobel test was performed through PROCESS MACRO developed by Andrew F. Hayes and his colleagues (Preacher & Hayes, 2004). First of all the direct effect between the balanced scorecard and employee satisfaction was calculated. The value of direct effect was calculated to be 0.2358 which means that a change of 0.24 units will be produced in the value of employee satisfaction for every unit change in a balanced scorecard. Moreover, this effect was statistically significant at a p-value of less than 1%.

Table 6: Direct effect between balanced scorecard (I.V) and employee satisfaction (D.V)

Effect	SE	t	p	LLCI	ULCI
.2358	.0615	3.8348	.0002	.1146	.3569

After that, the indirect effect was calculated which tests how much our independent variable affects the dependent variable through the compound of both IV and Mediator. In our case, the coefficient of the regression coefficient for this indirect effect represents the change in the value of employee satisfaction for every unit change in a balanced scorecard that is mediated by performance management score. Since the value of this coefficient is 0.7942 this means that a unit change in the value of balance scorecard will produce a change of nearly 0.80 units in the value of employee satisfaction when the mediating effect of the performance management system is considered. The value of the coefficient in indirect effect was higher as compared to direct one, emphasizing that the mediator viz performance management score is making the relationship between balance scorecard and employee satisfaction stronger.

Table 7: Indirect effect of the balanced scorecard (I.V) on employee satisfaction (D.V)

	Effect	Boot SE	BootLLCI	BootULCI
Prf_MGT	.7942	.0868	.6060	.9554

Lastly, the total effect size of both predictor and mediator on the outcome variable was calculated. This value is the sum of coefficients of the direct and indirect effects. This was also statistically significant at $p<0.01$.

Table 8: Total effect of the balanced scorecard (I.V) on employee satisfaction (D.V)

Effect	SE	t	p	LLCI	ULCI
1.0299	.0717	14.3580	.0000	.8885	1.1713

5. Discussion on Results

Every firm attempts to achieve higher performance. Since the introduction of the framework of the balanced scorecard proposed by Kaplan and Norton (1992), there is an increasing interest by the managers and researchers in BSC. A balanced scorecard is increasingly becoming important for modern organizations due to its ability to support the implementation of the firm's strategy. Successful deployment and use of a balanced scorecard improve the financial performance of any organization as established by the finding of Malagueño, Lopez-Valeiras, and Gomez-Conde (2018). Within the performance management system, a balanced scorecard holds a unique position due to its equal focus on both financial and non-financial indicators. The traditional measure of a firm's performance emphasizes only financial measures in the short run. But, a balanced scorecard extends the boundary of the firm's performance measurement system and attempts to balance external measures such as customers and internal measures like learning and growth perspective (Chavan, 2009; Nørreklit, Kure, & Trenca, 2018).

A balanced scorecard in firms is considered to lead towards the development of new capabilities. Among different performance measurement frameworks, a balanced scorecard is unique due to stress on learning and growth, and acquisition of new capabilities and skills. The learning and growth perspective within BSC emphasizes the acquisition of new capabilities and skills, which is essential to survive in today's volatile, uncertain, complex, and ambiguous environment. This is achieved through the combination of people and technology to achieve the objectives of the firm (Bazrkar, Iranzadeh, & Farahmand, 2018). In this way, a balanced scorecard contributes towards employee development and the simultaneous growth of employees and organizations. An organization is able to achieve employee development when it encourages its employees and provide them with different opportunities to nurture their skill sets (Visalakshi & Kasilingam, 2017). Such employees experience an enhanced satisfaction level and contribute to a higher performance level.

6. Conclusion

The purpose of this paper is to study the contribution of balanced scorecard implementation in the performance management system and its subsequent effect on employee job satisfaction within the FMCG sector of Pakistan. It was purposed that the implementation of a balanced scorecard results in a superior performance management system of the company. This, in turn, improves the job satisfaction of employees since they perceive their job evaluation to be justified and aligned with the organizational objectives.

Results show the performance management system partially mediates the relationship between balance scorecard and employee satisfaction. By doing so, this research develops a logical link between these three constructs which have been studied independently by various authors. This means that FMCGs have reaped benefits from the introduction of the balanced scorecard in terms of customer service, efficiency, employee growth, and profitability that are the major aspects of employee job satisfaction.

This study can be extended by replicating in different sectors for the example banking sector, telecommunication, universities, etc. The results of different sectors can be compared to establish the robustness of the research framework. The framework can be extended by incorporating different variables as mediators and moderators to provide a better understanding of the underlying phenomenon.

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Sukkur IBA University

Volume 7 | No. 1 | January– June 2020

Sukkur IBA Journal of Management and BUSINESS
P-ISSN: 2313-1217
E-ISSN: 2410-1885

Employees' Perception of Leaders' Efficacy and its Impact on their Adaptive Performance

Farhat Munir[1], M. Abiodullah[2], Faiza Aslam[1]

Abstract

The fast-paced changes in the education sector at secondary school's level demand a high level of adaptability. Several factors have been explored through research that affects employees' adaptability. The purpose of this study was to explore the relationship between employees' perception of leaders' efficacy and its impact on their adaptive performance. 266 academic and administrative employees were randomly selected, as a sample for the purpose of this study, from 50 private secondary schools located in Lahore, Pakistan. Pearson correlation and multiple linear regression analysis (were used to analyze/evaluate the data) were run for data analysis and a significant positive relationship was found between the employees' perception of leaders' efficacy and their adaptive performance.

Keywords: *employees' perception, leader action self-efficacy, leader mean self-efficacy, leader self-regulation efficacy, adaptive performance*

JEL Code: D23, I2

1. Introduction

In the current phenomena of change, it is critical for the leaders and employees to adapt to the changes in the workplace (Hannah, Avolio, Luthans, & Harms, 2008). These frequent changes have forced organizations and researchers to explore the new factors influencing workplace adaptability so that employees' adaptive performance can be increased (Hannah et al., 2008). A study was conducted by (McGregor, Doshi, & Miller, 2019) regarding over 20,000 employees of almost all skill sets and after analyzing the researches on the psychology of human performance, two dimensions of performance were found; tactical performance and adaptive performance. They also explored the possibility that leaders only focus on tactical performance. They further elaborated that tactical performance emphasizes on how an organization will adhere to its strategy in order to increase the strength by allocating limited resources to the smallest targets. While they described adaptive performance to be how an organization diverges from the strategy in place to create value in terms of creativity, problem solving, grit, innovation and citizenship.

[1] University of Management & Technology Lahore
[2] University of Punjab Lahore

Organizations and researchers are striving to explore the new factors influencing workplace adaptability so, employees' adaptive performance can be increased (Jundt, Shoss, & Huang, 2015; McGregor et al., 2019). The leaders are no more held accountable for enforcing compliance, stability, or control but are asked to respond to the changing demands and engage employees towards new challenges with an innovative and collaborative approach.

Pakistan's educational system, especially schools, are considered to be static and have been observed to be not contributing towards achieving sustainability like other educationally developed countries. This is a result of just focusing on tactical performance and ignoring adaptive dimensions, whereas, advanced digital academic resources, collaborative work environments, global competitiveness, effective communication skills, changing teaching-learning philosophies demand a high level of adaptability (Shoss, Witt, & Vera, 2012).

Adaptive performance for school employees is equally challenging for school leaders. There are several sources to assess employees' performance e.g; attaining a set of objectives including productivity, sales or the quality of services (Charbonnier-Voirin, & Roussel, 2012) and the education sector is not different from these performance appraisal sources. The performance measures in schools are generally based on academic achievements and the recent advancements in the education sector have made these performance criteria static and ineffective causing a decline in academics every year. There it is important to explore new dimensions of performance in the school's environment for better improvements.

Several studies have explored numerous factors associated with employees' adaptive performance (Cavazotte, Moreno, & Bernardo, 2013; Marques-Quinteiro, Vargas, Eifler, & Curral, 2019; Sun & Pan, 2019) and leader self-efficacy is one of them. Leader self-efficacy, as a recently emerging area of research, has insufficient empirical data and inadequate information in regards to how employees' perceptions of leaders' self-efficacy contribute to stimulating and preparing them for adaptive performance in the education sector, especially at the school level.

This study has been opted to in order to highlight the significance of the employee's perception of leaders' efficacy and its impact on their adaptive performance. This study will contribute to achieving the Common Wealth Mandate vis-à-vis the adaptability of quality in educational systems at the school level especially in developing countries like Pakistan. Ergo, it is required to explore and possibly try to bridge the existing research gap to utilize this most affluent and influential sector (schools) in the most effective way possible.

2. Objectives of the Study

This study aims to explore the relationship between employees' perception of leader's self-efficacy and its impact on their adaptive performance in the education sector at the school level to improve the employees' performance so they can contribute more effectively in order to achieve the Common Wealth Mandate for adaptability of quality education. The following objectives are designed for this study.

1. To identify the dimensions of the employee's adaptive performance.
2. To explore the relationship between employees age and their perception of the leader's self-efficacy and their adaptive performance
3. To understand the relationship between employees' perception of three dimensions of leaders' action-self efficacy and five dimensions of adaptive performance.

Significance of the Study

The rapid technological advancement, high demands of creativity and innovation, changing workplace environment, global competitiveness, effective communication and most importantly how to handle and cope with the above mentioned has not only transformed the canvas of employees' professional development but also made the role of leaders in the education sector imperative with respect to improving the performance of their employees in terms of novelty, unpredictability, instabilities. This study will provide the leaders (school principals) with the research-based data required to identify the areas of improvement to enhance the performance of their employees and make their schools more competitive and adaptive. Moreover, Pakistan is far behind from achieving international educational targets due to the current stagnant educational system at the school level and the policymakers are unable to get the factual data required to plan reforms to bring focused and fast-paced improvements for achieving sustainability in education at an international level.

Employees Perception of Leaders Self-Efficacy

This study applied social exchange theory as an underlying approach emphasizing that in response to positive actions of a supervisor or leader, the reciprocated response would also be positive and can be in form of organization support, better performance, employee engagement and improved outcomes(Anand, Vidyarthi, & Rolnicki, 2018; Rather & Hollebeek, 2019).

Employees' perception has become one of the most important psychological predispositions of change (Ployhart & Bliese, 2006; Saksvik, Hetland, & Studies, 2009) and has become a significant predictor of adaptive performance as this provides the leaders with useful alternatives to improve their practices and to implement change successfully (Cullen, Edwards, Casper, Gue, & Psychology, 2014). Successful adaptation of change is a challenging process in organizations and companies that are facing fear, threats, apprehensions, and resistance by the employees (Deprez, Van den Broeck, Cools, & Bouckenooghe, 2012). Majority of the companies are facing failure (Higgs & Rowland, 2005; Jaros, 2010) due to employees' resistance and lack of support (Bouckenooghe, 2010; Ford, Ford, & D'Amelio, 2008) resulted in decreased employees' morale, psychological wellbeing, satisfaction, and productivity, increased turnover, and absenteeism (Osterman, 2000). It is observed that if employees are made to feel valued by; sharing of vision, objectives, future plans; participation in the decision making process and policy development; empowered and engaged in purposeful tasks, they feel satisfied and motivated and that results in better performance and financial growth of the organization.

Self-efficacy is defined as one's abilities to mobilize the motivation, cognitive resources, and course of actions needed to meet the situational demands (Bandura, 2010). Reviewing the results of several studies, Bandura described self-efficacy with different perspectives and later on the concept of self-efficacy was extended to leadership by identifying that people who are motivated, resilient to hardship, goal-oriented, and able to think clearly even under pressure or in stressing conditions are effective in terms of achieving performance targets and differentiating between leaders and non-leaders (Chemers, Watson, May, & Bulletin, 2000; Cherian & Jacob, 2013; McCormick, Tanguma, & López-Forment, 2002). Leaders' self-efficacy is the positive psychological state which contributes in stimulating leaders' commitment, resilience and adaptability (Hannah, Avolio, & Luthans) and is linked with the abilities of how well the person leading change to respond to threatening circumstances, face hindrances and uncertainties with resilience, motivation, persistence and thinking clearly even under pressures (Cherian & Jacob, 2013). People with low self-efficacy are usually observed to be less adaptable and reluctant in taking challenges of novel situations (Kumar & Lal, 2006).

Kumar Lal and Lal. R (2006) reported a strong positive relationship between leaders' self-efficacy and work-related performance and these reviews are corroborated with the finding of that leader's self-efficacy not only increase the leaders' performance but also influence the group work by expressing adaptability to meet a diverse array of leadership challenges" (Avolio, Walumbwa, & Weber, 2009).

Leaders with a high level of self-efficacy are observed to be more effective as they set higher performance targets with better operational strategies to raise employees performance (Mesterova, Prochazka, Vaculik, & Smutny, 2015) and cope with challenges more effectively as compared to leaders with a low level of self-efficacy (Courtright, Colbert, & Choi, 2014). Effective leaders are described as highly committed, determined, resilient, goal-focused, resourceful, adventurous, motivated, adaptable, and efficient in resolving problems ((McCormick et al., 2002) and highly influential for employees.

According to Hannah, Avolio (2008) leader self-efficacy is comprised of three dimensions; Leader Action Efficacy, Leader Self-Regulation Efficacy, and Leader Mean Efficacy. They described the three components of leaders' self-efficacy as they influence their followers.

Leader Action Self-Efficacy is described as the "leader's perceived capability to motivate and influence followers and make them understand the organization's goals and vision" (Hannah et al., 2008).

Leader Self-regulation Efficacy is described as the "leaders' perceived capability to think through complex leadership situations, interpret their followers and the context, and generate novel and effective solutions to leadership problems; coupled with the ability to motivate oneself to enact those solutions using effective leadership with followers"(Hannah et al., 2008). The leaders' self-regulation efficacy is one of the core abilities required to create/conceive effective solutions to problems.

Leader Means Efficacy is described as "leaders' perception that they can draw upon others in their work environment (peers, senior leaders, followers) to enhance their leadership and that the organization's policies and resources can be utilized to impact their leadership and followers performance" (Hannah et al., 2008).

Considering the three dimensions defined above we can conclude that self-efficacious leaders are adaptive to new situations and transmit their abilities to employees by sharing visions, delegating performance goals, practicing strategies for collaboration and strengthening teamwork, monitoring performance, and providing work-related feedback and support (Klein & Kozlowski, 2008). Chemers et al. (2000) concluded the same by saying that "leader self-efficacy, may be one of the most active ingredients in successful leadership, and team performance" as it is observed that people prefer to work under leaders who appear to be confident in their capabilities and are not encumbered by challenges.

Employees Adaptive Performance

Adaptive performance is a construct described as the ability of an individual to alter his/her behavior according to the changing demands at the workplace (Charbonnier-Voirin & Roussel, 2012; Pulakos, Arad, Donovan, & Plamondon, 2000). This construct is relevant to those business firms that face complex and unpredictable challenges of change (Charbonnier-Voirin, & Roussel, 2012) and is equally applicable in schools as they are operating in a complex and continuously changing environment (Silins, Mulford, & Practice, 2010) and are correspondingly expected to do as well in adapting to the change successfully like any other organization.

Several models of employees adaptive performance have been developed e.g; eight-dimensional taxonomy by Pulakos and his colleagues in 2000, individual differences factors as successful components of adaptability by Griffin& Hesketh (2005); training techniques can enhance the employees' adaptive performance by Bell, & Kozlowski (2002), contextual factors improve the employees' adaptability by Griffin, Parker & Mason (2010) and a new model of five components of adaptive performance developed by Charbonnier-Voirin, & Roussel in 2012 based on Pulakos and his colleagues work. These components apply just as accurately to schools' and the schools' employees' adaptability.

Following is a brief description of each component in the model for adaptive performance recommended by Charbonnier & Roussel in 2012.

Creativity: Creativity is a process of generating new ideas for innovation and has become a significant predictor of employees' adaptability for effective performance. This process demands support from the organization and the management to inspire the employees(Cai, Lysova, Khapova, Bossink, & Psychology, 2019)by creating an environment of innovation, delegating them with challenging tasks and targets, provide them the advance resources, preparing them with the futuristic approach by sharing the vision and equipping them with the updated skills and strategies required to solve problems with innovative approach (Pulakos et al., 2000; Zhang & Bartol, 2010). This component of adaptability is critical for schools as the fast-paced changes in curriculum content, pedagogical practices, technological advancement in schools' academic and administrative resources bring forth new challenges that require creative resolutions.

Reactivity in Face of Emergencies or Unexpected Circumstances: The fast-paced changes demand robust adaptability by the employees but uncertain and unpredictable situations are observed to be the most prevalent factor hampering organizational progressions. Educational organizations such as schools are not indifferent to these unpredictable situations. Emergencies and un-predictabilities in schools can be described as "any incident which occurs during schools hours; serious injuries, sexual assault, hostage, bomb threats, damage to the building, fire in the school building, mishandling of lab equipment, outbreak of disease, floods, storms, earthquakes and terrorism (Knox, Roberts, & Schools, 2005). Although these emergencies and uncertainties are rarely occurring events but hamper the employees' performance (Cullen et al., 2014) by disrupting the routine planning and achievement of targets.

As a result, governments of various countries are preparing their schools for a timely and effective response towards these emergencies (Knox et al., 2005). According to a report published by (Smith, 2010), the reoccurrence of natural disasters prevents millions of children from attending schools and cause a negative effect on students' retention, enrollment, and continuity of their learning. The governments of various countries are aggressively working on making schools the safest place by providing the resources/training required for dealing with emergencies effectively. Therefore, the ability to handle emergencies and uncertainties efficiently has become one of the most important key performance indicators for evaluating/measuring the success of school leaders (principals). School leaders are also responsible for preparing/equipping their staff with the required skills. The principals can only transmit/pass on their skills to employees when and if they are capable enough to demonstrate the self-confidence over his/her abilities while preparing the staff, as the whole school staff is considered equally responsible for responding to emergencies and uncertainties effectively. These contemporary challenges have forced the employees to learn new skills in order to increase their adaptability. Therefore, schools are looking to hire/prefer hiring employees with adaptive abilities.

Managing Work Place Stress: Workplace stress is described as an interaction between the environment and the individual. In the current era of turbulence, stress at the workplace is unavoidable. Researches have associated many factors with workplace stress e.g; meeting the deadlines, low salaries, excessive workload, lack of progression, poor physical work conditions, the delegated task is not engaging and challenging, ineffective training or professional development programs (Michie & medicine, 2002)) and coping with these challenges in schools is considered to be one of the components of adaptive performance. Several research studies have been conducted (Foy et al., 2019; Montgomery & Rupp, 2005; Skaalvik & Skaalvik, 2016) to identify the cause of workplace stress and its impact on employees' performance.

Workplace stress results in decreased performance and productivity generally expressed in form of absenteeism, turn over (Badu et al., 2020; Foy et al., 2019), and low level of commitment (Johnson et al., 2005). The frequently changed curriculum & pedagogy, increased class size, performance appraisal system, continuously reviewed policies, and advance IT-based resources are some of the several causes of academic and administrative based stress not only for the school principals (leaders) and teachers but for whole school staff. Schools are considered to be complex and dynamic organizations are the most influenced/affected sector by changes and school leaders are continuously trying to prepare their employees to cope with workplace stress effectively so as to improve their adaptability and performance.

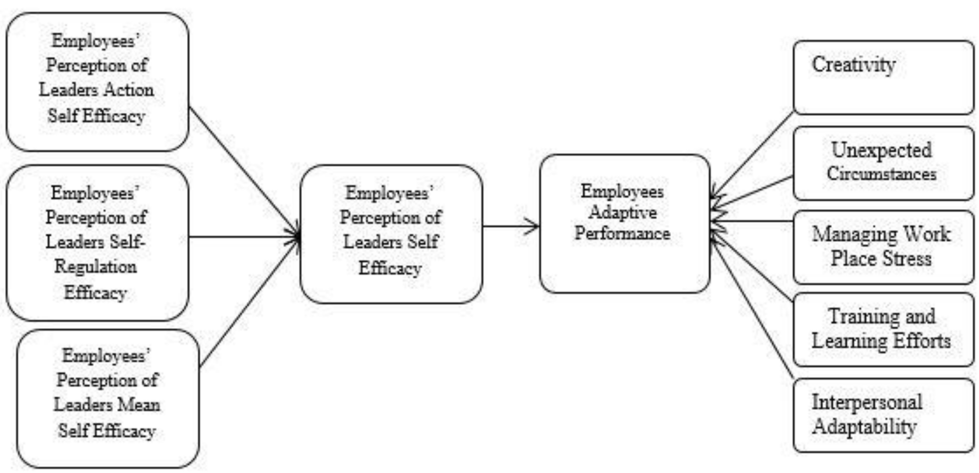
Training and Learning Efforts: The district governments are introducing new technologies, advancing resources, new skills, and are developing innovative work structures to prepare and enable the staff to deal with changing demands of creativity, handle emergencies and unpredictable circumstances and manage workplace stress effectively and efficiently. Hence, the ability to learn new job-related tasks has become a significant indicator of employees' adaptive performance, and the skill set required to handle new technological resources, have changed the work task requirements (Huang, Ryan, Zabel, & Palmer, 2014). These emerging technological changes have transformed the job roles by adding autonomy and multi-tasking which in turn has increased the requirement of acquiring new skills. Therefore employers are searching for/prefer employees who not only have advanced working skills but also a continual learning approach towards capacity development.

Interpersonal Adaptability: Interpersonal adaptability has become a critical component of performance in organizations. The current era of uncertainties, innovation, and workplace stress requires a high level of interpersonal adaptability among employees because such type of talent develops a culture of mutual respect, sharing of ideas, teamwork, a collaboration that increases productivity in form of high-level employees' performance.

Schools are operating under increasingly changing demands of shifting technologies, stakeholders' preferences, and intensifying competition among competitors (Zimmer, Gill, Attridge, Obenauf, & Policy, 2014). Fast paced changes in content and pedagogical practices, utilizing advanced IT-based resources, unpredictable emergencies e.g., natural disasters and (the most recently emerged) terrorism, demand a high level of adaptive performance from the employees. Therefore, like any other organization, school employees are expected to be adaptive as one of their core workplace competencies. So, they can not only acclimatize easily to changes in technology but also resolve challenges of uncertainty and unpredictability with an innovative and collaborative approach.

School principals as front-line managers (Hess & Kelly, 2005)not only have the ability to initiate and implement change by effectively utilizing resources, reviewing policies, developing cultural and protective norms but also demonstrate the ability to mobilize the employees for the same e.g., to make them think creatively, work collaboratively, deal with unforeseen challenges effectively, utilizing updated resources, preparing and equipping them with the coping mechanisms to deal with stress and manage change. Although employees' adaptive performance is dependent on many factors e.g., personality, self-efficacy, motivation, commitment but the role of leadership is one of the most significant among these.

Several leadership models have been empirically tested but employees' perception of leaders' efficacy and its impact on their adaptive performance is the least explored. Employees' adaptive performance is dependent on how well the leader has shared the purpose of the task, how well the employees are facilitated with the resources, to what extent they are prepared and motivated (Cherian & Jacob, 2013) to meet the challenges of uncertainties and un-predictabilities while at work and to what extent they are given the autonomy to think creatively while dealing with different workplace situations.



Therefore, seeing the gap in literature the following hypothesis was developed for this study.

Hypotheses:

Ho1: No dimension of adaptive performance exists among the employees in the education sector at the secondary school level.

Ho2: There is no relationship between employees' age and their perception of leaders' action self-efficacy, self-regulation efficacy, means efficacy, and their adaptive performance.

Ho3: There is no relationship between employees' perception of leaders' action self-efficacy, self-regulation efficacy, means self-efficacy and adaptive performance in the education sector at the secondary school level

3. Research Design & Method

The study adopted a quantitative approach using the survey design. The survey method was selected due to its ability to facilitate the collection of data from large groups of respondents as it is more reliable to study the variables with minimum and relatively easy for making the generalizations (Glasow, 2005; Zikmund, Babin, Carr, & Griffin, 2009).

Sample

In this study, the sample (n=266) was comprised of teachers, coordinators, admin managers, and custodial staff of secondary schools of Lahore District. The secondary schools were selected by proportionate random sampling as they have randomly distributed also whole-school approach was applied as school is considered a unit of multiple stakeholders and each member is considered equally important to adapt for improvement. Therefore, the school staff was distributed in two categories; 1) academic staff and 2) administrative staff. The following table provides the demographic details of the sample.

Variable	Frequency	Percentage
Age (years)		
20-31	140	53
31-40	84	31
41-50	32	12
50<	10	4
Gender		
Male	53	19
Female	213	80
Designation		
Teachers(Academic Staff)	100	37
Coordinators(Academic Staff)	60	22
Admin Managers(Admin Staff)	45	16
Custodial Staff(Admin Staff)	61	22

Data Collection & Instruments

The research is cross-sectional in nature as considered best for surveys (Saunders, Lewis & Thornhill, 2016). The employees' perception of leaders' self-efficacy was assessed by administering leaders' self-efficacy rater scale developed by Hannah & Avolio in 2013. The questionnaire was comprised of two sections A and B. Section A encompassed demographic information whereas section B was based on 22 translated items categorized under three dimensions; leader action-efficacy (items,1-7), leader mean self-efficacy (items,8-14) and leader self-regulation efficacy (items,15-22).

The data on employees' adaptive performance was collected through the scale developed by Charbonnier-Voirin & Roussel in 2012. This was distributed in two sections A & B. Section A was based on the demographic information and B was comprised of 19 translated items categorized under five components of adaptive performance; Creativity (items: 1,2,3,4), Reactivity in Face of Emergencies or Unexpected Circumstances (items: 5,6,7,8) Training and Learning Efforts (items: 13,14,15,16) Managing Work Stress (items: 17,18,19) and Interpersonal Adaptability (items: 9,10).

The data were analyzed by applying descriptive and inferential statistics on the Statistical Package of Social Sciences (SPSS version 21). Pearson Correlation Coefficient and Multiple linear regression analysis were conducted to perceive the relationship between employees' perception of leaders' efficacy and adaptive performance. The significant values were set at $p \leq 0.05$.

Reliability of the Instruments

The overall reliability of the Adaptive Performance rater scale measured using Cronbach alpha was .88 and Leaders' Self-efficacy rater scale was calculated .89. Each dimension of both scales on reliability analysis is given in the following table.

Table.1: Reliability Analysis of each Dimension of the Adaptive Performance rater scale and Leaders' Self-efficacy rater scale

Dimensions	Cronbach's Alpha	N of Items
LAE	.78	7
LME	.70	7
LSRE	.79	8
Cr	.73	4
RE	.65	4
TLE	.68	4

MWS	.67	3
IA	.64	4

LAE=Leader Action Efficacy, LME=Leader Means Efficacy, LSRE= Leader Self-Regulation Efficacy
Cr= Creativity, RE= Reactivity to Face Emergencies, TLE= Training Learning Effort, MWS = Managing Work Stress, IA= Interpersonal Adaptability, Ad=Adaptive Performance, PLSE=Perception on Leaders Self-Efficacy

Data Analysis

Ho1: No dimension of adaptive performance exists among the employees in the education sector as the secondary school level.

Table.2: Dimensions of Adaptive Performance Exists Among the Employees in the Education Sector at Secondary School Level

Component	Mean	SD	Mean Ranking
Cr	3.69	.799	3
RE	3.60	.818	5
TLE	3.81	.781	1
MWS	3.80	.817	2
IA	3.74	.835	4

Cr= Creativity, RE= Reactivity to Face Emergencies, TLE= Training Learning Effort, MWS = Managing Work Stress, IA= Interpersonal Adaptability

Table 2 represents the mean ranking of each component of adaptive performance. It was found that training learning effort (mean=3.81) was ranked highest followed by managing work stress (mean=3.80), creativity (mean=3.69), interpersonal adaptability (mean=3.64) and reactive to emergencies (mean= 3.60). These findings depict that training and learning effort was the most prevalent component of employees' adaptive performance among employees in the education sector at the secondary school level.

Ho2: There is no relationship between employees' age and their perception of leaders' action self-efficacy, self-regulation efficacy, means efficacy and their adaptive performance

Table.3: Correlation between Employees' Age and their Perception of Leaders' Action Self-efficacy, Self-regulation efficacy, Means efficacy and their Adaptive Performance

Components	1	2	3	4	5
AGE	1.00				
LAE	.14*				
LME	.14*	.60**			

LSRE	.02	.66**	.62**		
EPLSE	.11	.87**	.85**	.88**	1.00

*. P< 0.05, **p< 0.01, LAE=Leader Action Efficacy, LME=Leader Means Efficacy, LSRE= Leader Self-Regulation Efficacy, EPLSE= Employees perception of leaders self-efficacy

To explore the relationship between the employees' demographic variable of age and their perception of leaders' self-efficacy and adaptive performance the Pearson correlation was conducted. The age was found significantly positively correlated with all the three dimensions of leaders' self-efficacy ranges from r(265)=14 to r(265)= 87. This means that with the increase in age the employee's perception of the leader's self-efficacy also increased. Therefore the hypothesis that there is no significant relationship between age and employees' perception of their leaders' Action self-efficacy, Self-regulation efficacy, and Means efficacy is rejected.

Ho3: There is no relationship between employees' perception of leaders' Action self-efficacy, Self-regulation efficacy and Means efficacy and their adaptive performance in the education sector at the secondary school level

Table.4: Correlation between Employees Perception of Leaders' Action self-efficacy, Self-regulation efficacy, and Means efficacy and their adaptive performance

	Components	1	2	3	4	5	6	7	8	9	10
1	LAE	1									
2	LME	.60**									
3	LSRE	.66**	.62**								
4	Cr	.56**	.47**	.57**							
5	RE	.47**	.39**	.50**	.62**						
6	TLE	.49**	.45**	.55**	.57**	.63**					
7	MWS	.48**	.49**	.54**	.53**	.53**	.68**				
8	IA	.47**	.38**	.47**	.59**	.70**	.60**	.51**			
9	Ad	.61**	.58**	.62**	.75**	.78**	.78**	.76**	.65**	1	
10	PLSE	.86**	.84**	.88**	.62**	.53**	.58**	.60**	.42**	.71**	1

** p<.01: LAE=Leader Action Efficacy, LME=Leader Means Efficacy, LSRE= Leader Self-Regulation Efficacy Cr= Creativity, RE= Reactivity to Face Emergencies, TLE= Training Learning Effort, MWS = Managing Work Stress, IA= Interpersonal Adaptability, Ad=Adaptive Performance, EPLSE=Employees Perception on Leaders Self-Efficacy

In order to comprehend the relationship between the independent variable (Employees' perception of leaders' Efficacy) and dependent variables (Employees' adaptive performance), the Pearson correlation coefficient was calculated between employees' perception of three dimensions of leaders' self-efficacy and five components of employees' adaptive performance. The results of the table demonstrate the positive correlation between the perception of employees on all three dimensions of leaders' efficacy and five components of employees' adaptive performance. The correlation ranges between r (265) =.38, p<.01) and r (265) =.88, p< .01). The findings depict that all the five dimensions of employees' adaptive performance can increase with the positive increase in their perception of leaders' Action self-efficacy, Self-regulation efficacy, and Means efficacy.

Multiple Linear Regression Analysis

Multiple linear regression analysis was conducted to identify the variables that provide the best description for the portion of the total variance in the score of dependent variables.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.69[a]	.48	.47	.39
a. Predictors: (Constant), Leader Mean Efficacy, Leader action Efficacy, Leader self-regulation efficacy				
b. Dependent Variable: Adaptive				

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.63	3	12.54	82.19	.000[b]
	Residual	40.14	263	.153		
	Total	77.78	266			
a. Dependent Variable: Adaptive						
b. Predictors: (Constant), Leader Mean Efficacy, Leader action Efficacy, Leader self-regulation efficacy						

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Lower Bound	Tolerance	VIF

1	(Constant)	1.20	.15		7.72	.000	.90		
	LAE	.21	.05	.27	4.35	.000	.11	.50	1.98
	LSRE	.24	.05	.30	4.74	.000	.14	.48	2.07
	LME	.18	.04	.22	3.79	.000	.08	.55	1.80

LAE=Leader Action Efficacy, LME=Leader Means Efficacy, LSRE= Leader Self-Regulation Efficacy

The results demonstrate that the employee's perception of leaders' Efficacy (adjusted R2=0.48) explained approximately 48% of the variance in overall employees' adaptive performance. To assess the assumption of multicollinearity, Variance Inflation Factor (VIF) was calculated and less than 10 demonstrate that independent variables employees' perception of Leaders' Action-efficacy, Leaders' Mean-efficacy, and Leaders' Self-regulation efficacy are closely linked. (According to Field. 2005 collinearity may be the concern when VIF is greater than 10). For evaluating how independent variables contribute in understanding the dependent variables the VIF for employees' perception on leaders Action-Efficacy (VIF=1.98), leaders' Mean-Efficacy (VIF=2.07) and leaders' Self-Regulation efficacy (VIF=1.81), this decreases the issues of multicollinearity problems, strengthened by the acceptable Tolerance Values (.50, .48, .55) respectively were in an acceptable range. The tolerance value of > 0.2 is the sign of fewer problems with multicollinearity (Denis, 2011).

The employees' perception on three domains of leaders' Efficacy; Leaders' Action-efficacy β=.21, t(265)=4.35, p<.001; leaders' Self-regulation Efficacy β=..24, t(265)=4.74, p<.001 and leaders' Mean Efficacy β=.18, t(265)=3.79, p<.001 significant regression equation was found F(3,265)=75.36 and p < .000 with R2 of .48 and contributed to 48% of the variance in employees' Adaptive Performance. The results of multiple linear regression analyses demonstrate that the employees' adaptive performance can be determined by the extent to which they perceive their leaders' efficacy.

4. Discussion

The purpose of the study was to understand the relationship between employees' perception of leaders' efficacy and their adaptive performance. The correlation analysis demonstrates a strong positive relationship between the perception of employees on all the three dimensions of leaders' efficacy (leader action-efficacy, leader means-efficacy, and leader self-regulation efficacy) presented by Hannah and Avolio and five components of employees' adaptive performance described by Audrey Charbonnier-Voirin & Roussel in 2012 as per the revised version of Pulakos et al presented in 2000. Employees' perception of leaders Action efficacy, leaders Mean-efficacy, and leader Self-regulation efficacy is positively correlated. The findings demonstrate that employees' adaptive performance increased with the increase in their perception of leaders' efficacy. These findings corroborate with the existing researches conducted by M.A Griffin, Neal & Parker (2007) and Shoss, Witt & Vera, (2012) explored that adaptive performance not only gives benefit to the employee at the individual level in form of career success but also increase support the organizations to manage change to fulfilling the expectations of the stakeholders.

In this study, five components of adaptive performance were found to be significantly and positively correlated to employees' perception of the dimensions of leaders' self-efficacy. Creativity was found to be positively correlated with the leaders' action self-efficacy, leaders' self-regulation efficacy, and leaders' mean self-efficacy. Although no data is available on employees' perception of leaders' self-efficacy and their adaptability to creativity, these findings are indirectly consistent with previous research work conducted by Klein & Kozlowaski (2008), where they found that efficacious leaders transmit their adaptability by sharing organizational visions, delegating tasks, providing updated resources, strengthening teamwork and providing support and work-related feedback. Another study, conducted by Hirst, Dick, Knippendberg (2009) found the mediating role of leadership in individuals' creative efforts. If we compare these findings with this study we can say that these findings validate the existing data and that the employees' positive perception of their leader's action, means and self-regulation abilities increase their creativity, because their leader exposes them to the environment, resources and challenges conducive to creative thinking.

The further analysis of the correlation matrix indicated a strong positive relationship between the reactivity to face emergencies and the perception of employees of the three domains of leader-efficacy; leaders' action-efficacy, leaders' self-regulation efficacy, and leaders' mean self-efficacy. Again, due to insufficient research data, we cannot compare these findings with the existing research, but we may be able to do so base on some studies conducted to see how leaders deal with workplace uncertainties e.g, a study conducted by Cicero, Pierro, and Knippenberg explored in 2010 the moderating role of leadership in reducing workplace uncertainties. So, keeping in view the extension of the theory of self-efficacy to leadership we can say that leadership influences employees in reducing workplace uncertainties and emergencies by empowering employees with resources and transmitting their efficacious abilities. This component of employees' adaptability is highly sought after in schools in the current era of innovation in teaching content pedagogical practices, advancement in resources, uncertainties in terms of; injuries, health issues, natural disasters, and terrorism. "It is observed that reoccurring of natural disasters prevents millions of children from attending schools" and cause a negative effect on student retention, enrollment, and continuity of their learning (UNESCO, 2007). Therefore, the governments of various countries are aggressively working on making schools the safest place by dealing with emergencies effectively. No doubt this area is of high concern in Pakistan, as a state where quality indicators are already at high risk, and the prevailing terrorism situation in the country has signified the situation. The schools in Pakistan are continuously assessing hazards, vulnerabilities, and preparing the employees through regular drills. Therefore, a high level of adaptability is required and no doubt the role of the leader (principal) is critical in this regards. The significant correlation between employees' perception of leaders' action-efficacy, leaders' mean- efficacy and leaders' self-regulation efficacy validate that leaders should express motivational, innovative approach towards challenging problems and should share strategies with employees by utilizing available resources and applying policies so that the employees can adapt accordingly.

Teaching Learning Efforts as another component of employees' adaptive performance is found to be significant in the relationship with the employees' perception of the three domains of Leaders efficacy demonstrate that if the leader is perceived positive on three domains of leaders' action self-efficacy, leaders' self-regulation efficacy and leaders' means self-efficacy, employees adaptability increased on achieving and learning skills required for workplace performance. It is observed that organizations expect employees to maintain a positive attitude and a high level of performance by learning new skills and procedures. These finding also validate the study conducted by Zabel, & Palmer, 2014 and emphasized that employers seek employees with new skills because these findings emphasize that it is the leaders who can influence employee's attitude towards learning new skills by offering resources, incentives, rewards, and promotions so that they can be motivated and feel facilitated for acquiring new skills.

The fourth component of employees' adaptive performance, managing stress is also found to be positively correlated to employees' perception of leaders' efficacy. These findings reveal that employees' positive perceptions of leaders' efficacy can support them in dealing with stress effectively. The studies conducted by Johnson, Cooper, Cartwright, Donald Taylor, Millet, (2005); Skaalvik, & Skaalvik, (2016) found that workplace stress reduces the employees' adaptive performance. Keeping in view the findings of this study we can say that employees' perception of leaders' self-confidence increases their abilities to deal with work-related stress appropriately.
These findings reveal that if the employees perceive their leaders positively in regards to their abilities to motivate employees, providing instructions on organizational visions, capable of resolving complex leadership issues and recognize them to be innovative and effective solutions through effective utilization of policies and resources, they can adapt more competently to new workplace situations.

5. Limitations and Directions for Future Research

This study is conducted under the following limitations

1. Only one district Lahore is considered from Punjab and suggested for the future researchers should take a sample from the whole Punjab or other provinces of Pakistan
2. The population was also limited to private secondary schools of Lahore and public secondary school can also be the part of **research** to improve the public sector secondary schools where the stagnancy has become the major cause of the decline.

3. There are many other factors associated with employee's adaptive performance therefore it is suggested that those factors should also have considered making a better comparison.
4. The rural areas are more critical in employee's adaptive performance in the education sector secondary school level and it is recommended to the future researchers.

6. Implications

The findings are very important for professionals, especially those who want to grow and develop their skills. They can understand how adaptability is important not only for the recruitment, retention but for career progression. These education sectors and the other business organizations can take a lot of insight from this study to improve the recruitment, retention, and professional development of their employees to manage the emerging changes effectively for business improvements. Moreover, in the education sector of Pakistan majority professional developments are planned for teachers whereas leaders have been observed equally important because they are considered as the key contributors towards improvement.

7. Conclusions

Employees' positive perception of school leaders' self-efficacy is proved to be significant for their adaptive performance in this study. These findings are important for the education system, especially in schools where transitional changes, emergencies, and uncertainties can affect the progress towards achieving sustainability. The schools in Pakistan and in many developing countries that are not up to the required standard of improvement should consider this type of research to increase the self-confidence of the school leaders (principals) so they can influence their employees' perceptions positively and improve their adaptability and performance.

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Volume 7 | No. 1 | January– June 2020

Sukkur IBA Journal of Management and BUSINESS
P-ISSN: 2313-1217
E-ISSN: 2410-1885

How Customer Experience Quality Affects Customer Satisfaction-Loyalty with Moderating role of Competitive Choices and Familiarity: Assessment of Private Hospitals in Pakistan

Kashif Abrar[1], Muhammad Ali Saeed[1], Israr Ahmad[1], Sabir Ali[1]

Abstract

The aim of the present study was to investigate the role of customer experience quality factors in determining customer loyalty among private hospitals in Pakistan. Customer satisfaction, as a mediator, and familiarity and competitive choices, as moderators, have also been analyzed to intensify the significance of this study. The associations among loyalty, satisfaction, and customer experience quality facets have been comprehensively investigated which have largely been ignored in prior studies despite having considerable significance. Cross-sectional data were gathered using a convenience sampling technique by distributing self-administered questionnaires in 15 major private hospitals. 493 correctly and filled questionnaires, out of 530, were returned indicating that the response rate for this study was 93%. SPSS-25 and AMOS-22 were used for analyzing the collected data by executing different tests i.e. reliability, correlation, multiple regression, moderated regression, and bootstrapping for mediation. The findings of the study demonstrate significant and positive associations of outcome quality, peer to peer quality, and interaction quality with customer loyalty, and partial mediation of customer satisfaction was also identified among these associations. Additionally, this research has also evidenced the insignificant moderating role of familiarity with the three facets of customer experience quality on customer satisfaction. Moreover, the association between customer satisfaction and loyalty has not been moderated by competitive choices. Future studies may be carried out across diversified cultures to test the generalizability of the outcomes of the present study. Managers and policymakers should consider the significance of customer experience quality facets in order to enhance satisfaction and loyalty among consumers of services provided by the hospital industry.

Keywords: *Outcome Quality, Peer to Peer Quality, Interaction Quality, Customer Experience Quality, Customer Satisfaction, Customer Loyalty, Competitive Choices, Familiarity, Pakistan*

JEL Code: M30

1. Introduction

The word loyal is an old French origin word derived from “loial” which means to remain committed or devoted towards a person, country, group, or organization.

[1] Department of Management Sciences, Bahria University Islamabad, Pakistan
Corresponding Author: kashif_411@hotmail.com

Customer loyalty is the commitment of consumers with a company and its offerings to endure long-term affiliation (Jeon & Jeong, 2017). It can be attributed to customers repurchase intention or endorsement to others indicating that customers not only buy their products themselves but also suggest them to family and friends. Customer loyalty has been proven to play a central role in achieving competitive advantage and it is dependent on various elements, for instance, quality and customer satisfaction (Khan, 2012). Customer satisfaction elucidates the magnitude to which the performance of both products as well as services matches up with the customer expectation level. As the products and services performance copes up with the perception level of a customer, the customer is said to be satisfied or vice versa (Ariff et al., 2012). Numerous researchers have revealed that customer satisfaction has a strong positive association with loyalty (Izogo & Ogba, 2015). For any organization, customer loyalty is a fundamental determinant for its survival as well as gaining a competitive advantage. As competition is growing day by day almost in every industry, organizations are striving to improve their products and services quality ultimately resulting in increasing customer loyalty (Yeh, 2015). This increase in competition has drawn the interest of numerous researchers to deeply undergo and study customer loyalty (Zimon, 2016).

The Healthcare sector, across the globe, is emerging as a promptly growing and competitive industry. Quality is the main driver for success in the service sector which can create customer satisfaction. Customer quality experience is an overall insight into the service that a particular organization is offering (Halvorsrud et al., 2016). Quality experiences of customers consist of three factors i.e. outcome quality, peer to peer quality, and interaction quality (Lemke et al., 2011). This research has focused on exploring the associations between customer loyalty, customer satisfaction, and customer experience quality in the service industry (hospitals) of Pakistan. Furthermore, the study has also determined the moderating role of familiarity between outcome quality, peer to peer quality, interaction quality, and customer satisfaction while the moderating role of competitive choices between loyalty and customer satisfaction has also been inspected. For this reason, primary data has been gathered using a structured questionnaire from customers belonging to major cities of Pakistan and results have been analyzed using statistical software i.e. SPSS and AMOS. This research attempts to enrich literature pertaining to customer loyalty specifically in the healthcare sector. Limited research studies can be found in marketing literature regarding loyalty and service quality in the healthcare sector of developing economies (Priporas et al., 2017). Hence, the present study may play a vital role as reference material to provide guidelines for upcoming studies. This study is beneficial for improving quality in the healthcare sector by understanding how several approaches to customer experience quality affect loyalty.

2. Literature Review

Outcome Quality: Service outcome is a consequence after the service is delivered to the customers and they have some experience with it. Outcome quality takes place after the service is delivered and it is linked to what service providers actually deliver to the customers. Customer's perception about any offering by an organization is known as outcome quality (Ryu & Lee, 2017). Zameer et al. (2015) explored that customer satisfaction can be achieved through service quality only when the expected level meets the level perceived by the customer regarding any service. Furthermore, Agus (2019) argued that service outcome has a significant and positive correlation with customer satisfaction in the service sector such as hospitals and financial institutions. It can be hypothesized that:

H_1: Outcome Quality has an association with Customer Satisfaction.

Choi and Kim (2013) identified a strong correlation between outcome quality and customer loyalty making it an important factor to investigate in the service sector. Moreover, it has also been identified that when the expected quality meets the perception level of customers, they will feel satisfied and this satisfaction may turn out to be a strong driver of loyalty (Alnawas & Hemsley-Brown, 2019). These arguments lead to the development of the following hypotheses:

H_2: Outcome Quality has an association with Customer Loyalty.

H_3: Customer Satisfaction acts as a mediator between Outcome Quality and Customer Loyalty.

Interaction Quality

Numerous studies have hypothesized and constructed models for explaining interaction quality (Kim & Choi, 2013). Interaction quality may be explained as a consumer's experience while interacting with the company's executive when the service is being delivered (Lien et al., 2017). It can be hypothesized that:

H_4: Interaction Quality has an association with Customer Satisfaction.

Few prior studies have confirmed a positive association of interaction quality and customer loyalty (Choi & Kim, 2013; Alnawas & Hemsley-Brown, 2019). Additionally, it has also been explored that the company's executives that deliver services directly to the customer can easily drive towards satisfaction and loyalty of customers (Izogo & Ogba, 2015). Considering hospitals, where it is difficult to evaluate outcome quality during the time of service delivery, interaction quality plays a crucial role. Interacting with the service provider can solve a lot of issues. These arguments lead to the development of the following hypotheses:

H_5: Interaction Quality has an association with Customer Loyalty.

H_6: Customer Satisfaction acts as a mediator between Interaction Quality and Customer Loyalty.

Peer to Peer Quality

Building strong relationships with customers is considered pivotal by marketing researchers as well as practitioners. These relationships can enhance satisfaction among customers leading to customer loyalty. Satisfied customers have a greater tendency to recommend products and services to others which possibly results in loyalty in the long run. (Lee & Kim, 2018). It can be hypothesized that:

H_7: Peer to Peer Quality has an association with Customer Satisfaction.

Previous researches suggest that satisfaction and loyalty of customers are strongly interrelated. Both practitioners and philosophers had focused primarily on the organization's bond with the customers while largely overlooking relationships among customers (Bowen & Chen McCain, 2015). Furthermore, it has been determined that satisfied customers of various services tend to recommend these services among their social circle Alnawas & Hemsley-Brown, 2019). These arguments lead to the development of the following hypotheses:

H_8: Peer to Peer Quality has an association with Customer Loyalty.

H_9: Customer Satisfaction acts as a mediator between Peer to Peer Quality and Customer Loyalty.

Customer Satisfaction and Loyalty

Customer loyalty may be described as repeatedly purchasing of products and services while keeping a profitable and successful relationship with a company (Khan, 2012). Attitude and behavior are the two main drivers of loyalty (GuillÈn et al., 2012). The loyalty of customers is of essential concentration for each business element (Chung et al., 2015). A firm's higher authorities' decisions are responsible for making customers loyal thus resulting in generating more sales (Bricci et al., 2016). Emerging businesses or first movers can have a competitive advantage through the loyalty of customers (Saeidi et al., 2015). The literature in marketing is presently concentrating on the change of satisfaction of consumers. The satisfaction of customers is a simple driver to gauge future incomes (Zablah et al., 2016). The satisfaction of customers without much of a stretch can draw consideration of their past customers who have moved towards competitors (Bricci et al., 2016). Customer satisfaction may lead to customer loyalty. These arguments lead to the development of the following hypothesis:

H_{10}: Customer Satisfaction has an association with Customer Loyalty.

Familiarity as Moderator

Familiarity may be described as a number of encounters, related to products or services, met by the consumer (Monferrer-Tirado et al., 2016). The familiarity of consumers with products and services has gained the interest of marketing researchers in recent times. As familiarity increases, customers acquire more knowledge and understanding of the features and attributes of the offered services and products (Kim et al., 2016). Moreover, the effect of the three dimensions of customer experience quality on customer satisfaction depends upon familiarity with the people providing services, especially in hotels and hospitals context (Christou et al., 2019). Considering healthcare industry in particular, new patients are unable to judge the services of a hospital as they are not familiar with the outcomes of the services being provided, whereas the patients who are familiar with the operations of the hospital develop a better schema about the result of services on the basis of prior experience. As customers interact with service providers, they can easily develop an understanding about overall service quality. Sometimes, customers can become familiar with the attributes of service, even before the consumption of the service, by interacting with the company's staff. Moreover, whenever customers are familiar with any product or service, there are greater chances that they will recommend it to their friends and peers. These arguments lead to the development of the following hypotheses:

H$_{11}$: Familiarity acts as a moderator between Outcome Quality and Customer Satisfaction.

H$_{12}$: Familiarity acts as a moderator between Interaction Quality and Customer Satisfaction.

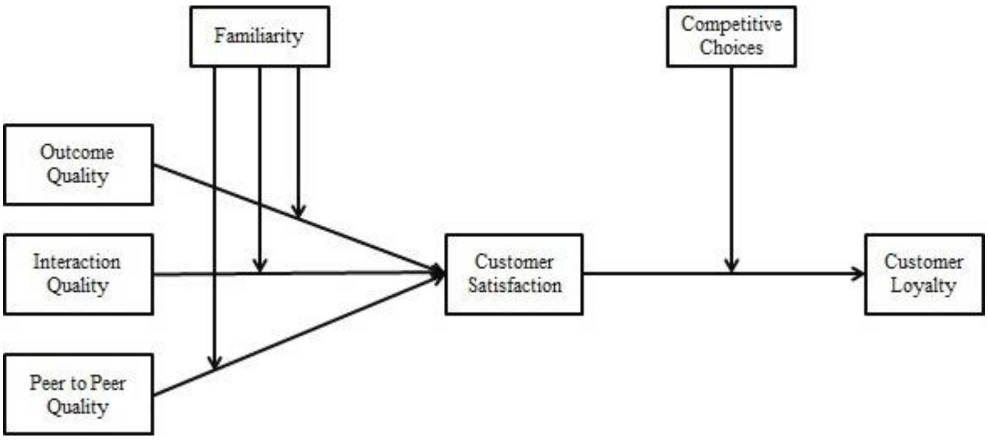
H$_{13}$: Familiarity acts as a moderator between Peer to Peer Quality and Customer Satisfaction.

Competitive Choices as Moderator

A satisfied and loyal customer is the main focus for any organization in order to generate profits, successfully earn market share, and become a market leader. Competition exists among all firms providing identical services. Organizations providing identical services primarily compete on the basis of price, quality, delivery, flexibility, new technology, innovation, and creativity Cossío-Silva et al., 2016). Competition in a healthcare industry means to reduce the prices and provide the best available services with superior quality. In a developing country where the buying power of the population is low, almost every company competes on price. Similarly, competitive choices may be considered to play a significant moderating role in customer satisfaction and customer loyalty. Expectations for superior quality has created a competitive environment in almost every industry. Quality is the main focus of any organization and quality in the healthcare industry is an issue that cannot be compromised under any circumstances by the customers. Similarly, today hospitals compete over the quality of services they provide. Competition has a substantial influence over creating customer loyalty which may be affected if the price gets low or quality gets high of the competing service provider (Lee & Kim, 2018). If more intense competitive options are available, it may affect adversely. These arguments lead to the development of the following hypothesis:

H$_{14}$: Competitive choices act as a moderator between Customer Satisfaction and Customer Loyalty.

3. Conceptual Framework



Source: Prepared from the literature review

4. Methodology

Data was gathered using a convenience sampling technique by distributing self-administered questionnaires among patients of 15 major private hospitals in different cities of Pakistan, under which the impact of the three customer experience quality factors on customer satisfaction and customer loyalty has been studied. Weston and Gore (2006) suggested that for running structural equation modeling, a minimum sample size of 200 is required. To enhance the generalizability of the results, the present study considered a sample size of 530 respondents. After distributing 530 questionnaires, 493 responses were found usable indicating a response rate of 93%. The questionnaire used in this study had thirty-five items. Five items were used for measuring demographic variables, fifteen items for customer loyalty, three items for customer satisfaction, three items for interaction quality, three items for peer to peer quality, three items for outcome quality and three items were used for measuring familiarity. Items of the final questionnaire were adapted from Dick and Basu (1994) in order to measure loyalty, Jamal and Naser (2002) for customer satisfaction, Sharma and Patterson (1999) and Brady and Cronin (2001) for interaction quality, Brady and Cronin (2001) and Lemke et al. (2011) for peer to peer quality, Furguson et al. (1999) and Sharma and Patterson (1999) for outcome quality. For familiarity, items were adapted from Gefen (2000), Gursoy (2001), and Dick et al. (1995). All items were measured through 5 points Likert scale where 1=Strongly Disagree and 5=Strongly Agree. Reliability analysis, correlation analysis, confirmatory factor analysis, structural equation modeling, and structural regression were used to analyze the collected data, and SPSS and AMOS software were used for this purpose. Details of execution of analysis have been discussed in the next section.

5. Results

The demographic profile of the respondents and correlations analysis of the constructs have been presented first in this section. For testing the proposed hypotheses, the present study has applied structural equation modeling in two steps as recommended by Anderson and Gerbing (1988). At first, the validity of measurement has been established, and then structural regression was run for testing the proposed hypothesis.

Demographics

Table 1: Demographic Profile of Respondents

Demographic	Characteristics	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	340	69%	69%	69%
	Female	153	31%	31%	100%
Age (in years)	20-25	386	78.3%	78.3%	78.3%
	26-30	76	15.4%	15.4%	93.7%
	31-35	13	2.6%	2.6%	96.3%
	36-40	6	1.3%	1.3%	97.6%
	40+	12	2.4%	2.4%	100%

Educational Level	Matric	20	4.1%	4.1%	4.1%
	Intermediate	41	8.3%	8.3%	12.4%
	Graduate	263	53.3%	53.3%	65.7%
	Masters	68	13.8%	13.8%	79.5%
	MS/M.Phil.	92	18.7%	18.7%	98.2%
	Ph.D.	9	1.8%	1.8%	100%
Employment Status	Unemployed	188	38.1%	38.1%	38.1%
	Full Time Employed	143	29.1%	29.1%	67.2%
	Part-Time Employed	162	32.8%	32.8%	100%
Marital Status	Single	419	85%	85%	85%
	Married	63	12.8%	12.8%	97.8%
	Divorced	8	1.6%	1.6%	99.4%
	Separated	3	0.6%	0.6%	100%

Questionnaires were distributed between both genders consisting of 69% males and 31% females. Most of the respondent's age comprised of 20-25 years with a 78.3% while 26-30 years comprised 15.4%, 31-35 years comprised 2.6%, 36-40 years comprised 1.3% and 40+ years comprised 2.4% of the total sample size respectively. 53.3% of the respondents were having a bachelor's degree while 4.1% were only Matric degree holders. 8.3% of the respondents were high school graduates. 13.8% of the respondents were Masters while 18.7% of the respondents had completed MS/M.Phil. and 1.8% were Ph.D. degree holders. 38.1% of the respondents were unemployed, 32.8% were employed on a part-time basis and only 29.1% were employed on full-time basis. 85% of the respondents were single, 12.8% were married while 1.6% of the respondents were divorced and 0.6% were separated. Competitive choices variable was also added in the demographics section of the questionnaire and demanded to be answered with a numerical value. 39.4% of the respondents answered 0 which indicated that these patients were loyal to the hospital. 27.8% responded with 2, 17.8% responded with 3-4 and 15% responded with more than 4.

Correlation Analysis

Table 2: Correlation

Variables	**CL**	**CS**	**OQ**	**IQ**	**P2PQ**
CL	1				
CS	.719**	1			
OQ	.586**	.651**	1		
IQ	.573**	.613**	.577**	1	
P2PQ	.508**	.522**	.506**	.582**	1

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

The results are shown in table-2 specify a positive correlation among all variables. Outcome quality has 65% correlation with customer satisfaction and 59% correlation with customer loyalty. Interaction quality has a 61% correlation with customer satisfaction and 57% correlation with customer loyalty. Peer to peer quality 52% correlation with customer satisfaction and 51% correlation with customer loyalty.

Confirmatory Factor Analysis

For the reason that all of the items used for measuring the variables considered in the present research, confirmatory factor analysis was deemed as a suitable approach for evaluating the measurement model and this was executed using AMOS version 22. A measurement model, that represents the latent variable model has been assessed before testing the structural model representing hypothesized associations among the constructs (Byrne, 2016). Hair et al. (2014) suggested few model fit indices which include *χ2/df, RMSEA, CFI, TLI, PCFI,* and *PNFI*.

Table 3: Measurement Model Fit Indices for Model Evaluation

Absolute Fit Indices			**Relative Fit Indices**			**Parsimonious Fit Indices**		
Test	Suggested Value	Obtained Value	Test	Suggested Value	Obtained Value	Test	Suggested Value	Obtained Value
CMIN/DF	<3	2.132	CFI	>.90	.942	PNFI	>.50	.812
RMSEA	<.08	0.067	TLI	>.90	.935	PCFI	>.50	.838
			AGFI	>.80	.840			

Table-3 illustrates model evaluation results and it can be observed that all values are suitable as per suggested cut-off criteria indicating good-fit of sample data. The model fit requirements from absolute, relative, and parsimonious fit indexes have been satisfied. Since no model modification was required, data analysis was proceeded towards analyzing the structural model.

Reliability and Validity Analysis

In order to measure reliability, composite reliability for all variables was measured and it was observed to be greater than 0.7 as recommended by Hair et al. (2010). Therefore, it can be inferred that construct reliability has been established. Furthermore, convergent and discriminant validity was also established. As a measure of convergent validity, the average variance explained (AVE) was computed and this value should be 0.50 or more. As measures of discriminant validity, maximum shared variance (MSV), and average shared variance (ASV) were computed and these values should be less than the AVE value of that particular construct (Hair et al., 2010).

Table 4: Measures for Reliability and Validity

Construct	**CR**	**AVE**	**MSV**	**ASV**
Outcome Quality (OQ)	.75	.56	.51	.50
Interaction Quality (IQ)	.81	.59	.53	.55

Peer to Peer Quality (P2PQ)	.79	.61	.56	.53
Customer Satisfaction (CS)	.73	.54	.50	.52
Familiarity (FAM)	.78	.57	.51	.51
Competitive Choices (CC)	.79	.54	.52	.51
Customer Loyalty (CL)	.85	.63	.52	.56

CR=Composite Reliability, AVE=Average Variance Extracted=AVE, MSV=Maximum Shared Variance, ASV=Average Shared Variance. Cut off: CR>0.7; AVE>.50; AVE>MSV; AVE>ASV

It can be observed from table-4 that all measures, calculated from the data collected, fall within the suggested levels for determining reliably, convergent validity as well as discriminant validity.

Structural Model Analysis

The hypothesis of the present research has been tested in the structural model. In the first run, model fit was achieved as all indices were as per suggested criteria (CMIN/df=2.027, RMSEA=0.072 AGFI=0.816, CFI=0.925, TLI=0.920). Firstly, all the direct relationships were examined using regression analysis. The mediation and moderation analysis was executed afterward.

Table 5: Direct Effects

Path	Standardized Beta	Standard Error	CR	P-Value	Accept/Reject
OQ ➔ CS	.346	.053	8.505	.000	Accepted
IQ ➔ CS	.358	.055	8.295	.000	Accepted
P2PQ ➔ CS	.063	.056	2.552	.021	Accepted
OQ ➔ CL	.241	.040	5.371	.000	Accepted
IQ ➔ CL	.230	.041	4.950	.003	Accepted
P2PQ ➔ CL	.210	.041	4.786	.005	Accepted
CS ➔ CL	.403	.039	9.157	.001	Accepted

Table-5 illustrates the regression results of direct relationships. Outcome quality (β=.241, $p<.05$), interaction quality (β=.230, $p<.05$) and peer to peer quality (β=.210, $p<.05$) have a significant and positive impact over customer loyalty. Furthermore, outcome quality (β=.346, $p<.05$), interaction quality (β=.358, $p<.05$) and peer to peer quality (β=.063, $p<.05$) have a significant and positive impact over customer satisfaction. Lastly, customer satisfaction (β=.403, $p<.05$) has a significant and positive impact on customer loyalty. Additionally, it was observed that all the independent variables of the study appeared to have explained around 32.1% variance in customer loyalty. The value of R^2, which was .321, indicated that the model is effective. Therefore, hypotheses H_1, H_2, H_4, H_5, H_7, H_8, and H_{10} have been accepted.

Mediation Analysis

As suggested by Preacher and Hayes (2008), the mediation analysis was executed using the bootstrapping method since it is a non-parametric technique and very effective for measuring indirect effects. AMOS was used for performing the mediation analysis using 5000 bootstrap sample.

Table 6: Mediation Analysis Results

Customer Loyalty						
			BC 95% CI			
Variables and Effects	**Point of Estimate**	**SE**	**Lower**	**Upper**	**P-Value**	**Mediation Observed**
Mediator: Customer Satisfaction						
Outcome Quality						Partial
Total Effect	.203	.029	.024	.313	.000	
Direct Effect	.146	.026	.072	.338	.001	
Indirect Effect	.057	.019	.101	.282	.000	
Interaction Quality						Partial
Total Effect	.193	.027	.022	.311	.002	
Direct Effect	.138	.024	.042	.276	.021	
Indirect Effect	.055	.018	.086	.325	.004	
Peer to Peer Quality						Partial
Total Effect	.176	.026	.029	.302	.001	
Direct Effect	.126	.023	.056	.331	.010	
Indirect Effect	.050	.016	.091	.244	.003	

BC=Bias Corrected, CI= Confidence Interval

The results with customer satisfaction as a mediator have been summarized in table-6. It can be observed that customer satisfaction partially mediates the association among the independent and dependent variables of the study. For outcome quality, the total effect (β=.203, $p<.05$), direct effect (β=.146, $p<.05$) as well as specific indirect effect (β=.057, $p<.05$) were statistically significant and non-zero. For interaction quality, the total effect (β=.193, $p<.05$), direct effect (β=.138, $p<.05$) as well as specific indirect effect (β=.055, $p<.05$) were statistically significant and non-zero. For peer to peer quality, the total effect (β=.176, $p<.05$), direct effect (β=.126, $p<.05$) as well as specific indirect effect (β=.050, $p<.05$) were statistically significant and non-zero. In all cases, the significance of the direct path was not influenced by the introduction of the mediator indicating partial mediation. Therefore, hypotheses H_3, H_6, and H_9 have been accepted.

Moderation Analysis

For testing the moderating effects, four separate models were developed. The aim was to identify the influence of competitive choices between the association of customer satisfaction and loyalty and to identify the influence of familiarity between the association of three independent variables and the dependent variable of the study. The moderation effects have been estimated using interaction terms (Holmbeck, 1997). These interaction terms were obtained by multiplying scores of independent variables and moderators. Standardized scores of the constructs have been considered for this purpose and the dependent variable has been regressed on the independent variable, the moderating variable as well as the interaction term. Aiken, West, and Reno (1991) recommended using standardized values of constructs for avoiding issues pertaining to multicollinearity. Consequently, a significant correlation among these constructs and interaction terms may not result in creating any problem in order to test moderating variables.

Table 7: Moderation Analysis Results

Customer Loyalty					
Variables and Effects	**Point of Estimate**	**SE**	**CR**	**P-Value**	**Moderation Observed**
Moderator: Familiarity					
Outcome Quality					No Moderation
ZOQ ➔ ZCL	.296	.037	5.179	.000	
ZFAM ➔ ZCL	.107	.021	2.110	.025	
ZOQ x ZFAM ➔ ZCL	.035	.011	1.709	.980	
Interaction Quality					No Moderation
ZIQ ➔ ZCL	.282	.034	4.991	.000	
ZFAM ➔ ZCL	.111	.023	2.209	.031	
ZIQ x ZFAM ➔ ZCL	.040	.013	1.711	.889	
Peer to Peer Quality					No Moderation
ZP2PQ ➔ ZCL	.258	.030	4.627	.000	
ZFAM ➔ ZCL	.118	.024	2.348	.016	
ZP2PQ x ZFAM ➔ ZCL	.043	.014	1.720	.768	
Moderator: Competitive Choices					
Customer Satisfaction					No Moderation
ZCS ➔ ZCL	.492	.054	10.904	.001	
ZCC ➔ ZCL	.093	.019	2.010	.033	
ZCS x ZCC ➔ ZCL	.050	.016	1.734	.771	

Z=Standardized values

The results summarized in table-7 signpost that neither familiarity nor competitive choices play a moderating role in the proposed model. The relationships of independent variables with the dependent variable are significant and the relationships of moderators with dependent variables are also significant. However, in all four cases, the relationships of interaction terms ($p>0.05$) with the dependent variable are not significant. This indicates that competitive choices cannot be considered as a moderator between the association of customer satisfaction and loyalty. Similarly, familiarity cannot be considered as a moderator between the association of outcome quality, interaction quality, and peer to peer quality and customer loyalty. Therefore, hypotheses H_{11}, $H_{12,}$ $H_{13,}$ and H_{14} have been rejected.

6. Discussion

Quality is the main factor of success in any industry. Providing superior quality can make any sector or organization the market leader. Continuous improvement, enhancement, and change according to the market needs can successfully drive an organization towards customer satisfaction which is considered as the fundamental determinant of loyalty and an essential element of success. Basically, a firm's profitability depends upon both of these factors. And both these variables depend on a number of factors out of which quality is one factor.

A hypothesis proposed in this study was about outcome quality impacting customer loyalty. The findings recorded a significant and positive association between the two variables. The findings are compatible with previous studies' findings (Choi & Kim, 2013; Alnawas & Hemsley-Brown, 2019). Previously Hsieh and Hiang (2004) found a strong connection between satisfaction and outcome quality. Another hypothesis about the mediating effect of customer satisfaction between outcome quality and loyalty was developed. The findings recorded a significant and positive association between the two variables. The association between outcome quality and loyalty was partially mediated by satisfaction.

A hypothesis about the existence of a positive relationship among outcome quality and customer satisfaction was developed. Findings recorded a significant and positive association between the two variables. Studies conducted in the past proved that satisfaction and outcome quality are positively correlated (Choi & Kim, 2013; Alnawas & Hemsley-Brown, 2019). Another hypothesis of the study was about the positive association between interaction quality and loyalty. Findings recorded a significant and positive association between the two variables. Few previous studies in a similar domain have found a positive linkage of interaction quality with customer loyalty (Choi & Kim, 2013).

Another hypothesis about the mediating effect of customer satisfaction among interaction quality and customer loyalty was developed. Findings recorded a significant and positive association between the two variables. Satisfaction proved to partially mediate the association between outcome quality and loyalty. Few marketing research studies have found a positive correlation between satisfaction, loyalty, and interaction quality (Choi & Kim, 2013; Alnawas & Hemsley-Brown, 2019). Another hypothesis about the linkage between interaction quality and customer satisfaction was developed. Findings recorded a significant and positive association between the two variables. Hsieh and Hiang (2004) found a weak but positive connotation among satisfaction and interaction quality. Choi and Kim (2013) and Alnawas and Hemsley-Brown (2019) also identified significant and positive connotation among satisfaction and interaction quality.

A hypothesis for association among peer to peer quality and loyalty was developed. Findings recorded a significant and positive association between the two variables. Previous studies carried out in the same scenario stated that a limited number of interactions with other customers who use the service of the same healthcare service provider are difficult to assess in a limited contact (Ostrom & Iacobucii, 1995; Wu & Cheng, 2019). Another hypothesis concerning about mediating effect of customer satisfaction among peer to peer quality and loyalty was developed. Findings recorded a significant and positive association between the two variables. Satisfaction partially mediated the bond between loyalty and outcome quality. Generally, whenever customers recommend other customers a service for usage, customer satisfaction will be developed resulting in the increase of customer loyalty.

A hypothesis for connection among peer to peer quality and satisfaction was developed. Findings recorded a significant and positive association between the two variables. Previously Choi and Kim (2013) found a positive correlation among satisfaction and peer to peer quality. This factor has been unnoticed by many researchers and academicians (Harris & Baron, 2004). Numerous studies discovered strong associations between customer’s interaction with each other to be an impactful determinant of customer satisfaction which either creates satisfaction or dissatisfaction (Martin & Pranter, 1989; Moore et al., 2005; Choi & Kim, 2013). Moore et al. (2005) also investigated customer to customer communications considering other service provider contexts stated that infinite contacts are required in order to be able to recommend any service for usage to other customers.

One of the hypotheses of the study was that familiarity moderates the association between outcome quality and satisfaction. Outcomes have depicted a positive connection of familiarity among satisfaction and outcome quality. Few prior researches have acknowledged positive relation among satisfaction and outcome quality (Choi & Kim, 2013). Generally, whenever the customer is aware of the outcomes of a service, the familiarity with the service provider will increase thus resulting in the increase of customer satisfaction. A hypothesis of this research was about the moderating effect of familiarity among interaction quality and satisfaction. The findings recorded a positive connection of familiarity between satisfaction and interaction quality. It is a general understanding that whenever the service provider personnel will be familiar with the services, the personnel can easily develop customer satisfaction by answering different queries of the customer. Another hypothesis of this research was about the moderating effect of familiarity among peer to peer quality and customer satisfaction. Findings indicated a positive connotation of familiarity between satisfaction and interaction quality. Customers mostly prefer to ask their friends, peers, or other customers about their experience with a specific service. A customer can seek advice from other customers which can greatly influence satisfaction or dissatisfaction.

A hypothesis of relationship exists between satisfaction and loyalty was developed. Findings recorded a significant and positive association between the two variables. Numerous researchers have found and proved that strong associations exist between loyalty and satisfaction (Meesala & Paul, 2018). Loyalty is identified as one of the outcomes of customer satisfaction (Meesala & Paul, 2018). It is a general understanding that whenever a customer is satisfied, the loyalty for that specific product or service will increase. Another hypothesis of this research was about the moderating effect of competitive choices among customer satisfaction and customer loyalty. Moderated regression analysis results depicted that competitive choices did not moderate the association between loyalty and satisfaction. A negative relationship exists here which means that people are reluctant to experience different brands when it is a matter of health.

7. Conclusion

The present study intended to identify the impact of outcome quality, peer to peer quality, and interaction quality over customer satisfaction. The results demonstrated the positive impact of all the independent variables i.e. outcome quality, peer to peer quality, and interaction quality on customer satisfaction. Data were analyzed through running different tests i.e. reliability, correlation, multiple regression, moderated regression. SPSS software version 25 was used for running these tests. For mediation through the bootstrapping method, AMOS software version 22 was used. Outcome quality had a positive association with customer satisfaction (β = .346) while the association of interaction quality with customer satisfaction was found positive but less than outcome quality (β = .358). However, peer to peer quality also had a positive connection with satisfaction but this relationship was found weaker as compared to other variables (β = .063). Hence it is proved from the findings that customer satisfaction is strongly influenced by outcome quality

Another important aim of this research was to identify the impact of the three customer experience quality factors over loyalty. Outcomes have demonstrated the positive impact of all the independent variables i.e. outcome quality, peer to peer quality, and interaction quality on loyalty. Outcome quality had positive as well as significant bond with loyalty (β = .241) whereas connection of interaction quality with customer loyalty was found positive but less than outcome quality (β = .230). However, peer to peer quality also had a positive association with customer loyalty but the relationship was found weaker with respect to other variables (β = .210). Hence it is proved from the findings that outcome quality is a predominant determinant to strongly influence customer loyalty. The present study also intended to identify the influence of satisfaction over loyalty. Outcomes indicated a positive effect (β = .403) indicating a strong relationship among two variables.

The current research also looked into customer satisfaction as a mediating variable between interaction quality, outcome quality, peer to peer quality, and loyalty. Results depicted partial mediation among independent and dependent variables. Outcome quality (β = .203) is a predominant determinant that positively affects both satisfaction as well as loyalty. Interaction quality (β = .193) positively influences satisfaction. Peer to peer quality (β = .176) has a positive but weaker link with satisfaction and loyalty. Outcome quality had a stronger positive bond with satisfaction and loyalty.

The present research examined familiarity as a moderator between interaction quality, outcome quality, peer to peer quality, and satisfaction. It was found that familiarity does play a significant moderating role between interaction quality, outcome quality, peer to peer quality, and satisfaction. Results have identified a positive association of familiarity between outcome quality and satisfaction while a positive association of familiarity between interaction quality and customer satisfaction exists as well. However, peer to peer quality had a positive association with familiarity influencing customer satisfaction. Peer to peer quality had the weakest relationship in this context. This research also identified the moderating role of competitive choices among satisfaction and loyalty. However, outcomes depicted that there is no moderating role of competitive choices so this hypothesis was rejected.

8. Theoretical Contributions and Practical Implications

The present study has contributed towards existing literature in a unique aspect by considering customer satisfaction as a mediating variable among dimensions of service quality and customer loyalty. The role of service quality is primarily under looked in hospitals and for this reason, literature pertaining to this domain is scarce. The study has uniquely explained the factors that can play a significant role in determining loyalty among consumers of hospital services and there are few factors having an insignificant role in this domain. This opens up avenues for further elaboration on this phenomenon by extending the present study model and studying it in diversified cultures and contexts. The attempt to nourish the scarce literature regarding service quality in the hospital sector is the most significant theoretical contribution of the present research.

The findings of this research identified that improvement in performance-based activities i.e. outcome quality, peer to peer quality, and interaction quality can easily lead to customer satisfaction which plays an imperative role in determining customer loyalty. Considering the outcomes of this study, managers should put the effort into satisfying the customers and managing better relationships with them by providing superior service quality to gain a competitive advantage in the marketplace. All three facets of customer experience quality must be taken into consideration while policy-making for effective management and creating loyalty among customers of private hospitals. Customer satisfaction is the key to survival in this industry therefore, managers and policymakers must incorporate strategies focusing on satisfying their customers and the customer experience quality facets can significantly aid them in this regard.

9. Limitations and Directions for Future Research

Considering time limitations, data was collected from 530 respondents out of which 493 respondent's data is in a useable form. Future studies could precede this work to the overall Asian healthcare sector. Future researchers should explore other facets of customer experience quality else than the factors considered in this research. The same facets of customer experience quality can also be studied in other sectors as well. Nevertheless, the moderating role of competitive choices between satisfaction and loyalty was introduced that can be examined across other cultures and sectors as well. As in the case of this study, the hypothesis for this variable was rejected but may vary in other contexts. Future studies may examine this association to reevaluate the moderating role of the proposed variables in different industries and cultural settings as well.

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Volume 7 | No. 1 | January– June 2020

Sukkur IBA Journal of Management and BUSINESS
P-ISSN: 2313-1217
E-ISSN: 2410-1885

Impact of Leadership Style and Organizational Culture on Organizational Commitment

Naveeda K. Katper[1], Naveed Iqbal Chaudhry[2], Muhammad Nawaz Tunio[3], Muhammad Athar Ali[2]

Abstract

The purpose of this study is to explore the relationship between leadership style, organizational culture, and organizational commitment in Pakistani manufacturing companies. The data were collected through questionnaire distribution and online form filling by 520 middle and senior managers of the manufacturing companies through a simple random sampling technique.

The findings of the study are the transformational leadership style has a significant impact on organizational commitment, transactional leadership style has a low significant impact on organizational commitment. Bureaucratic organizational culture has the lowest impact, innovative organizational culture has the second-highest impact and supportive highest culture has the highest impact on organizational commitment. Organizational commitment depends upon the leadership style and organizational culture. Organizational culture should be supportive and innovative for the highest commitment of the employees. Low response rate and less participation by the female side are the limitations.

Although his study is conducted in Pakistan, it is expected that the results of our study may have relevance to the other countries. By reproducing this study in different contexts and countries our results would be very helpful to develop a new model of leadership and organizational culture with implementation techniques that can be easily operationalized in a cross-cultural context.

Keywords: *Leadership style, organizational culture, organizational commitment, manufacturing companies, Pakistan*

JEL Code: M31

1. Introduction

Organizational culture and leadership style got a lot of focus in the prior studies of the workplace (Mehmood, Jian, & Gilal, 2020). Because these variables have general recognition and can be the major determinant of organizational effectiveness

[1] Institute of Business Administration, Faculty of Commerce and Business Administration, University of Sindh, Allama I.I. Qazi Campus Jamshoro, Pakistan.

[2] University of the Punjab Gujranwala Campus, Gujranwala, Pakistan

[3] Entrepreneurship, Innovation and Economic Development, Alpen Adria University, Klagenfurt, Austria

Corresponding author: m1tunio@edu.aau.at

(Laschinger, et al, 2001; Miller, 1978) and performance (Angle & Perry, 1981; Riketta, 2002). A lot of literature has reported a strong relationship between organizational culture and organizational commitment (Benkhoff, 1997). For organizational commitment, the organizational culture plays an important role in developing commitment and increasing the performance of employees. Employees are less committed to their jobs when they are not satisfied/ happy with that job consequently, they start trying to search the new job and when finding no opportunity available outside in the market, they become mentally or emotionally fed up by the job and organizational environment (Rasid, et al, 2013; Zhang, et al., 2019). Therefore, organizational culture and organizational commitments are the vital stances to be committed and their contribution towards the organization.

Several experiences of organizational commitment have been recommended in past studies (Chen, 2004; Mathieu & Zajac, 1990; Williams & Hazer, 1986). For example, Lok & Crawford (2004) stated that organizational culture (Trice & Beyer, 1984) and leadership style (Williams & Hazer, 1986) have a considerable impact on organizational commitment (Lok & Crawford, 2004). Previous studies have already described that national culture can also influence the leadership style (Westwood & Posner, 1997) and employees' behavior towards organizational commitment (Miroshnik, 2002; Zhang et al., 2018). Literature suggests that leadership takes various forms, such as the Transformational Leadership Style over servant Leadership, Resonance, and others. Different types of leadership styles for example, transactional and transformational leadership styles having a significant impact on organizational commitment. According to researchers, transactional leadership plays multi roles as a manager because he is involved in physical and methodological procedures from the managerial aspects (Maduka and Okafor, 2014).

Thus the organizational commitment varies from culture to culture. Most recently, the research on the performance and motivation by using leadership style also suggests that it can help achievement in work if they can do their jobs well to achieve the specified work goals" (Wahyuni et al., 2020). In another study, researchers found that ethical leadership exerts a positive impact on psychological safety and feedback-seeking behavior (Gong, Liu, Xin, Gilal, Yin, & Zhang, 2019). Therefore the authors conclude that ethical leadership is significant for psychological safety and feedback-seeking behavior in the context of high-power distance (Gong et al., 2019).

Moreover, the importance of leadership in the organizational commitment and performance of employees is unignorably rather has greater influence. because the leader is expected to be an inspirational character for subordinates in various ways such as achieving the company targets, improving company performance, improving motivation. That motivation may be creating harmony in working teams and can lead to achievements, affiliation, and respect. Good leadership is efficient in providing all kinds of required resources to the subordinate to perform well and achieve the goal of the firm. That increases the importance of leadership. Generally, in the literature leadership is defined as "the process of influencing people to accomplish organizational goals (McShane and Travaglione, 2003; Gilal, et al., 2020). However, other theorists opine it as the position, the process of influencing others, the responsibility, the accountability, a tool to accomplish a goal, the outcome of interaction, behaviors, and many more". Therefore, the meaning and role of leadership vary somehow for the different researchers (Limsila & Ogunlana, 2008).

In this context, we investigate another aspect of this domain as this study aims to analyze the opinion of managerial level employees about their level of organizational commitment. The organizational variables like leadership style and organizational culture were chosen as the determinant for our present research work. This study will also check the influence of demographic factors like gender, age, education level, and tenure in the organization. The study is further structured as follows; the literature review is discussed in section 2, methodology in section 3. Section four provides an analytical discussion of the study. In section five research implications are discussed and section 6 gives research limitations and future recommendations of the study. Section seven is dedicated to the conclusion of the research.

2. Literature review

Plenty of research is available in the literature regarding leadership from a different perspective such as on styles of leaders, organizational environment, and employees' commitment. Many versions of leadership affect employee commitment, for example, the past studies focused on transactional leadership, transformational leadership, empowering leadership, among others (Anseel et al., 2015), ethical leadership and feedback-seeking (Brown et al. 2005). In this context, recently Gong et al., (2019) attempted to check a "mediating role of psychological safety in the relationship between ethical leadership and nurse's feedback seeking", and moderating effect of power distance. Their findings show that ethical leadership positively affects employees' feedback-seeking by psychological safety. Batra and Hyde, (2020), highlighted the "constructs of leadership, commitment, and socialization in the construction sector by investigating the relationship between the constructs". Hence it is concluded that "the leadership style, which is relevant for construction professionals, is authentic leadership, and authentic leadership has the potential to moderate the relationship between socialization domains and affective commitment". In this way, many other researchers also study in various ways to explore the domain of leadership and cultural or organizational commitments in different ways, for example, some studies in the literature are given below in this regard.

2.1. National culture and Organizational Commitment

There may be a difference in employee's commitment, performance, behavior, and expectations in different national cultures of different countries. National culture also plays an important role to tell how the organizations are managed and what is the hierarchy of the organizations (Lok & Crawford, 2004). The demographic factors like age, tenure, education, gender are also having an impact on organizational commitment

(MChen, 2004; Gong, et al., 2020). As far as the national culture is concerned in the eastern areas the companies are normally family owned and have bureaucratic styles, centralized decision making while in western countries, the companies are normally owned by public shareholders, they have managers as their representatives in the company and have decentralized decision making, less bureaucratic structure and they promote the individualism (Chen, 2004; El-Kahal, 2001; Mehmooda, et al., 2020).

2.2. Leadership style and organizational culture

"A leader is defined as the person who influences a group to attain the group's goals" (Chen, Chen, & Chen, 2010). While the "Organizational culture is a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think and feel concerning those problems" (Khan & Rashid, 2012; Gilal, et al., 2019). A major portion of organizational culture is developed by the leaders while on the other side organizational culture may affect the improvement of its leaders. Employees can work hard, by innovations and creativity when they were administered by a supportive culture or manner (Tierney, Farmer, & Graen, 1999; Chen, Zhang, & Gilal, 2019).

2.3. Leadership style and organizational commitment

"Organizational commitment is work attitude that is directly related to employee participation and intention to remain with the organization and is linked to job performance" (Mathieu & Zajac, 1990). The work of a leader is not to just supervise or command his followers but it is the responsibility of the leaders to make their subordinates able to achieve their goals. Although the leaders need to control, support the employees' thinking, plan suggestions and proposals to assist and influence them, that would motivate the employees to explore their ideas for innovations and decision making (Rhoades & Eisenberger, 2002; Gilal, et al., 2019). When a supportive leader is there then employees and subordinates show loyalty for the job and less number of absentees will occur, it creates trust in the leaders. Ultimately the efficiency and the effectiveness of the organization will be enhanced. Leadership plays an important role in the victory or collapse of the organization. Burns (1978) describes that mutual thoughtfulness of leaders and followers for managing and controlling organizational functions may increase the loyalty and moral values towards the organization and employees, employees then prefer the organizational goals rather than their self-oriented goals (Bass, 1985). Burns (1978) stated that "transformational leadership is observed when leaders encouraged followers to boost up the level of their morals, motivation, beliefs, perceptions, and coalition with the objectives of the organization."(Avolio, Zhu, Koh, & Bhatia, 2004; Neese-Smith, 1997) researched staff nurses of a public hospital and stated that the transformational leadership style has a positive impact on organizational commitment. Transactional leadership motivate employees or their subordinates for organizational commitment and to increase their performance (Martinsuo, Hensman, Artto, Kujala, & Jaafari, 2006; Riggio & Reichard, 2008; Sivanathan & Fekken, 2002).

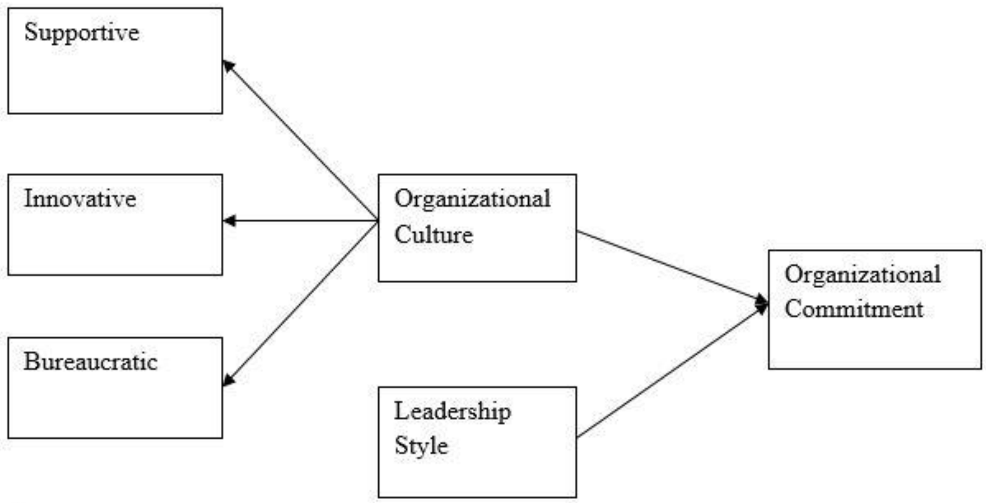
H1: Leadership style has a significant positive impact on organizational commitment.

2.4. Organizational culture and organizational commitment

Organizational commitment is defined as “multidimensional in nature. It reflects the degree of goal and value congruency with the organization, employees’ loyalty to the organization, willingness to exert effort on behalf of the organization, and maintain the membership in the organization”(Bateman & Strasser, 1984). In organizational culture, three types of cultures are discussed. “Bureaucratic cultures have clear lines of responsibility and authority; work is highly organized, compartmentalized, and systematic. The information and authority flow is hierarchical and based on control and power” (Koberg & Chusmir, 1987; Wallach, 1983). Most researchers agree that strong bureaucratic culture is a source of attraction and retaining the employees who are not creative and nor risk-takers (Kaplan, 1983; M. Kirton, 1976; Kirton, 1984). In innovative cultures, “These are creative work environments where challenge and risk-taking are the norms. Stimulation is a constant companion to workers in this culture, but innovative environments also take their toll on people who often are under great stress and burned out”(Koberg & Chusmir, 1987). Due to this culture, the employees seem to be more participative and committed to their goals. Supportive cultures are defined as “The work environment is friendly, and workers tend to be fair and helpful to each other and to the organization. An open, harmonious environment is encouraged and ‘family’ values are promoted” (Koberg & Chusmir, 1987). Bureaucratic work environment causes negative employee commitment while the supportive organizational culture causes positive employee commitment and greater work involvement (Brewer, 1993; Odom, Boxx, & Dunn, 1990). When employees support each other on the job, everybody tends to be motivated and ultimately they are more committed to the jobs and perform well. Zeffane(1995) researched in Australia on the employees of the public and private sector and concluded that employees in private sector organizations are more committed to their jobs than the public sector. The main focus on organizational commitment shows that organizational commitment is the central part of the organization which represents the positive attitudes of the employees and the desired output of the employees towards the organizational commitment (Bartlett, 2001). Lok & Crawford (2004) studied the 337 managers from Hongkong and Australia, as a result, they describe that Australian managers are more committed to their jobs than Hongkong managers because of cultural differences. According to Lee & Olshfski (2002) when employees get the jobs, they analyze the status and rank attached to it, accordingly they are committed to the job and give output as per requirements of the organization.

H2: Innovative and supportive organizational culture has a positive impact on organizational commitment.

Proposed Model:



3. Methodology

We conduct the quantitative research to test the relationships between the constructs of the model included in this study so the nature of our study is empirical. A cross-sectional study has been implied in this research with a non-contrived study setting. Our target population is the middle and senior managers having bachelor's and master's degrees in manufacturing companies. The sampling technique which we used in this research is Non-Probability simple random sampling because we select the companies randomly from Gujranwala and Sialkot Region. According to Kline (2011), we select the sample size for data collection as 520 which is a multiple of 10 of the items included in the questionnaire. The data was collected from those middle and senior managers who had bachelor and master degrees in the field of business administration. The questionnaires were given to the respective respondents providing the time of one week. We distributed 520 questionnaires from which 350 questionnaires were returned and 197 questionnaires were found capable of data analysis. Therefore, we implemented the primary type of data collection method.

3.1. Measures

For data collection, the questionnaire has four sections. Section 1st was related to the Wallach (1983) organizational cultural index (OCI) that explains organizational culture in three ways according to three different and distinct dimensions which are bureaucratic, supportive, and innovative. Koberg & Chusmir (1987) has also used the OCI. In the questionnaire, this section has 24 items and used the Likert scale as ranging from one (does not describe the organization most of the time) to five (describe the organization most of the time). Section 2 is related to the Bass & Avolio (1990) leadership behavior questionnaire (LBQ). It has 13 items that are assigned to the transformational and transactional leadership styles. It was a very well established questionnaire and has been extensively used in past researches.

Section 3 is related to Mowday, Steers, & Porter, (1979) organizational commitment questionnaire (OCQ). It has been frequently used by past researchers. The Mowday et al's(1979) (OCQ) contains 15 items. For each item, a statement is there (For example, "I am proud to tell others that I am part of this organization".) and survey participants respond to those questions using 5 points Likert scale, ranging from strongly disagree (1) to Strongly Agree (5).

3.2. Data analysis

For data analysis, we apply a structured equation modeling technique (SEM). Because this is the latest technique and more than one analysis can be run simultaneously. We used the Statistical package for social sciences (SPSS) version 21, and AMOS version 22 computer operated software for data analysis.

4. Results and analysis

For applying CFA and SEM the normality and reliability of the data must be ensured. The mean of all variables is from 4.1961 to 4.4289 and their standard deviation from 0.723 to 0.896 therefore, there is no normality issue. The reliability of the data can be checked using Cronbach's alpha. It must be greater than 0.7 according to Cronbach's Alpha (1951). The values of α of all the variables are acceptable and make the data reliable. The mean Cronbach's Alpha and standard deviation values of all the variables are shown in Table 1.

Table 1: Descriptive Statistics

Variables	Mean	Standard Deviation	Cronbach's Alpha
Organizational Commitment	4.2116	.79370	.972
Transformational Leadership style	4.1997	.80578	.962
Transactional Leadership style	4.4289	.72318	.832
Supportive Organizational culture (SOC)	4.1961	.89608	.962
Innovative Organizational culture (IOC)	4.3090	.76271	.949
Bureaucratic Organizational culture(BOC)	4.2377	.79684	.922

Gerbing & Anderson (1988) give the two-step approach. According to them, confirmatory factor analysis (CFA) has to be performed first. The second step which we perform to test our postulated hypothesis will be the SEM. Now, at first, we draw out all the variables with their relative constructs to perform the CFA in AMOS. After that, we draw covariance between all variables to covariate with each other. In this study, each item is loading in its corresponding construct that is verification for the successful execution of the CFA. That is shown in Table 2. Then we calculate the results. Before checking the convergent and discriminant validity, we ensure model fit indices that data has recognized as a fit model. According to Kline & hair the model fit indices are, as chi-square should be less than 3, CFI should be >.95, GFI should be >.95, AGFI should be >.80, RMR should be <.09, RMSEA should be <.05, and PCLOSE should be >.05.

According to results, Chi-square of our data is 1.572, CFI is .938, AGFI is .733 which is moderate, RMR is .040, and RMSEA is .054. Thus all the values of model fit indices are in an acceptable range. Therefore, we can say that our model is successfully fit. During the execution of CFA, according to Gerbing & Anderson, (1988), we have to clear that there should be no validity and reliability issue in the data. To check the validity of the data we follow Kline 2011. Here validity means the convergent validity and discriminant validity. Furthermore, in the process of performing the CFA to analyze the Convergent and Discriminant validity, we follow the Fornell & Larcker, (1981)s' three-step approach. Fornell & Larcker, (1981) argue that for Convergent validity, the composite reliability of all the variables should be greater than 0.8, factor loading of all the constructs should be higher than 0.7, and average variance extracted (AVE) should be greater than 0.5. If all the values lie in this range, then it means that there is no convergent validity issue.

For analyzing the discriminant validity of the data we take the square root of AVE which should be greater than the correlational values of all the variables. If the resulting values meet the criteria, it would be understood that there is no discriminant validity issue. When discriminant validity and convergent validity would be out of issues and complete requirements then CFA has been successfully executed. The Composite reliability and AVE of all the variables are presented in Table 3. Here in Table 2, the factor loading of all the variables is higher than 0.7, which means there is no issue of convergent validity.

Table 2 Factors Loading

Variables	No of Items	Factor Loadings
Organizational Commitment (OC)	13	.856, .848, .852, .882, .847, .847, .864, .852, .859, .838, .844, .855, .847
Organizational Commitment (OC)	9	.932, .874, .847, .883, .839, .856, .850, .822, .845
Transformational Leadership style	2	.729, .978
Supportive Organizational culture (SOC)	8	.866, .893, .861, .865, .870, .873, .863, .883
Innovative Organizational culture (IOS)	8	.861, .862, .846, .836, .825, .824, .820, 825

Bureaucratic Organizational culture (BOS)	6	.866, .823, .841, .849, .850, .862

Table 3: Psychometric properties

Constructs	CR	AVE	B_OC	OC	Trf_LS	S_OC	I_OC	Trs_LS
B_OC	0.923	0.667	0.817					
OC	0.972	0.728	0.237**	0.853				
Trf_LS	0.962	0.740	0.245**	0.483**	0.860			
S_OC	0.962	0.760	0.467**	0.384**	0.371**	0.872		
I_OC	0.949	0.701	0.173**	0.177**	0.152**	0.199**	0.838	
Trs_LS	0.851	0.744	0.199**	0.343**	0.307**	0.396**	0.009**	0.863

BOC= Bureaucratic Organizational culture(BOC)
OC= Organizational Commitment (OC)
Trf- LS= Transformational Leadership style
SOC= Supportive Organizational culture (SOC)
IOC= Innovative Organizational culture (IOC)
Trs-LS= Transactional Leadership style

The composite reliability of all the variables of our data is greater than 0.8 and the average variance extracted is also greater than 0.5 which also is a sign that there is no convergent validity issue, as shown in table 3. For discriminant validity, the square root of AVE is also greater than the correlational values of all the variables which depict that our discriminant validity is also acceptable. After confirming that there is no convergent and discriminant validity issue in our data and CFA has been successfully tested, we can run SEM for hypothesis testing. For testing the hypothesis, we converted our model into a structural model by drawing the paths for our proposed relationships. For structured equation modeling (SEM) our model fit indices are as Chi-square is 1.572, AGFI is .733 which is moderate, RMR is .040, CFI is .938, RMSEA is .054 all the values are in the acceptable range. Now we check the proposed relationship of our study through SEM.

First, we check the H1, in which we postulated that transactional and transformational leadership styles have a significant impact on organizational commitment, transformational leadership style (Standardized $\beta = .354$, $p = 0.00$) and for transactional leadership style (Standardized $\beta = .166$, $p = .019$) which shows that our results are supporting H1. The H2 of this research is the supportive and innovative organizational culture significantly influences organizational commitment. There is strong relationship between supportive organizational culture (SOC) and organizational commitment (Standardized $\beta = .156$, $p = .051$), but some weak relationship between innovative organizational culture (IOS) and organizational commitment (Standardized $\beta = .085$, $p = .188$). Our results show that there is a strong and negative relationship between bureaucratic organizational culture and organizational commitment (Standardized β = .029, p = .688). Similar to the study of Silverthorne, (2004), conducted in the USA, California, bureaucratic organizational culture have the lowest impact on organizational commitment, Innovative organizational culture has the next highest level of organizational commitment and supportive organizational culture has the highest level of organizational commitment. Our results are consistent with the results of (Silverthorne, 2004). In our study, Hypothesis 2 has three dimensions out of which two are accepted and one is rejected as bureaucratic culture has the lowest impact on organizational commitment.

Table 4: Regression weight**s**

Relationships	USβ	Sβ	S.E.	C.R.	P
Trf_LS→OC	.307	.354	.062	4.987	***
Trs_LS→OC	.226	.166	.097	2.342	.019
S_OC→OC	.139	.156	.071	1.949	.051
I_OC→OC	.084	.085	.064	1.315	.188
B_OC→OC	.027	.029	.066	.402	.688
Note: ns=not-significant, †=p,0.1 *=p<.05, **=p<0.01, ***=p<.001					

Trs-LS= Transactional Leadership style
BOC= Bureaucratic Organizational culture(BOC)
OC= Organizational Commitment (OC)
Trf- LS= Transformational Leadership style
SOC= Supportive Organizational culture (SOC)
IOC= Innovative Organizational culture (IOC)

5. Research Implications

Research implications for theory: The theoretical background of this study is in the context of “leadership styles, organizational culture, and organizational commitment”, for the sample containing three cities mentioned in the above sections. Therefore, this paper aims to verify that organizational culture and leadership style are significant elements of organizational commitment. The purpose is to ensure the relationship between leadership styles and the performing employees’ commitment. By conducting this study, we examine and check the effect of variables [(Organizational Commitment, Transformational Leadership style, Transactional Leadership style, Supportive Organizational culture (SOC), Innovative Organizational culture (IOC), Bureaucratic Organizational culture(BOC)] to extend in the literature with organizational culture and leadership by unique sample regarding different cities. The findings support that the organizational culture should be supportive and innovative for the highest commitment of the employees because the organizational commitment depends upon the leadership styles and organizational culture.

Research Implications for practice: The implications of this study for managers are important. Although his study is conducted in Pakistan, it is expected that the findings of our study may have relevance to the other countries too. By reproducing this research in different contexts and countries, this study would be very helpful to develop a new model of leadership and organizational culture with implementation techniques that can be easily operationalized in a cross-cultural context. This study will help out the organizations to establish their organizational cultures and leadership styles for committing their employees to the organization. As much as the employees are committed to their organizations the organizational performance can be enhanced. Employees can work hard and bring innovations and creativity when they were administered by a supportive culture.

6. Limitations and Future Recommendations

One of the limitations of this study is the nature of the sample. That is a low response rate and less participation by the female side, thus mostly the data has been collected from the male side. Furthermore, the other limitation is that the samples for data collection have been taken from three cities Gujranwala, Gujarat, and Sialkot; the data couldn't be taken from other cities. Finally, people of the organizations (respondents) are unable to respond, even they are in management positions but they didn't understand the research work and keep away themselves in giving the response. Therefore, our response rate is very low.

We suggest that for next time females and other cities of Pakistan should be explored for the sample. Moreover, according to the authors, the future researcher should be included some interesting topics for checking the cross-cultural responses. Hence, we recommend that in this model for "Organizational Performance" the other variables like cross-cultural responses for testing should be included because organizational commitment can have a positive impact on organizational performance.

7. Conclusion

To conclude, this research is a dynamic effort to analyze the impact of leadership style and organizational culture on organizational commitment. The study analyses the responses and the approach of employees at a managerial level about organizational commitment. In this regard, different variables such as leadership style and organizational culture are used as a determinant of this research work. This study also checks the influence of demographic factors like gender, age, education level, and tenure in the organization. Hypothesis one is proved which postulated that Transactional and Transformational leadership styles have a significant impact on Organizational commitment. Our results also support the hypothesis two that is the Supportive and innovative organizational culture significantly impacts on Organizational Commitment. Therefore, results show the strong relationship between supportive organizational culture (SOC) and organizational commitment. this research reveals that there is a strong negative relationship between Bureaucratic organizational culture and organizational commitment consistent with the results of (Silverthorne, 2004). In this study, hypothesis 2 has three dimensions out of which two are accepted and one is rejected as Bureaucratic culture has the lowest impact on organizational commitment. Even though some results of this research are left unsolved, it has suggested some interesting topics to investigate these variables. This research verifies that organizational culture and leadership style are significant antecedents of organizational commitment. This study will help out the organizations to take some steps regarding their organizational cultures and leadership styles for committing their employees to the organization. As much as the employees are committed to their organizations the organizational performance can be enhanced.

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Volume 7 | No. 1 | January– June 2020

Sukkur IBA Journal of Management and BUSINESS
P-ISSN: 2313-1217
E-ISSN: 2410-1885

Job Satisfaction and Organizational Commitment in Banking Sector: A Comparative Study of Conventional and Islamic Banks

Kousar Khand[1], Salma Khand[2], Adnan Pitafi[1]

Abstract

Present research work was carried out to examine the relationship between job satisfaction and organizational commitment, and also the difference in the level of job satisfaction and organizational commitment present in employees of Islamic and Conventional banks at Hyderabad. Data was collected through a structured questionnaire. Pearson correlation coefficient, regression, and Mann-Whitney Test were used to analyze the data. The results of the study demonstrated that job satisfaction had a significant impact on affective, continuance, and normative commitments. The job itself and supervisors were significantly (P<0.001) correlated with other job facets. A Reward system was seen to be significantly correlated with job-itself, supervision, and coworkers, whereas coworkers with the job itself, reward system, and supervision. Meaningfulness of the job was also significantly correlated with the job itself, supervision and coworkers. However, no significant correlation was found between the meaningfulness of the job and the reward system. The level of organizational commitment was found to be the same in employees of Islamic and Conventional Banks.

Keywords: *Job satisfaction, affective commitment, continuance commitment, normative commitment, banking sector.*

JEL Code: M54, J19

1. Introduction

Islamic banking or Sharia banking is a banking system that follows the ethics and values of Islam or the principles of Islamic Sharia. Conversely, a Conventional bank is defined as a system of banking that is based on man-made principles. Worldwide Islamic and Conventional banking sector is facing huge competition and Pakistani banking sector is not an exception to that competition. An organization will not reach the climax of quality in terms of productivity or customer service level if the employees of that organization are not satisfied or are not loyal to the organization (Stewart, 1996). Many organizations know that workers are first to defend and encounter the challenges the organization receives and they help organization to achieve its mission and

[1]Mehran University of Engineering and Technology Jamshoro Sindh Pakistan
[2]Department of Management Sciences, Isra University Hyderabad Pakistan
Corresponding Author: s.khand@outlook.com

objectives. This is why organizations look for motivated, responsible, and dedicated staff instead of those who are careless, inactive, and unfaithful (Hashmi, 2012). Research has proved that employees who are more engaged and happy are more productive than those who lack energy or other resources (Bakker and Demeroti, 2013). The purpose of the present research was to determine the relationship between job satisfaction and organizational commitment and also to find out any significant variation in job satisfaction and organizational commitment in employees of Islamic and Conventional banks at Hyderabad. Islamic and Conventional bank employees were selected for comparison as there is a basic difference in the working philosophy of the two types of banks i.e., Conventional banking is interest-based while Islamic banking is not.

1.1. Job Satisfaction

Several models or theories have been put forward about job satisfaction. According to Hoppock (1935), job satisfaction is actually a combination of internal and external situations that make an employee feel satisfied with his /her job. According to this definition job satisfaction is actually a reflection of both internal and outside forces, especially psychological factors involves how a person feels at the workplace or it is the outcome of numerous attitudes held by an employee. The attitudes most often associated with job satisfaction includes wages, work condition, social relationship on the job, spare time, rapid settlement of compliments, and fair treatment by employer and supervisor.

Job satisfaction as defined by Vroom (1964) is an emotional connection of a person with the workplace. A vastly quoted definition for job satisfaction given by Spector (1997) focuses on overall feelings an employee had about his job and its various aspects. These feelings express the level to which that employee becomes satisfied from the job.

According to Aziri (2011), job satisfaction represents a feeling that is the outcome of the view that a job accomplishes the basic needs of life. By this definition job, satisfaction refers to the feeling of perception that a job fulfills the physical and emotional needs of an employee.

Robbins and Judge (2013) described job satisfaction as positive or negative feelings regarding a job. A highly satisfied individual will have good feelings while an unsatisfied employee will have bad feelings about his/her job.

1.2. Dimensions of job satisfaction

1.2.1. Meaningfulness of the job

According to Landy (1980), an attractive job which leads to job satisfaction. Luthans (1998) observed that employees become satisfied with their job which is motivating and challenging and provide a position to them. According to Eby & Freeman (1999), task diversity may aid job satisfaction. Similarly, according to Ting (1997), an employee who possesses a diversity of skills to apply in his job is more satisfied.

1.2.2. Reward system

According to Olajide (2000), employees realize promotion as the vital accomplishment in their job and when they get it they feel satisfied. Gupta (2004) inspected that more pay and enhanced opportunities lead to higher job satisfaction.

1.2.3. Job itself

One of the most essential influences on an employee's job satisfaction depends upon the employee's experience about the job assigned to him by the organization (Sharma and Bhaskar 1991). In a study carried out by Khaleque and Choudhary (1984) on Indian managers, the authors observed that the nature of work and job safety were the most essential factors in determining job satisfaction amongst the top and bottom managers respectively.

1.2.4. Supervision

Workers are more probably to become satisfied with their jobs when they receive collaboration from supervisors to complete the assigned tasks (Ting 1997; Cramer 1993; Billingsley & Cross 1992). These researchers noted that the dissatisfaction of employees from supervisors also leads to a decrease in job satisfaction. Staudt (1997), in his study on community staff also noted that those employees who were satisfied with their supervisors generally showed satisfaction in their jobs. Chieffo (1991) observed a high level of job satisfaction in those employees who were involved by the supervisors in decision makings related to their jobs.

1.2.5. Coworkers

Mowday & Sutton (1993) found that job satisfaction was more in employee's who had opportunities for communications with others on the job. Wharton & Baron (1991) revealed that an enhanced connection between the employees at work improves the level of job satisfaction. These social relations within the workplace encompass an important component in which employees feel value and recognition (Staudt 1997).

1.3. Organizational commitment

Organizational commitment has three main components (Porter et al. 1974), which are:

1. Strong trust in and recognition of the organization's goals,
2. A motivation to positively act for the benefit of the organization,
3. An explicit want to continue the organizational association.

Organizational commitment generates belief between employees, managers, owners of units, and other linked parties in an organization. As per Mowday and Porter (Employee-Organization Linkages, 1982) commitment refers to the following three characteristics:

1. Ambition to 'stay' a part of the organization.
2. Trust in &reacceptance of values & goals of the organization.
3. Enthusiasm to utilize major endeavors for the benefit of the organization.

1.3.1 Types of organizational commitment

Organizational commitment includes affective, continuance, and normative commitments (Meyer & Allen 1997; Dunham et al 1994).

1.3.2 Affective commitment

Affective commitment according to Allen and Meyer (1990) is the emotional connection of an employee with its organization.

1.3.3 Continuance commitment

Continuance commitment according to Becker (1960) is the level to which an employee is committed to continuing with the organization because of giving up benefits related to investments in the organization.

1.3.4 Normative commitment

Normative commitment according to Meyer (1993) is the degree to which an employee is grateful to continue with the organization.

2. Literature Review

Nartey (2018) investigated the dynamism of the relationship between organizational support, teachers' job satisfaction, and commitment in colleges of education in Ghana. Data were collected from 59 teachers of education colleges through interviews and used a qualitative approach to analyze the data. The outcome of the study reveals that the teachers were less committed to the institution owing to a poor working environment.

Carvalho et al (2018) explored the relationship between four types of organizational culture (clan, hierarchy, adhocracy, and market) with both three dimensions of organizational commitment (affective, normative and instrumental) and job satisfaction dimensions (relationship, reward and nature of work) in banking sector of Brazil. Data was collected from bank clerks of 26 Brazilian states and Federal district through questionnaire and was analysed by using exploratory factor analysis (EFA) followed by multiple regression in order to confirm the association between different variables. The results revealed significant association of Clan Hierarchy Cultures with other variables of the study.

Shrivastava (2018) in India examined the effectiveness of performance management system and its relationship with employee job satisfaction and organizational commitment. Primary data was collected from employees of banks HDFC, ICICI, AXIX through questionnaire and secondary data through website, books. Results of the study show that there is significant association between performance management system and job satisfaction and reasonable commitment between employee job satisfaction and organizational commitment. The author concluded that effective performance management system is important to develop loyalty and keep employee satisfied.

Najeeb et al (2018) inspected the impact of knowledge management practices and organizational commitment on employee job satisfaction in banking sector of Pakistan. Primary data was gathered through both face to face and online web- based questionnaires. Results of the study suggest that there is significant correlation between organization commitment and knowledge management practices especially intra-organizational knowledge sharing, knowledge application and knowledge creation, with high level of employee job satisfaction. The authors advice bank managers to adopt knowledge management practices and organizational commitment activities in their organizations in order to improve performance of worker and their well-being at work.

Yosef (2017) investigated the direct and indirect association between job satisfaction, organizational commitment and attitudes towards organizational change and its dimensions. For this purpose, author collected data through questionnaires from 352 employees of local government departments of the Emirate of RAK, UAE. The results demonstrate that employees were highly satisfied with supervisors and co-workers, moderately satisfied with working condition and job security and least satisfied with pay and promotion.

Musringudin et al (2017) in Jakarta conducted research study on principles of public high school to measure the effect degree of organizational justice, job satisfaction and organizational commitment on organizational citizenship behaviour. Data were collected through questionnaires from 90 principles selected by random sampling technique and path analysis was used to calculate the data. Result of the study shows positive effect of organizational justice, job satisfaction, and organizational commitment on organizational citizenship behaviour of the principles.

Budihardio (2017) examined the relationship between job satisfaction and affective commitment; between affective commitment and cooperate performance and between organizational learning climate and cooperative performance. Data collected from 27 senior managers through questionnaires were statistically analysed. Results suggest significant positive association between job satisfaction and affective commitment and between both affective commitment and organizational learning with corporate performance. Affective commitment seems to play a major role in achieving high corporate performance.

Freund (2015) in his study examined the association of affective and continuance organizational commitments, career commitments, and job involvement with job satisfaction at 3 intervals. Data were collected from 122 employees working at an Israeli nonprofit organization. The results showed that time elapsed between the measurements of multiple commitments and job satisfaction was a major factor affecting the worth of multiple commitments as predictor of job satisfaction.

Gupta (2015) in his study carried out in Kolkata and its adjoining areas examined job satisfaction and organizational commitment present in both part time and guest lecturers of government funded colleges. The findings of the study showed significant difference in job satisfaction and organizational commitment present in part time and guest lectures. Job satisfaction was found to be higher in guest lecturers, whereas organizational commitment in part time teachers.

Dooty, Fahim & Sultana (2015) in a comparative study evaluated employee's satisfaction in Islamic and Conventional banks in Bangladesh. Fifty samples were collected from each type of banks through self-structured questionnaire. Statistical analyses of the data showed that satisfaction level of employee was same for both types of banks. However, employee's satisfaction was higher in Conventional banks as compared to Islamic in terms of communication indicators.

Iden (2014) investigated the classical determinates of job satisfaction and organizational commitment valid for the Norwegian context with emphasis on multicultural work environments and also inspected whether employees with different cultural backgrounds in Norwegian based companies have a different level of job satisfaction and organizational commitment or not. The general analysis was used to confirm the presence of cultural differences based on power distance in a Norwegian context. Results indicated that some of the classical determinants extracted from theory had a positive effect on job satisfaction and organizational commitment, while, no difference in job satisfaction and organizational commitment was seen in workers from various backgrounds in the multicultural work environment in Norway except that the supervisors were perceived differently by foreigners and Norwegians.

Kristatnto (2014) in Jakarta examined the difference in organizational commitment between employees of Conventional and sharia-based banks. The study involved 342 employees and the obtained data was statistically analyzed. The results of the study disclosed that affective commitment for both banks was identical. Furthermore, continuance commitment and normative commitment were high in Conventional bank employees as against the sharia banks.

Suma & Lesha (2013) in their study in Shkoder, Albania investigated the levels of employee job satisfaction with job dimensions and studied organizational commitment in government administration. Descriptive and inferential statistical techniques were employed to analyze the data. The findings of the study showed that job dimensions such as salary, opportunities for promotion, supervision, coworkers, and work-itself were significantly positively correlated with organizational commitment and job satisfaction.

Imam et al., (2013) investigated the effect of job satisfaction on affective, continuance, and normative commitments. Data was collected in Punjab through convenience sampling. The data were analyzed using correlation and regression. The findings revealed a positive effect of job satisfaction on all three facets of organizational commitment. Job satisfaction was noticed to have greater predictability for affective commitment than the other facets of organizational commitment.

Naqvi (2012) in his study on banks inspected the impact of intrinsic and extrinsic mechanisms of job satisfaction on organizational commitment. For this purpose, he collected data from 310 employees belonging to Lahore, Sargodha, Karachi, and Islamabad banks. Regression was used to analyze the data. Results showed that both components of job satisfaction were positively related to organizational commitment.

Adekola (2012) carried out research to see organizational commitment present in 150 different category employees of government and private sector universities in Nigeria. Z-test and regression were used for data analysis. It was found that employees in public sector universities had more organizational commitment than that of private universities.

Ismail (2012) in a study carried out in Kelantan investigated the connection between organizational commitment and job satisfaction in the staff of universities and affiliated colleges. Primary and secondary data were statistically analyzed. The findings of the study revealed no significant association between organizational commitment and job satisfaction.

Malik et al., (2010) studied the connection of teacher's job satisfaction with job dimensions based on perceived organizational commitment. They also investigated the extent to which the faculty of two government sector universities were loyal and satisfied with different job dimensions. Data was collected from 331 survey questionnaires filled out from teaching faculty and analyzed by one-sample t-test and stepwise regression. It was seen that pay satisfaction, quality of supervision, and work-itself had a significant direct impact on the organizational commitment of the employees.

Sonia (2010) studied organizational commitment and job satisfaction in 300 software industry employees in Bangalore, India., Karl Pearson's correlation coefficient, ANOVA, and Friedman test were applied to analyze the data.it was observed that overall organizational commitment was satisfactory in employees. However, higher inconsistency was noted with affective commitment. Job satisfaction was noted to be highest for continuance commitment representing that employees remain in an organization because they feel the cost of leaving the organization or trouble associated to go somewhere else. Employees in IT showed only a reasonable level of job satisfaction as they were less satisfied with the salary, supervision, working hours, and appreciation from management.

In the present study, we have simultaneously examined both organizational commitment and the level of job satisfaction in employees of Islamic and Conventional banks at Hyderabad. The main purpose of this research was to see any major difference in the level of job satisfaction and organizational commitment present in employees of Islamic and Conventional banks by measuring a few new variables like meaningfulness of job, reward system, job itself, supervision, and co-workers. From the findings of this research, it is hoped that The Human Resource Management department of both types of banks will become benefited as they will come to know how much job satisfaction and organizational commitment occurs in their employees. In this way, they can plan strategies to improve their level of job satisfaction and organizational commitment and hence enhance their productivity performance and reduce dissatisfaction.

3. Problem Statement

As there is a basic difference in the working philosophy of Islamic and Conventional banks (Conventional banking is interest-based while Islamic banking is not), so the level of job satisfaction and organizational commitment in employees of both types of banks can be different.

3.1.Research Objectives

The research objectives of the present study were:

1. To find out the extent of job satisfaction in employees of Islamic and Conventional Banks.
2. To investigate the extent of organizational commitment present in employees of Islamic and Conventional Banks.
3. To establish the facets that contribute to job satisfaction in banking sector employees.
4. To observe any association between job satisfaction and organizational commitment.
5. To determine any significant difference between employees of Islamic and Conventional banks with respect to extent of job satisfaction and organizational commitment.

3.2.Research Hypotheses

H1: Job satisfaction has a significant influence on affective, continuance, and normative commitments.

H2: Employees in the banking sector have a correlation with various job facets/dimensions such as meaningfulness of the job, reward system, job-itself, supervision, and coworkers.

H3: Job satisfaction has a significant association with organizational commitment in employees serving in banks.

H4: Job satisfaction and organizational commitment are different in employees serving in Islamic and Conventional Banks.

4. Research Methods

4.1. Data collection method

Primary data was gathered from employees of 10 banks (5 Islamic and 5 Conventional) by using a structured questionnaire.

4.2. Research population

The research population included the employees and managers in major Islamic and Conventional banks of Hyderabad city. The banks selected for the present study from among the Islamic banks were Meezan Bank, Al Barka Bank, Bank Islami, Dubai Islamic Bank, and Burj Bank; and from Conventional banks were Allied Bank Ltd., United Bank Ltd., Soneri Bank, MCB and Habib Bank Ltd.

4.3. Sample size

The total no of staff serving in major Islamic and Conventional banks at Hyderabad was 1022 and 30%of that i.e., 300 were randomly selected for the present study.

4.4. Sampling technique

Simple random sampling technique was used to select 150 employees each from Islamic and Conventional Banks.

4.5. Instrument design

The questionnaire designed had three sections of which section A dealt with demographical information of the responding bankers. It included questions to get information about age, gender, marital status, education level, and job group along with job experience. In section B items of job satisfaction such as the meaningfulness of the job, reward system, the job itself, supervision, and coworkers were included whereas, in section C affective, continuance, and normative organizational commitments present in Islamic and Conventional banks employees at Hyderabad city was determined.

4.6. An instrument of Job Satisfaction

The job description index (JDI) proposed by Smith (1969) was used to measure job satisfaction. A 19-item questionnaire, as used by Wavinya (2013), was administered to respondents who were provided the level of agreement and disagreement with each statement at a Likert scale (1; strongly disagree, 5; strongly agree).

4.7. The instrument of Organizational Commitment

Affective, continuance and normative organizational commitments of the respondents were measured by using the 24-item scale (Allen & Meyer, 1990). This scale was also adopted by Najafi et al., (2011). Responding bankers had to tick their level of agreement and disagreement with each statement at a Likert scale (1; strongly disagree, 5; strongly agree).

5. Data analysis

A normality test was used to know whether the sample drawn was from a normally distributed population or not. Linear Regression was employed to examine the impact of job satisfaction on normative, continuance, and affective commitments, while Spearman Correlation test was applied to see any correlation between the variables involved in hypothesis 2 & 3. The Mann-Whitney test was used to compare the means of job satisfaction and organizational commitment in employees serving at Islamic and Conventional banks in order to prove or reject hypothesis 4.

5.1. Results

5.1.1. Response Rate

Three hundred questionnaires were distributed to employees of 10 banks, of which 220 were returned back duly filled in by the respondents. The filled in questionnaires constituted 73.33% response rate. According to Mugenda and Mugenda (1999), 70% and above response rate is admirable and sufficient for analysis and reporting.

5.1.2 Reliability Analysis

Reliability analysis was performed by using SPSS version 22. Cronbach's Alpha of the variables for job satisfaction and organizational commitment (Table 1) indicates that every variable used in the present study has satisfactory reliability statistics.

Table 1 Result of Reliability Test

Instruments	No of Items	Cronbach's Alpha	Result*
Job Satisfaction	19	0.847	Reliable
Organizational Commitment	18	0.852	Reliable

*Reliable if Cronbach's alpha >0.7 according to Murphy and Balzer (1989).

5.1.3 Demographic Characteristics of the Respondents

The demographic characteristics of the respondents calculated in percentages are presented in table 2. The data shows that the majority of the respondents (61%) belonged to age group 26-35 years; were males (63%); were unmarried (57%); and postgraduates (71%).

Table 2 Demographic characteristics of the Participants

Participants	Frequency	Percentage
Age group (in years)		
19-25	48	22
26-35	133	61
36-45	39	18
Gender		
Male	139	63
Female	81	37
Marital Status		
Single	125	57
Married	89	41
Divorce	06	03
Educational Level		
Intermediary	18	08
Undergraduate	45	21
Postgraduate	157	71

5.1.4 Analysis for Linear Regression

Table 3 shows the values of R2 which indicates that about 38%, 7%, and 40% of the variations in affective, continuance, and normative commitments respectively has been explained by the job satisfaction (independent variable).

Beta Coefficient of the job satisfaction presented in table 4 indicates that the single unit change in job satisfaction has brought about 81.1%, 52%, and 90% changes in affective, continuance, and normative commitments respectively. As the p-value of the beta was highly significant ($p<0.05$), hypothesis 1 of the present study that Job satisfaction has a significant influence on affective, continuance, and normative commitments are accepted.

Table 3 Model summary of the relationship between facets of organizational commitment with job satisfaction

Organizational commitment facets	R2
Affective Commitment	0.378
Continues Commitment	0.066
Normative Commitment	0.395

Table 4 Beta coefficients

Model	β	Significant
Affective commitment Job satisfaction	0.478 0.811	.001 .001
Continuance commitment Job satisfaction	1.421 0.519	.001 .001
Normative commitment Job satisfaction	0.649 0.899	.001 .001

Table 5 Correlation between different job facets

			Meaningfulness	Reward system	Job Itself	Supervision	Coworker
Spearman's rho	Meaningfulness	Correlation Coefficient	1.000	.057	.406	.379	.145
		Sig. (2-tailed)	.	.401	.000	.000	.032
		N	220	220	220	220	220

	Reward system	Correlation Coefficient	.057	1.000	.280**	.278	.254
		Sig. (2-tailed)	.401	.	.000	.000	.000
		N	220	220	220	220	220
	Job Itself	Correlation Coefficient	.406	.280	1.000	.630	.540
		Sig. (2-tailed)	.000	.000	.	.000	.000
		N	220	220	220	220	220
	Supervision	Correlation Coefficient	.379	.278	.630	1.000	.279
		Sig. (2-tailed)	.000	.000	.000	.	.000
		N	220	220	220	220	220
	Coworker	Correlation Coefficient	.145	.254	.540	.279	1.000
		Sig. (2-tailed)	.032	.000	.000	.000	.
		N	220	220	220	220	220

5.1.5 Analysis for Correlation:

Table 5 shows the correlation between different job facets such as the meaningfulness of the job, reward system, job-itself, supervision, and coworkers. The data indicate that both job itself and supervisors had a very strong ($P<0.001$) correlation with other job facets. The Reward system was seen to have a highly significant ($P<0.001$) correlation with job-itself, supervision, and coworkers, whereas coworkers with the job itself, reward system, and supervision. Meaningfulness of the job is also highly significantly correlated with the job itself, coworkers, and supervision. However, no significant ($P>0.05$) correlation was found between the meaningfulness of the job and the reward system.

In table 6 relationships between job satisfaction and organizational commitment are depicted. The table discloses that they are significantly correlated (P<0.001) with each other, thus hypothesis 3 is accepted.

Table 6 Correlation between job satisfaction and organizational commitment

Correlations				
			Job satisfaction	Organizational commitment
Spearman's rho	Job satisfaction	Correlation Coefficient	1.000	.559
		Sig. (2-tailed)	.	.000
		N	220	220
	Organizational commitment	Correlation Coefficient	.559	1.000
		Sig. (2-tailed)	.000	.
		N	220	220

5.1.6 Analysis of Mann-Whitney Test

As the significance level obtained for job satisfaction (p=0.514) and organizational commitment (p=0.098) by the Mann-Whitney test (Table 7) was not statically significant (P >0.05), it indicates that both job satisfaction and organizational commitment was same in employees serving at Islamic and Conventional Banks. Thus, hypothesis 4 of the present study that Job satisfaction and organizational commitment are different in employees serving in Islamic and Conventional banks is rejected.

With respect to job satisfaction, our findings are in full agreement with Dooty, Fahim & Sultana (2015), while for the organizational commitment our findings are in line with Kristatnto (2014).

Table 7: Result of Mann-Whitney Test

	Job satisfaction	Organizational commitment
Asymp Sig. (2-tailed)	.514	.098

6. Conclusions

From the results of this study, it may be concluded that Job satisfaction has a significant influence on affective, continuance, and normative commitments. The job itself and supervisors are highly significantly correlated with other job facets. A Reward system is seen to be significantly correlated with job-itself, supervision, and coworkers, whereas coworkers with the job itself, reward system, and supervision. Meaningfulness of the job is also highly significantly correlated with the job itself, coworkers, and supervision. However, no significant connection was found between the meaningfulness of the job and the reward system. A highly significant positive correlation was found between job satisfaction and organizational commitment in bank employees at Hyderabad city. The level of job satisfaction was the same in employees of Islamic and Conventional Banks.

The same types of studies are recommended to be carried out in those countries where both Islamic and Conventional banking systems are operating simultaneously. In the light of findings of the present study, it is strongly recommended that every year HRM department of both types of banks should carry out this type of confidential structured survey to measure the level of job satisfaction and organizational commitment present in their employees. In this way, both types of banks can plan strategies to improve the level of job satisfaction and organizational commitment in their employees and hence enhance their productivity performance to achieve the targets set for the next year

The limitation of the present study includes a small sample size of both conventional and Islamic banks located in Hyderabad city only.

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