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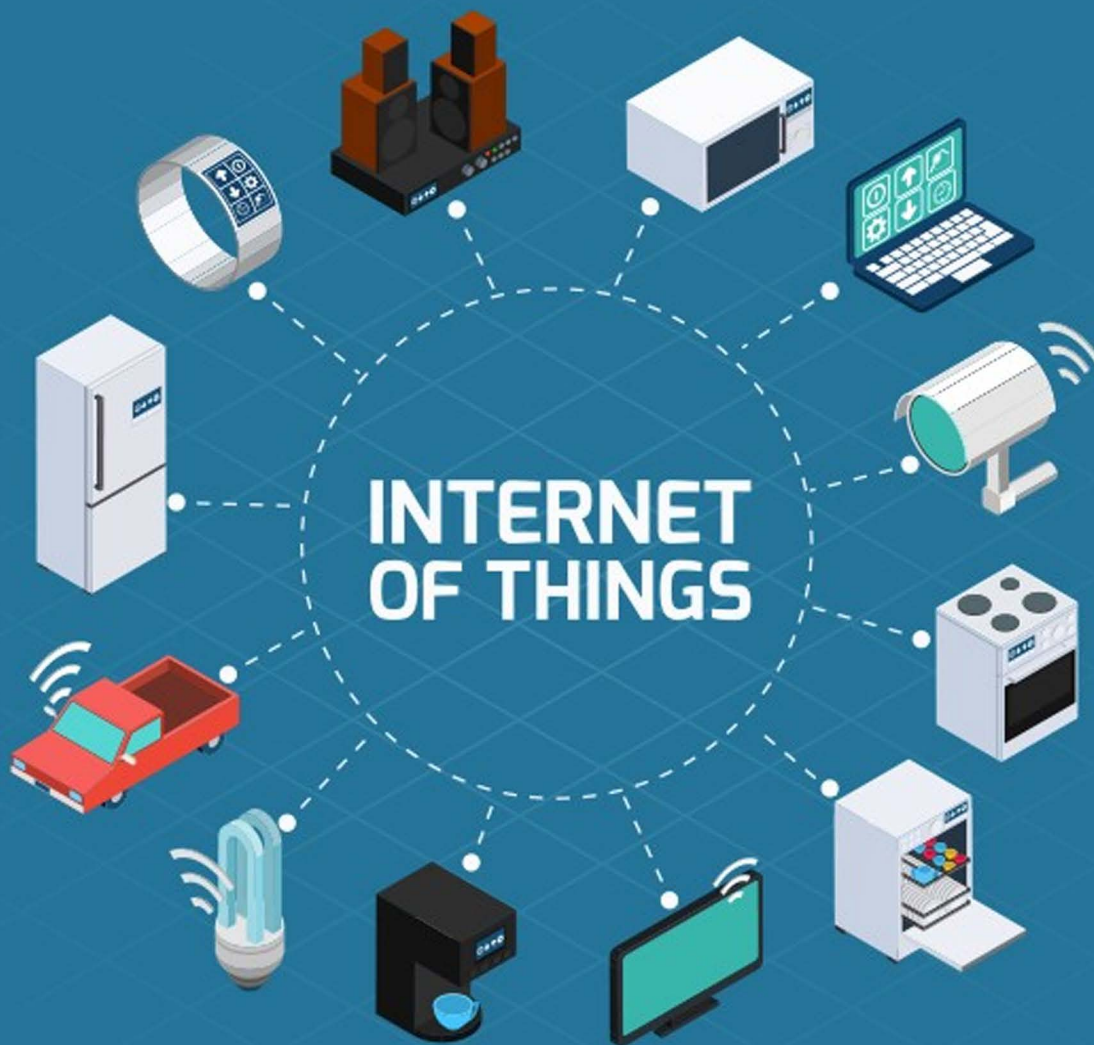
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MARKET FORCES

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5. The manuscript must include an abstract of around 300 words.
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Internet of Things and Changing Consumer Behavior in Bottom of the Pyramid Segment for Technology Innovation

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Abstract

This qualitative research conducted under a hermeneutic inquiry framework interprets the expressed responses of the customers belonging to the bottom of the pyramid (BoP) for exploring the role of the Internet of Things (IoT) in their lives. IoT includes technologies and devices for ubiquitous connectivity. Many technologies and devices are available to consumers, but consumers have adopted mobile technology because of its cost and user-friendliness. It is interesting to interpret the utility of IoT for the BoP customers and understand how this technology influences their lifestyles and purchase decision-making process. Based on seven interviews and online focus group sessions, the study inferred that IoT has functional and symbolic utility for customers. IoT-induced lifestyles also affect the BoP segment. Although upper-income strata have adopted this lifestyle, understanding how BoP responds to it may bring more insight into the phenomenon. These products and technologies have a symbolic and hedonistic value for BoP customers. In a world of mediatized global consumers, the BoP segment is becoming more knowledgeable about the global trends through the internet and smartphones, and ultimately their insights can help marketers and entrepreneurs develop sustainable technological innovations.

Keywords: *Internet of Things (IoT), Changing Consumer Behavior, Bottom of the Pyramid (BoP), Technology Innovation, Hermeneutic Inquiry.*

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Introduction

The BoP Context

Major characteristics of the BoP market include unimpressive market infrastructure, low purchasing power of customers, and unmet basic needs (London, Anupindi & Sheth, 2010). Needs are states of felt deprivation, and a customer is motivated to satisfy his/her need (Kotler & Armstrong, 2016). Marketers tend to create offerings that satisfy the unmet or unsatisfied needs of the customers. However, the economic theory states that unmet needs do not constitute a market unless and until they become demand (Garrett & Kernani, 2010). Demand is backed by purchasing power; hence, a market will exist if the customer has the willingness and the ability to make a purchase (Kotler & Armstrong, 2016).

Researchers have estimated that nearly 60% of the global population constitute the invisible BoP (Chikweche & Fletcher, 2012). Its invisibility is because most of the BoP customers and suppliers are active in the informal sector. The lower tier of the socioeconomic pyramid is active in the illegal informal sector of the economy (London, Anupindi, & Sheth, 2010). Obtaining secondary data from the informal sector is quite challenging (Chikweche & Fletcher, 2012). Since the late 1990s, marketers have a fair idea about the BoP market's potential and size. Researchers have estimated BoP as a trillion-dollar market, with Asia having the largest share of this value. Asia constitutes more than 70% of the global BoP market (Guesalaga & Marshall, 2008). This market potential made economic sense to organizations that wanted to grow by tapping the economic potential of the BoP segment.

Many global technology giants found the developed countries' markets very competitive. Thus, they started focusing on emerging economies and low-income countries, targeting the BoP segment with many potentials (Baishya & Samalia, 2020). Research on consumers in the BoP segment of developing markets is relatively less established and mostly appears to be conceptual and qualitative (Howell, Sinha, Wagner, Doorn, & van-Beers, 2020). Thus, this paper integrates four domains of study and theoretically contributes to innovation and technology theories (in the context of IoT and innovations), consumer behavior theories, demand and consumption theories of economics, and BoP theory (used for entrepreneurial marketing and other disciplines) in the context of an emerging market of South Asia.

Understanding Internet of Things

Internet of Things (IoT) are devices that connect to the internet (Meola, 2016). As technology is advancing, the services of Broadband Internet are becoming widely

available. Consumers can connect devices with Wi-Fi and Bluetooth with the internet at an economical cost. Besides computers and smartphones, which are the traditional devices connected to the internet, the IoT will enable items such as but not limited to kitchen appliances, diagnostic tools and automobiles to be connected to the internet. Also, IoT enables an extension of connectivity of networks and computing ability of devices to machines and computers.

The IoT includes technologies and devices for ubiquitous connectivity (Meola, 2016). The diffusion of technology has made the world 'smarter' (Rose, Eldridge, & Chapin, 2015). IoT has revolutionized e-commerce and has made consumers' online shopping experience more meaningful (Fu et al., 2020). The security and privacy features of various gadgets have enhanced users' trust (Tewari & Gupta, 2020). Extant literature suggests that the literacy level, sound infrastructure are important to the adoption of modern technologies. The literacy rate of Pakistan's BoP segment is poor, and the fracture of Pakistan is not well developed. Thus, there is a need to investigate the factors that have motivated the lower economic segment of Pakistan to adopt digital technology. IoT has applications in all the fields of knowledge, including healthcare (Darwish, Hassanien, Elhoseny, Sangaiah, & Muhammad, 2019); agricultural supply chain (Luthra et al., 2018), and sustainable supply chain for industry (Manavalan & Jayakrishna, 2019; shaikh, 2017).

This research aims to explore how the advent of IoT is changing the lifestyles and decision-making of the BoP segment in the urban areas of Pakistan. What is the utility of IoT for BoP customers? How has the adoption of digital technology changed the decision-making of BoP customers? How is the IoT changing the lifestyle of BoP consumers? How BoP consumers' insights assist entrepreneurial marketers in improving the features and services of their products and developing sustainable competitive advantages through redefined or radically redesigned technological solutions?

Literature Review

The Influence of IoT on BoP Consumer Behavior

With the popularity of internet technology, many businesses are expanding their scope globally. Thus, customers worldwide can choose various products by making payments through internet options or cash-on-delivery models. Globalization created a world characterized by the homogeneity of product offerings and a ubiquitous presence of global goods (Belk, 2006). The internet is now accessible to consumers globally and has made the world smaller. Consumers' exposure to IoT has now significantly changed their lifestyles and desire for products and services available globally (Belk, Ger & Askegaard, 2003).

The economically deprived persons who had exposure to the internet either at work or other places are also experiencing transformations in their choices of products and services. Their desire to indulge in conspicuous consumption increased because of the greater exposure to global lifestyles through information gathered through the internet and digital technologies.

The Utility of IoT for BoP Customers

Information Search

The IoT comprises of various technologies, as discussed earlier. The technology that has reached the BoP market includes digital communications through smartphones (Deshwal, 2016). Smartphones have greatly facilitated the customers in searching for information at economical costs. Extant literature has originally studied this phenomenon in relatively affluent customer segments. But researchers are now also examining it in the BoP context. For example, De Silva, Ratnadiwakara, and Zainudeen (2011) found the BoP customer is also using smartphones to search for products and services at affordable prices.

Facilitating the BoP market

In rural areas, women in the handicrafts business now extensively use smartphones to connect with distant markets (Leavy, 2014). The mobile phone has revolutionized the way people interact and conduct business (Verma & Bhattacharyya, 2016). Communication has become faster, and its reach is longer. Marketers and customers efficiently exchange images of products through ICT. This exchange facilitates consumers in finalizing their purchase decisions (Verma & Bhattacharyya, 2016).

It has been researched in the BoP markets of India that the BoP supplier who is involved in the creation of value is making use of the internet technology to facilitate transactions (Tarafdar, Anekal, & Singh, 2012). ICT has positively influenced the development of BoP markets by making valuable, timely, and accurate information available to the BoP supplier and the customer (Tarafdar, Anekal, & Singh, 2012).

e-Choupal is a successful example of how ICT has transformed the lives of the rural farmers belonging to the BoP segment of India. It is a privately operated grains exchange (Tarafdar, Anekal, & Singh, 2012). It facilitates the farmers by making a virtual connection between them and the global farming world through the internet and computers. This connection helps farmers obtain the prices of crops and update themselves about the developments in farming technology (Bhatia & Ritchie, 2015).

Democratization of Knowledge and Skills

One important utility of the IoT in BoP is the democratization of knowledge distribution. With the advent of smartphones, the world of knowledge has opened its doors for all. Uneducated people can also benefit from free online courses developed in a language they can understand (Verma & Bhattacharyya, 2016). Similarly, consumers of entrepreneurial marketers take advantage of open-source technologies in information technology (IT). The analogous terms coined by different researchers include democratization of innovation and democratization of data (Marr, 2017).

Influence of IoT on BoP Customer Lifestyle

Social Shaping of Technology Theory

The theory of the social shaping of technology states that the design and use of technology is a social and cultural phenomenon. Therefore, products developed for the less economically developed world differ from those developed for the economically developed world (Arora, 2016). Product development is successful when it delivers providing customer value (Kotler & Armstrong, 2016). It is a misconception that economically challenged customers purchase necessities only. The needs of BoP customers are specific, yet they are not always for essentials (Angot & Plé, 2015). BoP customers purchase feature phones and smartphones, and they prefer to have useful features in mobile phones (Angot & Plé, 2015).

Novel Way to Experience Leisure

On the one hand, customers globally have been focusing on the value of entertainment and gratification from their purchases. On the other hand, marketers are trying to build hedonism in their value propositions (Kotler & Armstrong, 2016). Similarly, the customers spend their leisure time on social media, virtual gaming, building and maintaining virtual relationships (Deshwal, 2016). To cater to this lifestyle, marketers have marketed apps (applications). Communication, games, multi-media, travel, and utilities are being accessed and used through apps. These apps are not just limited to mobile apps. They are found in smartwatches, cars, and other items as well (Deshwal, 2016).

Relationship Maintenance

One empirical study conducted on the BoP segments in Bangladesh, Pakistan, India, Sri Lanka, Philippines and Thailand found that young males with secondary education own mobile phones. They perceive that these phones have an impact on the social and economic aspects of their lives. They can communicate in case of emergencies (De Silva, Ratnadiwakara, & Zainudeen, 2011). Consumers in the BoP segments of Bangladesh, India, Pakistan, Philippines and Thailand purchase mobile phones mainly due to peer

pressure. De Silva, Ratnadiwakara, and Zainudeen (2011) stress that consumers have special groups and friends with whom they interact frequently. To cater to these consumers' needs, mobile service providers have successfully marketed special group packages for families and friends.

Research Gap

The adoption of internet technology depends upon literacy, computer skills, and financial resources. Earlier researches have concluded that the emerging Asian telecom users are different from telecom users in developed countries, and these differences are not just limited to BoP segments but all across the socioeconomic pyramid (Zainudeen, Iqbal, & Samarajiva, 2010). While technological advancement is trickling down in developing countries, there is much to be explored on how these technologies influence the lives of BoP customers (Verma & Bhattacharyya, 2016). The IoT revolution has deeply impacted e-commerce and consumers' online shopping behavior (Fu et al., 2020). IoT gadgets' security and privacy elements create users' trust (Tewari & Gupta, 2020). Due to stiff competition in developed markets, global tech giants are determined to develop new markets in developing economies, especially the BoP segment (Baishya & Samalia, 2020). There seems to be a research gap about consumers in the BoP segment of the developing markets, which mostly appears to be conceptual and qualitative (Howell et al., 2020).

Thus, the findings may bring further insight for understanding the BoP's decision-making process and their lifestyles. Such findings may also help marketers to develop appropriate market strategies for this largest segment.

Research Methodology

The research philosophy of this qualitative research is interpretivism, which assumes that access to reality is only possible through social constructions such as language, consciousness, shared meanings and instruments (Myers, 2008). This research's philosophical underpinnings align with ontology, which assumes that reality is subjective and multiple (Creswell, 1998). Ontology is the study of the structure of reality (Crotty, 1998). Hence, this research aims to discover reality from the perspective of the participants.

The qualitative inquiry framework of this qualitative research is hermeneutics which examines how a researcher reads, understands, and handles texts, especially those that belong to a different context than his own (Patton, 2015). Hermeneutic inquiry provides a theoretical framework for interpretative understanding with special attention to context and can analyze any narrative data and text (Porter & Robinson, 2011). Without

understanding the context, an understanding of the text is not possible (Patton, 2015).

The population of Karachi is 17.636 million, according to the latest population census of 2017 (World Population Review, 2017). According to Jamal (2017), the gender ratio of males to females is approximately 54: 46. The percentage of people living below the poverty line in Pakistan is 29.5%, out of which 18.2% are in urban areas, and 35.6% are in rural areas (Jamal, 2017). Out of this estimated total population of Karachi, males and females in the age group of 18 to 55 years belonging to the urban BoP and the rural BoP residing in urban areas of Karachi, are the segments of BoP from where the researchers have collected the data for analysis.

The study has used the snowball sampling technique to select the respondents. Since mutual trust is necessary for collecting qualitative data, the researchers ensured to develop the same environment with the seven interviewees. Subsequently, we arranged an online focus group session with forty respondents selected through snowball sampling (Parker, Scott, & Geddes, 2020). The use of the Whatsapp platform enabled the participants to respond to every specific question at their convenience. The researchers steered the flow of discussions and spurred everyone to contribute. The session went on for ten days. The researchers initially approached the respondents who were easily accessible and collected their additional relevant contacts. We kept interviewing the respondents till we reached the saturation information point. In the interview and focus group, we followed the predetermined themes. But, in the in-depth interview, we aimed to identify new themes.

The researchers have used thematic analysis and template analysis was employed for analyzing the qualitative data. The analysis included coding and sorting information into categories. The researchers also used research questions to classify information (Waring & Wainwright, 2008). The purpose of mixing two qualitative methodologies, conducted at two different stages, was to gain robust insights for meaningful analysis. Such techniques and matching them with substantive literature review allow authenticity, credibility, and triangulation to ensure whether the findings support and complement each other or deviate at some points (Bashir, Syed, & Qureshi, 2017).

Due consideration to ethical issues is given in this research to ensure that the process of research and the outcomes do not cause harm to the informants and the researchers (Miles, Huberman, & Saldana, 2014). Participants were informed about the confidentiality and anonymity of the data to give as much information as required.

Trustworthiness of Data

Guba's model of trustworthiness was applied to ensure the trustworthiness of the findings of this research report. The following table shows the credibility, applicability, neutrality, and consistency of the outcomes (Patton, 2015).

Table 1. Guba's Model of Trustworthiness

Strategy	Criteria	Establishing the criteria in this research study
Credibility	Prolonged and varied field experience	Adequate time was spent in data collection from varied cases to ensure that findings are congruent with the reality.
	Reflexivity	The researchers wrote down their reflective commentary on BoP customers' behavior and the influence of IoT on their lifestyles before collecting the data.
	Triangulation: • Data triangulation	<ul style="list-style-type: none"> • The study included different types of cases, such as urban BoP customers, diluted urban BoP customers, and rural BoP based in urban areas. Thus, we collected information from different perspectives. • The authors of the current study have used researches of different schools of thought for data triangulation.
	Referential adequacy	We have cited the articles published in reputable and renowned journals
	Adoption of well-established research method	Templating and clustering techniques were adopted (London, Anupindi, & Sheth, 2010). Waring and Wainwright (2008) also applied such methods.
Dependability	Thick description	For the transparency purpose, the study has summarized respondents response time frame and the philosophical, economic, and marketing background of the researcher.
	Dependable audit	In qualitative research synthesis, the evolution in the BoP is traced by quoting references, describing the changes that were taking place in philosophical fronts, how emerging methods were borrowing from interdisciplinary knowledge to understand how BoP behaves as a customer.
	Dense description of research methods	The study has described the hermeneutic cycle in detail.
Confirmability	Triangulation	As discussed above, we achieved it through data triangulation
	Reflexivity	As mentioned above, the reflexive note made preconceptions explicit.

Source: Patton (2015)

Thematic Analysis (of Hermeneutic Interpretations of Responses of Customers)

All the respondents except one had a smartphone in their household. This phone was a family possession rather than an individual possession. Most of the respondents did not carry the smartphone to their place of work. The law-and-order situation of Karachi city was one common factor cited by all the respondents for not carrying the smartphone to work.

Most respondents stated that they leave their smartphones at home so that the family members can communicate with them in case of emergencies. One respondent said, "My wife suffers from high blood pressure, so she keeps the phone when my sons and I leave for work. At least she can call us when she is not well." One of the respondents remarked that her children play with their father's mobile when he is away, but she highly discourages this because they broke it once, and it was expensive to repair it."

A young male respondent employed in a manufacturing concern shared that he was obsessed with purchasing a smartphone. He saved money from his daily expense for food and the bonus sharing that the company gave to its employees to buy a smartphone that cost twice his salary at that time. While explaining the utility the smartphone has for him, he stated that it keeps him updated on news and happenings worldwide. Before the smartphone, he used to purchase a daily newspaper. Thus, many respondents believe that smartphones help in accessing updated news and developments. Another employee stated his employer terminated him and his other coworkers in the involvement of union activities. However, with his smartphone, he raised the issue on social media and other forums, due to which the firm reinstated him.

The responses above show that the respondent has used smartphones constructively to gather information from the internet. It also helped him in increasing awareness about labor rights. The respondent also believed that the smartphone empowered him to contact social media and the parent company of that organization. We probed a respondent to explain how the exposure to the internet and digital technologies had brought a change in his lifestyle. He explained that with the possession of the mobile phone, "he felt at par with the world." He did not feel like being left behind in the competitive world. He remarked that technology had fueled conspicuous consumption.

While commenting on how he and his friend use IoT, he stated, "The choice for a customer has increased manifold nowadays. Social media has helped him and his friend with innovative products. For example, we found that the mobile charger is now wireless. Also, with the help of Bluetooth, you can listen to the latest songs." This remark shows the level of awareness that exists even at BoP levels about the latest technological products

has increased significantly. The interest in such gadgets is a function of age, gender, and even family lifecycle stage. Moreover, it was an insight to know that such information is perceived and understood by people who have acquired little formal education.

One respondent remarked that the smartphone is helping his son in earning a living as a tailor. He said that his son works as a tailor for a lady who exports stitched clothes. She forwards the pictures of the dresses to his son through WhatsApp to replicate the same style and design. It facilitates him in his tailoring business. Talking about the experiential utility of smartphone, a respondent said that people would starve to purchase a smartphone and make irrational decisions. This respondent also remarked about the importance of social inclusion that BoP customers try to achieve by purchasing discretionary items like smartphones. He remarked, "People say that someone has this mobile, and I don't. In social company, it brings them to shame if they do not own the same things as their friends."

Commenting on the effect of IoT on BoP customers' lives, an elderly respondent remarked as follows. "There is too much attraction in a mobile. You dial randomly, connect a wrong number, and fall for the attraction of the unknown caller. This is the wrong type of attraction, the wrong type of entertainment. Many scammers use the internet to scam people." A respondent shared that his neighbors, unlike him, are laborers. They send their spouses to work as housemaids. These housemaids, seeing the expensive smartphones, also want to possess one. And for which many housemaids get involved in the theft and other immoral activities. The respondent also pointed out that he knows families whose members got murdered because of inappropriate use of smartphones. When asked what promotes the purchase and use of smartphones and facilities like 3G and 4G services, he remarked that the "poor want to emulate the rich and will go to any limit to purchase products like smartphones." Mobile service affordability is a factor that has helped in the adoption of mobile phones by the BoP customer. For a respondent, a Jazz balance of Rs. 120/- lasts for about a week. It is even less than what many BoP's customers spend on purchasing cigarettes.

One respondent with a feature phone wants to own a smartphone shared a very interesting justification for his desire for a smartphone. He said, "the smartphone will solve my transport problem." He elaborated that by downloading the apps like Careem or Uber, he could avail these services to commute with family members. Conversely, it is highly inconvenient to wait at the bus stops and use public transport.

Another respondent shared that she had recently disconnected the internet cable connection that she had at her home. She cited that while she was away for work, her

young children were using the internet to access unsuitable content. Thus, to protect them from unsuitable content, she remarked, "I will not get an internet connection at home because no matter what you open, pop-ups are there. She further stated that my "children are very curious about the game Blue Whale. They can play games that even IT people find difficult to play. So when the computer at home broke down, I did not get it repaired." She also remarked that her young children know about the latest trends through their family and friend's circle and the media. She believes that family and school environments and social media inspire our children to learn about the latest fashion. At the same time, my children know a lot about cars and their parts. So the media is giving all this information.

Expressing the emotional utility of smartphones and ubiquitous connectivity, she said that her children complain that they were not happy "because we do not have a smartphone." She thinks her children are angry because they feel that we are not keeping pace with the world and belong to an ancient era by not possessing a smartphone. She also stated that to project a sophisticated image, people conspicuously use these items. "Most people in our society believe that owning smartphones or tablets has become a symbol of the educated strata." Commenting on the impact of IoT on people's lifestyles, she shared that now the children are not synthesizing the collected information. They are randomly accessing information. The comments highlight that despite the availability of a larger amount of information, the mental skills of the young generation to synthesize, deduce and relate things together has diminished. Similarly, the larger the choice set a customer has, the greater is his/her dissatisfaction. An economically challenged person who compares the large array of goods with his/her small purchasing power becomes dissatisfied.

One respondent remarked that the children force their parents to purchase a smartphone for them. Due to social norms, she thinks that children pester their parents to buy a smartphone for them. The smartphone is an "in-thing". "If you do not have it, people do not give you respect." This statement again explains that the purchase of smartphones is not its functional utility as it is for its symbolic utility. The interviews revealed that BoP customers purchase products and services related to the internet, Wi-Fi, and on-the-go connectivity to associate themselves with the segment who are well-versed digitally and belong to the upper strata of society.

A respondent who is a blue collar worker shared that children belonging to diversified socio-economic classes study at that institution. Children belonging to the lower-income strata want to possess brands that children from the upper-income strata use. This behavior shows how the internet and digital technologies have influenced the

life of consumers. With greater exposure to foreign lifestyles and branded products, customers want to transform their lifestyles to reflect their modernity. It has led to a global consumer society (Yurdakal, Atik, & Dholakia, 2017). However, this phenomenon is not just prevalent in middle or upper socio-economic classes. It is found in the BoP segment also. Exposure to media through the internet informs the consumer about latest trends. After gaining this information, consumers purchase similar products from markets such as Madina Market in Karachi, as one of the respondents stated.

One respondent also stated that exposure to the western culture through social media had affected children's social norms and values. They have no concept of '*Mehram*' and *Na- Mahram* (i.e., the Islamic concepts about the persons with whom a girl or woman can marry or not, she has to wear those clothes that cover her entire body, and has not to develop intimate relations with anyone except her husband). The respondent added that young girls belonging to conservative backgrounds and lower tiers of the socioeconomic segment have also changed the way they dress, and this transformation is also a result of the exposure to different cultures through the internet and media.

Discussion

Functional Utility to meet Safety and Security Needs

Most of the respondents stated that due to Karachi's law-and-order situation, they own mobile phones. It helps them contact their family in times of emergency. This finding is concurrent with earlier literature suggesting that social and economic circumstances significantly contribute to the consumption of products and services (Yurdakal et al., 2017). Had the law-and-order situation been better and the general sense of safety existed in the city of Karachi, the BoP customers might not have adopted this product so quickly. The lower economic segment of Pakistan, India, and China, since the last few years, have grown by 70% (Zainudeen et al., 2010).

Digital Convenience in Professions

The availability of Whatsapp, Wi-Fi connectivity, 3G and 4G has made communication convenient for different professions of BoP market. One respondent stated that with the internet and WhatsApp, it is possible to exchange images with ease. Thus, tailors and customers exchange dress images which help tailors to understand the need of customers. At the same time, consumers can communicate with tailors about the style of dresses they want. This finding is consistent with the literature suggesting that technology diffusion would change the way businesses would be conducted in the future. Small entrepreneurs in the BoP segment can benefit from the convergence of technologies (Leavy, 2014). It also allows marketers to offer products and services to the

mass market at affordable prices.

Hedonistic Objectives of Adopting Mobile and Internet Technology

The BoP segment has also adopted the growing trend of enjoying leisure hours through the internet, Wi-Fi, and digital technology. Most of the respondents stated that they watch movies and dramas through smartphones. Most of them also feel elevated by owning technology and supporting devices. This finding is consistent with extant literature suggesting such gadgets and technology allows the customer to express their emotion leading towards happiness and gratification (Jaiswal & Gupta, 2015).

Purchase Decision-Making by BoP Customers using IoT

We have inferred from the interviews that BoP customers are experiencing a greater exposure to goods and services through digitized media. This exposure allows them to buy a variety of products from the market globally. At the same time, online markets like “khazanay.pk” make original items accessible and affordable to the BoP consumers. BoP customers, due to digitized mediums, are now fully aware of new trends in the market. They now have access to marketplaces from where they can fulfill their need and wants at affordable prices.

These findings relate to the earlier research suggesting that consumer societies' mediatization has allowed BoP customers to be specific in their needs and buy those products that may distinguish them from the extremely poor (Barki & Parente, 2010). It is also deduced from the interviews that the information available to the customer through these technologies creates powerful desires for certain products. These desires are so powerful that they may take precedence over basic needs. One interviewee highlighted that he cut down on the necessary expenses to purchase the object of his desire. This finding relates to the earlier studies suggesting that the BoP customers will purchase luxury items even if they cannot afford them. BoP consumers make such purchases for the experiential worth and the symbolic utility of that product (Petrescu & Bhatli, 2013). BoP customers believe that these gadgets and technology can help them associate with the upper strata of society (Leavy, 2014). The same was concluded earlier by researchers that the non-monetary form of poverty motivates a BoP customer to purchase objects of desire rather than objects of necessity (Yurdakal et al., 2017).

IoT-induced Lifestyle Changes in BoP Customers

Yurdakal et al. (2017) believe that BoP customers relate poverty with failure to acquire those capabilities that help them associate with society's respected members. For such a person, the evident consequence of social exclusion and experiencing poverty is a feeling of shame and embarrassment (Yurdakal, et al., 2017). BoP customers exhibit a

compensatory purchase behavior by purchasing items of conspicuous consumption and bridging their gap of self-dignity through that purchase (Barki & Parente, 2010). The interviewees' opinion aligns with earlier studies. They believe that because of the exposure to IoT products and services, BoP consumers feel that they need to purchase smartphones to improve their self-worth and self-dignity.

Creating Linguistic Skills

It is also interesting to note that in Pakistan, the literacy rate is low, and the bulk of BoP customers cannot read or write the English language, but they adapt to messaging and texting through their cell phones. This finding corroborates the earlier researches that with the advent of IoT, especially mobile technology, the BoP customers are becoming trilingual. They are learning to identify alphabets and use this knowledge for texting in roman Urdu or other dialects (Bhatia & Ritchie, 2015).

Conclusion

This research provided a good opportunity to study the influence of IoT on the BoP segment of Pakistan. The respondents belonging to different segments within the BoP market in Pakistan are more familiar with smartphones, Wi-Fi, on-the-go connectivity, and Bluetooth technology than other products and services related to IoT. Like earlier studies, we have also concluded that the simplicity of mobile technology and the ubiquitous connectivity available through 3G and 4G services have promoted smartphones in the BoP segment (Zainudeen et al., 2010).

The utility that the BoP customers find in the use of IoT is functional and symbolic. Most importantly, the BoP customer perceives that these products and services help them associate with the higher socio-economic circle. This is a major motivating factor for BoP customers to buy smartphones and technologically innovative products. The IoT-induced lifestyles has also positively affected and improved the BoP segment (Baishya & Samalia, 2020; Fu et al., 2020; Howell, Sinha, Wagner, Doorn, & van-Beers, 2020; Tewari & Gupta, 2020). Such transformation is more common in the upper strata of society. For economically challenged people, we found that they have to sacrifice necessities to obtain objects of symbolic utility. The entrepreneurs belonging to BoP find it convenient to conduct their business by using WhatsApp. However, none of the interviewees mentioned facilities like Easypaisa. These electronic funds transfer platforms are convenient for small businesses operating in the BoP context. This inquiry addressed a significant research gap in an emerging market of South Asia.

The study intellectually integrated four domains of study and theoretically contributes to innovation and technology theories, consumer behavior theories, demand and

consumption theories of economics, and BoP theory. It unveils which IoT products domestic BoP consumers mostly use, how they process information, which products they buy, and how the IoT influences the BoP customers in their purchase decisions and lifestyles.

Recommendations and Future Direction of Research

This study aims to understand how IoT influences the BoP customer. It highlighted that the BoP segment uses the technology for searching information and making more informed decisions that are the hallmark of a rational consumer behaving under dire financial constraints. However, we also found the paradoxical behavior of BoP customers since many customers purchase expensive items by sacrificing their necessities. The IoT had also exposed them to a global consumer society and induced desires in them. This research suggests more studies are needed to measure the impact of BOP consumers' decision-making process and lifestyles. BoP data is hard to obtain. Therefore, marketers, entrepreneurs, and practitioners can use this research to improve existing products and services and design sustainable technological innovations. Furthermore, future studies can empirically test the themes we have identified in the study.

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Consequences of Spiritual Leadership: A Moderating Model of Organizational Performance

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Abstract

Technology and globalization have made businesses highly competitive. Firms' survival depends on adopting new knowledge, developing innovative products, and implementing dynamic strategies. We have developed a new model that focuses on spiritual leaders and a spiritual working environment. These two factors, directly and indirectly, contribute towards intrinsic motivation, knowledge sharing, and creativity. All these factors are significant drivers of organizational performance and sustainability. We have collected the data from the banking sector based on a questionnaire adopted from earlier studies. A total of 450 questionnaires were distributed, and 427 responses were received. The study found that spiritual leadership stimulates workplace spirituality and intrinsic motivation. At the same time, our results suggest that workplace spirituality and intrinsic motivation are precursors of knowledge sharing. Intrinsic motivation and knowledge sharing are also antecedents of employee creativity. The study also found that organizational support moderates workplace spirituality. The contribution of this study is that it has used organizational support as a moderator between spiritual leadership and workplace spirituality.

Keywords: *Spiritual leadership, workplace spirituality, intrinsic motivation, knowledge sharing, creativity.*

Introduction

The prevailing era of uncertainty, new challenges, and a highly dynamic business environment has made it difficult for firms to compete and survive. Many firms now

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focus on spiritual leadership, which calls for altruistic love, hope, faith, and organizational vision (Samul, 2020). Spiritual leadership promotes intrinsic motivation that inspires employees to work beyond their formal obligations towards the organization (Smith, Minor & Brashen, 2018). Fry (2003) extended the spiritual leadership theory based on the intrinsic motivation model. Intrinsic motivation promotes curiosity in individuals, due to which they focus on seeking new knowledge and enhancing their capacity to learn (Supriyanto, Ekowati & Maghfuroh, 2020).

Many studies have documented that intrinsic motivation stimulates knowledge sharing and creativity (Oh & Wang, 2020). An intrinsically motivated employee has more confidence, self-esteem, creativity, and a positive attitude towards work than other employees (Yang & Fry, 2018). Yang, Liu, Wang, and Zhang (2019) assert that intrinsically motivated employees are rich in self-determined behavior, including knowledge sharing, creativity, and spirituality. The work engagement of intrinsically motivated employees is high as they are highly involved with their work and find their job interesting (Oh & Wang, 2020). Spiritual leadership theory assumes that spiritual leaders create and nurture an environment of workplace spirituality that fosters organizational productivity, team creativity, and organizational learning capacity (Samul, 2020). Smith, Minor, and Brashen (2018) assert that spiritual leaders inspire employees to increase work engagement, complete their jobs efficiently, and learn new innovative ideas. Supriyanto, Ekowati, and Maghfuroh (2020) assert that spiritual leaders develop and foster workplace spirituality which is essential for intrinsic motivation, knowledge sharing, and employee creativity. However, only a few papers have examined the association between spiritual leadership, spirituality, consequences of intrinsic motivation, and perceived organizational support's moderating role. Given this gap, the aims of the study are as follows:

1. To examine the impact of spiritual leadership on workplace spirituality and intrinsic motivation.
2. To ascertain the impact of workplace spirituality and intrinsic motivation on knowledge sharing.
3. To ascertain the impact of intrinsic motivation and knowledge sharing on creativity.
4. To examine the moderating effect of organizational support on the association between spiritual leadership and workplace spirituality.

Theoretical Foundation and Conceptual Framework

Fry (2003) developed the spiritual leadership theory, which comprises spiritual and leadership aspects. The theory assumes that leaders' values, attitudes, and behavior inspire intrinsic motivation in employees (Samul, 2020). Researchers believe that a spiritual leader aligns: (1) vision with altruistic love, (2) vision with values, and hope/

faith with behavior. Vision is the long-term goal of an organization, stimulating self-value and giving a sense of direction to employees (Smith, Minor, & Brashen, 2018). Faith and confidence in a leader are crucial for achieving the organizational vision. This confidence also inspires employees to achieve the organizational mission.

Leaders' love for employees is selfless due to which they care and understand employees' problems. This caring attitude promotes a culture that individually and collectively helps to accomplish organizational goals (Supriyanto, Ekowati, & Maghfuroh, 2020). All these traits of spiritual leaders stimulate the feeling of intrinsic rewards in employees, which is key for achieving organizational goals (Yang & Fry, 2018). Spiritual leadership is deeply rooted in western culture, and researchers have not extensively examined its applicability in developing countries (Oh & Wang, 2020). Given this background, we have proposed a concept that has six direct and one moderating hypothesis.

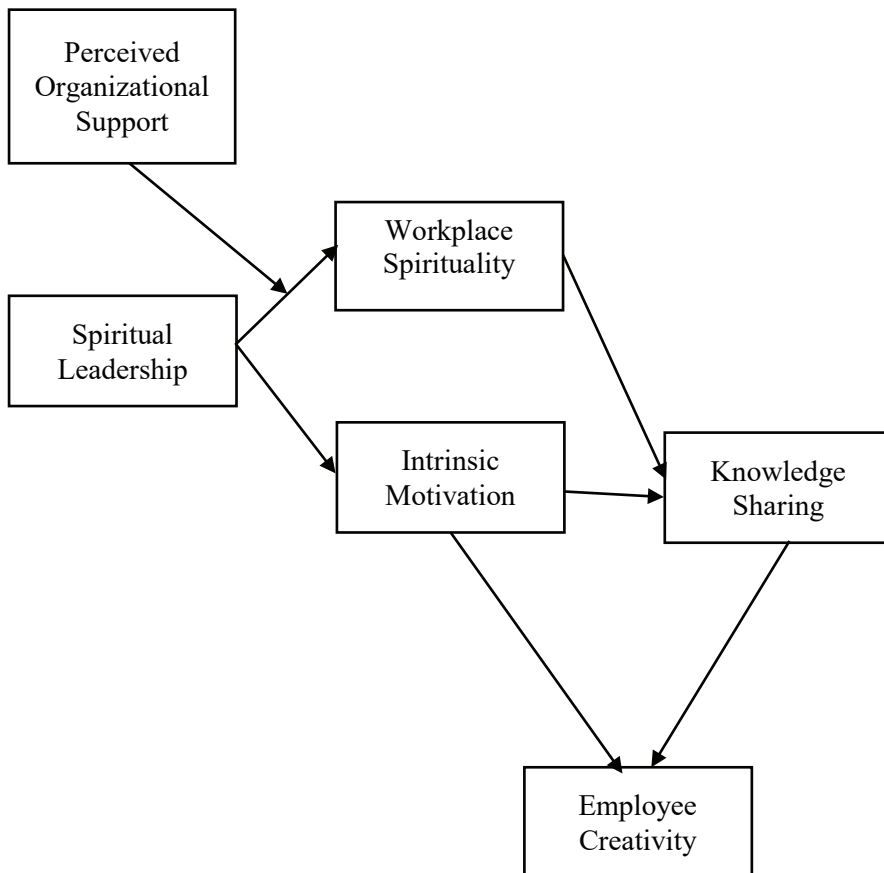


Figure 1: Conceptual Framework

Hypothesis Development

Spiritual Leadership and Workplace Spirituality

There are several different definitions of workplace spirituality. The most commonly used definition is by Giacalone & Jurkiewicz (2003, p.398), which states that it is a “framework of organizational values in the culture that promotes employees’ experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provides feelings of completeness and joy.” In an environment of workplace spirituality, employees’ inner feeling stimulates positive emotions towards work and promotes a sense of completeness and joy (Bayighomog & Araslı, 2019). Employees inspired by spiritual leaders appreciate the purpose of life and work and the wellbeing of the community (Garg, 2017).

Although little work is available on the association of spiritual leadership and workplace spirituality, its importance cannot be under-emphasized (Milliman, Czaplewski, & Ferguson, 2003). For example, a spiritual leader motivates others in building self-esteem, self-actualization and inspires them to contribute to the betterment of others in society (Rathee & Rajain, 2020). Individuals with low spirituality prioritize self-development, self-prosperity, ignoring the wellbeing of society as a whole.

On the contrary, spiritual leaders motivate employees to think beyond themselves. Consequently, their concern about society, the planet, and the sustainable environment increase significantly (Garg, 2020). The extant literature suggests that a significant association exists between “spiritual leadership and employees’ common connectedness and togetherness” (Otaye-Ebede, Shaffakat, & Foster, 2020). Consequently, all these factors stimulate a positive attitude towards personal life, working life, and organizational citizenship behavior (Zhang, 2020).

H1: Spiritual leadership stimulates workplace spirituality.

Spiritual Leadership and Intrinsic Motivation

Spiritual leaders have faith and high hope with employees. Ethical leaders also share the corporate vision with employees, increasing their motivation, productivity, and commitment (Mubashar, Salman, Irfan, & Jabeen, 2020). Spiritual leaders develop an environment at the workplace that comprises talented employees with high self-actualization and self-esteem. Consequently, it increases their intrinsic motivation. Extrinsic motivation does not have sustainability as it declines with the reduction of extrinsic rewards. But intrinsic motivation has little or no association with monetary rewards (Samul, 2020). However, extant literature suggests that for the growth and

profitability of a firm, a combination of extrinsic and intrinsic rewards is necessary (Bayighomog & Arasli, 2019). An intrinsically motivated employee enjoys and derives pleasure from performing delegated jobs (Smith, Minor, & Brashen, 2018). A spiritual leader can align the values of individuals with the organization, leading towards motivation and sustainable growth. Spiritual leaders believe that intrinsic rewards significantly depend on self-autonomy and self-management. Realizing the importance of these aspects, spiritual leaders nurture employees and empower them to take tactical decisions (Tkaczynski & Arli, 2018).

H2: Spiritual leadership stimulates intrinsic motivation.

Work Place Spirituality and Knowledge Sharing

Workplace spirituality is not a new concept in organizational behavior. Researchers have been using it since the 1920s (Khari & Sinha, 2017). Khari and Sinha (2018) relate it with individual consciousness and a feeling of self-enlightenment, positive emotions, and energy. Workplace spirituality promotes strong rapport with workers and the workplace. It also helps employees to align their values with the organization. All these factors disseminate knowledge sharing (Arokiasamy & Tat, 2020). Extant literature suggests that employees in a conducive and spiritual environment share their knowledge with workers and society. They believe that sharing knowledge is beneficial for them and others. Every time one shares knowledge with others, they, in the process, learn new ideas. Another benefit of knowledge sharing is that individuals learn to understand their ideas from others' perspectives (Rathee & Rajain, 2020). When they contribute to the betterment of others, employees develop positive emotional feelings. The feelings they contribute to the organization and society are good for their self-image and confidence (Sankar & Suresh, 2018). A highly confident employee with high self-actualization contributes significantly towards the organization, society, and self-development. Many organizations realize that workplace spirituality is necessary for knowledge sharing and sustainable growth. Therefore, they are making deliberate efforts to create a spiritual environment at their workplace (Arokiasamy & Tat, 2020).

H3: Workplace spirituality stimulates knowledge sharing.

Intrinsic Motivation and Knowledge Sharing

Intrinsic motivation encourages employees to enthusiastically participate in work-related assignments (Shao, Feng, & Wang, 2017). While completing their jobs, such employees help others with their job assignments. Thus they, directly and indirectly, disseminate knowledge to co-workers. Such sharing by intrinsically motivated employees benefits themselves, others, and the organization (Gagné et al., 2019). Employees with low self-

esteem, low intrinsic motivation generally have a low sense of security. Thus, they are reluctant to share information with others, which impedes their organizational growth (Zhang, Liu, Deng, & Chen, 2017). Asbari et al. (2019) assert that intrinsically motivated employees drive pleasure by helping and sharing knowledge with others. Thus, it increases their self-satisfaction, leading towards a positive attitude and sustainable growth (Fikri et al., 2021). Similarly, Wasko, and Faraj (2005) also found that intrinsically motivated employees share and contribute to the development of others because that makes them happy.

H4: Intrinsic motivation stimulates knowledge sharing.

Intrinsic Motivation and Creativity

Intrinsic motivation tends to make employees more curious, flexible, and willing to take risks. Consequently, they will generate new and innovative ideas to share with the organization and other employees. Such sharing of ideas helps develop innovative products and processes, which are beneficial for employees and the organization (Yuan et al., 2019). Intrinsic motivation also stimulates creativity that motivates employees to search for new ideas. This quest for knowledge enhances employee confidence, zeal and improves organizational performance. Firms continuously improving their work processes and launching new products would always be competitive (Malik, Choi, & Butt, 2019). Shafi, Lei, Song, and Sarker (2020) suggest that a sense of curiosity and zeal for learning motivates employees and firms to adopt a higher risk-taking behavior. Taking a calculated risk and breaking the status quo helps firms achieve sustainable growth (Zhang, Pi, Li, & Hu, 2021). Intrinsically motivated employees are always diligent, have a high willingness to adopt complex and unusual jobs. All these factors, directly and indirectly, enhance employees' perseverance and determination (Hahm, 2018).

H5: Intrinsic motivation stimulates creativity.

Knowledge Sharing and Employee Creativity

Knowledge is an essential asset for the growth and sustainability of an organization. All the information collected, processed by individuals, experts, and groups for solving problems comes in the category of knowledge (Allameh, Khozani, & Baniasadi, 2020). Knowledge sharing is the exchange of information and ideas within various sources to disseminate new knowledge. Knowledge sharing promotes creativity, innovative products and strategies. Many successful firms encourage their employees to share new ideas. In some organizations, employees share innovative ideas regularly (Men, Fong, Luo, Zhong, & Huo, 2019). Most of these ideas are initially in a crude form. But over time, a few of them become innovative and polished (Lee, 2018). Kremer, Villamor, and

Aguinis (2019) also assert that a knowledge-sharing environment in a firm provides new learning and knowledge creation.

Consequently, such activities improve organizational performance and innovation capabilities (Hussain et al., 2017). Five critical constituents of knowledge sharing are “value of knowledge sources, the willingness of sources to share knowledge, the wealth of media communication channels, the willingness of recipients to absorb knowledge, and the ability of absorptive capability” (Wu & Zhu, 2012). Knowledge sharing gives a competitive advantage to a firm. Extant literature suggests that firms with a knowledge-sharing culture are ahead of other firms in technology, innovative products, and business processes (Ma, Long, Zhang, Zhang, & Lam, 2017).

H6: Knowledge sharing stimulates employee creativity.

Moderation by Perceived Organizational Support

Most studies have found that spiritual leadership positively affects workplace spirituality. Afsar, Badir, and Kiani (2016) found that organizational support moderates the association between spiritual leadership and workplace spirituality. Perceived organizational support is employees’ belief that their employers care about their wellbeing and value their contribution (Rathee & Rajain, 2020). Norms of reciprocity suggest that the beneficiary must support the benefactor (Garg, 2020). Spiritual leaders promote workplace spirituality; however, this relationship significantly depends on organizational support. Higher organizational support increases the impact of spiritual leadership and workplace spirituality (Otaye-Ebede, Shaffakat, & Foster, 2020). However, low or insignificant organizational support dilutes this association. Extant literature suggests that employees perceived organizational support motivates them to help others in the organization. Helping others is an essential aspect of workplace spirituality (Milliman, Czaplewski, & Ferguson, 2003).

H7: Perceived organizational support moderates spiritual leadership and workplace spirituality.

Methodology

Sample

The study has collected data from the leading private banks of Karachi, Pakistan. The banking sector suffers due to excessive stress and turnover intentions. Given these problematic issues, we have selected the banking sector in our study. We distributed 450 questionnaires to the target banks and received 427 responses. The response rate was

about 95%, which is more than appropriate in large-scale research. Since the sample frame was not available, we used the non-probability sampling approach (Dupont & Plummer Jr, 1998).

Respondents Profile

The respondents’ profile is as follows. The profile suggests that of the total respondents, 70% were males, and 30% were females. We also found that 35% of the employees were in the lower management cadre, 25% in the middle management cadre, 10% in the upper management cadre, and the remaining 30% were non-management cadre. Marital status suggests 47% were married, and 53% were single. Age strata suggest that 27% of respondents were 18 to 28 years, 23% in the age bracket of 29 to 38 years, 30% in age strata of 39 to 48 years, and the rest were over 48 years old.

Scales and Measures

We have measured demographic profiles based on a nominal scale and the questions related to the main study on a five-point rating scale. “Five indicates highly disagree, and one indicates highly agree.” The questionnaire has six constructs and 48 indicators variables. Table 1 shows the summary of the constructs, the number of items, and their sources. For details, please refer to Annexure.

Table 1: Summary of Constructs

Constructs	Source	Reliability in Earlier Studies	No. of Items
Work Place Spirituality	Sheng and Chen (2012)	0.700 to 0.817	08
Spiritual Leadership	Malone and Fry (2003)	0.765 to 0.886	10
Intrinsic Motivation	Ryan (1982)	0.697 to 0.835	05
Knowledge Sharing	Hejase et al. (2014)	0.747 to 0.900	03
Employee Creativity	Zhou and George (2001)	0.619 to 0.809	08
Perceived Organizational Support	Eisenberger et al. (2002)	0.765 to 0.886	12

Statistical Analysis

We have used Smart PLS version 3.22 for data analysis because it has the following advantages. It can use both primary and secondary data. Normality of the data is not necessary for Smart PLS. One can use a small sample size in it, whereas in CB-SEM, researchers need to have a bigger sample size (minimum>400) (Chin & Newsted, 1999). PLS-SEM also provides R2 values, which suggests the significance of the relationship between constructs and the model’s predictive power (Hair, Ringle, & Sarstedt, 2013). Comparatively, CB-SEM only provides path modeling. PLS-SEM can handle numerous independent variables simultaneously, which CBM cannot (Hair, Ringle, & Sarstedt, 2011).

Common Method Bias

Like most studies, this study has also collected the data on independent and dependent variables from the same respondents. Thus, the data set could suffer from the common method bias. In common method bias, the instrument is the cause of response variation rather than the respondent (Kock, 2015). Since all the VIF values are less than 3.5 and Pearson correlation values are lesser than 0.90. Therefore we have inferred that the data set does not suffer from common method bias (Podsakoff et al., 2012; MacKenzie & Podsakoff, 2012).

Results

Descriptive Statistics

The study has used descriptive analysis to assess the reliability of the constructs and univariate normality. Table 2 depicts the summary of the results.

Table 2: Descriptive Statistics

	Cronbach's Alpha	Mean	SD	Skewness	Kurtosis
Employee Creativity	0.864	3.876	1.350	-0.698	-0.845
Intrinsic Motivation	0.848	3.543	1.087	-1.634	1.287
Knowledge Sharing	0.835	4.105	-2.001	2.007	-1.309
Perceived Organizational Support	0.896	3.887	-1.876	2.122	1.999
Spiritual Leadership	0.770	4.001	-1.999	-0.957	0.579
Workplace Spirituality	0.904	3.777	0.987	0.841	0.765

The results show that Cronbach's alpha values range from ($\alpha=0.770$ to $\alpha=0.904$). The lowest is for spiritual leadership (Mean=4.001, SD=-1.999), and the highest is for workplace spirituality (Mean= 3.777, SD=0.987). Given these values, we have assessed that the constructs used in the study have acceptable internal consistency (Hair, Page & Brunsveld, 2019). We also found that all the Skewness and Kurtosis values are within the acceptable range of ± 3.50 , suggesting the constructs do not deviate from the requirements of univariate normality (Hair, Page, & Brunsveld, 2019).

Convergent Validity

We have assessed the convergent validity of the constructs based on composite reliability and Average Variance Extracted (AVE). We have depicted the results in Table 3.

Table 3: Convergent Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Creativity	0.864	0.866	0.907	0.710
Intrinsic Motivation	0.848	0.851	0.908	0.768
Knowledge Sharing	0.835	0.839	0.890	0.669
Perceived Organizational Support	0.896	0.902	0.928	0.762
Spiritual Leadership	0.77	0.776	0.865	0.681
Workplace Spirituality	0.904	0.907	0.933	0.777

The results depicted in Table 3 indicate that the Average Variance Extracted (AVE) is greater than 0.50, and composite reliability values are greater than 0.60, suggesting that the relationships of the constructs do not indicate multi-collinearity (Rogge, Daks, Duble, & Saint, 2019; Carmines & Zeller, 1979).

Discriminant Validity

Uniqueness and distinctiveness of the constructs are necessary before testing hypotheses. This study has assessed them based on the Fornell and Larcker (1981) criteria. The study has depicted the results in Table 4.

Table 4: Discriminant Validity

	EC	IM	KS	POS	SL	WS
Employee Creativity	0.842					
Intrinsic Motivation	0.596	0.876				
Knowledge Sharing	0.51	0.444	0.818			
Perceived Organizational Support	0.6	0.507	0.253	0.873		
Spiritual Leadership	0.728	0.52	0.474	0.585	0.825	
Workplace Spirituality	0.615	0.439	0.519	0.385	0.565	0.882

Discriminant Validity and the Heterotrait-Monotrait (HTMT) Criterion

Many studies found that the HTMT has higher sensitivity than the Fornell and Larcker (1981) criteria and have recommended analyzing discriminant validity based on the HTMT criterion. We have depicted the results in Table 5.

Table 5: Discriminant Validity

	EC	IM	KS	POS	SL	WS
Employee Creativity						
Intrinsic Motivation	0.693					
Knowledge Sharing	0.596	0.523				
Perceived Organizational Support	0.675	0.572	0.281			
Spiritual Leadership	0.867	0.62	0.591	0.675		
Workplace Spirituality	0.695	0.502	0.592	0.419	0.677	

The results show that all the HTMT values are less than 0.85, confirming that the constructs are unique and distinct (Henseler, Ringle, & Sarstedt, 2015).

Confirmatory Factor Analysis

The study has carried out CFA to test the theoretical association of the latent variables with their indicator variables. The results are depicted in Table 6.

Table 6: Confirmatory Factor Analysis

	Employee Creativity	Intrinsic Motivation	Knowledge Sharing	Perceived Organizational Support	Spiritual Leadership	Workplace Spirituality
EC1	0.848					
EC2	0.829					
EC3	0.846					
EC4	0.847					
EC5	0.698					
EC6	0.785					
EC8	0.875					
IM1		0.917				
IM2		0.836				
IM3		0.765				
IM4		0.797				
IM5		0.705				
KS1			0.785			
KS2			0.808			
KS3			0.813			
POS1			0.690			
POS3			0.780			
POS4			0.771			
POS5				0.892		

Table 6: Confirmatory Factor Analysis - Continued

	Employee Creativity	Intrinsic Motivation	Knowledge Sharing	Perceived Organizational Support	Spiritual Leadership	Workplace Spirituality
POS6				0.868		
POS7				0.901		
POS8				0.829		
POS9				0.798		
POS10				0.667		
POS12				0.774		
SL1					0.801	
SL3					0.838	
SL4					0.836	
SL5					0.883	
SL6					0.763	
SL7					0.876	
SL10					0.754	
WS1						0.868
WS2						0.843
WS4						0.700
WS5						0.897
WS6						0.917
WS7						0.868
WS8						0.843

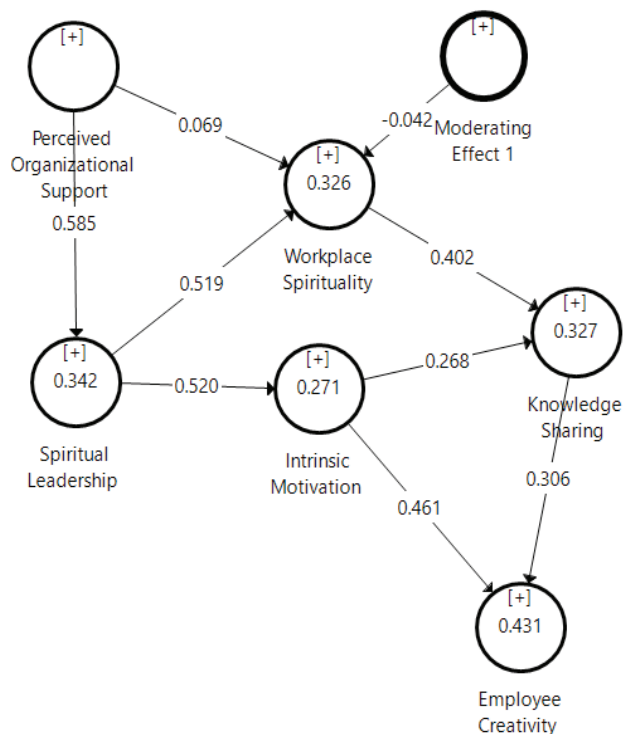


Figure 2: Measurement Model

Structural Equation Modeling

We tested the hypotheses using the bootstrapping approach. The predictive power of the model presented in Table 7 shows that the model has adequate predictive power.

Table 7: Predictive Power

	R Square	R Square Adjusted	Q Square
Employee Creativity	0.431	0.430	0.302
Intrinsic Motivation	0.271	0.270	0.206
Knowledge Sharing	0.327	0.326	0.214
Spiritual Leadership	0.342	0.341	0.217
Workplace Spirituality	0.326	0.325	0.249

SEM Results

We empirically tested seven hypotheses. Our results support all the direct hypotheses but do not support the moderating relationship. The results are summarized in Table 8 and the structural model in Figure 3.

Table 8: SEM Results

Hypotheses	β	T Stat	P Values	Results
Spiritual Leadership -> Workplace Spirituality (H1)	0.519	19.019	0	Accepted
Spiritual Leadership -> Intrinsic Motivation (H2)	0.520	24.161	0	Accepted
Workplace Spirituality -> Knowledge Sharing (H3)	0.402	15.632	0	Accepted
Intrinsic Motivation -> Knowledge Sharing (H4)	0.268	9.475	0	Accepted
Intrinsic Motivation -> Employee Creativity (H5)	0.461	19.638	0	Accepted
Knowledge Sharing -> Employee Creativity (H6)	0.306	12.563	0	Accepted
Moderating Effect 1 -> Workplace Spirituality(H7)	-0.042	1.701	0.045	Rejected

The results suggest that of the six direct hypotheses, the strongest effect is on the association between spiritual leadership and intrinsic motivation, and the lowest is on the association between intrinsic motivation and knowledge sharing.

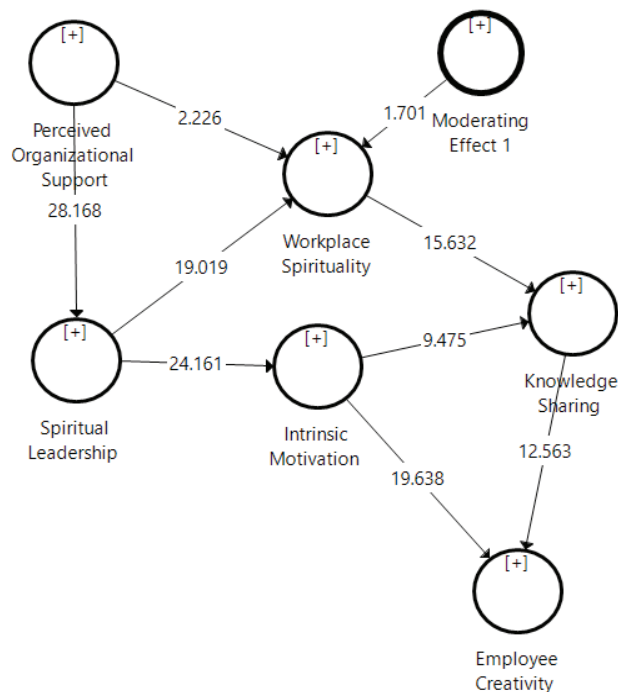


Figure 3: Structural Model

Discussion and Conclusion

Discussion

The study found spiritual leadership stimulates workplace spirituality, which is in

line with other studies (Bayighomog & Araslı, 2019; Rathee & Rajain, 2020). Spiritual leaders create and nurture a conducive environment in an organization. Such an environment stimulates positive feelings in an employee, enhancing their motivation and organizational performance (Garg, 2017). Spiritual leaders also inspire employees to focus on the wellbeing of individuals, society, and a sustainable environment. Spirituality also motivates employees to sacrifice their gains for the betterment of society and friends. Workplace spirituality is necessary for the growth and sustainability of an organization.

Our study validated earlier findings that spiritual leadership stimulates intrinsic motivation (Bayighomog & Araslı, 2019; Samul, 2020). Spiritual leaders treat and nurture their employees, and as such, they have high hopes and faith in them (Bayighomog & Araslı, 2019). Talented employees with high self-esteem and actualization improve organizational performance and promote sustainable growth. Both intrinsic and extrinsic motivation improve employees' attitudes towards work. Extrinsic motivation needs perpetual monetary rewards, but intrinsic motivation is sustainable and does not depend on rewards. Through their attitude and behavior, spiritual leaders stimulate intrinsic motivation in employees (Smith, Minor, & Brashen, 2018). An intrinsically motivated employee derives pleasure from doing the delegated job, which increases employee performance leading to growth and development (Smith, Minor, & Brashen, 2018).

This study extended the work of earlier studies that found that workplace spirituality stimulates knowledge sharing (Khari & Sinha, 2017; Khari & Sinha, 2018). Spirituality relates to positive emotions and energy promoting a culture of knowledge sharing. These emotions help enhance social interaction with other employees and alignment with organizational goals. An organization that can align its goal with employees' goals would have a competitive advantage and sustainability (Arokiasamy & Tat, 2020). Knowledge sharing helps employees learn new knowledge, enhancing their self-actualization and improving productivity (Khari & Sinha, 2018).

The current study found a significant association between intrinsic motivation and knowledge sharing. This result is in line with past literature (Shao, Feng, & Wang, 2017). Intrinsic, besides being proactive in their delegated assignments, also help other employees in completing their assignments. This attitude promotes an environment of mutual help and respect that are beneficial for the employees and organizations (Gagné et al., 2019). Such an environment also enhances employee-self-esteem, development, and organizational growth (Asbari et al., 2019)

Our results support the association between intrinsic motivation and creativity. This study had validated the work of earlier studies that also found a significant association between intrinsic motivation and creativity (Yuan et al., 2019). Positive creativity is one of the hallmarks of intrinsic motivation. Employees with a high inclination towards creativity motivate others to search for new ideas and knowledge. This quest for knowledge enhances employees' confidence and zeal for hard work and improves organizational performance (Malik, Choi, & Butt, 2019). Creativity helps break the status quo and adopt new business processes necessary to deal with an ever-changing business environment (Zhang, Pi, Li & Hu, 2021).

We found that knowledge sharing and employee creativity are positively associated. This result validates the earlier literature (Men, Fong, Luo, Zhong, & Huo, 2019). Collecting knowledge and sharing with all the employees improve creativity. Men, Fong, Luo, Zhong, and Huo (2019) assert that organizational growth and development significantly depend on innovation and new business processes. Given the importance of knowledge sharing and its association with employee creativity, many firms have made it mandatory to share new ideas. Firms know that initially, most of the ideas may be crude and unpractical. But with discussion, deliberation, and refinement, a few innovative ideas that are practical and viable may be developed (Kremer, Villamor, & Aguinis, 2019).

Contrary to earlier research, we found that perceived organizational support does not moderate spiritual leadership and workplace spirituality. Spiritual leaders promote workplace spirituality; however, this relationship significantly depends on organizational support. Organizational support increases with spiritual leadership and workplace spirituality (Otake-Ebede, Shaffakat, & Foster, 2020). Milliman, Czaplewski, & Ferguson (2003) suggest that employees' perceived organizational support motivates them to help others in the organization. Helping others is an essential aspect of workplace spirituality (Milliman, Czaplewski, & Ferguson, 2003).

Conclusion

It has become difficult for firms to stay competitive and achieve sustainable growth in the present competitive era. Given this problem, we argue that firms need to adopt non-conventional practices. Thus, we have developed a model with a focus on spiritual leadership. Spiritual leadership, directly and indirectly, affects organizational outcomes, including intrinsic motivation, knowledge sharing, and employee creativity. The study found that spiritual leadership stimulates workplace spirituality and intrinsic motivation. At the same time, our results suggest that workplace spirituality and intrinsic motivation are important for knowledge sharing. Intrinsic motivation and knowledge sharing are

antecedents to employee creativity. The study also found that organizational support moderates workplace spirituality.

Limitations and Future Research

The study has focused on the services sector, i.e., commercial banks of Karachi. We have selected this sector because it is highly competitive and employee turnover is high. We advise future researchers to explore other sectors and other cities. The number of variables in the study is limited to seven. We invite future researchers to take a holistic view with more organization-related variables. The literature suggests that workplace spirituality and intrinsic motivation mediates knowledge sharing and creativity, which we did not test. However, future studies may test these relationships. A comparative study between the manufacturing and services sector can contribute to the body of knowledge, which other studies can explore.

Annexure

Constructs and Items used in the questionnaire

Work Place Spirituality

EC1. At work, I am willing to influence others with a positive attitude and care.

EC2. At work, I can carry out honesty, equality, and love.

EC3. At work, I recognize my growth, and I am inspired.

EC4. At work, I feel happy and satisfied.

EC5. My workplace is challenging to some degree.

EC6. My workplace provides diverse contacts and development.

EC7. In my workplace, I can change my past self.

EC8. My workplace has free but effective supervision.

Spiritual Leadership

SL1. I understand and am committed to my organization's vision.

SL2. My workgroup has a vision statement that brings out the best in me.

SL3. I have faith in my organization, and I am willing to "do whatever it takes" to ensure that it accomplishes its mission.

SL4. I persevere and exert extra effort to help my organization succeed because I have faith in what it stands for.

SL5. The leaders in my organization are honest and without false pride.

SL6. The leaders in my organization have the courage to stand up for their people.

SL7. The work I do is very important to me.

SL8. My job activities are personally meaningful to me.

SL9. I feel my organization understands my concerns.

SL10. I feel my organization appreciates me and my work.

Intrinsic Motivation

IM1. I enjoyed doing this activity.

IM2. I would describe this activity as very interesting.

IM3. The competitive intelligence meetings are very interesting.

IM4. I think this activity is quite enjoyable.

IM5. I think this activity is very boring.

Knowledge Sharing

KS1. People share knowledge.

KS2. The organization uses employees' ideas.

KS3. Employees share ideas explicitly.

Employee Creativity

EC1. I have a personal interest and goals in terms of what I do for my work.

EC2. I believe that my personality traits (self-esteem, respect for others' opinions, extrovert/introvert,

etc.) make me more creative in the workplace.

EC3. I am interested in my work, and I find it rewarding/fulfilling.

EC4. My previous experience makes me more creative in the workplace.

EC5. The opinion of other work colleagues has a positive effect on my creativity.

EC6. My contacts enhance my level of creativity in the workplace.

EC7. I feel proud and committed to working with my organization.

EC8. I am satisfied with my salary/ remuneration package at work.

EC9. Time pressure inhibits my creativity at work.

EC10. I don't find problems and issues distracting.

Perceived Organizational Support

SL1. The organization holds my supervisor in high regard.

SL2. The organization gives my supervisor the chance to make important decisions.

SL3. The organization values my supervisor's contributions.

SL4. The organization gives my supervisor the authority to try new things.

SL5. The organization supports decisions made by my supervisor.

SL6. My supervisor participates in decisions that affect the entire organization.

SL7. My supervisor influences decisions made by upper management.

SL8. The organization allows my supervisor to run things the way he wants.

SL9. The organization consults my supervisor when deciding on new policies and procedures.

SL10. The organization gives my supervisor the freedom to determine how to treat me.

SL11. If my supervisor decided to quit, the organization would try to persuade him to stay.

SL12. Even if my supervisor did well, the organization would fail to notice.

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Mapping the Impact of Employee Engagement on Job Performance with Mediating Role of Work-Life Balance: An Investigation of Private Sector Organizations in Pakistan

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Abstract

Employee engagement is rapidly emerging as an antidote for overall organizational success. In the contemporary business environment, engaged employees are essential for the achievement of overall organizational goals. However, there are countless advantages of retaining and attracting an engaged workforce. This paper explores the impact of employee engagement drivers on job performance and the mediating role of work-life balance. Using convenient and snowball sampling, we collected data from 334 employees working in different private sector organizations in Pakistan. Subsequently, we used SPSS and AMOS (Structural Equation Modelling) to ascertain the structural relationship between the study variables. The study found that cognitive and behavioral engagement does not affect job performance, but emotional engagement positively affects job performance. The study also found that work-life balance mediates employee engagement drivers and job performance.

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Thus, we have inferred that passionate and engaged employees do their job more efficiently, report higher performance, and provide potential growth opportunities for the organization. The study also suggests strategies crucial for employee engagement.

Keywords: *Employee engagement, cognitive engagement, behavioral engagement, emotional engagement, job performance, work-life balance.*

Introduction

Emerging global trends are affecting the business environment. Firms that can adopt the changes would have sustainable growth and a competitive edge (Uddin, Mahmood & Fan, 2019). Human resources are an inevitable asset for the growth of any organization. Effective human resource plays an instrumental role to meet organizational objectives and keeps employees engaged. Lack of employee engagement and commitment adversely affects organizational performance. Organizations need to recruit highly committed employees willing to offer their best at work (Al-dalahmeh, Khalaf & Obeidat, 2018). Cooke et al. (2019) and Kompaso and Sridevi (2010) assert that firms should focus on nurturing and retaining committed employees, making firms more attractive to potential employees. Similarly, Gupta and Kumar (2012) have documented that committed employees align with employers' values. Such employees contribute more than their formal obligations.

Employees with high-performance levels are more engaged, productive and create more business potential (Sun & Bunchapattanasakda, 2019). Sometimes employees show irresponsible attitudes towards work (Cahill et al., 2015). Organizations can enhance their productivity and performance by recognizing disengaged employees. Turner (2020) stresses that it is difficult for organizations to measure engagement since most lowly engaged employees do not display unpleasant and antagonistic behavior. Besides other factors, poor work-life balance adversely affects employees' wellbeing and performance globally. Work-life balance is the balance of resources (time and energy) between work and family (Wieneke et al., 2019). Psychologists believe that the job load of employees should make it difficult for them to spend quality time with family members and friends. Inadequate work-life balance results in low job performance, lack of commitment, and satisfaction. Thus, organizations should ensure that their employees have optimum work-life balance since it promotes a sense of ownership (De Beer, Tims, & Bakker, 2016). Employees with adequate work-life balance contribute to organizational productivity and sustainability (Leary et al., 2013).

Problem Statement and Objectives

Researchers for decades have been examining the effect of employee engagement

on job performance and organizational success (Breevaart, Bakker, Derks, & Vuuren, 2019; Alessandri, Consiglio, Luthans, & Borgogni, 2018). In this era of globalization, organizations are looking for talented employees and want to fully engage them in all spheres of their relationship with the organization. According to the Alexa (2019) report, robots will replace around 8.5% of the world job market by 2030. Artificial intelligence may reduce the demand for human workers, but it would not reduce the importance of human resource management (Ngwenya & Pelsier, 2020). Highly engaged employees give optimum performance and play important roles in enhancing the satisfaction level of customers and other stakeholders. Similarly, work-life balance also stimulates employee engagement and job performance (Kooij, Tims, & Akkermans, 2017).

Given the importance of the above-discussed issues, the study would aim to:

1. Investigate the effect of cognitive, behavioral, and emotional engagement on job performance in private sector organizations of Pakistan.
2. Investigate the mediating role of work-life balance between employee engagement drivers (i.e., cognitive, behavioral, and emotional) and job performance.

Literature Review & Hypothesis Development

Employee Engagement

The concept of employee engagement is not new in the contemporary world. Due to its broad nature and changing business trends, many authors have defined employee engagement in different contexts in the last two decades (Robertson, 2019; Ruck, Welch, & Menara, 2017). Gupta, Ganguli, & Ponnamm (2015) assert that human resource managers have examined how employee engagement affects the business environment for decades. In a multi-theoretical study, Uddin, Mahmood, and Fan (2019) concluded that highly engaged employees also encourage and help their teams perform tasks efficiently. Karatepe, Yavas, Babakus, and Deitz (2018) suggest that organizational resources, including a flexible working environment, improve employee engagement and work-life balance. Highly engaged employees tend to have a strong association with the organization and believe they can significantly contribute to its growth and performance. Self-engaged employees also have high self-actualization that motivates them towards higher job performance (Al-dalahmeh, Khalaf, & Obeidat, 2018). Thus, employees become more committed and enthusiastic in their daily jobs (Anitha, 2014). Extant literature also asserts that firms must ensure that their employees are highly engaged, committed, and strive for the best possible performance (Weideman & Hofmeyr, 2020).

To involve non-engaged or moderately engaged employees, managers and entrepreneurs should properly convey their business vision, goals, and values. Employees' high perception of organizational justice and flexible working environment stimulates employees' engagement. Employee engagement strongly correlates with human capital and employees' ownership of an organization (Ruck, Welch, & Menara, 2017). Globalization and a competitive environment have increased the importance of productivity, which is only possible with highly engaged employees (Weideman & Hofmeyr, 2020). Saks (2006), based on empirical evidence, has documented that an organization's sustainability depends on retaining and attracting talented employees, which is only possible by having a highly structured and capable human resource management team.

Drivers of Employee Engagement

The current study has used three drivers of employee engagement which are discussed in the following sections:

Emotional Engagement

Emotional engagement is all about employees' emotional association with the job, company, and organizational structure. Employees with emotional engagement are happy with their jobs and feel responsible for organizational goals (Ramani, 2019).

Cognitive Engagement

Cognitive engagement includes employees' perception of the organization, their managers and colleagues, and overall culture. Cognitively engaged employees actively participate in organizational activities and positively affect the organization (Joo, Zigarmi, Nimon, & Shuck, 2017).

Behavioral Engagement

Employees with behavioral engagement put extra effort into achieving organizational goals and finding ways to perform their jobs more efficiently. Behavioral engagement is the value-added component in employees reflecting their efforts into their work (Leek, Houghton & Canning, 2019).

Work-life Balance

Researchers have examined the effect of work-life balance on job performance and other organizational-related outcomes (Chummar, Singh, & Ezzedeen, 2019; Johari, Tan, & Zulkarnain, 2018). Employees' work-life balance gives adequate time and resources to work and personal life without undue stress either from family or work (Kaya & Karatepe, 2020). It is an important driver of organizational performance and citizenship behavior

and is negatively associated with turnover intentions (Obuobisa-Dark & Tsedzah, 2019). Work-life balance is essential for improving organizational productivity and employees' psychological wellbeing (Haider, Jabeen, & Ahmad, 2018). It also promotes employee satisfaction and affective commitment.

While allocating job-related duties, organizations should ensure that they do not delegate excessive duties. The excessive workload adversely affects employees' personal and social lives. An adequate work-life balance adds value to organizational and financial results, reduces turnover intentions develops psychological ownership in the employees. Anitha (2014) found that a variation in the work-life balance increased employee productivity by 37%. The study also concluded that it is one of the most important factors for improving employee engagement with job satisfaction (Anitha, 2014). Similarly, Bakker and Bal (2010) found that work-life balance affects job-related consequences, including "employee turnover, job satisfaction, employee performance, absenteeism" and non-job-related aspects, including "family relationship and job stress." Researchers also suggest that work-life balance motivates employees in achieving organizational goals and promotes organizational commitment and engagement (Beauregard & Henry, 2009).

Job Performance

Job performance refers to the employees' total tangible or intangible contribution to attaining organizational goals and objectives (Bakker, Tims, & Derks, 2012). Highly engaged employees' performance and productivity are higher than disengaged employees. Also, job engagement motivates employees to go beyond their formal job responsibilities. Employees with high engagement are top performers and highly motivated to achieve the organization's vision (Kooij, Tims, & Akkermans, 2017). Effective leadership is one of the key drivers that positively affect job performance, employee attitude, and behavior. It motivates them to sacrifice their personal goals over organizational goals (Buil, Martínez, & Matute, 2019). Extant literature suggests a positive relationship between employee commitment and indicators of job performance such as absenteeism, employee turnover, job satisfaction, and organizational citizenship behavior (OCB) (Choi et al., 2019; McDaniel, Schmidt, & Hunter, 1988). Baral and Bhargava (2010) assert that engaged employees are more committed and involved in their jobs. They found that employees with as little as 15% to 30% level of engagement can exponentially increase corporate sales. Employees with poor job engagement do not perform their duties efficiently. They also discourage other employees from performing efficiently.

Employee Engagement and Job Performance

Uddin, Mahmood, and Fan (2019) emphasized that employees with a symbiotic

relationship would be more efficient than other employees. Highly engaged employees are more task-driven; therefore, they can prioritize jobs (Ramani, 2019; Christian, Garza, & Slaughter, 2011). Harter et al. (2009) carried out an extensive survey on job performance. The study collected data from fifty-two organizations in forty-four industries located in twenty-six countries across the world. The sample size for the study was quite large (i.e., 955,905 observations). The study segmented employees into categories, such as highly engaged and lowly engaged. The study found that highly engaged employees' performance was 18% higher than the lowly engaged employees. The study also found that the quality of inputs of lowly engaged employees was 60% lower than highly engaged employees.

On the contrary, many researchers argue that an insignificant association exists between employee engagement and organizational performance (Gruman & Saks, 2011). They also believe that an inverse relationship exists between employee commitment and corporate productivity. At the same time, studies have also documented a modest association between employee engagement and performance indicators such as "sales turnover, customer base, employee turnover and attainment of organizational growth" (Harter et al., 2002). The literature suggests that employee engagement positively affects job performance (Bakker & Schaufeli, 2008). Therefore, we argue its drivers would also affect job performance.

H1: Cognitive engagement is positively associated with employees' job performance.

H2: Behavioral engagement positively affects employees' job performance.

H3: Emotional engagement positively affects employees' job performance.

Work-Life Balance and Job Performance

Work-life balance promotes employees' job performance and organizational success (Kaya & Karatepe, 2020). Work-life balance improves employees' performance and generates favorable outcomes, including "low turnover, absenteeism, and organizational citizenship behavior." Ang, Hwa, and Teh (2018) assert that stability and affinity between personal and professional activities encourage employees to perform their job efficiently, translating into better job-related results. In addition, poor work-life balance presumably negatively affects job performance and employees' organizational commitment. Employees are more committed to their jobs when they fulfill their job expectations and household needs. Baral and Bhargava (2010) found that work-life balance fulfills an employee's psychological and emotional needs. It also increases employee loyalty towards the organization.

H4: Work-life balance mediates the relationship between cognitive engagement and job performance.

H5: Work-life balance mediates the relationship between behavioral engagement and job performance.

H6: Work-life balance mediates the association between emotional engagement and job performance.

H7: Work-Life balance mediates the association between employee engagement and job performance

Conceptual Framework

Based on theoretical discussions, we have proposed a conceptual framework. The conceptual framework has five latent variables and seven hypotheses, of which three are mediating, and four are direct. The conceptual framework is presented in Figure 1.

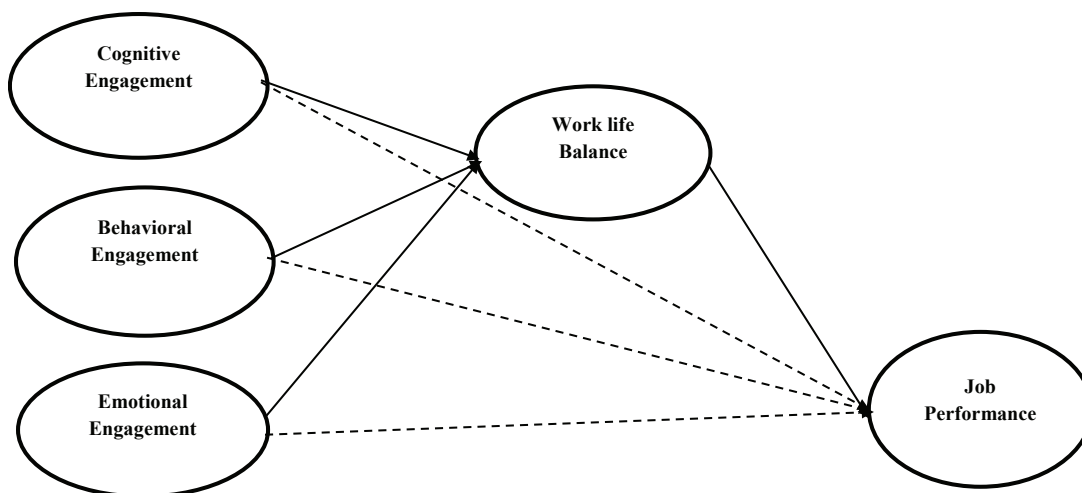


Figure 1: Conceptual Framework

Methodology

Research Design

This study entails quantitative analysis, which measures the empirical relationship between employee engagement and job performance with mediating effect of employee

work-life balance. The research is exploratory. The study has used a structured Likert scale-based questionnaire to collect data from targeted private sector organizations.

Data and Sampling Technique

We have targeted various private organizations from banking, textiles, FMCG, telecommunication, pharmaceuticals, education, and insurance. We distributed 450 questionnaires and received 334 useable questionnaires. The study has used a valid sample of 334 respondents, including managers and non-managerial employees, to test the research hypotheses. We collected the data using convenient and snowball sampling via social media sharing, email, and offline resources.

Scales and Measures

To measure the “impact of employee engagement on employee performance with the mediating role of employee work-life balance,” the research instrument had twenty-four items apart from demographic measures. However, the study dropped six items due to low factor loading. We have adapted the questionnaire from different studies discussed in the following sections. The items were endorsed and validated by experts and scholarly practitioners.

Employee Engagement Measure

Employee engagement was measured using 13 items adopted from Ramani (2019) and Karatepe, Yavas, Babakus, and Deitz (2018). The study classified these items into three sub-dimensions: cognitive engagement, emotional engagement, and behavioral engagement. Out of these 13 items, we omitted four items because of low factor loading.

Work-Life Balance Measure

The study employed six items from Suifan, Abdallah, and Diab (2016) to determine the role of the mediating variable. The study dropped three items because of low factor loading.

Job Performance Measure

We have measured employee job performance based on six items from Buil, Martínez, and Matute (2019). There was no sub-dimension for this measure.

Demographic Measure

The first part of the questionnaire measured the demographics from the respondents' profiles. It has five items based on a nominal scale.

Statistical Analysis

We have used SPSS version 26 and AMOS for statistical analysis. The study used SPSS for normality, validity, reliability, and AMOS to assess composite reliability based on standardized factor loadings and variances. This research used confirmatory factor analysis for standardized factor loadings and variances. The study used the double phase structural equation modeling (SEM) technique for testing the developed model. Initially, we used CFA to assess the reliability and validity of the proposed model. Subsequently, we used path analysis to test the direct and indirect effects between the variables and the structural relationship between the “measured variables” and latent constructs.

Results & Discussion

Respondents Profile

We distributed 450 survey questionnaires and received 334 complete responses with no missing values. Table 1 depicts the summary of respondents’ profiles.

Table 1: Respondents’ Profile (N-334)

Variables	Category	Frequency	Percentage
Gender	Male	150	45%
	Female	184	55%
Age	20-25	97	29%
	26-35	160	48%
	36-45	56	17%
	46-55	21	6. %
Educational Qualification	Matric or O-level	8	2%
	Under Graduate	76	23%
	Graduate	128	38%
	Masters or above	122	37. %
Job Experience	Less than a Year	53	16%
	1-3 Years	94	28%
	4-6 Years	116	35%
	7-9 Years	61	18.%
	More than 10 Years	10	3%
Managerial Levels	Non-Mgr. Employees	26	8%
	Junior Level Managers	128	38%
	Middle-Level Managers	140	42%
	Senior Level Managers	40	12%

The demographics statistics suggest that 55% of the respondents were male, and 45% were female. The age profiles show a bulk of respondents (48%) were in the 26-35 years age category, and the rest are in other age groups. About 67% of the respondents are at least graduate, and 33% have lower educational qualifications. Similarly, about 34.7% of the respondents have job experience of about 4-6 years, and the remaining respondents' job experience falls in other experience categories. The profile also suggests that 92% of the respondents fall in different management categories and 8% in the non-management category.

Descriptive Statistics

Table 2 shows the summary of descriptive statistics, which is inclusive of "Mean, SD and Cronbach's s alpha values".

Table 2: Descriptive Statistics

	Mean	α	EP	CE	BE	EE	WLB
Job Performance	3.61	0.84	1.000				
Cognitive Engagement	3.33	0.73	.471	1.000			
Behavioral Engagement	3.12	0.73	.486	.553	1.000		
Emotional Engagement	3.01	0.79	.436	.510	.590	1.000	
Work-Life Balance	3.21	0.77	.171	.043	.009	.105	1.000

The results show that all the Cronbach's alpha values are over 0.70 suggesting acceptable internal consistency of the constructs used in the study (Mohajan, 2017). The study also used Pearson correlation to evaluate the relationship between the research variables. The results show a significant positive relationship among cognitive, behavioral, emotional engagement, work-life balance, and job performance.

Confirmatory Factor Analysis (CFA)

The study has used Confirmatory factor analysis (CFA) and path analysis of the relationship between research variables and respective indicators. Table 3 shows the summary of the results.

Table 3: Confirmatory Factor Analysis (CFA)

Latent variable	Item Label	Standardized factor Loadings
Cognitive Engagement	CE1	.60
	CE2	.60
	CE4	.64
Behavioral Engagement	BE1	.60
	BE2	.70
	BE4	.60
Emotional Engagement	EE1	.60
	EE2	.65
	EE5	.60
Work Life Balance	WLB2	.55
	WLB4	.55
	WLB6	.51
Job Performance	EP1	.64
	EP2	.70
	EP3	.70
	EP4	.73
	EP5	.70

The results show that the factor loadings of the indicator variables are at least 0.50, suggesting a theoretical association between latent variables and their indicators (Marsh, Guo, Dicke, Parker, & Craven, 2020).

Evaluating Measurement Model Fitness

Researchers have suggested many fit indices for assessing the model fitness. Given this inconsistency, we used seven commonly used fit indices. Table 4 shows fit indices, their values, and fitness criteria.

Table 4: Model Fitness Values

Model fit Indices	Measurement	Fit index criteria
Comparative fit index	0.90	Closer to 1 ; good
CMIN/DF	2.30	< 3 good; < 5 acceptable
Good of fit Index	0.91	>0.90
Adjusted Goodness of fit index	0.92	>0.80
Tucker Lewis coefficient	0.9	>0.90
Root means square error of approximation	0.062	< 0.08
PCLOSE	0.01	> 0.05

The results show that all the model fitness indices are within the acceptable range, suggesting that the model fits adequately (García-Santillán, 2017).

SEM Results

The study has empirically tested seven hypotheses, of which our results support all the hypotheses except two. Table 5 illustrates the summary of the results.

Table 5: SEM Results

	B	SE	T-value	P	Result
Cognitive Engagement → Job Performance	.008	.089	.089	.929	Rejected
Behavioral Engagement → Job Performance	-.130	.092	-1.409	.159	Rejected
Emotional Engagement → Job Performance	.200	.079	2.516	.012	Accepted
Cognitive Engagement → WLB → Job Performance	.334	.080	4.203	.000	Accepted
Behavioral engagement → WLB→ Job Performance	.434	.088	4.947	.000	Accepted
Emotional Engagement → WLB→ Job Performance	.210	.063	3.359	.000	Accepted
Employee engagement → WLB → Job Performance	.240	.088	2.742	.006	Accepted

The results support all the mediating relationships and one direct relationship. The results did not support the (1) association between cognitive engagement and job performance and (2) behavioral engagement and job performance.

Discussion and Conclusion

Discussion

Employee engagement is one of the main predictors of employees' job performance, and our research findings and past studies support these relationships (Ramani, 2019; Uddin, Mahmood, & Fan, 2019; Weideman & Hofmeyr, 2020). The study also found the positive contribution of employee engagement towards effective job performance with a strong mediating role of work-life balance. The results suggest that employees' job performance increases with their cognitive, behavioral, and emotional engagement. Engaged employees feel a strong association with the organization and believe that their endeavors will make a difference in company performance (Macey & Schneider, 2008; Bakker & Demerouti, 2008).

The results also suggest that the association between "cognitive engagement and job performance" and the relationship between "behavioral engagement and job performance" were insignificant. We have concluded that work-life balance is a strong partial mediator between employee engagement and job performance by looking at the mediation effects. There are very few studies that have explored the mediating

effect of work-life balance, particularly in the Pakistani context. Therefore, this study will positively contribute to the relevant field and provide insight for future researchers.

Conclusion

Engaged employees have always been the priority for human resource managers in the business environment. This positive attitude towards the job and its responsibilities benefit the organization in numerous ways. This research determines the influence of employee engagement on employees' job performance in the private sector organizations in Pakistan. The study's conceptual framework comprises multiple emotional, behavioral, cognitive engagement, work-life balance, and employees' job performance. The study results suggest that employee engagement drivers (i.e., emotional, behavioral, and cognitive engagement) are significant predictors of employee job performance. Also, work-life balance improves employee job performance and generates favorable outcomes, including low turnover intentions, absenteeism, organizational citizenship behavior, and performance. We also found that work-life balance enhances employees' engagement level and stimulates job performance. Work-life balance helps employees in achieving organizational goals and increases employee commitment and engagement. We also found the partial mediating effect of work-life balance on employee engagement and job performance. Enhancing employee engagement is an effective strategy for increasing organizational performance and retaining talented employees.

Implications for Managers

The vital role of human resource management and its impact on organizational growth has always been an interesting topic for researchers. Organizations must use different motivation practices to augment employee commitment and organizational performance. The private sector in Pakistan needs to focus on employee engagement. The current study would help human resource managers in improving employee engagement and job performance. The study also suggests that organizations should identify engaged and non-engaged employees. And then select different strategies for them.

Limitations and Future Research

The study has examined the impact of employee engagement drivers (cognitive, behavioral, and emotional engagement) on job performance and the mediating role of work-life balance in private organizations of Karachi. Future studies may examine the impact of employee engagement on different sectors separately. Other studies can also examine the impact of employee engagement drivers on organizational and work-related factors such as motivation and job satisfaction. Employee performance

affects organizational citizenship behavior directly and indirectly. Future studies can examine whether organizational citizenship behavior has a moderating effect on job performance. Cultural values also affect organizational outcomes. Thus, future studies can explore the moderating effect of Hofstede's cultural dimensions on job performance.

Annexure

Constructs and Items Used in the Questionnaire

Employee Engagement

Cognitive Engagement

CE1. At work, my mind is focused on my job.

CE2. At work, I devote a lot of attention to my job.

CE3. At work, I focus a great deal of attention on my job.

CE4. At work, I concentrate on my job.

Behavioral Engagement

BE1. I often go above what is expected of me to help my team be successful.

BE2. I work harder than expected to help my company be successful.

BE3. I am willing to put in extra effort without being asked.

BE4. I push myself to work beyond what is expected of me.

Emotional Engagement

EE1. I believe in the mission and purpose of my company.

EE2. I am proud to tell others that I work for my current organization.

EE3. Working at my current organization has a great deal of personal meaning to me.

EE4. I feel a strong sense of belonging to my job.

EE5. I care about the future of my company.

Work-Life Balance

WLB1. There is a good fit between my personal life and work-life.

WLB2. There is a good fit between my family life and work-life.

WLB3. I receive support and recognition from family members.

WLB4. There is a good fit between my job and my personal health.

WLB5. I have sufficient emotional energy for the job.

WLB6. I have sufficient emotional energy for the job.

Employee Performance

EP1. I consistently complete the duties.

EP2. I consistently meet the performance requirements of the job.

EP3. I fulfill all responsibilities required by my job.

EP4. I consistently fulfill my obligations to perform for my job.

EP5. I often fail to perform essential duties.

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Social Media vs Traditional Media on Consumer Buying Behavior: The Mediating Role of Consumer Brand Perception

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Abstract

Consumer brand perception is important for a brand and sustainable growth. Both social media and traditional media affect consumers' buying behavior and brand perception. Unlike past studies, we have examined the effect of traditional and social media on consumers' attitudes, behavior, and brand perception. The focus of the study was the textile and apparel industry of Karachi. The study has used a closed-ended questionnaire and the mall-intercept method for collecting the data. We had intercepted 400 customers and received feedback from 375. The response rate aligns with other studies that have used the mall intercept method to collect the data. For statistical analysis, we have used Smart PLS version 3.2. The results suggest that it promotes consumer buying behavior and consumer brand perception. The study also found that traditional media stimulates consumer buying behavior and brand perception. The study also found that consumer brand perception stimulates (1) social media and consumer buying behavior and (2) traditional media and consumer buying behavior. Social media usage has increased significantly, but it has not decreased the importance of traditional media. The impact of traditional and social media on consumers is not the same. Thus, marketers, while selecting media, must keep in mind the target consumers and products. The study recommends that firms use conventional and social media to increase brand perception and stimulate positive buying behavior.

Keywords: *Social Media, Traditional Media, Consumer Brand Perception, Consumer Buying Behaviour.*

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Introduction

Consumer brand perception promotes brand image and equity and is a key component of marketing strategy (Augusto & Torres, 2018). Recent studies, such as Khadim et al. (2018), Géci, Nagyova and Rybanska (2017), and Jain (2021), found that social media significantly affects consumer brand preference and buying behavior. Therefore, most companies have shifted their marketing strategies to social media marketing as it is more effective and less expensive than conventional marketing strategies. A substantial literature is available either on the impact of social media on consumer perceptions or the association of traditional media on consumer perception. But a few studies have examined the impact of social media and traditional mediums on consumers' brand perception (Yu & Yuan, 2019).

While branding through social media or traditional media have been considered as one of the required methods in optimizing perceptions of consumers, studies like Hayes et al. (2021), Bruhn, Schoenmueller, and Schafer (2012), and Orji et al. (2017) have also focused on the impact of brand perception on the buying behavior of consumers. According to Cheung, Pires, and Rosenberger (2020), the global market has experienced a significant shift from conventional media towards social media in the past decade. Due to the internet and social media, consumers have more empowerment. They can retrieve brand and product information globally, which helps their buying decision process (Chung & Kim, 2020; Visser, Schoormans, & Vogtlander, 2018).

Cheung, Pires and Rosenbergre (2020) found that consumers spend excessive time on various social media platforms, including Instagram, Facebook, Twitter, and Youtube. These forums help consumers in updating entertainment and educational information and exchanging their experiences with others. Extant literature suggests that consumers in the present era prefer to receive information from social media than conventional sources, including magazines, television, and radio (Morra et al., 2018; Zollo et al., 2020). Social media forums allow consumers to share their brand and other experiences with users. The interactive nature of social media increases consumers engagement and brand perception. Gauns et al. (2018), Sangroya and Nayak (2017), and Schnurr (2017) believe that social media is crucial for establishing and maintaining consumer brand perception.

Similarly, Jibril et al. (2019) assert that the brand-related messages communicated through social media are stronger than traditional media messages. Thus, many firms now spend significant resources on social media for building brand image and perception. Since consumers also share their brand-related experience, therefore their options and experience also contribute to building brand image and brand perception

(Chung & Kim, 2020; Qalati et al., 2019). Traditional media is more feasible in mass marketing communication and social media for target marketing (Khadim et al., 2018; Sharma, Ahuja, & Alavi, 2020; Auf et al., 2018).

Social media platforms have empowered consumers to share their experiences, opinions of brands, and products which are challenging for a brand. Marketers cannot control consumers' voices and opinions. At the same time, extant literature suggests that consumers pay more attention to consumers' generated information than firm-generated information (Helbling, 2018; Tarabieh, 2017). Past studies have examined the effect of social media on the consumer buying behavior and brand perception or the impact of traditional media on "consumer buying behavior and brand perception." We also found insignificant studies on the mediating role of consumer brand perception. Thus, to fill the above gap, we have formulated the following research questions:

1. What is the effect of social and traditional mediums on consumer buying behavior and consumer brand perception?
2. What is the effect of consumer brand perception on consumer buying behavior?
3. What is the mediating effect of consumer brand perception on (1) social media and consumer buying behavior, and (2) traditional media and consumer buying behavior?

Structure of the Research

The article consists of an introduction that gives an overview of the paper, followed by a literature review that helps develop hypotheses and a conceptual framework that illustrates the relationship between different variables used in this research. Subsequent sections are methodology, results discussion, and conclusion.

Literature Review & Hypotheses Development

The interaction pattern between consumers and brands depends on information shared by the brand and how consumers respond to it (Suhaily & Darmoyo, 2017). According to Popp and Woratschek (2017), consumers' perception of a brand depends on the information accessible to consumers and their brand experience. The mediums can be traditional (i.e., magazines, television commercials, placements, and flyers) or forums like Facebook, Instagram, Twitter, and others (Viřelar, 2019). Some of the major differences between the two mediums are as follows. First, the reach of social media is large. Consumers across the world can access social media. Comparatively, the reach of the conventional medium is small and targeted (Lund, Cohen, & Scarles, 2018). Second, communications and messages in social media have flexibility. The senders can change the messages or delete them, but it is impossible in the conventional medium (Kamboj,

Sarmah, Gupta & Dwivedi, 2018). Third, social media is two-way communication between senders and receivers. At the same time, communication in the traditional medium is passive and one way (Glucksman, 2017). Fourth, demographic users' data in social media is comparatively less accurate than conventional media (Ebrahimi, Hajmohammadi, & Khajeheian, 2020).

Due to social media access through mobile and other gadgets, consumers spend considerable time on it. They use social media for seeking information, sharing their experiences about a brand or service (Khajeheian & Ebrahimi, 2020). Firms realizing the importance of social media now spend considerable resources on it. Also, now many top universities provide degrees via social media. Social media would not completely replace traditional media, but its share would significantly increase in subsequent years (Al-Zyoud, 2018).

Social Media and Consumer Buying Behavior

Extant literature suggests that social media has different platforms which marketers can use for enhancing brand image and stimulating positive buying behavior (Bilgin, 2018). Social media helps businesses increase their sales volume, as they can quickly communicate and interact with a large audience. Thus, social media helps increase the customer base that promotes a sustainable relationship with consumers in the long run. Social media, compared to other conventional media, is highly interactive. Social media increases consumer interaction, promoting involvement and stimulating a positive attitude towards brands (Gao, Tate, Zhang, Chen, & Liang, 2018). Social media allows consumers to access relevant information and share their experiences about goods and services (Hanna et al., 2011). Social media has become user-friendly; therefore, about 25% of social media users actively share their brand and experiences with others (Pookulangara & Koesler, 2011).

Based on empirical research, Miller and Lammas (2010) found that social media marketing plays an influential role in changing the attitude of online consumers. The study found that 70% of online users visit different sites and forums for collecting information about a product and service. Of these online users, 49% of consumers purchase based on information accessed from different social media forums. The study also found that 60% of consumers use social media to share their experiences.

H1: Social media significantly affects consumer buying behavior.

Social Media and Consumer Brand Perception

Personalization and target specificity are the two key aspects of social media in

branding a product or an organization (Pütter, 2017). Past studies, such as Yu and Yuan (2019), found that social media influence on consumer brand perception is stronger than conventional media. Social media allows the marketer to post interesting content, due to which consumers access the shared information and share it with others. Thus, it enhances consumers' engagement and involvement, leading towards a positive brand perception. Firms have different options to communicate with consumers, but most organizations use Facebook to improve brand perception. Facebook is user-friendly, allowing consumers to share pictures, messages, and videos (Bilgin, 2018). A sustainable relationship between a brand and consumers is necessary for improving brand perception. Extant literature suggests that a strategic online presence must interact with consumers, improve brand perception, retain existing clients, and attract new ones. A strong brand perception gives a competitive edge to a brand (Forbes, 2013).

H2: Social media significantly affects consumer brand perception.

Traditional Media, Consumer Buying Behavior and Brand Perception

The emergence of social media has increased its significance to change consumers buying behavior. Despite its importance, many researchers believe that traditional media is still important for changing consumer attitudes and behavior (Jain, 2021; Cheung, Pires, & Rosenberger, 2020). Trust is essential in communicating messages. Researchers believe that despite the popularity and usage of social media, consumers generally have more confidence in messages communicated through traditional media (Morra et al., 2018). Consumers' expectations from social and traditional mediums are different. Ertemel and Ammoura (2016) argue that media affects consumers differently. For example, TV can display high-quality audio-video content. Therefore, it is more suitable for products that require physical demonstration.

Similarly, radio is more suitable for marketing products to local markets. TV advertisement has a strong and significant effect on consumers, but it does not stay in their minds for a longer period. At the same time, an advertisement in a magazine initially has a weaker but persistent impact on consumers' minds (Ioanas & Stocia, 2020). Extant literature suggests that advertisements promote brand preference and motivate consumers to purchase advertised brands (Coelho, Rita, & Santos, 2018). Based on a comparative study, Shanahan, Tran, and Taylor (2019) concluded that traditional media has a higher competency than social media to create awareness about a brand.

H3: Traditional media significantly affects consumer buying behavior.

H4: Traditional media significantly affects consumer brand perception.

Brand Perception and Consumer Buying Behavior

Prasath and Yoganathen (2018) advocate that consumers' brand perception significantly depends on trust in a brand. Thus, a higher level of trust promotes a strong brand image leading towards positive buying behavior. Besides communicating brand features, a brand also carries intangible attributes, including brand personality, emotional benefits, and image. All these attributes promote the purchase and repurchase intentions. In the present competitive era, a firm cannot have sustainability based on tangible features of brands. It is only possible through intangible aspects such as brand image, personality, and emotional attachment. A strong brand motivates consumers to develop a sustainable relationship. Consumers generally buy those brands whose personality aligns with their personality. An advertising tycoon believes that products, like people, have personalities, making them or breaking them in the marketplace (Haygood, 2007).

H5: Brand perception significantly affects consumer buying behavior.

Consumer Buying Behavior, Social Media and Consumer Brand Perception

Many firms prefer social media over conventional media to change consumers' brand perception because social media maintains consumers' browsing history, past purchases, and personal preferences (Yu & Yuan, 2019; Pradhan, Israel, & Jena, 2018). Extant literature also found that many firms use social media by offering discounts and engaging consumers in different brand activation activities. This strategy helps in improving consumer brand perception (Sreejesh et al., 2018; Bilgin, 2018). Similarly, Prasath, and Yoganathen (2018) also found that consumers and brand interaction on social media enhance consumers' brand perception. Positive interaction between a brand and consumers stimulates positive buying behavior, while negative social interaction adversely affects consumers' brand perception (Rungtapisart, Joemsittiprasert, & Jermisittiparsert, 2019).

H6: Consumer brand perception mediates the association between social media and consumer buying behavior.

Impact of Traditional Media on Consumer Brand Perception

Advertising through social media has increased significantly in the present technology diffusion era. However, social media has not yet completely replaced the traditional mediums. Some researchers believe that social media augments traditional media market strategies, while others believe that social and conventional media are part of integrated market advertising strategies (Meraz, 2009). Many researchers suggest that both of them are highly related. However, consumers' buying responses on conventional and social media are different. It varies from one consumer to another depending on

their attitudes towards social or conventional media (Dewan & Ramaprasad, 2014; Popadynets, Shults, & Barna, 2017).

Prasath and Yoganathen (2018) suggest that advertisements aligned with consumers' values promote consumer relevance and attachment. It does not matter whether the medium of advertisement is conventional or social media. Cheung, Pires, and Rosenberger (2020) suggest that the notion of credibility in traditional media has multiple dimensional effects on consumer brand perception, such as increased attractiveness, similarity, expertise, and trustworthiness.

H7: Consumer brand perception mediates the association between traditional media and consumer buying behavior.

Conceptual Framework

Based on the above theoretical discussions, we have proposed a model presented in Figure 1 containing four variables and seven relationships, including two mediating ones.

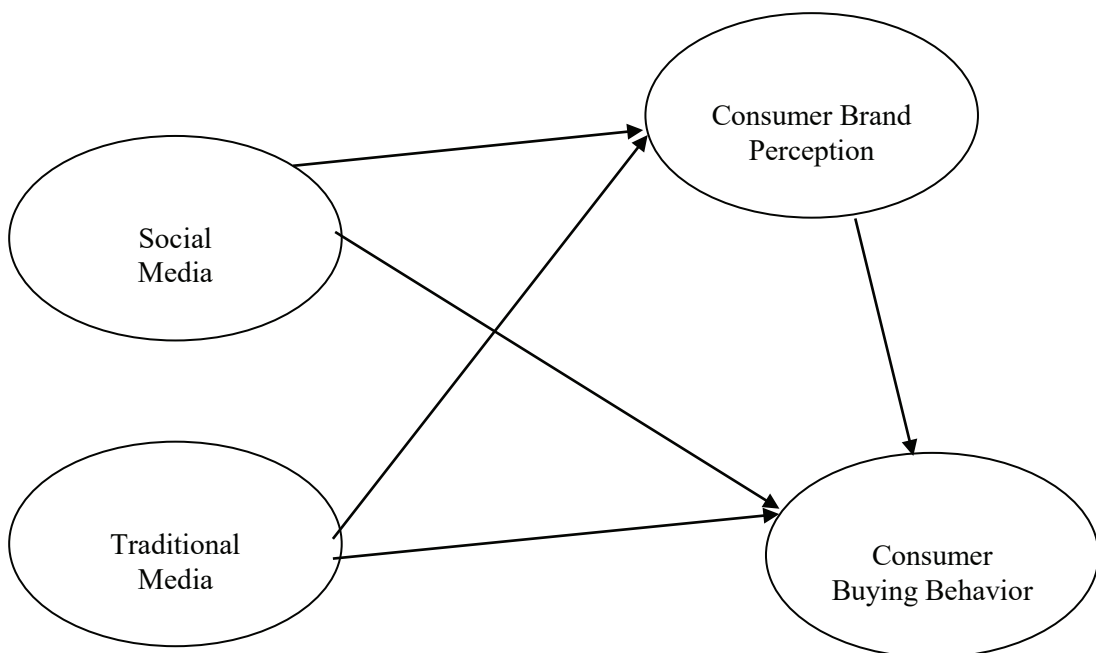


Figure 1: Framework for Social media Vs Traditional media

Methodology

Sample

This study has investigated the impact of social media and traditional media on consumer buying behavior. Thus, this study has focused on the textile and apparel industry of Karachi. We have focused on this segment because it extensively promotes brands through social media and traditional media. Also, consumers, while purchasing textile and apparel products, give importance to brand image. This study has used the mall intercept method for collecting the data. The authors visited the top five malls in Karachi on weekdays and weekends. We intercepted 400 customers, and 375 customers responded. The study has used a closed-ended questionnaire for collecting the data.

Respondent's Profile

The study found that of the total respondents, 63% were female, and 37% were males. We found that 68% of the respondents were married and 32% single in terms of marital status. We also found that 40% of the respondents were in the age bracket of 18 to 30 years, 35% in the age group 31 to 40 years, 20% in the age group of 41 to 50 years, and 5% were in the age group of 51 years and above. Income stratification shows that 10% of respondents' income was up to Rs. 50,000/ per month, 50% of the respondents' income ranged from Rs. 50,000/ to Rs. 100,000/ 20% respondents income ranged from Rs. 100,000/ to Rs. 200,000/, and 20% of respondents' income was more than Rs. 200,000/ per month. Education segmentation suggests that 30% of the respondents had an intermediate education, 50% were graduates, and 20% were postgraduate.

Scale and Measurement

The study has adapted the questionnaire from earlier studies. It has four constructs and 16 items, all based on the five-point Likert scale, where one suggests strongly disagree and five suggests strongly agree. Table 1 shows the summary of the adapted scales.

Table 1: Summary of Scales

Constructs	Sources	Items
Social Media	Cheung, Pires and Rosenbergre (2020)	4
Traditional Media	Suhaily and Daroyo (2017)	4
Consumer Brand Perception	Jasmani and Sunarsi (2020)	4
Consumer Buying Behavior	Putter (2017)	4

Results

This study has examined the impact of social media and traditional media on the consumer buying behavior and the association of brand perception with consumer

buying behavior. It has also examined the mediating roles of brand perception on consumer buying behavior. The results are presented in the following sections.

Descriptive Analysis

The study has examined internal consistency based on Cronbach's alpha values and univariate normality based on Skewness and Kurtosis. The results are summarized in Table 2.

Table 2: Descriptive Statistics

	Cronbach's Alpha	Mean	Std .Dev	Skewness	Kurtosis
Social Media	0.867	3.63	1.01	1.32	-0.83
Traditional Media	0.775	3.47	1.34	1.7	-1.89
Consumer Brand Perception	0.910	3.69	1.69	-0.82	-0.91
Consumer Buying Behavior	0.868	3.76	1.54	2.13	2.3

The summary of results shows that Cronbach's Alpha values ranged from 0.910 to 0.867. It is highest for consumer brand perception ($\alpha=0.910$), followed by consumer buying behavior ($\alpha=0.868$), social media ($\alpha=0.867$), and traditional media ($\alpha=0.775$). Since these values are greater than 0.70, suggesting acceptable internal consistency of the constructs used in the study (Rackwitz, 2001). The range of Skewness values is from -0.82 to 2.13, and Kurtosis values range from 0.83 to 2.3. These values are between ± 3.5 , suggesting that the constructs fulfill univariate normality requirements (Henderson, 2006).

Convergent Validity and Discriminant Validity

The study has assessed the convergent validity based on AVE and composite reliability (Cunningham, Preacher, & Banaji, 2001) and discriminant validity based on Fornell & Larcker's (1981) criteria. The summary of the results is presented in Table 3.

Table 3: Convergent Validity

Constructs	Composite Reliability	AVE	SM	TM	CBrP	CBB
Social Media	0.909	0.715	0.846			
Traditional Media	0.858	0.606	0.818	0.778		
Consumer Brand Perception	0.937	0.788	0.841	0.861	0.888	
Consumer Buying Behavior	0.910	0.717	0.830	0.839	0.926	0.847

The results show that the values of AVE are "greater than 0.60, and composite reliability values are greater than 0.70." Thus, we have inferred that the constructs based on the

data set collected from the consumers of Karachi fulfill the requirements of convergent validity (Cunningham, Preacher, & Banaji, 2001). We have also inferred that all the constructs used in the study are "unique and distinct since the square root of AVEs is greater than the Pearson correlation values" (Fornell & Larcker, 1981).

Confirmatory Factor Analysis

The study has used confirmatory factor analysis to examine the association between indicator variables and latent variables. Table 4 below presents the results related to confirmatory factor analysis.

Table 4: Confirmatory Factor Analysis

	Social Media	Traditional Media	Consumer Brand Perception	Consumer Buying Behavior
SM1	0.898			
SM2	0.915			
SM3	0.73			
SM4	0.827			
TM1		0.814		
TM2		0.803		
TM3		0.812		
TM4		0.858		
CBP1			0.828	
CBP2			0.928	
CBP3			0.909	
CBP4			0.882	
CBB1				0.849
CBB2				0.859
CBB3				0.817
CBB4				0.862

The results show that the factor loadings of all the indicator variables are greater than 0.70, suggesting a theoretical association between constructs and their respective indicator variables (Cunningham, Preacher, & Banaji, 2001).

SEM Results

The study has used the bootstrapping technique for testing the proposed hypotheses. Table 5 summarizes the results, followed by the measurement model (Figure-2) and structural model (Figure-3).

Table 5: Path Coefficients

Hypotheses	Beta	T-stats	P Values	Results
Direct Hypotheses				
Social Media-> Con. Buying Behavior (H1)	0.143	2.32	0.02	Accepted
Social Media-> Con. Brand Perception (H2)	0.412	7.677	0.00	Accepted
Traditional Media -> Con. Buying Behavior (H3)	0.110	2.006	0.04	Accepted
Traditional Media -> Con. Brand Perception(H4)	0.524	9.768	0.00	Accepted
Con, Br.Perception -> Con.Buying Behavior (H5)	0.714	12.191	0.00	Accepted
Indirect Hypotheses				
Social Media-> Con. Br. Perception-> cons. Buying Beh(H6)	0.294	6.297	0.000	Accepted
Trad. Media-> Con. Br. Perception-> cons. Buying Beh(H7)	0.374	7.678	0.000	Accepted

The results show that all the t-values range between ± 1.96 , and p-values are less than 0.05. Thus, we have accepted five direct hypotheses and two indirect hypotheses.

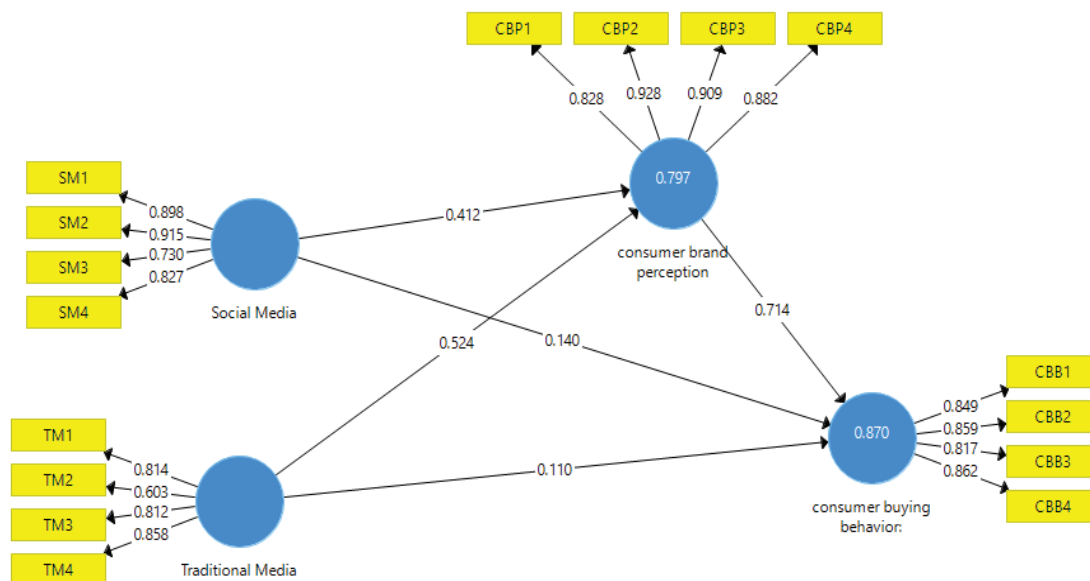


Figure 2: Measurement Model

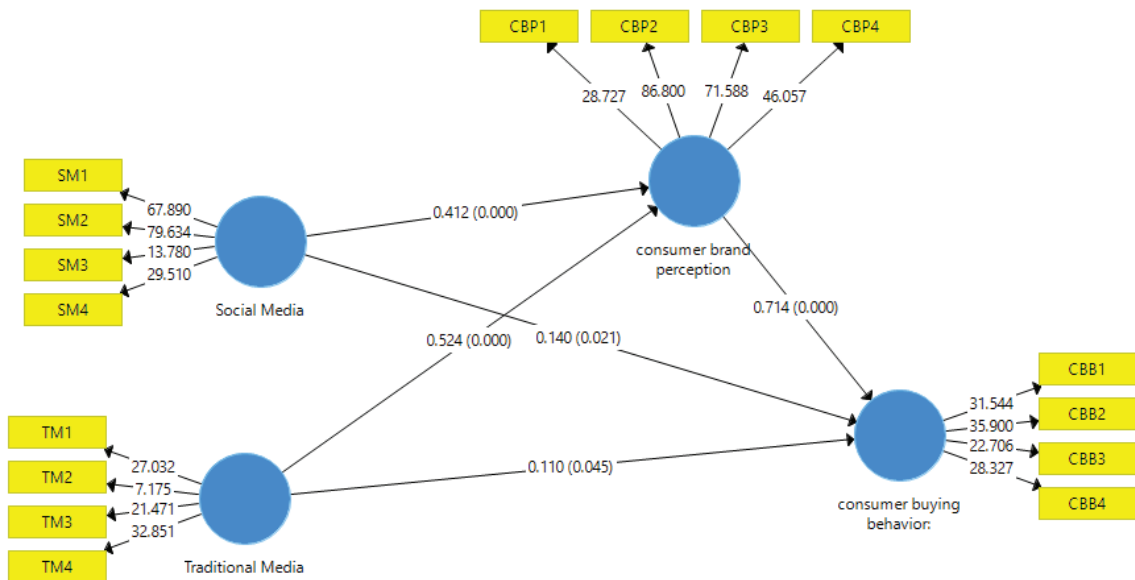


Figure 3: Structural Model

Discussion and Conclusion

Discussion

The results suggest that social media “significant effects consumer buying behavior” (H1). The result is in line with earlier studies that found that social media platforms help firms engage consumers, promoting the purchase and repurchase intentions (Coelho, Rita, & Santos, 2018). Based on empirical evidence, Chung and Kim (2020) have concluded that social media effectively increases brand perception, brand image, and buying behavior.

Our results support the hypotheses on the association between social media and consumer brand perception (H2). Extant literature suggests that many organizations now use social media to interact with consumers. The interaction promotes a sustainable relationship between the brand and consumers. Consequently, they write good reviews on the social media platform, enhancing the brand image (Putter, 2017; Shanahan, Tran, & Taylor, 2019).

Our results also suggest that traditional media positively affects consumer buying behavior and brand perception (H3 and H4). The emergence of social media has increased

its significance to change consumers buying behavior. Despite its importance, many researchers believe that traditional media is still important for changing consumers' attitudes and behavior (Jain, 2021; Cheung, Pires, & Rosenberger, 2020). An element of trust is an essential factor in communicated messages. Researchers believe that despite the popularity and usage of social media, consumers generally have more confidence in the messages communicated through traditional media (Morra et al., 2018).

The fifth hypothesis states that consumer brand perception significantly impacts consumer buying behavior, which our results support. Extant literature suggests that intangibles such as brand perception and emotional attachment have a stronger effect than tangible features. Thus, firms spend considerable resources to improve their brand image and consumer brand perception (Putter, 2017; Jain, 2021).

The results suggest that brand perception mediates social media and consumer buying behavior (H6). The study found that brand perception mediates traditional media and consumer buying behavior. Parsath and Yoganathen (2018) suggest that advertisements aligned with consumers' values promote consumer relevance and attachment. It does not matter whether the medium of advertisement is conventional or social media. Cheung, Pires, and Rosenberger (2020) suggest that the notion of credibility in traditional media has multiple dimensional effects on consumer brand perception, such as increased attractiveness, similarity, expertise, and trustworthiness.

The study found that brand perception mediates the association between traditional media and consumer buying behavior (H7). Extant literature also found that many firms use social media by offering discounts and engaging consumers in different brand activation activities. This strategy helps in improving consumer brand perception (Sreejesh et al., 2018; Bilgin, 2018). Similarly, Parsath and Yoganathen (2018) also found that consumers and brand interaction on social media enhance brand perception. Positive interaction between a brand and consumers stimulates positive buying behavior, while negative social interaction adversely affects consumers' brand perception (Fernandes & Moreira, 2019).

Conclusion

The results suggest that social media promote consumer buying behavior and consumer brand perception. The study also found that traditional media stimulates consumer buying behavior and brand perception. Furthermore, consumer brand perception stimulates (1) social media and consumer buying behavior and (2) traditional media and consumer buying behavior. Social media usage has increased significantly, but it has not decreased the importance of traditional media. The impact of traditional and

social media on consumers is not the same. It varies from one consumer to another and from one product category to another. Thus, while developing market strategies, firms should keep the target audience and product category in mind. For example, if a firm intends to market products requiring a physical demonstration, it should use television media to allow high-quality audio and video.

Consumers' expectations from social media and traditional media are different. Rajendran and Thesinghraj (2014) argue that media affects consumers differently. For example, TV can display high-quality audio-video content. Therefore, it is more suitable for products that require physical demonstration. If a firm's market strategy involves and engages consumers, it should use social media since it allows two-way communication.

Limitations and Future Research

The study has focused on the textile and apparel sector of Karachi. The reason we have targeted this sector is that it uses both traditional and social media for marketing. Future studies may select other sectors and other cities. We also recommend researchers to do a comparative study between two different product categories. For example, they may select one high involvement and one low involvement product. Cultural values are important in countries like Pakistan. We in the study have not considered the impact of social values, which future researchers can use in their studies. From the consumers' perspective, brand personification is critical, which was beyond the scope of the study. We strongly recommend others to use it in their studies. Consumers' motivational level significantly depends on their level of trust in a medium. Thus, future studies may examine the moderating effect of trust on the association between traditional and social media.

Annexure

Constructs and Items in the Questionnaire

Social Media

SM1. I have purchased the product after watching it on social media.

SM2. I got relevant information on social media.

SM3. I follow brands I recognize on social media.

SM4. Social media helps me build a perception of their brand service.

Traditional Media

TM1. Advertisement on newspaper attracts me to visit the store and buy brand.

TM2. I get sufficient information about the product on the television commercial.

TM3. The brand advertised through television commercials are trustworthy.

TM4. TV commercials are the easiest way to create spread awareness of a product.

Consumer Brand Perception

CBP1. I pay attention to advertisements and sponsored ads on different media.

CBP2. The number of likes and share on a store makes me perceive the brand.

CBP3. The number of followers makes me perceive the brand as good or bad.

CBP4. The brand content creates an image that identifies for me as a brand personality.

Consumer Buying Behavior

CBB1. Positive reviews help me in buying products.

CBB2. Discounts offered exclusively influence my buying decision.

CBB3. Constant reminders about brands through media influence my buying decision.

CBB4. Commercial feel relatable to me and influence my buying decision.

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Examining the Direct and Mediating Effect of Organizational Commitment and Work Environment in the Textile Sector of Pakistan

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Abstract

The textile industry is critical for Pakistan's economy since it significantly contributes to the country's exports. However, most textile units in Pakistan are family-owned businesses, and their operational style is old and conventional. We proposed eleven hypotheses based on the Social Learning Theory and Attraction-Selection-Attrition model, including four mediating ones. We distributed 425 pre-developed questionnaires and received 414 useable responses. We have used Smart-PLS version 3.3 for statistical analysis, including reliability, validity, and discriminant analysis. Our results support all the direct and mediating hypotheses. The results also suggest that in the case of direct hypotheses, the strongest effect was on "the association of employee empowerment and work environment ($\beta=0.523$)," and the smallest effect on the association between training and development and organizational commitment ($\beta=0.196$). For the indirect hypotheses, the effect size ranges from $\beta=0.094$ to $\beta=0.237$. This study has focused on the textile sector. There is a need for more studies in other sectors and other cities. Our approach towards the study was limited. It restricted the

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consequences of work empowerment, working environment, and training and development to organizational citizenship behavior and organizational commitment. Future studies may take a more holistic approach to analyzing the research problem.

Keywords: *Employee empowerment, training & development, organizational commitment, working environment, organizational citizenship behavior.*

Introduction

Human resource is an essential element for sustainable growth and competitive advantage of a firm. It is far more important than resources, including capital, equipment, and monetary resources (Khuong, Mai, & Phuong, 2020). Nguyen, Yandi, and Mahaputra (2020) suggest that the human resource of an organization is far beyond the headcount of employees. Gan and Yusof (2019) assert that the richness in an organizational environment gives a firm a competitive edge. Many factors contribute to the organizational environment, including employee empowerment, policies, and procedures for the growth and development of employees (Nguyen, Yandi, & Mahaputra, 2020). All these factors have a relationship with motivation, organizational commitment, and organizational citizenship behavior. Firms that manage their human resources efficiently and effectively grow steadily (Kerdpitak & Jermsittiparsert, 2020).

On the contrary, firms that cannot manage their human resources efficiently would have a short life. Even if these firms survive, they will constantly be operating under the threat of closure. Despite the importance of human resources, many firms fail to efficiently manage human resources, resulting in high turnover intentions and low organizational performance. Spanuth and Wald (2017) suggest that the antecedents to organizational commitment and organizational citizenship behavior are employee empowerment, working environment, and training and development. Extant literature suggests that these relationships are not as simple as they appear because some variables have mediating power (Prasetio, Yuniarsih, & Ahman, 2017). Thus, we have developed a conceptual framework that explores the direct relationships between the antecedents of organizational citizenship behavior and organizational commitment and the mediating roles of work environment and employee commitment. We have derived the following research questions to achieve the aim of the study.

1. What is the impact of working environment, employee empowerment, and training & development on organizational commitment and organizational citizenship behavior?
2. What is the mediating role of the working environment on (i) employee empowerment and organizational citizenship behavior (ii) employee empowerment and organizational

commitment.

3. What are the mediating role of organizational commitment on (i) employee empowerment and organizational citizenship behavior, and (ii) work empowerment and organizational citizenship behavior.

Theory and Conceptual Framework

We have extended Bandura's (1963) Social Learning Theory (SLT) and Schneider and Goldstein's (2000) attraction-selection attrition (ASA) model for developing the conceptual model. The social learning model assumes that employees in an organization learn and adapt behavior by observing other employees (Agha, Nwekpa, & Eze, 2017). Thus, based on the information available to employees, they interpret it, leading to expectation, behavior, and consequences. Employees also adopt the norms and values and may exhibit cooperative behavior (Brown & Treviño, 2006). The social learning theory also assumes that a few role models inspire many employees. Such employees emulate the attitude and behavior of their ideal models in an organization (Hsieh, Weng, & Lin, 2018)

The Attraction-Selection Attrition (ASA) model suggests that employees have a strong tendency to join a group or an organization whose characteristics and attributes align with their traits. For example, an employee with deviant behavior would prefer to join a group that has such tendencies. On the other hand, another employee who helps others would join groups with similar tendencies. Employees' stay in an organization depends on the compatibility between them and their employers'. A high variance in the norms and values of employees and employers would force the employee to find a new job (Lamm, Gordon, & Purser, 2010). An employer that does not appreciate the variance in norms and values, may coerce employees to switch to other organizations (Mensah & Bawole, 2019). Thus, the above discussion suggests that employee empowerment, work environment, commitment, training and development, and OCB are highly correlated. Based on the above theoretical discussion, we have proposed a model depicted in Figure 1 with seven direct and four mediating relationships.

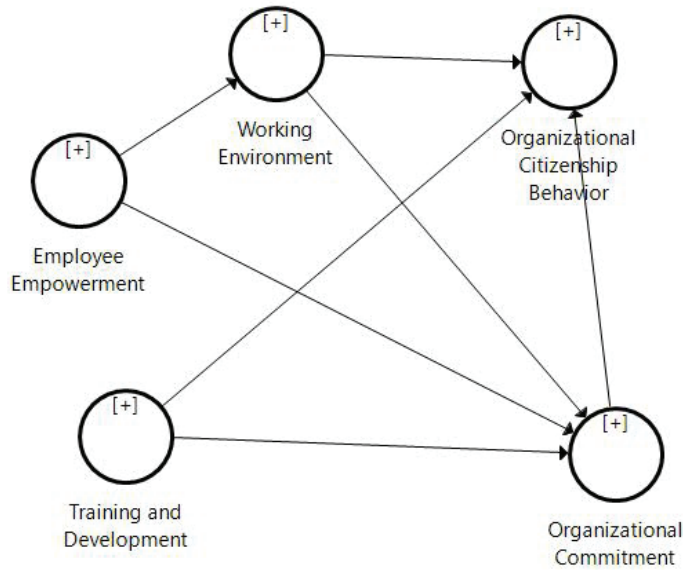


Figure 1: Conceptual Framework

Hypothesis Development

Employee Empowerment and Work Environment

Employee empowerment positively affects employees and organizations. Organizations benefit from improved performance, innovation, and quality of work (Zamanan et al., 2020). Employee empowerment improves employees' self-efficacy, motivation, and organizational identification. Consequently, it promotes a working environment where employees interact freely and learn by sharing their coworkers' experiences (Kiambati, Ngui, & Mathenge, 2018). Diab and Emam (2021) stress that employee empowerment makes employees more concerned about the organization and less about personal issues (Hashmi et al., 2021). Such attitudes and behaviors contribute to the success of organizations. Supportive management empowers employees by setting clear goals and provides all the possible resources to achieve their goals. Given the conducive environment, employees reciprocate by delivering more than their management expects (Ghanem, 2019). Such attitudes improve employees' self-concept and self-esteem.

Organizations have learned the importance of delegating decision-making to employees. Such policies not only improve work efficiency but also helps in developing future leaders (Rhee, Seog, Bozorov, & Dedahanov, 2017). A study found that employee

empowerment promotes a learning culture, leading to innovative processes and products (Jabbar & Hussin, 2018).

H1: Employee empowerment significantly affects the work environment.

Employee Empowerment and Organizational Commitment

Employee empowerment refers to delegating power and authority to employees. Employees with delegated power are more responsible and committed to the organization (Nikpour, 2018). They develop positive attitudes towards work which increases their job and organizational performance. Due to job empowerment, employees learn to make critical decisions, which helps build their confidence and self-esteem (Aggarwal, Dhaliwal, & Nobi, 2018). Bin-Jomah (2017) argues that empowerment is essential for the growth and sustainability of an organization. It motivates employees, due to which they extensively participate in decision-making. It also removes power distance between employees and management (Jafari, Ahmadi, & Norouzi-Koohdashti, 2017). Aranki, Suifan, and Sweis (2019) suggest that organizations benefit immensely by empowering employees. This empowerment increases employees' sense of ownership and value to their inputs and decisions. Many researchers believe that empowerment makes employees' the management spokesperson (Qing, Asif, Hussain, & Jameel, 2020). Many past studies have documented that employee empowerment is a precursor of employee commitment (Loke, Abu, & Lim, 2018)

H2: Employee empowerment significantly affects organizational commitment.

Training & Development and Organizational Citizenship Behavior

Training and development are vital for the success and growth of an organization. Han, Wang, and Yan (2019) assert that such programs promote organizational citizenship behavior (Ocampo, Tan & Sia, 2018). Extant studies have found that training and development practices and organizational citizenship behavior are positively associated (Miao, Humphrey, & Qian, 2018). The studies also suggest that training and development positively influence employee attitude and behaviors (Han et. al 2019). All employees do not have the same level of organizational citizenship behavior. Thus, organizations must motivate employees to demonstrate organizational citizenship behavior. For this, firms need to provide continuous counseling and training to employees (Nugroho, Widdah, & Hakim, 2020). A study on Pakistani university teachers concluded that training and development promote organizational commitment and organizational citizenship behavior (Noor, 2009).

Extant literature also suggests that training and development, directly and indirectly,

correlate with organizational citizenship behavior (Ocampo, Tan, & Sia, 2018). Ahmed (2016) in the banking sector of Sudan, found that HRM practices and training and development have a moderate effect on organizational citizenship behavior. Similarly, another study in the Malaysian telecommunication sector also concluded that training and development are essential for organizational citizenship behavior (Krishnan et al., 2017). Han et al. (2019) suggests that extensive training motivates employees to adopt organizational citizenship behavior, ultimately benefiting the organization.

H3: Training and development positively stimulate organization citizenship behavior.

Training & Development and Organizational Commitment

For sustainable growth, an organization needs highly skilled employees (Ahmad et al., 2019). Besides hiring skilled employees, firms need to impart training and development to employees continuously. Newly learned skills improve employee motivation and commitment (Bibi, Ahmad & Majid, 2018). Consequently, employees believe that employers care about them, promoting positive attitudes towards work and a sustainable relationship with employees (Jalal, Zaheer & Sultan, 2017). Many past studies have examined the association between employee's perception of training and development and organizational commitment in different sectors (Aleem & Bowra, 2020). These studies have concluded that training and development promote organizational commitment leading to low turnover intentions (Desta, 2021). Committed employees attend training programs seriously and apply learned skills to improve their performance. Most firms realize the importance of training and development; therefore, they allocate appropriate resources (Rodriguez & Walters, 2017). The business environment is dynamic and rapidly changing, requiring new skills. Firms that do not upgrade their training programs would reduce the commitment level of their employees (Ramdhani, Ramdhani & Ainissyifa, 2017).

H4: Employee training & development significantly affects organizational commitment.

Working Environment and Organizational Citizenship Behavior

The working environment in an organization includes tangibles such as buildings, work stations, offices, and intangibles such as social and cultural values. Both tangible and intangible aspects affect employee attitude and behavior (Han, Wang & Yan, 2019). A pleasant and conducive environment motivates employees to give optimum performance. On the other hand, a poor and unpleasant environment adversely affects employee attitude and behavior. It also directs them to defy established rules and regulations (Supriyanto, Ekowati, & Maghfuroh, 2020).

In the current competitive era, organizations have to increase organizational performance for survival and growth (Organ, 2018). Apart from other factors, organizations need to develop and maintain a conducive environment that motivates employees to participate in decision-making activities and voluntarily follow established rules and regulations (Chen & King, 2018). Researchers for decades have been studying the association between organizational environment, employee citizenship behavior, and organizational performance in different sectors (Meynhardt, Brieger, & Hermann, 2020). Many past studies have suggested that several industries have addressed low productivity by making changes in the tangible aspects of the working environment (Organ, 2018). For example, firms have experimented by changing illumination, temperature, and atmospheric conditions. The effect of these changes on productivity varied from one study to another. Especially after the Hawthorne studies, researchers started experimenting on the social environment and organizational citizenship behavior (Anser, Shafique, Usman, Akhtar, & Ali, 2021).

H5: Working environment positively affects organizational citizenship behavior.

Working Environment and Organizational Commitment

Successful managers create an environment where employees feel confident and competent to take delegated job assignments. Consequently, their attitude towards work improves significantly (Lee & Cho, 2018). Aybar and Marşap (2018) suggest that in a conducive working environment, managers empower their employees, due to which their engagement and commitment increase significantly. Working environment factors, including peer relationships, supervisor support, and delegated authority, are significant predictors of affective commitment (Labrague et al., 2018). Ming, Tee, and Hua (2018) argue that a conducive and motivating environment helps employees realize and utilize their capabilities. Thus, employees benefit from an environment that promotes a sense of belonging and empowers them. These benefits improve employees' motivation levels and enhance organizational commitment, leading to sustainable employee relationships (Silaban & Syah, 2018).

Similarly, Lee and Cho (2018) argue that environmental factors such as organizational support, working relationships, and employees' participation in decision-making are essential for employee commitment. Extant literature suggests that the requirements of the working environment vary from one generation to another (Massoudi, Jameel, & Ahmad, 2020). Thus, firms that have the flexibility of aligning the environment according to the generation values would have sustainable growth. When firms are concerned about employees, it enhances their attitude towards work. Employee-friendly policies and procedures are essential for commanding employees' trust and respect (Lee & Cho,

2018).

H6: Working environment positively affects organizational commitment.

Organizational Commitment and Organizational Citizenship Behavior

Organizational commitment increases the bonding between employees and employers. Djaelani, Sanusi, and Triatmanto (2021) assert that employee commitment motivates employees to engage in delegated and non-delegated jobs. Such engagement also motivates employees to follow organizational rules and regulations (Ullah, Jama, & Naeem, 2018; Nugroho, Widdah, & Hakim, 2020). Prasetyo, Yuniarsih, and Ahman (2017) suggest that high organizational commitment is necessary for the sustainability of an organization. Committed employees support the organization and prioritize organizational and personal goals (Yang & Wei, 2018). The reason for sacrificing personal goals over organizational goals is that employees believe that the growth and sustainability of the organization, in the long run, will benefit them (Wombacher & Felfe, 2017). Djaelani, Sanusi, and Triatmanto (2021) found that organizational commitment promotes behavior in an individual that exceeds formal requirements. Committed employees are highly cooperative with other team members and motivated to follow the norms and values of the organization.

H7: Organizational commitment positively stimulates organizational citizenship behavior.

Mediating Relationships

We have proposed four mediating relationships as the above discussion suggests that employee empowerment affects the work environment and organizational commitment. Further, work environment and organizational commitment affect organizational commitment and organizational citizenship behavior.

H8: Organizational commitment mediates employee empowerment and organizational citizenship behavior.

H9: Organizational commitment mediates work environment and organizational citizenship behavior

H10: Work environment mediates employee empowerment and organizational citizenship behavior.

H11: Work environment mediates employee empowerment and organizational citizenship behavior

Methodology

Population and Sampling

The study has focused on the textile sector of Pakistan, as it significantly contributes toward employment generation and GDP in Pakistan. The other reason for selecting this segment is that most textile units are family-owned and may not have adopted professional management skills. The minimum acceptable sample size for the study was calculated as 384, based on a 95% confidence level and a 5% margin of error. The authors' personally visited several textile units and distributed 425 questionnaires non-randomly. We received 414 useable responses.

Respondents Profile

The data suggests that 65% of the respondents were from the management cadre, and 35% were from the non-management cadre. Age demographics show that 25% of the respondents were in the age group of 18 to 28 years, another 25% were in the age bracket of 29 to 39 years, 22% were in the age group of 40 to 50 years, and the remaining were over 51 years old. In terms of gender, we found that 55% were females, and 45% were males. Marital status suggests that 65% of respondents were married, and 35% were single. Further, we found that 35% of the respondents income was between Rs.15,000/= to Rs.25,000/=, 30% respondents had income ranging from Rs.26,000/= to Rs.35,000/, 20% respondent income ranged from Rs.36,000/= to Rs.45, 000/=, and 15% respondents income was greater than Rs.45,000/=. The education profile shows that 35% of the respondents' education was up to matric level, 40% of the respondents had an intermediate level of education, 20% of the respondents' education level was equivalent to bachelor, and 15% had a Masters degree or higher level of education.

Scales and Measures

Employee Empowerment

Employee empowerment refers to "how organizations provide their employees with a certain degree of autonomy and control in their day-to-day activities" (Bose & Emirates, 2018). The study has taken eight items from Men (2011) to measure employee empowerment. The respondents rated the statements on a five-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree." Cronbach's Alpha values of all the items of employee empowerment are greater than 0.70.

Training and Development

Training and development refer to educational activities within or outside the company to enhance employee knowledge and skills. The training could be job-specific or soft skills (Haugen, Seiler, Sandbakk, & Tønnessen, 2019). The study has taken 12 items from Schmidt (2004) to measure training and development. The respondents rated the statements on a five-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree." Cronbach's Alpha values of all the items of training and development in the previous studies ranged from 0.75 to 0.88.

Organizational Commitment

It is the employee's psychological and non-psychological attachment with the employer. Both these factors deter employees from switching to other organizations (Karim & Noor, 2017). The study has taken six items from Allen and Meyer (1993) to measure organizational commitment. The respondents have rated the statements on a five-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree." The Cronbach's alpha values of all the items of organizational commitment are greater than 0.70. The Cronbach's alpha values in earlier studies were as high as 0.78 and as low as 0.89.

Organizational Citizenship Behavior

Organizational Citizenship Behavior (OCB) refers to the extent to which employees are willing to go beyond the formal work requirement (Choi & Ha, 2020). The study has taken five items from Podsakoff et al. (1990) to measure organizational citizenship behavior. The respondents have rated the statements on the five-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree." The Cronbach's alpha values in earlier empirical studies ranged from 0.77 to 0.86.

Working Environment

A work environment refers to an organization's tangible and intangible elements (Karim & Noor, 2017). The study has taken eight items from Akintayo (2002) to measure the work environment. The respondents have rated the statements on a five-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree." The Cronbach's alpha values of all the items in past studies are greater than 0.70.

Statistical Analysis

The study has used Smart PLS software version 3.22 to check for robustness and estimate complex models accurately and efficiently. We performed the statistical analyses in two

steps. The study estimated the measurement model in the first step, which gives the model's reliability, validity, and predictability. As the values were within the acceptable range, we estimated the structural model in the second step.

Results

Descriptive Analysis

The study initially tested for internal consistency and univariate normality of the constructs used in the study. Table 1 illustrates the summary of the results.

Table 1: Descriptive Analysis

	Cronbach's Alpha	Mean	Std. Dev	Skewness	Kurtosis
Employee Empowerment	0.893	3.882	1.100	1.119	1.314
Organizational Citizenship Behavior	0.883	3.963	0.900	-1.487	-0.987
Organizational Commitment	0.820	4.001	-1.115	-0.999	1.115
Training and Development	0.816	4.013	-0.899	1.368	1.234
Working Environment	0.860	3.705	1.459	-1.980	1.654

The results presented in Table 1 shows that the highest Cronbach's alpha value is for employee empowerment (Mean=3.882, SD=1.110, $\alpha=0.983$) and the lowest is for training and development (Mean=3.882, SD=1.110, $\alpha=0.983$), suggesting that the constructs used in the study have acceptable internal consistency (Roberts & Priest, 2006). Table 1 shows that the skewness value ranged from 0.900 to 1.459. Further, the highest Kurtosis value is 1.314, and the lowest is -0.987, suggesting that the constructs do not violate the requirements of univariate normality (Henderson, 2006).

Convergent and Discriminant Validity

The study has assessed convergent validity through the composite reliability values and average variance extracted. Moreover, the discriminant validity was assessed based on the Fornell and Larcker (1981) criteria. Table 2 illustrates the summary of the results.

Table 2: Convergent and Discriminant Validity

	Composite Reliability	AVE	EE	OCB	OC	T&D	WE
Employee Empowerment	0.921	0.701	0.837				
Org. Citizenship Behavior	0.919	0.741	0.563	0.861			
Organizational Commitment	0.893	0.736	0.498	0.626	0.858		
Training and Development	0.890	0.731	0.479	0.583	0.497	0.855	
Working Environment	0.905	0.705	0.523	0.717	0.58	0.546	0.84

The results depicted in Table 2 shows that the highest composite reliability is for employee empowerment (CR=0.921) and the lowest for training and development (CR=0.890). The average variance extracted (AVE) value ranges from 0.705 to 0.741. The AVE values are greater than 0.60, and composite reliability values are greater than 0.70, suggesting that the constructs used in the study have convergent validity (Golafshani, 2003). Similarly, we find that all Pearson correlation values are less than the square roots of AVE, suggesting the constructs are unique and distinct (Fornell & Larcker, 1981).

Confirmatory Factor Analysis

The study assessed the theoretical association of constructs and indicator variables through CFA. The summary of the results is illustrated in Table 3.

Table 3: CFA Results

	Employee Empowerment	Organizational Citizenship Behavior	Organizational Commitment	Training and Development	Working Environment
EE1	0.813				
EE2	0.808				
EE3	0.872				
EE4	0.852				
EE5	0.841				
EE8	0.844				
OCB1		0.82			
OCB2		0.857			
OCB3		0.875			
OCB4		0.889			
OCB5		0.887			
OC1			0.858		
OC2			0.880		
OC3			0.834		
OC6			0.882		
TD1				0.882	
TD3				0.802	
TD6				0.831	
TD7				0.808	
TD10				0.856	
TD12				0.799	
WE1					0.792
WE2					0.822

Table 3: CFA Results (Continued)

	Employee Empowerment	Organizational Citizenship Behavior	Organizational Commitment	Training and Development	Working Environment
WE4					0.889
WE6					0.841
WE8					.806

We have dropped the indicator variables whose loadings were less than 0.70. The retained indicator variables have factor loadings greater than 0.70, suggesting a theoretical association between the constructs and their respective indicator variables (Hurley et al., 1997).

Predictive Power of the Model

We have tested the predictive power of the model. Table 4 and Table 5 show the R-squared and Q-square values of the model, which suggests that the model has significant predictive power (Hu & Bentler, 1999).

Table 4: R-Squared Values

Variables	R Square	R Square Adjusted
Organizational Citizenship Behavior	0.609	0.600
Organizational Commitment	0.414	0.402
Working Environment	0.273	0.269

Table 5: Q-Square Value

	Org. Citizenship Behavior	Organizational Commitment	Working Environment
Employee Empowerment		0.053	0.376
Org. Commitment	0.108		
Training & Development	0.071	0.043	
Working Environment	0.302	0.136	

Fit Indices

We have tested the model fitness based on commonly used indices. The SRMR value = 0.094 < 0.10 and NFI = 0.808 > 0.80. Other fit indices (refer to Table 6) are within the limit, suggesting that the model fits adequately.

Table 6: Fit Indices

	Saturated Model	Estimated Model
SRMR	0.066	0.094 <.10 0.08
d_ULS	0.819	1.674
d_G	0.405	0.435
Chi-Square	364.535	363.241
NFI	0.807	0.808> 0.80.10

Statistical Results

The study has tested 11 hypotheses, including four mediating through bootstrapping with 5000 sub-samples. Table 7 below illustrates the summary of the results.

Table 7: Statistical Results

	β	T Stat.	P Values	Results
Direct Hypotheses				
Emp. Empowerment -> Work. Environment (H1)	0.523	7.568	0.000	Accepted
Emp. Empowerment -> Org. Commitment (H2)	0.215	2.34	0.01	Accepted
Training and Dev. -> Org. Citizenship Behavior (H3)	0.206	2.686	0.004	Accepted
Training and Dev. -> Org. Commitment (H4)	0.196	2.594	0.005	Accepted
Work. Envy. -> Org. Citizenship Beh. (H5)	0.453	3.887	0.000	Accepted
Work. Env. -> Org.Com.(H6)	0.361	3.557	0.000	Accepted
Org. Commitment -> Org. Citizenship Behavior (H7)	0.261	2.224	0.013	Accepted
Indirect Hypotheses				
Emp. Emp. -> Org. Com. -> Org. Cit. Beh (H8)	0.056	1.695	0.045	Accepted
Work. Env. -> Org. Com. -> Org. Cit. Beh.(H9)	0.094	1.771	0.038	Accepted
Emp. Emp. -> work. Env. -> Org. Cit. Beh.(H10)	0.237	3.497	0	Accepted
Emp. Emp. -> Work. Env. -> Org. Com(H11)	0.189	3.029	0.001	Accepted

Our results support all the seven direct and four indirect hypotheses. The results suggest that in the case of direct hypotheses, the strongest effect was on "the association of employee empowerment and work environment ($\beta= 0.523$)", and the weakest effect on the association between training and development and organizational commitment ($\beta=0.196$). For indirect hypotheses, the effect size ranges from $\beta=0.094$ to $\beta=0.237$.

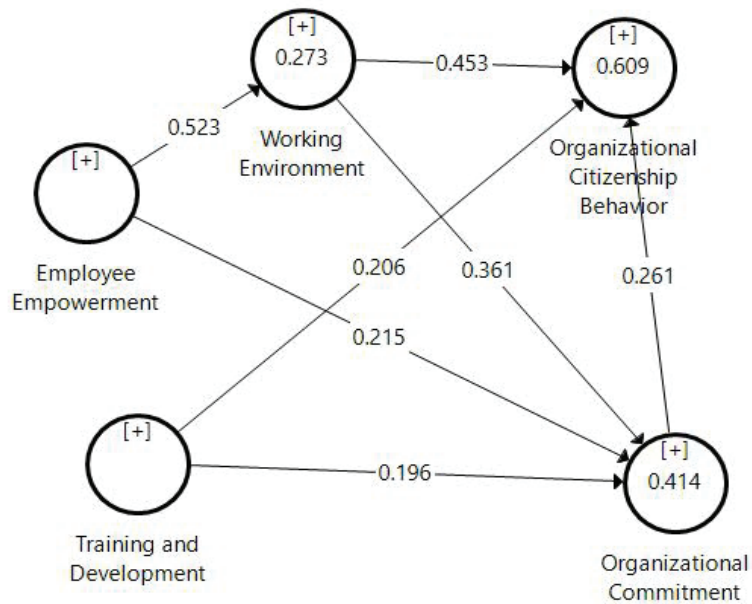


Figure 2: Measurement Model

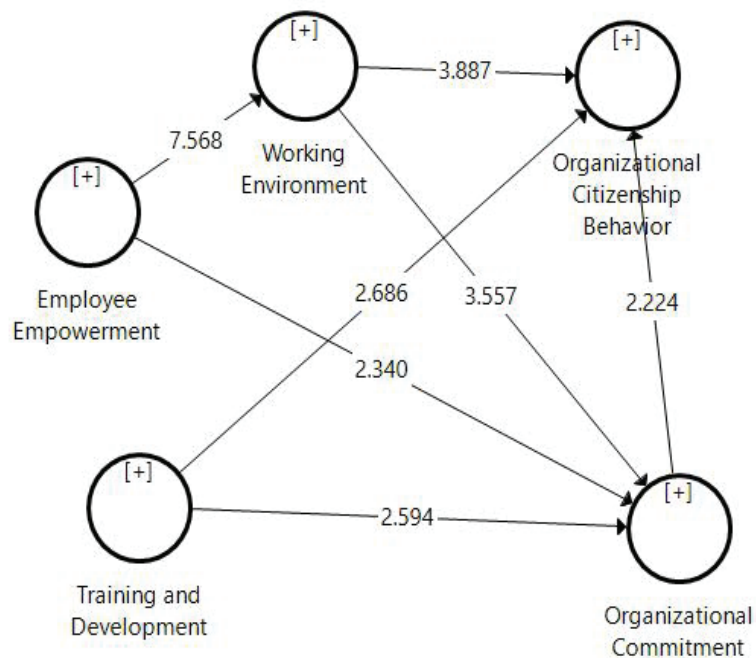


Figure 3: Structural Model

Discussion and Conclusion

Discussion

This study has extended the Social Learning Theory (SLT) and attraction-selection attrition (ASA) to examine the working environment, training, and employee empowerment in the textile sector of Pakistan. This study has discussed the empirical results with the past literature in the following sections.

Hypothesis 1 states that “employee empowerment affects the working environment,” which our results support. Employee empowerment motivates employees to actively participate in decision-making and other job-related activities (Nikpour, 2018). It enhances employee self-esteem, positively influences attitude and behavior, and enhances their job commitment. All these factors significantly contribute towards a conducive working environment (Aggarwal, Dhaliwal, & Nobi, 2018).

Hypothesis 2 postulates that “employee empowerment stimulates organizational commitment.” Our results support this hypothesis (Loke, Abu, & Lim, 2018). Empowering employees benefits both employees and employers. Employees’ sense of responsibility, attitude, and behavior increase significantly, leading towards employee commitment. At the same time, employee commitment is a precursor to sustainable growth and increased organizational performance (Qing, Asif, Hussain, & Jameel, 2020).

Hypothesis 3 proposes that “training and development stimulate organizational citizenship behavior.” The results support this hypothesis. Training and development are necessary for firms to stay competitive. Training enhances employees’ skills and improves their productivity (Han, Wang, & Yan, 2019). The extant literature has documented that training and development influences a positive work attitude and significantly improves organizational citizenship behavior (Ocampo, Tan, & Sia, 2018). Thus, firms need to impart counseling and training to employees regularly (Han et al., 2019).

Hypothesis 4 suggests that “training and development promote organizational commitment.” Based on our results, we have accepted this hypothesis. An organization’s sustainable growth requires a skilled and committed labor force (Jalal, Zaheer, & Sultan, 2017). Besides other factors, training and development are important for organizational commitment (Aleem & Bowra, 2020). The business environment is dynamic and changing rapidly, requiring new skills. Firms that do not upgrade their training programs would reduce the commitment level of their employees (Ramdhani, Ramdhani, & Ainissyifa, 2017).

Hypothesis 5 states that the “working environment stimulates citizenship behavior.” The results support this hypothesis. Extant literature suggests that an organization’s poor and unpleasant environment adversely affects employee attitude and behavior (Han, Wang, & Yan, 2019). On the contrary, firms that provide a conducive and pleasant environment enhances employees’ motivational level. Employees in such firms have high self-esteem and voluntarily follow established rules and regulations (Supriyanto, Ekowati, & Maghfuroh, 2020).

Hypothesis 6 postulates that the “working environment promotes organizational commitment.” Based on the empirical results, we have accepted this hypothesis. An environment where employees feel comfortable positively affects their attitudes and behavior (Lee & Cho, 2018). Extant literature suggests that environmental factors, including peer relation, supervisor support, and delegated authority, are significant predictors of affective commitment (Ming, Tee, & Hua, 2018).

Hypothesis 7 suggests that “organizational commitment promotes organizational citizenship behavior.” Organizational commitment is necessary for employees’ positive attitude, behavior, and organizational citizenship behavior (Yang & Wei, 2018). Committed employees support organizational goals and often sacrifice their personal goals. They believe that organizational success would benefit them (Djaelani, Sanusi, & Triatmanto, 2021).

Mediating Hypothesis

Our results support the following four mediating hypotheses. Organizational commitment mediates (i) employee empowerment and organizational citizenship behavior and (ii) work environment and organizational citizenship behavior. Also, we found that the work environment mediates (iii) employee empowerment and organizational citizenship behavior and (iv) employee empowerment and organizational commitment.

Conclusion

The textile industry in Pakistan is critical for Pakistan since it significantly contributes towards the economy. However, most textile units in Pakistan are family-owned businesses, and their operational style is old and conventional. We have extended Social Learning Theory and Attraction-Selection-Attrition model and proposed eleven hypotheses. Our results support all the hypotheses. Also, the results have revalidated the hypotheses proposed in earlier studies.

The study found that employee empowerment significantly affects the working environment and organizational citizenship behavior. The study also validated the

association of training and development on organization citizenship behavior and organizational commitment. We also found that the work environment stimulates organizational citizenship behavior and organizational commitment. Furthermore, organizational commitment affects organizational citizenship behavior. The study has also tested for mediating relationships and accepted them. The results suggest that organizational commitment motivates (i) employee empowerment and organizational citizenship and (ii) work environment and organizational citizenship behavior. The results also suggest that the work environment mediates (iii) employee empowerment and organizational commitment.

Limitations and Future Research

This study has focused on the textile sector. There is a need for more studies in other sectors and other cities. The scope of the study was limited. It analyzed the consequences of work empowerment, working environment, and training and development on organizational citizenship behavior and organizational commitment. Thus, we advise future researchers to use more variables, including turnover intentions and work-family conflict. A country like Pakistan, due to ethnicity and rich culture, would also affect the organizational environment. We strongly recommend others to explore these aspects.

Annexure

Constructs and Items Used in the Questionnaire

Employee Empowerment

EE1. I am self-assured about my capabilities to perform my work activities.

EE2. I feel competent to perform the tasks required for my position.

EE3. I am confident about my ability to do my job.

EE4. I feel adequately prepared to perform my job.

EE5. My manager trusts me to make the appropriate decisions in my job.

EE6. I have significant autonomy in determining how I do my job.

EE7. I have considerable opportunity for independence and freedom in how I do my job.

EE8. I have the authority to make the decisions that need to be made to perform my job well.

Training and development

Satisfaction with training

TD1. Training meets employees' needs.

TD2. Amount of training is satisfactory.

TD3. Ability to use training content on job.

TD4. Training applicability to job.

Employee feelings about training

TD5. Seeks out learning opportunities.

TD6. Views job training as continuous endeavor.

TD7. Proactive in seeking ways to improve.

TD8. Learning goals established for present and future positions.

Organizational support for training

TD9. Learning is planned and purposeful.

TD10. Department provides training opportunities.

TD11. Interest in personal and professional development.

TD12. Training is encouraged and rewarded.

Organizational commitment

OC1. Right now, staying with the organization is a matter of necessity as much as desire.

OC2. Even if it were to my advantage, I do not feel it would be right to leave my organization.

OC3. I would feel guilty if I feel my organization.

OC4. This organization deserve my loyalty.

OC5. I would not leave the organization right now because I have a sense of obligation to the people in it.

OC6. I owe great deal to my organization.

Organizational Citizenship Behavior

OCB1. I help others who have a heavy workload.

OCB2. I believe in working honestly for my organization.

OCB3. I avoid creating problems for coworkers.

OCB4. I attend meetings that are not mandatory but are considered important.

OCB5. I obey company rules and regulations at all times.

Work Environment

WE1. The supervisor provides me with sufficient information related to work.

WE2. The supervisor has reasonable expectations of work.

WE3. Immediate supervisors' trust in fellow coworkers.

WE4. Responsibility of immediate supervisors toward employees.

WE5. Training helped in the advancement of my career.

WE6. Training helped to improve work efficiency.

WE7. The career advancement opportunities or your competence in general.

WE8. Communication between the immediate supervisor and employees.

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An Investigation of the Relationship between Organizational Justice, Job Autonomy, Workplace Trust and Psychological Ownership: The Role of Ethical Leadership

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Abstract

This study investigates the effect of “organizational justice, job autonomy, organizational trust, and ethical leadership” on psychological ownership. It also examines the moderating role of ethical leadership on psychological ownership. The study used a survey method to obtain the data from the respondents of the banking sector. Our results support six direct and one moderating relationship. The study suggests that organizational, distributive, interpersonal, and informal justice do not affect psychological ownership. At the same time, we found that job autonomy, workplace trust, trust in co-workers, trust in organizations, trust in immediate manager, and ethical leadership affects psychological ownership. The study also found that ethical leadership moderates organizational justice and psychological ownership. But psychological ownership does not moderate (1) job autonomy and psychological leadership, and (2) workplace trust and psychological ownership.

Keywords: *Organizational justice, job autonomy, workplace trust, ethical leadership style, psychological ownership.*

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Introduction

The extant literature has documented that “organizational ownership” influences individual attitude and behavior. Whitfield, Pendleton, Sengupta, and Huxley (2017) also argue that employees, investors, and management who believe in organizational ownership tend to have high involvement in the organization. Past studies have examined the association between employees’ tangible ownership (shareholding) and their behavior. In contrast, this paper is related to psychological ownership. Psychological ownership refers to individuals’ possessive feelings about an object or entity. Individuals refer to such entities or objects as ‘Mine’ or ‘Ours’ (Imamoglu, Ince, Turkcan, & Atakay, 2019). Individuals usually establish intimate relationships with the objects they find in their surroundings. To establish an intimate relationship, it is not necessary to legally or physically own an object. Many individuals develop an intimate relationship with the object, whether it is legal or abstract ownership. Abstract ownership refers to psychological ownership, personal attachment, perceived psychological closeness, and attachment (Baxter, Aurisicchio, & Childs, 2015; Silitonga et al., 2020). Psychological ownership from the organizational context satisfies three basic human needs: ‘home’, efficacy, and self-identity. Moreover, employees feel psychological ownership when they associate their needs with the organization and consider them as ‘theirs’. They create a positive or negative judgment about the job (Weiss & Russell, 1996).

It is also important to study justice perception developed by individuals because of its strong personal influence and impact on organizational outcomes (Akram, Lei, Haider, & Hussain, 2020). Justice is necessary for the smooth functioning of organizations. Employees’ perceptions about organizational justice promote job satisfaction and sustainable relationship between organizations and employees. Organizational justice and psychological ownership are correlated because they significantly affect self-perception. However, very few researchers have examined the relationship between these two constructs (Atalay & Ozler, 2013). Many past studies have documented that psychological ownership enhances employee productivity and organizational growth (Silitonga et al., 2020). Baxter et al. (2015) argue that literature subtly supports the association between psychological ownership and organizational performance, but they also believe no empirical studies support this association. Also, we found very little empirical on the antecedents of psychological ownership and organizations.

The prevailing competitive environment has forced organizations to enhance productivity and organizational performance (Farid, Iqbal, Ma, Castro-González, Khattak, & Khan, 2019). Thus, many firms use psychological ownership to increase employee attitude towards work and productivity (Baxter et al., 2015). Organizational productivity significantly depends on employee motivation and turnover intentions.

Thus, organizations focus on enhancing motivation and reducing turnover intentions by creating an environment that promotes psychological ownership (Atalay & Ozler, 2013). This study investigates the effect of organizational justice, job autonomy, workplace trust, and ethical leadership on psychological ownership. It also examines the moderating roles of ethical leaders.

Literature Review

The concept of organizational justice or fairness in the organization has emerged from the social-psychological literature. Researchers suggest that organizational justice can lead to favorable outcomes like positive attitude and behavior by the employees, which is beneficial for the organization itself (Rupp, Shapiro, Folger, Skarlicki, & Shao, 2017). Justice refers to stakeholder perception in dealing with them fairly (Wu & Wang, 2008). Employees tend to have a positive attitude towards procedures and practices that they believe are fair and significantly influence work-related outcomes (Karam, Hu, Davison, Juravich, Nahrgang, Humphrey, & Scott- DeRue, 2019). Extant literature has divided organizational justice into three categories which are (i) procedural justice, (ii) distributive justice, and (iii) interactional justice. These types of organizational justice have different types of impact on work-related outcomes (Atalay & Ozler, 2013; Cohen-Charach, & Spector, 2001). Psychological ownership refers to employees' emotional attachment with several items of an organization (Pierce, Kostova, & Dirks, 2003). Employees protect organizational tangibles because of this possessive state of mind (Atalay & Ozler, 2013). Thus, this mindset promotes psychological ownership, leading to responsible behavior (Kaarsemaker & Poutsma, 2006).

Hypothesis Development

Organizational Justice and Psychological Ownership

Employees expect fair treatment in an organization. Extant literature suggests firms that treat their employees fairly are attractive to new employees, build a sustainable relationship with existing ones, and promote positive feelings (Hameed, Khan, Sheikh, Islam, Rasheed, & Naeem, 2019). Organizational justice builds a sustainable relationship between an organization and employees. Employees working in such organizations appreciate and acknowledge for being treated fairly and are highly motivated. Consequently, employees become more responsible and start caring for the organization, promoting psychological ownership (Ali, 2021; Butt & Atif, 2015). Many past studies found a positive association between organizational justice and psychological ownership (Ladan, Nordin, & Belal, 2017a). Hameed et al. (2019) found that when employees psychologically own an organization, they often spend personal resources (time and energy) to achieve organizational goals (Atalay & Ozler,

2013; Gomam, Vem, & Panshak, 2017; Ladan, Nordin, & Belal, 2017b). Organizational ownership, both legal or psychological, creates self-identity, leading towards increased organizational performance and a sustainable relationship between employees and employers (Ghani et al., 2020).

H1: Organizational justice has a significant effect on psychological ownership.

Procedural Justice and Psychological Ownership

Initially, researchers on organizational justice have focussed on fairness in the procedures and their outcomes (Cohen-Charach & Spector, 2001). However, subsequent research suggests that employee perception about fairness in the procedures is also important (Ghani et al., 2020). Ladan, Nordin, and Belal (2017b) argue that procedural justice refers to employees' perception of the procedures and rules that control employees' dealing process. Important aspects of procedural justice are the impartiality of the process and the creditability of decision-makers.

H1a: Procedural justice has a significant effect on psychological ownership

Distributive Justice and Psychological Ownership

The concept of distributive justice entails fair distribution of resources and outcomes. Employees assess distributive justice by comparing their inputs (i.e., experience and educational qualifications) with their output (i.e., salary and compensation) (Ghani et al., 2020). Employees also compare their inputs and outputs with other employees within and outside the organization. If they find their input and output ratios comparable, they would have faith in the distributive justice system of the organization (Butt & Atif, 2015).

Because distributive justice deals with the perceived fairness of outcomes, it strongly impacts organizational outcomes. Distributive justice can impact employees' cognitive and affective behavior and organizational outcomes (Cohen-Charach & Spector, 2001). Employees' perception of distributive justice affects their emotions (anger, happiness, pride, or guilt). If they find it unfair, it adversely affects their attitude towards work, reducing efficiency and organizational performance (Ghani et al., 2020).

H1b: Distributive justice has a significant effect on psychological ownership.

Informational Justice and Psychological Ownership

Interactional justice is an extension of procedural justice (Cohen-Charach & Spector, 2001). The first dimension of interactional justice is interpersonal justice, which relates to treating employees with respect and dignity. The second dimension of interactional

justice is informational justice. It conveys to the employees why the organization took a certain action and its mode for distributing rewards and resources (Butt & Atif, 2015). It also affects employees' cognitive, affective and behavioral reactions of employees. Employees' perception of unfairness in interactional justice promotes negative attitudes towards management and organizations.. In procedural injustice, an employee might develop a negative feeling towards the supervisor or manager, but not about the overall organization (Hameed et al. 2019; Cohen-Charach & Spector, 2001).

H1c: Informational justice has a significant effect on psychological ownership.

Job Autonomy and Psychological Ownership

Job autonomy occurs when employees have the options and liberty to design and adopt the methods to complete their tasks (Kim & Beehr, 2017). Job autonomy gives employees the freedom to select job-related assignments, build their team and modes of operation within the prescribed scope of work (Curcuruto & Griffin, 2018). Extant literature suggests that job autonomy promotes employees and organizational outcomes (Liu, Chow, Zhang, & Huang, 2019). Since autonomy gives employees freedom and independence, they are less frustrated and more productive at work (Xiong, So, Wu, & King, 2019).

Job autonomy reflects the degree of freedom, independence, and discretion provided to the employees to perform their duties. It also gives liberty to the employees to select whatever procedure they want to employ for completing their tasks (Curcuruto & Griffin, 2018; Xiong, So, Wu, & King, 2019; Hackman & Oldham, 1975). A higher autonomy increases organizational motivation and promotes psychological ownership, resulting in sustainable growth (Dawkins, Tian, Newman, & Martin, 2017). Extant literature suggests a positive association between job autonomy and employee motivation. Job autonomy makes employees more responsible and reduces undue stress leading to psychological ownership (Kim & Beehr, 2017; Sargih, 2015).

Job design characteristics, including significance, job autonomy, job feedback, and job identity, enhances employees' motivational levels. Job autonomy gives confidence to employees, and they feel they can make a significant contribution. It also makes employees highly responsible and promotes attachment (Curcuruto & Griffin, 2018). The organizational attachment has positive consequences, including a low turnover ratio and a positive attitude towards work.

H2: Job autonomy has a significant effect on psychological ownership.

Workplace Trust and Psychological Ownership

Management trust enhances employee performance and progressive behavior (Curcuruto & Griffin, 2018). It acts as a catalyst in related organizational outcomes and fosters and nourishes social systems and integrative mechanisms, leading to efficiency and organizational effectiveness (Hameed et al., 2019; Ladan, Nordin, & Belal, 2017b). Extant literature suggests a positive association between social interaction and trust. It gives employees the confidence to make decisions without fear (Lee, Yang, & Koo, 2019).

Workplace trust is a crucial element that enhances psychological ownership among employees and promotes a positive attitude resulting in effective outcomes (Avey et al., 2012). Workplace trust creates an environment in which employees trust each other leading towards psychological ownership. This trusted environment contributes positively to teamwork, job satisfaction, employee commitment, better communication, motivation, and psychological ownership (Olckers & Enslin, 2016). The workplace environment fosters a sense of organizational commitment and belongingness, promoting a culture of psychological ownership. Since workplace trust is part of the workplace environment, it positively influences psychological ownership (Pierce & Dyne, 2004). Extant literature also suggests that workplace trust influences perceived psychological ownership and employee turnover intentions (Olckers & Enslin, 2016).

H3: Workplace trust has a significant effect on psychological ownership.

Trust in Organization

Individuals feel proud to be associated with the organization they have faith in (Esterhuizen & Martins, 2008; Ozyilmaz, Erdogan, & Karaeminogullari, 2018). Researchers argue that a trustworthy environment in an organization positively affects employee optimism and security. Thus, trust affects job satisfaction and enhances organizational outcomes (Werbel & Henriques, 2009; Ozturk & Karatepe, 2019). Trust between co-workers and leaders negatively affects employees' intentions to quit. Trust promotes teamwork, social interaction, job satisfaction, and organizational commitment (Cho & Song, 2017). Due to mutual trust, employees consider themselves part of a team, due to which they work collectively to solve problems and achieve difficult goals (Fretwell, Osgood, O'Toole, & Tsouroufli, 2018).

Trust between management and employees enhances productivity in individuals, groups, and organizations (Dirks & Ferrin, 2002). Managers should promote a culture of trust in an organization, as it helps productivity, enhances motivation, and increases organizational performance (Ozturk & Karatepe, 2019). However, trust is important in all organizations, its significance increases in organizations where the job requires

supportive and shared working. A positive correlation exists between trust in immediate supervisors and employee behavior (Peng & Kim, 2020).

H3a: Trust in the organization has a significant effect on psychological ownership.

H3b: Trust in co-workers has a significant effect on psychological ownership.

H3c: Trust in immediate supervisor has a significant effect on psychological ownership.

Role of Ethical Leadership

Ethical leadership is critical for maintaining organizational standards and achieving organizational goals (Kim & Beehr, 2017). Ladan, Nordin, and Belal (2017a) suggest that ethical leadership aligns motivation and results. An ethical leader enhances employee satisfaction, improves the leader-member relationship, due to which employees put extra efforts into achieving organizational goals (Yoo, Sanders, & Cerveney, 2018). Ethical leaders also promote a culture of trust and confidence, due to which employees feel comfortable reporting problems to the management (Qing, Asif, Hussain, & Jameel, 2020). Ethical leaders also promote psychological ownership, which is necessary for motivation and organizational performance (Ko, Ma, Bartnik, Haney, & Kang, 2018). Ethical leaders' personal and professional conduct is exemplary, motivating employees to follow the same behavior, resulting in a culture of ethical values.

Peng and Kim (2020) argue that ethical leaders influence the norms and behavior of their followers, as ethical leaders stress the three core values associated with psychological ownership. These core values are belongingness, equity, and accountability (Dust et al., 2018). Ethical leaders promote belongingness by promoting an environment of belongingness among employees. Qing, Asif, Hussain, and Jameel (2020) believe that ethical leaders pay more attention to employees by listening to them and giving them a voice in their organization. This behavior stimulates a sense of belonging, a core component of psychological ownership (Brown et al., 2005; Avey et al., 2012). The second core value is "equity." Ethical leaders create "equity" by being fair in delegating duties and giving rewards to employees. This aspect promotes psychological ownership as employees believe that the leader is responsible for protecting and nurturing them. It is argued that the "equity" aspect creates a strong attachment with the follower (Pierce & Dyne, 2004; Peng & Kim, 2020). The third core value of psychological ownership is "accountability."

Ethical leaders are more likely to promote accountability among followers and are more likely to take strict actions against violators. According to the social learning

theory, employees learn accountability based on direct and indirect organizational experiences (Qing, Asif, Hussain, & Jameel, 2020). Direct learning occurs when an ethical leader punishes an employee for violating ethical values. Indirect learning occurs by observing how ethical leaders deal with violators (Brown et al., 2005). This study attempts to determine the influential impact of ethical leadership on creating psychological ownership and how it influences the relationship of job autonomy, organizational justice, and workplace trust with psychological ownership.

H4: Ethical leadership style has a significant association with psychological ownership.

H4a: Ethical leadership style moderates the relationship between job autonomy and psychological ownership.

H4b: Ethical leadership style moderates the relationship of organizational justice and psychological ownership.

H4c: Ethical leadership style moderates the relationship of workplace trust and psychological ownership.

Conceptual Framework

The study has proposed a conceptual model that has several variables. The model is illustrated in Figure 1.

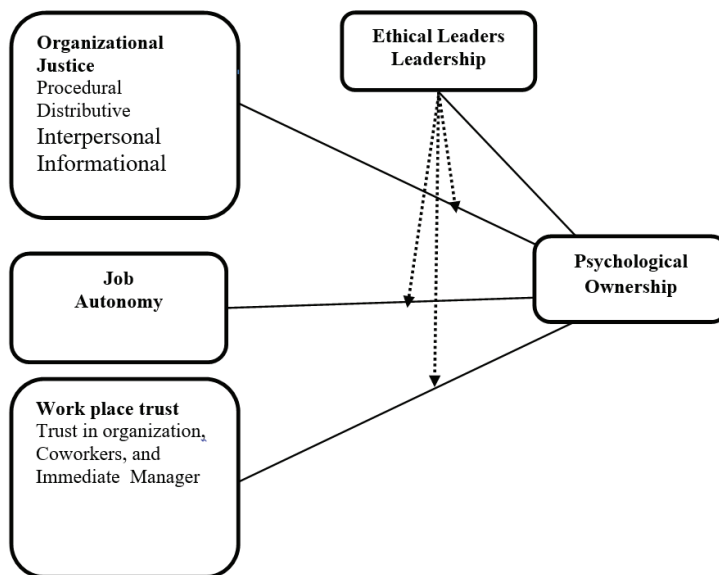


Figure 1: Conceptual Model

Research Methodology

Sample

The study aims to understand the role of organizational justice, job autonomy, and workplace trust in creating psychological ownership. It also examines the moderating roles of ethical leadership. The study has focused on the banking professionals of Karachi. The reason for selecting only one sector was that the sample characteristics would be similar, and their demographic and other characteristics would not influence our results. We distributed 520 questionnaires and received 500 filled-in questionnaires.

Respondents Profile

The respondent profile is depicted in Table 1.

Table 1: Respondent Profile

	Details	Frequency	Percent
Gender	Male Demography	402	80.4 %
	Female	98	19.6 %
Age Groups	1 - 24 years	146	29.2 %
	25 - 35 years	296	59.2 %
	Over 35 years	58	11.6 %
Work Experience	1 - 11 months	80	16 %
	1 year - 3 years	148	29.6 %
	4 years - 7 years	130	26 %
	8 years - 10 years	78	15.6 %
	Over 10 years	64	12.8 %
Education	Intermediate	0	0 %
	Bachelor	245	49 %
	Masters	255	51 %
Job Level	Top	16	3.2 %
	Middle	152	30.4 %
	Junior	332	66.4 %
	Total	500	100 %

In Table 1, the results indicate that males constitute 80.4 % and females 19.6% of the sample. For age, three categories were defined (1-24, 25-35 & more than 35 years). The results for age are as follows, i.e., 1-24 years (29.2%), 25-35 years (59.2%), and more than 35 years (11.6%). For experience, five categories were defined (1-11 months, 1-3 years, 4-7 years, 8-10 years, and more than 10 years). The results for experience are as follows i.e. 1-11 months (16%), 1-3 years (29.6%), 4-7 years (26%), 8-10 years (15.6%) and more than

10 years (12.8%). For education, three categories were defined (Intermediate, Bachelor, and Masters). The results for education are as follows, i.e., intermediate (0%), bachelor (49%), and Masters's (51%). For job level, three categories were defined (Top, Middle, and Junior). The results for job level are as follows, i.e., top (3.2%), middle (30.4%), and junior (66.4%).

Instrument

Psychological Ownership (PO) was measured from the instrument of Pierce and Dyne (2004) having 7 items with reliability ($\alpha = .875$; CR=0.907). Ethical leadership was measured from the instrument of Brown et al. (2005) having 10 items with reliability ($\alpha = 0.908$; CR = 0.924). Job autonomy (JA) was measured through the instrument of the Job Diagnostic Survey (Hackman & Oldham, 1975) having 5 items with reliability ($\alpha = 0.849$; CR = 0.892). Work place trust (WPT) was measured through the instrument of Ferres (2002) having 32 items in three sub scales (a) trust of the supervisor (9 items) with reliability ($\alpha = 0.902$; CR = 0.920), (b) trust of co-workers (12 items) with reliability ($\alpha = 0.929$; CR = 0.940), and (c) trust of the organization (11 items) with reliability ($\alpha = 0.908$; CR = 0.923). Organizational Justice (OJ) was measured from the instrument of Colquitt (2001) having 20 items in four sub scales (a) procedural justice (7 items) with reliability ($\alpha = 0.887$; CR = 0.912), (b) distributive justice (4 items) with reliability ($\alpha = 0.813$; CR = 0.878), (c) interpersonal justice (4 items) with reliability ($\alpha = 0.863$; CR = 0.907) and (d) informational justice (5 items) with reliability ($\alpha = 0.867$; CR = 0.905).

Statistical Analysis

We have used Smart PLS Version 3.3 for statistical analyses inclusive of reliability, confirmatory, and factor. We also generated measurement and structural models. Reliability analysis helps to find the consistency of the data. The measurement model helps find the model's predictive power, and the structural model helps identify the impact of different variables on the dependent variable.

Results

Measurement Model

Besides approximating path models with latent variables using the PLS-SEM algorithm, the software calculates standard results assessment criteria (e.g., for the reflective and formative measurement models, the structural model, and the goodness of fit). Further, it has provisions like additional statistical analyses (e.g., importance-performance map analysis). A greater than 0.6-factor loading is satisfactory and acceptable in the measurement model. Therefore, PO7 and WC23 were eliminated from analysis as their factor loadings were below 0.5, suggesting they are not associated with or connected

to the main constructs. The factor loadings, Cronbach's Alpha, composite reliability, and AVE are presented in Table 2.

Table 2: Measurement model

Constructs	Items	Factor Loadings	Cronbach's Alpha	Composite reliability	AVE
Ethical leadership (EL)	EL1	0.650	0.908	0.924	0.549
	EL2	0.725			
	EL3	0.764			
	EL4	0.754			
	EL5	0.749			
	EL6	0.771			
	EL7	0.690			
	EL8	0.791			
	EL9	0.792			
	EL10	0.711			
Job autonomy (JA)	JA1	0.813	0.849	0.892	0.623
	JA2	0.816			
	JA3	0.802			
	JA4	0.756			
	JA5	0.757			
Distributive justice (OD)	OD10	0.828	0.813	0.878	0.643
	OD11	0.713			
	OD8	0.815			
	OD9	0.845			
Informational justice (OIF)	OIF16	0.807	0.867	0.905	0.656
	OIF17	0.883			
	OIF18	0.830			
	OIF19	0.840			
	OIF20	0.674			
Interpersonal justice (OIT)	OIT12	0.865	0.863	0.907	0.711
	OIT13	0.881			
	OIT14	0.877			
	OIT15	0.742			
Procedural justice (OP)	OP1	0.664	0.887	0.912	0.598
	OP2	0.809			
	OP3	0.810			
	OP4	0.777			
	OP5	0.831			

Table 2: Measurement Model (Continued)

Constructs	Items	Factor Loadings	Cronbach's Alpha	Composite reliability	A V E
OP6	0.785				
	OP7	0.727			
Psychological ownership (PO)	PO1	0.810			
	PO2	0.860			
	PO3	0.759	0.875	0.907	0.622
	PO4	0.818			
	PO6	0.625			
Trust in Co-workers (WC)	WC14	0.748			
	WC15	0.723			
	WC16	0.769			
	WC17	0.821	0.929	0.940	0.587
	WC18	0.765			
	WC19	0.740			
	WC20	0.789			
	WC21	0.772			
	WC22	0.788			
Trust in immediate Manager (WM)	WM24	0.755			
	WM25	0.768			
	WM26	0.684			
	WM27	0.804	0.902	0.920	0.562
	WM28	0.770			
	WM29	0.809			
	WM30	0.777			
	WM31	0.689			
Trust in organization (WO)	WM32	0.676			
	WO1	0.682			
	WO10	0.718			
	WO11	0.626			
	WO2	0.724			
	WO3	0.716			
	WO4	0.731	0.908	0.923	0.522
	WO5	0.751			
	WO6	0.785			
	WO7	0.715			
	WO8	0.723			
	WO9	0.767			

In this study, the authors have examined internal consistency based on Cronbach's alpha values. A desirable value of Cronbach's alpha is 0.70 or above (Park & Chen, 2007). The results show that all the Cronbach's alpha values are greater than 0.70 suggesting a high level of consistency. Convergent validity refers to the correlation of items within a construct. According to many authors Grace, et al. (2012) and Esmaeili and Eydgahi (2014), the convergent validity depends on AVE (should be greater than 0.5) and composite reliability (should be greater than 0.70). The results suggest that AVE is greater than 0.50 and composite reliability is greater than 0.70.

Discriminant Validity

The discriminant validity analysis results are summarized in Table 3.

Table 3: Discriminant validity analysis

Variables	OD	EL	OIT	JA	OP	PO	WC	WM	WO	OIF
Distributive justice (OD)	0.802									
Ethical Leadership (EL)	0.602	0.741								
Interpersonal justice (OIT)	0.635	0.572	0.843							
Job autonomy (JA)	0.587	0.517	0.582	0.789						
Procedural justice (OP)	0.675	0.642	0.628	0.652	0.774					
Psychological Ownership (PO)	0.490	0.527	0.373	0.463	0.368	0.788				
Trust in Co-workers (WC)	0.433	0.606	0.556	0.538	0.543	0.360	0.766			
Trust in Organization (WO)	0.597	0.629	0.516	0.566	0.629	0.579	0.609	0.723		
Trust in immediate Mgr.(WM)	0.591	0.695	0.640	0.613	0.632	0.443	0.700	0.625	0.750	
Informational justice (OIF)	0.728	0.661	0.761	0.580	0.728	0.429	0.558	0.618	0.620	0.810

DeVellis (2011) states that discriminant validity is established when the variables are not correlated and different. It means that the items of the same construct should be highly correlated but should be less correlated with the items of another construct. For this study, the SmartPLS path modeling technique has been utilized for testing discriminant validity. The results show that AVE square values are greater than the Pearson correlation values, suggesting that the constructs are unique and distinct.

Model Fit Criteria

The coefficient of determination (R^2) for the Psychological Ownership (PO) variable is 0.355. Besides assessing the magnitude of the R^2 values as a measure of predictive accuracy, the study has also assessed Stone-Geisser's (1974) Q^2 value which is 0.20, suggesting that the model has adequate predictive power.

SEM Results

The generated results related to the proposed hypothesis are presented in Table 4.

Table 4: SEM Results

	Beta	T-stat	P-values	Results
Direct Relationship				
Org. justice > Psy. Ownership (H1)	-0.015	0.202	0.840	Insignificant
Distributive justice > Psychological Ownership (H1a_	-0.003	0.204	0.839	Insignificant
Interpersonal justice > Psychological Ownership(H1b)	-0.003	0.201	0.841	Insignificant
Procedural justice > Psychological Ownership(H1c)	-0.005	0.203	0.840	Insignificant
Informational justice > Psychological Ownership (H1d)	-0.004	0.202	0.840	Insignificant
Job autonomy > Psychological Ownership (H2)	0.154	2.901	0.004	Significant
Workplace trust > Psychological Ownership (H3)	0.174	2.394	0.017	Significant
Trust in Co-workers > Psychological Ownership (H3a)	0.071	2.416	0.016	Significant
Trust in Organization > Psychological Ownership (H3c)	0.068	2.369	0.018	Significant
Trust in Immediate .Mgr. > Psychological Ownership(H3c)	0.060	2.420	0.016	Significant
Ethical Leadership > Psychological Ownership (H4)	0.327	4.159	0.000	Significant
Moderating Relationship				
Job Autonomy> Ethical Leadership> Psy. ownership (H4a)-0.136		1.503	0.134	Insignificant
Org. justice> Eth. Leadership> Psy. Ownership (H4b)	0.151	2.174	0.030	Significant
Workplace trust> Eth. Leadership> Psy. Ownership (H4c)	-0.076	0.537	0.591	Insignificant

The results show that of the 11 direct hypotheses, our results support only six relationships. Similarly, of the three moderating hypotheses, our results support only two relationships.

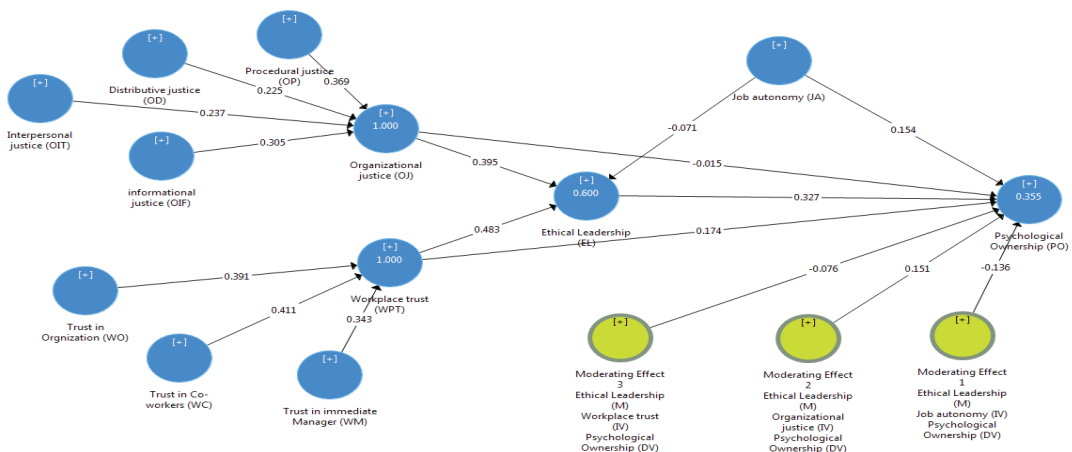


Figure 2: Path Coefficients

Conclusion

Sense of ownership significantly affects employee attitude and behavior. Given its significance, the study has examined the impact of organizational justice, job autonomy, organizational trust, and ethical leadership on psychological ownership. The study has focused on the banking sector of Karachi. We have proposed 14 hypotheses, including 11 direct and three moderating. Our results support six direct and one moderating relationship. The study suggests that organizational, distributive, interpersonal, and informal justice do not affect psychological ownership. At the same time, we found that job autonomy, workplace trust, trust in co-workers, trust in organizations, trust in immediate manager, and ethical leadership affects psychological ownership. The study also found that ethical leadership moderates organizational justice and psychological ownership. But psychological ownership does not moderate (1) job autonomy and psychological leadership, and (2) workplace trust and psychological ownership

Managerial Implications

Human capital is an asset that gives a competitive edge to a firm. Thus, the banking sector in Pakistan needs to revisit how they treat their human capital (Marquardt & Berger, 2003). In most organizations, resources are not utilized effectively and efficiently, which results in declining performance. Human resource management is also an important resource that firms should utilize efficiently (Satkunasingam & Ndubisi, 2006). Otherwise, firm performance may decline and may not be attractive for existing and new employees.

Organizations should focus on hiring and retaining employees who develop a psychological association with them. Employees who psychologically own an organization are more concerned about it. Such employees' attitude and behavior towards their work is positive, resulting in sustainable growth. The study found that job autonomy, workplace trust, and ethical leadership promote psychological ownership. Thus, firms should give more autonomy to their employees. Employees with job autonomy feel motivated and have less stress, due to which their performance increases significantly. Firms that invest in building a culture of trust benefit from such an environment. Employees in such organizations are not afraid of making necessary decisions that might have a little chance of adverse consequences, as the employees have confidence in the organization's management. They are fully aware that the management would support them irrespective of the consequences of their decisions. If all the major and minor decisions had to be approved by one person, the organization's efficiency would decrease significantly. Therefore, researchers believe in giving the maximum possible job autonomy. Extant literature suggests that job autonomy reduces turnover intentions, increases motivation and job satisfaction, and

promotes psychological ownership. Ethical leaders can be role models for employees and inspire them with exemplary behavior. The firm should hire and develop ethical leaders. Employees generally trust ethical leaders since they believe that such leaders will be fair in delegating job-related duties and rewarding employees.

Limitations and Further Studies

The study examines the impact of organizational justice, job level, workplace trust, and ethical leadership on psychological ownership in the banking sector of Pakistan. We advise future researchers to use other variables that impact psychological ownership. While we have used ethical leadership in our conceptual framework, other studies may use other leadership styles. The target audience for the current study was the banking sector employees of Karachi. The avenues for future research can be other cities and other sectors. Pakistan is a culturally rich country. Therefore the inclusion of cultural variables may bring an interesting dimension in future studies.

Annexure

Constructs and items used in the study

Psychological Ownership

PO1. This is MY organization.

PO2. I sense that this organization is OUR company.

PO3. I feel a very high degree of personal ownership for this organization.

PO4. I sense that this is MY company.

PO5. This is OUR company.

PO6. Most of the people that work for this organization feel as though they own the company.

PO7. It is hard for me to think about this organization as MINE.

Ethical Leadership

E1. Conducts his/her personal life in an ethical manner.

E2. Defines success not just by results but also the way that they are obtained.

E3. Listens to what employees have to say.

E4. Disciplines employees who violate ethical standards.

E5. Make fair and balanced decisions.

E6. Can be trusted.

E7. Discusses business ethics or values with employees.

E8. Sets an example of how to do things the right way in terms of ethics.

E9. Has the best interests of employees in mind.

E10. When making decisions, leader asks, "what is the right thing to do?"

Job Autonomy

JA1. I am allowed to decide how to go about getting my job done (the methods).

JA2. I am able to choose the way to go about my job (the procedures to utilize).

JA3. I am free to choose the methods to use in carrying out my work.

JA4. I have control over the scheduling of my work.

JA5. Have some control over the sequencing of my work activities (when I do what).

JA6. My job is such that can decide when to do particular work activities.

Trust for Organization

WO1. There is a widely held belief that X is moving forward for the better.

WO2. I have positive feelings about the future direction of X.

WO3. I honestly express my opinion at X with the knowledge that employee views are valued.

WO4. I think that X offers a supportive environment.

WO5. I believe that X recognizes and rewards employees' skills and abilities.

WO6. It is generally accepted that X takes care of employee interests.

WO7. I perform knowing that X will recognize my work.

WO8. I think that processes within X are fair.

WO9. Employees commonly believe that they are treated fairly at X.

WO10. I act on the basis that X follows plans with action.

WO11. I feel that information can be shared openly within X.

Trust for Manager

WM24. I feel that my manager at X listens to what I have to say.

WM25. I proceed on the basis that my manager will act in good faith.

WM26. I act on the basis that my manager displays integrity in his/her actions.

WM27. I think that my manager appreciates additional efforts I make.

WM28. I act knowing that my manager will keep his/her word.

WM29. I believe that my manager follows words through with action.

WM30. I feel that my manager is available when needed.

WM31. I feel that my manager keeps personal discussions confidential.

WM32. I feel that my manager trusts his/her employees to work without excessive supervision.

Trust in Colleagues

WC11. I feel that I can trust my co-workers to do their jobs well.

WC12. I proceed with the knowledge that my co-workers are considerate of my interests.

WC13. I believe that my co-workers support me if I have problems.

WC14. Most employees at X believe that co-workers are reliable.

WC15. I feel confident that my co-workers appreciate my good work.

WC16. I feel that my co-workers are truthful in their dealings with me.

WC17. I think that my co-workers act reliably from one moment to the next.

WC18. I will act on the foundation that my co-workers display ethical behavior.

WC19. Most employees at X believe that co-workers will be supportive if problems arise.

WC20. I believe that my co-workers give me all the information to assist me at work.

WC21. Employees at X generally feel that co-workers appreciate their quality performance.

WC22. Behave on the basis that my co-workers will not disclose personal information.

Procedural Justice

OP1. Have you been able to express your views during those procedures.

OP2. Have you influenced the (outcome) arrived by those procedures.

OP3. Have those procedures been applied consistently.

OP4. Have those procedures been free of bias.

OP5. Have those procedures been based on accurate information.

OP6. Have you been able to appeal the (outcome) arrived by those procedures.

OP7. Have those procedures upheld ethical and moral standards.

Distributive Justice

OD8. Does your outcome reflect the efforts you have put into your work.

OD9. Is your outcome appropriate for the work you have completed.

OD10. Does your outcome reflect what you have contributed to the organization.

OD11. Is your output justified given your performance.

Interpersonal Justice

OIT12. Has (he/she) treated you in a polite manner.

OIT13. Has (he/she) treated you with a dignity.

OIT14. Has (he/she) treated you with a respect.

OIT15. Has (he/she) refrained from the improper remarks or comments?

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Consequences of Exclusive Talent Management and the Mediating and Moderating Roles of Distributive Justice and Procedural Justice

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Abstract

The study examines the effect of exclusive talent management on turnover intention, employee engagement, and perceived distributive justice. Moreover, the impact of distributive justice on turnover intention and employee engagement was examined. Further, we also assess the mediating and moderating roles of distributive justice and procedural justice. The study has collected the data through a survey questionnaire from employees of private banks in Pakistan. The private bank context is suitable for the study because it is the most emerging services sector. There is a high degree of social interaction among management, peers, and customers in providing financial services. Two hundred eighty respondents provided complete responses, and hypothesis testing was analyzed using structural equation modeling with AMOS 24. We used bootstrapping method for mediation/moderation analysis. The study found that exclusive talent management simulates distributive justice, employee engagement, and turnover intention. Our results also show that distributive justice affects employee engagement and turnover intentions. We also found that distributive justice mediates employee engagement but not the turnover intention. However, we did not find any moderating role of procedural justice. This study was limited to the banking sector of Pakistan, and other studies may explore other sectors. A comparative study between service

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and manufacturing may also bring further insight into the discussed phenomenon.

Keywords: *Organization career management, succession planning, organizational justice turnover intention, private banks.*

Introduction

Organizational success in today's global business environment depends on acquisition, development, and talent retention, which is a challenging task (Marinakou & Giousmpasoglou, 2019; Narayanan, et al., 2019). Talent management is a continuous process. It includes enhancing employees' skills and productivity through motivation and incentives and attracting new employees (Younas & Bari, 2020). Since the beginning of the new millennium, talent management has received immense importance from academia and practitioners worldwide (Sheehan & Anderson, 2015; Collings & Mellahi, 2009). Talented employees have high potential, bringing long-term success (Younas & Bari, 2020). Presently, talent management is considered the core issue in management (Thunnissen et al., 2013), which deals with retaining employees, competitive edge, and organizational performance (Dries, 2013). Despite the significance of talent management in organizations, Ready et al. (2010) reported that only the top 3–5% of employees are top performers or talented employees in most organizations. Dries (2013) and Bonneton et al. (2020) highlighted various inconsistencies in the talent management literature. Among these diversions, the most argued and dominant talent management approaches were inclusive talent management and exclusive talent management. Under the inclusive perspective, organizations treat all employees as talented and give equal opportunity to all employees for growth and development (Collings et al., 2015).

On the contrary, under the "exclusive perspective," organizations identify a few highly talented employees and support them with organizational resources (Dries, 2013). O'Connor and Crowley-Henry (2019) suggest that exclusive talent management schemes allocate organizational resources and support to talented employees. Many recent studies have documented that employees do not appreciate exclusive talent management programs, affecting their attitudes and behaviors. Despite the importance of the exclusive talent management phenomenon, only a few studies have examined its impact on organizational outcomes (Bonneton et al., 2020). The extant literature also suggests that most studies on exclusive talent management are qualitative and conceptual (Bhatia & Baruah, 2020). Employees' perception of organizational justice affects their work-related outcomes. Despite its importance, a limited number of studies have used it to measure its effect on organizational outcomes (Greenberg, 1990).

Similarly, organizational justice is also related to various outcomes, including employee

engagement and turnover intention (Khan et al., 2015). While reviewing the extant literature, we only found limited studies that have used both exclusive talent management and organizational justice in their conceptual frameworks (Bhatia & Baruah, 2020; Khan et al., 2015). Thus, many researchers argue that the literature needs more studies on the "association" of exclusive talent management with related organizational outcomes in Asian countries (Gallardo-Gallardo et al., 2019). We believe that our study would be a pioneering study in Asia. It will also inspire Asian researchers to these issues. Given this background, this study will examine: (1) the impact of exclusive talent management on employees' engagement and turnover intention, (2) the mediating and moderating roles of distributive justice and international procedural justice, respectively.

Literature Review

Theoretical Exposition

The study has extended Blau's (1964) social exchange theory and Adam's (1963) equity theory for developing the conceptual framework. When an organization supports employees in their career development and rewards them fairly, they reciprocate by adopting a positive attitude and behavior towards the organization. Also, employees' perception of distributive justice positively affects their behavior and emotions (Cropanzano & Folger, 1991). Researchers based on empirical evidence have concluded that organizational justice reduces employees' turnover intention (Aghaei et al., 2012; Meisler, 2013). The equity theory (Adams, 1963) helps in understanding organizational justice and social exchange behavior. The theory assumes that employees' subjective perception of fairness affects their work-related outcomes (Hofmans, 2012; Glass & Wood, 1996).

The equity theory postulates that when employees believe that the organization treats them fairly without discrimination, they develop a positive attitude, which reduces turnover intentions. On the contrary, when employees see unfair treatment, they develop a negative attitude towards the job and organization, which reduces employee engagement (Meisler, 2013). Thus, we have proposed a new model for assessing turnover intention and employee engagement based on the social exchange theory and equity theory. The model is as shown in Figure 1, followed by theoretical support on the envisaged hypotheses.

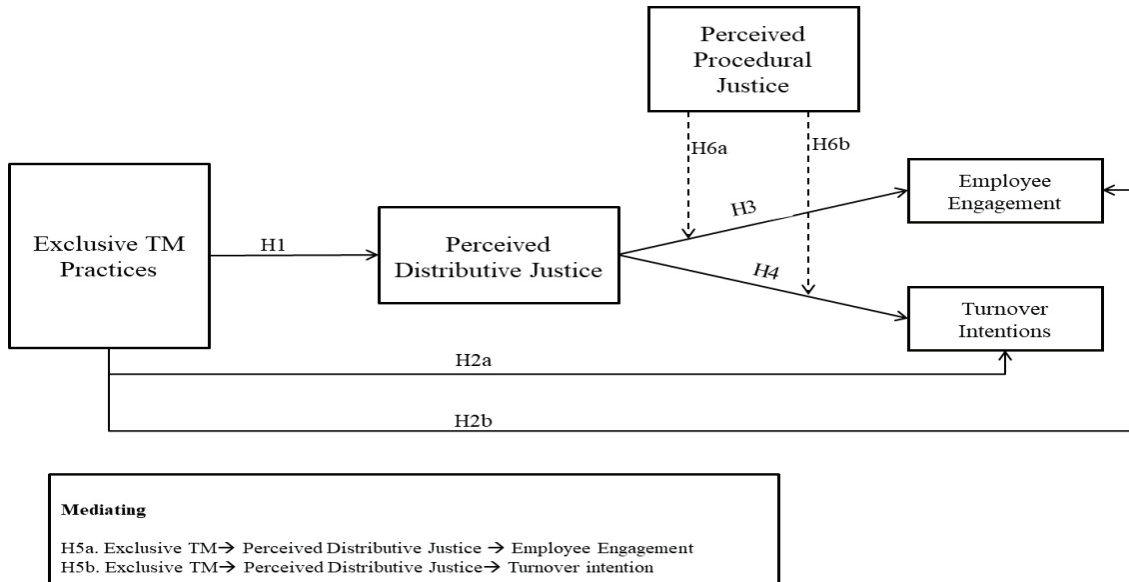


Figure 1: Conceptual Framework

Exclusive Talent Management, Employee Engagement, and Turnover Intention

Exclusive talent management calls for identifying the talented pool of employees and then supporting them with organizational resources for further grooming. Such a program enhances the commitment level of the selected employees and gives a competitive edge to a firm (Collings & Mellahi, 2009). Many past studies have documented that exclusive talent management is a significant driver of employee engagement and turnover intention. It motivates talented employees to develop a sustainable relationship with the organizations. Due to fast track growth and development, such employees tend to have a higher level of engagement (Collings et al., 2015).

Exclusive talent management positively and negatively affects organizational outcomes. For example, employees not recognized as talented under exclusive talent management would receive less organizational support, leading to low morale and high turnover intention (Lambert & Hogan, 2009). Due to the biased attitude of the management, such employees spend time in non-productive activities, which adversely affects their self-esteem and organizational performance. At the same time, with all the support, some employees become complacent, which adversely affects their work engagement and increases turnover intention.

Employee engagement is a positive outcome of talent management. Its main purpose is to identify and retain talented employees. It encourages organizational resources to nurture employees without discrimination, resulting in low turnover intention and high

organizational performance. Employee engagement motivates employees to fully utilize their emotional, cognitive, and physical energies for achieving organizational goals (Sun & Bunchapattanasakda, 2019). The social exchange theory also helps organizations understand employees' perceptions of leaders and employee engagement (Albasu & Nyameh, 2017). Chang et al. (2013) found that many empirical studies have extended the social exchange theory and found that talent management promotes talented employees and reduces turnover intentions.

H1a: Exclusive talent management positively affects employee engagement.

H1b: Exclusive talent management negatively affects turnover intentions.

Exclusive Talent Management and Distributive Justice

Extant literature suggests that many organizations use exclusive talent management for sustainable growth. In exclusive talent management, organizations spend on a selected pool of talented employees rather than spending their resources on all employees. Other employees negatively perceive distributive justice since "exclusive talent management" focuses on the selected pool of employees (Gohar & Qureshi, 2021; Goestjahjanti et al., 2020). Employees even belonging to the selected pool of talented employees may also believe that organizations are not distributing rewards and resources fairly. Employees often develop a negative perception of distributive justice as their assessment of rewards and resources are based on their subjective assessment (O'Connor & Crowley-Henry, 2019). At the same time, the perception of inequitable resource distribution affects work-related outcomes. Many past studies found that talent management is directly related to organizational justice dimensions (Sharma & Yadav, 2018). Similarly, Chandio et al. (2020) found that talent management practices influence employee performance directly and through the organizational justice system. Many researchers believe that one of the limitations of the exclusive talent management program is that it tends to ignore employees' perception of organizational justice and its effect on employee engagement (Saraih et al., 2019).

H2: ETM practices significantly affect distributive justice.

Distributive Justice and Employee Engagement

For decades researchers have been assessing the effect of distributive justice on related organizational outcomes (Sharma & Yadav, 2018). Organizational justice has three dimensions: distributive, interactional, and procedural justice, and all of them, directly and indirectly, affect employee engagement. An individual's attitude and behavior significantly depend on fairness in distributing rewards and resources to

employees. Employees' positive perception of the distributive justice system promotes employee engagement and motivation leading to low turnover intention (Wan, Zhou, Li, & Shang, 2018). Employee engagement is an important precursor to organizational success and sustainability (Chandio et al., 2020). When employees believe that an organization is fair in distributing organizational resources, it may enhance their job engagement and involvement (Wan, Zhou, Li, & Shang, 2018). Studies also document that employee engagement mediates supervisor support and turnover intention. Therefore, organizations should develop an environment that motivates supervisors to support and counsel employees and adopt distributive justice behavior. Such an environment increases organizational performance and reduces employee turnover intentions (Sharma & Yadav, 2018). Chandio et al. (2020) assert that organizational injustice adversely affects employees association and engagement.

H3: Distributive justice significantly affects employee engagement.

Distributive Justice and Turnover Intention

Organizational justice and its dimensions, directly and indirectly, affect turnover intention. Mengstie (2020) asserts that distributive justice is one of the direct predictors of turnover intention and other organizational-related outcomes. Hiring and training new employees unnecessarily drain organizational resources. Therefore, many organizations align their policies that would reduce turnover intentions (Dong et al. 2020). Studies based on empirical evidence have concluded that organizations reduce turnover intentions by increasing employee perception of distributive justice (Khalid, Rehman, & Muqadas, 2018). When employees see that organizations are fair in distributing rewards and resources, they develop a positive distributive justice perception leading to a sustainable relationship between employees and employers (Huang, Li, & Wan, 2019). Mengstie (2020) argues that employees' justice perception affects job satisfaction, trust, organizational citizenship behavior, and turnover intentions.

H4: Distributive justice significantly affects turnover intention.

The Mediating Role of Distributive Justice

Exclusive talent management is of strategic importance to separate talented and non-talented employees; their segregation and treatment significantly affect distributive justice and employee engagement (Khalid, Rehman, & Muqadas, 2018). Extant literature suggests that employees' attitude and behavior significantly affects the distributive justice system in an organization. Organizations based on distributive justice can develop a sustainable relationship with employees and nurture talented employees (Sharma & Yadav, 2018).

Wooten and Cobb (1999) stated that talent management helps employees in their career development. However, employee motivation in career development significantly depends on management's fair practices in distributing rewards and resources (Saraih et al., 2019). If the organizational talent management program is perceived as unfair by employees, the quality of social exchange between employers and employees may reduce significantly (Sharma & Yadav, 2018). Organizational justice is an important driver of organizational outcomes, including employee engagement and turnover intention (Dong et al. 2020). Positive outcomes such as job engagement and positive attitude significantly reduce turnover intention (Saraih et al., 2019). Many studies based on perceived organizational justice theory have concluded that unfair and unjust employee treatment adversely affects employees' attitude towards the job and increases turnover intention (Sharma & Yadav, 2018). The relationship between employers and employees depends on their perception of organizational justice (Masterson et al., 2000). A good relationship between an employer and employee promotes sustainable growth in an organization. Based on the above discussion, we argue that organizational justice would mediate exclusive talent management and outcomes.

H5a: Distributive justice mediates exclusive talent management practices and employee engagement.

H5b: Distributive justice mediates the relationship between talent management practices and turnover intention.

The Moderating Role of Procedural and Interactional Justice

Procedural justice relates to "fairness in allocating resources to the employees in an organization." (Walters & Bolger, 2019). A procedural justice system must display "fairness and transparency in processes and actions." Its decisions are impartial, allowing the employee to voice against unwarranted decisions and actions (Nagin & Telep, 2020). On the other hand, interactional justice is defined "as the quality of interpersonal treatment people receive when procedures are applied and distributed outcomes" (Ahmed, Eatough & Ford, 2018). Its two important components are "interpersonal justice and information justice." (Lee & Ha, 2021).

Distributive justice directly affects related organizational outcomes, including employee engagement and turnover intention (Kundu et al., 2019). Extant literature also suggests that the effect of these relationships changes with the incorporation of procedural justice (Connor & Crowley-Henry, 2017). Thus, we argue that it would have a moderating effect on employee engagement and turnover intentions.

H6a: Procedural justice moderates distributive justice and employee engagement.

H6b: Procedural justice moderates distributive justice and turnover intention.

Methodology

Sample and Respondents’ Profile

We collected the data through a questionnaire using purposive sampling. We distributed 370 and received 280 questionnaires from employees working in private banks of Pakistan. The demographic information is as follows. Age strata show 74% were male, and 26% were female. In terms of age, we found that 27% were under 30 years, 41% were between 30-40 years age group, 26% were between 41-50 years age group, and the remaining 6% were over 50. The experience data suggests that 79% had fewer than ten years of experience in the banking sector, 23% had 10-20 years of experience, and 7% have more than 25 years of job experience. The education data suggests that 26% had a Bachelor’s degree, 48% had a Master’s degree, and the remaining 26% had M.S. or MPhil. Gender profile suggests that 55% were females, and 45% were males. Of the total respondents, 65% are married, and 35% are single.

Scales and Measures

The questionnaire for the study has two parts. Part one, associated with demographics, has five items based on a nominal scale. The second part had six latent variables and 29 indicator variables, and all were measured on the “five points Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree”. We have illustrated the summary of the questionnaire containing constructs, sources, and number of items in Table 1, and the detailed questionnaire in Annexure-1.

Table 1: Scales and Measures

Constructs	Source	Items
Exclusive Talent Management	Mousa & Ayoubi (2019)	6
Employee Engagement	Schaufeli et al. (2006)	9
Turn over Intention	Moblely, Horner and Holiggswotrth (1978)	3
Procedural Justice	Niehoff and Moornan (1993)	7
Distributive Justice	Niehoff and Moornan (1993)	4

Common Method Bias

The study used procedural and statistical techniques to reduce the common method bias (CMB) (Podsakoff et al., 2012). We adapted the questionnaire with established reliability and validity. We ensured respondents’ confidentiality by not asking about their real names and other data that could lead to them. We collected the data from the respondent who voluntarily wanted to participate. The study used Harman’s single-factor statistical procedure. The analysis suggests that the total variance at a single factor was 33%, which was less than the threshold value of 50%, suggesting common method variance is not a significant issue (Chin, Thatcher, & Wright, 2012).

Results

Descriptive Statistics

The study has carried out statistical analysis to ascertain the shapes of Skewness and Kurtosis and the univariate normality of the constructs used in the study. We have depicted the summary of results in Table 2.

Table 2: Descriptive Analysis

	Mean	St. Dev.	Skewness	Kurtosis
Exclusive Talent Management	3.42	0.71	-0.42	-0.13
Interactional Justice	3.92	0.72	-1.1	0.96
Procedural Justice	3.58	0.58	-0.41	-0.73
Distributive Justice	3.12	0.84	0.14	-0.8
Employee Engagement	3.54	0.77	-0.24	-0.84
Turnover Intention	2.25	1.33	1.05	-0.54

The results indicate that Kurtosis values range from -0.13 to 0.96. It is highest for interactive justice (Mean=3.92, SD = 0.72), and the lowest for exclusive talent management (Mean=3.42, SD = 0.71). Also, the Skewness values range from 0.14 to 1.05. The highest is for turnover intention (Mean=2.25, SD = 1.33), and the lowest is for distributive justice (Mean=3.92, SD = 0.72). Thus, we have inferred that the constructs do not deviate from the requirements of univariate normality (Henderson, 2006).

Convergent and Discriminant Validity

The study has assessed convergent validity based on composite reliability and average variance extracted. And have used Fornell and Larcker (1981) criteria for assessing the uniqueness and distinctiveness of the constructs on the data set collected from Pakistan's banks. Table 3 shows the summary of results

Table 3: Convergent and Discriminant Validity

	Composite Reliability	Average Variance Extracted	ETM	PJ	DJ	WE	TI
Exclusive Talent Management	0.88	0.55	0.75				
Procedural Justice	0.89	0.59	0.23**	0.77			
Distributive Justice	0.86	0.58	0.41**	.030**	0.760		
Employee Environment	0.93	0.83	0.43**	0.45**	0.60**	0.91	
Turnover intention	0.91	0.78	-0.38**	-0.21**	-0.46**	-0.41**	0.88

The results show that the highest composite reliability is for employee engagement (CR=0.93), and the lowest is for distributive justice (CR=0.86). At the same time, the highest average variance extracted value is for the work environment (AVE= 0.83), and the lowest is for exclusive talent management (AVE=0.55), suggesting that the constructs used in the study do not deviate from the requirements of convergent validity. We also found that the average variance extracted square roots are greater than the Pearson correlation values. Thus, we have assessed that the constructs used in the study are unique and distinct.

Evaluating Measurement Model Fitness

Researchers have different opinions on reporting measurement model fit indices. However, they suggest that the study should report at least four or five indices. Thus, we have reported seven fit indices. Table 4 shows fit indices, their values, and fitness criteria

Table 4: Model Fitness Values

Model fit Indices	Measurement	Fit index criteria
Chi-Square (DF=541)	649.2	Low
CFI	0.997	>0.90
Adjusted Goodness of fit index	0.92	>0.90
Tucker Lewis coefficient	0.96	>0.90
Root means square error of approximation	0.03	< 0.08
Standard root-mean-square residual (SRMR)	0.04	<.05

The results show that all the model fitness indices are within the acceptable range, suggesting that the model fits adequately (García-Santillán, 2017).

SEM Results

The study has tested nine hypotheses, including five direct and four indirect. We have summarized the results in Table 5.

Table 5: Structural Model Assessment and Hypotheses Testing

Hypothesis	Beta	t-value	Decision
Exclusive talent mgt →(+) distributive justice (H1)	0.48**	7.53	Accepted
Exclusive talent mgt → (+) employee engagement (H2a)	0.25**	4.53	Accepted
Exclusive talent mgt → (-) turnover intentions(H2b)	-0.46**	-4.43	Accepted
Distributive justice → (+) employee engagement (H3)	0.47***	9.92	Accepted
Distributive justice → (-) turnover intentions(H4)	-0.57**	-6.45	Accepted
Mediating Relationships			
Dist. Justice* Ex.Talent Mgt. → employee Engagement (5a)	0.12	3.24	Accepted

Table 5: Structural Model Assessment and Hypotheses Testing (Continued)

Hypothesis	Beta	t-value	Decision
Dist. Justice* Ex.Talent Mgt. → Turnover Intention (5b)	-0.03	-0.58	Rejected
Moderating Relationships			
Dist. Justice* Procedural justice. → employee Engagement (6a)	0.08	1.70	Rejected
Dist. Justice* Procedural justice. → Turnover Intention (6a)	-0.01	0.28	Rejected

The results support all the five direct hypotheses. However, we did not find support for one mediating and both moderating hypotheses.

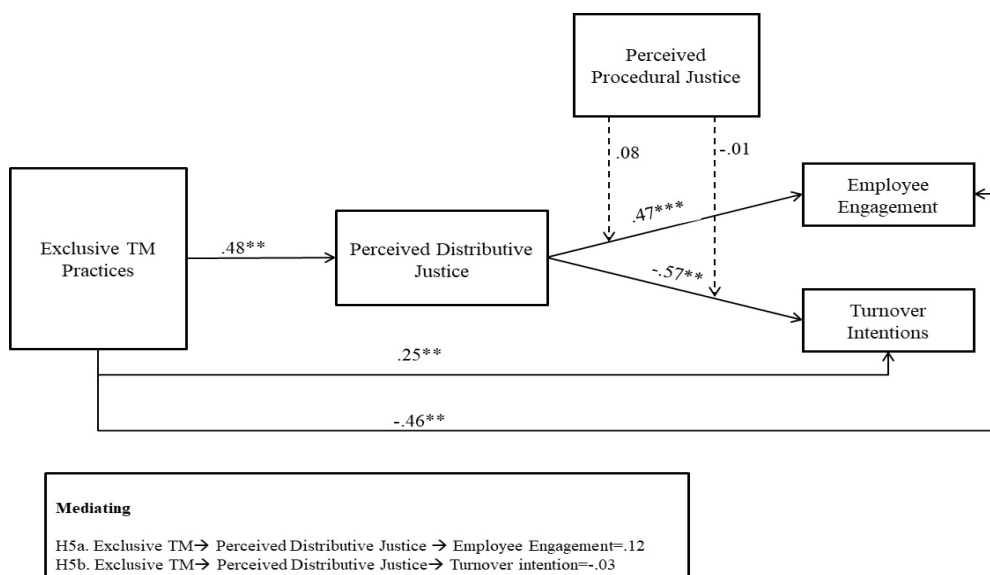


Figure 2: SEM Results

Discussion and Conclusion

The present study aimed to understand the fairness in implementing exclusive talent management practices and their outcomes. The study found that employees' perceptions towards exclusive talent management practices are not the same. It varies depending on their subjective assessments. The bulk of the employees believe that an exclusive talent management scheme promotes employee engagement and reduces turnover intentions. This finding validates the results of earlier studies (Swales, 2013; Mensah, 2019). The exclusive talent management system believes that employees are valuable assets. Therefore, it makes efforts to meet employees' needs and helps them in career development. The support employees receive from the organizations helps them build self-esteem, confidence and stimulate work engagement. Such employees often have

a positive perception of distributive justice, discouraging negative behavior, including turnover intentions (Byrne, 2005; Poon, 2012). The study also found that employee perception of distributive justice leads to engagement and reduces turnover intentions. Employees' perception of the fair distribution of rewards and resources motivates them to reciprocate with a positive attitude and behavior (Chandio et al. 2020; Abbasi & Alvi, 2012). We also found distributive justice mediates (1) exclusive talent management and employee engagement and (2) exclusive talent management and turnover intentions. Past studies have documented that distributive justice directly affects and mediates organizational outcomes, including work engagement and turnover intentions (Connor & Crowley-Henry, 2017).

Studies based on equity theory found that employees tend to restore balance in their relationships with their employers. If they believe that employers are fair with them, they will reciprocate with a positive attitude and behavior. Employees' positive attitude and behavior promotes work engagement and reduce turnover intention. However, all these relationships may change employee perception of distributive justice (Narayanan et al., 2019). We also found that procedural justice does not moderate distributive justice and organizational outcomes (employee engagement and turnover intentions). McFarlin and Sweeney's (1992) two-factor model postulates that employees' favorable organizational outcomes significantly depend on procedural justice.

Theoretical Implications

The present study has contributed to the body of knowledge by extending the social exchange theory and equity theory in understanding the effect of exclusive talent management on organizational outcomes (employee engagement and turnover intention) and the indirect effects of distributive justice and procedural justice. Extant literature suggests that a limited number of studies have examined the consequences of exclusive talent management with moderating and mediating variables (O'Connor & Crowley-Henry, 2019; Narayanan et al., 2019; Bhatia & Baruah, 2020). The study has also contributed to the body of knowledge by examining the mediating effect of distributive justice and moderating effect of procedural justice, which a few studies have used in their conceptual frameworks.

Limitations and Future Research

The study has focused on the banking sector of Pakistan. We invite others to explore the consequences of exclusive talent management in other sectors. Researchers can also compare respondents' perceptions of exclusive, non-exclusive talent management. Our study has restricted the consequence of exclusive talent management to two organizational outcomes. Future studies may consider other organizational consequences such as citizenship behavior, burnout, and affective commitment.

Constructs and Items Used in the Questionnaire

Exclusive Talent Management

ETM1. My bank includes only a few of its staff members (identified as talents) in training.

ETM2. My bank categorizes us as talents and non-talents.

ETM3. My bank offers financial and non-financial benefits to recognized talented staff.

ETM4. My bank supports only those who are identified as talented staff.

ETM5. My bank seeks to retain only those who are recognized as talented staff.

ETM6. My bank does not secure equality to all of its staff.

Employee Engagement

JE1. At my work, I feel bursting with energy.

JE2. At my job, I feel strong and vigorous.

JE3. When I get up in the morning, I feel like going to work.

JE4. I am enthusiastic about my job.

JE5. My job inspires me.

JE6. I feel happy when I am working intensely

JE7. I am proud of the work that I do

JE8. I am immersed in my work.

JE9. I get carried away when I am working.

Turnover Intention

TI1. I often think about quitting my present job

TI2. I will probably look for a new job in the next year

TI3. As soon as possible, I will leave the bank

Procedural Justice

PJ1. You have been able to express your views about the bank's employment procedures.

PJ2. You have influenced the pay/promotion derived from the procedures.

PJ3. Employment procedures are applied consistently.

PJ4. The procedures are free of bias.

PJ5. The procedures have been based on accurate information.

PJ6. You have been able to appeal against the pay/promotion drawn from the procedures.

PJ7. The procedures in your bank maintained ethical and moral standards.

Distributive Justice

DT1. Your pay/promotion reflects the effort you have put into your work.

DJ2. Your pay/promotion appropriate for the work you have assigned.

DJ3. Your pay/promotion reflects your contribution to the bank.

DJ4. Your pay/promotion justifies your performance.

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Impact of Macroeconomic and Social Factors on Gross Domestic Product: The Moderating Role of the Belt and Road Initiative

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Abstract

The primary purpose of this study is to investigate how the Belt & Road Initiative (BRI) affects the relationship between macroeconomic and social factors (i.e., foreign direct investment (FDI), lending rate, inflation, personal remittances, and secondary school education) and gross domestic product (GDP). We have collected the data from the World Bank from 1990 to 2019 (n=870, countries=23). The study has used statistical techniques such as regression analysis and hierarchical regression. The study found that macroeconomic and social factors (i.e., foreign direct investment (FDI), lending rates, inflation rates, personal remittance, and Secondary School Education) affect GDP. We also found that BRI moderates the association between macroeconomic and social factors with GDP. We have collected the data from the countries that have become the BRI partners by 2016. Future studies may consider using the data that have joined BRI after 2016.

Keywords: *Gross domestic product, foreign direct investment, lending rate, Belt and Road Initiative, personal remittances.*

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Introduction

The endogenous growth theory suggests that infrastructure development generates economic activities, creates network externalities, and improves connectivity. Consequently, it increases FDI, personal remittances, and other macroeconomic and social indicators like lending rate, inflation, and school enrollments (Maparu, & Mazumder, 2017; Bende-Nabende, 2018). Many countries have generated economic activity by spending resources on infrastructure development (Enderwick, 2018). For example, Baghdad and the United States benefited from Baghdad Railroad (Brewster) and the railroad network during American Gilded Age (Rolland, 2015; Dosi, Roventini, & Russo, 2019).

China and Pakistan have a long and sustainable relationship. Both countries take an interest in the projects beneficial to them. The BRI is one of them (Lee et al., 2018; De-Soyres, Mulabdic, Murray, Rocha, & Ruta, 2019). During a visit to Kazakhstan, the president of China presented the idea of the BRI. Subsequently, in October 2013 in Indonesia, he presented a comprehensive plan for implementing the project. The important aspects of the project were coordination in policymaking, improving connectivity, facilitating unimpeded trade, and bridging the gap between people living in different cultures (Wang et al., 2020; Saeed, Cullinane, Gekara, & Chhetri, 2021). Feng et al. (2019) and Wang et al. (2020) assert that large-scale transport and infrastructure projects strengthen connectivity, reduces trade costs, and promotes market integration (Feng et al., 2019; Wang, Lim, Zhang, Zhao, & Lee, et al., 2020; Fu, Wu, Wang & Wang, 2020).

Although many studies have examined the association between infrastructure development, economic growth, GDP, a few have examined the impact of infrastructure development on other macroeconomic variables (Pradhan, Mallik & Bagchi, 2018; Toader, Firtescu, Roman, & Anton, 2018; Cigu, Agheorghiesei, & Toader, 2019). GDP also affects FDI, lending rate, inflation, personal remittances, and secondary school enrollment. Thus, this study examines the effect of the BRI on endogenous growth of participating countries and its spillover effect on economic growth and development. To meet the objective of the study, it will address the following research questions?

1. *What is the impact of FDI, lending rate, inflation rate, personal remittance, and secondary school education on GDP?*
2. *Does BRI moderate the association of macroeconomic and social factors with GDP?*

Literature Review and Hypotheses Development

FDI and GDP

GDP represents the goods and services produced in one country. Sarkodie and Strezov (2019) assert that GDP growth is an indicator of productivity and economic efficiency. Due to the growth of globalized international markets, diverse approaches are now available for firms to invest in other countries. FDI has a sustainable impact on different aspects of an economy (Almfraji & Almsafir, 2014). The impact of FDI can be direct or indirect. Gezdim and Zortuk (2018) and Herzer (2012) suggest that FDI creates a setup that allows a firm to operate in a foreign country, accumulate capital, transfer technology, and produce goods and services.

Extant literature suggests that the association between FDI and economic growth is inconsistent. Some studies found that both are positively associated (Kalai & Zghidi 2019; Sarkodie & Strezov, 2019). At the same time, others found a negative relationship (Nyoni, 2018; Abdouli & Hammami, 2017) between FDI and economic growth. The awareness of a sustainable environment has increased globally. Thus, the impact of FDI in a host country's environment is positive if investing firms also transfer green technology with plants and machinery (Demena & Afesorgbor, 2020). Otherwise, it will adversely affect the host country's environment in the short run (Siddique, Ansar, Naeem & Yaqoob, 2017). FDI allows capital accumulation, technology transfers, improved production efficiency, and generates economic activities.

H1. FDI positively affects the GDP of a host country.

Lending Rate and GDP

Lending rates affect economic activities in a country. However, past studies found inconsistent results on the effect of lending rate and GDP. For example, Maran (2021) found a positive association between the lending rate and GDP. At the same time, others, including Huy, Loan, and Pham (2020), found an insignificant impact of lending rate on GDP. Akinwal (2018) stresses that changing lending rates may negatively or positively affect economic growth. For example, a study on a data set of 31 European countries found no causal association between public debt and growth, irrespective of debt ratio.

In contrast, Jacob et al. (2020) found no causal relationship between public debts and growth, but growth significantly affects public debt. Reducing the lending rates generates economic growth, and stringent monetary policy diminishes economic growth by maintaining relatively high lending rates in developing countries (De-Mendonça & Brito, 2021; Huy, Loan & Pham, 2020). A study in Nigeria also validated

the negative association between interest rate and investments (Maiga, 2017; Akinwale, 2018; Kummw, Taka, Guillaume, 2018).

H2: Lending rates negatively affect GDP.

Inflation and GDP

Price stability is the primary objective of central banks. It promotes a conducive investment environment and economic growth opportunities (Seleteng et al., 2013; Mishchenko, Naumenkova, Ishchenko & Ivanov, 2018). Thus policymakers can use inflation to control economic growth in an economy (Musarat, Alaloul, & Liew, 2021). Adu-Gyamfi, Nketiah, Obuobi, and Adjei (2019) suggest that slight and stable inflation generates sustainable economic growth (Vinayagathan, 2013; Thakur, 2017). Soaring inflation adversely affects the economy and increases the subsistence segment (Ndoricimpa, 2017). Economists do not have a consensus on the association between inflation and GDP. Urom et al. (2020) based on empirical evidence, concluded that once the inflation rate exceeds 10.2%, it starts affecting growth negatively. Similarly, it has been reported that when the inflation rate crosses the threshold level of 12%, it reduces the growth by 1.02% (Musarat, Alaloul, & Liew, 2021)

H3: Inflation negatively affects GDP.

Personal remittances and GDP

Cao and Kang (2020) examined the association between economic growth and personal remittances in 29 transitional economies. The study concluded that personal remittances and GDP have a significant positive relationship. Since the last 30 years, aggregate personal remittances have increased significantly (Uddin & Alam, 2021; Ceesay, Sanneh, Jawo, Jarju, & Jassey, 2019). Thus, developing countries now depend on personal remittances (Cao & Kang, 2020). Many developing countries in recent years had to face adverse balance of payment situations due to a significant reduction in personal remittances (Mekvabishvili & Atanelishvili, 2017). Countries like India give special benefits to non-resident Indians to appreciate their contribution in building and maintaining foreign exchange reserves. A developing country can only benefit with the funds remitted through documented channels (Ale, Akter, & Islam, 2018).

H4: Personal Remittances affect GDP positively and significantly.

Secondary School Enrollment and GDP

Fischer (1992) examined the association between economic instability and economic growth in sub-Saharan countries and Latin America. The study used a data set for the

period 1970-1985 and applied cross-sectional regression analysis. It found a significant association between human capital and economic growth. Based on empirical evidence, many studies concluded that secondary education, health, and education are positively associated (Arshad, Isaksen, Hansen, & Brækkan, 2017).

Ogundari & Awokuse (2018) studied economic growth and its relationship with human capital, education, and health in Sub-Saharan Africa. Many empirical studies found that an additional year of schooling increases individual income by 10%, thus enhancing the standard of living necessary for developing countries to open more schools (Resnikoff et al., 2020; Islam, Wadud, & Islam, 2007). The study used balanced panel data from 35 countries. The results reveal that human capital, health, and education have a positive and statistically significant relationship, although health is relatively more important than education. In this study, we hypothesize similarly. We have taken secondary school education as a proxy of education, reflecting the social impact of BRI. Thus, we develop the hypothesis:

H5: Secondary School enrollment affects GDP positively and significantly.

Moderating Role of the Belt & Road Initiative (BRI)

In the introduction section, we have discussed that infrastructure projects, such as roads, bridges, railroads, dams, and power plants, accelerate economic growth. Huang (2016) suggests that infrastructure projects have spillover effects on economic growth. BRI projects may affect 64% of Asia, Africa, and Europe, but it is too early to predict their impact. Yan and Enderwick (2021) suggest that BRI will change World trade patterns. It would reduce traveling costs, transactions costs, enhance efficiency and provide global trade opportunities.

Huang (2016) argues that China's economic success model philosophy states, "Looking for development, building the highways first." The BRI follows China's successful model. Although Gabusi (2017) stresses that BRI is China-driven, it will benefit other participating countries. Therefore, we propose the following hypothesis:

H6a: BRI will moderate the relationship between FDI and GDP.

H6b: BRI will moderate the relationship between LR and GDP.

H6c: BRI will moderate the relationship between inflation and GDP.

H6d: BRI will moderate the relationship between personal remittances and GDP.

H6e: BRI will moderate the relationship between secondary school education and GDP.

Conceptual Model

BRI has a variety of infrastructure development projects. It provides connectivity between Asia, Europe, and Africa, affecting 40% of the world’s population (Jia, 2019; Li, Jin, Qi, Shi, & Ng, 2018). Several past infrastructure development projects suggest that infrastructure development promotes economic growth. Similarly, experts believe that BRI would promote economic growth and cause social and cultural spillovers (Gabusi, 2017). Various economic theories, including endogenous growth theory, support this belief (Bleaney, Gemmell, & Kneller, 2001; Zhang, 2013; Donaldson, 2018; Maparu & Mazumder, 2017; Achour & Belloumi, 2016). Accessibility, ease of transportation, cost reduction, the flow of resources, technology transfer, foreign direct investment, and personal remittance are vital for the growth and sustainability of a country (Arbués, Baños, & Mayor, 2015; Lee et al., 2018).

Economic growth means growth in GDP due to foreign direct investment, low lending rate, low inflation rate, personal growth remittances, and educated and skilled labor force. Therefore, on the macro level, all these variables are influenced by the BRI and moderate the relationship between macroeconomic factors (i.e. FDI, lending rate, inflation, personal remittances, and secondary school enrollments as proxy of education) and GDP. The proposed conceptual model is shown in Figure 1.

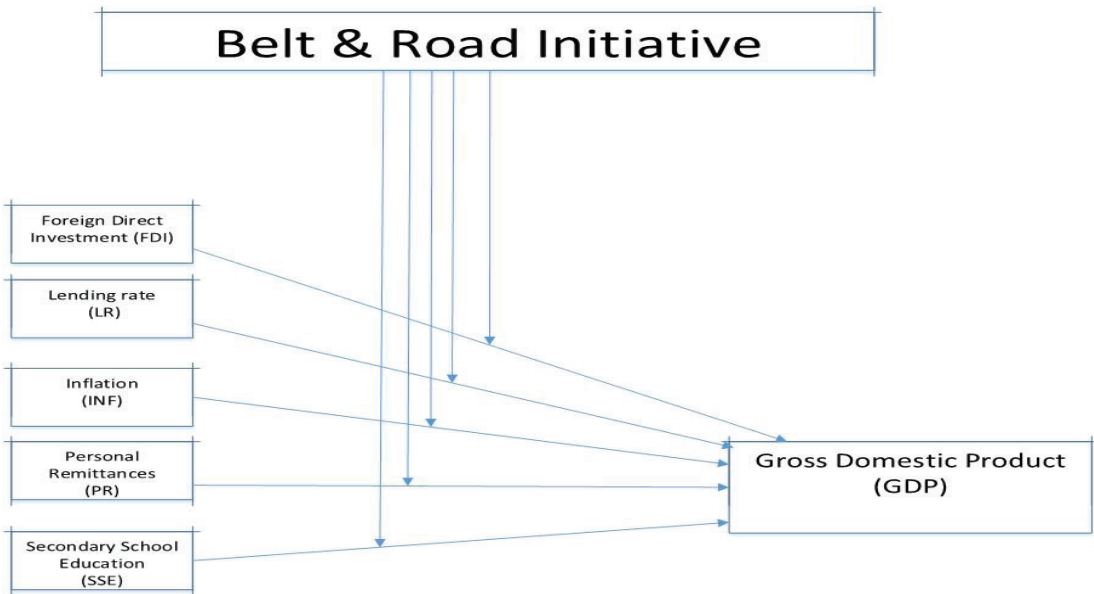


Figure 1: The Conceptual Model

Methodology

The study has used the data from 29 countries including, China, Pakistan, Malaysia, Indonesia, Thailand, Turkey, Bangladesh, Bulgaria, Chile, Costa Rica, Czech Republic, Hungary, Kenya, South Korea, Malta, Namibia, New Zealand, Nigeria, Romania, Russia, Singapore, Sri Lanka, South Africa, Poland, Kyrgyz Republic, Madagascar, Egypt, Cambodia and Magnolia which are part of the Belt & Road Initiative (BRI).

The study has collected data from the World Bank from 1990 to 2019. GDP is the dependent variable. At the same time, independent variables in the study are FDI, lending rate, inflation, personal remittances, and secondary school enrollment. The BRI was moderating variable in the study. The study has used regression and hierarchical regression for testing the direct and moderating hypotheses. Thus, the study will test the following regression equations:

$$GDP_{it} = \alpha + \beta_1 FDI_{it} + \beta_2 LR_{it} + \beta_3 INF_{it} + \beta_4 PR_{it} + \beta_5 SSE_{it} + \beta_6 BRI_{it} + \varepsilon_{it} \dots\dots\dots (1)$$

$$GDP_{it} = \alpha + \beta_1 FDI_{it} + \beta_2 LR_{it} + \beta_3 INF_{it} + \beta_4 PR_{it} + \beta_5 SSE_{it} + \beta_6 BRI_{it} + \beta_7 (FDI * BRI)_{it} + \beta_8 (LR * BRI)_{it} + \beta_9 (INF * BRI)_{it} + \beta_{10} (PR * BRI)_{it} + \beta_{11} (SSE * BRI)_{it} + \varepsilon_{it} \dots\dots\dots (2)$$

Table: 1 Measurement of Variables

Variables	Abbreviation	Measurements
Dependent Variable		
Gross domestic product	GDP	GDP (current US\$). Data is collected from the world bank database.
Independent Variables		
Foreign Direct Investment	FDI	Foreign Direct Investment (current US\$). Data is collected from the world bank database.
Lending rate the world bank database.	LR	Lending interest rate (%). Data is collected from
Inflation World Bank database	INF	Yearly inflation rate. Data is collected from
Personal Remittances	PR	Personal remittances as a percentage to GDP. Data is collected from World Bank database
Secondary School Enrollment	SSE	Gross enrollment in secondary school enrollment. Data is collected from World Bank database.

Moderator		
Belt & Road Initiative		
	BRI	1-Belt & Road Initiative period, 0- Non-Belt & Road Initiative period
Interactions		
FDI * BRI		
		Interaction of Foreign direct investment with Belt & Road Initiative
LR * BRI		
		Interaction of lending rate with Belt & Road Initiative.
INF * BRI		
		Interaction of Inflation with Belt & Road Initiative.
PR * BRI		
		Interaction of Personal remittances with Belt & Road Initiative.
SSE * BRI		
		Interaction of Secondary School Education with Belt & Road Initiative.

Results

Panel Regression Analysis

The study has used panel regression analysis. We estimated the pooled, fixed-effect, and random effect models. The Hausman test suggests that the random effect model is appropriate. The covariance between FDI and Tinflation, personal remittances and inflation; secondary school education and inflation, and secondary school education and personal remittances are insignificant.

Table 2: Panel Regression Results

	Pooled OLS		Fixed effects		Random effects	
	GDP	GDP	GDP	GDP	GDP	GDP
	(1)	(2)	(1)	(2)	(1)	(2)
Constant	-2265.3*** (0.004)	-2401.8*** (0.00015)	-4103.7*** (0.0034)	-5404.6*** (0.000)	-3558.5** (0.0108)	-4554.8*** (0.0006)
FDI	30.49303*** (0.000)	25.689*** (0.0000)	26.602*** (0.000)	20.473*** (0.000)	27.212*** (0.0000)	21.116*** (0.0000)
LR	15.41674 (0.302)	15.712 (0.3300)	19.826 (0.2031)	15.918 (0.3284)	18.557 (0.2252)	15.487 (0.3353)

INF	2.687357 (0.538)	-36.513 (0.1274)	0.8307 (0.8376)	-37.830* (0.0699)	1.1006 (0.7846)	-38.291* (0.0656)
PR	58.01751*** (0.000)	40.852*** (0.0000)	63.980*** (0.000)	39.086*** (0.0000)	63.740*** (0.0000)	40.420*** (0.0000)
SSE	16.73175* (0.057)	24.144*** (0.0033)	42.661** (0.0184)	71.763*** (0.0000)	34.992** (0.0236)	59.239*** (0.0000)
BRI	452.3494* (0.061)	-1403.6** (0.0356)	324.48 (0.1473)	-1311.0** (0.0226)	348.51 (0.1156)	-1316.9** (0.0216)
Interactions						
FDI × BRI		1161.4*** (0.0000)		1510.1*** (0.0000)		1469.4*** (0.0000)
LR × BRI		742.01* (0.0987)		435.29 (0.2635)		471.44 (0.2241)
INF × BRI		-5462.8* (0.0917)		-5068.16* (0.0702)		-5182.4* (0.0633)
PR × BRI		1144.4*** (0.0000)		882.59*** (0.0000)		903.03*** (0.0000)
SSE × BRI		939.31*** (0.0002)		578.76*** (0.0070)		620.47*** (0.0037)
F-statistics	385.10*** (0.000)	266.40*** (0.000)	101.26*** (0.000)	122.90*** (0.0000)	249.11*** (0.000)	197.67*** (0.0000)
R-squared	0.729	0.774951	0.80614	0.853461	0.63583	0.718717
Adj. R-squared	0.727789	0.772042	0.79818	0.846517	0.63330	0.715081

Hierarchical Regression

To test our proposed hypotheses, we applied hierarchical moderated regression analysis. First, we converted all independent variables and the moderating variable into standardized values to reduce multi-collinearity. Hypothesis 1 suggests that foreign direct investment (FDI) positively affects GDP. The results presented in Table 2 supports the hypothesis ($p < 0.05$). Hypothesis 2 predicts that the lending rates affect the GDP. The results presented in Table 2 do not support this hypothesis ($p > 0.05$). Hypothesis 3 postulates that inflation has a significant effect on GDP. The results suggest an insignificant effect ($p > 0.05$). Hypothesis 4 predicts that personal remittance positively affects GDP, which our results support (refer to Table 2) ($p < 0.05$). Hypothesis 5 suggests that secondary school enrollment affects GDP positively. The results support the hypothesis ($p < 0.10$).

Table 3 reports the results of hierarchical regression analysis. We found that the Belt Road Initiative (BRI) moderates FDI and GDP. The results support hypothesis 6a. Hypothesis 6b suggests that Belt Road Initiative (BRI) moderates lending rates and gross GDP, which our

results partially support. Moreover, hypothesis 6c suggests that the Belt Road Initiative (BRI) moderates inflation and GDP, which our results support. Hypothesis 6d suggests that Belt Road Initiative (BRI) moderates personal remittances and GDP, which our results support. Finally, hypothesis 6e suggests that Belt Road Initiative (BRI) moderates secondary school education and GDP.

Table 4: Hierarchal Regression

	GDP (1)	GDP (2)
Constant	-2265.393 (0.004)	-2401.825 (0.002)
FDI	30.493 (0.000)	25.690 (0.000)
LR	15.417 (.302)	15.712 (0.330)
INF	2.687 (0.538)	-36.514 (0.127)
PR	58.018 (0.000)	40.853 (0.000)
SSE	16.732 (0.058)	24.145 (0.003)
BRI	452.349 (0.062)	-1403.607 (0.036)
Interactions		
FDI × BRI		1161.487 (0.000)
LR × BRI		742.015 (0.099)
INF × BRI		-5462.822 (0.092)
PR × BRI		1144.411 (0.000)
SSE × BRI		939.316 (0.000)
	R Squared	R Squared change
Model 1	.730	.730
Model 2	.775	0.45
		F statistic
Model 1		385.110***
Model 2		34.235***

Note: ***, ** and * indicate statistical significance at the 1%, 5% and 10% levels, respectively. Moreover, p-values are in parentheses.

Discussion and Conclusion

The main objective of this study is to investigate the moderating effect of the Belt & Road Initiative (BRI) on the relationship between macroeconomic and social factors and GDP. We analyzed the data using the panel and hierarchical regression analyses. The study found that macroeconomic and social factors, i.e., lending rates, inflation rates, personal remittance, and Secondary School Education, affect GDP. We also found that the Belt Road Initiative (BRI) moderates the relationship between macroeconomics and social factors and gross domestic product (GDP). The results corroborate earlier studies (Kalai & Zghidi, 2019; Sokhanvar, 2019; Sarkodie & Strezov, 2019).

Limitations and Future Research

This study has several limitations. We have collected the data from the countries that have become the BRI partners by 2016. Future studies may consider using the data that have joined the forum after 2016. This study has examined the effect of social and macroeconomic factors on GDP and the moderating role of the BRI. Future studies may take a holistic approach using more moderating, independent, and dependent variables. BRI may have spillover effects on non-member countries, which future studies may explore.

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Impact of Brand Equity on Purchase Intentions of Customers in Insurance Industry of Pakistan

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Abstract

Insurance firms play an important role in an economy's growth and development and are key financial institutions that are critical for the success of other companies. They provide stability to both individuals and businesses by agreeing to bear the financial liability of insured parties. However, in Pakistan, the share of insurance towards GDP is significantly lower than in similar developing countries. Thus, we have developed a model that can help the insurance sector improve its image and sustainability. We collected the data from five major cities of Pakistan based on pre-developed questionnaires. The study has a useable sample size of 424. We found that Brand Attitude (BA) and Customer Satisfaction (CS) promote Brand Equity (BE) and Purchase Intention (PI). Further, BE is a determinant of PI. However, brand image has contradicting effects. On the one hand, Brand Image (BI) does not affect BE, but on the other hand, BI has a significant association with PI. The results also suggest that BI, BE, and CS mediate BA and PI. Also, BI and CS affect BE. However, BE does not mediate BI and PI, but BI mediates CS and purchase intentions.

Keywords: *Corporate social responsibility, brand image, brand attitude, customer satisfaction, word of mouth, brand equity, brand preference, purchase intentions, and insurance industry.*

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Introduction

Since the inception of the brand equity (BE) concept, many researchers have extensively used it in different domains (Keller, Apéria, & Georgeson, 2008). Chow, Ling, Yen, and Hwang (2017) suggest that BE is an effective framework for understanding the possible consequences of multiple brand strategies. BE has a customer and firm-based perspective (Datta, Ailawadi, Van-Heerde, 2017). The customer perspective focuses on the “consumer mindset, which includes structures such as attitude, awareness, associations, attachments, and loyalties” (Keller & Lehmann, 2003). Simultaneously, the firm-based perspective stresses “employing product-market outcomes such as price premium, market share, relative price, and financial-market outcomes such as brand purchase price and subsidized cash flow of licenses and royalties” (Liu, Wong, Tseng, Chang & Phau, 2017).

Given the prevailing competitive environment, firms and companies spend considerable resources on BI and BE. They understand that a strong BI is necessary for sustainable growth, product differentiation, and competitive advantage (Sinclair & Keller, 2017). Many researchers suggest there is more need for studies on BE in developing countries, especially in the domains of insurance (Hosseini & Moezzi, 2015; Theurer, Tumasjan, Welpé, & Lievens, 2018). Similarly, others recommend more studies on the customer-based BE model in different domains and societies (Chatzipanagiotou, Christodoulides, & Veloutsou, 2019; Machado et al., 2019; Algharabat, Rana, Alalwan, Baabdullah, & Gupta, 2020). Such new studies may bring further insight into the association between customer-based BE and PI. This study has responded to the calls of earlier studies and has examined Pakistani insurance consumers’ attitudes and behavior towards insurance products. It specifically identifies the impact of BI, BA, BE, BI, and CS.

Insurance Industry

Insurance firms play an important role in an economy’s growth and development. Insurance has two purposes (Waseem-Ul-Hameed, Ali, Nadeem, & Amjad, 2017). First, insurance functions as an economic instrument that is critical to the success of other companies. Insurance gives stability to individuals and businesses by agreeing to bear the financial liability of the insured parties. Second, insurance accumulates assets in the economy, community, and privately held sectors as a financial entity. Khan et al. (2018) suggest that insurance educates and inspires people to save for the future. Wang, Asghar, Zaidi, Nawaz, Wang, Zhao, and Xu (2020) suggest that insurance, apart from its traditional role, can significantly contribute to the fight against underdevelopment, insecurity, illness, illiteracy, unemployment, negative trade balances, and other economic features prevalent in underdeveloped countries. Similarly, Hussein (2019) also suggests that the insurance industry plays an important role in economic and social development.

Pakistan is reshaping the economy to face the demands of the global marketplace. The government has implemented several reforms to promote and consolidate Pakistan's status as an emerging regional market. As a consequence of the reforms, the financial industry has been deregulated and liberalized (Takaful, 2019). Consumers' perception of insurance products in Pakistan is low. Therefore, the insurance sectors' contribution towards GDP is 0.9%. However, other regional countries' insurance sectors' contribution to GDP is 2.2%. At the same time, the global average is 6.6%. The major reason for the low insurance ratio in Pakistan is the poor service and bottlenecks in the claim process (Pasha, Hamid, & Shahzad, 2017). The insurance sector in Pakistan offers two types of insurance, i.e., life and general insurance. Life insurance focuses on life and health. On the other hand, general insurance mostly covers motor vehicles, homes, travel, and phone (Ahmed, Arshad, Mahmood, & Akhtar, 2019).

Literature Review & Hypothesis Development

Brand Attitude (BA) and Brand Image (BI)

Consumers develop an attitude towards a brand as they have limited cognitive processing capability. Zhang, Li, Ye, Qin, and Zhong (2020) suggest that consumers' attitude towards a brand enhances its image (Kim, Jang, & Kim, 2021). An attitude represents an effect on an object. The BE model examines the effect of attitudes on market share. The study found that "the market share of two-third of surveyed brands increased" due to consumers' positive attitude (Baldinger, Rubinson, 1996).

Brand strength refers to the characteristics of a brand, due to which consumers develop a positive attitude towards it, leading towards enhanced BI and loyalty. BA comprises three components which are cognitive, affective, and conative. All three individually and collectively affect BI (Byun, 2020). Lin, Lin, and Wang (2021) and others suggest that BA is a pre-defined aspect of brand evaluation. This pre-defined evaluation enhances BI and customer loyalty (Zhang, Zheng, & Zhang, 2020). Marketers use the brand association as a tool for product differentiation and stimulating positive feelings towards a brand. Favorable attitudes towards a brand motivate consumers to develop loyalty and sustainable relationship. Extant literature has documented that attitude towards a brand directly correlates with their behavioral intentions (Yodpram & Intalar, 2020; Liu, Dzyabura, & Mizik, 2020).

H1: BA positively affects BI.

Brand Attitude (BA) and Brand Equity (BE)

BA is a key term in customer behavior (Arghashi, Bozbay, & Karami, 2021). Sadrabadi,

Saraji, and MonshiZadeh (2018) have referred to BA as “a relatively long-lasting, one-dimensional overview appraisal of a brand that presumably energizes behavior.” Customers with a positive BA are more inclined to pay a higher price for it (Agmeka, Wathoni, & Santoso, 2019; Paul & Bhakar, 2018; Aaker, 1992). Many researchers suggest that BA is a precursor to a firm’s BE and sustainable growth (Ramesh, Saha, Goswami & Dahiya, 2019; Sadrabadi, Saraji, & MonshiZadeh, 2018). BA reflects a brand’s likeability and how favorably a consumer perceives it (Kim, Jang, & Kim, 2021). Agmeka, Wathoni, and Santoso (2019) argue that consumers’ behavior towards a brand depends on their attitude. If they have a positive attitude towards a brand, their attitude towards BE would also be positive. On the other hand, a negative attitude towards a brand would adversely affect BE. Extant literature also supports the correlation between BA and BE (Arghashi, Bozbay, & Karami, 2021; Sadrabadi, Saraji, & MonshiZadeh, 2018). Hedonic behaviors (e.g., enthusiasm, delight, and enjoyment) are considered important for promoting BE and purchase intentions (Liao et al., 2017; Sadrabadi, Saraji, & MonshiZadeh, 2018). Given the importance of emotions, many brands use emotional appeal in their advertising strategies.

H2: BA positively affects BE.

Brand Attitude (BA) and Customer Satisfaction (CS)

BA and CS are distinct constructs. However, both of them have a causal relationship. BA enhances CS, and CS positively impacts BA (Oliver, 1980; Lee, Han, Radic & Tariq, 2020; Rivera, Bigne, & Curras-Perez, 2019). Hwang and Mattila (2019) suggest that CS is consumption-specific, and it is transitory. On the other hand, BA is relatively enduring. Consumers with a strong BA may ignore random bad experiences and hence may not complain. Oliver (1980) found that satisfaction significantly depends on consumers’ past experience and may influence consumers’ post-purchase attitudes. However, attitude towards a brand or product is not dependent on experience. Advertisements, BI, and corporate image are precursors of attitude (Byun, 2020; Augusto & Torres, 2018). Past studies have documented that BA has a direct and indirect association with customer satisfaction. For example, researchers have found that BI and corporate image mediate CS (Ko, & Chiu, 2008, Bozbay Karami & Arghashi, 2018; Evardsson & Gustavsson, 2013).

H3: BA positively affects CS.

Brand Image (BI) and Brand Equity (BE)

Many researchers believe that BI is an integral part of BE, while others think BI and BE are distinct constructs, but the former is a precursor of the latter (Keller & Brexendorf, 2019). Liu (2020) stresses that high equity brands appear to have a more favorable brand

association (BI) than low equity brands. Marques, da-Silva, Davcik, and Faria (2020) also report that premium rates and higher BE attribute to higher product quality and image. Similarly, Sürücü, Öztürk, Okumus, and Bilgihan (2019) observed that “positive BI” affects BE “positively,” while negative BI affects BE “negatively.” Consumers’ evaluation and decision-making process to buy a brand significantly depend on BI. Thus, a brand with a strong image and equity reduces consumers’ search in the purchasing process (Tran, Nguyen, Do & Nguyen, 2020; Erkan, Gokerik, & Acikgoz, 2019; Han, 2017). Brand association depends on marketing mix strategies. At the same time, the brand association is a significant determinant of BI and BE (Keller & Brexendorf, 2019). Thus, one can infer that marketing mix strategies (i.e., product, price, promotion, and place) mediate brand association and BE. Strong and favorable BE also allows marketers to differentiate their brands from competitors leading towards increased market share and sustainable growth (Iglesias, Markovic, Singh, & Sierra, 2019; Alam & Khan, 2019).

H4: BI and BE are positively associated.

Brand Equity (BE) and Purchase Intentions (PI)

BE refers to the premium value it generates for its brands. A firm can create BE by delivering valuable, memorable, and recognizable propositions for its target audience (Sanny, Arina Maulidya, & Pertiwi, 2020). Premium brands command consumers’ PI and promote sustainable relationships with customers. Sawaftah, Calicioglu, & Awadallah (2020) suggest that consumers do not hesitate to pay a premium price for brands with high equity. On the contrary, consumers do not pay premium prices for low BE (Kim & Park, 2013). PI depends on attitude towards products and services. At the same time, BA affects PI and BE (Kim, Chun, & Ko, 2017; Kala & Chaube, 2018). Consumers are risk avoiders, generally. While buying products and services, they spend considerable time reducing the risks associated with their purchases. Thus, a few customers collect information from the internet and other available sources (Agmeka, Wathoni, & Santoso, 2019).

In comparison, others make their purchase decisions on the experience of their friends, peers, and families (Hien, Phuong, Tran, & Thang, 2020). In addition, many researchers suggest that consumers have a perception that purchasing brands with strong equity would reduce the risk associated with buying. Therefore, they have a high inclination towards the brand with strong BE than brands with weak BE (Hermanda, Sumarwan, & Tinaprillia, 2019).

H5: BE and PI are positively associated.

Customer Satisfaction (CS) and Brand Equity (BE)

Researchers have discussed CS from different perspectives (Dimitriadis, 2006). However, most researchers agree on the definition derived from expectancy disconfirmation theory (McQuitty et al., 2000). The theory presumes that CS is the difference between customer expectation and the perceived performance of a brand (Oliver, 1999). Extant literature acknowledges that CS, directly and indirectly, affects sustainability, competitiveness, and BE. The service industry, including insurance companies' growth, image, and equity, significantly depend on CS. With the growth and development of the service sector, researchers have revisited and redefined satisfaction from the customer's perspective (Aaker, 1992). Mc-Kenna (1991) suggests that the service sector should pay less attention to advising and promotional strategies and more to building infrastructure that helps firms developing products and services aligned with customers' needs and wants. These efforts may enhance CS and positively affect BE (González-Mansilla, Berenguer-Contrí, & Serra-Cantallops, 2019).

CS directly and through other marketing-related variables affects CS (Ailawadi et al., 2003). Nassar (2017) and Blackston (2000) suggest that market-oriented firms focus on CS to stimulate a positive attitude towards a brand and motivate consumers to pay premium prices. These factors positively affect CS and BE (Iglesias, Markovic, & Rialp, 2019; Kala & Chaube, 2018). Many past studies found a positive association between CS and elements of BE, while others found a correlation between satisfaction and overall BE (Tran, Vo, & Dinh, 2020; Zameer, Wang, Yasmeen, & Ahmed, 2019).

H6: CS and BE are positively associated.

Customer Satisfaction (CS) and Purchase Intentions (PI)

CS depends on customer value, which determines loyalty, retention, and PI (Dash, Kiefer, & Paul, 2021). At the same time, extant literature also suggests that customers' perceived value also affects PI (Hermenda, Sumarwan, & Tinaprillia, 2019). Given the importance of CS, most businesses ensure that their customers are fully satisfied with their goods and services as they promote PI. Peng and Basit (2018) stress that CS directly affects the PI and indirectly affects corporate profits, market share, and sustainability (Hossain & Zhou, 2018).

Satisfaction is an ongoing process that can change from time to time (Watanabe, Torres, & Alfnito, 2019). Many organizations tend to increase automation to improve efficiency. However, it reduces human interaction with customers. Human interaction is necessary for increasing customer satisfaction (Moslehpour, Wong, Lin, & Nguyen, 2018). Past studies have also stressed that automation, on the one hand, enhances efficiency and

reduces CS. Besides satisfaction, past studies have widely studied CS and PI together since PI is a significant predictor of actual behavior. Jauhari, Kusumawati, and Nuralam (2019) suggest that PI mediates customer satisfaction and actual buying behavior. While studying the association between CS, marketers should also measure the percentage of PI that translates into actual buying behavior (Hossain & Zhou, 2018). In most cases, a higher percentage of PI converts into actual behavior, but there are exceptions. For example, in green marketing and high involvement products, the conversion ratio between PI and actual behavior is low (Peng & Basit, 2018).

H7: CS and PI are positively associated.

Brand Image (BI) and Purchase Intentions (PI)

Besides communicating the value proposition, brands have brand personality, commonly known as brand personification (Agmeka, Wathoni, & Santoso, 2019). Consumers find that alignment between their personality and BI motivates them to buy. BI reduces a brand's search cost and motivates consumers to purchase brands with a strong image. BI also helps firms to communicate their value proposition to the target market (Kala & Chaubey, 2018). For example, BI is associated with upward stretched products (allied) while others with lower stretched products (economic and low cost) (Han, 2017). Thus, consumers of the lower-income strata know which brands are more appropriate for their needs and wants.

Similarly, consumers in the upper strata know which brand is good for them. BI strongly affects PI and does not frequently change (Martín-Consuegra, Faraoni, Díaz, & Ranfagni, 2018). Thus, a brand with an image of being an economical brand targeted to lower-income should not target upper-income strata. If a firm wants to target upper-income strata with the same brand, it will be advisable to launch the brand with a new brand name (Temaja & Yasa, 2019).

H8: BI and PI are positively associated.

Mediating Relationships

We have proposed eight mediating relationships in the study. The rationale for articulating the mediating relationship is the above discussions suggesting that each proposed mediating relationship's independent variable affects the mediating variable and impacts the dependent variable.

H9: BI mediates the association between BA and PI.

H10: BI mediates the association between BA and BE

H11: CS mediates the association between BA and BE

H12: BE mediates the association between BI and PI

H13: BE mediates the association between BA and PI

H14: BE mediates the association between CS and PI

H15: CS mediates the association between brand attitude and PI

Conceptual Framework

Based on the preceding discussion, we establish a conceptual framework that includes several direct and indirect relationships. Figure 1 illustrates the conceptual framework of the study.

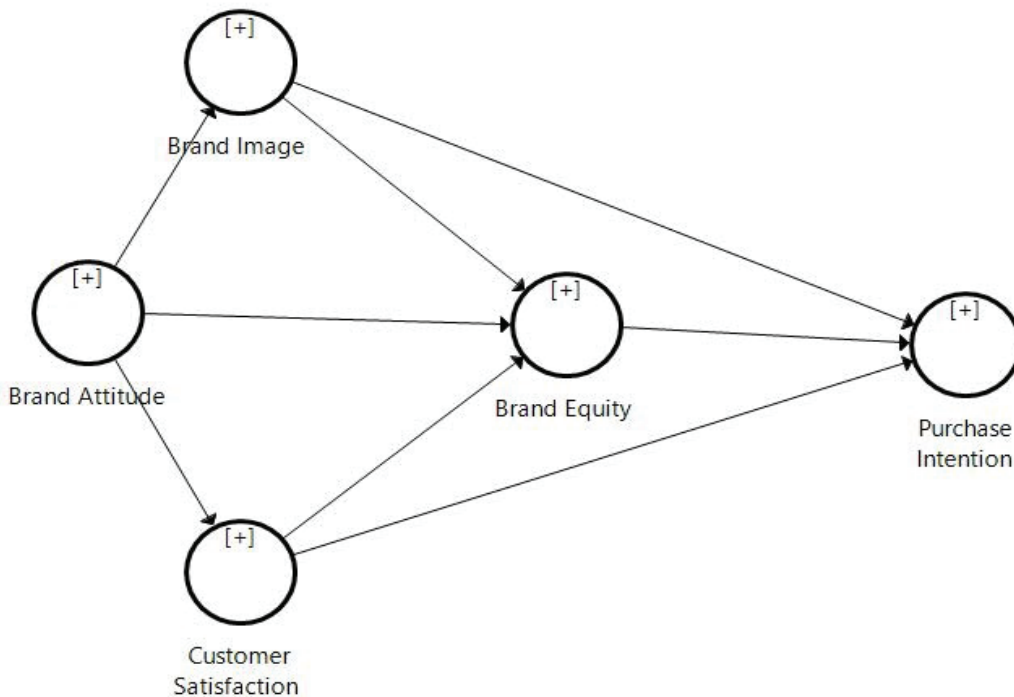


Figure 1: Conceptual Framework

Methodology

Data Collection Procedure

The study examines the effects of BI, BA, and CS on BE and PI. It also measures the mediating role of BE, BI, and CS. The study focused on the current insurance policyholders for data collection. Since the sampling frame was unavailable, the study used a non-probability sampling technique. We outsourced the data collection part to a local professional research firm. The enumerators distributed 500 questionnaires and received 424 useable responses.

Respondents Profile

The respondents comprise of insurance policyholders from Pakistan's metropolitan cities, i.e. Karachi, Lahore, Quetta, Islamabad, and Peshawar. 72% of the respondents were males and 28% were females. Age stratification shows that 21% of the respondents were in the age group of 24-29 years, 29% in the age group of 30-35 years, 30% in the age group of 36-40 years, and the remaining 20% were over 40 years. Concerning income, 48% of the respondents were in the income group of Rs. 50,000 to 75,000, 30% were in the income group of Rs. 76,000 to 100,000, 20% were in the income group of Rs. 101,000 to 125,000, and the remaining 2% were in the income group above Rs. 125,000. In terms of education, we found that 3% of the respondents had only matric level education; 17% had intermediate education; 57% had bachelor degrees, and the remaining 23% had master degrees or higher qualifications.

Measurement of Constructs

The survey questionnaire used in the study has two parts. The first part includes demographic-related questions, and the second part includes questions on five constructs adapted from the previous literature. The study measured BI through five items adapted from Low and Lamb (2000), BA has five items adapted from Spears and Singh (2004), customer satisfaction has three items adapted from Hellier et al. (2003), BE has five items adapted from Foroudi et al. (2018), and PI has five items adapted from Foroudi et al. (2018). All the variables were measured on a five-point Likert scale, where one represents highly disagree, and five represents highly agree.

Data Analysis

The study has used Smart PLS software for preliminary analysis and analytical testing of the proposed hypotheses using the Partial Least Squares-Structural Equation Modeling method (PLS-SEM). For estimating complex statistical relationships between latent variables, Hair et al. (2012) and other researchers believe that the PLS-SEM method is superior to the CB-SEM approach.

Results

Descriptive Statistics

The study in descriptive statistics has computed mean, standard deviation, skewness, kurtosis, and Cronbach's alpha. Table 1 illustrates the descriptive statistics.

Table 1: Descriptive Statistics

	Cronbach's Alpha	Mean	Std. Dev.	Skewness	Kurtosis
Brand Attitude (BA)	0.883	4.11	0.89	-1.10	0.91
Brand Equity (BE)	0.789	3.78	1.35	-1.15	1.25
Brand Image (BI)	0.869	3.33	0.73	-0.70	0.60
Customer Satisfaction (CS)	0.816	3.90	0.79	-1.01	0.95
Purchase Intention (PI)	0.860	3.16	0.86	-1.03	0.62

Cronbach's alpha is an indicator of internal consistency. BA has the highest Cronbach's alpha value (Mean= 3.33, SD=0.73, $\alpha = 0.883$), while BE has the lowest Cronbach's alpha (Mean= 3.78, SD=1.35, $\alpha = 0.852$). The results suggest that the adapted constructs have acceptable internal consistency. Table 1 further demonstrates that the skewness values range between -1.10 and -0.70. At the same time, the kurtosis coefficients range from 0.60 to 1.25. Since the skewness and kurtosis values ranged between ± 2.5 , we have inferred that the study's constructs do not deviate from the requirement of univariate normality (Hair et al., 1998).

Convergent and Discriminant Validity

Convergent validity reflects the logical association between the constructs. At the same time, discriminant validity shows the uniqueness and distinctiveness of the used variables. The study has assessed the convergent validity based on composite reliability and AVE. For discriminant validity, the study has used the Fornell and Larcker (1981) criteria. We have illustrated the results in Table 2.

Table 2: Convergent and Discriminant Validity

	Composite Reliability	Average Variance Extracted (AVE)	BA	BE	BI	CS	PI
Brand Attitude (BA)	0.919	0.741	0.861				
Brand Equity (BE)	0.863	0.617	0.635	0.785			
Brand Image (BI)	0.911	0.718	0.563	0.491	0.847		
Customer Satisfaction (CS)	0.890	0.731	0.584	0.501	0.5	0.855	
Purchase Intention (PI)	0.905	0.705	0.716	0.56	0.518	0.547	0.839

The results show that the composite reliability values ranged from 0.863 to 0.919, and AVE highest value is for BA (AVE=0.741), and the lowest for BE (AVE=0.617), suggesting the constructs do not deviate from the requirements of convergent validity (Cunningham, Preacher, & Banaji, 2001). The study found that the square roots of AVE are greater than the Pearson correlation values, suggesting that the constructs used in the study are unique and distinct (Fornell & Larcker, 1981).

Confirmatory Factor Analysis (CFA)

We used CFA to test how well the measured variables are associated with the latent variables.

Table 3: Confirmatory Factor Analysis

	Brand Attitude	Brand Equity	Brand Image	Customer Satisfaction	Purchase Intention
BA2	0.829				
BA3	0.850				
BA4	0.874				
BA5	0.889				
BE1		0.779			
B32		0.850			
BE3		0.855			
BE5		0.563			
BI1			0.843		
BI2			0.849		
BI3			0.867		
BI4			0.829		
CS1				0.878	
CS2				0.885	
CS3				0.799	
PI1					0.8
PI2					0.821
PI3					0.9
PI4					0.834

The results indicate that all the factor loadings are greater than 0.60, suggesting an association between the indicators variables and respective latent variables.

R-Squared

We have used bootstrapping for generating the results. Table 4 shows that the lowest adjusted R-squared value is for BI (Adj. $R^2=0.312$) and the highest adjusted R-squared value is for PI (Adj. $R^2=0.432$), suggesting adequate predictive power of the model

Table 4: Predictive Power of the Model

	R Squared	Adjusted R Squared
Purchase Intention	0.443	0.432
Brand Equity	0.43	0.422
Customer Satisfaction	0.341	0.336
Brand Image	0.317	0.312

SEM Results

We have tested eight direct hypotheses and seven mediating hypotheses. Our results support all the hypotheses except one direct and one indirect hypothesis. The summary of the results is presented in Table 5. Also, refer to Figure 2 for the measurement model and Figure 3 for the structural model.

Table 5: SEM Results

	Beta Values	T Stat.	P Values	Result
Direct Hypothesis				
Brand Attitude -> Brand Image (H1)	0.563	7.688	0	Accepted
Brand Attitude -> Brand Equity (H2)	0.456	3.784	0	Accepted
Brand Attitude -> Customer Satisfaction (H3)	0.584	8.924	0	Accepted
Brand Image -> Brand Equity (H4)	0.155	1.49	0.068	Rejected
Brand Equity -> Purchase Intention (H5)	0.308	3.406	0	Accepted
Customer Satisfaction -> Brand Equity (H6)	0.158	1.918	0.028	Accepted
Customer Satisfaction -> Purchase Intention (H7)	0.279	3.550	0	Accepted
Brand Image -> Purchase Intention (H8)	0.228	2.71	0.003	Accepted
Indirect Hypotheses				
Br. Attitude -> Br. Image -> Pr. Intention (H9)	0.128	2.205	0.014	Accepted
Br. Attitude -> Br. Image -> Br. Equity (H10)	0.087	1.466	0.071	Accepted
Br. Attitude -> Customer Sat. -> Br. Equity (H11)	0.092	1.796	0.036	Accepted
Br. Image -> Br. Equity -> Pr. Intention (H12)	0.048	1.345	0.089	Rejected
Br. Attitude -> Br. Equity -> Pr. Intention (H13)	0.141	2.128	0.017	Accepted
Customer Sat. -> Br. Equity -> Pr. Intention (H14)	0.049	1.693	0.045	Accepted
Br. Attitude -> Customer Sat. -> Pr. Intention (H15)	0.163	3.077	0.001	Accepted

Our results support all the hypotheses except the association between BI and BE and the mediating role of BE on BI and PI.

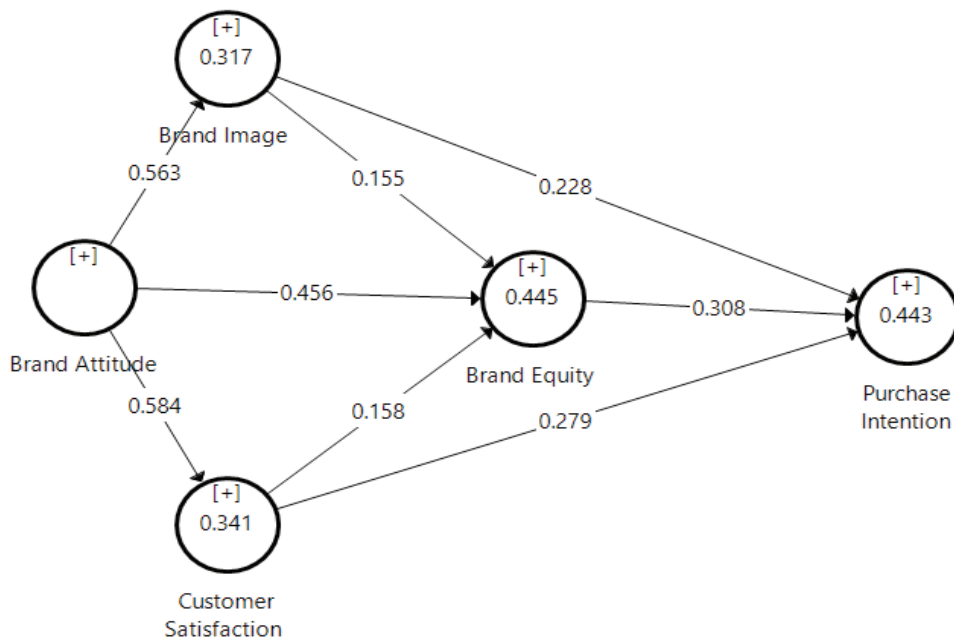


Figure 2: Measurement Model

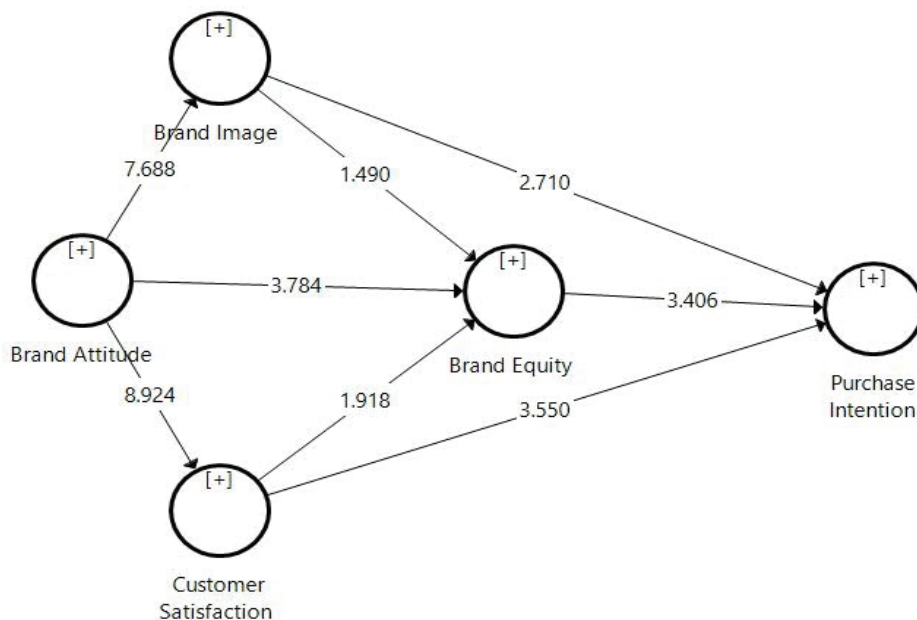


Figure 3: Structural Model

Discussion and Conclusion

Due to the highly competitive environment and consumers' low inclination towards insurance-related products, insurance companies in Pakistan are operating below their potential. As a result, their contribution towards GDP is lower than other developing countries. Thus, the insurance sector needs to build BE. Thus, we have proposed a model that contains five variables (i.e., BA, BI, BE, CS and PI). The proposed model has eight direct and seven indirect relationships. Of the 15 hypotheses, our result supports all the hypotheses except one direct and one mediating relationship. We found that BA and customer satisfaction promote BE and PI. And BE is a predictor of PI. However, BI has contradicting effects. On the one hand, it does not affect BE, but on the other hand, BI has a significant association with PI. The results also suggest that BI, BE, and CS mediate BA and PI. Also, BI and CS affect BE. However, BE does not mediate BI and PI, but BI mediates CS and PI.

Implications

Some researchers assert that since BE lacks managerial usefulness, marketers' efforts may not enhance BE. Many marketers have enhanced BE through the trial and error approach, which is dangerous for a brand (Faircloth, Capella & Alford, 2016). Based on empirical evidence, this research supports how a firm can enhance its BE. The study has the following advice for marketers. First, marketers can enhance BE by independently working on it. Second, the managers should realize that its utility is beyond measuring the value of a brand. Many conventional marketers still use BE as a balance sheet asset, which provides valuable information but not strategies for creating and enhancing BE. The study found that BA and CS affect BE "positively." Also, the literature suggests that consumers have a strong willingness to pay premium prices for the brand with strong equity. Therefore, firms should spend considerable resources in building and maintaining BE.

Although our results do not support the association between BI and BE, still their alignment is necessary for sustainable growth. The insurance companies in Pakistan still focus on conventional personal selling. Hence, we found no association between BI and BE. Thus, the study advises insurance companies to manage BA and BI, enhancing sustainability and BE. Insurance companies should focus on BA as it promotes brand association and BI. Service sector success depends on customer satisfaction; therefore, we suggest that insurance companies launch innovative products that may satisfy consumers' needs.

Limitations and Future Studies

The research on insurance firms is restricted to five metropolitan cities, indicating a need to explore customer behavior and attitude in other cities of Pakistan. Due to the unavailability of the sample frame, we have used non-random sampling. Other researchers can make efforts to obtain a sample frame and use random sampling. Researchers can use the developed conceptual framework in other service and none service sectors. A comparative study between the two sectors may also bring more insight into the phenomenon of BE. Pakistan has a diversified culture. Therefore, incorporating culture as a construct in Asian studies is important.

Annexure

Constructs and Items in the Questionnaire

Brand Image

BI1.I like this company.

BI2. I like this company compared to other companies in the same sector.

BI3. I think other consumers like this company as well.

BI4.This company's logo communicates about the company to its customers.

BI5.This company's logo enhances the company's image.

Brand Attitude

BA1.I feel good about this company.

BA2.I think the products of this company are always favorable.

BA3.I think the products of this company are always desirable.

BA4.I think the products of this company are interesting.

BA5.I think the products of this company are very useful.

Customer satisfaction

CS1.I am pleased that I purchased insurance from this company.

CS2.My decision to purchase insurance from this company was a wise one.

CS3.I feel good about my decision to purchase the policy from this company.

Brand Equity

BE1.I came in contact with this company because I heard of it from one/more people.

BE2.I came in contact with this company through commercials/ads.

BE3.Compared to other brands with similar offers, I am willing to pay a premium (higher) price for this company.

BE4.Some characteristics of this company come to my mind quickly.

BE5.I like this company which sells insurance/takaful policies.

Purchase Intentions

PI1.If I have to choose among brands, this company is my chosen brand.

PI2.If I have to buy an insurance/takaful policy, I plan to buy from this company even though there are other companies as good as this company.

PI3.If there is another company as good as this company, I prefer to buy an insurance/takaful policy from this company.

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