

THE APPLICATION OF UTAUT2 THEORY TO DETERMINE M-PAYMENT ADOPTION IN THE CONTEXT OF PAKISTAN

Waseem Anwar and Dr. Amir Zeb Abbasi

ABSTRACT

Advance technology paves the way for many technological inventions, especially economic integrations. Individuals gradually shift from traditional modes of payment to cash-less money and mobile payment. COVID-19 also plays its part to encourage the e-modes of payments in daily routine which compels the researchers of this study to work in this specific domain. This research aims to evaluate the adoption of M-payment through the application of UTAUT-2 theory with an additional variable monetary benefit. For data analysis, this study uses a structural equation model (SME) through Smart PLS 3.3.3. The data is collected from 302 respondents who are current users of Jazz Cash and Easy Paisa. The findings of this research highlight that performance expectancy, price value, habit, and monetary benefit are the major and more effective motives that shape the trigger for the adoption of M-payment in Pakistan. Further, the findings of this study give an in-depth insight into consumer perspective about the major indicators that influence the adoption of M-payment and can also help practitioners deploy an appropriate strategy for their M-payment application that can help to improve and enhance user experience and lead to the adoption of M-payment. This research pioneers to evaluate the adoption of M-payment in the developing economy of Pakistan through UTAUT-2 theory with additional variable monetary benefit, offered by Jazz Cash and Easy Paisa in terms of cashback, discounts, and perks, that drives the adoption intention for M-payment.

Keywords: UTAUT-2 Theory; M-Payment; Jazz Cash; Easy Paisa.

EXAMINING THE MEDIATING ROLE OF SUPPLEMENTARY SERVICES AND BRAND ATTACHMENT TO DETERMINE CUSTOMER SATISFACTION AND BRAND LOYALTY

Benazir Zakir Ali and Dr. Amir Zeb Abbasi

ABSTRACT

This study aims to examine the mediating role of brand attachment and supplementary services to determine customer satisfaction and brand loyalty through stimulus organism response theory. The proposed model has added two variables: brand attachment as a mediator between brand experience and customer satisfaction, and supplementary services between customer satisfaction and brand loyalty. A total of 296 responses were collected from smartphone brand users of DarazMall. This study utilized a smart PLS Application to execute the partial least square-structural equation modeling (PLS-SEM) analysis. The findings indicate that brand experience positively affects brand attachment, customer satisfaction, and loyalty. Further, customer satisfaction positively affects supplementary services. However, it has no impact on brand loyalty. Moreover, brand attachment does not affect customer satisfaction, while supplementary services positively affect brand loyalty. Brand attachment is found to mediate between brand experience and customer satisfaction. Similarly, supplementary services are also found to mediate between brand experience and brand loyalty. However, customer satisfaction does not mediate between brand experience and brand loyalty. Generalizability needs to be established with a wider range of consumer groups. The survey was conducted in Islamabad and Rawalpindi, and future research should assess the same product categories in other cities and consider other product categories to assess the external validity of these results. The insights on different facets of consumer behavior can help brand managers devise effective brand management strategies. To the best of our knowledge, the current study has examined, for the first time, the role of brand attachment and supplementary services in the context of smartphone brand users of DarazMall. The managerial implications can guide managers' better understanding of consumers' brand experiences and satisfaction toward enhancing brand loyalty and better relational marketing practices.

Keywords: Stimulus Organism Response Theory; Brand Experience; Brand Attachment; Customer Satisfaction; Supplementary Services; Brand Loyalty.

IMPACT OF PERCEIVED CSR FOR ENVIRONMENT OF EMPLOYEES ON OCBE IN HOTEL INDUSTRY OF PAKISTAN

Hasan Tariq and Dr. Iffat Rasool

ABSTRACT

The significance of Organizational Citizenship Behaviors for Environment (OCBE) has been in the spotlight as evident by its presence in the environment related literature. Most of the previous work in this regard has been carried out in the context of developed countries, and there is a lack of the same in developing countries. The purpose of this study was to examine the impact of perceived CSR for environment on employees' OCBE in hotel industry of Pakistan, through sequential mediation of Perceived External Prestige (PEP) and Organizational Identity (O.I). Moreover, the role of Individual Green Values (IGV) enhanced the role of PCSR on OCBE. Data for this study was collected from 650 employees of three 5-star hotels operating in Rawalpindi and Islamabad through convenience sampling. The results have been derived through SPSS software and structural equation modeling (SEM) via AMOS. The results indicate that perceived CSR for environment has significant and positive impact on the employee's organizational citizenship behavior for environment, through sequential mediation of perceived external prestige and organizational identity. The moderating role of individual green values also has a significant influence on employee's perceived CSR and their organizational citizenship behavior for environment. This study suggests that the hotels that make efforts for conducting environmental CSR promote OCBE among their employees. The findings also suggest that CSR is an investment for the hotels, but they cannot reap the fruit of their investment unless their employees perceive it useful. Additionally, this study makes managerial contribution to the understanding of perceived CSR, employees organization commitment and organization citizenship behavior. Managerial implications along with limitations and recommendations for future research are given at the end.

Keywords: CSR; OCBE; Hotel Industry.

FACTORS AFFECTING CUSTOMER'S INSPIRATION AND SATISFACTION TO ORDER FROM MOBILE FOOD DELIVERY APPS

Nida Malik and Dr. Amir Zeb Abbasi

ABSTRACT

The consumption of online food delivery is increasing during the Covid-19 in Pakistan. The field food delivery apps have gained the attention of the researchers to discover the factors which inspire the customers to order food from the apps. Mainly, this research aims to investigate the factors – eWOM (electronic word of mouth), Online reviews, Online deals, Convenience and late-night cravings affecting the customer inspiration and customer satisfaction to order food from online food delivery apps with mediating role of customer inspiration. For this research, data is collected from 388 users of online mobile food delivery apps. The data is collected from Rawalpindi and Islamabad, Pakistan. The research study utilizes the Stimulus Organism Response Theory (SOR) in Pakistan's online food delivery apps. Empirical results show that independent variables (online reviews, online deals, late-night food cravings, convenience) and mediating variables (customer inspiration) have a significant positive effect on the dependent variable (customer satisfaction). However, the relationship between EWOM and customer inspiration is insignificant. By incorporating these factors (Online reviews, Online deals, Convenience, late-night cravings), mobile food delivery application firms can increase customer inspiration and satisfy their customers. This research provides insight regarding online food delivery apps. Moreover, it can help owners and marketing managers develop strategies that aid the industry to improve the quality of food delivery apps and make them user-friendly to improve customer satisfaction. This study is the first to investigate the factors such as EWOM, Online reviews, Online deals, Convenience, late-night cravings - which affect customer inspiration and customer satisfaction in the context of Online FDA's. Additionally, the author's contribution includes the variables (EWOM, Online reviews, Online deals, Convenience, late-night cravings) with the mediating role of customer inspiration analyzed by applying SOR theory in the context of FDA's in Pakistan during Covid-19.

Keywords: Stimulus Organism Response theory (SOR); eWOM; Online deals; Online reviews; Convenience; Late-night food cravings; Customer inspiration; Customer satisfaction.

EXAMINING THE IMPACT OF FINANCIAL INCLUSION ON ECONOMIC GROWTH

Muhammad Rashid Masood and Dr. Shumaila Zeb

ABSTRACT

The purpose of this research is to assess the impact of financial inclusion and financial development on economic growth for a large number of developed and developing countries. This study uses panel data models such as country-fixed effect, random effects and time fixed effects regressions, panel cointegration, and panel causality tests to examine the linkage between financial inclusion, financial development and economic growth. Panel cointegration is used to test the long run association between financial inclusion, financial development and economic growth; whereas panel causality test is used to find the direction of causality between financial inclusion, financial development and economic growth. The empirical findings reveal that there is a positive and long run relationship between financial inclusion, and economic growth across 71 countries in the world. Moreover, there is a positive and long run relationship between financial development, and economic growth across 71 countries. Furthermore, the panel causality test shows a bidirectional causality between financial inclusion and economic growth and financial development and economic growth. Thus, the study confirms that financial inclusion and financial development are main drivers of economic growth.

Keywords: Financial Inclusion; Financial Development; Economic Growth; Inclusive Development.

**CONFIGURING THE ROLE OF BRAND INTERACTIVITY, BRAND INVOLVEMENT
AND BRAND ORIENTATION ON BRAND LOYALTY: TESTING OF AN
INTEGRATED FRAMEWORK**

Muhammad Imran and Dr. Muddasar Ghani Khwaja

ABSTRACT

Customer brand engagement has been acknowledged as a significant stimulus of determining brand loyalty. Businesses are making major investments to develop consumers' engagement which subsequently leads towards brand loyalty. The purpose of this research is to empirically test the relationship between brand interactivity, brand involvement, brand orientation, consumer brand engagement and brand loyalty. Furthermore, the association between relationship quality and brand image is also estimated as a mediator. The research data was collected from the apparel brand users in the twin cities i.e., Rawalpindi and Islamabad through a structured questionnaire. The data was collected from 374 users. For the estimation of causal relationship among constructs, structural equation modeling (SEM) technique was applied and SMART PLS 3.3 and SPSS 2.0 used for data analysis. The results showed that brand interactivity, brand involvement and brand orientation positively influence consumer brand engagement and brand loyalty. Similarly, consumer brand engagement positively affects the brand loyalty. Moreover, relationship quality and brand image played the mediator's role between consumer brand engagement and brand loyalty. Future research studies can extend the current research framework and empirically test it in different cultural contexts.

Keywords: Brand Interactivity; Brand Involvement; Brand Orientation; Consumer Brand Engagement; Relationship Quality; Brand Image; Brand Loyalty.

POST PANDEMIC FUTURE OF MANAGEMENT STUDIES: A CASE OF PAKISTAN HEIS

Sundal Hamad Mufti and Dr. Atif Bilal

ABSTRACT

The main aim of the study is to explore the expected post COVID-19 changes in the BBA program's curriculum, educational digitalization, and pedagogical reforms. The qualitative data is collected using semi-structured in-depth interviews from the stakeholders, including vice chancellors, policymakers, deans, HoD/PMs and relevant people from the industry. The data is analyzed using constant comparative technique for thematic analysis using NVivo software. The findings of the study indicate expected changes in the form of themes emerged from the data analysis. The findings supported curriculum revamping for shift to industry driven curriculum meeting future job market. Soft and employability skills (post COVID-19) are considered as mandatory requirement of future industry to be embedded in existing curriculum. The major concern highlighted under curriculum revision are faculty readiness for which role and support of higher management is very significant. It is also highlighted that there is a disconnect between what industry requires and what academia is producing. It is found that online teaching is not an alternate of face-to-face teaching. However, hybrid mode of teaching is the need of time. The study findings also signify that with the revision in curriculum and teaching mode, the pedagogy naturally requires changes as well. In the new normal world, teaching should move from a teacher-centered paradigm to a student-centered learning approach. It can only be possible if new teaching concepts are practiced, i.e., flipped teaching method, experiential learning, simulations, industrial projects etc. The finding of the research may be useful for business schools to experiment with expected changes in order to produce a better workforce for the industry.

Keywords: COVID-19, Study Curriculum, Educational Digitalization, Pedagogy.

THE IMPACT OF GLASS CEILING BELIEF ON WOMEN'S SUBJECTIVE CAREER SUCCESS IN LUXURY HOTELS: THE MEDIATING ROLE OF IMPRESSION MANAGEMENT AND MODERATING ROLE OF CAREER ASPIRATIONS

Saba Amin and Dr. Fatima Ashraf

ABSTRACT

The presence of women in the workforce has grown significantly globally, as well as in Pakistan. However, in recent decades, the glass ceiling phenomenon still continues to cause women glass ceiling beliefs with the perceived impact on subjective career growth for women in the workforce. The purpose of this research is to explore whether women glass ceiling beliefs of denial, acceptance, resignation and resilience determine the subjective career success of women in the hospitality field in Pakistan. The second aim of this research is to examine career aspirations as possible moderator of women's glass ceiling belief and subjective career success. Moreover, this research aims to examine impression management as a possible mediator between women glass ceiling belief and subjective career success. This research adopts snowball sampling by using a primary referral for each organization. The data is obtained from 291 female respondents from the hospitality industry of Pakistan. To test the study model, a partial least squares method is used. The research has added few novel contributions or findings to the glass ceiling literature, both theoretically and practically. The results of this study show full backing for the hypotheses related to the direct effect of women glass ceiling beliefs and women subjective career success as the four factors contributing to the glass ceiling beliefs in women (Resilience, Denial, Acceptance and Resignation) altogether contribute an important and significant impact on women subjective career success of women in Pakistan's hospitality industry. Secondly, full support is also found suggesting a mediating role of impression management on women's glass ceiling beliefs and subjective career success. Thirdly, there is a partial significance or support for the hypotheses that is related to the moderating role of career aspirations. The findings of this research will help produce practical implications for female employees in different Pakistani hospitality sectors.

Keywords: Glass Ceiling Beliefs, Women's Subjective Career Success, Impression Management, Career Aspirations, Hospitality Industry.

IMPACT OF FINANCIAL TECHNOLOGY ON FINANCIAL INCLUSION AND FINANCIAL PERFORMANCE: EMPIRICAL EVIDENCE FROM FINANCIAL SECTOR OF PAKISTAN

Sehar Saleem and Dr. Mobeen Ur Rehman

ABSTRACT

The connection between FinTech and financial development is a relatively new topic of study that has been hampered by a lack of data. The study brings into focus new insights from the perspective of FinTech based financial inclusion and financial performance. The primary aim of the study is to evaluate the impact of FinTech adapted commercial banks, banks innovation intensity and tradition structure of opening branches in minimizing the financial inclusion gap and their influence on banks performance. At same time, this research looks at the impact of FinTech firms and whether they are beneficial for financial inclusion. The research applies a positivist approach by using quantitative methods. For the purpose of this research, data is analyzed from 2006-2021. This research assesses the financial Inclusion level (FI) and financial performance (FP) of banks through secondary data from Pakistani banks since its FinTech development has been exceptional among emerging nations. To establish the reliability and validity of the study model, descriptive statistics and diagnostic tests are applied, which consist of a normality, multicollinearity test, autocorrelation, homogeneity test of variances and endogeneity checks. A fixed effect model is employed along with the two-step Generalized Methods of Moments (GMM) model of dynamic panels as an estimator to deal with various diagnostic test results and to add robustness. Excessive level of FinTech and innovation intensity displayed a negative relationship with both FI and FP. Bank branches displayed a negative relationship with FP while positive with FI, whereas FinTech firms negatively affect both FI and FP. The findings of the study will be of great interest to all nation participants, including scholars, professionals, and policymakers, especially when the FinTech industry expands and integrates with the conventional economy and incumbent financial institutions.

Keywords: Financial Technology, Financial Inclusion, Financial Performance, FinTech Firms.

EXAMINING RISK-RETURN RELATIONSHIP AMONG SECTORAL RETURNS**Maryam Iqbal** and Dr. Mobeen Ur Rehman**ABSTRACT**

This study attempts to investigate the risk and return relationship among the sectors of the Pakistan stock exchange. For that purpose, sectoral level price data is used ranging from 2001 to 2020 of ten sectors: automobile assembler, cement, fertilizer, chemical, commercial bank, insurance, oil and gas, refinery, telecommunication, power generation, and distribution. Furthermore, this research uses four variables as a proxy of risk: systematic risk (beta), political risk, economic risk, and financial risk. Moreover, the quantile regression model is applied based on nine quantile levels (10th to 90th levels). The findings reveal that the relationship between independent variables (KSE-100, Economic risk, Political risk, and Financial risk) and dependent variable (sectoral returns) is inconsistent across quantiles that vary from sector to sector. The relationship between expected risk and returns shifts from negative to positive as the number of quantiles increases. The association is negative at the lowest and positive at the highest quantiles. In addition, after all the sectors are analyzed, it is found that the impact of the risk proxies differs from one sector to another. In sum, the economic and financial risks positively affect the returns of most sectors, whereas political risk has a negative influence. Furthermore, the findings of this study provide helpful insight for investors, portfolio managers, and mutual funds for risk diversification.

Keywords: Risk, Economic Risk, Political Risk, Financial Risk, Returns, Pakistan Stock Exchange, Sector Indices, Quantile Regression.

DYNAMIC MACRO-ECONOMIC ENVIRONMENT AND STOCK MARKET PERFORMANCE: EMPIRICAL EVIDENCE FROM SOUTH ASIAN REGION

Muhammad Furqan and Dr. Shumaila Zeb

ABSTRACT

The main purpose of this study is to examine the impact of macro-economic factors on the performance of stock markets in South Asia. Furthermore, the pattern of this impact is country specific or otherwise. Stock markets are mostly studied for developed economies and regions. However, less work is done for country-specific analyses, particularly in the case of South-Asia. This research is based on 11 years monthly data for the period 2010 to 2020. The Panel ARDL method and various other statistical tests are applied to examine the relationship of stock markets performance with various macro-economic factors for 4 major countries in South Asia, including Bangladesh, India, Pakistan, and Sri Lanka. The unit root test shows that data is stationary at different levels. The Panel co-integration and Panel ARDL/PMG model explain the long-run and short-run relationships among all the variables. The results of this research prove the existence of a significant relationship among the SMP and selected macro-economic factors, including ER, FDI, FATF, and MSCI SMC. The Granger causality test confirmed that there is a unidirectional relationship among all the variables. The results of this study have important implications for investors in portfolio diversification decisions and for policy makers in formulating policy decisions.

Keywords: South Asia, Stock Market Performance, Macroeconomic Variables, ARDL, PMG, Granger Causality, FATF, MSCI Stock Market Classification.

THE IMPACT OF CORE SELF-EVALUATION ON CAREER OPTIMISM THROUGH MEDIATING ROLE OF PSYCHOLOGICAL MEANINGFULNESS

Asad Ali and Dr. Fatima Ashraf

ABSTRACT

In the current scenario of a global pandemic, organizations are encountering a challenging situation that stresses the need to consider resources other than financial assets. Organizations need to rely on strategies that ensure the survival of their existence. In this regard, human resource is a vital and crucial asset for organizations. The main aim of this research is to identify the impact of core self-evaluation on career optimism through the moderating role of psychological meaningfulness. A sample of 250 employees from education and tourism sectors participated in the study. The finding of the research indicate that core self-evaluation plays a significant role in career optimism. Furthermore, the results also highlight that psychological meaningfulness successfully moderates the relationship between core self-evaluation and career optimism. The research suggests to adapt well-equipped strategies in order to generate psychological meaningfulness through self-evaluation that further motivate employees to achieve their goals and perform their task efficiently and effectively.

Keywords: Core Self-Evaluation, Psychological Meaningfulness, Career Optimism, Tourism, Education, Pakistan.

ROLE OF CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY IN EARNINGS MANAGEMENT

Kiran Ejaz and Dr. Hassan Raza

ABSTRACT

Discretionary earnings management can only benefit a firm for a short period of time. However, it will ultimately lead to financial distress or bankruptcy. Previous studies looked into relationships among CSR and earnings management as well as corporate governance and earnings management in developed countries which have different fundamentals compared to emerging economies like Pakistan. This research attempts to investigate the moderating role of corporate governance between corporate social responsibility and earnings management for stock market listed companies in Pakistan. This research utilizes annual panel data from 2016 to 2020 over a sample of 60 non-financial firms. Moreover, this research uses discretionary earning management as a dependent variable and CSR as an independent variable along with moderators such as corporate governance variables i.e. Institutional Ownership, Board Independence and Managerial Ownership. A positive relationship is found between between CSR and earning management. This means CSR activities are used for window dressing in Pakistani firms. However, negative and significant results of the moderations show that this relationship can be suppressed by an increase in corporate governance. These results suggest that increase in corporate oversight will decrease CSR related activities which managers usually engage in for the purpose of the earnings management. This study has important implications which can aid regulators and policymakers like SECP and BODs to make an effective CSR reporting system for assessing business' social performance. Moreover, this research suggests investors to closely monitor CSR activities of firms before investing in them.

Keywords: Earnings Management, Corporate Governance, Corporate Social Responsibility, Discretionary Accruals, Fixed Effect Model.

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Saba Amin and Dr. Fatima Ashraf

ABSTRACT

The presence of women in the workforce contributing has grown significantly globally as well as in Pakistan in recent decades, however, the glass ceiling phenomenon continues to cause women glass ceiling beliefs with the perceived impact on subjective career growth for women in workforce. The study has its first and foremost purpose to explore whether women glass ceiling beliefs of denial, acceptance, resignation, and resilience determine the subjective career success of women in the hospitality field of Pakistan. The second aim of this study was to examine career aspirations as possible moderator of women's glass ceiling belief and subjective career success. And the third aim was to examine impression management as possible mediator between women glass ceiling belief and subjective career success. In this study, snowball sampling method was used by using a primary referral for each organization, data were obtained from 291 female respondents from the hospitality industry of Pakistan. Apart from this, to test the study model, it used partial least squares method, which is one of the structural equation models (SEM) methods. The present study has added few novel contributions or findings to the glass ceiling literature, both theoretically and practically. In the first place, the results of this study show full backing for the hypotheses related to the direct effect of women glass ceiling beliefs and women subjective career success as the four factors contributing to the glass ceiling beliefs in women (Resilience, Denial, Acceptance and Resignation) altogether contribute an important and significant impact on women subjective career success of women in Pakistani context of hospitality industry. Secondly, full support was also found suggesting a mediating role of impression management on women's glass ceiling beliefs and subjective career success. Thirdly, the study found partial significance or support for the hypotheses that was related to the moderating role of career aspirations. Findings will help produce practical implications for female employees in different Pakistani hospitality sectors.

Keywords: Glass Ceiling Beliefs, Women's Subjective Career Success, Impression Management, Career Aspirations, Hospitality Industry.

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ABSTRACT

The connection between fintech and financial development is a relatively new topic of study that has been hampered by a lack of data. The study brings into focus new insights from the perspective of fintech-based financial inclusion and financial performance. The primary aim of the study is to evaluate the impact of fintech-adapted commercial banks, banks' innovation intensity, and the traditional structure of opening branches in minimizing the financial inclusion gap and their influence on banks' performance while also examining the impact of fintech firms as either a friend or a foe. The study employed a positivist approach using quantitative methods and analyzed data from 2006-2021. It assessed the financial inclusion level (FI) and financial performance (FP) of banks through secondary data from Pakistani banks, given their exceptional FinTech development among emerging nations. Descriptive statistics and diagnostic tests were conducted to establish the reliability and validity of the study model, including tests for normality, multicollinearity, autocorrelation, homogeneity of variances, and endogeneity. The study used a Fixed Effect model and the two-step Generalized Methods of Moments (GMM) model of dynamic panels as estimators to address various diagnostic test results and enhance robustness. The findings revealed that a high level of fintech adaptation and innovation intensity had a negative relationship with both FI and FP. The number of bank branches had a negative relationship with IP but a positive relationship with FI, while fintech firms had a negative impact on both FI and FP. These findings will be valuable to all stakeholders, including scholars, professionals, and policymakers, especially as the fintech industry continues to expand and integrate with the conventional economy and incumbent financial institutions.

Keywords: Financial Technology, Financial Inclusion, Financial Performance, Fintech Firms.

EXAMINING RISK-RETURN RELATIONSHIP AMONG SECTORIAL RETURNS**Maryam Iqbal** and Dr. Mobeen Ur Rehman**ABSTRACT**

This study investigates the risk and return relationship among sectors of the Pakistan stock exchange from 2001 to 2020. Ten sectors were analyzed, including automobile assembler, cement, fertilizer, chemical, commercial bank, insurance, oil & gas, refinery, telecommunication, and power generation and distribution. Four variables were used as risk proxies: systematic risk (beta), political risk, economic risk, and financial risk. The quantile regression model was applied using nine quantile levels. The findings indicate that the relationship between the independent variables and dependent variable (sectoral returns) varies across quantiles and sectors. The association between expected risk and returns shifts from negative to positive as the quantiles increase. Economic and financial risks positively affect the returns of most sectors, while political risk has a negative influence. The impact of risk proxies differs among sectors. These findings provide valuable insights for investors, portfolio managers, and mutual funds seeking risk diversification.

Keywords: Risk, Economic Risk, Political Risk, Financial Risk, Returns, Pakistan Stock Exchange, Sector Indices, Quantile Regression.

DYNAMIC MACRO-ECONOMIC ENVIRONMENT AND STOCK MARKET PERFORMANCE –EMPIRICAL EVIDENCE FROM SOUTH ASIA REGION

Muhammad Furqan and Dr. Shumaila Zeb

ABSTRACT

The main objective of this study is to assess the influence of macro-economic factors on the performance of stock markets in South Asia and determine whether this impact is country specific. While stock markets in developed economies have been extensively studied, there is a lack of country-specific analyses, particularly for South Asia. The study utilizes 11 years of monthly data from 2010 to 2020 and employs the Panel ARDL method and various statistical tests to investigate the relationship between stock market performance and macro-economic factors in four major South Asian countries: Bangladesh, India, Pakistan, and Sri Lanka. Unit root tests confirm the stationarity of the data at different levels. Panel co-integration and the Panel ARDL/PMG model are employed to examine the long-run and short-run relationships among the variables. The findings reveal a significant relationship between stock market performance and selected macro-economic factors such as exchange rates, foreign direct investment (FDI), Financial Action Task Force (FATF) evaluations, and MSCI stock market classification. The Granger causality test confirms a unidirectional relationship among the variables. These results hold important implications for investors in terms of portfolio diversification decisions and policymakers in formulating effective policies.

Keywords: South Asia, Stock Market Performance, Macroeconomic Variables, ARDL, PMG, Granger Causality, FATF, MSCI Stock Market Classification.

THE IMPACT OF CORE SELF-EVALUATION ON CAREER OPTIMISM THROUGH MEDIATING ROLE OF PSYCHOLOGICAL MEANINGFULNESS

Asad Ali and Dr. Fatima Ashraf

ABSTRACT

In the current global pandemic scenario, organizations are facing significant challenges that emphasize the importance of considering resources beyond financial assets. One crucial resource for organizations is their human capital. Therefore, this study aims to examine the impact of core self-evaluation on career optimism, with the moderating role of psychological meaningfulness. The study involved a sample of 250 employees from the education and tourism sectors. The findings reveal that core self-evaluation plays a significant role in fostering career optimism. Additionally, the results highlight the moderating effect of psychological meaningfulness on the relationship between core self-evaluation and career optimism. These findings suggest the implementation of well-designed strategies to enhance psychological meaningfulness through self-evaluation, motivating employees to achieve their goals and perform their tasks efficiently and effectively.

Keywords: Core Self-Evaluation, Psychological Meaningfulness, Career Optimism, Tourism, Education, Pakistan.

ROLE OF CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY IN EARNINGS MANAGEMENT

Kiran Ejaz and Dr. Hassan Raza

ABSTRACT

Discretionary earnings management may provide short-term benefits to a firm but can ultimately lead to financial distress or bankruptcy. Previous studies have examined the relationship between corporate social responsibility (CSR) and earnings management, as well as the relationship between corporate governance and earnings management in developed countries, which differ from emerging economies like Pakistan. This study aims to investigate the moderating role of corporate governance between CSR and earnings management for stock market-listed companies in emerging economies like Pakistan. The study utilizes annual panel data from 2016 to 2020, focusing on a sample of 60 non-financial firms. Discretionary earnings management is considered the dependent variable (DV), CSR as the independent variable (IV), and corporate governance variables such as institutional ownership, board independence, and managerial ownership as moderators. The study finds a positive relationship between CSR and earnings management, suggesting that CSR activities are used for window dressing purposes in Pakistan. However, the negative and significant moderation results indicate that this relationship can be weakened by an increase in corporate governance mechanisms. This suggests that strengthening corporate oversight can reduce CSR-related activities that managers typically engage in for the purpose of earnings management. These findings have important implications for regulators and policymakers, such as the Securities and Exchange Commission of Pakistan (SECP) and boards of directors (BODs), in establishing an effective CSR reporting system to assess business social performance. Investors should also closely monitor the CSR activities of companies before making investment decisions.

Keywords: Earnings Management, Corporate Governance, Corporate Social Responsibility, Discretionary Accruals, Fixed Effect Model.

IMPACT OF COMMUTING STRESS AND BULLYING ON THE TURNOVER INTENTION WITH THE MEDIATING ROLE OF JOB ENGAGEMENT AND MODERATING ROLE OF LOCUS OF INTERNAL CONTROL

Muhammad Arslan and Dr. Muhammad Fuwad Bashir Awan

ABSTRACT

The aim of this study is to examine the impact of commuting stress and workplace bullying on turnover intention in the banking sector of Pakistan. Data was collected from 437 bank employees using a questionnaire. Partial least squares structural equation modeling was utilized to evaluate direct and indirect effects. The findings indicate that commuting stress is positively associated with turnover intention, and job engagement mediates the relationship between commuting stress, workplace bullying, and turnover intention. The study suggests that organizations should compensate employees for commuting stress by offering time flexibility. Additionally, bank management should address workplace bullying complaints promptly and seriously to prevent employee turnover.

Keywords: Commuting Stress, Workplace Bullying, Job Engagement, Locus of Internal Control, Turnover Intention.

IMPACT OF THE INSTITUTIONAL QUALITY AND FINANCIAL PERFORMANCE ON THE CAPITAL STRUCTURE OF THE MICROFINANCE INSTITUTIONS

Ubaid Razaq and Dr. Hassan Raza

ABSTRACT

This study empirically analyzes the impact of institutional quality and capital structure on the financial performance of microfinance banks. The study focuses on microfinance banks in Pakistan and covers the period from 2012 to 2020. Unlike previous studies, this research specifically considers the effects of institutional quality and capital structure on financial performance. The independent variables in this study are institutional quality and capital structure, while the dependent variable is the financial performance of microfinance firms. Additionally, the study includes control variables such as the size and age of microfinance firms. To conduct the study, the Hausman test is performed, and a random effects model is employed. The findings reveal that the relationship between institutional quality and return on assets (ROA) is positive but statistically insignificant. However, the relationship between institutional quality and Tobin's Q (a measure of firm performance) is positive and statistically significant. These findings suggest that a company's capital structure is important and positively associated with its financial performance, as indicated by return on equity.

Keywords: Financial Performance, Institutional Quality, Capital Structure, Random Effects Model.

MEASURING BRAND LOYALTY THROUGH CONSUMER ENGAGEMENT IN THE LENS OF SOCIAL MEDIA SITES

Zohaib Riaz and Dr. Amir Zaib Abbasi

ABSTRACT

The growing popularity of social media among people has led businesses to establish their social media effective presence and continuously pursue engaging their potential customers to maintain a friendly relationship with them therefore the purpose of this study is to propose a theoretical model of how content-related factors, social factors, and perceptual factors influence consumer engagement in brand social media site and further how consumer engagement behavior influences Brand Loyalty. This study used an online and offline questionnaire to conduct empirical research. The target population was the young group people and data collected and analyzed data of 457 samples by using the structural equation modeling approach. Data analysis has been run in SmartPLS-3 and SPSS-20. The result showed that all three factors, i.e. content-related factors, social factors, and perceptual factors, had a positive influence on consumer engagement. Further, the result also showed a positive influence of consumer engagement on Brand Loyalty. Another important thing the study found was that social media users mostly engage in consuming the content and contributing. The novelty of this study is that it attempts to explore the combined effect of content-related factors, social factors, and perceptual factors on consumer engagement and also explores the nature and specific types of engagement behavior on brand SNS pages.

Keywords: Social Networking Sites; Consumer Engagement; Antecedents of Consumer Engagement.

FACTORS INFLUENCING ACTUAL BUYING BEHAVIOR OF MILLENNIAL WITH MODERATING ROLE OF CELEBRITY-CONSUMER CONNECTION

Sanam Sabir and Dr. Khansa Zaman

ABSTRACT

This research investigates the millennial consumer's actual buying behavior of fashion apparels in the spectrum of fashion involvement, media exposure, celebrity scandal and Celebrity-consumer connection as a moderator with underpinning theory of planned behavior (TBP). This research focused on the millennial as they are the most active and dynamic segment of the consumer's now-a-days and used quantitative approach with a structured questionnaire developed and distributed among 350 millennial respondents who were visiting the malls of twin city of Pakistan using survey method. The study revealed that fashion involvement & media exposure in apparel brand is a key factor in attitude formation and actual buying behavior. The analysis also depicted that attitudes toward the brand and buying intentions significantly mediates the relation between fashion involvement and actual buying behavior and also between media exposure and actual buying behavior but celebrity scandal showed insignificant relation with actual buying behavior. On the basis of research findings, this study suggested theoretical and practical implications for the extant literature and industry.

Keywords: Buying Behavior; Millennial; Fashion Apparel; Celebrity-consumer Connection.

THE COVID-19 OUTBREAK AND DISAGGREGATE RETURNS IN PAKISTAN**Shaban Khan** and Dr. Mobeen Ur Rehman**ABSTRACT**

The outbreak of COVID-19 has weakened the economy of Pakistan and its capital market since early 2020. The overall stock market has declined. However, some sectors become highly vulnerable while others continue to perform well even in the crisis period. Given this new reality, we seek to investigate the effects of the COVID-19 outbreak on sectoral returns by using quantile regression, on daily basis over the period from 26 February 2020 to 26 February 2021. COVID-19 outbreak has been measured by daily growth in confirmed cases and daily growth in death cases, while the stock return is measured by sectoral indices. This has been applied to 13 sectors in the Pakistan Stock Exchange. Using quantile regression, the results indicate that the daily growth in confirmed cases has a significant and negative impact on Automobile assemblers, Food and personal care, Insurance, Investment banks/ investment co, Oil and Gas, and Power generation and distribution sectors. While the indices for Chemicals, Commercial banks, Fertilizer, pharmaceuticals, and Refinery exhibit impressive positive returns. Still, the effect of daily growth in confirmed cases on the Cement, and Technology, and communication sectors is insignificant. Furthermore, the impact of daily growth in death cases has a significant and negative impact on Automobile assembler, Cement, Chemical, Food and personal care, Insurance, Oil and Gas, Power generation and distribution, Refinery, Technology and communication sectors. While the impact of daily growth in death cases has a significant and positive impact on Commercial banks, Fertilizer, Investment banks/investment co, and Pharmaceutical sectors, with 0.0106, 0.0178, 0.0095, and 0.0067 respectively. Furthermore, this work opens avenues for future studies like the impact of the Covid-19 outbreak on the returns and volatility of individuals stocks in the Pakistan stock exchange. It can be further extended to other countries.

Keywords: COVID-19; Growth in confirmed cases; Growth in death cases; Sectoral returns, Quantile regression.

NEXUS OF FINANCIAL MARKET IMPERFECTIONS AND PROFITABILITY**Hira Naz Alvi** and Dr. Shumaila Zeb**ABSTRACT**

Emerging economies have more frictions in financial markets relative to developed economies. The frictions in financial markets of Pakistan influence the financing and investment decisions of listed firms. This study examines the role of financial development and external financing collectively in shaping the financial performance of firms. The empirical model is constructed as (i) financial market imperfections lead to decline in return on assets (ii) more external borrowings have negative impact on profitability. The empirics of this study are based on wide panel data of non-financial firms listed at Pakistan Stock Exchange during period of 2000-2019. The two-step system GMM estimator is applied to mitigate the problem of endogeneity. The results reveal that financial market imperfections have negative and significant impact on firm's profitability. The findings also imply that external financing unfavorably impact the profitability of constrained firms measured through interactive variable. The results suggest that well developed financial sector of Pakistan can mitigate the effects of imperfections on profitability.

Keywords: Market Imperfections, Financial Development, Profitability, External Financing.

PERCEIVED ADVERTISING VALUE OF COVID-19 ADS AND PROTECTIVE HEALTH BEHAVIOR: THE MEDIATING ROLE OF CONSUMER ENGAGEMENT

Mir Abdur Rafeh and Dr. Amir Zaib Abbasi

ABSTRACT

As the Covid-19 pandemic continues to evolve, the content of advertising has now shifted towards helping society to survive the catastrophic crisis. Despite the public health campaigns by governments and brands, do these ads motivate consumers to comply with protective health behavior? To answer this contemporary unexplored question, we have developed a theoretical model specifying the factors of perceived advertising value to a Covid-19 advertisement via the effect of engagement in influencing protective health behavior. Based on the developed model, the first aim of this study is to highlight the factors that determine the perceived advertising value of Covid-19 ads. The second aim of the study is to investigate the impact of the advertising value of Covid-19 ads on protective health behavior. Afterward, the researcher aims to understand the mediating role of engagement as a consumption behavior driver between advertising value and protective health behavior. Before the final survey, pilot study data collected from 50 respondents were analyzed using SPSS and SmartPLS. Our initial pilot study analysis revealed that the adopted scales were reliable, valid, and consistent to conduct the main study. Based on the data collected from 301 generation Z consumers for the main study, we empirically analyzed the data using partial least squares (PLS) estimation. The results reveal that informativeness, credibility, irritation, and obtrusiveness significantly impact the advertising value of Covid-19 ads, positively deriving CE, which in turn determines protective health behavior. Our mediation analysis results reveal a stronger effect of the proposed relationship of CE between advertising value and protective health behavior, thereby suggesting CE's mediating role in the association between advertising value and protective health behavior. The thesis contributes to scholarly and managerial knowledge by unveiling pivotal theoretical and practical implications to be followed. Theoretically, we enhance the advertising literature by empirically investigating the perceived advertising value of Covid-19 advertisements and its influence on protective health behavior as an accessory to empirically derived insights regarding engagement's effect on perceived advertising value and protective health behavior. Practically, our findings corroborate the importance of Covid-19 advertising effectiveness and CE's effect in inducing protective health behavior under the needful time of the current pandemic. Lastly, the thesis concludes by outlining several limitations which uncover opportunities for further research.

Keywords: Covid-19; Advertising Value; Protective Health Behavior; Consumer Engagement.

THE ROLE OF INTERNAL MARKETING ON EMPLOYEE BEHAVIOR: A MEDIATED MODERATED MODEL

Muhammad Hamza Qummar and Dr. Iffat Rasool

ABSTRACT

Since the increasing interest of the firms has depicted the internal marketing strategies into one of the most prominent trends influencing the organizations. The trend of the research on internal marketing is exponential and articles have been reviewed published during the last three years. Mainly literature has focused on HR related practice and their influence on employee behavior. Therefore, the current study fills the gap by applying internal marketing strategies to investigate employees' organizational citizenship behavior. The study identifies a specific relationship between internal marketing and organization citizenship behavior through the mediating role of employee's organizational commitment of banking sector. The moderating role of employee collectivism has also been investigated in the present study. The data was collected from 469 employees through the convince sampling from the banking sector of Pakistan. The results have been achieved through structural equation modeling (SEM) using AMOS software. The results indicate that internal marketing has significant and positive influence on the employee's organizational citizenship behavior through mediating role of organization commitment. Moreover, moderating role of collectivism also has significant influence on employee's organizational citizenship behavior. Additionally, this study makes managerial contribution to understanding internal marketing, employee's organizational commitment and organizational citizenship behavior. Lastly, limitations and future suggestions have also been discussed at the end of the study.

Keywords: Internal Marketing; Organizational Citizenship; Employee Behavior; Banking Sector.

**THE IMPACT OF WORKPLACE VIOLENCE ON WORK PRODUCTIVITY:
SEQUENTIAL MEDIATION MECHANISM OF OCCUPATIONAL STRESS AND
BURNOUT**

Muhammad Daniyal and Dr. Atif Bilal

ABSTRACT

The purpose of the present study is to investigate the impact of workplace violence (workplace harassment, workplace mobbing, workplace ostracism, and stalking) on work productivity which is sequentially mediated by occupational stress and burnout. A questionnaire was used to collect the data from 400 nurses of private and public health care sector. To evaluate the direct and indirect results, partial least square structural equation modeling was used. The findings of the study indicate that workplace mobbing, workplace ostracism and stalking reduces work productivity, and that both occupational stress and burnout mediate the relationship between workplace ostracism, stalking and work productivity. Furthermore, the study advises hospitals to provide stress management programs to nurses who frequently experienced workplace violence. Hospitals should consider to allow nurses to take brief breaks after encountering violently behaving coworkers, managers, and supervisors. Moreover, hospitals should implement training programs to make nurses capable to respond to certain situations.

Keywords: Harassment; Mobbing; Ostracism; Stalking; Occupational Stress; Burnout; Productivity; Nursing.

**THE IMPACT OF STRATEGIC HUMAN RESOURCE PRACTICES ON
ORGANIZATIONAL EFFECTIVENESS WITH THE MEDIATING ROLE OF
EMPLOYEE ENGAGEMENT**

Bilal Ahmed and Dr. Atif Bilal

ABSTRACT

In the current scenario of a global pandemic, organizations are encountering a challenging situation that stresses the need to consider resources other than mere financial assets. In the current situation of distress, organizations need to rely on strategies that ensure the survival of their existence. In this regard, human resource is a vital and crucial asset for organizations, and if handled efficiently, it may serve the purpose. The concept of organizational effectiveness is explicitly interconnected with the operational strategies. In this context, this study focuses on four components of strategic human resource management i.e., recruitment and selection, training and development, compensation, and performance appraisal, and evaluates their impacts on organizational effectiveness while keeping employee engagement as a mediator. A sample of 326 participants is used that was comprised of employees from public sector universities of Pakistan. Results are evaluated by considering the responses received from the participants of the research. The finding of the study indicates that recruitment and selection, training and development, and performance appraisal system play an integral role in increasing organizational effectiveness; meanwhile, employee engagement mediates the relationship between recruitment and selection and performance appraisal in the context of organizational effectiveness. This study suggests that public sector universities should adopt a well-equipped compensation system to enhance productivity of their workforce. Furthermore, in the modernistic scenario, organizations in Pakistan should focus on improved and refined HR practices to extract the optimum benefits from the engagement of employees.

Keywords: Recruitment and Selection; Training and Development; Compensation; Performance Appraisal; Organizational Effectiveness; Public Sector Universities.

**HIGH PERFORMANCE WORK PRACTICES AND EMPLOYEE RESILIENCE: THE
ROLE OF PSYCHOLOGICAL EMPOWERMENT AS MEDIATOR AND SUPERVISOR
SUPPORT AS MODERATOR**

Atiq Ishaq and Dr. Atif Bilal

ABSTRACT

The main objective of this study is to examine the role HPWPs in developing employee resilience with the mediating role of psychological empowerment and moderating role of supervisor support. Using positivist paradigm, the study collected quantitative data from 357 respondents utilizing survey based questionnaire from the commercial banks of Islamabad and Rawalpindi. The statistical analysis demonstrates that HPWPs has a strong impact on employee resilience and psychological empowerment. Furthermore, psychological empowerment is found significantly related with employee resilience. Interestingly, the mediation analysis is insignificant unless moderated by supervisor support at least level and moderate level—indicating moderated mediation. The results of moderation also indicated that when supervisor support is adequate the relationship between psychological empowerment and employee resilience exists, while at high supervisor support the relationship becomes insignificant, shows that psychological empowerment is not performing the mediating role between HPWPs and employee resilience. The study has some considerable implications for the management of banking sector in Pakistan and suggests ways to enhance the employee resilience.

Keywords: High Performance Work Practices; Employee Resilience; Psychological Empowerment; Supervisor Support; Banking Sector.

EFFECT OF EMOTIONAL CONTAGION ON SOCIAL MEDIA RESULTING IN THE EMOTIONAL BRAND ATTACHMENT

Abdul Majid and Dr. Muddasar Ghani Khwaja

ABSTRACT

The continuous increase in the number of social media users provide evidence of consumers engaging emotionally with brands on social media. The respective study focused on examining that how emotional contagion on social media creates emotional brand attachment. The purpose remained to develop an understanding of emotional contagion on social media platform in the context of apparel brands. Given the prominence of social media in society, the study strived to understand social media platforms from a “brand” perspective through examining the effect of consumers ‘emotional attachment on social media and consumer-based brand equity. Non-probability convenience sampling was executed, and online survey from 301 respondents was collected. The findings of this study affirm the established theoretical foundations. The study also find support for a fully mediated effect of consumer satisfaction and brand credibility on social media brand equity. Further, this study broadens the nomological network of emotional brand attachment, outlining key outcomes. A systematic mechanism of how emotional contagion creates consumer emotional brand attachment with social media brands was elaborated. Similarly, how consumer emotional brand attachment with social media brands translates into social media consumer-based brand equity. Brands on social media are constantly challenged by rapid change and ongoing criticism over such issues as data privacy. The implications from this paper suggest that managers should make investments in creating emotional connections with social media consumers, as this impacts consumer-based brand equity. Future research studies can determine qualitative and longitudinal data to validate this study results.

Keywords: Brand Credibility; Consumer Based Brand Equity; Consumer Satisfaction; Emotional Brand Attachment; Emotional Contagion.

**THE IMPACT OF EMOTIONAL INTELLIGENCE AND EXTRA-ROLE-BEHAVIOR
ON SALESPERSON PERFORMANCE: EXPLORING THE MEDIATING ROLE OF
ADAPTIVE SELLING**

Abdul Majid and Dr. Mudassar Ghani Khawaja

ABSTRACT

Companies are investing billions of dollars in the sales force; but still struggling to achieve the targets. The purpose of this study is to determine the impact of emotional intelligence on salesperson performance. The present research used the emotional intelligence theory along with constructs which rarely used in sales and marketing literature, such as emotional intelligence, extra-role-behavior, and listening. Purposive and convenience sampling have been used in the current study. The study found a positive impact of emotional intelligence and listening and no effect of extra-role-behavior on salesperson performance, and adaptive selling mediates the relationship between emotional intelligence and salesperson performance. The current study shed light and reveal the importance of emotional intelligence, extra-role-behavior, and listening, which will help practitioners to hire emotionally intelligent salespeople and provide training to enhance emotional intelligence to achieve their sales targets. The current study gathered the data from salespeople of B2B industrial goods sector of Pakistan that has never been done before. In addition, emotional intelligence theory and construct have been used in fewer studies but have never been used in B2B sales people context. Moreover, B2B salespeople reject the relationships between extra-role-behavior, customer orientation and relationship quality with salesperson performance, that gives clear picture to practitioners to deal with their salespeople accordingly, and it has added new findings in the literature of sales and marketing which will help researchers to understand the behavior of B2B industrial goods salespeople.

Keywords: Emotional Intelligence; Salesperson Performance; Adaptive Selling; Listening; Extra-Role Behavior.

FACTORS AFFECTING THE EARLY RETIREMENT INTENTIONS WITH THE MEDIATING MECHANISM OF JOB ENGAGEMENT

Asfand Yar Khan and Dr. Atif Bilal

ABSTRACT

At present organizational success is truly based on its competent and skilled employees. If these employees take retirement before their official time specifically in the case of female workers, organizations cannot achieve a competitive advantage. The main objective of the present study is to empirically examine the associations between work goals (intrinsic and extrinsic goals) and early retirement intentions with the mediating mechanism of work passion and the moderating role of HR practices flexibility, spouse health, and position level. Data for this study have been collected through survey-based questionnaires distributed to a sample of 350 female employees from different organizations in Pakistan. Various statistical techniques have been applied to analyze the data and to test the hypotheses. Findings from statistical analyses indicate that employees' intrinsic and extrinsic goals are both positively related to work passion, and the effect of extrinsic goals on work passion is stronger. Also, work passion has a negative impact on early retirement intentions. Besides, the results of the indirect hypotheses support the postulation that work passion mediates the relationship between work goals (intrinsic and extrinsic goals) and early retirement intentions. Further, human resource (HR) practices' flexibility, position level, and spouse health significantly moderate the relationship between work passion and early retirement intentions. The study not only makes important theoretical contributions but also presents valuable insights to the organizations' HR managers. The study examines the individuals' psychological and organizational factors to find the differential effects of work goals on individuals' early retirement intentions as well as explore the role of mediation and moderation in the above-mentioned relations. In addition, findings suggest that organizations can motivate employees by helping them in developing work goals (intrinsic and extrinsic goals) and by providing flexible HR practices to remain in the organizations to gain a competitive edge.

Keywords: Early Retirement Intention; Intrinsic Goals; Extrinsic Goals; Work Passion; HR Practices' Flexibility; Spouse Health; Position Level.

CONSEQUENCES OF WORKING FROM HOME AND ITS IMPACT ON WORK-LIFE BALANCE

Nadia Daud and Dr. Atif Bilal

ABSTRACT

The disruptions brought by the COVID-19 pandemic compelled a large part of public and private higher education sector employees to remotely work from home. However, little is known about the implications of working from home on the ability of remote workers to manage certain tasks and challenges. Therefore, the main aim of the study is to empirically investigate the impact of working from home on employee's work-life balance in the higher education sector of Pakistan. Data for the study have been collected through survey-based questionnaires distributed to a sample of 363 faculty members of the higher education sector of Pakistan. Various statistical techniques have been applied to analyze the data and test the hypotheses. Findings from statistical analyses indicate that working from home has a positive impact on the work-life balance of individuals. Also, working from home has a negative impact on work engagement, work engagement has a positive impact on work-related fatigue—contrary to hypothesized relationship, and work-related fatigue has a negative impact on work-life balance. Further, the result of the indirect hypothesis supports that work engagement and work-related fatigue sequentially mediates the relationship between working from home and work-life balance. Besides, technology training moderates the relationship between working from home and work engagement, and family support between work engagement and work-related fatigue. The study makes important theoretical contributions as well as presents valuable insights for the institutions of the higher education sector of Pakistan. The findings show that telework from home increases work engagement and work related fatigue of employees, which can affect their work-life balance. The increased work related fatigue triggered by remote working may produce physical and emotional exhaustion of home-based teleworkers. In addition, findings suggest that managers and policy makers of higher education sectors can help faculty members in building smooth engagement and decreasing fatigue by providing them technology training to work from home. Further, family support also plays an important role in decreasing work-related fatigue.

Keywords: Working from Home; Work-Life Balance; Work Engagement; Telecommuting; Work Related Fatigue; Technology Training; Family Support.

**FACTORS AFFECTING SOCIAL COMMERCE ADOPTION INTENTION BY
EXPLORING MEDIATING EFFECTS OF SHOPPING MOTIVATIONS: A PAKISTANI
PERSPECTIVE**

Natasha Ayaz and Dr. Muddasar Ghani Khwaja

ABSTRACT

The present study investigated social commerce adoption intention and consumer personality traits via mediating effects of hedonic motivation, utilitarian motivation, and socialization motivation. To examine thirteen posited relationships of the proposed research framework, data was collected from 261 online consumers, residing in Islamabad/Rawalpindi, who easily adopted social media for online shopping. SPSS and SMART PLS 3.3.2 were used for the estimation of the theoretical model. Structural Equation modeling technique (SEM) was executed for determining cause and effect relationships among the constructs. The direct effects of Consumer Personality traits on hedonic motivation, socialization, and utilitarian motivation were supported. Subsequently, shopping motivations were significantly associated with social commerce adoption intention. However, the direct effects of the need for uniqueness and buying impulsiveness were not supported. The research also examined the mediating effects of shopping motivations between Consumer Personality, need for uniqueness, Buying impulsiveness, and social commerce adoption intention. The results revealed that shopping motivations did not mediate significantly between the Need for uniqueness, buying impulsiveness, and social commerce adoption. Whereas, shopping motives mediated significantly between consumer personality and social commerce adoption intention. The research findings have implications for marketing researchers and academia in preparing the students and managers. Business managers and entrepreneurs can take assistance from the respective study by understanding how different consumer personality traits affect online buying. Likewise, entrepreneurs can devise social media marketing strategies by considering different consumer personality traits. One of the limitations of this study is that it used a cross-sectional research design and deployed a non-probability convenience sampling approach. It has been recommended that the current study may be replicated in other developed countries and different cultures.

Keywords: Social Commerce Adoption Intention; Consumer Personality; Hedonic Motivation; Utilitarian Motivation; Socialization Motivation; Need for Uniqueness; Buying Impulsiveness.

GOVERNMENT INTERVENTION, FIRM GROWTH AND FINANCIAL DEVELOPMENT

Haleema Bibi and Dr. Mobeen Ur Rehman

Abstract

The objective of our study is to explore the impact of government intervention, firm growth on financial development of the firm keeping age, size, foreign shares, exports and group affiliation as control variable at micro level. In our study government intervention is measure through two factors that are government Redistribution (Tax Burden) and Public Entrepreneurship (state Shares). We investigate our study by taking data of Pakistani KSE-100 registered firms from the year 2000-2019 with panel data technique. In our study we use simple linear regression (OLS) and fixed effect regression. The regression results of OLS show that tax burden has significant and positive impact on financial development, state shares show positive and significant impact on financial development and firm growth show insignificant impact on financial development. While the regression of fixed effect show that tax burden has significant impact on financial development, state shares has insignificant impact on financial development and firm growth has positive and significant impact on financial development. The findings of our research study are that it is beneficial for investor because its helps in external financing and it's also help the policy makers.

Keywords: Government Intervention, Financial Development, Government Redistribution, Public Entrepreneurship.

**FACTOR AFFECTING THE USE BEHAVIORS OF BLOKCHAIN
TECHNOLOGY: AN EMPIRICAL STUDY ON BANKING SECTOR PAKISTAN**

Muhammad Mansoor and Dr. Amir Zaib Abbasi

ABSTRACT

Due to industrial revolution 4.0 version the Banking sector need to bring transparency in their transaction. This study identifies the different factor that affects the behaviors of the user in adoptability of blockchain technology. The unified theory of acceptance and use of technology is used in the current study. The data of 240 responded from the banks of Pakistan were tested through the Partial Least Square-Structural Equation Modelling (PLS-SEM). The result of the study shows that performance expectancy, effort expectancy, social influence, trust on blockchain technology, transparency in blockchain technology and facilitating condition positively affect the behaviors intention towards the blockchain technology. The facilitating condition and the behaviors intention towards the blockchain technology, both positively affect the use behaviors of user towards the blockchain technology.

Keywords: Blockchain Technology, Performance Expectancy, Effort Expectancy, Social Influence, Trust, Transparency, Facilitating Condition, Behaviors Intention, Uses Behaviors.

ATTITUDE FORMATION THROUGH CONSUMPTION VALUES AND ITS IMPACT ON NEOPHILIC BEHAVIOR: AN EMPIRICAL STUDY ON FOOD TOURISM

Khalil Hussain and Dr. Amir Zaib Abbasi

ABSTRACT

This study aims to integrate the Theory of consumption value and the Theory of planned behaviour (TPB) to predict neophilic behaviour with the mediating role of intention to try local food. The proposed model also added two new variables (e.g. variety value and location value) with the existing food consumption values to predict attitude towards local food. By applying the judgemental sampling method, 250 data were collected from domestic food tourists of Pakistan. The paper utilized Smart PLS software to execute the partial least square-structural equation modelling (PLS-SEM) analysis. The findings indicate that the consumption values such as price value, emotion value, interaction value, epistemic value, location value, and variety value positively affect the domestic tourists' attitude towards local food. Further, attitude towards local food positively affects the intention to try the local food and neophilic behavior. The intention to try local food is mainly related to neophilic behavior. Finally, the intention to try local food partially mediated between attitude towards local food and neophilic behavior. Whereas, quality value, health value and prestige value have failed to predict a positive relationship with an attitude towards local food. To the best of our knowledge, current research is one of the first studies that empirically analyzes the integration of the Theory of consumption value and the Theory of planned behavior in the context of local food tourism. The present finding provides insights for both theorists and practitioners. It provides insights for the destination and marketing manager to implement proper local food tourism-related plans and strategies.

Keywords: Consumption Values Theory; Location Value; Variety Value; Theory of Planned Behavior; Intention To Try Local Food; Neophilic Behavior; Pakistani Local Food.

**ANALYZING THE EFFECT OF PSYCHOLOGICAL CAPITAL DIMENSIONS' ON
EMPLOYEE INNOVATIVE BEHAVIOR WITH MEDIATING ROLE OF WORK
ENGAGEMENT IN INFORMATION TECHNOLOGY SECTOR OF PAKISTAN**

Sara Afzal and Dr. Ayesha Noor

ABSTRACT

The purpose of the current study is to examine the effect of Psychological Capital Dimensions on Employee Innovative Behavior with Mediating Role of Work Engagement in Information Technology Sector of Pakistan. Drawing on the psychological frame of reference and innovative literature, psycap's dimensions enhances employee's innovative behavior. Besides this, the researcher hypothesized that work engagement mediates the relationship between psycap's dimension and employee innovative behavior. Data were collected by using a questionnaire (in paper and online) from 221 employees of Information Technology sector (Telecom companies). The respondent/unit of analysis selected was employees of IT department, R & D department and marketing department of Telecom sector. Furthermore, the data was analyzed by using SPSS and AMOS and different statistical tests have been run such as reliability analysis, CFA, regression and correlation. Results indicate that psycap and its dimensions- confidence, hope, courage, resilience and optimism have positive and significant relationship with employee's innovative work behavior whereas wisdom was found insignificant, for which it has been suggested to perform analysis at a larger scale or can change the scale used, in order to get better results. In addition, the mediation role of work engagement between psycap and employee innovative work behavior has also been tested and got support from the results. While the moderating effect of climate for innovation between work engagement and employee innovative work behavior has also been examined, which does not have ample support by the results performed. The findings of the current study clearly develop an understanding that how positive psychology contributes towards employee innovative behavior in the workplace. Specifically, the study provides a rationale that how employee innovative behavior can be enhanced by using psycap and work engagement.

Keywords: Psychological Capital Dimensions, Confidence, Courage, Hope, Wisdom, Optimism, Resilience, Work Engagement, Employee Innovative Behavior, Climate for Innovation, Information Technology, Telecom Sector.

CORPORATE GOVERNANCE AND FINANCIAL STABILITY OF COMMERCIAL BANKS IN DEVELOPED AND DEVELOPING ECONOMIES

Ghulam Subhani and Dr.Shumaila Zeb

ABSTRACT

This thesis examines the impact of corporate governance practices on the financial stability of banks in developed and developing countries. The study analyzes various variables including board size, board independence, CEO power, gender diversity, foreign ownership, and state ownership. Using Z-score as a proxy for financial stability, the analysis is conducted on a panel data of 100 banks from 6 developed and 6 developing countries over a 12-year period. The results indicate that previous default risk is significant for current default risk. In developed countries, board independence increases default risk, while separating the CEO role reduces risk appetite. Female presence in male-dominated environments does not make banks risk-averse. Foreign-owned banks are better at managing risk than state-owned banks in developed countries. In developing countries, increasing board size and independence help mitigate excessive risk-taking. CEO dual role decreases risk-taking, and foreign-owned banks are more exposed to default risk. Contrary to globalization theory, banks in developing countries are less prone to default risk during financial crises compared to developed countries.

Keywords: Financial Stability; Default Risk; Corporate Governance; Banks; GMM.

**FACTORS AFFECTING GREEN BUYING BEHAVIOR WITH MODERATING
EFFECT OF CULTURE (COLLECTIVISM) AND PERCEIVED CONSUMER
EFFECTIVENESS (PCE) AMONG MILLENNIAL SIN PAKISTAN**

Madiha Neelam and Dr. Shahid Bashir

ABSTRACT

Green Marketing has been extensively studied as a means of gaining a competitive edge, especially in the 21st century due to increased globalization and environmental awareness. This study focuses on the green buying patterns of Pakistan's largest population segment, the Millennials. The study examines three antecedents of Green Buying Behavior: Interpersonal Influence, Altruism, and Environmental Knowledge, as well as constructs from the Theory of Planned Behavior, including Green Attitude, Green Purchase Intentions, and Green Buying Behavior. Two moderators, collectivism and perceived consumer effectiveness, are introduced to analyze the impact of cultural orientation and address the attitude-behavior gap, respectively. Using the SEM technique with AMOS, it is revealed that all variables, except environmental knowledge, have a positive influence on Green Attitude. The moderators also moderate the relationships between Green Attitude and Green Buying Intentions, as well as between Intentions and Green Buying Behavior. This study provides valuable insights for managers and academics, considering the recent surge in literature on green marketing, and contributes to the analysis of Millennials, who constitute the largest segment of Pakistan's population.

Keywords: Green Marketing, Altruism, Interpersonal Influence, Environmental Knowledge, Theory of Planned Behavior, Green Purchase Intentions, Green Attitude, Green Buying Behavior, Collectivism, Perceived Consumer Effectiveness.

**DYNAMIC IMPACT OF FIRM-SPECIFIC AND COUNTRY LEVEL FACTORS ON
THE FIRM'S FINANCIAL PERFORMANCE -EVIDENCE FROM NON-FINANCIAL
SECTOR OF PAKISTAN**

Mohsin Mahboob and Dr. Muhammad Naveed

ABSTRACT

The financial environment is characterized by rapid and continuous changes, presenting new opportunities and challenges over time. However, the economy of Pakistan faces instability due to political factors, lack of economic policies, and limited government initiatives. This dynamic framework necessitates a deeper understanding of financial performance, which has been relatively underexplored in the corporate finance literature. While some research studies have examined financial performance models, their estimations have remained static. This study contributes new insights by investigating dynamic financial performance models and the speed of adjustment among non-financial sector firms in Pakistan. Using a quantitative research approach, the study utilizes balanced panel data from 1999 to 2016, comprising a sample of 289 listed non-financial firms. Through generalized method of moments (GMM) estimations, the key findings indicate that firm and country-level factors significantly influence financial performance. Furthermore, the study validates the dynamic nature of the financial performance model and suggests a speed of adjustment of 1.15 years for non-financial firms in Pakistan to achieve their target financial performance. The study holds important implications for both academia and practice.

Keywords: Financial Performance, Dynamic Financial Performance Model, Speed of Adjustment.

IMPACT OF PROJECT MANAGEMENT CERTIFICATION ON LEVEL OF PERFORMANCE: MEDIATING ROLE OF LEVEL OF PROFESSIONALISM MODERATED BY PSYCHOLOGICAL CAPITAL

Ahmed Aslam and Dr. Atif Bilal

ABSTRACT

Over the years, the field of project management is focusing more and more on professionalism by introducing numerous voluntary certifications. Similarly, organizations that employ project managers are progressively recognizing and valuing of these professional certifications as a tool to determine the skills and abilities of the applicants and to predict their future performance on the projects. Consequently, the importance and significance of project management certifications have naturally increased for prospective project managers. Although there is abundant literature on the importance of professional certifications in different professions, there are very few studies that analyze the impact of such certifications on the level of performance. This research makes a modest addition to the body of knowledge by investigating the ability to enhance performance through professional certification by conducting an empirical examination of project management certifications using survey responses from 373 certified project management professionals in the region of Rawalpindi/Islamabad. The results of this study support the narrative and reflect that professionalism plays a supporting role to link the relationship between the project management certification and the level of performance. The results, however, contradict previous research while examining the role of psychological capital between professionalism and performance. The study is concluded by discussing the implications of these findings for the project management professionals, organizations that employ project managers as well as project management professional institutes and associations.

Keywords: Certification; Project Management; Professionalism; Psychological Capital; Project Performance.

THE INFLUENCE OF SELF CONSTRUALS ON PURCHASE BEHAVIOR OF APPAREL PRODUCTS

Muhammad Shoaib Tasleem and Dr. Muhammad Asif Khan

ABSTRACT

Purpose: The aim of this research is to analyze the process through which consumers having different independent and interdependent self-construals buy prominent apparel brands. Research also investigates the brand attributes which are important for the consumers when buying the apparel products.

Design/methodology/approach: This research followed the quantitative approach with the sample size of 300, Data is collected from the universities in the areas of Lahore, Gujranwala and Islamabad. Survey based approach is used to collect the data and analysis is conducted through SPSS (Statistical Package for Social Sciences) and AMOS.

Findings: This study confirms that; self-construal's helps in constituting the materialistic behaviors of consumers. There are some brand attributes which influence the buying behavior of prominent brands like, price consciousness, need for uniqueness, fashion consciousness and quality consciousness. This study also confirms the interesting phenomena of how consumers with independent and interdependent self-construals buy prominent brands and the importance of brand attributes for them. Study also confirms that materialism, brand attributes, brand prominence and intention to buy sequentially mediate the relationship between independent, interdependent self-construal and actual purchase of apparel brands.

Research limitations/implications: The study will help the marketing decision makers in understanding the concept of brand prominence and how materialistic nature affects the brand prominence through concepts of consciousness and need for uniqueness. Managers will be able to understand the needs of consumers and add materialistic values in their products to promote the products and businesses. They will be able to design brands and marketing campaigns keeping in mind customer need for getting recognized and wealth.

Originality/value: This study investigated the complete mechanism, how the consumers having different self-construals buy prominent brands. This study confirms that need for uniqueness is also a brand attribute that makes a brand prominent and influence the actual purchase behavior of consumer.

Keywords: Independent Self Construal's; Dependent Self Construal's; Relational Self Construal's; Materialism; Need for Uniqueness; Brand Prominence.

DISPOSITIONAL AND ENVIRONMENTAL ANTECEDENTS OF KNOWLEDGE SHARING: A TPB PERSPECTIVE

Muhammad Nasar Khan and Dr. Shazia Akhtar

ABSTRACT

Higher education institutions (HEIs) are vital to turn a country into a knowledge economy through the production of skilled and qualified workforce, research, knowledge sharing (KS) initiatives and resolution of real-life problems. These institutions, on the other hand, are dependent on their staff to make the knowledge and information flow easily both inside and outside. This places staff at the heart of knowledge management (KM) efforts as their readiness to share knowledge and expertise for the benefit of institutions, counts. In the HEIs of developing countries like Pakistan, however, employees tend to avoid sharing their knowledge with others, due to various factors, which results in serious knowledge underutilization. This study aimed to identify key factors believed to be influencing the willingness of employees to share their knowledge on the basis of extensive literature review. Resultantly, perceived organizational incentives (POI), perceived reciprocal benefits (PRB), enjoyment in helping others (EOH), knowledge sharing culture (KSC), and knowledge sharing self-efficacy (KSSE) are shortlisted and tied to the theory of planned behavior (TBP) to give birth to an intention formation model. The predictive power of the model has been validated with the help of data gathered from HEI staff through a quantitative survey. Structure modeling (SmartPLS) was used to observe the significance of hypothesized relations, on the basis of 355 valid responses, which resulted that EOH, KSC and KSSE strongly and positively influence the willingness of members to share their knowledge. On the other hand, the study has revealed that POI, and PRB are not significantly influencing the KS intention. The study is a valuable starting point for the HEI administration that faces KS issues to devise motivation strategies. Academically, the study adds to the scarce literature in the area of Pakistani higher education sector and paves the way for more detailed and focused investigations in the future.

Keywords: Higher Education Institutions; Knowledge Management; Enjoyment in Helping Others; Knowledge Sharing Self-Efficacy; Perceived Organizational Incentives.

IMPACT OF MONETARY POLICY, LIQUIDITY AND LEVERAGE ON DEFAULT RISK

Sidra Ghazali and Dr.Shumaila Zeb

ABSTRACT

This study contributes to existing body of literature by investigating the role of funding liquidity and leverage in the risk taking channel of monetary policy. For this purpose, the study collected data of banks operating in South Asian Association for Regional Cooperation (SAARC) region from The Banker's Database for the period of 2009 to 2018. The data was analyzed using Generalized Method of Moments (GMM) by keeping in view the dynamic nature of risk. The empirical results revealed that there exists a negative relationship between interest rate and bank risk taking. Importantly, banks having low capital and deposits are more sensitive to any change in interest rate and consequently more variation in the riskiness. They take less risk when there is monetary tightening and they take more risk when the monetary policy is relaxed. The finding revealed the importance of capitalization and deposits (proxies used for leverage and funding liquidity) on riskiness of banking sector in SAARC region. Keeping in view the importance of financial stability among the constituent countries in order to avoid any cross border spillover effects it is suggested that effective regulation and supervision on the above mentioned bank specific characteristic should be in place to ensure prudent bank behavior. Moreover as the low deposit and capially constrained banks are more responsive to any change in interest rate but due to low deposit and less capitalization they are more vulnerable to any liquidity crisis and ultimately failure. Hence they pose a great threat to the financial stability. Therefore it is suggested that monetary authority and central bank should limit the risk taking by low deposit and capially constrained banks.

Keywords: Monetary Policy; Leverage; Capital; Deposits; Funding Liquidity; Risk Taking; GMM.

**BOARD EXPERTISE, BOARD MEMBER'S EDUCATION AND FIRM
PERFORMANCE: EVIDENCE FROM PAKISTAN**

Sakina and Dr.Shumaila Zeb

ABSTRACT

This study aimed to empirically investigate the effect of board of Directors expertise and education on the financial performance of Firms listed in Pakistan Stock Exchange. The board expertise included financial, legal and political expertise. For the study purpose, annual data for board expertise and their education level were used for a period of fifteen years (2004-2018). The study also investigated this relationship in the presence of some control variables, Mainly Board size, industry concentration (HHI) and Gender diversity. Assuming the endogeneity of the board related variables, Generalized Method of Moment (GMM) was used to investigate this relationship. GMM resulted in negative significant effect of financial and legal expertise on the financial performance of the listed firms, while positive significant effect of Political expertise and Board of director's education on the financial performance. The GMM results also supported small board size and gender diversified board. The results of the study is helpful for all the stakeholders of the firms to elect high qualified board members with political connections. It is helpful to resolve the agency conflict between the management and stake holders.

Keywords: Generalized Method of Moment (GMM); Herfindahl-Hirschman Index (HHI).

ABUSIVE SUPERVISION AS A STRESSOR FOR INTENT TO QUIT: MEDIATING ROLE OF EMPLOYEE SILENCE AND EMOTIONAL EXHAUSTION

Maheen Azeem and Dr. Atif Bilal

ABSTRACT

The present study is primarily focused to investigate the extent to which abusive supervision as a stressor for intent to quit among employees of healthcare sector with the mediating role of employee silence and emotional exhaustion. The relations among variable were empirically tested by collecting the cross-sectional data for this study is collected from 401 employees of healthcare sector located in Islamabad and Rawalpindi with the help of adapted questionnaire. The data collected is then analyzed using a variety of statistical techniques including demographics, reliability statistics, correlation analysis, regression analysis and mediation analysis. The results indicate that abusive supervision is positively and significantly relates to intent to quit, emotional exhaustion and employees' silence. In addition, employee silence and emotional exhaustion mediates the relationship between abusive supervision and intent to quit. The study is useful for manager in health care sector to consider taking strict measures related to abusive supervision and reduction of such behaviors that may increase the turnover intention in healthcare organizations due to emotional exhaustion of employees or employee silence.

Keywords: Abusive Supervision; Intent to Quit; Employee Silence; Emotional Exhaustion.

THE IMPACT AUDIT QUALITY AND DEFAULT RISK ON EARNING MANAGEMENT FROM NON-FINANCIAL SECTOR OF PAKISTAN

Asad Ur Rehman and Dr.Shumaila Zeb

ABSTRACT

The purpose of this study is to investigate the relationship of audit quality and default risk with earnings management. The data employed in this study is based on 200 non- financials firms listed on Pakistan stock exchange (PSX) for the time period of 2008 to 2017. The modified Jones model is used for the calculation of discretionary accruals for the detection of earnings management. The audit quality is measured with the help of auditor size which it is analyzed that the firm is audited by Big4 or non-Big4 auditor. According to results the Big4 auditors are helpful in mitigating the earning manipulations activities. The study is contribution for the non-financial sectors of Pakistan that they need to follow proper accounting procedures and hire the quality auditors that are helpful to cope up with earnings management. The quality auditors have enough resources to provide the good services and ensure the quality of financial statements. The finding in this study has implications for the auditors and regulators. The regulators should foster a regulatory environment that is open-minded and accommodating to monitoring institutions. The auditors play an important role related to mitigate earnings management and the improve quality of financial statements. It is also vital for the regulation authorities of information disclosure in order to increase the transparency that is necessary, including the efficiency and responsibility of auditors, which should be stronger and more reliable. The non-financial firms of Pakistan may take quality services from auditors by appointing the Big4 auditors. It can increase the transparency of information and reduce information asymmetry to protect the right of shareholders.

Keywords: Earnings Management, Modified Jones Model, Audit Quality, Default Risk.

UPWARD SOCIAL COMPARISON AND EMPLOYEE PERFORMANCE: ROLE OF ENVY AND PERCEIVED ORGANIZATIONAL SUPPORT IN TELECOM SECTOR OF PAKISTAN

Muhammad Haris Khan

ABSTRACT

Human skills are gaining more importance as organizations struggle to boost and maximize their efficiency and productivity for their existence. Human's being a psycho-social creatures, emotional factors have a significant place in the human's behavioral tendencies. High level of employee performance is absolutely an important determinant for company success. The aim of this study is to investigate the relationship between upward social comparison, benign envy, malicious envy and employee performance, determine the mediating effect of envy and moderating role of perceived organizational support. This idea led researchers to examine upward social comparison as a determinant of workplace envy and employee performance in telecom sector functioning in Islamabad and Rawalpindi. The results supported the main effects that employees who compare themselves with the superiors or role models experience envy at work place and perform better to achieve those accomplishments and achievements. Besides, benign envy mediates the relationship between upward social comparison and employee performance. In general, the participants in this sample expressed both types of envy at workplace. In case of malicious envy organizational support played a vital role in improving employees' performance. The research contributed to the existing literature on the work outcomes associated with upward social comparison, envy at workplace and organizational support. Moreover, it offered a useful approach to both researchers and practitioners, to pay attention on how positive workplace envy among employee's affected the relationship of upward social comparison with employee performance at work and how negativity among employees can be reduced through organizational support. Specifically, establishing cultures promoting upward social comparison which evoke emotions such as benign envy among employees higher employee performance will be achieved. Theoretical implications from the results and future research directions were also discussed.

Keywords: Upward Social Comparison, Workplace Envy, Employee Performance, Perceived Organizational Support, Pakistan.

IMPACT OF CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE ON FIRM FINANCIAL PERFORMANCE UNDER DIFFERENT POLITICAL CONDITIONS: A CASE OF PDX LISTED FIRM

Iftikhaar Ali Shahand and Dr. Shumaila Zeb

ABSTRACT

This study aims to empirically investigate the combined impact of corporate governance (CG) and corporate social responsibility disclosure (CSR) on firm financial performance under different political conditions in Pakistan. The study used a sample of 27 financial and 44 non-financial firms listed in Pakistan Stock Exchange (PSX). The firms are selected on the basis of availability of annual reports, information regarding the CG structure, and the disclosure of CSR information for a period from 2001-2016. The study is conducted for the overall sample, non-democratic, and democratic period. A dichotomous approach including four categories (community involvement, environmental expenses, employee information, and product and services information) is used for the extraction of CSR data. Furthermore, board independence, board size, and CEO duality is utilized to measure CG structure. The results proved a significant relationship between CG, CSR, and performance of the firm in democratic period. The findings provide empirical evidence that firms perform better in democratic political conditions as compared to non-democratic political conditions. The result implies that an effective CG structure and a better CSR disclosure increase financial performance of the firms.

Keywords: Corporate Governance, Corporate Social Responsibility Disclosure, Political Conditions, Financial Performance.

THE INFLUENCE OF UNIVERSITY'S REPUTATION, SELECTIVITY, COST AND FACILITIES ON PROSPECTIVE STUDENTS' INTENTION TO APPLY FOR ADMISSION

Sulman Khan and Dr. Atif Bilal

ABSTRACT

The main aim of the study is to analyze the influence of university reputation, selectivity, cost and facilities on students' intention to apply for admission. Furthermore, the moderating role of word of mouth has also been examined between the relationship of university reputation, selectivity, cost and facilities, and students' intention to apply for admission. The data is collected from 395 students from the universities of Islamabad using survey-based questionnaire. The scale for this purpose is developed and validated to match the Pakistani context. The statistical analysis and bootstrapping results revealed that university reputation, perceived cost, selectivity and facilities have a strong influence on students' intention to apply for admission to a particular university. The moderation analysis shows that positive word of mouth has a strong moderating role and enhances the relationship of cost and facilities with the intention to apply. The word of mouth found to be a significant but weak moderator in the relationship of reputation and selectivity with intention to apply. The study has some important implications for the management of higher education in Pakistan and suggests ways to improve the overall image of the universities to attract good quality and quantity of students for admission. Another important contribution of this study is the development of a scale in the Pakistani context, which may a guiding light for future research.

Keywords: Brand, University Branding, Reputation, Selectivity, Cost, Facilities, Intention to Apply, Word of Mouth.

UNVEILING THE ANTECEDENTS AND CONSEQUENCES OF CUSTOMER SATISFACTION OF MOBILE INTERNET USERS: A COMPREHENSIVE FRAMEWORK

Abdul Shakur Mirza and Dr. Shahid Bashir

ABSTRACT

Mobile telecommunication is reaching saturation in most of the markets, so marketers are looking at mobile internet as next big thing to gain more business. This has created a situation where customer expectations are changing and indicating a shift towards mobile internet services. There has been lot of the studies in the past that discuss the determinants of customer satisfaction and loyalty in a telecom industry but most of them examine this relationship for voice services. This study fills up this gap and includes data services along with voice services and takes a holistic picture of the category and understands comparative importance for both voice and data service from the eye of a mobile internet user. For this matter, this quantitative study was conducted via an online survey across key cities in Pakistan and a sample of 209 successful surveys was achieved through self-administrated web interviews. Survey was created on an online platform (Google forms) and this survey link sent to people through social media (Facebook, WhatsApp, LinkedIn). Findings from this study show that voice and data factors have significant positive impact on customer loyalty. Data factors contribute the most to this impact thus highlight its significance as key determinant to measure customer loyalty. This study also finds that customer satisfaction partially mediates between performance on data factors and loyalty thus provides evidence to work on customer satisfaction to retain the customer. However, this study measures voice and data factors at broader level and does not break them into dimensions like service quality, price etc. Future studies can break these constructs into sub construct and analyze the relative importance of each marketing mix elements.

Keywords: Mobile Telecommunication, Facebook, WhatsApp, LinkedIn, Pakistan, Mobile Internet, Customer Loyalty.

VOLATILITY TRANSMISSION AND STOCK RETURNS: AN EMPIRICAL EVIDENCE FROM EMERGING AND G8, ECONOMIES

Sidra Ajmal and Dr. Mobeen Ur Rehman

ABSTRACT

There are number of volatilities influencing stock market returns for both developed and emerging economies. The study attempts to investigate the independence of G8 and MSCI Asian emerging economies equity market, in terms of stock returns and volatility transmission. Volatility indices used for this purpose are: VIX - stock market implied volatility, OVX - Crude oil volatility, SRVIX - Interest rate swap volatility, EVZ - EuroCurrency Volatility and GVZ - Gold volatility. The control variables for the study were GEPU – Global Economic Policy Uncertainty Index, GFSI = Global Financial Stress Indicator, GPR = Global Geopolitical Risk Index. I used vector error correction model (VECM) as well as fully modified OLS (FMOLS) and dynamic OLS (DMOLS). Overall, result reflects significant influence for all in short run and for few in long run. The study would also give boost to the significance of other markets in context of profit maximization through stock returns in both MSCI Asian emerging and G8 economies.

Keywords: Returns, VIX, OVX, SRVIX, GVZ, EVZ, G8 economies, MSCI Asian emerging Markets.

DOES INETER-REGION PORTFOLIO DIVERSIFICATION PAY MORE THAN INTERNATIONAL DIVERSIFICATION?

Nasir Ahmed and Dr. Mobeen Ur Rehman

ABSTRACT

This study examines portfolio diversification opportunities among BRICS, Latin America and emerging and frontier Asian (EFA) regions. For the purpose we collected daily stock market returns for the period of two decades starting from September 1, 1997 to November 30, 2018. Two different but most commonly used panel cointegration techniques namely Kao (1999) and Pedroni (1999, 2004) were applied. Our findings show that portfolio diversified within the regions will provide minimum returns. In addition, we employ panel vector error correction model (VECM) to examine short run benefits from diversification. Empirical results show that, investing only in stocks will provide minimum return. However, it is found that portfolio comprised of stocks, gold, oil and forex will provide better returns at regional level. Further, it is noted that S&P 500 plays a dominant role. By looking closely to the long run linkages, we applied Fully-modified ordinary least square regression (FMOLS) to the daily data. We found strong lineage between the variables included in the study other than Oil and Forex for Indonesia and Sri Lanka. The findings of this study are meaningful to many stakeholders including individual/institutional investors, corporate executives, practitioners, stock market participants, portfolio managers and economic policy makers.

Keywords: Stock Market Participants, Co-integration, VECM, Granger Causality, Asia, BRICS, Latin America, S&P 500, Gold, Oil.

**IMPACT OF INTERNAL BRAND MANAGEMENT ON SUSTAINABLE
COMPETITIVE ADVANTAGE: MEDIATING AND BRAND CITIZENSHIP
BEHAVIOR**

Fatima Nawaz Qureshi and Dr. Muhammad Asif Khan

ABSTRACT

This study empirically tests the effect of internal branding on sustainable competitive advantage along with sequential mediation of brand commitment and brand citizenship behavior. Sample of this study is based on Non-managerial staff of hotels in Pakistan. The research model is based on social exchange theory and resource based theory. Purposive sample technique has been used. Sample size is 390, and data has been collected from three major cities of Pakistan, Rawalpindi, Islamabad and Lahore. SPSS has been used for data analysis. The result shows that internal branding has positive and significant impact on sustainable competitive advantage and brand commitment and brand citizenship behavior partially mediate this relationship. The results support the importance of internal branding in hotel industry and reflect the process through which it leads towards achieving sustainable competitive advantage. Role of brand commitment and brand citizenship behavior in achieving sustainable competitive advantage has also been highlighted. This study suggests that in this era of competition, hotel industry need to attain sustainable competitive advantage through internal branding that is focused on their employee that are unique, rare and inimitable.

Keywords: Internal Brand Management, Sustainable Competitive Advantage, Brand Citizenship Behavior, Brand Commitment.

THE INFLUENCE OF BRAND IMAGE ON LOYALTY, MEDIATED BY SELF-CONGRUITY: AN EMPIRICAL STUDY

Mamoona Shafi and Dr. Amir Zaib Abbasi

ABSTRACT

This study tends to observe the impact of universities' image on students' loyalty towards institutions with reference to a Pakistani contemporary marketing of education sector. The study proposes and confirms a conceptual model for university brand image and students' loyalty as a high order construct with four dimensions (cognitive, affective, conative, and active) and self-congruity as a moderator. Innovative study, employing a quantitative approach addresses a clear research gap in the students' loyalty literature. Empirical data for the study was collected from 385 university students of Islamabad through questionnaires. For data analysis, the Partial Least Squares-Structural Equation Modelling (PLS-SEM) is used. The results of the measurement model show university image and students' loyalty support that were reliable and valid as a high order construct. Moreover, the findings of the structural model support that self-congruity of students also positively mediated university image and students' loyalty. This study pioneers in the education sector literature that has empirically validated a conceptual model predicting students' loyalty based on four main dimensions. This study extends the literature on students' loyalty through studying the impact of university image on four main dimensions of students' loyalty comprising conative, active, cognitive, and affective with the mediating role of self-congruity.

Keywords: Students' loyalty-cognitive, Students' loyalty-affective, Students' loyalty-conative and Students' loyalty-active, University image and Self-congruity.

THE EFFECT OF E-SERVICE QUALITY ON ACTUAL USE OF E-BANKING SERVICES: AN EXPLANATION THROUGH TECHNOLOGY ACCEPTANCE MODEL

Shehraz Ahmed and Dr. Sabeen Hussain Bhatti

ABSTRACT

Due to recent technological developments in banking, the use of E-banking is becoming increasingly widespread. This study identified the effect of e-service quality on actual use of e-banking services and explained it through technology acceptance model. A survey has been conducted in Islamabad and Rawalpindi Pakistan and 493 questionnaires were collected from the e-banking users and the data were analyzed by using AMOS 20 of SPSS 20. The results of the study indicates that E-service quality positively affects perceived usefulness, perceived ease of use and intention to use e-banking and perceived usefulness positively affects attitude towards using e-banking and behavioral intentions to use e-banking. Perceived ease of use affects attitude towards using e-banking and attitude positively affects behavioral intentions to use e-banking and behavioral intentions further positively affects actual use of e-banking. The sequential mediation of attitude and intention has been confirmed between e-service quality and actual use of e-banking.

Keywords: E-Services, E-Banking, Technology, Pakistan.

FACTORS OF PSYCHOLOGICAL SAFETY LEADING TOWARDS BEHAVIORAL OUTCOMES THROUGH THE MEDIATION OF ATTITUDINAL OUTCOMES

Salman Mahboob and Dr. Muhammad Asif Khan

ABSTRACT

Successful organization consider their human resource and their performance as an integral source of achieving organizational goal. Psychological safety is considered as one of the most important belief in work institutions where employees and customer safety are vital as it has been shown to be contributing in reducing employee errors and enhancing safety. The study has been developed and empirically tested a model of psychological safety and its attitudinal and behavioral outcomes in a banking sector of Pakistan. A convenience sampling procedures was used for sample selection. The questionnaires were self-administered to employees of major banks in Islamabad and Rawalpindi, Pakistan. The primary data of 318 respondents was collected for this research thesis. Latest version of SPSS and AMOS version 22.0 for data analysis used to analyze research variables and their attributes. Results of SEM the structural model indicated that employee engagement and organizational commitment do not significantly mediate the relationship among knowledge sharing, continuous learning, coworker relationship, supervisor support, employee voice and employee creativity, employee retention and workaholism but have direct affects. Being aware of the advantages organization may have of having psychologically safe environment become more influential and the factors that results in psychological safety development would assist higher authority in creating and maintaining the work environment for optimum utilization of beneficial outcomes.

Keywords: Psychological Safety, Behavioral Outcomes, Attitudinal Outcomes.

PATERNALISTIC LEADERSHIP AND JOB OUTCOMES: MODERATING ROLE OF COLLECTIVISM AND MEDIATING ROLE OF EMPLOYEE ENGAGEMENT

Jamal Haider Sial and Dr. Khurram Shahzad

ABSTRACT

Current study entails the testing of proposed hypothesis of relationship between Paternalistic leadership and employee job outcomes with moderating role of collectivism and mediating role of employee engagement. To examine relationships of the proposed framework, data was collected from employees working in service sectors organization with 607 respondents working in Rawalpindi and Islamabad. For analysis, process macro technique was employed. Study demonstrated that some results are insignificant and are not in congruence with current research. Study exhibited that employee engagement does mediate the relationship between paternalistic leadership and employee job outcomes. The research also examined the moderating effects of collectivism on relationship between paternalistic leadership and employee engagement. To develop questionnaire of the research operationalized variables were used and their questions were adopted from previous researches. Data for current study was collected by using convenience sampling. After data collection moderation and mediation tests were executed using process macro. The results revealed that collectivism could not moderate any proposed relationships. The results of the present research can be useful to imparting that culturally specific leadership styles can influence the performance of employees. The findings of the present research also have implications for academia as this study fills the gap in leadership body of knowledge and urges other researcher to further investigate the leadership styles that are culturally specific. Cross sectional design of the study is one of the limitations of the present research. Further, the present study examined each independent variable as one-dimensional. The study empirically tested the proposed model on the basis of data elicited from a single source (only employees). It is suggested that the present study may be replicated by removing these limitations in other cultures and sectors.

Keywords: Paternalistic Leadership, Collectivism, Employee Engagement.

TOWARDS UNDERSTANDING FIELD MANAGERS' MONITORING ASSOCIATED WITH PERFORMANCE: AN INTEGRATION OF THE GOAL CHARACTERISTICS, EMOTIONAL INTELLIGENCE AND INTERPERSONAL MENTALIZING SKILLS RESEARCH

Nabeel Iqbal Baloch and Dr. Faheem Ahmed Khan

ABSTRACT

The study focuses on the field management of pharmaceutical sales forces and the importance of salespersons' performance in the profitability and growth of companies. It examines the relationships between goal characteristics, salespersons' emotional intelligence, interpersonal mentalizing skills, and performance, with a particular emphasis on the monitoring styles of managers. The study is conducted in a pharmaceutical setting and analyzes different monitoring styles and their impact on performance. A cross-sectional primary data collection is carried out using a structured questionnaire, with 308 respondents participating. The findings of the study reveal that emotional intelligence and interpersonal mentalizing skills of salespeople partially mediate the relationship between field managers' monitoring and performance. However, the study suggests that goal characteristics do not moderate the relationship between emotional intelligence and field managers' monitoring, nor between interpersonal mentalizing skills and field managers' monitoring. The data collected is analyzed using multivariate analysis techniques.

Keywords: Observational Monitoring, Interactional Monitoring, Goal Characteristics, Emotional Intelligence, Salespersons' Interpersonal Mentalizing Skills.

AN EMPIRICAL STUDY OF ACCEPTANCE/REJECTION BEHAVIOR TOWARDS IN-APP MOBILE ADVERTISING USING THEORY OF PLANNED BEHAVIOR: ROLE OF PERMISSION IN MITIGATING PRIVACY CONCERNS

Mariam Abuzar Wyno and Dr. Faheem Ahmed Khan

ABSTRACT

The rapid growth of mobile app stores and the increasing preference of technology-driven consumers towards mobile applications have created opportunities for retailers in the Omni-channel. Marketers can leverage mobile apps to gain specific insights into their target audience through demographic and geo-location data, allowing for more targeted advertising campaigns. However, users are becoming more aware of targeted advertising and are adopting ad-blocking techniques to protect their privacy. In Pakistan, a significant number of smartphone users have installed ad-blocking browsers, indicating heightened privacy concerns. This research study aims to explore factors that can improve user attitudes towards in-app ads and increase ad acceptance. It investigates perceptions of advertising utility, irritation, trust, and privacy concerns, as well as the role of permission in mitigating privacy concerns. The study utilizes the theory of Planned Behavior to examine the impact of attitudes on acceptance behaviors. Empirical testing using data from 684 university students is conducted through structural equation modeling. The findings offer guidance to app developers and advertising professionals on designing more effective advertising content and increasing ad-click rates. The study also provides insights into ad-avoidance behavior in Pakistan and suggests strategies for marketers to address it, such as improving transparency in data usage and privacy policies. This research contributes both theoretically and practically to the field of mobile advertising, applying established theories to understand and optimize advertising through mobile apps.

Keywords: In-App Mobile Advertising, Advertising Utility, Irritation, Trust, Privacy Concerns, Theory of Planned Behavior, Attitude, Intentions and Acceptance/ Rejection Behaviors.

VALUE CO-CREATION OF CAREEM RIDE SHARING SERVICES: THE ROLE OF CUSTOMER BRAND ENGAGEMENT

S.M. Ali Zaidi and Dr. Faheem Ahmed Khan

ABSTRACT

The present study aimed to find out the influence of brand experience and advertising on value co-creation. We displayed value co-creation in form of word of mouth and repurchase intention. An extensive literature review helped to find out the conceptual explanation in order to formulate the theoretical model under examination. The survey was conducted among the customers of Careem ride sharing services. 541 valid questionnaires were included in the analysis. Partial Least Square SEM approach helped to perform the factor analysis and path model analysis. Contradictory results were found with respect of the brand experience of Careem customers. Advertising value played important role in explaining the word of mouth and repurchase intention of Careem ride sharing services through CBE. Important theoretical and practical recommendations have been presented. Future studies are insisted to find the perspectives of consumers of other ride sharing services. Advertising proved to be a better predictor of CBE. It is also recommended to study different dimensions of CBE to find out further explanation.

Keywords: Customer, Brand Engagement, Value Co-Creation, Careem.

**CORPORATE GOVERNANCE AS A VALUE DRIVER FOR FIRM PERFORMANCE:
EVIDENCE FROM PAKISTAN**

Muhammd Abubakar Saddique and Dr. Zulfiqar Ali Shah

ABSTRACT

This study examines the influence of corporate governance on firm performance in the context of the emerging market of Pakistan, using industry-specific results. The data consists of listed firms across 27 industrial sectors in Pakistan from 2011 to 2015. Multivariate regression analysis is employed under the fixed-effect model approach. The measures of corporate governance include board size, non-executive directors, institutional shareholding, director's shareholdings, firm size, and chairman duality. Firm performance is measured through Tobin's Q and Return on Assets (ROA), serving as the dependent variables. The study finds that firm size has a significant positive impact on firm accounting performance. However, the other independent variables are found to be insignificant. On the other hand, firm size and non-executive directors have a significant positive impact, while institutional shareholding, director's shareholdings, and chairman duality have a significant negative impact on firm market performance. The study also emphasizes the significance of industry dummies, suggesting that industry-specific issues need to be considered in corporate governance frameworks. This highlights the importance of exploring industrial impacts on firm performance.

Keywords: Corporate governance, Ownership structure, Capital structure, Firm Performance.

EMPLOYEE VOICE, ETHICAL LEADERSHIP AND ORGANIZATIONAL IDENTIFICATION: A STUDY IN PAKISTAN BANKING SECTOR

Muhammad Ahsan and Dr. Ghulam Dastgeer

ABSTRACT

This study emphasizes on the association between ethical leadership and employee voice behavior focusing on the mediating role of organization identification and moderating role of organizational commitment. In past many studies were focused on the outcomes of employee voice but there was very less focus on the factors that influence on employee voice especially in the banking industry in Pakistani perspective. This study will be very effective for the banking organization operating in Pakistan and help them to identify and understand the importance of employee voice and also in effective strategic planning as well for the factors influencing employee voice. It will also be helpful in terms of different prospective in banking sector and implementation of different strategies and also to deliberate employee voice as a cradle of information in the Pakistani context. We have considered three major dimensions of employee voice as prohibitive voice, promotive voice and defensive voice during the study. This research contributes as a significant research through quantitative methodologies. Employee voice model was tested to draw some significant results based on research study and for this a random sample of 300 employees working in the banks operating in Islamabad and Rawalpindi. To get response from the targeted sample size questionnaire were distributed among employee working in different banks operating in Islamabad and Rawalpindi. The current study has created a bridge between literature on different factors effecting and influencing employee voice behavior and now it is clearly identified the impact of moderating role of organizational commitment and mediating role of organizational identification. From current research our findings shows that the ethical leadership is positively associated to employee's voice behavior and also suggest that organizations should consider training the leaders in ethical leadership behavior to demonstrate high-ethical standards in the workplace. Our research findings also of the moderating influence of organizational commitment in the organizational identification and employee voice behavior relationship emphasize the role of individual differences in acts to voice.

Keywords: Employee Voice, Organizational Commitment, Organizational Identification, Ethical Leadership.

IMPACT OF ANTECEDENTS OF INTRINSIC MOTIVATION ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR

Emaid Hafeez Gogia and Dr.Asif Khursid Mian

ABSTRACT

The purpose of the study is to explain that how can the police officers of National Highways and Motorway Police can be motivated intrinsically and how they can perform good citizenship behavior in the organization. The attitudinal factors by employee play a significant role in the overall performance of the organization. Therefore, the Organizational citizenship behavior in National Highways and Motorways Police is studied in this thesis. This study investigates the impact of Perceived organizational support, Perceived investment in employee development and performance appraisal satisfaction on organizational citizenship behavior. The paper is on the theme that how employees of National Highways and Motorway Police can be motivated intrinsically through organizational support, investment in employee development and performance appraisal satisfaction and perform citizenship behavior in an organization. These are also called the attitudinal factors of the employees. The data was collected from employees of National Highways and Motorway Police posted in different regions all over the country. The data was also collected through Google docs and social websites. Simple random sampling is used in the research. Reliability analysis, Correlation analysis, EFA and CFA are applied in the thesis. The findings of the study show that the entire hypothesis is significantly confirmed except the performance appraisal satisfaction. According to the results, the direct relationship between independent and dependent variables are not significant. The intrinsic motivation plays an important role in the relationships among independent and dependent variables. Moreover, from the results, it can be concluded that employees of National Highways and Motorway Police are not satisfied with the performance appraisal.

Keywords: Organizational Citizenship Behavior, Perceived Organizational Support, Perceived Investment in Employee Development, Performance Appraisal Satisfaction, Intrinsic Motivation, National Highways and Motorway Police.

THE IMPACT OF BASEL IMPLEMENTATION OF BANKS: EMPIRICAL EVIDENCE FROM PAKISTAN

Habiba Mustafa and Dr. Abdul Rashid

ABSTRACT

Pakistani banks are continuously investing huge sum of money on risk management in order to maximize profit and minimize bank's credit risk, solvency risk, liquidity risk, market risk and operational risk. Moreover, SBP is continuously introducing stringent minimum capital requirements in compliance of Basel accord guidelines. Using panel data of 15 commercial banks between time periods of 2006-2015, this study empirically examined whether compliance with Basel guidelines positively or negatively impact performance of commercial banks operating in Pakistan. For analyzing impact of Basel implementation we used two Basel risk measures i.e. risk weighted capital adequacy ratio and leverage ratio as explanatory variables and return on assets ratio (ROA) and return on equity (ROE) as measure of bank performance. Current study has been conducted by using panel regression analysis technique. Other bank specific variables used as control variables include bank size, diversification, loans intensity, operating expenses, branch network and credit risk. Findings of the study suggest that Basel implementation has positive impact on performance of commercial banks operating in Pakistan and in Pakistani context it is prudent response of SBP towards convergence with Basel guidelines.

Keywords: Banks, Basel, Pakistan, Quantitative Research.

**IMPACT OF LEADER'S TRUSTWORTHINESS AND FOLLOWERS' FAITH ON
PERCEPTION OF FULFILLMENT OF LEADERSHIP PSYCHOLOGICAL
CONTRACT LEADING TO JOB SATISFACTION**

Aamir Bashir and Dr. Muhammad Ilyas

ABSTRACT

The study is undertaken to examine the relationship of a leaders' trait of trustworthiness with followers' job satisfaction in Leadership Psychological Contract (LPC) in the context of collectivist culture among professional executive University students of Islamabad/Rawalpindi. The study examines the impact of moderating role of leaders' emotional intelligence and strength of faith of the followers on the contract. Further, the study analyzes the mediating role of communication satisfaction in the perception of fulfillment of LPC. The success of the LPC was measured through job satisfaction of the followers. The study is a 'moderated-mediated' type of model where leaders' emotional intelligence moderates the relationship between leaders' trustworthiness and communication satisfaction in the first stage and the strength of faith of the followers impacts the relationship in the second stage. Identification of factors that enhance job satisfaction will help in enhancing productivity. The relationship was studied in an integrated form in a sample taken from collectivist culture and analyzed through 'Nested-equations path analytic' method. The study of LPC has been preferred over Psychological Contract (PC) because of identification of a direct supervisor as a leader representing the organization who can be directly held responsible for the success or failure of the LPC. The findings reveals a positive relationship between leaders' trustworthiness and perception of fulfillment of LPC determined through job satisfaction. The relationship is moderated by team leaders' emotional intelligence and the communication satisfaction- mediated relationship by the followers' strength of faith.

Keywords: Faith, Communication, Trustworthiness, LPC, Emotional Intelligence.

**EMPIRICAL ANALYSIS OF INVESTOR ANOMALIES
(UNDERREACTION/OVERREACTION) AND VOLATILITY: A CASE STUDY OF
PAKISTAN STOCK EXCHANGE**

Bahrawar Said and Dr. Shafiq ur Rehman

ABSTRACT

Behavioral finance research suggests that many investors exhibit underreaction and overreaction to unexpected news in the market, deviating from the principles of Bayes' theorem. This study investigates individual investor underreaction and overreaction in three periods: pre-global financial crisis (2004-2006), global financial crisis (2007-2009), and post-global financial crisis (2010-2012) using data from sixty firms listed on the Pakistan Stock Exchange. The results indicate the presence of weak market efficiency, with statistically significant underreaction and overreaction observed in some periods, while other periods show statistically insignificant results. Investors tend to exhibit conservatism biases and implement momentum strategies, leading to underreaction in some periods but significant contrarian strategies, particularly during the global financial crisis. The study also finds that portfolios of loser stocks outperform winner stocks over various periods, supporting the overreaction hypothesis. Additionally, market volatility significantly impacts investor behavior, with investors exiting the market during high volatility periods and returning during calm periods. The application of the GARCH (1,1) model confirms the presence of volatility in the Pakistan Stock Exchange.

Keywords: Average Cumulative Abnormal Returns (ACAR's), Underreaction, Overreaction, Efficient Market Hypothesis (EMH), Pakistan Stock Exchange.

**A PATH MODEL OF THE RELATIONSHIP AMONG CONTEXTUAL FACTORS,
WORK LIFE CONFLICT, EMPLOYEE RELATED OUTCOMES AND
PERFORMANCE**

Usman Javed and Dr. Muhammad Asif Khan

ABSTRACT

This paper proposes to examine the performance, employee related outcomes, work life conflict and industry/organizational factors and personal factors within telecom and banking sector in Pakistan. An argument is put forward that there is a causal link of industry/organizational factors and personal factors to work life conflict. Work life conflict results in negative employee related outcomes which in turn affects performance. However, talent management strategies are expected to mitigate the negative effects of work life conflict which in turn contribute to employee related outcomes. A conceptual model of performance is presented and empirically tested that provides explanation of the linkages between these variables. A 429 sample of employees from banking and telecom companies were administered using adapted questionnaire. This cross sectional study aimed to address the performance issue due to industry/organizational factors, personal factors, work life conflict and employee related outcomes. Empirical results of this study proved that industry/organizational factors, personal factors both significantly predict work life conflict. Barron and Kenny approach's (1986) was used to test the moderating effect of big five personality traits and locus of control between industry/organizational factors, personal factors and work life conflict. However, only three personality dimension conscientiousness, neuroticism and extraversion moderated the relationship between industry/organizational factors, personal factors and work life conflict. Contrary to literature, locus of control did not moderate this relationship. Work life conflict has positively affected employee related outcomes contrary to literature. As hypothesized talent management strategies moderated the relationship between work life conflict and employee related outcomes. Employee related outcomes have positive impact on performance. Thus, by understanding the empirical results, this finding will be able to emerge as an improvised model to enhance employee performance as well as organizational performance.

Keywords: Industry Factors, Organization Factors, Personal Factors, Big Five Personality Traits, Locus of Control, Work Life Conflict, Employee Related Outcomes, Talent Management Strategies, Performance.

DETERMINANTS OF CAPITAL STRUCTURE AND THEIR IMPACT: A CASE OF NON-FINANCIAL FIRMS LISTED ON KARACHI STOCK EXCHANGE

Kamran Iqbal and Sanauallah Ansar

ABSTRACT

The purpose of this study is to examine the determinants of capital structure decisions of non-financial firms listed on the Karachi Stock Exchange of Pakistan. Leverage is the only dependent variable in this study. Eight independent variables, namely size, growth, profitability, earnings impact, liquidity, asset tangibility, cost of debt, distance from bankruptcy, and two dummy variables (industry effect and firm-specific effect), are utilized. Data for these variables is collected from the State Bank of Pakistan, Karachi Stock Exchange, and the websites of the relevant companies spanning from 2005 to 2014. The available data from 221 non-financial firms across 22 different industries in Pakistan is analyzed using descriptive statistics, the Jarque-Bera test, Pooled OLS, and Fixed Effect models. The Hausman (1978) test indicates the preference for establishing a fixed effect model for further analysis. The fixed effect model analysis reveals the significance of industry effects and firm-specific effects. The Jarque-Bera test indicates that the data is not normally distributed. The results demonstrate that size, earnings impact, asset tangibility, and distance from bankruptcy have a significant positive relationship with leverage. On the other hand, growth, profitability, leverage, and cost of debt exhibit a negative relationship with leverage, except for profitability which is not significant. To the best of the author's knowledge, this study represents one of the first attempts to examine the effects of earnings impact and distance from bankruptcy on capital structure decisions in the non-financial sector of Pakistan. Additionally, the cost of debt has been employed for the first time in the entire non-financial sector of Pakistan. The findings hold practical utility for non-financial firms and their investors.

Keywords: Capital Structure Decisions, Non-Financial firms, Leverage, Earnings Impact, Cost of Debt, Distance from Bankruptcy.

LEADER FOLLOWER REGULATORY FOCUS AND EMPLOYEE WORK BEHAVIORS

Marya Asghar and Dr. Atiq-ur-Rehman

ABSTRACT

The regulatory fit theory posits that individuals are more likely to achieve their goals when they align their regulatory focus with others. This theory suggests that employees perform better when they experience regulatory fit with their supervisors, co-workers, and organization, using their regulatory focus to seek pleasure, avoid pain, approach motivation, or avoid motivation. Attaining regulatory fit leads to performance beyond job requirements, including discretionary behaviors like innovative behavior. While previous research has focused on the positive relationship between promotion foci and innovative work behavior, few studies have explored the contribution of preventive foci, particularly during the evaluation and implementation stages. Therefore, this study aims to investigate the role of preventive foci in the healthcare sector, specifically among doctors, nursing heads, and nursing staff. Additionally, contextual variables such as leader regulatory foci, and intervening variables such as job satisfaction, affective commitment, and normative commitment, are considered to gain deeper insights into their impact on healthcare employees. Hypotheses were developed based on an extensive literature review to examine the influence of regulatory fit on innovative behavior, with the mediating role of job satisfaction, affective commitment, and normative commitment. A quantitative approach was adopted, employing adaptive questionnaires to test the study's concepts. The construct items were validated by 12 panelists, and 230 questionnaires were collected from healthcare leaders, nursing heads, doctors, and nursing staff in Rawalpindi and Islamabad. The measurement scale underwent rigorous refinement and review to ensure its psychometric properties. The theoretical model was tested using structural equation modeling (SEM) with AMOS-22. The measurement model demonstrated good fit and reliability, including convergent, discriminant, and composite reliability. The SEM results indicated a positive direct relationship between regulatory focus (promotion foci and preventive foci) and innovative work behavior. Mediation analysis revealed that job satisfaction, affective commitment, and normative commitment acted as mediators between regulatory foci and innovative work behavior. Furthermore, simple moderation tests showed that leader's regulatory foci moderated the relationships between follower's promotion foci and job satisfaction/affective commitment, as well as follower's preventive foci and job satisfaction/normative commitment among healthcare employees, including leading nurses and doctors. This study contributes new insights to the field and expands the understanding of regulatory focus and its impact on employee behaviors, such as job satisfaction, affective commitment, normative commitment, and innovative work behavior in the healthcare sector.

Keywords: Regulatory Focus, Promotion Focus, Follower's Promotion Focus, Follower's Preventive Focus, Leader Promotion Focus, Leader Preventive Focus, Organization Commitment, Normative Commitment Affective Commitment, Structural Equation Modeling, Innovative Work Behavior, Innovative Behavior, Social Exchange Theory, Person Environment Fit and Person-Supervisor Environment Fit.

ROLE OF HIGH-PERFORMANCE WORK PRACTICES IN PREDICTING EMPLOYEE OUTCOME IN THE HEALTH SECTOR OF PAKISTAN

Misbah Hassan and Dr. Atiq-ur-Rehman

ABSTRACT

The aim of this study is to investigate the relationship between high-performance work practices (HPWPs) and employee performance outcomes, specifically focusing on patient quality care and employee well-being. The study also examines the mediating role of job engagement and psychological empowerment, as well as the moderating role of critical psychological state in relation to the performance outcomes. Data was collected through a questionnaire distributed to healthcare workers in hospitals, with a targeted sample size of 255 participants. The study highlights the significance of HPWPs, psychological empowerment, and job engagement in the healthcare sector. The findings reveal that both psychological empowerment and job engagement partially mediate the relationship between HPWPs and performance outcomes. However, the critical psychological state was not found to moderate the relationship between job engagement and the performance outcomes.

Keywords: High-Performance Work Practices, Job Engagement, Psychological Empowerment, Quality Patient Care, Employee Well-Being.

EFFECTS OF RELIGIOSITY ON CONSUMER ASSESSMENT OF CONTROVERSIAL ADS

Waqas Ahmed Rana and Dr. Mian Asif Khursheed

ABSTRACT

In this fastest and continuously growing trend of globalization, religion has its worth and still plays a fundamental role in influencing consumer behavior. This study focuses on the religiosity aspect and individual's attitude toward the advertisements of controversial brands being advertised on television. This study is an attempt to study the effect of individual's religiosity on the variables that result in performing individuals Intentions which is well defined and renowned theory of Izek and Ajzen in "Theory of planned behavior" (TPB). The focus of this research was on the controversial brands that are being advertised on the TV. The model of this study is based on the theory and strong theoretical foundation laid by Izek and Ajzen in 1975. The proposed model was tested using statistical tool and for that a questionnaire was distributed by using convenience and snow ball sampling technique to collect the data from 500 respondents, results has generalized on the sample size of 417. AMOS has been applied to check the mediation and to interpret the significance of relationship. All hypotheses are supported but one is partially supported in this study framework. Result has shown that internal locus of control has a significant relationship with purchase intention and played an important role in predicting customers' intention. Results have also shown the existence of significant relationship in the mediated framework of this study which can be useful implication for the local and international marketers. At the end this study concluded by giving some recommendation to the practitioners and future research area for the researches to unfold the religiosity influence at different perspectives.

Keywords: Religiosity; Islam; Advertising; Consumer Attitude; Controversial Brands; Advertising Effectiveness; Pakistan.

**COMPARATIVE STUDY OF PERSONAL AND SOCIAL SELF IMAGE
CONGRUENCE ON PURCHASE INTENTION BETWEEN CONSUMERS OF OMAN &
PAKISTAN**

Syed Ahmad Masih Sarwary and Dr. Iffat S. Chaudhry

ABSTRACT

This empirical research aims to examine the impact of an individual's self-concept on their purchase intention in the Pakistani and Omani markets. It focuses on measuring the actual and ideal states of one's private and social self-concept and their congruence with purchase intention. The study assesses the influence of actual self-congruence, ideal self-congruence, actual social self-congruence, and ideal social self-congruence on consumers' purchase intentions. A quantitative research approach is adopted, utilizing a survey strategy to achieve the study objectives. Self-administered online questionnaires are designed to collect data from consumers residing in the capital cities of Pakistan and Oman. The questionnaires are equally distributed among 500 respondents from each country, resulting in a response rate of 48%. The regression analysis results support the study hypotheses, confirming a significant positive relationship between all four dimensions of an individual's self-concept and their purchase decisions. However, the impact of self-concept on purchase willingness differs significantly between consumers from the two regions. The comparative analysis between Pakistani and Omani consumers provides valuable insights for practitioners to tailor marketing strategies in the Gulf region. It also helps businesses understand the importance of incorporating psychological dimensions in marketing tools to align brand personality with the potential customers.

Keywords: Actual Self-Congruence, Ideal Self-Congruence, Actual Social Self-Image, Ideal Social Self-Image, Purchase Intention.

MEASURING FACTORS AFFECTING BRAND CONSUMERS' WILLINGNESS TO PAY PRICE PREMIUM THEIR WORLD OF MOUTH

Adil Zar Bhatti and Dr. Ghulam Dastgeer

ABSTRACT

The purpose of this study is to measure the behaviors of Facebook users in Pakistan, in the context of their willingness to pay a price premium for a brand and their word of mouth. Since Facebook profiles show self-expression of the users, this study focuses on studying this aspect of users' profiles and relates it to their behaviors towards brands. Brand engagement through Facebook pages plays a vital role in shaping the brand love of consumers. After an extensive review of literature, consumers' aspects of brand trust and self-expression (inner self and social self) through such brand engagements were undertaken and critically analyzed throughout the study. A self-administered questionnaire was designed and distributed to get responses from 230 individuals chosen through convenience sampling. Responses were collected against various brands' fan pages across Facebook, depending on respondents' preferences. Pearson's correlations, regression analyses, and Sobel's tests of mediation were applied to test the hypothesized relationships within the variables. Data analyses were conducted using SPSS software, along with its added plug-in, PROCESS. The results indicate that inner self, social self, and brand trust significantly affect consumers' willingness to pay a price premium and their word of mouth, through the mediating role of brand love. The findings of this study have useful implications for future research regarding customer-brand relationship management through Facebook in Pakistan. Additionally, the findings support the need for brand managers and marketers to provide consumers with self-expressive and trustworthy products to create brand love amongst them.

Keywords: Price Premium, Word of Mouth, Brand Love, Inner Self, Social Self, Brand Trust, Facebook Fan Pages.

**IMPACT OF RELATIONSHIP BENEFITS ON ATTITUDE TOWARDS BRAND:
MEDIATING ROLE OF CUSTOMER ENGAGEMENT**

Raja Muhammad Akhizer and Dr.Asif Khursid Mian

ABSTRACT

In this study, relationship benefits (social, entertainment and economic) were studied, their impact on attitude towards brand was also studied with role of customer engagement as a mediation between them. The study highlights many key understanding issues for marketing prospective. For marketers, ensure that your brand has a strong social media presences or else. This will ensure a positive word of mouth which will lead to positive attitude towards the brand. For brand manager, they must incorporate social media strategy in their promotional mix to ensure a survival in this age. The sample under study was customers who have liked apparel brand page on social media. Responses from 456 respondents were incorporated in study. Along with variable under study, other variables can also be incorporated such as trust and privacy. For generalizing the current finding this research future research may include samples from different geographic locations to develop a strong behavior patterns that will truly reflect population.

Keywords: Social Media; Facebook Marketing; Relationship Benefits; Customer Engagement.

CUSTOMER SATISFACTION AND SERVICE QUALITY IN MOTOR CLAIMS (AN EMPIRICAL EVIDENCE FROM PAKISTAN'S GENERAL INSURANCE INDUSTRY)

Muhammad Hisham and Dr. Shamim A. Ashibzada

ABSTRACT

The objective of this study is to investigate the effect of determinants of service quality, such as tangibles, service quality core features, customer quality relational features, and customer expertise, on customer satisfaction in motor claims within Pakistan's general insurance industry. Data was collected through convenient sampling in three major cities: Karachi, Lahore, and Islamabad, using questionnaires distributed through 3-S dealerships. The study had a sample size of 600, with a return rate of over 60%, resulting in a final sample size of 359. A self-administered questionnaire derived from previous research studies was utilized to collect the data. The collected data was analyzed using correlation and regression analyses. The results of the analyses align with prior research, indicating that tangibles, service core features, service relational features, and customer expertise are all significant determinants of customer satisfaction in motor claims. The managerial implications suggest that managers should foster a service quality culture within their organizations by adapting various modern techniques.

Keywords: Consumer Satisfaction, Service Quality, Motor Claims, General Insurance Industry, Pakistan.

IMPACT FOR HIGH FOOD PRICES ON POVERTY IN PAKSITAN**Fareha Anwar Khan** and Dr. Attiya Javed**ABSTRACT**

This study has two main objectives: firstly, to examine the response of consumers, particularly those in the poor segment of the population, to rising prices; and secondly, to investigate the impact of increasing food prices on poverty levels in Pakistan. The Household Integrated Expenditure Survey (HIES) data for 2005-06 is used to analyze these dynamics. The study finds that the poorest households in Pakistan are highly sensitive to changes in food prices, as evidenced by their high own-price elasticity of demand for food. Given the significant portion of their expenditure allocated to food, these households face considerable distress when food prices rise. The findings also indicate that poverty rates have increased between 2005 and 2006, with rural areas experiencing higher levels of poverty compared to urban areas. Based on these findings, the study emphasizes the importance of implementing policies to prevent rapid increases in food prices, particularly for staple foods that are essential for the poor. Such measures are crucial for alleviating poverty and reducing the burden on vulnerable households. Overall, this research sheds light on the relationship between rising food prices, consumer behavior, and poverty levels in Pakistan, providing valuable insights for policymakers and stakeholders in designing effective strategies to address these challenges.

Keywords: Demand Response, Consumer Behavior, Rising Prices, Food Prices, Poverty, Pakistan.

**PERFORMANCE MANAGEMENT, INDIVIDUAL LEVEL PERFORMANCE AND
FIRM LEVEL PERFORMANCE: AN EMPIRICAL ANALYSIS AND FUTURE
DIRECTIONS**

Aneeqa Tallat Butt and Dr. Atiq-ur-Rehman

ABSTRACT

The objective of the study was to test the impact of national culture, organizational culture, definition of firm performance, and organizational strategy on firm performance through the performance management system, climate for performance, and dynamic capabilities of employees. Data was collected from 300 employees working in information technology (IT) firms operating in Lahore and Islamabad districts. Data was analyzed using structural equation modeling (SEM) with Smart PLS. The Partial Least Squares (PLS) approach of SEM was chosen due to the complexity of the theoretical model. Results of the study show that culture has a significant impact on the performance management system; the definition of firm performance and organizational strategy positively influence the performance management system, which creates a climate for performance to boost the dynamic capabilities of employees; and the employees' capabilities lead to the enhancement of overall firm performance. A major limitation of the study is that the survey was limited to only two cities of the country and to only one industry, i.e., the IT industry.

Keywords: Individual Performance, Firm Performance, Organizational Culture, National Culture, Organizational Strategy, Performance Management System, Dynamic Capabilities, Organizational Climate, Culture Strength, Climate Strength.

COINTEGRATION ANALYSIS FOR FOREIGN DIRECT INVESTMENT TO PAKISTAN

Muhammad Owais Qarni and Dr. Tahir Mukhtar

ABSTRACT

The purpose of the present study is to analyze the existence of long-run and short-run relationships between foreign direct investment (FDI) inflows and its determinants in Pakistan. The study utilizes time series data from 1974 to 2013 and employs the Autoregressive Distributed Lag (ARDL) technique for estimation. The research model examines the impact of gross domestic product (GDP) growth rate, trade openness, tax revenues, total reserves, and domestic infrastructure as explanatory variables on FDI inflows into Pakistan, which serves as the dependent variable. The results indicate that GDP growth rate and total reserves have an insignificant impact on FDI inflows, suggesting that the economic growth performance and reserves situation do not significantly contribute to attracting FDI inflows to Pakistan. However, trade openness and domestic infrastructure are found to have a positive effect on FDI inflows, while tax policy has a negative impact in both the short run and long run. Based on these findings, it is recommended that policymakers should focus on formulating trade liberalization and domestic infrastructure improvement policies to attract FDI inflows to Pakistan. Additionally, creating investor-friendly tax policies is crucial for attracting FDI inflows into the country.

Keywords: FDI, GDP Growth Rate, Trade Openness, Pakistan.

**RELATIONSHIP OF EXCHANGE RATE VOLATILITY AND OTHER MACRO
ECONOMIC VARIABLES WITH INTERNATIONAL TRADE IN ASIAN ECONOMIES:
AN EMPIRICAL INVESTIGATION**

Nagina Jammil and Dr. Zaheer Abbas

ABSTRACT

The objective of the present study is to investigate the long-run impact of exchange rate volatility on trade in six Asian countries: Bangladesh, India, Indonesia, Pakistan, Sri Lanka, and South Korea. The study utilizes quarterly data from 1996Q4 to 2011Q4. Panel unit root tests are applied to ensure the stationarity of the data, and panel cointegration tests are used to detect the presence of a long-run relationship between trade and other independent variables. The study employs the panel cointegration tests proposed by Pedroni (1999), which include seven different test statistics. Four test statistics are based on pooling the residuals within the dimension approach, known as panel cointegration statistics, while three test statistics are based on pooling the residuals between the dimension approach, known as group panel cointegration statistics. The empirical results based on the panel cointegration analysis reveal that trade is cointegrated with exchange rate volatility, exchange rate, GDP, and FDI in the long run. Exchange rate volatility has a positive and statistically significant effect on trade in five sample economies, indicating that traders in this region perceive increased volatility as an opportunity for profit-making and thus are inclined to export more in the face of increased volatility. Exchange rate has a significant negative coefficient for Indonesia but a positive coefficient for Bangladesh, Korea, and Pakistan. GDP has a significant positive effect on trade in Indonesia and Pakistan, while FDI has a significant negative coefficient for Indonesia but a positive coefficient for Pakistan.

Keywords: Exchange rate volatility, Trade, Panel unit root, Panel cointegrations, FMOL.

IMPACT OF PSYCHOLOGICAL AND SITUATIONAL FACTORS ON IMPULSIVE BUYING BEHAVIOR: MEDIATING ROLE OF URGE TO BUY IMPULSIVELY

Nain Nawaz and Dr. Ghulam Dastgeer

ABSTRACT

The style of shopping is rapidly changing, and marketers are eager to attract as many customers as possible. To understand the antecedents of impulsive buying behavior, this research examines the impact of psychological factors (hedonic motivation, good mood, impulsive buying tendency) and situational factors (store environment, store promotions, friendly employees) on impulsive buying behavior among footwear buyers, with the mediator being the urge to buy impulsively. A theoretical framework is formulated based on previous literature, and hypotheses are developed for testing. Data is collected from footwear buyers using a deductive approach and convenience sampling. Structural equation modeling is applied for hypothesis testing, analyzing 218 questionnaires. The findings indicate that psychological factors (hedonic motivation, good mood, impulsive buying tendency) and situational factors (store environment, store promotions, friendly employees) have an impact on impulsive buying behavior, with the urge to buy impulsively acting as a mediator. These findings align with previous studies. The research concludes by providing implications and future research directions.

Keywords: Psychological Factors, Situational Factors, Hedonic Motivation, Good Mood, Impulsive Buying Tendency, Store Environment, Store Promotions, Friendly Employees, Urge to Buy Impulsively, Impulse Buying Behavior.

**INVESTIGATING THE EFFECT OF ANTECEDENTS OF ORGANIZATION
STRATEGIC ORIENTATIONS ON ORGANIZATION PERFORMANCE: MEDIATING
ROLE OF ORGANIZATION DYNAMIC CAPABILITIES**

Shabahat Ali and Dr. Wisal Ahmed

ABSTRACT

The concept of organizational strategic orientation and its impact on organization performance has been a subject of interest for researchers and practitioners. Building upon the theories of the resource-based view and capabilities-based view, this study aims to examine the relationship between organization strategic orientations, dynamic capabilities, and organization performance. Previous studies have often focused on only a partial view of organization strategic orientation, neglecting other aspects, which may have led to contradictory findings regarding the relationship between strategic orientation, dynamic capabilities, and organization performance. This study adopts a causal research model and utilizes a closed-ended five-point Likert scale questionnaire survey with 240 employees from the services sector in Pakistan. Regression analysis is employed to test the hypotheses. The results demonstrate overall supportive relationships between organization strategic orientations, dynamic capabilities, and organization performance. By emphasizing the importance of organizational resources and capabilities, this study contributes to the existing body of knowledge and enhances the understanding of different aspects of strategic orientations and their relationships with organization dynamic capabilities and performance.

Keywords: Organization Strategic Orientation, Dynamic Capabilities, Organization Performance, Resource-Based View, Capabilities-Based View.

**ASYMMETRIC INFORMATION, FIRM INVESTMENT AND STOCK PRICES:
EMPIRICAL EVIDENCE FROM PAKISTANI MANUFACTURING COMPANIES**

Nigannad Younas Missun and Dr. Syed Zulfiqar Ali Shah

ABSTRACT

Several researchers in corporate finance are interested to investigate the relationship between the firm investment and stock prices (Tobin's Q), sensitivity of firm investment to stock prices and sensitivity of stock prices to firm investment in presence of asymmetric information. The study is conducted with 145 non-financial Karachi Stock Exchange listed companies and 1450 firm observations for the period of ten years in economy of Pakistan. In order to conclude the study R^2 , size and age were taken as proxy of asymmetric information and capital expenditure as measure of investment. Random effect model is applied. There is significant negative correlation between investment and stock price and there is a significant increasing effect on sensitivity of investment to stock price. The critical findings of the study are that the management has to learn from the market when making decision about investment. Stock price sensitivity to investment has insignificant results in presence of asymmetric information. Overall model is showing one way relationship. The study keeps the significant implication for investors, management, government policy makers and future researches. This study has answered the questions what is the impact of asymmetric information on investment sensitivity to stock price and impact of asymmetric information on stock price sensitivity to investment, regarding non-financial listed companies at Karachi Stock Exchange, Pakistan.

Keywords: Asymmetric Information; Firm Investment; Tobin's Q; Stock Prices; Pakistan.

ANTECEDENTS AND CONSEQUENCES OF BRAND LOVE**Najeeb Ahmed** and Dr. Muhammad Asif Khan**ABSTRACT**

This research focuses on studying the importance of brand love, its antecedents, and consequences in the context of the smartphone industry. It examines the effects of consumer characteristics, brand relationship attributes, and brand experience on brand love. Additionally, the study investigates the moderating role of self-esteem in the relationship between brand love and brand loyalty. Data is collected from 351 smartphone users, who are students from four universities in Islamabad, Lahore, and Bahawalpur, using random sampling. Hypotheses are tested through regression analysis. The results indicate that each dimension of consumer characteristics, brand relationship attributes, and brand experience positively and significantly impact brand love. The findings reveal that brand relationship attributes, brand identity, brand image, and brand experience contribute to the generation of brand love and brand loyalty. However, consumer characteristics and brand trust do not create brand love and brand loyalty. This study contributes to the literature by examining brand love as a mediator and self-esteem as a moderator. Brand experience is identified as a stronger antecedent of brand love. The findings offer valuable managerial implications for organizational-level strategy formulation.

Keywords: Brand Love, Consumer Characteristics, Brand Relationship Attributes, Brand Trust, Brand Identity, Brand Image, Brand Experience, Brand Loyalty, Self-Esteem.

ROLE OF MANAGEMENT DEVELOPMENT PRACTICES IN NON-FINANCIAL ORGANIZATIONAL PERFORMANCE OF TELECOM SECTOR IN PAKISTAN

Syed Mudasser Abbas and Dr. Zeeshan Zaib Khattak

ABSTRACT

This exploratory study aims to investigate the role of management development practices in enhancing organizational performance, with a particular focus on the non-financial aspect of performance. While organizational performance has been extensively studied, the non-financial dimensions have often been overlooked. In this research, an interpretivist approach is adopted to gain a deeper understanding of organizational performance. Semi-structured interviews are conducted to capture the perspectives and experiences of the research participants, allowing their voices to be respected and recognized. Thematic analysis is employed to analyze the rich field data and identify key themes and categories. The results of the study highlight various management development practices, including the creation of a cooperative environment, fostering social connections, and the cultivation of career magnetism. Additionally, the findings reveal a new dimension of organizational performance related to employee-to-employee interactions in the context of the Pakistani telecommunication industry. This study is significant in addressing the role of intrinsic motivation as a tool for enhancing organizational performance. It proposes a comprehensive management development model that encompasses a range of corporate activities beyond just training and teaching. The study contributes to the re-conceptualization of organizational performance by shedding light on the importance of non-financial factors.

Keywords: Management development practices, non-financial performance, philosophical perspective, attitude, behavior.

EFFECT OF INVESTOR SENTIMENTS OF OLD AND NEW INVESTORS ON THEIR INVESTMENT DECISIONS

Wabisa Asif and Dr. Amir Rafique

ABSTRACT

Behavioral finance is a relatively new and extensive field that explores the impact of human psychology, cognitions, and emotions on investment decisions. This study aims to identify and analyze the sentiments and attitudes of investors, specifically distinguishing between old and new investors. The research focuses on investors in the Islamabad stock exchange to understand how these sentiments influence their decision-making processes. The study takes a unique perspective by comparing the sentiments of experienced investors with those of beginners. It adopts a quantitative approach, using an adapted questionnaire to measure four independent variables: overconfidence, disposition effect, rationality, and emotions. A sample size of 100 participants was divided equally between new and old investors. The collected data was analyzed using SPSS software, and the results revealed significant relationships among the variables. The study findings indicate that overconfidence is more prevalent among new investors, while the disposition effect is more prominent among new investors but decreases as experience increases. Rationality was found to be more evident among new investors, whereas young investors exhibited higher emotional tendencies. In conclusion, the study highlights the significance of overconfidence and emotions in investment decisions, with overconfidence being more pronounced in new investors and emotions being more prominent among young investors. These findings contribute to a deeper understanding of investor behavior and can assist in developing strategies to address biases and improve decision-making processes.

Keywords: Behavioral Finance, Investor Sentiments, Overconfidence, Disposition Effect, Rationality, Emotions, Investment Decisions.

IMPACT OF FINANCIAL INFLOWS ON ECONOMIC DEVELOPMENT OF PAKISTAN

Moazzam Ashraf and Dr. Tahir Mukhtar

ABSTRACT

The significance of financial inflows can be highlighted by the fact that they are the most vital means for generating funds for the execution of economic growth plans. However, Pakistan's performance in attracting financial inflows has not been up to the mark, resulting in a delay in many economic growth plans that require foreign funds to start. The purpose of this study is to identify the direction of influence of financial inflows, both in aggregate terms and in various forms, on the economic development of Pakistan. Time series data for the years 1972-2013 has been used to achieve the research objectives. Two estimation techniques, namely Ordinary Least Square (OLS) method and Fully Modified Ordinary Least Square (FMOLS), have been employed for estimation. The various forms of financial inflows analyzed in this study include FDI, foreign remittances, and foreign aids. The estimation findings indicate a positive and significant influence of these various forms of financial inflows on the economic development of Pakistan. Both the aggregate influence of financial inflows and the individual influence of different forms of financial inflows on economic development are found to be positive and significant. The study's findings have opened up new avenues of dialogue for policymakers and researchers, providing them with valuable knowledge to base their further research on.

Keywords: Financial Inflows, Economic Development, Pakistan.

TESTING INFORMATION CONTENT OF DIVIDEND HYPOTHESIS WITH DISAGGREGATED EARNINGS: EVIDENCE FROM KARACHI STOCK EXCHANGE

Muhammad Junaid-ur-Rehman and Dr. Attiya Yasmin Javeid

ABSTRACT

The purpose of this study was to test the validity of the hypothesis regarding whether current dividend changes contain informative content about future earnings (The ICD hypothesis) in developing markets. The study specifically focused on investigating the ICD hypothesis with disaggregated earnings. The methodology used in this study was influenced by a previous study conducted in Korea. Pakistani firms listed on the Karachi Stock Exchange were included in the sample, considering the focus on developing markets. The study employed a panel regression model for hypothesis testing. The findings revealed that the Information Content of Dividend Hypothesis was partially valid in developing markets. Positive dividend changes did not predict future earnings, while negative dividend changes played an important role in predicting future earnings for one successive year. The practical implication of this study suggests that investors should consider dividend changes, particularly negative changes, when making decisions about trading shares of firms in developing markets. This study contributes to the literature by introducing disaggregated earnings to the testing of the ICD hypothesis in any developing or underdeveloped market.

Keywords: ICD Hypothesis, Disaggregated Earnings, Dividend Changes.

IMPACT OF WORKING CAPITAL MANAGEMENT ON FIRM PERFORMANCE – EMPIRICAL EVIDENCES FROM PAKISTAN

Haafiz Hammad Murtaza and Dr. Syed Zulfiqar Ali Shah

ABSTRACT

The purpose of this study is to examine the impact of working capital management on performance of companies. Performance of a firm is being measured by its net operating profit (NOP) and market value (TobinQ). The study is based on secondary data, and sample comprises of 345 listed companies, which are selected from the State Bank of Pakistan data analysis of companies of different sectors for the period 2004-2009. Pearson's correlation and pooled regression analysis have been used for the analysis. The results of our research show that there is significant negative impact of working capital management on net operating profitability and market value. Moreover, the size of the firms has been found to be positively related to the net operating profitability and market value, while liquidity and debt to asset ratio has significant negative relationship with net operating profitability and market value. The analysis also suggests that managers can generate positive returns by managing the working capital. This indicates that working capital management practices adequately explain changes in performance of the firms both internally and externally.

Keywords: Working Capital Management; Performance; Net Operating Profitability; Market Value.

FINANCIAL REPORTING REFORMS AND ECONOMIC PERFORMANCE OF THE PUBLIC SECTOR

Ch. Muhammad Adil and Dr. Attiya Javed

ABSTRACT

There were two main aims of the study. First to compare the health of financial reports for public sector before and after the financial reporting reforms and second to find out whether financial reporting reforms have an impact over economic performance of Pakistan. A questionnaire was floated to measure transparency, accuracy, reliability, universality, accountability, information asymmetry, timeliness, completeness, projects and investor confidence of financial reports in pre and post reform period i.e. 1999-2003 and 2004-2008. On the basis of 232 questionnaires received back, it was found that mean values for all quality measures were higher than the mean values in pre reform period. Also the mean quality of report was found higher than the mean quality in pre reform period. When compared with financial performance, it is found that investment and debt servicing has significantly positive relationship with quality of reports whereas relationship between per capita growth rate and quality of reports is found insignificant. In order to make comment about the relationship of economic indicators and quality of financial reporting, regression is run. Regression results found that quality of reporting has a significantly positive relationship with debt servicing and per capita growth rate. Also the GDP and its growth rate for the sample period 1999 — 2008 was analyzed graphically. This analysis shows that GDP for the sample period is continuously increasing however the growth rate in the period 2004-2008 is much higher than the growth rate for the period 1999-2003. This implies that improvement in quality of financial reports has attracted more revenue and thus economic performance of Pakistan has improved in post reform period.

Keywords: Economic Performance, Financial Reporting Reforms, Transparency, Accuracy, Reliability, Universality, Accountability, Information Asymmetry, Timeliness, Completeness, Projects, Investor Confidence.

THE EFFECT OF SOVEREIGN DEBT RATING CHANGES ON STOCK MARKETS: A EUROPEAN MARKET APPROACH

Arooj Zahid Bakjrawari and Dr. Attiya Javed

ABSTRACT

The purpose of this paper is to get a better understanding of the effect of changes in sovereign credit ratings on stock markets. Three different issues are investigated. First hypothesis will look at the mechanism of how sovereign rating changes influence corporate ratings. With a sample of 23 corporations divided over 5 countries, the results show that for both upgrades and downgrades, most of the time corporate credit ratings are adjusted accordingly. The effect is larger for downgrades. Second this thesis will examine whether a rating change from speculative grade to investment grade or vice versa has a greater impact on stock markets than other rating changes. Both panel regression and event studies reveal that for upgrades the effect is greater than normal rating changes on the day of the rating change announcement. For downgrades effect is particularly larger on the day before and after the rating change. The third issue that will be investigated is whether different industries are affected differently by changes in sovereign credit ratings. This is done by means of an event study. Results suggest that the financial and consumer services industries are affected the most by the rating changes. The basic materials and consumer goods industries are affected the least by the rating changes.

Keywords: Debt Rating, Stock Markets, European Market, Speculative Grade, Investment Grade.

SOCIAL AND GROUP INFLUENCES AS A FUNCTION OF CONSUMPTION CULTURE

Shahzad Shakeel and Dr. Muhammad Kamran Naqi Khan

ABSTRACT

The purpose of this study is to investigate the consumption tendencies of Pakistani consumers, with a specific focus on their orientation towards indulging in buying behavior. The main hypothesis of the study suggests that consumption tendencies, particularly the inclination towards eating out, are more group-oriented rather than individual-centered. To test this hypothesis, an exploratory study was conducted using a multi-methods research approach. In the initial phase of the study, a group discussion was conducted to identify items related to social issues. The key contents derived from the discussion were then used to develop an open-ended questionnaire aimed at determining the factors influencing consumption-oriented behavior. The questionnaire was administered to fifty respondents, primarily young males and females residing in urban areas. Based on the responses, major items were identified and categorized according to theoretical dimensions. A final scale was developed from the pooled items after ensuring construct validity and reliability using established techniques. The scale was then tested on a sample of 231 respondents. The results of the study provide confirmation for the hypothesis that consumption patterns within a community are more influenced by group factors rather than individual factors. This study contributes to the understanding of consumer behavior in Pakistan and highlights the importance of group-oriented factors in shaping consumption tendencies. Further research in this area can provide valuable insights for marketers and policymakers in developing targeted strategies and interventions to cater to the unique characteristics of the Pakistani consumer market.

Keywords: Consumption Tendencies, Buying Behavior, Group-Oriented Factors, Individual-Centered Factors, Consumer Behavior, Pakistan.

CRITICAL SUCCESS FACTORS OF PUBLIC PRIVATE PARTNERSHIP IN PAKISTAN: AN EMPIRICAL ANALYSIS OF HEALTH SECTOR

Muhammad Imran and Dr. Bakhtiar Ali

ABSTRACT

The study aims to investigate the most critical success factors of public-private partnerships (PPPs) in the health sector projects in Pakistan. A questionnaire was administered to 195 employees at the managerial level (16 BPS and above) involved in these projects. Correlation and multiple regression analyses were conducted to test 18 main hypotheses developed based on the theoretical framework. The hypotheses were tested for both the current practice and desired practice situations. The findings revealed that in the current practice situation, Top Management Support and Collaboration were the most practiced factors in PPPs. However, the remaining factors were not statistically supported, suggesting that they were not effectively implemented in PPPs. Additionally, Inter-Organizational Communication was found to moderate the relationships between Inter-Organizational Vision, Project Mission, Monitoring & Feedback, Collaboration, and the success of PPPs. Inter-Organizational Trust was also identified as a moderating variable between Top Management Support, Commitment, Collaboration, Political Support, and the success of PPPs. The study has limitations and provides suggestions for future research, such as exploring critical success factors in other types of projects, like infrastructure projects. The study's findings are beneficial for senior-level employees involved in PPP projects, as they contribute to the success of such partnerships. Moreover, the study findings can be utilized in academia for training purposes related to PPPs.

Keywords: Success Factors, Public Private Partnership, Health Sector, Pakistan.

**INVESTIGATING THE RELATIONSHIPS OF LEADERSHIP STYLES,
ORGANIZATIONAL POLITICS AND EMPLOYEE PERFORMANCE MODERATED
BY ORGANIZATIONAL CULTURE (A COMPARATIVE STUDY OF PUBLIC AND
PRIVATE SECTOR ORGANIZATIONS OF PAKISTAN)**

Quaiser Abbas and Dr. Sajid Hussain Awan

ABSTRACT

The purpose of this study is to examine the role of leadership styles and organizational politics in public and private sector organizations in Pakistan, with a specific focus on the moderating role of organizational culture. The study develops a conceptual framework based on an extensive literature review and tests it empirically to gain insights into the proposed relationships. Data is collected from employees working in 45 selected organizations from both the public and private sectors in Pakistan. Statistical analysis is conducted on the collected data. The results indicate that laissez-faire leadership style and organizational politics are prevalent in the public sector. Furthermore, the study finds that organizational culture moderates the relationship between leadership styles, organizational politics, and employee performance. The findings emphasize the importance of understanding employees' perceptions of organizational politics and leadership styles within an organization. By gaining such understanding, management can effectively address organizational politics, leading to enhanced employee performance. It is important to note that the study was conducted in a developing economy, and while the findings can be partially generalized to other developing economies, further research in different settings is recommended.

Keywords: Leadership Styles, Organizational Politics, Organizational Culture, Employee Performance, Public Sector, Private Sector.

**MEASURING THE IMPACT OF FINANCIAL FRAGILITY ON THE PERFORMANCE
OF PAKISTANI NON-FINANCIAL FIRMS LISTED AT KARACHI STOCK
EXCHANGE**

Muhammad Munir Ahmed and Dr. Syed Muhammed Amir Shah

ABSTRACT

The objective of this study is to examine the relationship between firm performance and financial fragility. The analysis is conducted using panel data from firms listed on the Karachi Stock Exchange during the period 2003 to 2012. The study employs fixed effect, random effect, and pooled OLS techniques to assess the strength of the relationship between the variables. The performance of firms is measured using the Return on Assets and Tobin's Q ratios, while financial fragility is the focal point of investigation. The findings indicate a negative relationship between firm performance and financial fragility. Specifically, firms with higher levels of financial fragility tend to have lower levels of performance according to both the Return on Assets and Tobin's Q ratios. Additionally, the study reveals that younger firms exhibit better performance compared to older firms. Moreover, larger firms demonstrate better performance in comparison to smaller firms. However, it is noteworthy that the negative impact of financial fragility on performance is observed across all types of firms, except for larger firms. In summary, this study emphasizes the relationship between firm performance and financial fragility, highlighting the influence of firm age and size. The findings contribute to the understanding of how financial fragility can impact firm performance in the context of the Karachi Stock Exchange.

Keywords: Firm Performance, Financial Fragility, Age, Size, Fixed Effect, Random Effect, Pooled OLS.

AN EMPIRICAL ANALYSIS OF ANTECEDENTS OF BRAND STRENGTH

Ali Haider, Dr. Bakhtiar Ali & Dr. Mohsin Butt

ABSTRACT

Brand strengths are key components to execute the modern business model and brand equity is an important determinant for understanding brand strengths. The main purpose of this study is to find the antecedents that make a strong brand. Brand strengths are analyzed by mediating role of brand loyalty, brand experience, emotional brand attachment and brand credibility for developing a strong brand in Pakistan. This is a quantitative study. Data were collected through self administered questionnaire from 449 laptop users and 315 smart phone users using convenient sampling (snow ball sampling) technique. Questionnaire was adapted from different studies. Data was analyzed through principal component analysis & multiple regression and results of these two brand users were compared. Findings show that mediating role of variables varies with the perception of consumer, whereas emotional attachment is a signal of the strength of sentiment towards a brand. Laptop & Smartphone brands have been used in the empirical study and thus further research should replicate the study with the social welfare brands. The findings have relevant implications for brand managers in helping them to understand how to increase brand strengths in this competitive environment. This study contributes to the literature by making explicit the mediating role of brand loyalty, brand experience, emotional brand attachment and brand credibility. In this research electronic gadgets were used to measure brand experience and its role in developing the strong brand. Other brand categories can also be used for measuring brand experience and its impact on brand strengths.

Keywords: Brand Strengths; Modern Business Model; Brand Equity; Antecedents; Competitive Environment.

MAINTAINING THE ORDER VIA JUSTIFICATIONS: THE CASE OF PAKISTANI COUNTERFEIT MARKET

Muhammad Abid Awan and Dr. Bakhtiar Ali

ABSTRACT

Grounded theory has been used to build on and extended Boltanski & Thevenot's orders of worth approach to account for the ways in which consumers provide rationalizations to maintain the legitimacy of unjust social orders. We analyzed the justifications that consumers provide to legitimize the apparel counterfeit market in Pakistan. Based on the findings, this research study introduces six dimensions non-deceptive, knowledge deficiency, state setting, collective welfare, counterfeiters' endeavors, and postcolonial in the theory of justification which was not addressed previously. Last dimension enhances understanding about consumers' behavior of postcolonial nations. Moreover, we open up the category of 'ethical' consumer as constructed in marketing literature and highlight the subjectivities and multiple moral systems that consumers employ in developing robust justifications. Five focus groups and sixty interviews were conducted for this study. We have interviewed those people who are brand conscious and having experience of knowingly buying counterfeits. Theoretical sampling was employed to conduct this research.

Keywords: Counterfeit Market, Ethical Consumer, Grounded Theory, Postcolonial Nations, Theory of Justification.

**ORGANIZATIONAL LEARNING MECHANISMS AND ENABLERS AS
ANTECEDENTS OF ORGANIZATIONAL PERFORMANCE IN TELECOM AND
BANKING ORGANIZATIONS OF PAKISTAN**

Zainab Naseer and Dr. Sajid Hussain Awan

ABSTRACT

This study attempts to examine how learning is implemented in Pakistani organizations and how it is contributing towards organizational performance through different levels of learning such as individual level, team and organizational level learning. A survey questionnaire was used to collect data from a sample of 402 employees in the banking and telecom sectors of Pakistan. The response rate obtained was 67%. Correlation and regression analysis were used to test the relationships among the predictors of organizational learning mechanism and organizational learning enablers and response variable of organizational performance with organizational learning levels as mediator. The results show that a significantly positive relationship exists between organizational learning mechanism and organizational performance. A significantly positive relationship was also found between organizational learning enablers and organizational performance. Partial mediation of learning levels was found between the relationship of organizational learning and performance. The study has limitations which hold suggestions for future research including cross-sectional study issue, considering only telecom and banking sector for analysis and employing convenience sampling. However, the study will benefit both the practitioners (including managers and top level management) and academicians (including future researchers).

Keywords: Organizational Learning Mechanisms, Organizational Performance, Telecom Sector, Banking Sector, Pakistan.

FORECASTING ACCURACY OF CONSTANT DIVIDEND MODEL AND PRICE EARNINGS RATIO MODEL IN PREDICTING STOCK PRICE (EVIDENCE FROM PAKISTAN)

Syed Farhan Shah and Dr. Attiya Y. Javaid

ABSTRACT

The focus of this study is to assess the forecasting accuracy of the common stock valuation models- one model is based on dividend i.e. constant growth model and the second is relative based valuation model based on earnings i.e. P/E ratio model. The study aims to find out which valuation models have comparatively high forecasting accuracy in predicting stock prices in Karachi stock exchange. To cross check the importance of dividend per share and earning in affecting the market prices, the study also attempts to check the effect of dividend per share and earnings per share along with other variables like liquidity, leverage and growth rate on the market price. The study uses a sample of 48 companies listed at Karachi stock exchange for the period 2005-2010 that fulfilled the assumptions of both Constant growth model and P/E ratio model. The study uses mean t-tests to assess the predicting accuracy of the two models. To check the effect of dividend per share and earnings per share on the market price the study uses Random effect model. The study indicates that there is a considerable difference in mean forecast error between Constant growth model and price earnings ratio model, with Dividend Growth Model showing greater accuracy compared to Price Earnings Ratio Model. Result of this study based on random effect model which is applied on panel data to explain the relationship between dividends, earnings per share, liquidity, leverage, and growth rate on the stock prices. Result indicates that dividend per share, leverage and growth rate has positive significant effect on market prices, whereas earnings per share has negative insignificant effect on stock market prices and liquidity has positive insignificant effect on market price. The study also uses linear regression, by having company characteristics (Leverage, liquidity and growth) as independent Variables 'and Differential forecast error as dependent variable, the result shows that leverage is positive significant related to differential forecast error whereas growth and liquidity has significant effect on differential forecast error.

Keywords: Dividend Growth Model, Price Earnings Ratio Model, Dividend, Earning Per Share, Share Price.

A COMPARATIVE STUDY BETWEEN PUBLIC AND PRIVATE SECTOR ORGANIZATIONS OF PAKISTAN

Sumaira Gulzar and Dr. Bakhtiar Ali

ABSTRACT

This study seeks to explore the effect of key personal knowledge management competencies on organizational intelligent quotient and organizational performance empirically. For this purposes survey is conducted based on adapted questionnaire. The sample was employees working in public and private sector organizations of Pakistan on management position for at least more than year. The correlation and regression analysis was used to determine the impact of the components of personal knowledge management including: personal information management (PIM), Personal knowledge internalization (PKI), personal knowledge wisdom (PWC) and interpersonal knowledge transferring (IKT) on organizational intelligent quotient and performance then impact of intelligent quotient on organization performance with moderating effect of knowledge sharing. The major findings of this research study reveal that Personal Informational Management, Personal Knowledge Internalization and Interpersonal Knowledge Transferring are positively associated with organizational intelligence quotient in Pakistan. Organizational intelligence quotient is positively associated with organizational performance, and knowledge sharing enhances this relationship but at the same time there is a lack of knowledge sharing in public sector of Pakistan. These Findings can guide managers' efforts in the development of a personal knowledge management which fosters both organizational intelligence quotient and organizational performance. This study focuses on the researched relations between personal knowledge management, organizational intelligence quotient and organizational performance in a comparison between public and private sector organizations. Finally, the paper provides empirical evidence that these relations exist.

Keywords: Knowledge Management, Organizational Intelligence Quotient, Organizational Performance, Personal Knowledge Management, Personal Information Management (PIM), Personal Knowledge Internalization (PKI), Personal Knowledge Wisdom (PWC) And Interpersonal Knowledge Transferring (IKT) Private, Public, Pakistan.

CORPORATE GOVERNANCE AND COST OF EQUITY**Sidra Shahzadi** and Dr. Syed Zulfiqar Ali Shah**ABSTRACT**

This study undertakes the empirical analysis of the direct impact of corporate governance on the cost of equity capital of 90 Pakistani listed companies from three different sectors. The sectors included in this study are textile composite, sugar and cement and duration of the study is 6-years from 2004-2010. This study is based on the studies finding the role of corporate governance in improving the cost of equity. Several studies found the same relation but the major contribution of this study is to use free cash flow model to find the cost of equity, which is not done before. CAPM is also used to find the cost of equity to compare its results with the results of free cash flow model for equity. Corporate governance practices incorporated in this study are audit committee independence, board independence, board size and CEO duality. Profitability, leverage and size are taken as control variables. When checked with the cost of equity found free cash flow model, results of the study show that corporate governance significantly affects cost of equity (COE). Positive relationship is found between duality and COE and the relationship is significant at .05. Audit-committee independence and board-independence are significantly negatively related with the COE. It shows that as the number of nonexecutive members increase in the audit-committees and boards, cost of equity decreased due to reduced risk. Board size is significantly negatively related with the COE which shows that as the size of the boards increases, COE decreases. Profitability is significantly negatively related with the COE. Leverage is found to have significantly positive effect on the COE. Size is found to have significant negative effect on the COE. Results show that CAPM is not valid to find COE in Pakistan when we are studying the effect of corporate governance on COE. In this study, impact of corporate governance practices is examined on the cost of equity capital and cost of equity is determined through both CAPM and free cash-flow model .In this study first the impact of corporate governance practices.

Keywords: Corporate Governance, Cost of Equity, Capital Asset Pricing Model, Audit Committee, Audit Committee Independence, Board Independence, Board Size, CEO Duality.

THE IMPACT OF MACROECONOMIC VARIABLES ON STOCK MARKET RETURNS: EVIDENCE FROM ASIAN COUNTRIES

Sadia Rafique and Dr. Zaheer Abbas

ABSTRACT

The aim of this study is to analyze the impact of Macroeconomic Variables on Stock Market Returns of Asian countries. Empirically it is investigated that how these macroeconomic variables affect the performance of stock market by using annual data from 1998 to 2011 for 10 Asian economies. For analysis seven macroeconomic variables including Foreign Portfolio Investment, Interest Rate, Inflation Rate Exchange Rate, Gross Domestic Production, Gold prices and Crude Oil prices are selected and one control variable Market Size is also included in this study. The Random Effect Model (GLS Method) has been applied on panel data and the findings reveal that only Crude Oil prices has a significant impact on Stock Market Returns whereas Inflation and GDP have negative but insignificant relationship with Stock Market Returns for these sample countries. These results are helpful for investors to understand the stock market capability as they rate the role of macroeconomic variables and the degree by which these variables influence stock market returns. It also put an insight on how the development of suitable monetary and fiscal policies can help to soothe the financial markets.

Keywords: Capital Market, Macroeconomic Variables, Stock Market Returns, Asia.

IMPACT OF SPIRITUALITY ON DEVIANT WORKPLACE BEHAVIOR IN PUBLIC SECTOR ORGANIZATIONS OF PAKISTAN

Saif-ur-Rehman and Dr.Sajid Hussain Awan

ABSTRACT

This study examines the relationship between spirituality and deviant workplace behavior in two public sector service organizations in Pakistan. The main objective is to measure deviant workplace behavior by observing employees' spirituality and to provide recommendations for curbing workplace deviance to achieve individual and organizational outcomes in the short and long term. Deviant workplace behavior is measured through two types: Serious and Less Serious, while spirituality is measured through the variables of 'Belief toward external power,' 'Attitude toward others,' and 'Attitude toward inner-self.' The study develops six hypotheses predicting a negative relationship between the independent variables (spirituality) and dependent variables (deviant workplace behavior). The survey questionnaires used in the study were borrowed from previous studies with permission. A sample size of 400 employees from the two selected organizations was taken, and 388 self-administered survey questionnaires were received, of which 376 were usable, resulting in a response rate of 59.16%. After conducting regression analysis and analyzing the data, the results show that two hypotheses were rejected due to inconclusive evidence, both pertaining to less serious deviance. However, attitude toward inner-self showed a significant negative relationship (-0.343) with less serious deviance. For more serious deviance, all hypotheses were accepted, with beta values of -0.38, -0.189, and -0.29, respectively. The study concludes that spirituality can be used to predict more serious deviant workplace behavior and can serve as a prevention technique by reinforcing spiritual beliefs to enhance individuals' spiritual well-being and promote positive organizational outcomes.

Keywords: Spirituality, Deviant Workplace Behavior, Public Sector, Pakistan.

DETERMINANTS OF TAXABLE CAPACITY IN SAARC COUNTRIES

Muhammad Bilal Ijaz and Dr. Attiya Y Javid

ABSTRACT

The primary aim of this study is to assess the determinants of the taxable capacity of SAARC (South Asian Association for Regional Cooperation) countries. Secondary data from the International Country Risk Guide and World Bank Development Indicators were collected to measure the taxable capacity. The Random Effect Model was employed for data analysis. The study identifies significant determinants that enhance the taxable capacity of SAARC countries. Economic factors such as GDP per capita, trade openness, and the share of agriculture value added have a highly significant impact on taxable capacity. Demographic factors, specifically population growth rate, also have a significant influence. Institutional factors, including control of corruption and bureaucracy quality, are found to significantly affect taxable capacity. These findings provide valuable insights for policymakers in SAARC countries, suggesting that tax revenues can be increased by focusing on factors such as GDP per capita, trade openness, bureaucracy quality, and control of corruption.

Keywords: Taxable Capacity, SAARC Countries, International Country Risk Guide, World Bank Development Indicators.

**MAINTAINING THE ORDER VIA JUSTIFICATIONS: THE CASE OF PAKISTANI
COUNTERFEIT MARKET**

Muhammad Abid Awan and Dr. Bakhtiar Ali

ABSTRACT

Grounded theory was used to extend Boltanski & Thevenot's orders of worth approach and examine consumer rationalizations for maintaining the legitimacy of the apparel counterfeit market in Pakistan. The study introduces six dimensions, including non-deceptive, knowledge deficiency, state setting, collective welfare, counterfeiters' endeavors, and postcolonial, which were not previously considered. The research sheds light on the behavior of consumers in postcolonial nations and challenges the notion of the 'ethical' consumer. The study involved five focus groups and sixty interviews with brand-conscious individuals who knowingly purchased counterfeits. Theoretical sampling was employed for data collection.

Keywords: Order Via Justifications, Counterfeit Market, Pakistan.

LINKING BIG 5 PERSONALITY TRAITS, CONFLICT MANAGEMENT STYLES WITH LEADERSHIP EFFECTIVENESS: A STRUCTURAL EQUATION ANALYSIS

Riffat Abbas Rizvi and Mr. Amir Riaz Qureshi

ABSTRACT

The objective of this study is to examine the direct and indirect impact of personality traits on the effectiveness of project managers, with a focus on the mediating role of conflict management styles. The study explores the relationship between the big five personality factors (extroversion, agreeableness, emotional stability, conscientiousness, and openness to experience), conflict management styles, and leadership effectiveness (measured by employee loyalty and adoption of new procedures). Data for the study was collected from 308 project managers working in various organizations. The hypothesized relationships were tested using statistical analysis. The results indicate that conflict management styles partially mediate the association between personality traits and leadership effectiveness. Specifically, extroversion, agreeableness, and emotional stability are identified as important personality traits among project managers. The integrating and compromising conflict management styles are found to be significant for project managers. Additionally, emotional stability has a direct association with leadership effectiveness. The findings suggest that project managers who exhibit extroversion and agreeableness, and possess integrating and compromising conflict management styles, are more likely to be effective leaders. These personality traits and conflict management styles contribute to higher levels of employee loyalty and greater adoption of new procedures.

Keywords: Personality, Conflict Management Styles, Leadership Effectiveness, Organizational Conflict Inventory.

CONSUMER BEHAVIOR TOWARDS ETHICAL PRODUCTS: A CASE OF ORGANIC PERSONAL CARE PRODUCTS

Muhammad Danish Habib and Dr. Bakhtiar Ali

ABSTRACT

This study aimed to identify the factors that influence consumer buying behavior for ethical products, specifically organic personal care products, in the context of Pakistan. The research was motivated by the desire to understand the distinctions between ethical and conventional products within consumer behavior. A qualitative research approach using grounded theory was employed to achieve the research objective. The data collection process involved theoretical sampling and interviews, and the constant comparison method was used for analysis. Through the analysis, ten Aggregate Theoretical Dimensions were identified, shedding light on the factors that may impact consumer buying behavior for organic personal care products. The findings of this study provide valuable insights for academics interested in organic products in emerging markets. Additionally, marketers, wholesalers, and retailers can benefit from the in-depth investigation of consumer purchase intentions towards organic personal care products, as it offers important theoretical dimensions in this context.

Keywords: Consumer Behavior, Ethical Products, Organic Personal Care.

ANALYZING MARKETING PERFORMANCE MEASUREMENT PRACTICES IN MULTINATIONAL COMPANIES IN PAKISTAN

Syed Muhammad Zubair Azam and Dr. Sajid Hussain Awan

ABSTRACT

This study seeks to examine the current systems of marketing performance measurement by the multinational companies operating in Pakistan. It, then, reviews the literature on performance measurement and provides a normative framework consisting of metrics relating to marketing productivity, brand equity, customer equity and shareholders' value of marketing activities to measure the marketing performance. The study attempts to bridge two scenarios; one investigating the metrics currently being observed (the positivist paradigm), while the second proposes as to how companies may practice an effective, reliable and transparent performance measurement system (the normative paradigm). To accomplish the research objective, the researcher follows two-study model: the study one surveys the different metrics multinational companies currently use in Pakistan; while the study 2 empirically tests the proposed model. A sample of size 250 from the marketing executives of a set of multinational companies was selected. Two survey questionnaires were used to collect data for the two scenarios. Descriptive statistical techniques were applied to rank the perceived importance of the metrics. An independent sample t-test was used to determine the group differences about marketing performance measurement. The regression analysis was also performed to assess the impact of metrics. Consistent with the past studies, the results reveal that the proposed metrics of marketing productivity, brand equity and customer equity play a significant role in providing an effective, reliable and transparent marketing performance measurement system.

Keywords: Marketing Performance, Measurement Practices, Multinational Companies, Pakistan.

IMPACT OF MACROECONOMIC AND THE VOLATILITIES ON NON-PERFORMING LOANS IN PAKISTAN

Saad Siddiqui and Dr.Syed Zulfiqar Ali Shah

ABSTRACT

Existing literature highlights the strong connection between the rise of non-performing loans (NPLs) and macroeconomic instability, which can potentially lead to a crisis in the banking and financial sectors. In the case of Pakistan's banking sector, an alarming situation has emerged, indicating its vulnerability to crisis. Over the past five years, NPLs have increased by a staggering 234%, surpassing the 14% mark against gross loans as of December 2012. Moreover, the macroeconomic environment in the country has been highly volatile during the period under consideration. For this study, the independent variables selected are macroeconomic factors such as exchange rates, interest rates, and inflation, along with the volatilities in these variables. NPLs serve as the dependent variable. The Autoregressive Distributed Lag (ARDL) modeling approach is employed for empirical testing, considering the different orders of integration for the various time series. The results reveal significant long-run relationships between NPLs and exchange rates, interest rates, interest rate volatility, inflation, and volatility in inflation rates, explaining approximately 43% of the overall variation. Short-run relationships among the variables are also identified, with a negative Error Correction Model coefficient of 97% and a p-value of 0.0006. This study is expected to hold great significance for academia, policymakers, and professionals in addressing the pressing issue of increasing NPLs in Pakistan. It emphasizes the need for collective efforts to effectively control the growth of non-performing loans and safeguard the banking system from an impending crisis.

Keywords: Financial Crisis, Banking Crisis, Non-Performing Loans, Exchange Rate, Interest Rate, Inflation, Volatility in Macroeconomic Variables.

**PORTFOLIO TILTING: ADDING STYLE TILTS TO PASSIVELY MANAGED FUNDS.
DO BEHAVIORAL BIASES AFFECT TILTING DECISION OF FUND MANAGERS?**

Muhammad Wajid Raza and Dr. Hassan M Mohsin

ABSTRACT

This study aims to explore how fund managers can generate additional returns. It addresses two aspects of this issue. Firstly, it discusses the portfolio construction process, ranging from the separation theorem to modern style tilts. Secondly, it provides empirical evidence for the superior performance of style tilts. The study begins by comparing active and passive management styles and collects return data from the Karachi Stock Exchange (KSE) over a five-year period. Two sets of style-based portfolios are constructed, and strong evidence is found in favor of active management. Actively managed funds are used as proxies for tilted portfolios, with net asset value data obtained from the Mutual Funds Association of Pakistan (MUFAP). The portfolios are tested for size and value tilts, and the study confirms the higher performance of portfolios with style tilts. In the second phase, the study investigates behavioral biases associated with fund managers' decisions. A survey is conducted among portfolio managers with the assistance of the Securities and Exchange Commission of Pakistan (SECP). Exploratory factor analysis and reliability analysis are employed to validate a newly developed instrument. Data is collected through email from fund managers, and regression analysis is utilized to test the hypotheses. The results confirm that fund manager decisions are influenced by overconfidence bias and the disposition effect. The empirical findings from this study can assist fund managers in increasing their returns, efficiently managing their funds, and mitigating the impact of behavioral biases on their tilting decisions.

Keywords: Portfolio Tilting, Size Effect, B/M Value, Overconfidence, Disposition Effect.

**BEHAVIORAL AND RATIONAL EXPLANATION OF STOCK PRICE
PERFORMANCE AROUND MERGERS AND ACQUISITIONS IN PAKISTAN:
EVIDENCE FROM DECOMPOSITION OF MARKET TO BOOK RATIO**

Ayyaz Nadeem and Dr. Syed Zulfiqar Ali Shah

ABSTRACT

This study aims to analyze firm-specific errors (FSSE) as an indicator of misevaluation and the long-run value-to-book ratio as a measure of growth opportunities during mergers and acquisitions in the Pakistani financial sector. The researcher adopts the RKRK methodology, developed in 2004, to decompose the market-to-book ratio and examine FSSE and future growth opportunities. Mergers data from 2001 to 2009 and accounting data from 2000 to 2012 are utilized to calculate fundamental values, market values, and estimated market values using accounting variables such as net profit and leverage. The performance of merged financial institutions is compared to non-merged institutions, considering one year before and three years after the merger. The results indicate the presence of FSSE in both merged and non-merged financial institutions in Pakistan, as observed through non-zero log differences between market values and fundamental values. However, no significant long-run growth opportunities are found in either merged or non-merged financial institutions, as the difference between estimated market value and book value is negative. Additionally, the study reveals the existence of time series sector errors (TSSE) in the valuation of financial institutions, further highlighting the presence of valuation discrepancies.

Keywords: Behavioral Explanation, Rational Explanation, Stock Price Performance, Mergers and Acquisitions, Pakistan.

**THE RELATIONSHIP BETWEEN INVESTMENT AND INTERNAL FINANCE UNDER
ASYMMETRIC INFORMATION: AN EMPIRICAL STUDY OF PAKISTANI
MANUFACTURING COMPANIES**

Akmal Khan and Dr. Syed Zulfiqar Ali Shah

ABSTRACT

Several researchers in corporate finance are interested to investigate the relationship between the investment of the firms and its internal finance in the recent past. There are at least five theories (i.e. accelerator theory, Q theory, neoclassical theory, cash flow theory and modified neoclassical theory) of investment which are commonly used for this purpose. Some of these theories are based on the assumption of frictionless and perfect capital market while the others are against it. The Q-theory with some accelerator specifications is followed in this specific study. This study also aims to explore the relationship between internal finance and corporate investment outlays of Pakistani manufacturing firms in the presence of asymmetric information in the capital market. The fixed effect model has been employed on a sample of conveniently selected 272 listed manufacturing firms (with 2720 observations) over the period 2001 to 2010. Three different proxies of asymmetric information (i.e. Tobin's Q, firm size, & age) are used. Based on each of these three measures the sample is split into two subsamples (i.e. high & low Q, small & large size, and young & old firms respectively). Firms with high Q, small size, and young firms are facing the asymmetric information while the other three subsamples are not considered so. The results based on all of the three measures indicate that there is a statistically significant and positive relationship between investment and internal finance or the cash flows. The ST of those firms where there is asymmetric information (i.e. high Q, small size, and young firms) such firms are more sensitive to the changes in their cash flows.

Keywords: Asymmetric Information, Tobin's Q, Manufacturing Firms, Internal Finance, External Finance.

SOCIAL AND GROUP INFLUENCES AS A FUNCTION OF CONSUMPTION CULTURE

Bakhtiar Muhammad and Dr. Attiya Javid

ABSTRACT

Besides reflecting the effectiveness of tax policy Tax/GDP ratio also indicates at the informal economy that evades the tax net. There are numerous factors that contributing to Tax/GDP ratio of a country. Pakistan, being a developing country, is facing similar problems with its Tax/GDP ratio of about 11% historically and 8.8% in the fiscal year 2011-12, being one of the lowest in the region. This research work aimed at analyzing some important macroeconomic variable i.e. value addition to industries as fraction of GDP, value added to large scale manufacturing as fraction of GDP, value addition to services as fraction of GDP, international trade as fraction of GDP, Broad money as fraction of GDP, external debt as fraction of GDP, per capita GDP, percentage growth of population as to whether and how these variables affect Tax/GDP of Pakistan, which in return reflects the tax performance. The data of GDP was retrieved from State Bank of Pakistan and that of taxes from the Federal Board of Revenue. GDP's disaggregated estimates were made on the basis of ISIC Rev.3 or CPC. The tests used in the study are ARDL and the results show that industrial value addition, trade, per capita GDP and population growth play important role in the tax performance of Pakistan whereas external debt has negative impact. There is a need to take concrete steps to improve these areas to generate more tax revenues.

Keywords: Pakistan, Federal Board of Revenue, Tax Performance, Tax/GDP Ratio, Tax Administrative Reform Project.

POTENTIAL REGIONS FOR PAKISTAN'S FUTURE TRADE: APPLICATION OF GRAVITY MODEL

Hammad-ul-Mughal and Dr. Yasir Kamal

ABSTRACT

A limited number of attempts have been made to provide theoretical justification for the use of the gravity model of trade in analyzing the trade patterns of world and to use the generalized gravity model in estimating the Pakistan's potential trade. This research work uses the gravity model in its basic and augmented form that identifies the trading partners for Pakistan, who have high trade potentials in certain regions of the world. Gravity model of trade is used in the current study by using ordinary least squares method with cross-section data of 152 countries to analyze the world trade patterns for the year 2008. A number of variables have been used, which are openness, inflation and exchange rate along with certain dummy variables that are included in the standard gravity equation. The results reveal that variables of the basic and augmented gravity model depict their expected signs as supported by the literature and most of the variables show their significant contribution in the world export flows. The potential analysis using coefficient betas estimated by the augmented gravity model for Pakistan, shows highest trade potential of US \$ 42 billion with India. The regional analysis shows that Pakistan is losing its major trade potential with its neighboring countries. The results further show that Pakistan is having significant trade potential in Asian and European regions. The potential estimations indicated by the findings of the current study deserve special attention in terms of its significance for regional and bilateral trade integration for Pakistan.

Keywords: Trade, Gravity Model, Regional and Bilateral Trade Integration, Pakistan.

ROLE OF RISK MANAGEMENT IN VALUE CREATION IN BANKING SYSTEM OF PAKISTAN

Ahmed Arif and Dr. Syed Zulfiqar Ali Shah

ABSTRACT

The present study focuses on evaluating the role of risk management in the value creation process within the banking system of Pakistan. A model was developed based on a thorough literature review, incorporating various risk management techniques employed by Pakistani banks as independent variables. The study analyzed the mediating role of earnings volatility and financial distress, as well as the moderating role of the economy and market. Return on equity (ROE) and return on sales (ROS) were used as measures of shareholder value. A sample of 21 banks listed on the Karachi Stock Exchange was selected, and data spanning seven years (2004-2010) was collected. The study examined the direct relationship between risk management and shareholder value, as well as the mediating and moderating effects of certain variables. The findings of the study indicate that risk management practices in the Pakistani banking system are not relevant to maximizing shareholder value. The study suggests that the current risk management practices are not aligned with value maximization objectives. The results also indicate that there is no significant mediation or moderation effect observed. The study has important implications for both managers and academia. It highlights the need to align risk management activities with the goal of maximizing shareholders' wealth to avoid potential conflicts between managers and shareholders. The findings emphasize the necessity of reviewing traditional risk management techniques, as they may not effectively stabilize earnings or prevent financial distress in the banking system. It is worth noting that this study was conducted in a developing economy, and future researchers can explore similar topics in developed economies. Additionally, the study suggests that similar investigations can be conducted in other sectors of the economy.

Keywords: Risk Management, Value Creation, Banking System, Pakistan.

RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY STRATEGY AND PURCHASE INTENT

Muhammad Farhan and Dr. Bakhtiar Ali

ABSTRACT

This study aimed to explore the significance of proactive corporate social responsibility (CSR) strategies, their motives, and their relationship with the behavioral intentions of stakeholders in a private telecommunications organization in Pakistan. The telecommunication sector was chosen due to its pioneering role in CSR but limited attention in academic literature. Using quantitative data collected from 472 employees and employing regression analysis, the study found that CSR strategies have an influence on the behavioral intentions of stakeholders and the financial performance of the organization. The relationships were found to be partially mediated by organizational motives. Furthermore, service quality was identified as a moderator between CSR strategy and purchase intentions. These findings contribute to the corporate social responsibility literature by highlighting the importance of organizational CSR policies and programs in signaling to employees and stakeholders, who significantly respond to how the organization, particularly top management, treats external stakeholders. The study advances understanding in the field of management sciences and underscores the competitive advantages of CSR, including cost and risk reduction, reputation enhancement, value creation, and the role of service quality.

Keywords: Corporate Social Responsibility, Purchase Intent, Competitive Advantages, Cost and Risk Reduction, Reputation, Value Creation, Service Quality.

IMPACT OF OIL PRICE SHOCKS AND EXCHANGES RATE VOLATILITY ON ECONOMIC GROWTH OF OIL IMPORTING AND OIL EXPORTING COUNTRIES

Mirza Waqas Rasool and Dr. Yasir Kamal

ABSTRACT

This empirical study aimed to assess the effects of real exchange rates and oil prices on the real economic activity of major oil-importing countries (Pakistan, China, India, Japan, and Germany) and oil-exporting countries (Saudi Arabia, Norway, Venezuela, Kuwait, and Nigeria) from 1980 to 2009. The study first conducted a Granger causality test using the LA-VAR approach to determine whether exchange rate volatility and oil price shocks had a causal relationship with economic growth in these countries. Unit root tests were then applied to assess data stationarity. Subsequently, a VAR model with co-integration approach was employed to examine the long-term impact of exchange rate and oil price changes on the real GDP of these countries. For short-term analysis, a vector error correction model (VECM) was utilized. The key findings revealed that, except for Nigeria, an increase in oil prices negatively affected growth in all countries. Furthermore, the appreciation of real exchange rates had a negative impact on the economic growth of China, Japan, Germany, Norway, Venezuela, and Kuwait, given their industrial and export-oriented economies. However, the appreciation of currencies in Pakistan, India, Saudi Arabia, and Nigeria had a positive impact on their GDP, particularly due to their import-oriented economies.

Keywords: Oil Price Shocks, Exchange Rate Volatility, Economic Growth, Oil Importing Countries, Oil Exporting Countries.

**ROLE OF FINANCIAL AND SOCIAL PERFORMANCE OF MICROFINANCE
INSTITUTIONS IN DETERMINATION OF LENDING INTEREST RATE (A CROSS
COUNTRY EVIDENCE)**

Afsheen Abrar and Dr. Attiya Javaid

ABSTRACT

The present study examines the role of financial and social performance of microfinance institutions in determination of lending interest rate. The study has covered 5-star Microfinance Institutions around the world and across the six regions of the world separately. The period of this study is from 2003-2009. Data for 382 MFIs belonging to 70 countries, have been taken from microfinance information exchange (Mix). The conceptual model in this study has been adopted for financial and social performance indicators. Financial performance is captured through return on assets, return on equity, and operational self-sufficiency. Whereas Social performance is measured by average loan size and number of credit clients. The study has analyzed the impact of financial and social performance of MFIs on lending interest rate that is a weighted average of the interest rate actually received by the microfinance institutions from their clients. The study has incorporated some control variables to capture variations in size, age, location and infrastructures of MFIs. Also the study includes some dummy variable to incorporate structural, methodological, regional difference among MFIs. The panel data estimation and simultaneous equation modeling has been conducted to find out the empirical association between the selected variables. The results have revealed that funding cost, return on assets, number of credit clients have significant positive impact on lending interest rate around the world. Whereas average loan size has significant inverse relationship with lending interest rates thus affecting the depth of outreach. The results have also shown that productivity plays an important role in determination of lending interest rate across the world.

Keywords: Financial Performance, Social Performance, Microfinance Institutions, Lending Interest Rate.

ANTECEDENTS OF THE INDIVIDUAL SUPPORT FOR CHANGE: A PROPOSED MODEL WITH AN EMPIRICAL EVIDENCE

Afsheen Fatima and Dr. Muhammad Zahid Iqbal

ABSTRACT

The present research proposed and empirically tested antecedents of the individual's support for change. To examine sixteen posited relationships of the proposed framework, data were collected from two independent data sets including 350 university students (Study I) and 507 employees (Study II) of telecommunication organizations of Pakistan. For both studies, structural equation modeling technique was employed for data analyses. Study I demonstrated that only one antecedent (creativity) was significantly associated with support for change. Study I exhibited that all the four antecedents (emotional intelligence, creativity, transformational leadership perceptions and change commitment) were significantly associated with support for change. The research also examined the moderating effects of dissatisfaction with status quo on all the posited relationships of the model. The results revealed that dissatisfaction with status quo could not moderate any posited relationships in study I. However, in study I three relationships were moderated by this variable. The results of the present research can be useful to impart training among employees so that individual's support for change can be attained. The findings of the present research also have implications for academia in preparing and training of the future managers (students). Cross sectional design of the study is one of the limitations of the present research. Further, the present study examined each variable as one-dimensional. The study empirically tested the proposed model on the basis of data elicited from a single source (only employees and students). It is suggested that the present study may be replicated by removing these limitations in other cultures and organizations.

Keywords: Support for Change, Telecommunication Organizations, Emotional Intelligence, Creativity, Transformational Leadership Perceptions, Change Commitment, Dissatisfaction.

**CORPORATE GOVERNANCE AND PERFORMANCE: EVIDENCE FROM
MICROFINANCE INSTITUTIONS WORKING AROUND THE WORLD**

Asif Saeed and Dr. Atiya Y. Javaid

ABSTRACTS

The aim of this study was to investigate the governance and performance of Microfinance Institutions (MFIs) worldwide. The sample consisted of 152 MFIs, chosen based on data reliability and geographic representation across six regions. The study examined financial and social performance indicators, including Return on Assets, Operational Self Sufficiency, Portfolio Yield, Operational Cost, average loan size, and credit clients. The impact of governance on MFI performance was analyzed, considering firm-specific variables (Firm Age, Firm Size, Portfolio Risk) and the human development index as a control variable. Panel data estimation technique was employed for hypothesis testing. The results indicated that Board Size, Bank Regulation, and Firm Age had a significant influence on MFI performance, while other governance variables did not show a significant impact. The findings were discussed both globally and on a regional basis for a comprehensive analysis.

Keywords: Corporate Governance, Performance, Microfinance Institutions.

**ANTECEDENTS OF EMPLOYEE PERCEIVED ORGANIZATIONAL READINESS
OF CHANGE: AN EMPIRICAL STUDY OF ISLAMABAD/RAWALPINDI BASED
PAKISTANI BANKS**

Maryam Rafiq and Dr. Bakhtiar Ali

ABSTRACT

This study aimed to investigate the key factors influencing Perceived Organizational Readiness for Change (PORC). A questionnaire was administered to a sample of 527 employees, including middle and first-line managers, in Pakistani banks located in Islamabad and Rawalpindi. Correlation and multiple regression analyses were employed to test 14 hypotheses formulated based on the conceptual model. The results supported eight hypotheses, revealing that Quality of Change Communication, Participation, Organizational History of Change, Trust in Top Management, Perceived Organizational Support, Organizational Flexibility, Self-Efficacy for Change, and Internal Locus of Control significantly influenced PORC. However, Perceptions of Top Management's Ability, Trust in Peers, and Organizational Resources did not demonstrate statistical significance as antecedents of PORC. Additionally, Trust in Top Management was found to partially mediate the relationship between Quality of Change Communication, Participation, Organizational History of Change, and PORC. The study acknowledges limitations such as the one-shot study design, exclusive focus on the banking sector, and potential generalizability concerns. Nonetheless, the findings have practical implications for change agents and decision-makers in developing and evaluating organizational change programs, while also providing valuable insights for academics involved in change management training and education.

Keywords: Employee, Perceived, Organizational Readiness, Change, Banks, Islamabad, Rawalpindi, Pakistan.

**THE IMPACT OF THE EXCHANGE RATE FLUCTUATIONS AND REGIME ON
PAKISTAN'S INTERNATIONAL TRADE: AN EMPIRICAL ANALYSIS BASED ON
THE SECTORIAL DATA**

Abid Ali Shah and Dr. Kashif ur Rehman

ABSTRACT

This study examines the relationship between the exchange rates and the relative regime with Pakistan's imports and exports. The objectives of the study are twofold; first, it investigates the empirical relationship between the exchange rates and the export and import sectors, secondly, it examines the impact of different exchange rate regimes adopted by Pakistan on the aggregate imports and exports, as to the exchange rates policy adopted by Pakistan is in alignment with its trade dynamics or otherwise. The analysis was conducted on the sectorial segregated monthly data of the exports and imports from July 2003 to April 2010 with nominal exchange rates. Regarding the effects of the Exchange Rate Regime on the overall import and exports of Pakistan the analysis were conducted for different periods in which the exchange rates regime for Pakistan had shifted. The empirical estimation has been resorted to detect both the effects of the nominal exchange rates the respective volatility of the exchange rates on the export and import sectors and different exchange rate regimes on overall imports and exports. For the estimation of the long run relationship cointegration and an autoregressive time series regression models are used while generalized autoregressive conditional heteroskedastic methodology has been used to estimate the effects of the exchange rates volatility on import and export sectors. The results of cointegration and ordinary least square revealed a significant long run relationship between exchange rates and export sectors while it was insignificantly negative for import sectors, which confirmed that the depreciating currency in case of Pakistan improves the competitiveness of the export sectors, while there is an evidence of volatility effects on the export and import sectors Also during the free floating exchange rate regime the exchange rates had negative impact on the exports of Pakistan, suggesting a case against the free floating exchange rate regime.

Keywords: Exchange Rate, International Trade, Exchange Rate Regime, Pakistan.

IMPACT OF CORPORATE GOVERNANCE ON DIVIDEND POLICY OF FIRMS: AN EVIDENCE FROM PAKISTAN

Baqir Husnain and Dr. Syed Zulfiqar Ali Shah

ABSTRACT

The objective of this research is to analyze the effect of Corporate Governance on dividend policy in Pakistani perspective. Data for this purpose have been extracted from 120 companies registered at Karachi Stock Exchange (KSE) for the period from 2004 to 2009. The relationship of Corporate Governance and dividend policy has been evaluated with different governance proxies. Managerial Ownership, Ownership Concentration, Institutional Ownership, Board Independence, Audit Committee Independence, Board Size, Chair Duality and Shareholder Activism are taken as independent variables. In order to increase the explanatory power of the model, Firm Size, Gearing Ratio, Self-financing ratio and Return on Equity have been added as independent control variables. Contrary, Dividend Policy has been taken as dependent variable. Hausman specification test is applied which preferred random effect model over fixed effect model to conduct the analysis. Most of our proxies for Corporate Governance like Board Size, Managerial Ownership, Institutional Ownership, and Firm size are found to be positively related with Dividend payout ratio. The result concluded that higher level of Corporate Governance increases the dividend payout. The policy makers can benefit from this study in context of dividend structure, to enrich the legality of Corporate Governance mechanism.

Keywords: Corporate Governance, Dividend Policy, Managerial Ownership, Ownership Concentration, Institutional Ownership, Board Independence, Audit Committee Independence, Board Size, Chair Duality, Shareholder Activism, Pakistan.

THE INFLUENCING ROLE OF CHILDREN ON PARENTAL PURCHASE BEHAVIOR**Faheem A. Khan** and Dr. Yasir Kamal**ABSTRACT**

Understanding children's influence on parental purchases is an area in need of research. To address this need, this thesis develops a model to measure children's direct and indirect influences on their parental purchase behavior. Children perceive influence from their environment and from their families, in return influence the purchasing behavior of their parents. The first part is not under consideration, the study is focused on the second part that is "influencing role of children over parental purchase behavior". Children being a part of a family unit are making a dominant market for the marketers to consider while making and taking decisions related with purchases. This children market is active in three dimensions; firstly, this is a big market in terms of personal purchase and consumption; secondly, they are the key influencers in influencing decisions for purchase; and thirdly, they are the potential future market. The second role of children is the center point of this thesis. They become the center of family aspirations because of the changing structure of families and other defined factors, parents are now more open in taking children's suggestions while purchasing goods. Using survey as a data collection tool, this research study explores the influence of children on parental purchase behavior. Respondents for this study included parents. Children's influence on parental purchase behavior was found to vary by different factors. Problems linked with previous research studies were also identified, including problems with construct validity, and lack of theoretical explanations for observed patterns of influence. Multiple regression analysis showed that there is a relationship of parental purchase behavior with the age of child, family orientation, product category, Importance of child and communication pattern. The age of the child and importance of child are the major contributors in influencing parental purchase behavior. Product category has inverse relationship with parental purchase behavior. Finally, some possible avenues for future research were also discussed along with the recommendations.

Keywords: Purchase Behavior, Parents, Children, Communication Patterns, Child Age, Family Orientation, Product Category.

TESTING OF Z-SCORE MODEL IN PAKISTANI MARKET: AN EMPIRICAL EVIDENCE FROM KARACHI STOCK EXCHANGE

Farhan Jamil and Dr. Syed Zulfiqar Ali Shah

ABSTRACT

In this study, the financial distress of non-financial companies, listed on Karachi Stock Exchange has been evaluated using Z-score model. The findings reveal that in a developing country like Pakistan, bankers, investors, suppliers, brokers, financial institutions and others can get early warning signals of companies' status for decision making using this model. They can also estimate whether a company is going to be default or otherwise using this model. A sample of 341 non-financial companies listed on Karachi Stock Exchange of Pakistan for the period from 2004 to 2009 has been taken. The sources to collect the information for financial analysis are Financial Statements of companies, Karachi Stock Exchange and State Bank of Pakistan's Analysis Report. Altman's Z-score model has been used to predict the companies' financial distress. The results of Z-score model were then compared with the actual status of companies to examine its applicability and authenticity. Linear Probability Model was also applied to investigate the relationship between the predicted financial distress and actual financial distress. The results show that in major cases Altman's Z-score model has successfully predicted the financial distress in Pakistan. The accuracy of bankruptcy prediction of Z-score model is higher among financial distress companies as compared to healthy companies. Altman's Z-score model has shown the same results when applied to companies categorized on the basis of industry. A significant relationship does exist between the Z-score model and the financial distress of companies. Bankers, investors, financial institutions, suppliers, and other stakeholders can use Z-score model to predict the financial distress for decision making more accurately. This model is also helpful for bankruptcy prediction among healthy companies along with other risk measurement factors.

Keywords: Karachi Stock Exchange, State Bank of Pakistan, Z-Score, Financial Distress, Pakistan.

EFFICIENT DATA FOREIGN EXCHANGE MARKETS OF SOUTH ASIAN COUNTRIES

Sana Arif Chaudhry and Dr. Attiya Javid

ABSTRACT

The purpose of this study is to test for the weak and semi-strong form of efficiency of four of the seven foreign exchange markets of South Asia; namely, Pakistan, India, Sri Lanka and Bangladesh; using three bilateral foreign exchange rates. Weak-form efficiency is examined using unit root tests (Augmented Dickey Fuller and Phillips Perron), while semi-strong form efficiency is tested using co-integration and Granger causality tests. Variance Decomposition Analysis is also employed to study the trends of the exchange rates beyond the sample period. Average monthly spot exchange rates for the US dollar (USD), the British pound (BP) and the Japanese yen (JPY) for the period January 1995 to December 2009 are used. Results of indicate that all four foreign exchange markets are consistent with the weak-form of the Efficient Market Hypothesis. However, the results provide evidence against the semi-strong version of the Efficient Market hypothesis. These results have important implications for the government policy makers and participants in the foreign exchange markets of the countries included in the present study.

Keywords: Foreign Exchange Market, South Asian Nations, Pakistan, India, Sri Lanka, Bangladesh, Efficient Market Hypothesis, USD, BP, JPY.

**MUTUAL FUND PERFORMANCE IN BULL AND BEAR MARKET:
THE CASE OF PAKISTANI MUTUAL FUNDS**

Jamil Ahmed

ABSTRACT

This study attempts to find out the performance of Mutual Funds Managers in Pakistan; whether they are able to outclass stock market in different period of the market cycle, especially during the downfall of the market conditions. Data for the year 2005 to 2009 is used in the report to measure the performance of twenty-eight mutual fund companies. For the performance evaluation, the capital asset pricing model (CAPM) of Sharpe (1964), Lintner (1965), Fama and French Three Factor Model (1993), Carhart Four Factor Model (1997) are estimated and Jensen Alpha is used as performance measure. To distinguish between the performance in different market timings Fabozzi and Francis (1979) Model is used. The KSE-100 Index monthly closing prices are used as market return and six months t-bill as risk free rate. Two Jensen alphas are estimated; one for low market, while other for high market to measure mutual funds performance in Bull and Bear market. The results indicate that fund managers are unable to perform better in diversifying the risk elements to the portfolio in downfall of the market. However, mutual funds performed better in the high market situation.

Keywords: Mutual Funds, Performance, Bull Market, Bear Market, Pakistan.

AN ANALYSIS OF DEBT SUSTAINABILITY IN THE ECONOMY OF PAKISTAN**Khurram Ejaz** and Dr. Atiya Y. Javaid**ABSTRACT**

The study provides a detailed analysis of debt sustainability in the economy of Pakistan. The debt sustainability refers to the level of debt which allows a country to fulfill its current and future servicing obligations without any rescheduling or accumulation of arrears. Literature on the issue of public debt considers it sustainable if the growth of debt is not greater than growth of GDP. The sustainability of debt has been emerged as a crucial phenomenon as large deficit and rising debt are held by most of developing countries including Pakistan. The sustainability implies that fiscal policies are adopted in a way that inter temporal budget constraint is satisfied. Debt sustainability in the economy of Pakistan is tested by estimating fiscal reaction function where variables including debt-to-GDP ratio, government spending and GDP gap are regressed against surplus-to-GDP ratio and a positive relationship is found between surplus-to-GDP ratio and lag debt-to-GDP ratio. The small coefficient of debt-to-GDP indicate an existence of sustainability in its weak form. Afterwards, extended fiscal reaction function is estimated by including lag surplus-to-GDP ratio in set of explanatory variables and results show that the value of coefficient of lag surplus-to-GDP ratio is positive and marginally significant which confirms the role of past surpluses in surpluses of present. Debt dynamics is also analyzed. To analyze the effects of expenditure and revenue adjustment to debt, revenue and expenditure reaction functions are estimated and results are in support to inter temporal budget constraint as government has its role in fiscal adjustments by working on both the aspects i.e. revenue and expenditure. The dynamic analysis of affects of government spending and revenue shocks on debt-to-GDP ratio and other macro-economic variables through Vector Autoregressive (VAR) model is also the part of this study for period 1971-2008 and results indicate that consumption and output reacts negatively to the innovations in government spending. The interest rates increase with expansionary fiscal spending. The exchange rate tends to appreciate as a result of rise in government spending. The positive response of shock towards tax and negative response towards debt refers to the situation of its similarity with Ricardian behavior. Lastly, the long run relationship between surplus-to-GDP ratio and debt-to-GDP ratio is estimated through Johanson co integration to confirm sustainability and results suggest the existence of long run association among the two series.

Keywords: Debt, Sustainability, Economy, Pakistan.

2010

**KNOWLEDGE MANAGEMENT AND SUSTAINABLE GROWTH IN SMALL AND
MEDIUM ENTERPRISES AND MULTINATIONAL CORPORATION AN EMPIRICAL
ANALYSIS**

Mirza Waseem Abbas and Dr. Yasir Kamal

ABSTRACT

This study investigates the influence of knowledge management, human capital, organizational capital, external capital, and social capital on sustainable growth in small and medium enterprises (SMEs) in Pakistan. SMEs possess significant untapped potential, making them a crucial area of exploration. A survey was conducted using self-administered questionnaires to collect data from various cities in Pakistan. The questionnaire was developed based on existing

literature. The sample size consisted of 500 respondents, with 250 from SMEs and an equal number from multinational corporations (MNCs). The collected data were analyzed using correlation and regression techniques to identify potential relationships among the variables of interest. The results revealed that knowledge management has a positive and significant impact on sustainable growth. Likewise, human capital, organizational capital, external capital, and social capital demonstrated positive and significant relationships with sustainable growth. These findings align with previous literature. The study's results offer valuable insights for SME owners and entrepreneurs, providing fundamental information on achieving long-term sustainable growth. Based on these results, it is crucial for SMEs to prioritize knowledge management, as it can enhance their competitiveness in both domestic and international markets.

Keywords: Knowledge Management, Sustainable Growth, SMEs, Multinational Corporations.

2010

AN ECONOMETRIC STUDY OF CARBON DIOXIDE (CO₂) EMISSION, ENERGY CONSUMPTION AND ECONOMIC GROWTH OF PAKISTAN

Muhammad Irfan Javaid Attari and Dr. Matloob Hussain

ABSTRACT

This investigation focuses on exploring the relationship between climate change, energy consumption, and economic growth in Pakistan. The country heavily relies on oil and gas for its energy needs, which contributes to significant CO₂ emissions and environmental pollution. The study utilizes the Environmental Kuznets Curve (EKC) framework and analyzes time series data from 1961 to 2006. The per capita carbon dioxide (CO₂) emissions are used as an environmental indicator, while per capita commercial energy use and per capita gross domestic product (GDP) serve as economic indicators. Various econometric tools, including the Augmented Dickey Fuller (ADF) unit root test, Johansen cointegration analysis, Breusch-Godfrey Lagrange Multiplier (LM) test, Granger causality test, and Vector Error Correction Model (VECM), are employed to investigate the relationship. The results obtained through these econometric analyses indicate a long-term relationship between per capita CO₂ emissions, per capita energy consumption, and per capita real GDP. In the short run, per capita CO₂ emissions do not significantly impact economic growth, but they do affect per capita energy consumption. The causality tests reveal bidirectional causality between per capita CO₂ emissions and per capita energy consumption. However, there is unidirectional causality from per capita CO₂ emissions to per capita GDP and from per capita energy consumption to per capita GDP. Contrary to the hypothesis of an inverted U-shaped EKC for CO₂ emissions, the findings suggest a monotonically increasing relationship between CO₂ emissions and GDP in Pakistan. This

implies that economic growth is accompanied by increasing CO₂ emissions, without reaching a turning point where environmental degradation decreases.

Keywords: Econometrics, Carbon Dioxide Emission, Energy Consumption, Economic Growth, Pakistan.

2009

THE RELATIONSHIP OF TRAINING AND DEVELOPMENT AND JOB SATISFACTION WITH EMPLOYEE CAPABILITIES AND MODERATING EFFECT OF HUMAN CAPITAL MANAGEMENT

Aftab Bhatti and Dr. Atiq-ur-Rehman

ABSTRACT

This study seeks to find out the moderating effect of human capital management (HCM) and mediating effect of job satisfaction and T&D on employees' capabilities (EC). The analysis is based on data collected from 228 respondents from top, middle and lower level managers representing six oil companies working in Pakistan. Data were analyzed using techniques of Path Analysis and Multiple Moderating Regression. The mediating effect of T&D on employees' capabilities is explored through AMOS and moderating effect of HCM on job satisfaction and employees' capabilities is assessed through SPSS. The results show that T&D has positive effect on job satisfaction and employee capability. The results also reveal indirect positive effects of customer capital management, supervisory satisfaction, and pay satisfaction, while negative effect of job insecurity on employee capability. However, the study does not show any moderating effect of HCM on the antecedents of employees' capabilities. The study concludes that employees' performance or capabilities of oil exploration companies are moderated by HCM. The study can be helpful to the managers to evaluate the capabilities of their employees from human resource, organizational behavior or knowledge management perspective.

Keywords: Training and Development, Job Satisfaction, Employee Capabilities, Human Capital Management.

2009

DOWNSIZING- SUPPORT SURVIVORS TO BE MORE EFFICIENT

Akbar Abbas Bangash and Dr. M. Rashid Salaria

ABSTRACT

This research focuses on assessing the efficiency of employees who have survived the downsizing process in organizations. The study aims to understand how the downsized organization reshapes the behavior of its survivors and how these survivors perform in an efficient manner. The target population for this study consists of downsized organizations. A structured questionnaire was designed and pretested for data collection. The study was conducted on a sample of 316 survivors from downsized organizations in five cities of Pakistan: Islamabad, Rawalpindi, Lahore, Peshawar, and Hatter. The data analysis involved correlation and multiple regression to examine the relationship and impact of five predictors of organizational behavior on the dependent variable of Survivor Efficiency. The results indicate that creativity, communication, perception, and the presence of top performers (stars) as independent variables have a significant effect on enhancing efficiency among downsizing survivors. The study reveals that factors such as leaders' interactive and open-door communication, senior management assurance about job security, and recognition of top performers play a crucial role in making downsizing survivors more efficient. The independent variables examined in the study are found to have a significant impact on shaping organizational behavior after downsizing. The study discusses the limitations encountered during the research and provides suggestions for future research directions.

Keywords: Downsizing, Survivors, Efficiency, Organizational Behavior, Communication, Creativity, Perception, Stars (Top Performer).

2008

INVESTIGATING THE FACTORS INFLUENCING PAKISTAN CONSUMERS TO PREFER FOREIGN PRODUCTS OVER LOCAL ONES

Aamir Ishaq and Dr. Panayotis Zamaros

ABSTRACT

The focus of the present study is to investigate the factors affecting Pakistani consumers to prefer foreign products so as to contribute to the academic literature from the perspective of a developing Asian country, Pakistan. Moreover; this study is an attempt to understand the difficulties of local manufacturer to compete with the foreign products in the local market. In order to examine the consumer's demand, an in-depth review of the Pakistani economy was taken which present a clear picture for hurdles and difficulties faced by the local manufacturers to carry out business in Pakistan. The study also examines the effect of consumer ethnocentrism that is a barrier for the purchase of foreign products. The analysis is based on the survey data collected from Islamabad and Rawalpindi city. The purpose of the model is to check the effect of quality, status, consumer trust, consumer ethnocentrism, consumer preferences for durable and non-durable products and the impact of demographics on the consumer's willingness to buy foreign products over local ones. The results by using mean values and regression analysis, indicate that quality, status and trust are key factors influencing consumer purchase decisions for purchase of foreign products while the effect of consumer ethnocentrism is not found very strong in case of durable products; furthermore age, gender and income groups play an important role while making their purchase decisions. All these results confirm the previous empirical findings in other developing countries.

Keywords: Consumers, Foreign Products, Local Products, Consumer Trust, Consumer Ethnocentrism, Consumer Preferences, Pakistan.

2008

DEMOGRAPHIC PERCEIVED STRESS AND ITS RELATION TO EMPLOYEES PERFORMANCE

Asad Basir and Dr. Kashif-ur-Rehman

ABSTRACT

Stress is mental, physical and emotional wear and tear and has significant impact on individuals. It has become a challenge in 21st century. This study focuses on employees' stress and its impact on their work performance. As the methodology suitable to this research demanded the quantitative analysis of the impacts of stress on employee performance demographically, therefore, a questionnaire comprising of 39 items was developed and distributed among 400 participants working at prominent business and educational organizations located in Wah Cantt, Industrial Estate Hattar, Chakwal, Taxila, Hassanabdal, Rawalpindi and Islamabad. Questionnaire comprised three parts. The first part contained personal profiles of the respondents; second part consisted of 14 items was related to measurement of stress and third part contained 17 items related to employees performance. The results reveal that the stress, in spite of negative impact on employee performance causes positive impacts. It further reveals that a mere 1% increase in stress causes 52.5% increase in employee's performance. Study concludes that the perceived level of stress varies in different demographic levels. Female perceives more stress than males whereas lower age groups perceive less stress than upper age groups. Similarly unmarried employees perceive more stress than married employees and low educated employees perceive more stress than higher qualified employees. It further concludes that more job experienced employees are reported as more effective than less experienced employees and as

for as departments are concerned, technical, sales and administrative support occupations have more stress than managerial and professional occupations. This study opens new avenues of research for contemporary and future researchers of management sciences.

Keywords: Demographic Perceived Stress, Employee Performance, Businesses, Educational Organizations, Gender, Pakistan.

2008

DYNAMICS AND DETERMINANTS OF DIVIDEND PAYOUT POLICY IN PAKISTAN

Hafeez Ahmed and Dr. Attiya Javid

ABSTRACT

The study examines the dynamics and determinants of dividend payout policy of 320 non-financial firms listed in Karachi Stock Exchange (KSE) during the period of 2001 to 2008. For the analysis we used dividend model of Lintner (1956), Fama and Babiak (1968) and its extended versions in dynamic setting. The results consistently support that Pakistan listed non-financial firms rely on both current earnings per share and past dividend per share to set their dividend payments. However the dividend trends to be more sensitive to current earnings than prior dividends. The listed non-financial firms having the high speed of adjustment and low target payout ratio that shows the instability in smoothening their dividend payments. To find out the determinants and the factors that can influence the dividend dividend payout policy, multifactor model suggested by Belans et al. (2007) and Vasilou and Eriotis (2003) is estimated by the dynamic panel regression. The results reveal that the profitable firms with more stable net earnings can afford larger free cash flows and therefore pay larger dividends. The firms with major inside ownership having the positive impact of dividend payouts. The financial slack, size of the firm, sales growth, leverage, corporate tax, and return on assets having the positive and significant relationship which clearly explain positive impact on dividend payout policy in Pakistani listed non-financial firms. Besides the market liquidity having the negative impact which clearly explain that more liquid firms pay lesser dividends to its shareholders.

Keywords: Dynamic Panel Data, Partial Adjustment Model, Dividend Dynamics, Corporate Tax, Target Payout, Dividend Yield.

2008

IMPACT OF MANAGERIAL OWNERSHIP ON THE FIRM'S PERFORMANCE AND FINANCIAL POLICIES EVIDENCE FROM KARACHI STOCK EXCHANGE -100 INDEX LISTED MANUFACTURING FIRM

Shahab-u-Din and Dr. Attiya Javid

ABSTRACT

This study evaluates the impact of managerial ownership on the firm's performance and financial policies in the context of Pakistani market for sixty non-financial firms included in KSE 100 index for the period of 1999 to 2006. Two important issues regarding managerial ownership are examined. First, effect of managerial ownership on dividend and leverage policies of the firm is investigated. A two-stage linear regression model is used to deal with the endogeneity issue. Second, the impact of managerial ownership on the performance of the firm is examined. Panel data estimation technique is used and both fixed and random effect models are estimated. The results show that firms with higher level of managerial ownership are consciously choosing a lower level of dividends to avoid the impact of double taxation. It is also possible that firms have high level of managerial ownership program that may retain to allocate cash flows to other purpose rather than dividend payout. In the same way the manager ownership also affects the debt of the sampled firms in a negative way. The results in Pakistani scenario are same with the contracting model of agency theory. It is observed that the managers' ownership concentration in general have positive relation with the performance in the corporate culture of Pakistan, where major firms are the family oriented. When the managerial ownership is divided into three levels, low level (0 -5%), moderate level (5%-25% and high concentrated (above 25%), the

performance positively affects only at low and moderate level. The ownership beyond 25% has negative association with performance and supports the entrenchment theory.

Keywords: Managerial Ownership, Leverage, Dividend, Agency Theory, Entrenchment Theory.

2008

**FACTORS AFFECTING CONSUMER IMPULSE PURCHASE BEHAVIOR:
EMPIRICAL EVIDENCE FROM PAKISTANI FASHION GARMENTS MARKET**

Muhammad Abid Saleem and Dr. Shamim A. Sahibzada

ABSTRACT

The objective of this study is to identify the major predictors of impulse purchase and validate an existing model that measures the impact of affect, subjective well-being, self-esteem, and social influence on impulse purchase. Data was collected using convenient sampling from nine different universities across the country, with a sample size of 675 participants (75 students from each university). A self-administered questionnaire was used to collect data, adapted from previous research studies. Correlation and regression analysis were employed for data analysis. The results deviated from previous studies, which was expected due to the cultural differences in the target population. For the cognitive aspect of impulse purchase, satisfaction with life scale, negative affect, and customer susceptibility to interpersonal influence showed a significant and direct relationship. Regarding the affective aspect of impulse purchase, negative affect and satisfaction with life scale were positively related and significant, while self-competence, self-liking, and customer susceptibility to interpersonal influence were negatively related and significant. Managerial implications suggest that managers should utilize celebrity endorsements to leverage social influence for creating impulse purchases. Additionally, the use of affective marketing strategies may be particularly effective for targeting young consumers.

Keywords: Consumer, Impulse Purchase Behavior, Fashion Garments, Market, Pakistan.

2007

**THE ELECTRONIC COMMERCE USAGE IN PAKISTAN TESTING
AND PROPOSING A MODEL OF BELIEFS**

Faisal Zaman and Dr. Kashif-ur-Rehman

ABSTRACT

E-commerce has revolutionized and has created a major impact on how business is done, just like the industrial revolution impacted how business was conducted. E-commerce has reduced time and transaction cost which makes the business cycles more efficient and less costly to the business. This study has evaluated the adoption of e-commerce in Pakistani society considering the important hindering factors of privacy concerns, perceived risks and Institutional trust which people have in their mind before going online buying and selling. The model used in this study typically narrates the situation which usually came into mind of every consumer going to decide for online shopping, buying, selling and conducting monetary transactions. The data was collected using purposive sampling. Questionnaire was used and the size of the sample was 550. This study also uses structure equation modeling technique through which important dimension/variables show the relationship through interconnectivity between path coefficients and to further elaborate the e-commerce model adopted in the Pakistani context. Further, hypotheses developed through theoretical and conceptual framework were tested by applying Pearson's product moment correlation coefficient statistical techniques and descriptive statistics. The study concluded that adoption of e-commerce in Pakistan has great opportunities but further elucidate the importance of perceived risks associated with information misuse, privacy factors towards information submission, Institutional trust which is providing platform for e-commerce,

antecedents of Institutional trust of consumer transaction costs management and electronic service quality provided by the Institutional website, but also highlighted that Pakistani's have significant negative relationship with respect to Propensity to trust on an Institution.

Keywords: E-Commerce, Privacy Concerns, Risks, Institutional Trust, Pakistan.

2007

CAUSAL RELATIONSHIP BETWEEN MACROECONOMIC VARIABLES AND STOCK MARKET RETURNS IN PAKISTAN

Imran Said

ABSTRACT

The role of financial system is considered to be the key to economic growth. A well developed financial system promotes investment by identifying and financing lucrative business opportunities, mobilizing savings, allocating resources efficiently, helping diversify risks and facilitating the exchange of goods and services. A growing body of literature has affirmed the importance of financial system to economic growth. Stock market development has assumed a developmental role in global economics and finance following the impact they have exerted in corporate finance and economic activity. Emerging markets have been of great importance to the worldwide investment community. The market capitalization, volatility, and returns have increased dramatically in these markets. Economic and Financial Reforms, which are characterized by dramatic fluctuations in stock market returns and macroeconomic variables has a phenomenon to be explored. This realization directed researchers to investigate the link between stock market returns and macroeconomic variables. Our efforts are in the same direction. This Study, therefore, investigates the nature of the causal relationship between stock market returns and three macroeconomic variables, i.e, Money Supply (M2), Nominal Exchange Rate and Consumer Price Index for the case of Pakistan using standard and well-accepted methods of Cointegration and Granger Causality Test. It aims to examine the short run and long run causal relationship between Stock Market Return, nominal Exchange Rate, money supply

(M2) and Consumer Price Index in the context of Pakistan. The data for the study covers fifteen-year period from 1991:12 — 2006:06. The methodology used to determine causality between macroeconomic variables of money supply (M2), nominal exchange rate and inflation and the stock market return is the Granger causality statistic, which is the F-statistic, testing the hypothesis that the coefficients on all the values on one of the variables are zero. It also includes the application of Unit root Augmented Dickey-Fuller (ADF) test, Johansen Cointegration Test and Error Correction Model (ECM) analysis. The Study findings suggest that there is no causal effect between the variables under consideration except that unidirectional causality runs from stock market return to exchange rate. It is based on the “portfolio balance approach”.

Keywords: Macroeconomic Variables, Stock Market, Market Returns, Pakistan.