

**SEASONAL, SOCIO-POLITICAL FIRM-SPECIFIC VARIATIONS AND STOCK PERFORMANCE OF FINANCIAL AND NON-FINANCIAL SECTOR LISTED FIRMS: FROM PAKISTAN**

**Madia Javed** and Dr. Muhammad Naveed

**ABSTRACT**

Addressing the well-known challenge of predicting stock market performance, this study delves into areas that demand further attention, particularly the uncertainty surrounding the stock market. Focusing on the fluctuations induced by seasonal effects, socio-political events, and firm-specific announcements, the research aims to comprehend their impact on stock return behavior. Conducting a customized fixed-effect analysis on both financial and non-financial listed firms in Pakistan, the study spans different economic periods from 2001 to 2018. The findings reveal a positive influence of seasonal effects and firm-specific announcements on the stock market, while socio-political events demonstrate a negative impact on market performance. Notably, sensitivity analysis underscores the heightened significance of these effects in the post-financial crisis period compared to the pre-crisis period. The study offers valuable insights for financial and non-financial firms, guiding them in designing resilient investment strategies to navigate or manage potential future financial crises.

**Keywords:** Pakistan Stock Market, Seasonal Effects, Socio-Political Events, Firm-Specific Announcements.

**AN INTEGRATED APPROACH TO ANALYZE THE IMPACT OF HR SYSTEM ON  
PSYCHOLOGICAL WELL-BEING AND ENGAGEMENT WITH A MEDIATING ROLE OF HR  
ATTRIBUTION**

**Huma Bilal** and Dr. Atif Bilal

**ABSTRACT**

The present era, characterized by uncertain market conditions, cutthroat competition, and challenging strategic demands, compelling organizations to look for ways to achieve corporate sustainability. The employees of any organization are the core assets in bringing value and creating sustainability. Organizations use a variety of HR functions to achieve positive employee outcomes, e.g., employee engagement and well-being. The recent literature shows mixed results about the HR systems and employee outcomes, posing a question — whether the HR system and practices help create well-being and employee engagement? Therefore, the main objective of the current study is to empirically examine the impact of commitment-based HR systems on employee engagement and psychological well-being through the mediation of employees' HR attributions (wellbeing and cost) in the telecom sector of Pakistan. It further investigates the role of moderators (HR system strength, organizational climate, and leader-member exchange) in the link between HR system and HR attribution. Data is collected from a sample of 414 employees of telecom firms through a survey-based questionnaire. SEM analysis is conducted through WarpPLS to perform data analysis and hypotheses testing. The results indicate that HR attributions mediate the relationship between the HR system and employee outcomes (employee engagement & psychological well-being). HR system strength (HRSS) has significantly moderated the link between HR system and HR attributions, while organizational climate has only moderated the HR system and cost attributions link and found leader-member exchange (LMX) as an insignificant moderator. The study makes significant theoretical contributions and presents valuable insights to the managers of the telecom firms of Pakistan. First, findings strengthen the optimistic view by proving the positive relationship between the HR system and psychological well-being. Secondly, it identifies the HR attributions as a significant mediator with small effect sizes, highlighting the essential elements of context and culture in determining HR perceptions and attributions. The present study has presented a well-connected and integrated view of HR content, process, and attributions. In addition, findings suggest that managers and policymakers should invest in the well-being and engagement of employees and should concentrate on clear communication of HR practices to develop a strong HR system. This encourages positive attributions and discourages negative attributions and can be more helpful in achieving desired results.

**Keywords:** HR Attributions, Commitment HR System, Attribution Theory, Psychological Well-Being, Employee Engagement, HR System Strength, Organization Climate.

## IMPACT OF FINANCIAL STRESS, ECONOMIC POLICY UNCERTAINTY; GEOPOLITICAL RISK AND HEALTH UNCERTAINTIES ON FINANCIAL STABILITY

Rehan Aftab and Dr.Shumaila Zeb

### ABSTRACT

The purpose of this research is to analyze the impact of economic policy uncertainty, health uncertainties, geopolitical risk and financial stress on the financial stability and financial market volatility of BRICS countries and Pakistan. The financial system is destabilized for many reasons which are known and unknown in literature. The instability of the financial system triggers the need for understanding the reasons behind these disruptions. The secondary data is used to test the developed hypotheses using the VAR model and ARCH/GARCH model. VAR application is followed by impulse response function and variance decomposition upon fulfillment of stability condition. Serial correlation analysis and roots of characteristics polynomial are also employed for post estimation of VAR. ARCH/GARCH is applied to test the impact of lagged independent variables on dependent variables. The findings of this research concluded that changes in the level of economic policy uncertainty, health uncertainties, geopolitical risk and financial stress can impact financial stability. The increase in economic policy uncertainty, health uncertainties, geopolitical risk and financial stress can reduce the stability of the financial system and this increase will bring frequent volatility in the financial markets. These results conclude that financial instability is caused by uncertainties in the financial system. The findings hold strong implications for policymakers and practitioners as they can identify the most relevant factors which influence financial stability and financial market volatility. Policies can be formed to tackle these uncertain factors bringing instability into the financial markets. Policies must be intervened at the right time to reduce the impact of uncertainties. These findings imply that practical steps must be taken for identification, preparedness, and action planning against these troublesome factors. The access to data and the absence of country-specific measures are the limitations of this research. Future research studies may include new measures and different econometric models for empirical analysis. New factors like trade policy uncertainty and migration fear can be incorporated in the model to assess the impact on financial stability. This work may be extended to other countries for examination of their financial stability and financial market volatility.

**Keywords:** Economic Policy Uncertainty, Market Volatility, Geopolitical Risk, Health Uncertainties, Financial Stability and Financial Stress.

**NEW INSIGHTS OF CORPORATE GOVERNANCE ASSOCIATION WITH FINANCIAL PERFORMANCE , COST OF CAPITAL AND AGENCY COST: AN EMPIRICAL EVIDENCE FROM PAKISTAN**

**Muhammad Bilal Ijaz** and Dr.Mobeen Ur Rehman

**ABSTRACT**

The objective of this dissertation is to examine the impact of corporate governance on financial performance, agency cost, and cost of capital in the non-financial sector of Pakistan. The sample in this study comprises of balanced data set from 175 non-financial firms from 2008 to 2018, listed on the Pakistan Stock Exchange. The findings highlight that board size, board committees, firm size, leverage and institutional shareholding are negatively related to the financial firm performance. On the contrary, an increase in political connection increases a firm's performance in Pakistan. Likewise, the board size, board independence, leverage, inflation, and economic growth have a negative effect on the asset utilization ratio and a positive related to the agency cost. Finally, the effect of corporate governance factors on the cost of capital by using corporate governance factors, firm-level factors, and macroeconomic factors highlight that board independence, leverage, inflation, and economic growth have a negative effect on the cost of capital. On the contrary, board size and board committees have a positive relationship with the cost of capital. This study carries significant implications for policymakers, especially regarding corporate governance practices. The board size should be kept minimal to increase the firm performance and reduce the agency cost and cost of capital. Board independence is reported a positive relationship with agency cost whereas a negative relationship with the cost of capital. Political connections increased the firm's performance. Our study also proposes to decrease the leverage of firms as an increase in leverage will increase agency cost which decreases firm performance. Whereas leverage has a negative relationship with the cost of capital. Inflation and economic growth both are reported to have a positive relationship with agency cost whereas a negative relationship with the cost of capital.

**Keywords:** Corporate Governance, Financial Performance, Cost of Capital, Agency Cost.

## ANTECEDENTS OF EMPLOYEE AND ORGANIZATIONAL AMBIDEXTERITY LEADING TO COMPETITIVE ADVANTAGE: AN INTEGRATED

Gulbahar and Dr. Shazia Akhtar

### ABSTRACT

The purpose of this study is to establish the empirical impact of ability and motivation- enhancing human resource (HR) practices on employees' ambidexterity through the mediation of employees' goal-orientation and extrinsic motivation, the moderation of an ambidextrous manager, and opportunity-enhancing HR practices. For this purpose, the Information Communication Technology (ICT) industry of Pakistan was selected. In today's challenging business climate, the ICT industry, especially software companies, must strike a balance between the current and future demands of innovation. Organizational ambidexterity refers to the ability of an organization to pursue these contradictory types of innovations concurrently. This study focused on the methods of developing ambidexterity at both employee and organizational levels. HR practices were studied by using contextual approach of ambidexterity, which allows employees to make decisions about a division of time between exploration and exploitation activities. These practices have a direct influence on goal- orientation and extrinsic motivation of the employees, which further boosts employees' ambidexterity. The role of an ambidextrous manager is also examined as a facilitator. Also, the connection of employee-level and organizational-level ambidexterity was measured empirically in the presence of a moderator, that is, opportunity-enhancing HR practices. The connection between organizational ambidexterity and competitive advantage was also tested. The quantitative research methodology has been used and data was analyzed through AMOS software. The multistage proportionate stratified random sampling technique was used to collect data through a questionnaire from 600 respondents, including 480 employees and 120 managers of software companies. Positive relationships were hypothesized, and the results substantiated all proposed hypotheses. This study adds to the literature by proposing and investigating a multilevel model linking HR bundles to competitive advantage directly and indirectly through employees' goal and extrinsic motivation, employees' ambidexterity, and organizational ambidexterity in the presence of the ambidextrous manager. Moreover, this study will be helpful for decision-makers in Pakistan's software industry to deal with the complex nature of ambidexterity to gain competitive advantage.

**Keywords:** Ambidexterity, Competitive Advantage, HR Practices.

**THE MEDIATING ROLE OF PERSON-ENVIRONMENT FIT IN THE LINKAGE BETWEEN LEADERSHIP STYLES AND INDIVIDUAL WORK PERFORMANCE IN HIGH POWER DISTANCE CULTURE**

Saima Nosheen and Dr. Samina Nawab

**ABSTRACT**

Individual work performance (IWP) is an issue of utmost importance especially for medical practitioners. Leadership plays a critical role in facing the challenges incurred in the way of enhancing the individual performance of healthcare sector. It could be only possible when individuals feel fit with the supervisor, job, and organization. This study aims to examine the influence of three leadership styles (Paternalistic, Transformational and Ethical leadership) on task and contextual performance with mediating mechanism of Person-Environment fit in the healthcare sector of Pakistan. The cross-sectional data is collected from an instrument adapted from the literature by multistage sampling from 435 medical practitioners of federal capital including doctors and nurses. Structural Educational modeling is used for the empirical testing of hypotheses through SMART PLS 3.0. The outputs based upon the structural and measurement model showed the consistency of acceptance of the hypothesized mediation model. Following the major objectives, the present study plays an important role in understanding the mediating mechanism of leadership and individual work performance. Moreover, the study has contributed in extending the theoretical underpinning of fit literature by using motivational model. The findings of the study support that the fit perception mediates the link between leadership styles and individual work performance (task and contextual performance). The results indicate that person-job fit, person-organization fit and person-supervisor fit effect more on task and contextual performance in presence of Ethical and paternalistic leadership with partial mediation, but person-supervisor fit shows weak mediation in case of transformational leadership. The study implies that leadership plays a vital role in health sector and could enhance the performance of employees through driving their motivation by improving their fit perception.

**Keywords:** Paternalistic leadership (PL), Transformational leadership (TL), Ethical leadership (EL), Person-Environment (P-E) Fit and Individual work Performance (IWP).

**AN INVESTIGATION OF ANTECEDENTS AND OUTCOMES OF ABUSIVE SUPERVISION WITH THE MODERATION OF RESILIENCE, IN PUBLIC SECTOR ORGANIZATIONS OF PAKISTAN**

Zara Tahir and Dr. Muhammad Asif Khan

**ABSTRACT**

This study delves into the antecedents and consequences of abusive supervision, exploring the mechanisms that influence employees' behavioral outcomes, including prohibitive voice, performance, and turnover intentions. The research also investigates the moderating role of resilience in the relationship between abusive supervision and employees' behavioral outcomes. Grounded in social learning theory, the framework is empirically tested using a time-lag research design. Data is collected from 330 functional dyads of supervisors and followers in public sector banks, universities, and hospitals in Pakistan. Results are analyzed through structural equation modeling (SEM) using AMOS, with multiple tests, simple and sequential mediation, and moderation examined through bootstrapping in Process by Andrew Hayes (2004). The findings indicate that abusive supervision stems from hypothesized precursors (abusive supervision climate, identity threat, and self-regulation impairment) and that the underlying mechanisms (fear and cognitive rumination) positively and significantly impact employees' performance, prohibitive voice, and turnover intentions. Moreover, the study reveals that resilience moderates the relationship between abusive supervision and employees' behavioral outcomes, significantly weakening it. The research contributes valuable insights into the less-explored drivers of abusive supervision, its underlying mechanisms, and behavioral outcomes, offering meaningful additions to the existing literature on abusive supervision. The study's relevance for practitioners lies in the opportunity to manage supervision factors and their impact on employees' outcomes through targeted interventions. Furthermore, the study suggests avenues for future research, encouraging exploration of contextual, organizational, and personal factors to mitigate abusive supervision, as well as the investigation of additional moderators in the relationship between abusive supervision and behavioral outcomes. The study's applicability extends to other industries and diverse cultural contexts, allowing for the generalization of its findings.

**Keywords:** Abusive supervision, Abusive supervision climate, Identity threat, Self-regulation impairment, Fear, Cognitive Rumination, Resilience, Prohibitive Voice, Performance, Turnover Intentions.

**CAUSE-RELATED MARKETING TO MODEL GREEN PRODUCTS PURCHASE DECISION  
THROUGH BRAND ATTITUDE AND AD CREDIBILITY**

Maria Zulfaqar and Dr. Mehboob Ahmad

**ABSTRACT**

A habitable environment is the most precious gift for the human beings. Thus, to keep it liveable; it is important to think, talk and act in a sustainable manner. Although the masses are generally aware of the environmental issues, however they do not enquire much about how green products consumption can contribute positively in this regard. This eventually gives a dwindling share worldwide to green products in marketing. Therefore, the objective of this effort is to empirically examine how consumption of green products can be promoted through cause related marketing mediated by brand attitude and ad credibility. For this purpose, data has been collected through survey research from three provincial capital cities (Karachi, Lahore and Peshawar) and from Islamabad Capital Territory of Pakistan. The data was collected through convenience sampling techniques which showed that promoting green products with cause-related marketing would be a clever way of motivating people to buy green products. People showed willingness towards buying green products associated with social cause. However, for repeated transactions, it would be more beneficial if the green products features are meaningful and qualified. Hence for marketing managers, it is advisable to design CRM campaigns sponsored by green products, in order to enhance consumer's environmental responsibility and make people feel confident in their green products purchase decision.

**Keywords:** Cause Related Marketing, Green Products Purchase Decision, Brand Attitude, Ad Credibility, Drive for Environmental Responsibility.



## IMPACT OF HIGH-PERFORMANCE WORK SYSTEM ON EMPLOYEE ENGAGEMENT AND QUALITY OF CARE: A MODERATED MEDIATION MODEL

ZuNoorain Khan and Dr. Fawad Bashir Awan

### ABSTRACT

The significance of quality of care and employee engagement has been reported and discussed in the academic literature, but limited studies were conducted in Pakistan. In the literature High-performance work systems, antecedents of employee engagement, public service motivation and psychological capital has been highlighted. Still, little attention has been devoted to linking HPWS with a public service motivation, relational coordination, employee engagement, and quality of care. The aim of the thesis was to address the gap by testing and developing a model to examine the impact of a HPWS on employee engagement and quality of care through a supportive work environment, psychological capital, public service motivation, and relational coordination. This thesis examined the direct role of HPWS on employee engagement and quality care. This thesis also determined the moderating role of supportive work environment and psychological capital. The study's proposed model was tested using a heterogeneous sample of doctors and nurses working in the health sector. The Population of the study was around 10,000 including doctors and nurses. A self-administered questionnaire was distributed among 800 employees; the questionnaires received were 661, with a response rate of 82.62%. The thesis aimed to examine sixteen hypotheses. Structural equation modeling was used to test the hypotheses. The findings of the study were based threefold. First, the direct relationship between HPWS was significantly related to employee engagement. The result of the study found a positive and significant relationship between HPWS and quality of care. Second, the mediating relationship of the study indicated that public service motivation fully mediates the effect of HPWS on employee engagement; similarly mediating relationship of relational coordination has significant relationship between HPWS and employee engagement. Subsequently, the mediating role of public service motivation between HPWS and quality of care was found significant. However, a mediating relationship of relational coordination between HPWS and quality of care was found insignificant. Third, a supportive work environment's moderating role with public service motivation and employee engagement was significant. However, the other moderating relationship of the supportive work environment between relational coordination and quality of care was insignificant. Similarly, in the case of employee engagement, the results were insignificant. The moderating role of psychological capital with public service motivation, quality of care, and employee engagement was also significant. Whereas with relational coordination and employee engagement, the result was found to be insignificant. The moderating role of psychological capital with relational coordination and quality of care was found significant. The study's findings provided invaluable insights by extending and corroborating prior theoretical and empirical research in several ways. First, this study test the direct and indirect relationship between HPWS, employee engagement, and quality of care in hospitals. Second, this thesis is the first to examine the black box of HPWS and how HPWS influences different behavioral and quality-related outcomes through integrating two other mediation (Public service motivation, relational coordination) and moderation (supportive work environment, psychological capital). Third,

implications for the health practitioners are related to employee training programs for effective and better patient care.

**Keywords:** High-Performance Work System, Employee Engagement, Quality of Care, Moderated Mediation Model.

**IMPACT OF INTERNAL AND EXTERNAL ENVIRONMENT AND CORPORATE  
GOVERNANCE PRACTICES ON RISK FRAMEWORK: NESTED TESTING MODELING OF  
PAKISTANI BANKING SECTOR**

**Sabtain Fida** and Dr. Muhammad Naveed

**ABSTRACT**

Risk management has become more challenging today as a result of changing corporate business landscape, unleashed governance and financial developments. The study brings new insights related to critical dimensions of bank risk behavior to improve the financial stability of the banking industry. Through these novel insights, study captures hierarchical role of bank specific factors, industry level parameters and macro-financial factors along with corporate governance practices to better understand bank risk behavior. The previous studies remained focused on static and dynamic estimation; whereas this study employs Nested Testing procedures to arrive at customized bank risk models. The findings, using 15 years unbalanced data of listed Pakistani banks suggested that bank specific factors significantly explain the risk taking behavior of banks and pinpointed the need to pay attention to short term advances and private equity securities investments to curtail the risk level. The governance mechanism highlighted the decisive areas of corporate governance practices of banks to exacerbate risk taking behavior; which included higher attendance and close monitoring through dedicated committees. The sector's nature in terms of concentration level, munificence and dynamism served valuable insights in explaining risk structure of banks. Furthermore, country level factors identified prominent role of macro prudential variables namely industrial, services and agriculture growth rate in shaping risk structure of banks. The study also contributed on the methodological front through employing Nested Testing Modeling which highlighted the relative significance of risk contributing factors and advised the customized model to best explain bank risk taking behavior. The outcomes serve valuable policy directions and practical implications for banks, regulatory authorities, board members and policy makers.

**Keywords:** Corporate Governance, Bank Level Parameters, Industry Specific Factors, Country Level Factors, Nested Testing Modeling, Bank Risk Behavior.

**THE RELATIONSHIP OF HR BUNDLE WITH COMPETITIVE ADVANTAGE: A MEDIATED STUDY IN OIL MARKETING SECTOR OF THE PAKISTAN.**

**Mukhammad Sohail** and Dr. Shahzia Akhter

**ABSTRACT**

Organizations strive to gain a competitive advantage over their competitors in today's competitive environment. In line with the organizations' intentions, the current study is being conducted with the objective of determining the influence of HR bundle on competitive advantage, with talent management and organizational innovation acting as mediators. The study's objectives were met by using the diamond theory of national competitive edge. Moreover, the current study used a contingency and contextual theoretical perspective in the selection and creation of HR bundles. Following a thorough process of semi-structured interviews, five practices were chosen and tested for the HR bundle: Recruitment & Selection, Training & Development, Performance Appraisal, Compensation Management, and Employee Involvement. The current study uses the positivism research philosophy, deductive approach, survey method, and Structural Equation Modeling (SEM) techniques in order to test the formulated hypotheses. The data was collected from 401 respondents from downstream organizations working under the umbrella of Exploration and Production sector of Pakistan. According to the results, the HR bundle has a positive significant relationship with talent management, which in turn has a positive significant relationship with organizational innovation and Organizational Innovation is positively and significantly related to Competitive Advantage. Single mediation results of the study reveal that HR bundle (Recruitment & Selection, Training & Development, Performance Appraisal, Compensation Management and Employees Involvement) have positive significant indirect effects on organizational innovation through talent management. Contingency and contextual base HR bundle leads to talent management, and talented pool of workforce leads to organizational innovation. Furthermore, results also revealed that organization having, effective recruitment & selection process and provides the necessary training and development to their employees and appraise their performance fairly by providing good compensation along with their involvement successfully got organizational innovation by talented workforce. Organizations that use an effective HR bundle based on environmental contingency and context specific efficiently manage talent for providing innovative services which are essential in a competitive environment. This organizational innovation leads to competitive advantage in highly competitive environment of Oil Marketing Sector of Pakistan.

**Keywords:** Human Resource Bundle, Recruitment & Selection, Training & Development, Performance Appraisal, Compensation Management and Employees Involvement Talent management, Organizational innovation, Competitive Advantage, Oil Marketing Sector.

**ESTIMATION OF SIZE OF INFORMAL ECONOMY BY USING INSTITUTIONAL QUALITY AND FINANCIAL DEVELOPMENT AS DETERMINANTS WITH MIMIC MODEL, IMPACT OF INFORMAL ECONOMY ON POVERTY**

**Rizwan Hayat** and Dr. Abdul Rashid

**ABSTRACT**

This research presents the estimates and analysis of informal economy (IE) for 169 world economies divided into seven regions. It is an attempt to estimate the size and expansion of IE with institutional quality and financial development determinants. IE is estimated for the period of 22 years from 1995 to 2017 by using MIMIC model, a special case of Structural Equation Modeling. Gap regarding the identification of specific institutional quality and financial development determinants of informal economy in different geographical regions of the world is identified and addressed in this research. This gap in literature is due to the diversity, culture, level of economy and varying economic structures in different regions. It is important to study and find the institutional quality and financial development key measures that can help in reducing the size of IE. Deviating from the existing literature, multiple determinants of institutional quality and financial development are used for estimation of IE of global economies. Trend analysis of IE shows that it is reducing globally but it remains high relative to the GDP growth of developing and underdeveloped economies. By using the estimation technique of MIMIC, average size of IE for the world economies is 33.04% with institutional quality and 35.44% with financial development determinants respectively. Countries with high level of institutional quality tend to have small size of informal economy and tax burden further helps in reducing the size of informal economy if institutional quality is already high despite other regional factors being similar. Separate specification is used to identify the key institutional quality and financial development determinants for Pakistan. The size of IE in Pakistan is 34.11% with institutional quality and 39.02% with financial development. Impact analysis of IE on poverty shows a significant and negative relationship for world economies.

**Keywords:** Informal Economy, Institutional Quality, Financial Development, MIMIC Model.

**THE INTEGRATIVE VIEW OF INDIVIDUAL CREATIVITY AND ORGANIZATIONAL INNOVATIVENESS AS AN ENABLER OF COMPETITIVE ADVANTAGE: A STUDIED OF INFORMATION AND COMMUNICATION TECHNOLOGY INDUSTRY OF PAKISTAN**

**Shanza Khan** and Dr. Muhammad Asif Khan

**ABSTRACT**

This research proposed and empirically studied the factors that can help the Information and Communication Technology (ICT) companies of Pakistan to gain competitive advantage. For a high-tech industry like ICT, creativity and innovativeness are crucial for not alone competitive advantage but for survival as well. This study focused on two different types of individual creativity that includes reactive and proactive creativity. Keeping in view the integrative view, the individual and contextual variables as enablers of the above mentioned two different types of individual creativity were empirically studied. Individual and contextual variables that can encourage individual creativity included core self-evaluation, working self-concept, organizational learning culture and customer orientation of service employees. Two scales were developed and tested for measuring two different types of individual creativity. Moreover the impact of reactive and proactive creativity was studied on the organizational innovativeness and lastly impact of organizational innovativeness on the competitive advantage was studied. Individual creativity and organizational innovativeness were studied from a process oriented lens which was accomplished through the sequential mediation. The present research used stratified random sampling technique and collected data through questionnaire. The data was collected from three hundred and seven ICT professionals from IT/ITeS and telecom employees. Positive relationships were hypothesized and the results substantiated all the proposed hypothesis. This study has made important theoretical contribution by developing scales for the two different types of individual creativity and studying the creativity and innovation from a process-oriented lens. Moreover, there are some important practical implications of the study as well discussed in the thesis that can benefit the ICT sector of Pakistan.

**Keywords:** Core Self-Evaluations, Working Self-Concept, Organizational Learning Culture, Customer Orientation of Service Employees, Reactive Creativity, Proactive Creativity, Organizational Innovativeness, Competitive Advantage, Sequential Mediation.

**FACTORS AFFECTING BEHAVIORAL INTENTIONS TOWARDS MOBILE LEARNING:  
MEDIATING ROLE OF ATTITUDE AND MODERATING ROLE OF SOCIAL INFLUENCE****Farhina Hameed** and Dr. Abdul Qayyum**ABSTRACT**

Modern technologies and globalization have ushered in significant changes, with mobile learning expanding the landscape of electronic and distance education. While various theories have been employed to measure technology adoption, empirical explanations are lacking, necessitating an exploration of factors crucial in determining behavioral intention towards mobile learning. This study aims to assess the impact of factors (entertainment, informativeness, irritation, perceived trust, and perceived value) on behavioral intention towards mobile learning. Additionally, it explores both direct and indirect effects of these factors on behavioral intention, analyzes the mediating role of attitude, and investigates the moderating effects of social influence. Data is gathered from students in public and private universities using convenience sampling, with 626 responses utilized for the final analysis. Multiple regression analysis is employed for evaluation, and Baron & Kenny's method is applied for measuring mediation and moderation. The findings indicate that entertainment, informativeness, perceived trust, and perceived value significantly influence attitude towards mobile learning, while irritation has a negative impact. Similarly, entertainment, perceived trust, and perceived value directly affect behavioral intention, with irritation negatively affecting it and informativeness having an insignificant effect. Moreover, attitude partially mediates the relationship between the identified factors and behavioral intention. Social influence, however, plays an insignificant moderating role in the relationship between attitude and behavioral intention. This study contributes to the literature by elucidating the mediating role of attitude and the moderating role of social influence, offering implications for researchers, practitioners, and policymakers in the realm of mobile learning.

**Keywords:** Attitude, Behavioral Intention, Entertainment, Informativeness, Irritation, Mobile Learning, Pakistan, Perceived Trust, Perceived Value.

## DYNAMIC MODELING OF SYSTEMIC AND IDIOSYNCRATIC RISK UNDER ECONOMIC SENSITIVITY: A CASE OF PAKISTAN

Hasan Hanif and Dr. Muhammad Naveed

### ABSTRACT

In the new age of finance, the importance of risk management has increased considerably. The extant literature documents that volatility of systemically important financial institutions is not standalone but of contagious nature tending to spread through the financial system hence causes economic and financial shocks. In conjunction with this landscape, the policy makers and seminal researchers remained mainly focused on developed economies and static modeling. This study brings new insights by investigating the dynamic aspect of systemic and idiosyncratic risk through customized modeling using artificial nested testing procedure. By employing MES and  $\Delta\text{CoVaR}$ , the study captures different facets of systemic risk as contemporary research in the developing economies is yet to embark on contribution and sensitivity aspect of systemic risk. Besides contemporaneous systemic risk, the study introduced sector level variables for the first time in the computation of forward systemic risk. The findings of the study call attention to the fact that the dynamics of idiosyncratic risk are different from those of systemic risk and the same regulatory lens should not be used to ameliorate both. In addition to that, systemic risk engenders idiosyncratic risk in developing economy and not vice versa. Besides that, the positive effect of systemic risk on valuation corroborates that it is good for one but bad for all and would never be controlled by market discipline. The study further elucidates that sector level variables are instrumental in modeling of contemporaneous and forward systemic risk. To epitomize, the study identifies important relationships across different economic conditions that can be used to ensure smooth functioning of financial institutions and the system. The outcome of the study provides comprehensive framework to the Central bank and other regulatory authorities to introduce micro and macro prudential policies that are aligned to the stability of the financial system.

**Keywords:** Systemic Risk, Idiosyncratic Risk, Dynamic Model, Sector Level Variables, Bank Valuation.



## FACTOR AFFECTING ONLINE IMPULSIVE BUYING BEHAVIOR: A MODEL AND EMPIRICAL APPLICATION

Muhammad Danish Habib and Dr. Abdul Qayyum

### ABSTRACT

Impulsive buying in online setting has become a phenomenon to be reckoned with as it has captured a sizeable proportion of online shopping. Impulsive buying behavior has thus acquired a huge potential for future research, hence under the constant focus of research scholars. Moreover, it has also gained the attention of online sellers as it accounts for significant amount of profits for firm. It is therefore, of utmost necessity to examine impulsive buying behaviors in online setting. Impulsive buying behaviors are getting influenced by cognitive aspects and emotional responses of customers. Since online shopping modes offer more conducive environment as compare to its offline counterpart. Thus online setting with more attractive interface and convenient shopping modes significantly stimulate cognitive aspects and emotional responses to attract towards impulsive buying. So, it is a worthy question to probe into the cognitive aspects like functional convenience and representative delight along with emotional responses towards online impulsive buying behavior. To address this question a theoretical model is developed based on the reflection of cognitive emotion theory, emotion action tendencies and user gratification theory. Convenience sampling is used to collect the data with the help of survey questionnaire based on well-established measures. Data is collected from young consumer of online shopping stores. A total of 684 valid responses from online shoppers were used to empirically test the validity of measurements and propositions through structural equation modeling (SEM). On the basis of data from online young consumers, a significant model emerged. In general, the results of the study indicated that functional convenience and representative delight are important contributors in shaping out the favorable emotional responses. Results regarding emotional responses on web browsing showed that arousal significantly contributes towards hedonic as well as utilitarian web browsing. It was found that pleasantness has significant impact on hedonic web browsing while an insignificant impact on utilitarian web browsing indicating that consumer are more interested towards shopping experience rather than just buy a product. The major theoretical implication of the study is the conceptualization of theoretical framework of online impulsive buying behavior by including functional convenience, representative delight, emotional response and web browsing. Retailers in Pakistani context particular may use functional convenience and representative delight for the provision of attractive, easy to use, informative and entertaining shopping web experience to convert 'just browsing' experience into a valuable customer. This research adopted a multidisciplinary approach by integrating marketing wisdom, consumer psychology and information systems to enrich the literature of marketing, consumer psychology and information technology. The empirical evidences of this study offer solid grounds and valuable insight to academicians as well as practitioners in domain of online impulsive buying behavior. Limitations and future direction are also presented in this study.

**Keywords:** Merchandising Attractiveness, Emotional Response, Web Browsing, Online Impulsive Buying, Online Shopping Store.

**MORAL DISENGAGEMENT AS A MEDIATOR IN THE RELATIONSHIP BETWEEN  
INDIVIDUAL AND SITUATIONAL FACTOR AND COUNTERPRODUCTIVE WORK  
BEHAVIOR**

**Qaisar Bashir** and Dr. Mehboob Ahmad

**ABSTRACT**

Extant literature has comprehensively focused on the antecedents of counterproductive work behavior (CWB), but the effect of individual and situational factors leading towards counterproductive work behavior still need more research, especially considering the mediating role of cognitive factors. The current research examines the influence of individual factors (Big Five personality traits), and situational factors (accountability, job insecurity and organizational constraints) on counterproductive work behavior, with the mediating role of moral disengagement (MD). This moral disengagement is a set of cognitive mechanisms - explained by social cognitive theory as a key to deactivate self-regulatory processes - which provide individuals a justification to involve in behaviors that are inconsistent with moral standards without associated self-sanctions and guilt. Multi-stage sampling technique is employed, where 534 responses of the individuals from courier industry of Pakistan are analyzed using Structural Equation Modeling (SEM) technique in AMOS. The research results provide significant relationships between accountability, job insecurity, organizational constraints, agreeableness and emotional stability, with moral disengagement and CWB. Mediation of moral disengagement in hypothesized relationships between individual & situational factors and CWB is supported for accountability, job insecurity, organizational constraints, agreeableness and emotional stability; excluding conscientiousness openness and extraversion. Results provide deeper insights into the phenomena of the moral disengagement and counterproductive work behavior. Insights of the study will enable the managers for better decision making in order to avoid negative consequences of moral disengagement and CWB in organizations.

**Keywords:** Individual Factors, Situational Factors, Counterproductive Work Behavior, Moral Disengagement, Pakistan

## **DETERMINANTS OF RISK: AN EMPIRICAL STUDY ON FINANCING INSTITUTIONS OF PAKISTAN**

**Faisal Zaman** and Dr. Muhammad Naveed

### **ABSTRACT**

This research investigates novel insights by examining the impact of both bank-specific and macroeconomic factors on the idiosyncratic risk within the banking industry of Pakistan. The study focuses on two distinct political regimes, each characterized by unique political and economic agendas. Utilizing a quantitative research approach based on secondary data, the research employs the Generalized Method of Moments (GMM) on panel data spanning from 2007 to 2018 across the Pakistani banking industry. The key findings highlight the significance of both the bank-specific environment and macroeconomic factors in elucidating the risk behavior of banks. Notably, the study provides evidence supporting the influence of different political regimes on the banking industry in Pakistan.

**Keywords:** Idiosyncratic Risk, Macroeconomic Factors, Political Regimes.

## A MODEL BASED TESTING APPROACH FOR CONTEXT-AWARE MOBILE APPLICATIONS

Mirza Amir Mehmood and Dr. Muhammad Naeem Ahmed khan

### ABSTRACT

Software testing has two primary goals. Testing can either be viewed, on the one hand, as a tool for achieving reliability: the objective is to test the software for defects in order to remove them and improve software reliability. Testing can also be seen as a means of gaining the confidence that the software is sufficiently reliable for its intended purpose: the aim is to assess reliability [1]. Testing software is a proven methodology of software engineering to assess, improve and demonstrate quality for the development of reliable software which is a crucial factor to the success of software engineering. This makes software testing the most widely utilized method for identification of software failures. To test an application, software test engineers have to generate tests for the application under test and execute those test on the application and check the test execution to identify defects. Software testing is well-known to be very costly thus research community developed automated testing techniques to reduce the laborious testing effort, cost and time. Automated testing poses at least two major technical challenges: the generation of adequate test cases and test data. Model-based software testing (MBT) addresses these challenges and makes it possible for software test engineers to use a consistent model-based approach and specification (for instance unified modelling language) for effective testing. In the modern era of mobile computing, context-aware computing is an emerging paradigm due to its widespread applications. Context-aware applications are gaining increasing popularity in our daily lives. This is because these applications can determine and can change their behavior according to the user's present context to help user in performing the task with no or minimum user input and enhance usability experience. Whereas, the context could be their location, who they are with, what the time of day is, nearby devices, what activity user is performing and so on. However, testing these applications is not straightforward since it poses several challenges, such as generating test data, designing context-coupled test case and so on. However, the testing process can be automated to a greater extent by employing model based testing technique for context-aware applications. To achieve this goal, it is necessary to automate model transformation, test data generation, and test case execution processes. In this thesis, we propose an approach for behavior modeling of context-aware applications by extending the UML activity diagram and propose an automated model transformation approach to transform the development model into the testing model. The objective of this thesis is to automate the context-coupled test case generation and execution. We propose an automated testing framework for functional, regression and end-to-end testing of context-aware applications capable of automated execution of keyword-based test case and test scenarios. We also present context quality confidence template for evaluating the quality of confidence for context-aware applications. The framework is implemented and empirical results showed that the techniques developed within the framework improve the efficiency of automated testing in comparison with manual testing. Furthermore,

it is demonstrated that our functional testing framework can reduce the testing time and cost, thus enabling the test engineers to execute more testing cycles to attain a higher degree of test coverage.

**Keywords:** Model Based Testing, Context-Aware Application, Test Automation, Context-Coupled Test Case.

## **EFFECTS OF AUTHENTIC LEADERSHIP ON FOLLOWERS' ATTITUDES AND BEHAVIORS: DEVELOPING AND TESTING OF AN INTEGRATED MODEL**

**Muhammad Faisal** and Dr. Muhammad Asif Khan

### **ABSTRACT**

The aim of the study is to investigate the evolving role of authentic leadership in the organizational spheres. In line, the objectives of the research is to develop and test of an integrated framework of authentic leadership, and consequently estimated its effects on follower's performance related outcomes. However, the specific objective of the study is to find out the impact of authentic leadership on follower's performance through positive emotions. In this regard, the construct of positive emotions was taken into consideration as a sequential mediator for the examination of causality among authentic leadership and followers' performance and the role of positive emotions were unfolded, as the literature suggested to measure sequential mediating path among the constructs. Furthermore, a new conception of relational identification has been introduced and its impact is also sequentially examined. In addition, happiness, gratitude, elevation, compassion and pride emotions were considered as sequential mediators in the relation of authentic leadership and employee's behaviors. Considering the objectives of the study, positivist research philosophy was adopted using deductive approach. The data were collected from three hundred and sixty-four respondents working in the public organizations of Pakistan, specifically upstream organizations working under the umbrella of petroleum sector. For the collection of data, purposive sampling technique was used. Model estimation was done using Structural Equation Modelling (SEM) on AMOS. All the necessary pre-requisites of model estimation, i.e. assumptions of regression were fulfilled. Subsequently, twenty-nine hypothesized causal paths were determined, in which only two causal paths were not supported. The attained results manifestly accepted the established hypotheses. Future directions suggested to include personality traits as moderators, and to measure dimensional effect of authentic leadership. The limitations of the study and implications are also discussed which would be beneficial for human resource professionals and researchers.

**Keywords:** Authentic leadership, relational identification, compassion, pride, elevation, happiness, gratitude, employee engagement, task performance, contextual performance, creative performance, sequential mediation.

# IMPACT OF SERVICE INNOVATION CAPABILITIES ON BUSINESS MODEL INNOVATION: A DUAL MODERATED MEDIATION ANALYSIS

Malkah Noor Kiani and Dr. Mehmoob Ahmad

## ABSTRACT

Cellular firms operating in Pakistan are undergoing significant business model innovation to stay competitive in the dynamic market. The integration of IT-enabled services has opened new avenues, prompting firms to explore diverse business models such as mobile banking, G2P and P2P payment mechanisms, utility bill payments, and e-commerce alongside their traditional provision of mobile phone connections. Understanding the constituents and factors shaping business model innovation is essential for sustaining competitiveness. This study addresses six research gaps identified in the literature, establishing six research objectives and questions. Data from 427 upper and middle managers of four cellular firms (Mobilink — Warid, Telenor, Ufone, and Zong) were collected through a questionnaire survey using simple random sampling. Hypothesis testing employed regression-based conditional process analysis by Hayes (2018) and structural equation modeling to assess the theoretical framework's fitness. The findings reveal that service innovation capabilities directly impact overall business model innovation. Service innovation capabilities also indirectly influence business model innovation through the positive mediation of service innovation success. This positive mediation is positively moderated by management entrepreneurial orientation and negatively moderated by employee resistance to change. Additionally, management entrepreneurial orientation positively moderates the direct effect of service innovation capabilities on business model innovation, while employee resistance to change negatively moderates this direct effect. This study contributes novelty by empirically testing the strategic entrepreneurship perspective within the force field of changes. It addresses identified research gaps through comprehensive empirical testing. The implications for cellular firms in Pakistan are significant, providing insights for achieving higher levels of business model innovation. Future research avenues are suggested, including exploring additional contextual and organizational factors influencing business model innovation, as well as conducting comparative studies among cellular firms to understand the extent of innovation's impact on competitive positioning.

**Keywords:** Service Innovation Capabilities, Business Model Innovation, Dual Moderated Mediation Analysis.

## THE DILEMMA OF BUSINESS RESILIENCE AND CRM EFFECTIVENESS IN TOURISM INDUSTRY OF PAKISTAN

Mirza Waseem Abbas and Dr. Masood-UL-Hassan

### ABSTRACT

The tourism and travel sector in Pakistan has been grappling with a prolonged crisis amid an unstable and dynamically changing macro-environment. In response to these challenges, organizations within this sector must prioritize self-sustainability and organizational resilience. This study aims to identify factors that can enhance the sector's resilience and long-term profitability. Utilizing a sample of 390 responses gathered through a questionnaire, the conceptual model is tested to comprehensively grasp the dynamics, particularly in the context of the China Pakistan Economic Corridor (CPEC) challenges. Structural Equation Modeling (SEM) with AMOS is employed to analyze the responses, revealing that business resilience and the effectiveness of customer relationship management mediate the relationships between learning orientation, market orientation, business performance, and innovation. Additionally, the study examines the moderation effects of market turbulence, technological turbulence, and competitive intensity. The findings indicate that technological turbulence and competitive intensity either weaken or strengthen the relationship of customer relationship management effectiveness with business innovation and performance, acting as moderators, while market turbulence strengthens or weakens the same relationship. The implication is that organizations in Pakistan's tourism sector should concentrate on learning and market orientation to bolster resilience against upcoming challenges, maximizing the benefits of customer relationship management for improved innovation and performance.

**Keywords:** Learning Orientation, Market Orientation, Business Resilience, Customer Relationship Management Effectiveness, Innovation, Business Performance.



**GOING CONCERN PREDICTION MODELS OF LIQUIDITY NON-FINANCIAL FIRMS OF PAKISTAN**

**Muhammad Irfan Javaid** and Dr. Attiya Yasmin Javid

**ABSTRACT**

The primary focus of this study is to determine whether the original versions of prediction models serve as the optimal proxies for assessing the status of firms as a going concern, particularly those operating in a creditor-oriented regime. The study meticulously selects firms for analysis, specifically those with continuous net losses over financial years, external auditors issuing non-going concern opinions, and complete liquidation of operations. The analysis comprises 124 non-financial firms, first assessing the validity of existing bankruptcy, going concern, and liquidation prediction models. In the second stage, these models are re-estimated for firms in a creditor regime, and in the third stage, new prediction models are formulated using MDA and LR techniques to address auditor challenges in evaluating a firm's going concern status. The formulated prediction models demonstrate lower Type I and Type II errors compared to existing models, making them the preferred alternative. The findings, based on five discriminatory ratios from profit and loss and financial statements, suggest that the newly formulated models, incorporating accounting ratios, are valuable not only for assessing a firm's going concern status but also for evaluating financial fraud risk. The implications of these results highlight the development of an instrument beneficial for auditors in creditor-oriented regimes, providing regulatory authorities and audit practitioner institutes in Pakistan with valuable tools for evaluating firms' statuses and monitoring their financial health. **Keywords:** going concern, creditor-oriented regime, liquidation, expectation gap, auditor, accounting-based prediction model, MDA, LR.

**Keywords:** Going Concern, Models, Liquidity, Non-Financial Firms, Pakistan.

**DETERMINANTS OF VALUE PREMIUM IN PAKISTAN STOCK EXCHANGE****Tanveer Ahmed** and Dr. Syed Muhammad Amir Shah**ABSTRACT**

The purpose of this research is to investigate the ability of six value-growth indicators to produce value premium and to investigate the factors that influences value premium. The six value growth indicators used in this study are book to market, earning to price, dividend to price, cashflow to price, gross profit to total assets and sales to price ratio. The explanatory variables selected in this are transaction cost, idiosyncratic volatility, institutional ownership, distress risk, investment irreversibility, operating leverage, financial leverage, information asymmetry and accrual quality. Furthermore, the sampling technique used in this research is purposive sampling from year 2004 to 2014. In order to avoid survivor bias, the sample size varies from year to year, however the maximum number of firms included in the analysis were 383. Additionally, the sample size also varies across the six value-growth indicators selected in this study. The value premium is estimated using value weighted two-dimensional portfolio formation technique. The result indicates that value stock earns higher return as compared to growth stocks irrespective of the value-growth indicator used to disentangle stocks into value and growth firms, suggesting that value premium is positive and significant for all the value-growth indicators. Value premium is highest when earning to price ratio is used as value-growth indicator. On the other hand, sales to price ratio produces lowest value premium. Furthermore, small stocks earn higher value premium as compared to big stocks. The impact of explanatory variables had been measured on value premium generated through all the six proxies. The significance of explanatory variable varies with the value-growth indicator used to form value premium; however, their direction is consistent irrespective of the value- growth indicator used. Indirect cost, volatility, investment irreversibility, financial leverage, information asymmetry and dividend cut have positive effect on value premium. Direct cost, operating leverage, financial constraint, and accrual quality have negative effect; however, intuitional ownership is insignificant irrespective of the value-growth indicator used.

**Keyword:** Value Premium, Book-To-Market Effect, Value-Growth Indicators.

**AN ANALYSIS OF RISK AND ITS DETERMENTS FOR INVESTMENT DECISION: AN  
EMPIRICAL STUDY OF PSX**

**Shahzad Hussain** and Dr. Abdur Rashid

**ABSTRACT**

The research aims to investigate the determinants that exert their influence on the firm's risk. In order to execute a detailed analysis on the subject area, the factors such as corporate governance, financial liberalization and investor sentiments are considered as exogenous variables along with socio-political factor as moderating variable. Whereas the firm's risk is viewed from different dimensions i.e. total risk, systematic risk and unsystematic risk. Additionally, as opposed to traditional measure of risk, this study has considered the downside risk using the methodology of Estrada (2002). The research considered a sample of 230 non-financial firms from 2003-2014. Results revealed that corporate governance, financial liberalization, and investor sentiment significantly affect downside risk. Strong corporate governance mechanism reduces the downside risk. However, investor sentiment and financial liberalization increase the investors' exposure toward downside risk. The socio-political factor moderates the relationship of investor sentiment and financial liberalization with downside risk. On the other hand, the results demonstrate that socio-political factor doesn't moderate the relationship of corporate governance with downside risk.

**Keywords:** Downside Risk, Corporate Governance, Investor Sentiment, Financial Liberalization.

## IMPACT OF BEHAVIOR BIASES AND FINANCIAL RISK TOLERANCE ON INVESTMENT CHOICES: MODERATING ROLE OF FINANCIAL LITERACY

Rehan Aftab and Dr. Muhammad Naveed

### ABSTRACT

The study brings new insights into behavioral finance with the added significance of the financial sophistication in explaining the investment decision. This study fills the principle gap by exploring the importance of financial literacy in moderating the effect of human psychology and financial risk tolerance on investment decisions, which largely remained uncaptured in the past. The study follows a quantitative research approach based on primary data and it performs estimations on data collected from investors in the stock exchange of Pakistan. The OLS regression model is used for the determination of possible impact. The key findings reveal that overconfidence bias, optimism bias, and financial risk tolerance hold a significant impact on investment decision making. However, the impact of anchoring bias is insignificant, which might be resultant of flexibility and agility in the market. Additionally, financial sophistication holds significant moderation, while examining the impact of behavioral biases and financial risk tolerance on investment decision making. The outcomes of the study are valuable for academic institutions, stock market investors and other professional bodies. The future studies should cater to some other insights of behavioral finance to better signify the challenges for rational assumptions with further exploration of new dimensions under the key area of behavioral finance.

**Keywords:** Behavioral Biases, Financial Literacy, Investment Decision Making & Financial Risk Tolerance.

## CONSTRUCT OF COMPULSIVE BUYING A NEW PERSPECTIVE

Moin Ahmad Moon and Dr. Saman Attiq

### ABSTRACT

**Purpose:** This study aims to adjust conceptual, methodological, cultural and demographic differences and psychometrically validate the four most commonly used compulsive buying scales. This study also aims to develop new, comprehensive and universal cutoff point classification criteria to estimate the prevalence of compulsive buying behavior.

**Methodology/Design/Procedure:** Data was collected from two samples. Sample A (N = 5602) consisted of systematically selected shopping mall consumers. Whereas, Sample B (N =895) consisted of systematically selected university students of Pakistan. Where the original factor structure could not be validated, a new factor structure was explored using exploratory factor analysis (EFA). SPSS 23 and AMOS 23 were used to perform this analysis on the data.

**Findings:** Original factor structures of four above-mentioned compulsive buying behavior could not be validated. Therefore, new factor structures were identified for these four scales. While establishing the nomological validity of four revised compulsive buying scales, the regression analysis exhibited that the antecedents, consequences and demographic correlates had theoretically predicted relationship with four revised compulsive buying scales. More than 60% of shopping mall consumers (Sample A = 5602) and university students (Sample B = 895) were classified as borderline compulsive buyers, compulsive buyers and/or addictive buyer with the help of universal cutoff point criteria of screening compulsive buyers.

**Implications:** The findings imply that the scholars must be careful while selecting the instrument to measure compulsive buying behavior and the universal cutoff point criteria for screening compulsive buyers, provides a comprehensive understanding of the compulsiveness levels of individuals in a society. Psychologists and therapists may use this new classification scheme to devise intervention strategies for affected individuals. Financial advisors can use the classification scheme developed in this study to identify compulsive buyers and recommend financial management or psychotherapy to consumers accordingly.

**Originality/Value:** This study is novel as it validates the most commonly used scales of compulsive buying and overcome the theoretical, methodological, and cultural differences in the scales that measure compulsive buying by adjusting the compulsive buying scales to measure the current prevalence rate rather than the lifetime prevalence rates of compulsive buying. This study is also new in the sense that it devised a new, comprehensive and universal classification scheme to classify consumers into addictive, compulsive, borderline compulsive, recreational, or normal consumers. This study also provides for the first time, an estimate of the prevalence of compulsive purchases by shopping mall consumers and college students in Pakistan.

**Limitations:** This study only revised and validated four scales of compulsive buying behavior. This study only examined the shopping mall consumers and university students. This study was limited to the fashion clothing related product categories.

**Keywords:** Compulsive Buying, Addictive, Compulsive, Borderline Compulsive, Recreational, Normal Consumers.

**ANTECEDENTS AND OUTCOMES OF EMPLOYEE ENGAGEMENT: DEVELOPMENT AND TESTING OF AN INTEGRATED MODEL****Afsheen Fatima** and Dr. Muhhad Asif Khan**ABSTRACT**

Human resource is a key enabler of competitive advantage for any organization. In this regard employee engagement is considered a central construct in studying the human resource-organization link. The present study proposes that engagement is likely to be an important mechanism explaining the link between high performance work system (HPWS) and organizational desired outcomes. A framework exhibiting job and organizational engagement as mediators of the relationship between personal and organizational resources (psychological capital, pro-social motivation, HPWS) and organizational desired outcomes (i.e., innovative work behavior, knowledge sharing behavior, social innovation and organizational performance) is proposed and empirically tested. The underlying theories of conservation of resources and social exchange are used to explain theoretical framework. Data were collected from 354 employees working in information and communication technologies (ICT) sector firms in Pakistan. The framework was tested through Covariance-based Structural Equation Modelling (CB-SEM). The unique methodological contributions of this thesis include the adaptation and validation of HPWS scale, theoretical and empirical expansion of psychological capital structure and simultaneously examining job and organizational engagement. The results largely support the proposed theoretical framework. Specifically, HPWS, psychological capital and pro-social motivation had significant positive effects on organization and job engagement. In turn, organization and job engagement were found to be positively linked to all the four outcomes, i.e., innovative work behavior, knowledge sharing behavior, social innovation and organizational performance. Additionally, job engagement is revealed as an important mechanism of the relationships between the three antecedents and three outcomes. However, no mediation effect on the relationship between antecedents and social innovation was found. Also, organizational engagement is found to be a significant conduit of the link between the three antecedents and organizational performance. This research aims at filling imperative literature gaps along with extending conservation of resources and social exchange theories. The results show that effective HPWS leads to positivity in the organizations. During selection process, ICT human resource managers should seek employees with greater psychological capital (PsyCap) along with job related skills. For current employees, trainings related to enhancing the PsyCap should be arranged. The present research also highlights the important role of pro-social motivation (PSM). ICT sector management should give this factor special attention during selection process and designing training sessions. PSM has a positive impact on success of organization. Thus, ICT management must dedicate resources to support HPWS, PsyCap and PSM that increase employees' positive perceptions about their work environment (job and organization), which will, ultimately, positively impact engagement. The main recommendation of this research is designing and adopting specific strategies aimed at developing and maintaining employees' PsyCap, PSM and HPWS to foster employee engagement, which may enhance organizational performance along with the retention of talented individuals exhibiting desired knowledge sharing and innovative behaviors.

**Keywords:** Job Engagement, Organizational Engagement, HPWS, Psychological Capital, Pro-Social Motivation, Desirable Organizational Outcomes, Organizational Performance, CB-SEM, Pakistan.

## INTERACTIVE ANTECEDENTS OF EMPLOYEE INNOVATIVE WORK BEHAVIOR

Hina Shahab and Dr. Rabia Imran

### ABSTRACT

Employee innovative work behavior is the key asset which innovative driven organizations must possess in order to progress towards knowledge-based economy. This study is important as it is focused on identifying the key antecedents such as Ethical leadership, Ethical work context, Organizational citizenship behavior, Organizational justice and social capital that helps in generation of employees Innovative work behavior. This study also investigated the role of social capital as the mediator between antecedents (such as Ethical leadership, Ethical work context, Organizational citizenship behavior, and Organizational justice) and Innovative work behavior. Furthermore, this study also investigated the moderating role of culture between the antecedents (such as Ethical leadership, Ethical work context, Organizational citizenship behavior & Organizational justice) and social capital. The entire framework of nomological relationships in this study is developed on the key assumptions of social exchange theory. Moreover, this study adds a significant theoretical and contextual extension by developing and validating the person driven ethical leadership scale. The methodology of this study was based on two parts. In first part the ethical leadership scale was developed by using convergent parallel mixed method and data responses were gathered at 5 points of times for validation of instrument. The second part of this study was focused on investigating the perceptions of faculty members regarding the factors that can generate their innovative work behavior in higher educational institutions. The data was examined upon 724 faculty responses gathered from both public and private universities prevailing in all five regions (such as federal, Sindh, Punjab, AJK, KPK and from Baluchistan) of Pakistan by using multistage nonprobability snowball sampling technique. The findings of this study showed that ethical leadership, ethical work context, organizational citizenship behavior, organizational justice and social capital significantly contribute to the creation of innovative work behavior. Similarly, the findings also identify that social capital partially mediates between (Ethical leadership, Ethical work context, Organizational citizenship behavior & Organizational justice) and Innovative work behavior. However, internal organizational culture dimensions only moderated the relationship between two antecedents (ethical leadership & organizational justice) with social capital by using interaction term. This study is important as it provides recommendations to all innovation driven sectors especially the higher education institutions that in order to cultivate employees innovative work behavior the institutions should ensure prevalence of strong ethical leadership, ethical work context, organizational citizenship behavior and organizational justice. This study also identifies the significant role of internal social capital which not only helps in facilitating the positive organizational exchanges but also vital in creating knowledge networks among employees that ultimately contribute in generation of their innovative work behavior at workplace.

**Keywords:** Innovative Work Behavior, Social Capital, Ethical Leadership, Ethical Work Context, Organizational Citizenship Behavior, Organizational Justice, Organizational Culture, Structural Equation Modelling, Higher Education Faculty Members.



## DETERMINANTS OF RETURN'S CO-MOVEMENT FOR EFFECTIVE PORTFOLIO DIVERSIFICATION AMONG REGIONAL STOCK MARKETS

Mobeen Ur Rehmaan and Dr. Syed Muhammad Amir Shah

### ABSTRACT

This study attempts to explore the role of financial, market and macroeconomic variables on international equity co-movement patterns among stock markets of frontier and emerging countries. This study has its origin from Markowitz portfolio theory (1952) after which Grubel (1968) applied his concepts of diversification. Aim of this study is to highlight the role that selected variables have on international stock market co-movement rather than relying only on return correlation values. We proceed by constructing an international co-movement and market integration indices through rolling beta estimation process followed by the return correlations and principal components as a preliminary analysis. We highlighted financial market characteristics, equity market integration and macroeconomic variables as major determinants in stock market co-movement. Market integration index is constructed through the application of international capital asset pricing model (ICAPM). Interest rate, exchange rate and purchasing power parity represent macroeconomic variables whereas remaining variables are selected under the market characteristic domain. To study the impact of all the selected financial, market and macroeconomic variables on return co-movements between Pakistan and the selected Asian stock markets, we applied autoregressive distributed lag models due to different levels of equity returns stationary on each pair. We also measured the convergence speed to equilibrium path by introducing error correction term in the model. Finally, we captured the variance of each of the included independent variable on stock market co-movement through variance decomposition analysis. Test result suggests the presence of long term relation among associated variables in most of the countries with significant variance in return co-movements. At the end, we applied panel data analysis to find the level of variance that these included market, financial and macroeconomic variables have on stock market co-movement between Pakistan and other selected Asian emerging and frontier markets. We applied pooled OLS, fixed panel effect, generalized method of moments and pooled mean group analysis. Results highlighted that except exchange rates, foreign portfolio equity holdings and market size differences, all of the included variables are significant in explaining equity return co-movement of Pakistan with selected stock markets. Significance of selected macroeconomic factors are in accordance with the portfolio balance theory presented by Kodres and Pritsker (2002) stating that investors possess information about the macroeconomic variables thereby readjusting their portfolios for effective diversification. Significant presence of market integration represented through pricing differences is also in accordance with non-information based theory presented by Kyle and Xiong (2001) stating that investors take advantage of mispricing levels existing among securities to take advantage of diversification in international equity markets.

**Keywords:** Returns, Co-Movement, Portfolio Diversification, Stock Markets.

**PROPOSING AND TESTING A MODEL OF FINANCIAL INTEGRATION: ARE FINANCIAL DEPTH AND STOCK MARKET DEVELOPMENT SIGNIFICANT?**

**Mazhar Mahmood** and Dr. Kashif-Ur-Rehman

**ABSTRACT**

This study is based on proposing and testing the role of financial depth and stock market development in promoting growth and reducing macroeconomic volatility in respect of different countries of world. It was found that in the long-run growth may be enhanced by concentrating on stock market development. In the short-run, stock market development and trade openness were found significant for growth. However contribution of stock market development was very low. The results show that for European countries, financial depth and stock market development contributed to long-term growth. However contribution of financial depth outweighs that of stock market development. For ASEAN region, financial depth played a significant role to foster growth in the long-run. Financial depth, stock market development and trade openness played a key role to support growth in the long-run for Asia Pacific and MENA region. However in the short-run only financial depth contributed to growth. It was proposed that financial depth should be enhanced since it has played a persistent role in achieving growth. It is concluded that financial depth and stock market development may contribute to curb volatility in the long-run. However the role of stock market development was considerably higher than that of financial depth. Monetary Union provided very little support in this regard. In the short-run, financial depth, stock market development and degree of financial integration may contribute to curb volatility. In case of European economies, financial depth and stock market development contributed to reduce volatility in the long-run. MENA countries and ASEAN nations witnessed a significant role of trade openness and financial development in reducing macroeconomic volatility.

## INTERNAL CORPORATE GOVERNANCE MECHANISMS, CASH HOLDINGS AND FIRMS PERFORMANCE: THE ROLE OF POLITICAL CONNECTIONS AND ENVIRONMENT

Sabeeh Ullah and Dr. Yasir Kamal

### ABSTRACT

The present research study analyzed the relationship of internal corporate governance mechanisms, corporate cash holdings and firm performance by taking the interplay of political connections and political environment. For the purpose, 150 non-financial Pakistani firms' data ranging from 2001 to 2014 were employed, which was further split into sub samples based on dictator regime (2001-2007) and democratic regime (2008-2014), large and small size firms. The study employed both static and dynamic panel data models. Generally, and consistent with the prior researchers, the study documented that internal corporate governance mechanisms (board characteristics, CEO characteristics, audit committee features) are important predictors of a firm's cash holdings and performance in Pakistani market. Theoretically, the findings from this study mainly supported the agency theory, resource dependency theory and stewardship theory. This study further investigated that whether the effect of internal corporate governance mechanisms on cash holdings and firm performance varies with firm size and political environment. Empirically, the results showed some statistical differences in the relationships in both dictator and democratic regime, large and small size sample firms. Moreover, the study investigated the relationship of internal corporate governance mechanisms with cash holdings and firm performance by considering the interplay of political connections. For this purpose, the study proposed two alternative effects that political connections had on internal corporate governance mechanisms, namely complementary and substitution effect. On average, the present study found complementary effect, indicated that considering both strong (weak) internal corporate governance mechanisms and political connections reduce (enhance) corporate cash holdings. In the same vein, for firm performance, political connections on average substitute internal corporate governance suggested that considering both strong (weak) internal corporate governance mechanisms and political connections decrease (increase) firm performance. These effects were changed when moved from dictator to democratic regime and large to small size sample firms.

**Keywords:** Corporate Governance, Cash holdings, Firm Performance, Political Connections, Political Environment.

## WORKPLACE BULLYING AND EMPLOYEE LEVEL OUTCOMES: MODERATING EFFECTS OF PSYCHOLOGICAL CAPITAL AND WORK ENGAGEMENT

Fatima Ashraf and Dr. Muhammad Asif Khan

### ABSTRACT

The first purpose of this study was to investigate whether workplace bullying and its dimensions of work-related bullying, person-related bullying, physical intimidation bullying, and cyber-bullying positively predicted three employee level outcomes of job insecurity, turnover intentions, and counterproductive work behavior in targets of bullying. The second purpose of this study was to examine two positive psychology constructs, i.e. psychological capital along with its existing four dimensions of confidence, hope, resilience, optimism and additional four dimensions of wisdom, courage, gratitude, and forgiveness, and work engagement as possible moderators of relationships between workplace bullying and the three employee level outcomes. Employing snowball sampling through appointing a primary referral for each organisation, data were obtained from 162, (telecommunication sector) 102, (health sector) and 98 (higher education sector) employees. Linear regression was employed test direct effects and hierarchical regression was used to test moderation effects. Results revealed that full support was found for hypotheses pertaining to direct effects of workplace bullying on employee outcomes, while partial support was found for most hypotheses that had predicted direct effects of workplace bullying dimensions on employee outcomes. Full support was also found for hypotheses suggesting a moderating role of psychological capital on workplace bullying and employee outcomes relationships, while most hypotheses that had suggested a moderating role of psychological capital dimensions on workplace bullying and employee outcomes relationships found partial support. Most hypotheses that had predicted a moderating role of work engagement on workplace bullying and employee outcomes found partial support. Overall, of the 45 postulated hypotheses, 16 found full support, 24 found partial support, while five found no support. This study mainly found that adverse employee outcomes of job insecurity, turnover intentions, and counterproductive work behaviour are triggered in targets of bullying. Moreover, psychological capital and work engagement were proven as important moderators of workplace bullying and employee outcomes relationships. A notable theoretical implication of this study is broadening of the positive psychology literature: positive psychology variables of psychological capital and work engagement are suggested as significant employee strengths that may be employed as preventive measures to offset bullying effects in targets of bullying within bullying prone environments. Based on study findings, it is suggested that human resource managers, planners, and practitioners may design training and interventions focused on psychological capital and work engagement and may integrate elements of psychological capital and work engagement in aspects such as job analysis, recruitment and selection, and work design. In addition, strengths, limitations, as well as theoretical, managerial, and organizational implications of the study are offered at the end of the study.

**Keywords:** Workplace Bullying, Positive Psychology, Psychological Capital, Work Engagement, Job Insecurity, Turnover Intentions, Counterproductive Work Behavior, Asia.

**ANALYSIS OF THE RELATIONSHIP AMONG STRATEGIC QUALITY ORIENTATION,  
INNOVATION CAPABILITIES AND BUSINESS OUTCOMES OF MOBILE NETWORK  
OPERATORS IN PAKISTAN**

**Bilal Ahmad Khan** and Dr. Hummayoun Naeem

**ABSTRACT**

This research study explores the relationships among Strategic Quality Orientation (Soft and Hard Quality Management Practices), Innovation Capabilities (Exploitative and Explorative Innovation) and Business Outcomes (Innovation Success and Sustainable Business Growth) of Mobile Network Operators in Pakistan. The telecommunication industry of Pakistan is facing increasing challenges in maintaining quality of services, meeting the diversified customer needs, being innovative and ensuring sustainability in business growth. It has been observed that the operators providing telecommunication services in Pakistan do not follow a steady trend in terms of their growth and sustainability. This can be realized by having a firm commitment on maintaining quality and addressing customer needs by improving existing business practices and adopting emerging technologies. Using the dynamic capability theory, the study suggests that Quality Management and Innovation can be integrated together to ensure Sustainable Business Growth in a stepwise joint improvement framework. Relationships among the variables are modeled in a sequence from Strategic Quality Orientation to Innovation Capabilities and then to Sustainable Business Growth. The study analyzes how Strategic Quality Orientation practices can foster Innovation Capabilities, and what is the mediating role of Hard Quality Management practices in it. It examines how the Innovation Capabilities, and their outcomes can ensure sustainable growth of MNOs, and how the direct success of Innovation Capabilities mediates this process. The moderating effects of intensity of market competition and regulatory conditions on the framework have also been examined under the contingency theory perspective. To determine and establish these relationships a conceptual framework was formulated, and a questionnaire survey was conducted on the target population to empirically examine the framework. Results were obtained based on 485 samples collected through a survey. The proposed framework was tested for three types of models fit (Direct Co-variation, Indirect Mediation and Moderation fit) through Structural Equation Modeling – SEM technique, which suggested good model fitness. The results show that Soft Quality Management practices positively influence Hard Quality Management practices and they both have a positive impact on Innovation Capabilities, while Hard Quality Management mediates this relationship. Innovation Capabilities have a positive impact on Innovation Success. However, only Explorative Innovation has a significant positive impact on Sustainable Business Growth, while Innovation Success mediates this relationship. The proposed moderating relationships were also found significant. Building on the perspective of dynamic capabilities which suggests that quality and innovation does not necessarily compete for rare resources and hence can exist together, the research study contributes in the field of quality and innovation management by conceptually and empirically establishing a joint framework of these approaches to achieve sustainable growth, with strategic quality orientation as the foundation for innovation. Through conceptual and empirical analysis, the study suggests that both quality and innovation are important improvement approaches and setting a conducive quality driven culture, systems and processes with strong performance objectives and continual improvement initiatives

enable innovation capabilities of exploitation and exploration. Since quality management practices supplements innovation capabilities, which in turn leads to sustainable growth, the two approaches can be integrated together and coexist in a cumulative improvement framework. The study therefore rejects the traditional resource-based perspective which considers quality and innovation as a matter of trade-off. The study suggests that the MNOs should not compromise on quality initiatives to achieve innovation and provides other practical and valuable implications which will help them to achieve sustainability in their business growth. The study also suggests areas for future research.

**Keywords:** Strategic Quality Orientation, Soft and Hard Quality Management, Exploitative and Exploitative Innovation, Innovation Success, Sustainable Business Growth, Competitive Intensity, Regulatory Uncertainty.

**THE IMPACT OF HIGH-PERFORMANCE WORK SYSTEMS ON BUSINESS PERFORMANCE: EXAMINING THE ROLE OF EMPLOYEE WELLBEING**

Fawad Asif Rana and Dr. Uzma Javed

**ABSTRACT**

This thesis has two main objectives. The first objective of this thesis is to examine employees' experience of HPWS in their respective business units. The second objective is to develop a conceptual model that determines how these perceptions are related to their wellbeing and performance. In doing so, both the mutual gains and conflicting outcomes perspectives have been examined. In addition, POS and JDR theories are proposed as alternative theoretical perspectives in examining the pathways through which HPWS can impact on employee wellbeing and business unit level performance. Specifically, building on the notion of JDR model, job control and supervisor support have been hypothesized as important resources to minimize the negative impact of excessive job demands on wellbeing. For the purpose of analysis, data had been collected from 828 employees from 140 business units in insurance industry of Pakistan. The structural equation modeling technique is used to validate the measurement model and for examining the inter-relationships among HPWS, employee wellbeing and business unit level performance. At business unit level, the findings lend support for mutual gains perspective. The pathway linking HPWS to business unit level performance via mutual gains perspective received strong support. The empirical findings show that: (1) AMO bundles of HPWS had strong positive influence on POS; (2) Only motivation bundle was significantly and negatively related to excessive job demands while ability and opportunity bundles had no impact on excessive job demands; (3) HPWS, through POS, showed positive impact on employee wellbeing; (4) job satisfaction fully mediates the relationship between HPWS and business unit level performance. Overall, the thesis indicates that while mutual gains perspective is useful in explaining the link between HPWS-wellbeing-performance, extending theory to include new explanatory variables such as POS increases our understanding of the underlying phenomena.

**Keywords:** High-Performance Work Systems, Business Performance, Employee Wellbeing.



**IDENTIFICATION AND DETERMINANTS OF SYSTEMICALLY IMPORTANT FINANCIAL INSTITUTIONS: EVIDENCE FROM BRICS AND PAKISTAN**

Shumaila Zaib and Dr. Abdur Rashid

**ABSTRACT**

During the times of financial crisis, losses tend to spread across financial institutions, threatening the overall stability of the financial system. The spreading of financial distress to various financial institutions gives birth to systemic risk. The intermediary role of the financial system is damaged, with adverse consequences for the supply of credit to the real economy. Therefore, the management of systemic risk becomes an important goal for the whole society. However, financial institutions do not contribute equally to the generation of systemic risk. Therefore, the main aim of this thesis is to assess separately how financial sectors and individual financial institutions inject systemic risk into the respective financial systems of Pakistan and BRICS during times of distress. During the last couple of decades, concentrations and control of global markets have been changed on a massive scale. Countries now are more focusing on regional and economic co-operations to achieve higher value-added production, to face regional challenges, and to cater to the monopolistic power of developed countries firms. BRICS is one of such economic cooperation. The establishment of China Pakistan Economic Corridor (CPEC) and increasing collaboration with Russia make Pakistan a potential candidate to enter this alliance. The more regional cooperation between these member countries calls for a major investigation about the spillover effect of systemically important financial sectors and institutions of BRICS and Pakistan. It is equally important to investigate the determinants of systemic risk in an economy. Delta Conditional Value at Risk ( $\Delta\text{CoVaR}$ ) is one of the pioneer measures of assessing the systemic risk of financial institutions proposed by Brunnermeier (2016). It is based on another important financial risk measure named as Value at Risk (VaR). The panel regressions analysis is used to inspect the important determinants of the systemic risk within an economy. The results reveal that the banking sector is the highest contributor of systemic risk. The second high contributor to systemic risk is the insurance sector. The financial services sector contributes least in the generation of systemic risk of BRICS and Pakistan. Furthermore, the study also ranks top most systemically important financial institutions as well. The financial characteristics employed in the study include the size of the financial institution, the loan ratio, the leverage ratio, the tier1 ratio, and other financial characteristics. However, the findings reveal that the size of the financial institutions, the tier1 ratio, the market to book value ratio, and the operating profit margin ratio are significantly related to the systemic risk. Further, empirical analysis is carried out on 334 financial institutions of Pakistan and BRICS for the time period starting from January 2000 till December 2015. The data related to the closing prices and financial statements are taken from the Thomson Reuters Financial DataStream. The state variables data are obtained from World Development Indicators (WDI). The results have direct implications for the regulators and policymakers. Regulations that attempts to diminish the systemic risk in the financial system may take into account both systemic risk and individual risk faced by financial institutions and sectors. Furthermore, the regulatory framework might consider significant determinants while devising new strategies for financial institutions. This investigation may help to identify the most vulnerable financial institutions as well as financial characteristics helpful in reducing the systemic risk within an economy.



**Keywords:** Value at Risk; Systemic Risk; BRICS; Conditional Value at Risk; Systemically Important Financial Institutions; Quantile Regression.

**WHAT REALLY WORK IN SOCIAL MEDIA MARKETING IN PAKISTAN? AN EMPIRICAL STUDY OF SOCIAL MEDIA CONTENT, SOCIAL MEDIA CONSUMER AND BRAND LOYALTY**

**Muhammad Mohsin Zahid** and Dr. Bakhtiar Ali

**ABSTRACT**

Social media has revolutionized the world in terms of social and commercial interactions. Academic research on social media is limited in comparison to its use by marketers. The purpose of this research is to study the social media consumer types, their characteristics, and its moderating relationship with social media content preferences and social media consumer perceptions. Moreover, the research incorporates social media consumer engagement, anthropomorphic customer-company relationships, and brand loyalty in a comprehensive framework under the bases of stimulus-organism-response theory. Thus, the study is an effort to contain all the important variables vital for social media marketing. Mix research methods were employed to conduct this study, which was completed in four phases. The first phase was to collect and analyze the content of the Facebook posts. The second phase included focus groups, which were conducted to assist the development of the scales for social media content preferences and social media consumer types. The third phase consisted of data collection and analysis for the pilot study. The fourth phase was based on a final survey developed and adapted in earlier phases of the study. Data was collected online and was analyzed, primarily, through partial least Square structural equation modeling. Software used for content and data analysis included NVivo, Microsoft Excel, SPSS, AMOS, and SmartPLS. The research found significant relationships among social media content preferences, social media consumer perceptions, social media consumer engagement, customer-company relationships, and brand loyalty. Mediation of customer-company relationships was also supported. The findings of the research add to the existing knowledge and assist the managers to take better informed decisions for social media marketing.

**Keywords:** Marketing, Social Media, Social Media Marketing, Social Media Content, Consumer, Brand Loyalty, Pakistan.

## SALES FORCE CONTROL SYSTEMS AND SALESPERSONS' JOB OUTCOME: ROLE OF SUPERVISORY SUPPORT AND WORK ENGAGEMENT

Faheem Ahmad Khan and Dr. Tahir Saeed

### ABSTRACT

Most of the previous research on salesforce control systems considered the control-salespersons' job outcomes relationship as a simple stimulus-response relationship, not incorporating and acknowledging the importance of moderating and mediating variables underlying the effectiveness of salesforce control systems, which resulted in contradictory research results. This study aims to deal with the shortcomings in the earlier work and address inconsistencies regarding the linkages between different salesforce control systems and salespersons' job outcomes and attempts to contribute to the body of knowledge in this specific research domain. Drawing on Self Determination Theory and Organization Support Theory, this study tests a theoretical model focused on the salesforce control systems and salespersons' job outcomes in pharmaceutical sales context. Based on correlation and regression analysis of responses collected through questionnaire from a sample of 619 salespersons, results supported the moderating and mediating relationships as hypothesized in this study. The study also presents key theoretical and managerial suggestions by providing a convincing clue which posits that supervisory support and salespersons' work engagement must be considered when studying the relationships among sales force control systems and salespersons' job outcomes.

**Keywords:** Salesforce Control Systems, Salespersons' Job Outcomes, Behavior Based Control System, Outcome Based Control System, Work Engagement, Supervisory Support.

**COMPARING VOLATILITY BEHAVIOR OF DIFFERENT RETURNS IN THE  
PAKISTANI STOCK MARKET ANALYZING THE IMPACT OF SECURITIES  
REGULATIONS ON HIGH FREQUENCY STOCK RETURNS**

**Amir Rafique** and Dr.Kashif ur Rehman

**ABSTRACT**

This study compares the volatility behavior of the daily, weekly and monthly returns of Pakistan's KSE-100 Index. This study further uses the event study methodology with GARCH type models to analyze the impact of the statutes, rules, regulations, guidelines and directives, issued from time to time by the Securities and Exchange Commission of Pakistan (SECP) and earlier regulatory bodies, regarding the daily returns volatility. The study uses the data of seventeen long years covering the period from 1991 to 2008. By employing symmetric GARCH (1, 1) models, and asymmetric GARCH models, the study finds significant asymmetric shocks to the volatility in the three series (daily, weekly and monthly) but the intensity of the shocks is not equal in all the series. The asymmetric GARCH class of models shows that the intensity in the leverage effects is also not the same in the three series. The volatility clustering and persistency in the daily data are more than the other data sets, which shows that the volatility behaviors are sensitive to the frequencies of series. Despite a strong appeal for the securities regulations, the impact of these regulations on the variance is statistically insignificant. This shows the ineffectiveness of the securities regulations in curtailing the volatility from the market. This also shows that the SECP is not very successful in reducing the volatility. Volatility is a great hurdle in achieving the objectives by the regulatory body, which are investors' protection and development of efficient market. The SECP should be given independence and delegated more powers for developing sound regulations focusing volatility. This will increase investors' confidence and will be helpful in stock market development.

**Keywords:** Volatility Behavior, Returns, Stock Market, Pakistan, Security Regulations, Stock Returns.

# **SUSTAINABLE ADAPTATION OF TOTAL QUALITY MANAGEMENT PROGRAMS IN HIGHER EDUCATION INSTITUTIONS OF PAKISTAN**

**Muhammad Imran Wazir** and Prof. Dr. Zahid Mehmood

## **ABSTRACT**

This study aims to examine, analyze, and document the adaptation of sustainable Total Quality Management (TQM) practices in Higher Education Institutions (HEIs) in Pakistan. The sample for hypothesis testing was drawn from top management in HEIs recognized by the Higher Education Commission of Pakistan. Primary data was collected using a fully structured questionnaire adopted from Sakthivel and Raju (2006). Results indicate that the inter-relationships among leaders' roles, quality culture, and organizational infrastructure are sequential and hierarchical. The research establishes that the leader's role is crucial for establishing a quality culture and that a quality culture precedes the adoption of TQM. The leader's role in permeating and creating a quality infrastructure is also central to TQM adaptation. Organizational infrastructure is identified as a prerequisite for TQM adoption, fueled by the establishment of a quality culture. The study concludes that the leader's role is directly proportional to TQM adaptation in HEIs in Pakistan. In essence, committed leadership leads to a quality culture, adequate infrastructure, and ultimately successful TQM program adaptation in HEIs. The proposed framework in this study has been fully validated and should be implemented as a model for improving the quality of institutions in the HEI sector.

**Keywords:** Sustainable Adaption, Total Quality Management Programs, Higher Education Institutions, Pakistan.

# ANALYSIS OF VOLATILITY OF PORTFOLIO RETURNS: EVIDENCE FROM PAKISTANI STOCK MARKET

Fauzia Mubarik and Dr. Attiya Y. Javaid

## ABSTRACT

The main focus of the present study is to investigate the most superior model for estimating, forecasting, and analyzing the spillover effects of portfolio returns' volatility of stocks traded in the Karachi Stock Exchange (KSE) of Pakistan from July 1998 to June 2011 on a daily basis. Using a sample of 100 stocks, 10 portfolio returns (each with 10 stocks) are constructed based on high/low betas to estimate portfolio volatility. ARCH models are employed to account for the autoregressiveness and heteroskedasticity characteristic of stock returns in estimating portfolio return volatilities. The analysis utilizes one symmetric GARCH-M model and three asymmetric TGARCH-M, EGARCH-M, and PGARCH-M models, where the conditional mean equation follows ARMA specification. Among the models, the ARMA(1,0)-EGARCH(1,1)-M is identified as the better specification for estimating portfolio returns' volatility for all 10 portfolios based on minimum Akaike Information Criterion (AIC) and higher  $R^2$  criteria. A specific-to-general approach is adopted to arrive at the best model for estimating volatility for the 10 portfolio returns, extending specific models by incorporating first portfolio volume, then business cycle variables (market return, oil prices, gold prices, foreign exchange, foreign cash reserves), deterministic shocks, and finally stochastic shocks. In-sample and out-sample forecasting performance evaluation suggests that the general model is the most superior for estimating and forecasting portfolio returns' volatility for all ten portfolios. Further analysis using the ARMA(1,0)-EGARCH(1,1)-M general form examines the volatility spillover effect between high-risk and low-risk portfolio returns' volatilities and among high-risk, low-risk portfolio volatility, and business cycle variables. The results indicate that high/low beta portfolios' returns are more volatile, and the risk premium for facing volatility risk is highly significant for almost all high-beta portfolios compared to low-beta portfolios. The study also reveals the existence of a volatility spillover effect between high beta portfolio returns and low beta portfolio returns, as well as between high/low portfolio returns and business cycle variables. This comprehensive study encompasses major factors influencing portfolio returns' volatilities, providing valuable insights for academicians, researchers, financial analysts, investors, portfolio managers, policymakers, and the Securities and Exchange Commission of Pakistan to forecast volatility, analyze spillover effects, and understand the linkage between stock market volatility and financial and business cycle variables for the development of the corporate sector and efficient capital market in Pakistan.

**Keywords:** Volatility, Portfolio Returns, Stock Market, Pakistan.

## AN EMPIRICAL INVESTIGATION OF THE ASSOCIATION BETWEEN CREATIVE ADVERTISING AND ADVERTISING EFFECTIVENESS IN PAKISTAN

Wisal Ahmad and Dr. Zahid Mahmood

### ABSTRACT

The significance of creativity in advertising, acknowledged by advertising professionals and academicians, is emphasized as a key factor for advertising effectiveness, particularly in a cluttered media environment. This study investigates the potential effectiveness of award-winning television advertisements in Pakistan, considering both single and three advertising exposures. Creative and control advertisements were incorporated into a television program shown to two distinct groups of research subjects with single and three advertising exposures, respectively. Following the viewing, subjects provided responses regarding brand and advertisement recall, attitude, and purchase intent. Surprisingly, in the case of single exposure, this study's findings do not confirm the anticipated superior performance of creative advertising in terms of recall, brand and advertisement attitude, and purchase intent. However, with three exposures, creative advertisements demonstrated significantly more favorable brand and advertisement attitude, along with greater unaided brand recall compared to control advertisements. Although creative advertisements generated a higher mean purchase intent for the advertised brands than the control group, it narrowly missed achieving statistical significance. With research participants exhibiting a more optimal and mature response in three exposures compared to single exposure, the study's results in three exposures conclude that creative advertisements are genuinely more effective than conventional advertisements and add value to the advertised brands.

**Keywords:** Creative Advertising, Advertising Effectiveness, Pakistan.

## **AN EMPIRICAL INVESTIGATION OF THE RELATIONSHIP BETWEEN MARKET ORIENTATION AND PERFORMANCE OF MICROFINANCE PROVIDERS IN PAKISTAN**

**Usman Ghani** and Dr. Zahid Mahmood

### **ABSTRACT**

Microfinance has emerged as an extremely popular approach in the last few decades for providing financial services to the poor who have no access to or are neglected by financial institutions. In Pakistan, like many other developing countries of the world, the market for microfinance is large and growing but sustainability and outreach of the firms are very low. The outreach of micro credit has been estimated at just about five percent and of all the providers providing microfinance services in the country, only four are financially self-sufficient. Some authors (Woller, 2002; Wright, 2001; Hulme, 1999) point out lack of market orientation as the cause of ineffective performance of MFIs and they argue that the microfinance industry has been an institution-based industry which has not paid attention to the needs of the clients. These authors further point out that performance of MFIs can be improved if they become market oriented as market orientation has been found by many authors to be positively related to institutional performance (measured in terms of return on investment, return on assets, sales growth, profitability, market share, organizational commitment, product success and service quality) in the general business field. However, their arguments are not based on empirical evidence as they have not tested this relationship in the microfinance industry. This study therefore, attempted to empirically investigate this relationship in the microfinance industry of Pakistan. The theoretical framework of the study proposed two sets of relationships. In the first step, market orientation was proposed as the dependent variable and its antecedents as the independent variables. In the second step, market orientation was proposed as an independent variable whereas the performance of firms measured through indicators of growth in outreach, adjusted return on assets and financial self-sufficiency were proposed as the dependent variables. The age of a firm, its operating efficiency and its size which could also influence the performance of a firm were considered as control variables. The target population comprised of all those MFPs which reported their financial data to the Pakistan Microfinance Network for the financial year 2007. These MFPs account for approximately 95 percent of total MFPs in Pakistan. Primary data for measuring the antecedents to market orientation and the level of market orientation of firms was collected through 200 fully structured questionnaires which were personally distributed amongst the area/branch managers of these MFPs. For measuring market orientation, the MKTOR scale developed by Narver and Slater (1990) was selected to be used whereas for measuring the antecedents to market orientation, the scales developed by Jaworski and Kohli (1993) and Aiken and Hage (1966, 1968) were used. Secondary data regarding the performance of MFPs for the year 2007 was obtained from the Pakistan Microfinance Network. The hypotheses of the study were tested by using stepwise regression analysis. The results of the study show that market orientation is not significantly related positively with the performance in the microfinance industry of Pakistan. Rather, operating efficiency and ages of the microfinance providers have been found to have a significant



relationship with performance. The insignificant relationship between market orientation and performance in the microfinance industry of Pakistan might have resulted due to the specific context of the Pakistani microfinance sector which is characterized by high market growth, huge market potential, low coverage, very low competition and the growing economy at the time of data collection. Based on the findings of the study that operating efficiency has a significant relationship with the performance of MFPs, it is recommended that the microfinance providers in Pakistan should focus on achieving operating efficiency if they have to become financially sustainable and increase their outreach.

**Keywords:** Market Orientation, Microfinance, Performance, Pakistan.

## **STOCK PRICES BEHAVIOR AND MARKET EFFICIENCY IN EMERGING MARKETS: EMPIRICAL EVIDENCE FROM KARACHI STOCK EXCHANGE**

**Yasir Kamal** and Dr.Zafar Moeen Nasir

### **ABSTRACT**

This study has been conducted to analyze the stock prices behavior and market efficiency of the Karachi Stock Exchange. Of late, Karachi Stock Exchange has been performing quite well and has been considered as one of the best emerging stock markets. This upsurge has accentuated the need to delve into the market's performance over the years and find out if KSE can be called an efficient market or this price hike meets just the intentions of a few skewed investors. For the purpose stock prices have been analyzed through the ADF Unit Root Test, Autocorrelation & Ljung-Box Q-Statistics, and Variance Ratio Test for the Market Efficiency and Random Walk, the ANOVA and Post Hoc Tukey Tests have been used to check Day of the week effect. Moreover, the ARCH, GARCH, TAR and EGARCH tests are used to document the volatility and volatility clustering phenomenon along with the asymmetric distribution of stock returns, whereas, the cointegration of KSE with other global markets have been checked through Johansen cointegration test. For the purpose, The KSE data has been divided into 3 parts namely phase-1, 2 and 3. Phase-1 data consists of daily closing index values of KSE from November 1991 to November 1994, Phase-2 consists of December 1994 to November 2001 and Phase-3 consists of December 2001 to July 2006. KSE 100 index shows different behaviour in mentioned phases and if the total time span were analyzed as a whole, it will produce unauthentic results and this is the rationale behind division of sample into 3 parts. The descriptive statistics of KSE index returns have revealed that average returns in phase-1 & 3 are positive while in phase-2 returns is negative. Therefore, it is generalized that mean returns are directly associated with trading behavior of stock and a more dynamic and vibrant behavior is expected to yield higher returns. It is also concluded that in Phase-1, returns are greatly positively skewed while in Phase-3 returns are highly negatively skewed; however, in Phase-2 returns are low negatively skewed. Moreover, Kurtosis suggested that the distribution of stock returns in each of 3 Phases are skewed and are leptokurtic. The analysis have illustrated serial dependencies in phase-1 & 2 of KSE returns for all observed lags, however serial non-dependencies is observed in phase-3 for all lags. Therefore, we conclude that stock returns behaved randomly only in phase-3 and Karachi stock exchange is some how efficient in phase-3. In phase-2 and 1 stock returns behaved non-randomly and market showed inefficiency. However, the variance ratio test suggested that market is inefficient in all of three observed phases. Moreover, weak day of the week effect is observed in each of three phases, however in phase-3, Friday average return is higher and Monday average return is lower than average return of other weekdays, which showing an international evidence of day-of-the-week-effect. The KSE returns have clearly indicated that volatility in the stock returns are depended on the conditional variance of the previous period. Hence, KSE received shocks regularly and for an extended period and market is highly volatile in all phases. Therefore, it has been concluded that in all three phases volatilities clustering are existed and the intensity of volatility increases from Phase-1 to Phase-3. It has been also observed that stock returns in KSE possess asymmetry and leverage effect. The results of Johansen's cointegration test and Error correction model suggested that KSE have a long

run and short run relationship with other equity markets in each three phases. During the study; models, rules & regulations and environment of the developed stock markets were studied. On the basis of the comparative study of the KSE with the developed markets we have made few recommendations, which are mainly concerned with the microstructure of KSE, information to the investors, SECP regulations and a more pivotal rule of SECP and KSE have been recommended.

**Keywords:** Stock Price Behavior, Market Efficiency, Emerging Markets, KSE, Pakistan.