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Editorial Note

Welcome to the latest issue of the *Journal of Business Strategies*, a comprehensive set of articles on diverse topics, a researcher's must read, to know about the inquiries related to the business research. This issue of *JBS* contains nine research articles, highlighting varied topics on Management, Marketing, Economics, Finance and Supply Chain Management. Apart from the articles and business strategies analysis, the 'About the Authors' section in the end of the journal provides readers with an added feature to know more about the authors, their affiliations, research interests and email contacts. Furthermore, in order to retrieve the added features of *JBS* new website, which include an exclusive access to all archived articles; tracking each article's doi, or joining *JBS* as peer reviewer, you may now complete a quick, simple and completely free registration on our newly adopted website.

In response to the growing requirement in the business world to continuously update managerial skills and keep up with new tools for managers, the *JBS* has included articles on different subjects to illustrate the essence of each diverse field related to business.

In the first article of this issue, Dr. Ashamu from Nigeria with co-authors, have examined the dynamic relationship between domestic stock prices and exchange rates in Nigeria and South Africa. Using cointegration approach and extended data sets, the authors of this article have provided empirical evidence of no long-run relationship between domestic stock prices and exchange rates for all the four currencies considered in the study. The research is focused to benefit the financial analyst, academics, and practitioners related to the subject area.

The second article by Mubashir Masood highlights another managerial aspect and investigates the association between managerial personality traits and project success. The author has intricately examined the five personality traits and developed a model to explore the relationship between each trait and project success possibilities.

In the third article, our author Wasim Abbas from HIT, China, has examined the relationship between informational justice and employee engagement. The researcher has also further investigated the role of organizational support in this relationship. The findings are interesting, and research is novel in nature, based on the banking Industry in Pakistan.

In the fourth article, the author Dr. Hussain has examined the negative trend of export growth in Pakistan. The trend of constant negative export trend in Pakistan from 2011 onwards, postulates a need to investigate on this problem, thus this article assesses the reason of this negative trend. The analysis reveal that the world demand and

competitiveness are the issues which have resulted in negative export growth of Pakistan over the last few years.

In the fifth article, Dr. Khaskhelly has stressed the importance of training and development programs on employee performance. A qualitative approach is adopted to investigate the relationship evidence between employee trainings and their organizational performance. The study emphasizes that employee training and development programs should be conducted in regular intervals, in order to enhance the organizational performance.

The sixth article by Basharat Raza emphasizes on another aspect of managerial attribute. The researchers have investigated the impact of managerial coaching on employees' thriving at workplace. The relationship between the two variables is assumed to be influenced by the perception of organizational politics. The study is unique in nature and would help to understand managerial coaching and its impact in different organizations.

In the seventh article the role of e-promotion mix on social media governance is investigated by Dr. Irfan Saleem. The research study discovers the latest trends of e-promotion strategies and how they affect the buying behavior of French customers. It is believed that the promotion of products or services in a market is significant for any company to promote its sales and achieve organizational sustainability objectives. The research findings proclaim that adopting effective e-promotion strategies result in cost effectiveness and increase in online sales.

Dr. Junaid Zafar, in their article have investigated the relationship between perceived employability and subjective career success. It can be considered as one of the pioneer studies on academics working in private universities of Pakistan which establishes relationships based on subjective career success and not job satisfaction. The research study has attempted to study the relationship of protean career orientation on subjective career success, with perceived employability as mediating the two.

Finally, I would like to thank *JBS* team, the distinguished Editorial Board & Peer Reviewers for the incredible work to get *JBS* published. Also, last but not the least, we thank our valued authors for their contributions. Together as a team all have done an outstanding job creating this journal and helping to deliver the incredible research knowledge amongst the scholars.

Thank you all for supporting us. Our journey will continue to explore and present the dynamics of business processes in the 21st Century.

Sadia Khurram

Editor

Journal of Business Strategies

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DYNAMICS OF EXCHANGE RATE AND STOCK PRICE INDEX IN EMERGING MARKETS: AN EMPIRICAL EVIDENCE FROM NIGERIA AND SOUTH AFRICA

**Dr. Ashamu Sikiru, O, Dr. Abolaji Daniel Anifowose and
Dr. Syed Karim Bux Shah**

ABSTRACT

This paper investigates the dynamics of Exchange Rate and Stock Price Index in Nigeria and South Africa. To conduct this study, daily exchange rates of US dollar (USD), Euro (EUR), Japanese Yen (JPY), and Great British Pound Sterling (GBP) against the Nigerian Naira and South African Rand, and daily values of Nigerian Stock Exchange-All Share Index (NSE-ASI) and Johannesburg Stock Exchange-All Share Index (JSE-ASI) were considered for the period of January 2010 to September 2017. Johansen co-integration tests and Granger causality tests were employed to analyze the correlation between the two financial variables. The findings show no evidence of a co-integrating relationship between domestic stock prices and exchange rates for all the four currencies. Thus, test for a short-run in-sample causal relationship between domestic stock prices and exchange rates was conducted. The empirical results indicate that no causality exists between domestic stock prices and exchange rates of US dollar and Japanese Yen against Naira; while causality ensues from domestic stock prices to exchange rate of Euro and British Pound Sterling against Naira. Furthermore, unidirectional causality exists between domestic stock prices and exchange rates for Japanese Yen and British Pound Sterling against Rand; yet, there is an evidence of bidirectional causality between domestic stock prices and exchange rates for US dollar and Euro against Rand. This suggests that the diffusion progression between stock market and foreign exchange market is depicted by the “Stock” oriented

channel in Nigeria, while in South Africa, “Flow and Stock” oriented channels subsisted.

Keywords: Exchange rates; Domestic stock prices; Co-integration; Causality; Nigeria; South Africa.

INTRODUCTION

The correlation between exchange rates and stock prices cannot be overemphasized, as the literature that studies these two financial variables is far from conclusive, both theoretically, and empirically. The link between the foreign exchange market and the stock market has become more closely related in recent times. As capital market development thrives, the flexible/managed float exchange rate policies are increasingly adopted, and foreign capital controls are relaxed. Thus, further understanding of the linkage between these financial markets is of supreme importance for both domestic and foreign investors to make financial decisions, and policy-makers to formulate appropriate economic/financial policies. The role that exchange rate plays in stock prices is fundamental, especially on internationally held financial assets, where the value of currency affects domestic interest rate as well as foreign interest rate, with resultant effect on the present value of a firm's assets - particularly in an open economy (Nieh & Lee, 2001).

The two main sets of theoretical models, the “Flow and Stock” oriented models, have been espoused to study the nexus between stock prices and exchange rates. “*Flow*” oriented model (Dornbusch & Fischer, 1980), postulates that the major determinant of the exchange rate is trade flows; and that the trade balance affects the changes in exchange rate, which eventually affect real income and output. Taking present value theory into consideration, the present value of future cash-flows of firms is equal to the stock price, and that the stock prices ought to essentially mirror the economic potentials. That is, the value of a firm's equity is ultimately affected by the variations of exchange rates. Therefore, local firms should be more competitive as domestic currency depreciates; thereby making exports to increase, and in due course, the stock prices appreciate. Thus, the “flow” Branson, 1981; Branson, 1981; oriented model suggests that a positive relationship exists between stock prices and exchange rates, as current account and trade balance performance are considered to be the two main factors that determine exchange rates. In contrast, “*Stock*” oriented model (Frankel, 1992; Branson, 1981), is based on the conjecture that demand and supply of financial assets (capital account), such as equities and bonds are the main determinants of exchange rates. This model (“Stock” oriented model) can be classified into two sub-models:

the *portfolio balance model* and the *monetary model*. The portfolio balance model suggests that, a negative relationship exists between exchange rates and stock prices, and that stock prices influence exchange rates. For instance, increase in stock prices moves up domestic currency interest rate with the resultant effect of depreciation in the exchange rate (Branson & Henderson, 1985). The model specifies that, the domestic assets, as well as foreign assets, including currencies, are held in individuals' portfolio, and that, the role of balancing the demand and supply of assets is played by exchange rates. Moreover, individuals demand more domestic assets as domestic stock prices increase. Thus, domestic investors would be led to selling foreign assets to buy more domestic assets and cause domestic currency appreciation. Hence, the portfolio balance model suggests a negative correlation between stock prices and exchange rates, as the drive from stock markets to foreign exchange market pushes stock prices and exchange rates to move in opposite directions. However, the monetary model by Gavin (1989), attempt to resolve the matter by asserting that there is no link between stock prices and exchange rates, except that certain common factors influence these two financial variables.

In the previous literature, theoretically and empirically, there is no evidence of consensus on the relations and causation between foreign exchange markets and stock markets. Though, several studies have found that these two financial variables have "predictive ability" for each other, but, the direction of causality appears to be determined by certain features of the countries studied; as these financial variables may have either long-run and short-run relationship or only short-run relationship. More so, they may have a bi-directional relationship, uni-directional relationship and sometimes no directional relationship. For example, there found to exist only short-run relation between stock prices and exchange rates along with bi-directional, uni-directional and no directional relationship between these two financial variables (Salisu & Oloko, 2015; Buberoku, 2013; Wickremasinghe, 2012; Alagidede, Panagiotidis & Zhang 2011; Zhao, 2010; Rahman & Uddin, 2009). Similarly, long-run and short-run correlations were found to exist between stock prices and exchange rates. (Fowowe, 2015; Tsagkanos & Siriopoulos, 2013; Harjito & McGowan, 2011). Overall, the existing empirical literature lacked consensus on which of the markets leads the other. Whether the foreign exchange market leads to the stock market or stock market leads foreign exchange market is inconclusive. Though, from the review of more recent studies, it is evident that, in the short-run, stock prices and exchange rates are correlated, but

in the long-run, there is an evidence of weak or no relationship between these two financial variables. The link between these financial markets has become more convoluted and more essential for both domestic and foreign investors, hence, investigating the linkage between these two cannot be overemphasized. Therefore, further investigation and empirical research is conducted to find out if deductions, on which market leads the other, can be derived from Nigerian and South African financial markets. That is, which channel(s) is/are prevalent; either “flow,” “stock” or “flow and stock” channel as the case may be.

This study is of importance as no existing or recent publications have considered simultaneously the effect of these multiple currencies (USD, EURO, JPY and GBP) against the domestic exchange rates on the domestic stock markets to explore the dynamic correlation between domestic stock prices and exchange rates in Africa, especially Nigeria and South Africa. This study contributes to the literature by complementing the existing experiential evidence on the topic, as an extended dataset is used, as well as updated and new empirical evidence on Nigeria and South Africa financial markets is presented, that can assist both domestic and foreign investors for decision making and policy-makers in formulating appropriate economic/financial policies.

LITERATURE REVIEW

Aggarwal (2003), employed monthly data for the period 1974 to 1978 to explore the correlation between stock prices and exchange rates. With the use of an aggregate index of stock prices and the exchange rate of USD, he revealed that there exists, a positive relationship between stock prices and exchange rates, as USD depreciation leads to stock price to decline. Soenen and Hennigar (1988), examined the reaction of stock prices of seven industrial sectors in the USA on the belief that they were heavily influenced by international trade. The findings reveal that there exists, a negative relationship between stock prices and exchange rates, as USD depreciates, it leads to more exports and more exports leads to more profits. Bahmani-Oskooee and Sohrabian (1992), employed monthly data for the period 1973 to 1988 on the index of S&P 500 and exchange rate of USD. The results show no evidence of a long-run relation between stock prices and exchange rates, but in the short-run, there is evidence of causality between the two financial variables. Granger, Huangb, and Yang (2000), employed daily data for the period 1986 to 1997 to explore the linkage between stock prices and exchange rates. With the application of Gregory-Hansen co-integration and

Granger causality tests, they examined the correlation between these two variables using data from Taiwan, Thailand, Singapore, Philippines, Malaysia, Korea, Japan, Indonesia, and Hong-Kong as sample countries. The findings show that, in Japan and Thailand, exchange rates affect stock prices. In Taiwan, stock prices affect exchange rates. For Indonesia, Korea, Malaysia and Philippines, a bi-directional relationship exists between stock prices and exchange rates. However, no relationship exists between these two financial variables in Singapore. However, there is an evidence that in eight out of the nine countries, exchange rates affect stock prices. Nieh and Lee (2001), employed daily data for the period 1993 to 1996 to investigate the correlation between stock prices and exchange rates, using the USA, Japan, Italy, Germany, France and Canada as sample countries. With the application of Engel-Granger and Johansen maximum likelihood methods of co-integration, the findings show that, in all these countries, no evidence of long-run relation was found between the two financial variables, but a significant relationship exists in the short-run. Smyth and Nandha (2003), employed daily data for the period 1995 to 2001 to examine the correlation between stock prices and exchange rates, using data from Sri-Lanka, Pakistan, India, and Bangladesh. Using Engel-Granger and Johansen co-integration methods, in all the four countries, the results show that, no long-run relationship exists between these two financial variables. It was also found that in Sri-Lanka and India, exchange rates cause stock prices, while no evidence of causality was found in Bangladesh and Pakistan. Lean, Halim and Wong (2005), employed weekly data for the period of 1991 to 2002 to examine the relationship between stock prices and exchange rates of Hong-Kong, Indonesia, Singapore, Malaysia, Korea, Philippines, and Thailand, with Japan included as for control purpose. Applying cointegration and bivariate causality techniques, the findings show that, no evidence of Granger causality exists between stock prices and exchange rates for all the countries investigated except the Philippines and Malaysia. Phylaktis and Ravazzolo (2005), used monthly data for the period 1980 to 1998 to explore the short-run and long-run relation between stock prices and exchange rates, using Thailand, Singapore, Philippines, Malaysia, Indonesia and Hong-Kong data. With the application of cointegration and Granger causality techniques, the findings show that there exists, a positive relation between stock prices and exchange rates. Obben, Pech, and Shakur (2006), employed weekly data for the period 1999 to 2005 to explore the relation between stock prices and exchange rates in New Zealand. With the application of cointegrating VAR method, the findings show that, between exchange rates

and stock indices, bi-directional causality exists in the short-run and long-run. Yau and Nieh (2006), used monthly data for the period 1991 to 2005 to explore the relation between stock prices and exchange rates in Japan and Taiwan. Applying Granger causality, the findings reveal that a bi-directional causality exists between the two variables. Pan, Fok and Liu (2007), employed daily data for the period of 1988 to 1998 to investigate the correlation between stock prices and exchange rates, using Thailand, Taiwan, Singapore, Malaysia, Korea, Japan and Hong-Kong data. With the application of Granger causality and Johansen cointegration methods, the findings show that no long-run relationship exists between the two variables. Ismail and Bin Isa (2009), used monthly data for the period of 1990 to 2005 to investigate the non-linear relation between exchange rates and stock prices in Malaysia. With the application of Johansen cointegration technique, the findings show no co-integration. Rahman and Uddin (2009), used monthly data for the period of 2003 to 2008 to examine the relation between stock prices and exchange rates of Pakistan, India, and Bangladesh. Using Johansen co-integration and Granger causality methods, the findings show no evidence of a long-run relation between the two variables. Also, no causal relation was found between these two financial variables. Richards, Simpson, and Evans (2009), used daily data for the period of 2003 to 2006 to explore the relation between stock prices and exchange rates in Australia. Johansen co-integration test findings reveal no evidence of long-run cointegration between the study variables. Zhao (2010), employed monthly data for the period of 1991 to 2009 to investigate the correlation between the two variables in China and found no evidence of long-run relation. Alagidede, Panagiotidis and Zhang (2011), employed monthly data for the period 1992 to 2005 using United Kingdom, Switzerland, Japan, Canada and Australia data. Granger causality test findings show no evidence of a long-run relationship between the study variables. Also, there is causal linkage running from exchange rates to stock prices in Canada, Switzerland and United Kingdom, but for Japan, the causality runs from stock prices to exchange rates. Harjito and McGowan (2011), employed weekly data for the period of 1993 to 2002 to examine the relation between stock prices and exchange rates using Thailand, Singapore, Philippines, and Indonesia as sample countries. The findings show that, in Thailand and Singapore, a bi-directional causality exists. Also, between these two financial variables, a co-integrating relationship exists for all the four countries. Lean, Narayan and Smyth (2011), studied weekly data for the period of 1990 to 2005 to explore the relation between stock prices and exchange rates using data from

Thailand, Singapore, Philippines, Malaysia, Korea, Japan, Indonesia, and Hong-Kong. Applying Lagrange Multiplier (ML) cointegration, Gregory-Hansen co-integration and Granger causality methods, the findings show that the long-run relationship between exchange rate and stock price is insignificant. That is, the predictive power of these financial variables is limited only to short-run. Also, these two financial variables were cointegrated, only in Korea. Wickremasinghe (2012), employed monthly data for the period of 1986 to 2004 to explore the relationship between stock prices and the Sri-Lanka exchange rates against USD, GBP, JPY and Indian rupee. In Sri-Lanka, the findings show no evidence of a long-run relation between any of the four exchange rates and stock prices. Though, unidirectional causality runs from stock prices to Sri-Lanka exchange rate against USD. Buberoku (2013), used monthly data for the period of 1998 to 2008 to explore the correlation between stock prices and exchange rates using Turkey, Switzerland, Korea, Singapore, Japan, Germany, England, Canada, and Australia data. Applying Engle-Granger, Johansen cointegration and Granger-causality methods, except in Singapore, the findings show that, no long-run relationship exists between these financial variables. Though, in Canada, Switzerland, and Turkey, stock prices affect exchange rates in the short-run. Also, in Singapore and Korea, causality runs from exchange rates to stock prices. However, no causal relationship between these financial variables in either direction in Australia, England, Germany, and Japan was found. Tsagkanos and Siriopoulos (2013), employed daily and monthly data of European Union and the USA for the period of 2008 to 2012 to explore the correlation between stock prices and exchange rates. Using structural non-parametric cointegrating regression, Johansen cointegration and Granger causality methods, the findings show that, in the long-run, changes in the stock prices affect changes in exchange rates in EU, but for short-run in the USA. Yang, Tu and Zeng (2014), employed daily data for the period of 1997 to 2010 to examine the correlation between stock returns and exchange rates using Thailand, Taiwan, Singapore, Philippines, Malaysia, Korea, Japan, Indonesia, and India as sample countries. With the application of Granger causality test in quantiles, the findings show that there exists, feedback relations between stock prices and exchange rates for all the countries except Thailand, where stock returns lead exchange rates. It is evinced that lots of studies have been conducted in Asian and advanced countries on the relationship between exchange rates and stock prices but very few studies have explored the nexus between these two financial variables in Africa, especially in Nigeria and

South Africa. Oyinlola, Adeniyi and Omisakin (2012), employed daily data for the period of 2002 to 2011 to explore the long-run and short-run relation between exchange rates and stock prices in Nigeria. Using Johansen, Gregory-Hansen cointegration and EGARCH, the results reveal no evidence of a long-run relationship between these financial variables. Zubair (2013), used monthly data for the period of 2001 to 2011 to explore the correlation between the stock market index and monetary indicators (exchange rate and money supply) in Nigeria. With the application of Johansen cointegration and Granger causality methods, the findings show no evidence of a long-run relationship between these financial variables. Salisu and Oloko (2015), used monthly data for the period 1999 to 2013 to explore the correlation between stock prices and exchange rates in Nigeria. Applying VARAM-AMGARCH models, the findings show that there is a substantial negative return and continual volatility spillover from stock to foreign exchange market. Also, there was evidence of short-term volatility spillover running from foreign exchange market to stock market. Fowowe (2015), used monthly data for the period 2003 to 2013 to explore the relation between stock prices and exchange rates using South Africa and Nigeria as sample countries. Using Johansen, Gregory-Hansen cointegration and Multivariate causality methods, the findings show evidence of a cointegrating relationship between these two financial variables in Nigeria, but for South Africa, no evidence of cointegrating relationship exists between exchange rates and stock prices. Also, while no evidence of causality was found between exchange rates and stock prices in South Africa, there is evidence of “flow” oriented channel in Nigeria.

RESEARCH METHODOLOGY

This study employed daily exchange rates of US dollar (EX_{USD}), Euro (EX_{EUR}), Japanese Yen (EX_{JPY}) and Great British Pound Sterling (EX_{GBP}); and daily closing values of the Nigerian Stock Exchange - All Share Index (NSE-ASI) and Johannesburg Stock Exchange - All Share Index (JSE-ASI) for the period of January 4, 2010 to September 26, 2017; proving 2,017 daily observations. All the exchange rates are expressed in terms of local currency for Nigerian Naira and South African Rand. Daily data was used, as weekly, monthly or quarterly data would not adequately encapsulate the information on correlation. The data were sourced from the DataStream.

To confirm the flexibility and volatility of Nigerian Naira and South African Rand, exchange rates against the USD, EURO, JPY, and GBP;

figure 1 and 2 present the correlation for the period January 2010 to September 2017 for the two countries respectively. While figure 3 presents the series for the Nigeria Stock Exchange - All-Share Index (NSE-ASI) and Johannesburg Stock Exchange - All-Share Index (JSE-ASI) for the period January 2010 to September 2017 respectively.

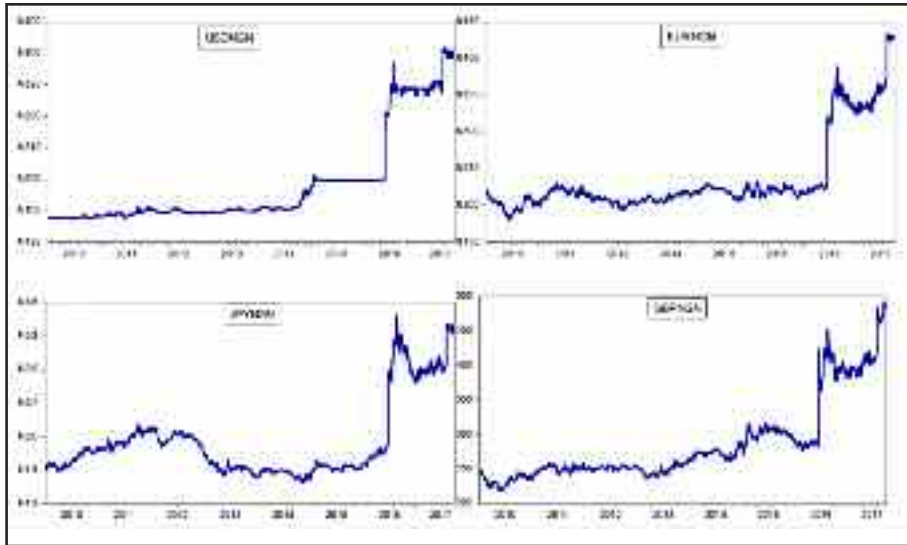


Figure 1. Nigerian Naira exchange rates against the USD, EURO, JPY and GBP for the period January 2010 to September 2017.

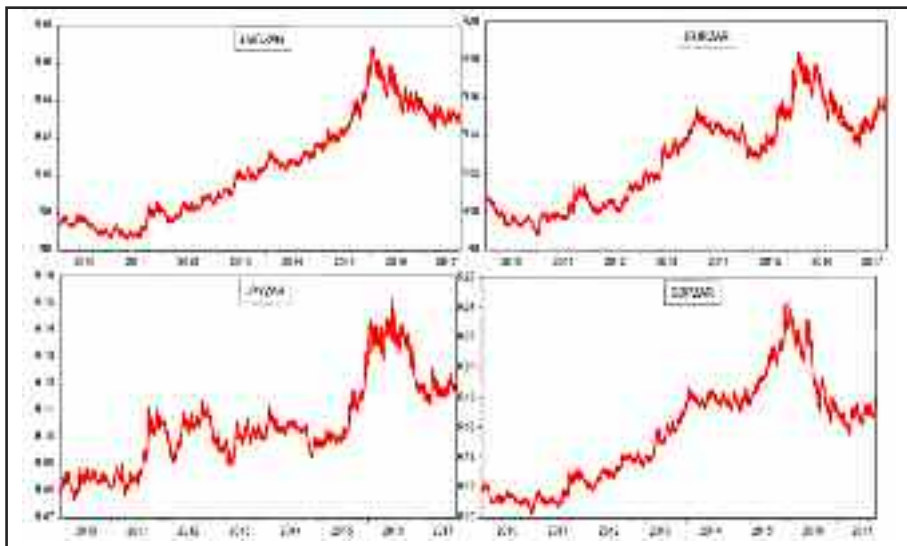


Figure 2. South African Rand exchange rates against the USD, EURO, JPY and GBP for the period January 2010 to September 2017.



Figure 3. Series for the Nigeria Stock Exchange-All Share Index (NSE-ASI) and Johannesburg Stock Exchange-All Share Index (JSE-ASI) for the period January 2010 to September 2017.

The exchange rate of Nigerian Naira was relatively stable between 2010 and 2014, however, from 2015 to 2017 the rates depreciated consistently and astronomically. For instance, the rate was USD/N160 in 2014 and depreciated to USD/N300 in 2017. The same trend applies to Euro, JPY, and GBP against Naira for the period under consideration. The index for NSE-ASI increased rapidly between 2012 and 2013, but had a sharp drop between 2014 and 2016, however, picked-up in 2017. Likewise, the exchange rate of South African Rand was relatively stable between 2010 and 2014, however, between 2015 and 2016 the rates depreciated rapidly and started to appreciate towards the last quarter of 2016 onwards. For instance, the rate was USD/R10 in 2014 but depreciated to USD/R16.9 in 2016 and later appreciated to USD/R13.4 in 2017. The same trend applies to Euro, JPY, and GBP against Rand for the period under consideration. The index for JSE-ASI increased speedily from 2012 and maintained constant and steady growth onward for the period covered by this study.

Model specification

Augmented Dickey-Fuller (ADF) and Phillip-Perron (PP) tests are employed to explore the stationarity of the time series data. ADF test is achieved with the following regression:

$$\Delta Y_t = \beta_1 + \beta_2 + \gamma Y_{t-1} + \delta \sum_{i=1}^p \Delta Y_{t-i} + \varepsilon_t \quad (1)$$

The difference operator is represented by Δ ; while the coefficients to be estimated are represented by β , γ and δ ; the variable whose time series properties are analyzed is represented by Y and error term at time is represented by ε_t

Phillip-Perron (PP) test proposes a non-parametric technique of adjusting for higher order autocorrelation in a series and is centered on AR (1) process:

$$\Delta Y_t = \delta + \beta Y_{t-1} + \varepsilon_t \quad (2)$$

The difference operator is represented by Δ ; the constant is represented by δ ; the slope is represented by β and the first lag of the variable Y is represented by Y_{t-1}

However, it is imperative to test for cointegrating relation where two data series are cointegrated of the same order. Therefore, we apply Johansen cointegration to test for the likelihood of a cointegrating relationship. The VAR model specification is given as:

$$\Delta Y_t = K + \sum_{i=1}^p \Delta Y_{t-i} + Y_{t-1} + v_t \quad (3)$$

Vector of non-stationary variables is represented by Y_t ; the difference operator is represented by Δ ; the coefficient matrices are represented by Γ and Π ; the lag length is denoted by ρ and the constant term is denoted by K .

However, where no cointegrating relationship is found between the two financial variables, Granger causality test can be employed using the following equations:

$$\Delta SP_t = \alpha_0 + \beta_1 \Delta SP_{t-1} + \beta_2 \Delta EX_{t-1} + \varepsilon_{1t} \quad (4)$$

$$\Delta EX_t = \alpha_0 + \beta_1 \Delta EX_{t-1} + \beta_2 \Delta SP_{t-1} + \varepsilon_{2t} \quad (5)$$

In which stock prices and exchange rates are represented by SP_t and EX_t ; the uncorrelated stationary random process is denoted by ε_{1t} and ε_{2t} , and the time period is denoted by t .

Nevertheless, if a cointegrating relationship exists between SP and EX, Vector error correction model is essential in testing Granger causality as:

$$\Delta SP_t = \alpha_0 + \beta_1 \Delta SP_{t-1} + \gamma_2 \Delta EX_{t-1} + \delta_1 D_{t-1} + \varepsilon_{1t} \quad (6)$$

$$\Delta EX_t = \alpha_0 + \beta_1 \Delta EX_{t-1} + \gamma_2 \Delta SP_{t-1} + \gamma_1 D_{t-1} + \varepsilon_{2t} \quad (7)$$

The error correction term obtained from the cointegrating equation is represented by D_{t-1} , as D_t represents the past values as a result of changes in SP_t and EX_t . Δ represents the first difference operator; δ_1 and γ_1 represent error correction coefficients and they are required to encapsulate the adjustments of SP_t and EX_t with respect to long-run equilibrium; while the coefficients on ΔSP_{t-1} and ΔEX_{t-1} are required to encapsulate the short-run dynamics of the model.

EMPIRICAL RESULTS AND DISCUSSION

The stationary of the data is checked, and Table 1 presents the results of the unit root test are presented in table 1. The tests show that the null hypothesis cannot be rejected with level data. However, at first difference, the null hypothesis can be rejected for both countries. This confirms that the variables are stationary as process for $I(1)$ the two countries-Nigeria and South Africa.

Table 1. Unit Root Analysis

Variables	ADF Test				PP Test			
	Level		1 st Difference		Level		1 st Difference	
	Constant	Constant & Trend	Constant	Constant & Trend	Constant	Constant & Trend	Constant	Constant & Trend
PANEL A: NIGERIA								
SP(N-ASI)	-1.6460	-1.7595	-34.4432***	-34.4350***	-1.5587	-1.6836	-34.3787***	-34.3703***
EXN _{USD}	0.8443	-1.0164	-50.0351***	-50.0968***	1.0311	-0.9056	-50.4005***	-50.5714***
EXN _{EUR}	1.3480	-0.3174	-38.4047***	-38.5104***	1.1395	-0.5126	-51.3800***	-51.7471***
EXN _{JPY}	-0.0472	-0.7553	-21.4549***	-21.4985***	0.0006	-0.7253	-52.5695***	-52.6368***
EXN _{GBP}	0.0056	-2.0370	-23.8567***	-23.9392***	0.9493	-1.1994	-48.6491***	-49.0348***
PANEL B: SOUTH AFRICA								
SP(J-ASI)	-1.2922	-2.9505	-34.1909***	-34.1861***	-1.2203	-2.6744	-46.0392***	-46.0317***
EXN _{USD}	-0.9454	-2.5479	-44.2723***	-44.2613***	-0.8372	-2.3521	-44.6733***	-44.6606***
EXN _{EUR}	-1.0023	-2.7276	-43.7726***	-43.7628***	-0.9439	-2.6541	-43.8189***	-43.8088***
EXN _{JPY}	-1.9595	-2.9125	-44.6592***	-44.6501***	-1.8025	-2.6905	-45.0715***	-45.0633***
EXN _{GBP}	-1.2009	-1.6232	-43.5504***	-43.5430***	-1.2060	-1.6449	-43.5309***	-43.5233***

Note: This table reports the unit root test of the variables. Variables Abbreviation: Stock Price-All Share Index (SP-ASI); Nigerian Stock Exchange: N-ASI for Nigeria and Johannesburg Stock Exchange: J-ASI for South Africa), Local exchange rate (Naira (N) for Nigeria and Rand (R) for South Africa) against the United States of American dollar (?EX?_USD), European currency, Euro (EX_{EUR}), Japanese Yen (EX_{JPY}), British Pound Sterling (EX_{GBP}). 1% level is denoted by *** represent the level of statistical significance.

Table 2. presents the summary of descriptive statistics and correlation matrix. Our findings indicate that all the variables fail the Jarque-Bera (JB) test. Meaning that all the variables depart from normality. The skewness for all the variables is less than 2 for Nigeria and less than 1 for South Africa.

Table 2. Descriptive Statistics and Correlation Matrix

PANEL A: NIGERIA					
Stratum A: Summary Statistics					
Variables	SP(N-ASI)	<i>EXN_{USD}</i>	<i>EXN_{EUR}</i>	<i>EXN_{JPY}</i>	<i>EXN_{GBP}</i>
Observations	2017	2017	2017	2017	2017
Mean	29534.94	193.6149	235.9166	1.9447	286.3004
Std. Dev.	6108.354	60.7339	54.5834	0.4692	60.4471
Skewness	0.4595	1.5720	1.9569	1.5153	1.5208
Kurtosis	2.0972	3.9522	5.6469	4.1319	4.2973
JB Normality test	139.4874 (0.0000)***	906.9608 (0.0000)***	1876.209 (0.0000)***	879.5196 (0.0000)***	918.9747 (0.0000)***
Stratum B: Correlation Matrix					
SP(N-ASI)	1.0000	0.0715	0.1145	-0.0457	0.0977
<i>EXN_{USD}</i>	0.0715	1.0000	0.9530	0.8583	0.9758
<i>EXN_{EUR}</i>	0.1145	0.9530	1.0000	0.9085	0.9533
<i>EXN_{JPY}</i>	-0.0457	0.8583	0.9085	1.0000	0.8274
<i>EXN_{GBP}</i>	0.0977	0.9758	0.9533	0.8274	1.0000
PANEL B: SOUTH AFRICA					
Stratum A: Summary Statistics					
Variables	SP(J-ASI)	<i>EXN_{USD}</i>	<i>EXN_{EUR}</i>	<i>EXN_{JPY}</i>	<i>EXN_{GBP}</i>
Observations	2017	2017	2017	2017	2017
Mean	43516.10	10.4058	12.7777	0.1043	15.6211
Std. Dev.	9381.898	2.7320	2.4239	0.0161	3.4555
Skewness	-0.3500	0.3286	0.0893	0.6596	0.2606
Kurtosis	1.5468	1.8654	1.8261	2.9208	2.0875
JB Normality test	218.6625 (0.0000)***	144.4796 (0.0000)***	118.4919 (0.0000)***	146.7984 (0.0000)***	92.7966 (0.0000)***
Stratum B: Correlation Matrix					
SP(J-ASI)	1.0000	0.8948	0.9120	0.7187	0.8859
<i>EXN_{USD}</i>	0.8948	1.0000	0.9518	0.8704	0.9362
<i>EXN_{EUR}</i>	0.9120	0.9518	1.0000	0.8374	0.9550
<i>EXN_{JPY}</i>	0.7187	0.8704	0.8374	1.0000	0.7702
<i>EXN_{GBP}</i>	0.8859	0.9362	0.9550	0.7702	1.0000

Notes: The table presents the summary of descriptive statistics then correlation matrix of the variables. P-values are reported in parenthesis. 1% level is denoted by *** represent the level of statistical significance.

Table 3. reports the Johansen cointegration tests results. The cointegration rank test (Trace and max eigenvalue statistics) analyzes the propositions at maximum number of cointegrating relations of the variables. The subscript represents the number of significant cointegrating vectors. For the two countries, the results show no evidence of cointegrating relationship between domestic stock prices and exchange rates for all the four currencies considered in this study. Hence, the null hypothesis of no cointegration is accepted in all cases for the two countries as shown by trace and max eigen value tests results. Thus, there is an absence of long-run relation between domestic stock prices and exchange rates. This implies that, for these two countries examined, none of these two financial variables can be predicted based on their past values.

Table 3. Cointegration Analyses

Variables	H ₀	Trace Statistic	5% Critical values	Prob.	Max-eigenvalue Statistic	5% Critical values	Prob.
PANEL A: NIGERIA							
EXN _{USD} / N-ASI	r=0	5.0103	15.4947	0.8077	4.5344	14.2646	0.7991
	r≤1	0.4758	3.8414	0.4903	0.4758	3.8414	0.4903
EXN _{EUR} / N-ASI	r=0	5.2044	15.4947	0.7867	4.1879	14.2646	0.8390
	r≤1	1.0164	3.8414	0.3134	1.0164	3.8414	0.3134
EXN _{JPY} / N-ASI	r=0	7.6630	15.4947	0.5021	6.5603	14.2646	0.5424
	r≤1	1.1027	3.8414	0.2937	1.1027	3.8414	0.2937
EXN _{GBP} / N-ASI	r=0	3.3678	15.4947	0.9477	3.1421	14.2646	0.9368
	r≤1	0.2257	3.8414	0.6347	0.2257	3.8414	0.6347
PANEL B: SOUTH AFRICA							
EXR _{USD} / J-ASI	r=0	9.3556	15.4947	0.3335	8.5568	14.2646	0.3249
	r≤1	0.7988	3.8414	0.3714	0.7988	3.8414	0.3714
EXR _{EUR} / J-ASI	r=0	13.2217	15.4947	0.1069	12.6036	14.2646	0.0900
	r≤1	0.6181	3.8414	0.4317	0.6181	3.8414	0.4317
EXR _{JPY} / J-ASI	r=0	7.5013	15.4947	0.5201	6.0757	14.2646	0.6035
	r≤1	1.4256	3.8414	0.2325	1.4256	3.8414	0.2325
EXR _{GBP} / J-ASI	r=0	8.8754	15.4947	0.3770	7.7498	14.2646	0.4047
	r≤1	1.1256	3.8414	0.2887	1.1256	3.8414	0.2887

Source: Authors' calculations.

Notes: The table reports the result of Johansen cointegration analyses. The cointegration rank test (trace and maximum eigenvalue statistics) analyze the propositions at maximum *r* number of cointegrating relations of the variables. *r* denotes the cointegrating vectors number of significance.

The absence of a cointegrating relation between domestic stock prices and exchange rates for the two countries under study suggests that can we proceed to test for causality between the two financial variables. Hence, the channel linked via the foreign exchange market and stock market were tested using Granger causality tests to find out if any causal relation between domestic stock prices and exchange rates subsist.

Table 4. Pairwise Granger Causality Tests

PANEL A: NIGERIA				
Null Hypotheses	F-Statistic	Probability	Decision	Direction of causality
SP(N-ASI) \Rightarrow EXN _{USD} EXN _{USD} \Rightarrow SP(N-ASI)	1.2123 0.8815	0.2335 0.6117	DRNH DRNH	NC
SP(N-ASI) \Rightarrow EXN _{EUR} EXN _{EUR} \Rightarrow SP(N-ASI)	1.6571 0.7113	0.0336** 0.8181	RNH DRNH	
SP(N-ASI) \Rightarrow EXN _{JPY} EXN _{JPY} \Rightarrow SP(N-ASI)	0.9143 0.4584	0.5686 0.9806	DRNH DRNH	NC
SP(N-ASI) \Rightarrow EXN _{GBP} EXN _{GBP} \Rightarrow SP(N-ASI)	1.6158 1.0936	0.0412** 0.3487	RNH DRNH	
PANEL B: SOUTH AFRICA				
SP(J-ASI) \Rightarrow EXR _{USD} EXR _{USD} \Rightarrow SP(J-ASI)	3.8221 3.3875	0.0220** 0.0340**	RNH RNH	BDC
SP(J-ASI) \Rightarrow EXR _{EUR} EXR _{EUR} \Rightarrow SP(J-ASI)	4.7506 3.6176	0.0087*** 0.0270**	RNH RNH	
SP(J-ASI) \Rightarrow EXR _{JPY} EXR _{JPY} \Rightarrow SP(J-ASI)	1.6292 3.2251	0.1963 0.0400**	DRNH RNH	UDC
SP(J-ASI) \Rightarrow EXR _{GBP} EXR _{GBP} \Rightarrow SP(J-ASI)	2.5741 2.0055	0.0765* 0.1349	RNH DRNH	

Notes: Abbreviations: Do not reject the null hypothesis (DRNH), Reject null hypothesis (RNH), Bidirectional causality (BDC),

Unidirectional causality (UDC), No causality (NC). 1%, 5%, and 10% level is denoted by ***, **, * represent the level of statistical significance.

Table 4. presents Granger causality tests results for the two countries. For Nigeria, causality runs from domestic stock prices to exchange rate of Euro and British Pound Sterling against Naira; while no evidence of causality between stock prices and exchange rates of US dollar and Japanese Yen against Naira. This suggests that the diffusion progression between domestic stock market and foreign exchange market is

represented by the “stock”-oriented channel. However, for South Africa, there is evidence of bi-directional causality between domestic stock prices and exchange rates of US dollar and Euro against Rand; while unidirectional causality subsists between domestic stock prices and exchange rates for Japanese Yen and British Pound Sterling against Rand. Causality runs from an exchange rate of Japanese Yen against Rand to domestic stock prices; likewise, causality runs from domestic stock prices to exchange rate of British Pound Sterling against Rand. This suggests that the diffusion progression between domestic stock market and foreign exchange market is represented by “flow” and “stock”-oriented channels.

The policy implication is unproblematic for South Africa, as causality is Bidirectional, running from the Rand/USD and Rand/Euro to JSE-ASI and vice versa; and uni-directional relation from domestic stock prices to the exchange rate of British Pound Sterling (Rand/GBP) and from exchange rate of Japanese Yen (Rand/JPY) to domestic stock prices respectively. Here, the predictions of the “flow” and “stock” theories uphold. In effect, while changes in domestic stock prices influence the exchange rate, the changes in exchange rates also influence domestic stock prices in South Africa. The mixed evidence found here can be elucidated thus: given that appreciation of Rand/USD and Rand/Euro reduces the international competitiveness of South African goods, thereby cause income to reduce and subsequent fall in domestic stock prices. Similarly, when the Rand/USD and Rand/Euro exchange rate depreciate, South African exporters benefit through an increase in exports sales revenue, thereby cause the domestic stock price to rise. This evidence that “flow and stock” theories are upheld simultaneously for South Africa. However, for Nigeria, causality runs from domestic stock prices to exchange rate of Euro (Naira/Euro) and British Pound Sterling (Naira/GBP) against Naira; while no evidence of causality was found between domestic stock prices and exchange rates of US dollar (Naira/USD) and Japanese Yen (Naira/JPY) against Naira. In sum, the empirical evidence of the mixture of causality running from the foreign exchange market to stock market and vice versa for South Africa; and for Nigeria, running from the stock market to foreign exchange market agrees with the studies of Fowowe (2015); Zubair, (2013); Harjito and McGowan (2011), Alagidede et al., (2011); Yau and Nieh (2006), and Granger et al., (2000).

CONCLUSION

This paper examines the dynamic relationship between domestic stock prices and exchange rates in Nigeria and South Africa. Using cointegration approach and an extended data sets, empirical evidence of no long-run relationship between domestic stock prices and exchange rates for all the four currencies considered in this study was presented. Hence, the focus of the study was on the nature of the short-run relationship. The study results of no cointegration refute the general belief among the domestic and international investors that there is a correlation between exchange rates and domestic stock prices, and that these two financial variables can be used to predict one another based on their past values. Though the foreign exchange markets and stock markets have witnessed the significant transformation in both countries. However, no empirical evidence of cointegrating relationship was found between domestic stock prices and the exchange rate for all the four currencies examined for the period researched. The results of Granger causality tests show no evidence causality between domestic stock prices and exchange rates of US dollar and Japanese Yen against Naira; while causality runs from domestic stock prices to exchange rate of Euro and British Pound Sterling against Naira. This suggests that the diffusion progression between domestic stock market and foreign exchange market is connoted by the “stock” oriented channel in Nigeria. However, for South Africa, while uni-directional causality exists between domestic stock prices and exchange rates of Japanese Yen and British Pound Sterling against Rand, likewise, there is evidence of bi-directional causality between domestic stock prices and exchange rates of US dollar and Euro against South African Rand. This suggests that the diffusion progression between domestic stock market and foreign exchange market is represented by “flow and stock” oriented channels in South Africa. Our results confirm some of the previous studies. Therefore, we conclude that no long-term prognostic conjectures can be made between these two financial variables; domestic stock prices and exchange rates; likewise, no policy interventions in these financial markets can be implemented to achieve long-term economic results. Hence, the policymakers must be conscious of the effect of foreign exchange policies on domestic stock markets.

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IMPACT OF PERSONALITY TRAITS OF PROJECT MANAGER ON PROJECT SUCCESS

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ABSTRACT

The purpose of this research is to determine whether there exists an association between the personality traits of project manager and project success regarding timely completion of the projects. The research is explanatory in nature, and deductive approach was adopted, whereby hypotheses were developed after an in-depth review of relevant literature. The primary, quantitative data were collected from 85 Certified Project Managers of the Project Management Institute (PMI), with the help of questionnaire adopted from John, Donahue, and Kentle (1991). The five personality traits, Openness to Experience; Conscientiousness; Extraversion; Agreeableness; and Neuroticism were taken as independent variables. Hypotheses were formulated and relationship of each hypothesis was tested by using the Chi-Square test of association. Findings of the research indicate that there exists a significant relationship between three independent variables, i.e., Extraversion, Neuroticism, and Openness to experience, with project success regarding timely completion. However, no significant relationship was found between the two independent variables, i.e., Agreeableness and Conscientiousness with project success. The research findings would help the management in realizing the role of personality traits of project managers in the successful completion of the projects.

Keywords: *Personality Traits, Extraversion, Neuroticism, Openness to Experience, Agreeableness, Project success.*

INTRODUCTION

Organizations and individuals in the new millennium have a new perspective on project management (Kerzner & Kerzner, 2017) and the organizations have shifted from hierarchical structures to cross-functional team structures (Young-Hyman, 2017). The project management is becoming the focus of attention for organizations seeking to gain a competitive advantage in the relevant industry. Project managers are responsible for managing their projects; which is termed as a short-term

activity with a distinct start and end date and intended to create a service, product, or deliverable (Archibald, 2003). Project Managers are answerable for the project objectives and is involved in planning, defining scope, activities planning & sequencing, resource planning & handling, time estimation, cost estimation, risk analysis, quality control, and handling documentation. As per Lock (2017), the project manager's work includes planning, cost, control and quality of the project. The project manager undertakes immense pressure both from internal and external sources while making decisions for successful completion of the project. The personality traits of the project managers play a vital role in handling these massive pressures and making the right decisions at the right time (Munns & Bjeirmi, 1996). The project management leadership style has an impact on the project deliverables (Müller & Turner, 2007). Although managers and project managers share many of the qualities, there also persist many differences between general management and project management (Heagney, 2016). Project managers are proficient at resolving the day to day technical challenges and problems. The manner and methods by which a project management team manages the combination of cost, scope, and schedule within the variant political, social and technical environment can mean the difference between a failed project and a successful project (Hickson, 2015; Schmieder-Ramirez & Mallette, 2015). Sometimes a project manager stumbles while managing in a specific environment and soft skill areas of management (Mersino, 2013). The project management organization, project management team, and key stakeholders share responsibility for project success or failure. The management, project management team, and stakeholders share objectives, but each has a different underlying motivational drive for the successful conclusion of a project. These drivers are sometimes in a conflict which further lead to cost overruns, schedule delays, work stoppages, or complete project failures (Williams, 2011).

For this research, the Iron Triangle, i.e. time, cost and quality (Atkinson, 1999) has been considered as the basis of the project success. Since time is the most critical aspect of any project (McCOY, 1986), the project success was restricted to only to one factor, i.e. time.

PROBLEM STATEMENT

Every organization wants to see its projects completed within allocated time. It is the responsibility of the project manager to ensure project completion as per the requirements, according to the timeline and within budget. Organizational projects continue to fail at a rate of 60% to 80%

per year (LeBlanc, 2008), despite the vast amount of available project management literature, project management education, and project management trainings. An essential element to project success is selecting the right project manager to take charge of the task (Müller & Turner, 2006). The problems occur when organizational leaders assign project managers to projects and do not consider the type of personality of the project manager; often leading to project failure (Kerzner & Kerzner, 2017; Müller & Turner, 2007). Projects sometimes continue to fail even after competent project managers with extensive knowledge and skills are assigned the task (Crawford, 2006). However, one of the remedy for successful projects is managers personality testing. Personality testing can assist organizational leaders in selecting project managers and assigning the right manager to the right project (Cohen, Ornoy, & Keren, 2013). Through this study, an effort was made to identify the association between the successful project undertaken by the project manager and his personality traits. The project success regarding timely completion was evaluated on the most recent last three projects completed by each project manager. The personality traits were evaluated by using big five personality traits model by Goldberg (1993).

RESEARCH OBJECTIVES

Following research objectives were set for this study

- To understand the association between project success (timely completion) and manager's personality traits.
- To examine varying association of different personality traits on project success.
- To propose the organizations, measures to enhance the impact of personality traits on project success.

LITERATURE REVIEW

Project Success

Projects have been in existence since ancient times. The evidence of the same is the Giza Pyramids, the Parthenon, Taj Mahal, the Great Wall of China, and many other structured models in the world (Seymour, & Hussein, 2014). For quite a long time, individuals have overseen and finished gigantically complicated activities, such as the Great Wall of China & the Pyramids of Egypt (Frame, 1994). Since 1959, Project management

was shaped into a discipline that focuses on sequencing, costing, and resource utilization (Crawford, 2005).

The Project Management Institute (PMI), is an international organization, formed in 1969 to advance project management as a discipline and respected profession (Henrie & Sousa-Poza, 2005). The PMI authorized book (PMBOK) describes the project as, it has two characteristics, a temporary endeavor and a unique product/services/result (PMI, 2008a). The temporary endeavor does not refer to the duration of the project but directs that the project has a fixed start and termination (Kerzner, 2006). The project usually finishes when the project purposes have either been attained or terminated because its objective cannot be met or where the purpose of the project is feasible (Kerzner, 2004). At a minimum, all projects need to have well-defined objectives and sufficient resources to carry out all the required tasks. Hence, the characteristics of a project are, a definite start and end; an explicit, predetermined goal; a sequence of composite or organized actions; and a restricted budget.

The project management is rapidly becoming a benchmark for conducting business (Larson & Gray, 2009). Approximately 40% of construction projects fail, and approximately 70% of information technology (IT) projects fail (Heagney, 2016; Al-Khoury, 2012; & Ferrell, 2010). However, there are no conclusive clarifications for such a high failure rate because project success or failure is dependent upon many factors (Mishra, Dangayach, & Mittal, 2011). The general problem of project failure is a concern because of the documented high rate of failure and the resulting high economic impact thereof (Shenhar & Dvir, 2007). In addition, the general problems that project managers invariably encounter are typically of complex nature attributed to unique parts and uncoordinated activities (Williams, 2011). Managing people effectively influences results of a project (Cooke-Davies, 2002). It is fast becoming accepted wisdom that it is the people who deliver projects, not processes or systems, and there has been a changing bias from tools and techniques, toward the social and behavioral aspects of management of projects (Leybourne, 2007). Project managers have a standard set of tools or processes to maneuver strategically through the political and technical environments of a typical project (Lock, 2017; Williams, 2011). Henri and Sousa-Poza (2005), indicate that a common theme to project success or failure is the people involved with the project. Some tools used to analyze projects include earned value management, critical path method, critical

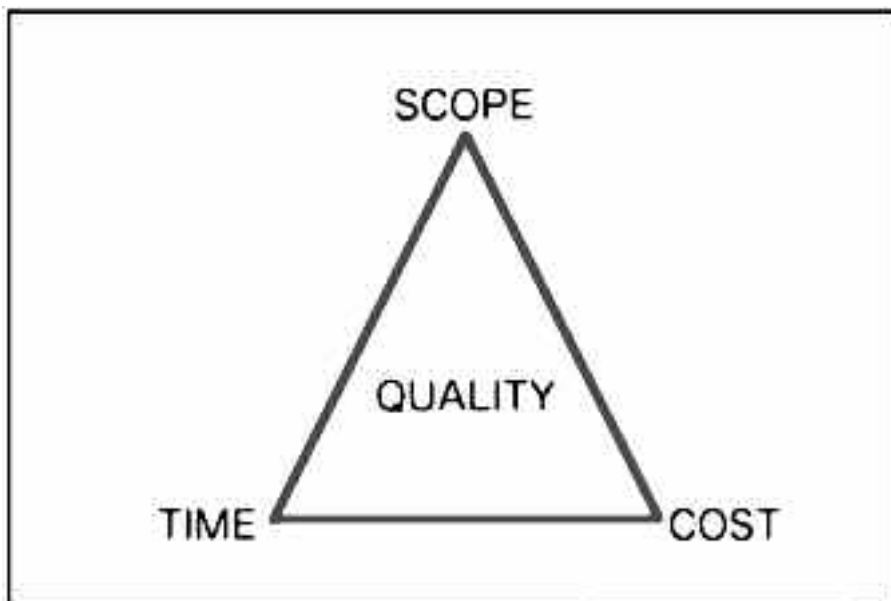
chain method, agile method and common sense gained through experiences. A devoted team may overcome most problems, but many factors can affect the project constraints, and even a strong project team cannot overcome them all (Mersino, 2013; Shenhar & Dvir, 2007). Many projects succumb to failure because the project management team does not properly manage the project constraints and the stakeholder expectations, that is, either the Scope, Schedule, Cost, Performance, or Quality, simultaneously or separately, because of the social and political environment within which they operate (Williams, 2011; Lewis, 2007). Project failure is defined as the inability of a project team to achieve an acceptable level of completion compliance by meeting project requirements as agreed by the project stakeholders (Toader, Brad, Adamov, Marin, & Moisa, 2010). An example of project success is a project that delivers predetermined values to stakeholders (Williams, 2011; Shenhar & Dvir, 2007). In short, project management teams led by project manager encounter many challenges or factors that affect policy, procedures, politics, personnel, performance, timing, cost, planning, and quality. Each decision can cause schedule delay, create cost overruns, and change the scope of the project (Lewis, 2007).

The Iron Triangle: Scope, Time & Cost

Critical factors are the key issues that a project manager and team must manage and control on a day-to-day basis to ensure project success (Cleden, 2017; Divakar & Subramanian, 2009). Unpredictably, some critical issues go wrong regardless of how well managed the plan is, for controlling scope, cost, schedule, and performance (Kerzner, 2006). If mishandled, critical factors can lead to project failure (Williams, 2011). Anything of value has a cost; resources; time; and material have value, and in turn, have cost. The cost must be accurate and specific from the beginning of a project (Mulcahy, 2011). The scope of a project's work must be a clear and specifically state of what is agreed by the key stakeholders (Mulcahy, 2011). Scope expressly defines the purpose, attributes, and functions of a project. The scope is a set of well-defined requirements that define the project's criteria for success. The scope of a project must be clear, well defined, and formally approved (Mulcahy, 2011). The process for developing a schedule is to deconstruct the scope and analyze it down to its lowest level, task or activity, of detail (Oren, 2009). The schedule and cost estimate form the foundation for future cost management processes (PMI, 2008a). Closely associated with the triple constraints are performance and quality. The triple constraints, performance, and quality are typically referred to as project

constraints (Williams, 2011). The project constraints affect each other in a fashion like the triple constraints (Heagney, 2016; Oren, 2009; Lewis, 2007). Changing a constraint will cause a proportional change to the other constraints. For this reason, project managers employ standard business processes to manage the constraints (Evensmo & Karlsen, 2005). Typically, these constraints are scope, cost, and schedule. Further, scope, time, and cost are collectively known as the triple constraints (Oren, 2009). Project managers should control the proportional relationships between the triple constraints (PMI, 2008b). Figure 1. represents the proportional relationships between the triple constraints.

Figure 1. Triple Constraints



Source: Atkinson, 1999

The success of a project is affected when the project sponsor or a key stakeholder, insists that the project may finish by a definite time, within a particular budget, or within a defined scope while achieving specific performance and quality expectations (Mossalam & Arafa, 2016). The resulting proportional change to one or the other constraints often comes as a revelation to the project sponsor or key stakeholder (Williams, 2011; Lewis, 2007).

Project Management Team

The project management team concept is most often used in engineering and construction efforts, but recently other industries such as, IT, petroleum, and finance are also adopting the project management concept. A project

management organization may observe multiple related or unrelated projects or programs (Kerzner, 2006). A program is a group of projects associated in a way to meet strategic requirements or for management control of related projects (Cleden, 2017; Ferrell, 2010). Although managers and project managers share many of the qualities, there are also many differences between general management and project management (Heagney, 2016). General management deals with ongoing concerns without a definitive schedule, cost, or scope (Williams, 2011; PMI, 2008b). In contrast, project management deals with a well-defined scope, schedule, and cost (Cleden, 2017; Williams, 2011; PMI, 2008b). The project management organization, project management team, and key stakeholders share the responsibility of project failure or success. The project management organization, project management team, and stakeholders also share objectives, but each has different underlying motivational drivers for the successful conclusion of a project (Williams, 2011; Kerzner, 2004). The drivers are sometimes in conflict, and this conflict can lead to cost overruns, schedule delays, work stoppages, or complete project failure.

The Role of Personality in Project Managers Selection

Müller and Turner (2006), found that the project management literature focused more on the project management process than on the people and have disregarded competence, leadership styles, and the personalities of project managers as potential success factors. Project management literature written between the 1980s and 1990s focused on stakeholders, planning, staff development, organizational structures, customers, senior management, and environments as project success factors. Project success factors in the early 2000s were on-time delivery, budget, and project management. Müller and Turner (2006), conducted a quantitative and qualitative study about the correlation between a project manager's leadership style and project type and found that the project manager's leadership style can influence the projects' outcome and that different project types require different leadership styles. Multiple combinations of competencies defined leadership styles (Turner, 1993). Driskell, Goodwin, Salas, and O'Shea (2006), found that small correlation exists between team characteristics and the competencies of project managers.

Project managers have a substantial impact on the outcomes of project, which has led to an increase in understanding of project management competencies (Crawford, 2005). The Project management Institute, (PMI, 2008a), has created standards, training programs, and certification programs

in the hope of determining the competencies of project management. Crawford (2005), found that senior managers value the knowledge of project managers quite differently to how project managers value their own knowledge. He conducted quantitative and exploratory analysis research and found that no meaningful relationship existed between the project manager's performance and the standards for performance that are applied in the workplace. He further found that additional project management knowledge did not make a project manager more competent.

Personality

In English language, the word personality refers to the complex of all the attributes; behavioral, temperamental, emotional, and mental, that characterize a unique individual; whose different reaction reflect different personalities (Personality, n.d.). It refers to the individual differences in characteristic patterns of thinking, feeling and behaving. The study of personality focuses on two broad areas: one is understanding individual differences in his personality characteristics, such as sociability or irritability and the other is understanding how the various parts of a person come together as a whole (Williams, 2011). The benefits, state of mind, activities, and intelligence between any two individuals of the same stage of development are different, and this difference between these two individuals is known personality (Kasschau, 2000). The behavior is something which identifies a person and makes him different from the others (Organ & Lingl, 1995). Therefore, it may be concluded that Personality is the mixture of characteristics and exotic activities of the individual which may affect the actions, qualities, appearance, and conduct of the individual and to assess the individual's personality the traits play a significant role (Allport, 1937). In behavior sciences, big five is the most relevant model to judge an individual's personality (Goldberg, 2013). The five-factor model of personality provides a meaningful and generalizable taxonomy for studying individual differences (Shi , Lin, Wang, & Wang, 2009). In this research, the big five-model is used to define project manager self-determining behavior types. The big five model consists of five wide-ranging personality characteristics:

- Extraversion
- Agreeableness
- Conscientiousness
- Openness to Experience
- Neuroticism

The Big Five Personality Trait Model

Many personality theorists tried to find out the personality traits and its scale to measure the personality traits. However, all the strove were unsuccessful to create a general group to unify personality traits and its scales. (John & Srivastava, 1999). Each assessor has his own pet units and uses a pet battery of diagnostic devices (Allport, 1937). In the field of psychology, Klages (1926), is the pioneer of concept that the personality traits help to understand human personality. Later the significant development in the personality traits theory was made by Cattell during 1943-46, who planned a merged system of fifteen main and eight subordinate factors (Cattell, 1943). Further research work was done on the Cattell's identified scale by Fiske (1949), who developed a Five-factor solution which can be interpreted as the big five, to some extent. Tupes and Christal (1961), also, analyzed the Cattell's identified scale, and their decision was almost identical with Fiske Five factor solution. Norman (1969), used all the complex system of Cattle's variables, and then all the difference between these two theories was limited to only abbreviations (e.g., "I seldom think about the future"). Later Goldberg in 2013, categorized these traits as the big five personality traits. The same has widened new research horizons on the subject, and the Cattell's sixteen-factor system and the big-five model have been researched extensively by different researchers. It consists of five wide-ranging personality qualities which could capture personality differences. These five wide-ranging personality factors, i.e. Extraversion, Agreeableness, Conscientiousness, Openness to Experience and Neuroticism (John & Srivastava, 1999) which are further explained in the following paragraphs:

- **Extraversion**

Barrick and Mount (1991), described that an extraversion personality includes characteristics such as social, outgoing, violent and energetic. They are motivated by admiration, public appreciation, position and authority (Costa & MacCrae, 1997). Extraversion is directly proportional to active commitment (Erdheim, Wang & Zickar, 2006). People who are thought to be extrovert, love to enjoy networking, interrelating, interdepending and are mostly dynamic and energetic. They are passionate and usually task oriented. They exhibit energy, confidence, loquacity, amiability and are sensitive. Barrick and Mount (1991). Erdheim, Wang, and Zickar, (2006); Watson and Clark, (1997), determined that the extraversion prove

out to be the central part of positive emotions. Consequently, it is expected that extraversion would be identified with predominance in a group. In contra to some uncommon discoveries, self-observers have been found to add to effective group execution (Bradley & Hebert, 1997). Project managers, high in Extraversion are more intelligent and have the penchant to accomplish their objectives through their groups (Peterson, Smith, Martorana, & Owens, 2003). Extraversion in this manner has been found to emphatically impact group execution (Li, Zhou, Zhao, Zhang, & Zhang, 2015). In project administration, Extraversion was found to have a positive relation with the performance but a negative relationship with the team development (Salaria & Jamil, 2015).

- **Agreeableness**

Agreeableness consists of qualities such as flexibility, lenient, supportive, believing, good-natured and forbearing (Barrick & Mount, 1991). People who are agreeable, are supportive and respectful (Organ & Lingl, 1995). These people always give priority to other people interests upon their own interest (Barrick & Mount, 1991). The mutual help, principle of trust and quality of the relationship are the essence of the agreeableness (DeNeve & Cooper, 1998; Judge et al., 1999). The team building, team development, and unity prosper in a team whose managers are agreeable, they encourage the team to work together with a better understanding (Barrick, Stewart, Neubert & Mount, 1998). Agreeableness helps build up healthy work-environment (Halfhill et al., 2005). The agreeableness exhibits positive relation with the team performance (Neuman, Wagner, & Christiansen, 1999). As per (Barrick & Mount, 1991), people possessing these traits are mostly kind, lavish, noble, supportive and reliable. The motivation factors for agreeable people are need of recognition due to affiliation and association. Due to this motivation need they are always flexible and softhearted while handling their subordinates (Barrick & Mount, 1991). In other words, this affiliation and association encourages project manager behavior with his/her working atmosphere and align his personal values and goal with organizations, which helps in the development of emotional bonding with the organization which ends up in creation of a better working situation and firming the organizational commitment (Ilies, Fulmer, Spitzmuller, & Johnson, 2009).

- **Conscientiousness**

Conscientiousness refers to comprehensive work contribution propensity, i.e., liking for rule-governed behavior that probably is a common characteristic of work in organizations than in other life domains (Organ & Lingl, 1995). It echoes commitment, reliability, vigilance, structure, accountability, and determination (Barrick & Mount, 1991). The Conscientiousness is directly proportional to job performance and job commitment (Hurtz & Donovan, 2000). Hochwarter, Perrewé, Ferris, and Guerico (1999), identified that conscientiousness leads to organizational commitment, job satisfaction, and job involvement. Conscious people are characterized as self-disciplined, reliable and work-oriented. Their objective is the success which is achieved by sticking to planned activities (Barrick & Mount, 1991).

- **Openness to Experience**

According to DeNeve and Cooper (1998), openness is a double-edged sword that predisposes an individual to feel both the good and the bad more intensely, leaving its directional influence on affective reactions. Openness pertains to being intellectual, original, inquiring, well-educated, unique, creatively penetrating and broad-minded (Barrick & Mount, 1991). The openness to experience is concerned to employee's commitment, task orientation and ultimately leads to organizational success (Srivastava, Chandra, & Shirish, 2015). Openness refers to a person's imagination, education, inquisitiveness, originality, and creativity (Barrick & Mount, 1991). Project manager processing this trait mostly complete projects within the stipulated time period and with efficiency (Lounsbury, Sundstrom, Loveland & Gibson, 2003). The healthy work environment allows project managers to exercise their skills, imaginations, and originality which in turn helps to develop useful commitment towards their project and company (Toader, 2011).

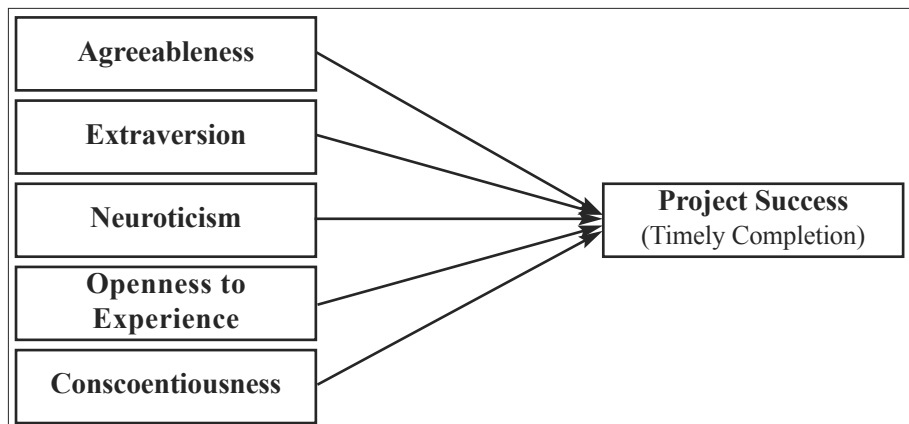
- **Neuroticism**

Neuroticism refers to negative emotionalities, such as anxiety, depression, and stress (John & Srivastava, 1999). Neuroticism is one of the important and most researched personality characteristics (Costa & McCrae, 1997). It represents the negative side of the personality and includes characters such as anxiety, downheartedness, fury, apprehension, and uncertainty (Barrick &

Mount, 1991). Because of their internal fear and apprehension, neuroticized do not socialize and respond to people and mostly perceive the negative response from the others (Watson & Clark, 1997). They practice negative emotions such as anxiety, apprehension, misery and concern (Bozionelos, 2004). Managers with high Neuroticism display negative behavior which leads to a low performance by the project team (Deinert et al., 2015). Therefore, Project Manager with high neuroticism exhibits the negative effect in almost every situation. This attitude of project manager in return decreases the likelihood of project success.

THEORETICAL FRAMEWORK

Figure 2. Relationship between Dependent and Independent Variables.



Model constructed by the author(s)

RESEARCH HYPOTHESES

H1: Extraversion is significantly associated with project success in terms of timely completion of the project.

H2: Agreeableness is significantly associated with project success in terms of timely completion of the project.

H3: Conscientiousness is significantly associated with project success in terms of timely completion of the project.

H4: Neuroticism is inversely associated with project success in terms of timely completion of the project.

H5: Openness to experience is significantly associated with project success in terms of timely completion of the project.

RESEARCH METHODOLOGY

This research is explanatory in nature as it investigates single success characteristic to measure the overall success of a project. It is based on quantitative data and a deductive approach was adopted whereby the hypotheses were first developed, followed by the preparation of a questionnaire. For sample size and target population, Project Management Institute (PMI) was chosen, as it has a worldwide membership of more than half a million members (PMI, 2008a). There are 469,051 Project Management Professionals (PMP) certified worldwide members, of the Project Management Institute (PMI). Around 195 Project Managers are registered at PMI Karachi Chapter which was taken as the target population of the study. The sample size calculated before the study was 113 but to increase the response rate, a questionnaire was distributed among 120 respondents. Out of those, only 85 questionnaires were found complete and usable for analysis, the incomplete questionnaires were discarded and omitted from the study to avoid any response bias. Judgment Sampling technique was adopted as individuals of PMI with certain specified characteristics were targeted. For data collection and analysis, the Big Five personality trait questionnaire was adopted from John, Donahue and Kentle (1991), after approval. The questionnaire contains the demographic information of the respondents and information related to the independent variable under examination. Pearson's Chi-square test was used to examine the association of all IVs with DV, with the help of Statistical Package for Social Sciences (SPSS) software, version 23.

DATA ANALYSIS

Demographic Factors

Section A of the questionnaire represents the demographic view of the respondents with the question in relevance to gender, age, educational level, work experience, and designation.

Table 1. Respondents' Gender

Gender	Frequency	%
Male	70	80.5
Female	15	17.6
Total	85	100

Reliability Analysis

The Reliability refers to appropriateness and uniformity of the tool, measuring concept, and the same is free of biases and error (Sekaran &

Bougie, 2016). The reliability analysis has been conducted using Cronbach's Alpha analysis. Summary of results is presented in Table 2.

Table 2. Summary of Cronbach's Alpha Values

Variable	Cronbach's Alpha	N of Items
Extraversion	0.673	8
Agreeableness	0.598	9
Conscientiousness	0.781	9
Neuroticism	0.714	8
Openness to Experience	0.619	10

The values of Cronbach's Alpha (Table 2) obtained for different variables range from 0.598 to 0.781 which fulfill the requirements of reliability. Hence, items have internal consistency.

Test of Association

To test hypotheses, an association of all DVs was checked through Chi-Square test. Results are mentioned in Table 3.

Table 3. Chi-Square Values

Variable	Chi-Square	df	Asymp. Sig. (2-sided)
Extraversion	9.422 ^a	3	.024
Agreeableness	3.738 ^a	2	.154
Conscientiousness	3.814 ^a	2	.149
Neuroticism	9.781 ^a	3	.021
Openness to Experience	7.995 ^a	2	.028

Chi-square test was used to test the association of each of the independent variables with a dependent variable. In case of first variable 'Extraversion', Chi-square value is (χ^2 (df=3) = 9.422 at p=0.024. Since $p < 0.05$, the association is significant; hence alternate hypothesis is accepted. For the IV 'Agreeableness', χ^2 (df=2) = 3.78 at p=0.154). Since $p > 0.05$, hence alternate hypothesis is rejected, indicating that Agreeableness is not significantly associated with Project success. In case of IV 'Conscientiousness', χ^2 (df=2) = 3.78 and p=0.149). As the value of p is more than 0.05, the association is not significant; hence the third hypothesis also gets rejected. Chi-square value for 'Neuroticism' at df=3 is 9.781^a and value of p is 0.021 which is less than 0.05; hence hypothesis gets approved. In case of 'Openness to Experience,' the value of Chi-

Square is 7.995^a (df=2), and the p-value is 0.028 which is less than 0.05. It indicates that association of this IV with project success is significant as well. This last hypothesis is also approved.

Table 4. Summary of Hypotheses Results

Variable	MHypothesis	Accepted/Rejected
Extraversion	Extraversion is significantly associated with Project success in terms of timely completion	Accepted
Agreeableness	Agreeableness is significantly associated with Project success in terms of timely completion	Rejected
Conscientiousness	Conscientiousness is significantly associated with Project success in terms of timely completion	Rejected
Neuroticism	Neuroticism is significantly associated with Project success in terms of timely completion	Accepted
Openness to Experience	Openness to experience is significantly associated with Project success in terms of timely completion	Accepted

The Pearson Chi-Square test results indicate that the association between extraversion and project success regarding timely completion is positive and significant, since (χ^2 , (df=3) = 9.422; p=0.024). The results are supported by the research findings of Li, Zhou, Zhao, and Zhang, (2015); and Salaria and Jamil, (2015). Project manager high in extraversion are more intelligent and have the penchant to accomplish their objectives through their groups (Peterson, Smith, Martorana & Owens, 2003).

In case of ‘Agreeableness,’ the results { χ^2 (df=2) = 3.78 at p=0.154} in Table 3 indicate that this IV is not significantly associated with project success in terms of timely completion. The results are related to the researches of Ilies, Fulmer, Spitzmuller, and Johnson (2009); Judge et al., (1999); DeNeve and Cooper, (1998); and which reflect that team’s mutual help, the principle of trust and quality of the relationship are the essence of the agreeableness. Here in the context of this study, it is evident that project managers are not enjoying the trust of senior management and their relationship is not strong.

As per chi-square results in Table 3 { χ^2 (df=2) = 3.78; p=0.149}, the association between conscientiousness and project success is not significant (p>0.05) although it is positive; it indicates that the trait of Conscientiousness of the project manager does not contribute towards the success of the project. The results are related to the findings of Hurtz and Donovan (2000), who asserted Conscientiousness as directly proportional to job commitment and project success but in the context of present study

results are not encouraging which demands another study to explore reasons for unaccepted results in Pakistani culture.

In case of Neuroticism, the results in Table 3 are quite encouraging; values $\{\chi^2 (df=3) = 9.781; p=0.021\}$ indicate that there exists a significant inverse association between these two variables. Hence, Neuroticism is inversely associated with Project success regarding timely completion of Project. Such managers mostly practice negative emotions such as, anxiety, apprehension, misery and concern which leads to a low performance by the project team (Deinert et al., 2015).

Openness to Experience is another crucial personality trait of a manager that has an essential role in successful completion of projects. As per result in Table 3, the values $\{\chi^2 (df=2) = 7.995; p=0.018\}$ indicate that this IV is significantly associated with Project success regarding timely completion. Results are supported by the researches by Srivastava, Chandra, and Shirish (2015); and Lounsbury, Sundstrom, Loveland, and Gibson, (2003), which mention that openness to experience is positively associated with project success.

CONCLUSION

This study investigated the association between five personality traits of project managers at Project Management Institute (PMI). For examining the role of the personality of Project Managers on successful completion of projects, five personality types of 'Big Five Model' were considered. Results have proved that out of the five traits only three traits Extraversion, Neuroticism, and Openness to experience have a significant association with project success regarding timely completion. Remaining two variables; Conscientiousness and Agreeableness have no significant association with project success. Since personality has great influence on the success of project managers, it is prudent for the top management or project sponsors to ensure appropriate personality of project leaders. It was rightly pointed out by Cooke-Davies (2002), that the projects are not delivered by the system or the process, but it is the team members who deliver projects. This study was an attempt to highlight this issue and identify the influence of personality types of project managers on successful completion of the project.

In order to help project sponsors to appoint project managers of appropriate personality, it is recommended to human resource departments

of organizations to include the personality trait test in their hiring process. The personnel's possessing the strong personality traits regarding Extraversion and Openness to experience, prove to be most appropriate candidates as project managers. Managers having Neuroticism should be rejected during hiring as their association with project success is negative. Moreover, workshops and training session may be held on a regular basis to improve the personality of managers further. On the other hand, project managers are recommended to keep evaluating themselves for these traits on a regular basis and take measures to develop essential personality traits.

FUTURE RESEARCH RECOMMENDATIONS

The research was conducted within the Project Management Institute (PMI) to capture actual project data, facts, and figures, and feedback from the project managers to measure the project managers' success criteria. Future scholars may endeavor to undertake similar research for other organizations which are undertaking different projects. A comparative study between local and foreign organizations may also be quite beneficial. This will eventually help in better understanding, as to why project managers having specific personality traits are successful in certain phases of the project, purely from the perspective of Pakistani culture.

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THE MODERATING ROLE OF PERCEIVED ORGANIZATIONAL SUPPORT IN THE EFFECT OF INFORMATIONAL JUSTICE ON EMPLOYEE ENGAGEMENT: AN EMPIRICAL STUDY ON BANKS OF PAKISTAN

Wasim Abbas

ABSTRACT

This article attempts to understand the effect of perceived organizational support on the relationship between informational justice and employee engagement. The study comprises of two objectives: first, examining the relationship between informational justice and employee engagement. Second, whether perceived organizational support moderates this relation. The findings contribute to the literature in three ways. As limited work has been conducted on this subject in the banking sector, it enhances the understanding of informational justice in the banking sector. Secondly, moderating role of perceived organizational support in relation to employee engagement, which is apparently less addressed in the literature. Lastly, it penlights the negligible area of performance appraisal justice in the service sector of Pakistan which is getting economic attention as emerging South East Asian country. Using post mail questionnaire, the data was collected from bankers working in district Larkana-Sindh, Pakistan. To test the moderating effect, a Hierarchical regression model is used. The results show that perceived organizational support moderates the relationship between informational justice and employee engagement. The study concludes that high perceived organizational support will result in higher engagement. The implications and scope for further research are discussed.

Keywords: Banking, Employee Engagement, Informational Justice, Performance Appraisal Justice, Perceived Organizational Support, Pakistan.

INTRODUCTION

Performance appraisal plays a vital role in corporate management. While reviewing literature thoroughly, one can find its substantial position in Human Resource Management (HRM). Simultaneously, it is also

observed that this practice is less entertained by employees, rather sometimes they express disinterest in it. However, the human resource department is always found confident about putting energies and efforts in appraisals but ends with complaining about receiving no benefits in return. In such situation, one must coin the questions, why are they not getting benefits? Moreover, why employees are complaining?

One of the foremost answers to this question is implementing inappropriate appraisal system or unable to understand the contextual performance (Hui & Qin-Xuan, 2009). However, these answers may not fit now, since continuous “appraisal fit” analysis has been carried out in organizations over and then. Hence, it opens to a missing phenomenon which is not yet observed.

It is discovered that the problem faced by human resource department is an absence of work performance by employees. They are not found in accomplishing tasks physically, emotionally and cognitively (i.e., employee engagement). Consequently, a downturn in performance is observed which is raising the concern for human resource department. In contrast, employees are complaining about how and why they have been appraised in a certain way (i.e., informational justice). Neither they are communicated for the ways used to appraise nor been explained why in a specific fashion or method appraisal has been conducted; this gives rise to the core research questions for this study, what is the relationship between informational justice and employee engagement? Moreover, is there any effect of perceived organizational support on informational justice-employee engagement relation?

The service sector was selected to answer these research questions. Since service sector has a direct impact on economic development (Asrar-ul-Haq & Kuchinke, 2016), one of the fastest growing sector of Pakistan- Banking sector was selected. The intense competition among banks is observed recently in the banking sector of Pakistan. The importance of this sector has emerged from economic pressure and change in monetary policies. Since this sector is proliferating, human resource department must manage the performance of employees to reach ultimate goals of meeting the market competition. As growing banking sector of Pakistan is resulting immense competition among banks, the turnover and lack of commitment are also accelerating among employees (Asrar-ul-Haq, 2015). Therefore, the importance of

engagement at work through fairness in appraisals is getting attention. Since fairness in appraisals constitutes a psychological contract between employee-employer and results in reciprocity (Rousseau, 1995), it is imperative to manage performance appraisal justice to increase work performance and attain organizational objectives.

The study comprises two objectives, first, to examine the relationship between informational justice and employee engagement. Second, whether perceived organizational support moderates this relation. The findings will contribute to the literature in three ways. As a very limited work has been conducted on banking on the subject. First, it will enhance understanding of informational justice in the banking sector. Second, moderating role of perceived organizational support in relation to employee engagement, which is less addressed in the literature. Lastly, it penlights the negligible area of performance appraisal justice in the service sector of Pakistan which is getting economic attention as emerging South East Asian country.

LITERATURE REVIEW

Organizational Justice

Justice is a concept having an age over 60 years (Rowland & Hall, 2013), but it was first explained by Greenberg (1986), in workplace context and became organizational justice. According to Greenberg (1990), “to test principles of justice in general social interaction, not organizations in particular” is organizational justice. Later, the concept remained in the discussion for years and theorist were successful in differentiating between procedural justice and distributive justice. In organizations fairness pertaining outcomes is distributive justice, and in contrast, fairness sustained to reach outcomes is procedural justice. While studying fairness in outcomes and means to reach outcomes, another aspect got the attention of theorist concerning implementation and communication of decisions which led to propose the third category as interactional justice (Bies & Moag, 1986). He explained it about the quality of interpersonal relationships during the implementation of procedures. The most exceptional contribution was made by Greenberg (1993), he further elaborated on interactional justice into two constructs; informational justice and interpersonal justice. Informational justice is disseminating information regarding the distribution of outcomes in certain custom and usage of particular procedures to decide outcomes. For many years the focal point of researchers was distributive justice by equity theory

(Adams, 1963). It states that the employees compare and measure the ratio between input and output with others, consequently, if equilibrium is not attained then behaviors and attitudes may change. However, literature revealed the claim that informational justice is far more critical than procedural and distributive justice (Scott, Colquitt, & Zapataphelan, 2007). It is also discussed that informational justice exerts a significant impact on employees' behavior and attitude by generating satisfaction (Loi, Yang, & Diefendorff, 2009).

One of the vital system in the organizations is the human resources system, and performance appraisal is a vital part of it. Justice in performance appraisal denotes fairness of career system. It includes all from the establishment of a performance standard to communicate with a supervisor in the end (Gupta & Kumar, 2012). Different types of justice perceptions are possible to study in the context of performance appraisal. Colquitt, et al., (2001), explain distributive justice in performance appraisal is constituted by the fairness of the ratings in comparison to others. Procedural justice in the appraisal is constituted by the policies for distributing outcomes (Colquitt et al., 2001). Interpersonal justice in the appraisal is treatment received by employees during appraisal and information provided to employees during appraisal for distribution in a certain way is informational justice (Greenberg, 1993). Substantial communication is required in performance appraisal between supervisor and employees, and they expect to be treated respectfully during this process as it will constitute in interpersonal and informational appraisal justice (Gupta & Kumar, 2012).

Informational justice literature comprises three significant streams. The first stream shows the antecedents of informational justice (Armstrongstassen & Schlosser, 2011; Lang, Bliese, Lang, & Adler, 2011). Second is focused towards outcomes of informational justice (Jones & Martens, 2009; Walumbwa, Cropanzano, & Hartnell, 2009), and the last is referred to establishing a link between behavior and attitude and informational justice.

Employee Engagement and Perceived Organizational Support

The physical, emotional and cognitive expression of an employee at work performance is engagement (Kahn, 1990). Performance appraisals must carry fairness if organizations want employees to express themselves (Latham, Almost, Mann, & Moore, 2005). It is also discussed in the

literature that level of personal engagement varies in different situations, it varies according to safety, or benefits, or guarantee in situations (Kahn, 1990). The social system in organizations create a non-threatening environment which generates psychological safety; if employees fail to achieve task even than will be treated fair and their efforts will be considered (Kahn, 1990). Additionally, the perception of justice helps to minimize depression, anxiety and psychological distress (Spell & Arnold, 2007). About social exchange theory (Blau, 1964), employees invest energies at work to get a return on management in a fair manner (Macey & Schneider, 2008). Similarly, based upon their argument of reciprocity greater justice perception will result in more engagement and performance outcome (Cropanzano & Rupp, 2008).

Subsequently, the idea given by Khan (1990), engagement has remained one of the frequent discussion in human resource management. Many researchers have taken part in growing interest and discussions of engagement but are left with overlapping and inconsistent definitions (Bhatnagar, 2007, Suan Choo, Mat & Al-Omari, 2013). Moreover, it is challenging to conceptualize employee engagement because it lacks universal definition (Suan Choo, 2013; Gupta & Kumar, 2012).

Employee engagement concept has often overlapped with job involvement, motivation, and commitment (Gupta & Kumar, 2012). However, researchers have distinguished these concepts (Hallberg & Schaufeli, 2006; Schaufeli, Bakker, & Salanova, 2006). Gupta and Kumar (2012), also argued that these concepts be different from one another as they result in different dimensions. Similarly, Saks (2006), has also differentiated organizational commitment and employee engagement and have categorized these as two different concepts.

Perceived organizational support is an assurance for provision in a stressful situation to perform the job effectively (George et al., 1993). Among the factors highlighted by Rhoades & Eisenberger (2002), fair treatment and discretionary actions by organizational agents contribute more to perceived organizational support. The discretionary actions taken by leaders are considered as the intent of an organization than personal because leaders are considered organizational agents (Levinson, 2009). Therefore, every information disseminated by the leader will be perceived as of organization, and this generates a sense of care by the organization. According to social exchange theory, voluntary aid is valued by

individuals than forced actions because they depict that organization respects them (Cotterell, Eisenberger, & Speicher, 1992). Additionally, respect and adequate explanations by agents will also raise the level of perceived organizational support, hence, will rise work engagement among employees.

This study concentrates on perceived informational justice. Moreover, the attention is drawn towards information sharing fairness between supervisor and employees. Employees keep long-term focus (i.e., career development) that is why adequate and honest communication will generate perceived fairness for how decisions were made (Bies & Moag, 1986). Consequently, this will reduce uncertainty (Liu & Yu, 2017). Employees work hard when they perceive that rewards are decided relatively and were communicated to us timely. Therefore, it is argued that informational justice will have a positive impact on employee engagement. It is assumed that when employees perceive career development and receive comprehensive information for policies and procedures, their engagement will increase. Similarly, it is the responsibility of the supervisor to disseminate information entirely and timely (Colquitt et al., 2001), eliminate vagueness and increase performance.

Additionally, the theoretical foundation of the hypothesis is social exchange theory (Blau, 1964), which proposed that social exchange is based on reciprocity, if employees perform well today they will be rewarded well in future by the organization. Relating this to the organization, it is deduced that in exchange for better future returns, employees depict work engagement today. Therefore, following is proposed:

H1: Informational justice is positively related to employee engagement.

Perceive organizational support is a critical contextual factor, based on social exchange theory (Blau, 1964), and norm of reciprocity (Eisenberger et al., 1986). It directs how an employee should behave in a favorable situation. Fairness in performance appraisal and sharing of adequate information is believed to create a productive workforce, it signals a supportive environment and generates the perception that organization would provide sufficient job resources when required (Verburg et al., 2017). Additionally, Eisenberger and Stinglhamber (2011), have also discussed the positive relationship between perceived organizational

support and engagement. Therefore, informational justice in performance appraisal effect on engagement will be high in the presence of perceived organizational support because fairness fosters supportive environment and employees are likely to be engaged more in work. Thus, it is hypothesized that:

H2: Perceived organizational support will stronger the relationship between informational justice and engagement.

RESEARCH METHODOLOGY

The study is cross-sectional and quantitative data collection method is used. The respondents of the study are banking professionals from 13 randomly selected banks (public and private) of district Larkana, Pakistan. The data was collected through postal mail. Before mailing questionnaires several e-meetings and telephonic conversations were conducted between researcher and branch managers pertaining permission, guidelines, discussing the purpose of research and maintaining confidentiality, anonymity & privacy. Having several successful e-meetings, written permission was taken from managers to conduct research. A list of permanent employees working in respective banks was collected from branch managers and respondents were selected randomly. Later, a postal package was dispatched to each selected employee's working address consisting invitation to participate, the purpose of research, requesting for providing an address to dispatch questionnaire and signed a letter to ensure their privacy, anonymity, and confidentiality. In total 275 postal packages were dispatched, and 245 consent letters were received to participate in research. Far ahead, questionnaires were dispatched on stated addresses containing guidelines to fill questionnaires and a letter of thanks as gratitude. Two-week time was given to send a response. A follow-up letter was dispatched to return the questionnaire reminding time of submission. At the end of the given period, a total of 223 questionnaires were received out of which eight questionnaires were not useable because respondents were not gone through the appraisal process. Finally, 215 questionnaires were used for statistical analysis.

Informational justice items were adapted from Colquitt et al. (2001), recently used by Karriker, Williams and Williams (2017); Game and Crawshaw (2017); and Gupta and Kumar (2012). Also, Items for engagement were taken from (Thomas, 2007), recently used by Gupta and Kumar (2012). Perceived organizational support items were adapted from

Eisenberger (1986), recently used by Wang et al. (2017). All items were measured on a five-point Likert scale ranging from “Strongly agree- 5” to “Strongly disagree- 1”.

DATA ANALYSIS AND RESULTS

To conduct quantitative analysis, Regression using Statistical Package for Social Sciences (SPSS) was employed as Hair and Jnr (2009) suggest, it allows measuring relationships between or among independent or dependent variable. Cronbach’s Alpha was used to test the internal consistency of the items for the reliability of test scores. It is imperative that all items should measure the same thing. Therefore, correlation must exist among these and Cronbach alpha is suitable to measure the internal consistency of items (Bland & Altman, 1997). To measure the interaction effect, Hierarchical Linear Model (HLM) was conducted (Aiken, West, & Reno, 1994). Additionally, HLM was also conducted by Wang et al. (2017), to measure the moderating role of perceived organizational support.

The sample comprises 85.6 % of males, 62.8 % of the respondents fall into the age bracket of 23-34, 65.1 % of the sample hold master’s degree, 63.3 % were married, and 14.4 % of the respondents had more than five-year experience in banking sector. The demographics of the sample indicate that respondents hold adequate knowledge about their position, responsibilities, guidelines, and procedures as they were well educated, experienced and committed professionals in their job.

The descriptive statistics, correlations and Cronbach’s Alpha are given in Table 1. Among variables, informational justice mean value was 4.04, employee engagement as 4.09, and perceived organizational support was found 3.89. However, the standard deviations are 0.611, 0.491 and 0.603 respectively. Cronbach alpha values for the items are ranging between $0.9 > \alpha \geq 0.8$, which refers that internal consistency is ‘good’ (Devellis, 2016), and reliable for further statistical analysis. The correlational analysis indicates that all correlations are statistically positively correlated and are significant at $p < 0.01$.

Table 1. Mean, Standard Deviation, Cronbach’s Alpha, and Correlation

Variables	Mean	SD	α	1	2	3
1. Informational justice	4.04	.611	.812	1		
2. Employee Engagement	4.09	.491	.843	.351**	1	
3. Perceived Organizational Support	3.80	.757	.879	.587**	.599**	1

SD = Standard deviation, α = Cronbach’s Alpha, **P < 0.01

To test the hypotheses, hierarchical multiple regression is conducted. For testing hypothesis 1, regression analysis was carried out. The informational justice accounted for significant amount of variance in employee engagement $R^2 = .123$, $F(1, 213) = 30.002$, $p < .001$ (Model 1). For analyzing the second hypothesis, perceived organizational support was inserted in the previous model and ran a regression; they accounted for the significant amount of variance in employee engagement $R^2 = .256$, $F(2, 212) = 36.39$, $p < .001$ (Model 2). Later, to avoid high multicollinearity with the interaction term, the variables were centered and an interaction term between informational justice and perceived organizational support was created (Aiken et al., 1994). Further, interaction term was added in regression model, accounting significant variation in employee engagement $R^2 = .339$, $F(3, 211) = 35.99$, $p < .001$ (Model 3). Communally, Model 2 and Model 3 explained significant change, $\Delta R^2 = .132$, $\Delta F(1, 212) = 37.63$, $p = .001$ and $\Delta R^2 = .083$, $\Delta F(1, 211) = 26.46$, $p = .001$ respectively. Table 2. shows Model 1, 2, 3 together with a change in statistics individually.

Table 2. Model Summary

Model	R Square		Change Statistics				
	R Square	R Square Change	F Change	df1	df2	Sig.	F Change
1	.123 ^a	.123	30.002	1	213	.000	
2	.256 ^b	.132	37.630	1	212	.000	
3	.339 ^c	.083	26.460	1	211	.000	

Predictors: (Constant), Informational Justice

Predictors: (Constant), Informational Justice, Perceived organizational support

Predictors: (Constant), Informational Justice, Perceived organizational support, the interaction term

The coefficients of the Models (1, 2, and 3) are given in Table 3. Informational justice in Model 1 has $b = .351$, $t(213) = 5.477$, $p < 0.001$. After adding perceived organizational support, Model 2 has $b = .405$, $t(212) = 6.134$, $p < 0.001$. Similarly, the interaction term in Model 3 has $b = .317$, $t(211) = 5.144$, $p < 0.001$.

Table 3. Coefficients of the Model

Measures	Model 1	Model 2	Model 3
Intercept	4.097***(130.219)	4.097***(140.972)	4.050***(140.186)
Informational Justice	.351**(5.477)	.173*(2.621)	.287***(4.334)
Perceived Organizational Support		.405***(6.134)	.439***(7.003)
Informational Justice x Perceived Organizational Support			.317***(5.144)
Sample Size	215	215	215

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Additionally, it was found that high perceived organizational support accounts for greater strength in the relationship between informational justice and employee engagement and vice versa (Figure 1).

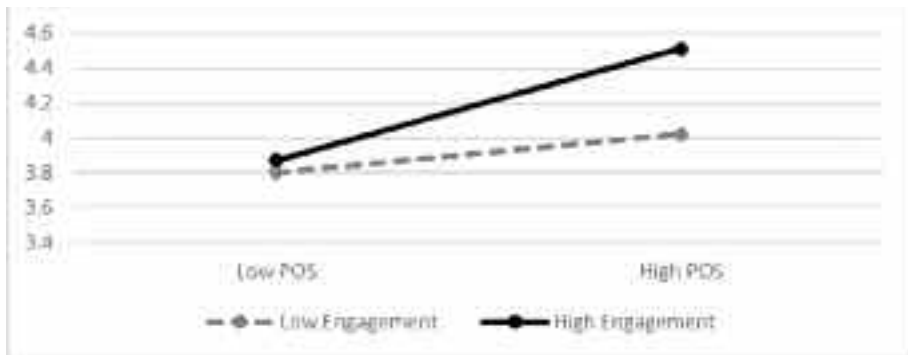


Figure 1. Moderating Variable Versus Interaction

The results of the quantitative analyses support the hypotheses. There is a positive relationship between informational justice and employee engagement (hypothesis 1) and perceived organizational supports to strengthen the relationship between informational justice and employee engagement (hypothesis 2). The analysis also shows that high engagement is accounted for by the greater perceived organizational support.

DISCUSSION AND CONCLUSION

In this fast-growing world, each organization is striving to satisfy markets. One cannot neglect the importance of human resource management. Organizations are of concern to retain their human resource to compete in markets. Economies are mounting, and competitions are getting fierce. Performance is the only tool that can help these organizations sustain competition, and that desired performance can only be attained when employees show dedication at work by not only involving physically but also emotionally and cognitively. This vigor at work will not alone help organizations to meet objectives; it is also needed to be fair in appraising performance. Performance appraisal justice helps in making a psychological contract which employees reciprocate by showing engagement at work and increasing performance. This exchange is explained by Blau (1964), as Social Exchange Theory.

Employees also measure the level of reciprocity by different levels of engagement. The guidelines, policies, and procedures provided by the supervisor to conduct appraisals signal support and decrease ambiguity and anxiety among employees. Similarly, information about carrying

appraisal in a particular way and details about the division of rewards helps increase perceived support from the organization. Since supervisors are considered as agents of the organization, the measure carried by the supervisor is considered as a token of appreciation by the organization. In contrast, organizations not providing sufficient level of information to employees will have to face less dedication from employees, as the employee will not perceive support from the organization.

The results of the analysis show support for the first hypothesis that there is a positive relationship between informational justice and employee engagement which is consistent with previous studies. Therefore, provision of information shall not be neglected by organizations. Managers should provide information regarding policies, procedure, guidelines, the conduct of research, and explain why employees are rewarded in a certain way. This information will help employees to represent dedication at work and will increase performance. Additionally, human resource department shall manage a mechanism to increase communication between manager and employees. Several meetings are recommended while conducting appraisal followed by post appraisal sessions explaining outcomes. Managers shall also realize that by providing information, they are forming a psychological contract with employees which enables them to reciprocate in exerting greater performance.

The empirical analysis also concluded that perceived organizational support has an impact on informational justice - employee engagement. Research findings support second hypothesis, higher the perceived organizational support greater the engagement at work and vice versa. Therefore, human resource department in organizations should ask managers to keep an open and transparent communication with employees. In return, this will generate great fairness and engagement at work.

RESEARCH LIMITATIONS AND FUTURE RECOMMENDATIONS

This study consists some limitations the data was collected from one district (Larkana, Pakistan) only. Also, the study incorporated both public and private banks. Future studies may incorporate perceived organizational support as moderator with other types of performance appraisal justice, and a comparative analysis may be carried out separately for public and private banks. It is also suggested substantiating similar models in other service sectors.

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NEGATIVE EXPORT GROWTH OF PAKISTAN DURING 2011-16: A CONSTANT MARKET SHARE ANALYSIS

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ABSTRACT

Pakistan is experiencing a constant negative export growth trend from 2011. The purpose of this article is to assess the reason of this negative trend. For this purpose, this study has used Constant Market Share Analysis (CMS). This methodology is commonly used for such analysis. The methodology is very important for the policy makers and economic managers to take appropriate and relevant measures for export growth. The analysis revealed that the world demand and competitiveness are the issues which have resulted in negative export growth of Pakistan over the last few years. Therefore, Pakistan's trade policy should focus on those measures which address the issue of competitiveness. The analysis did not find any impact of price on the low export growth, so the measures for market access through low price is not effective. The highly negative world demand effect and separate analysis for major products and geographical regions shows very concentrated exports of few sectors and regions, which suggest focusing on the measures for export diversification.

Key words: *Constant Market Share Analysis, Negative Growth, Exports, Demand Effect, Composition Effect, Competitiveness Effect, Pakistan*

INTRODUCTION

The significance of export expansion as an apparatus of economic development has turn into a most debated issue in the field of development economics and international trade. Majority of the economists underline the significance of exports to instigate economic development and have contended for export led policies or import substituting measures. According to Bhagwati (1973), 'the exports of a country represent an indicator of economic development.' The economists and policy makers believe that increase in exports act as a catalyst for expansion in economic activity and carries an essential part in the economic welfare by improving the living standards through rise in per capita income and maintain the living cost.

Export expansion is considered as a core macroeconomic variable to increase economic growth in developing as well as developed economies (Sakyi, Commodore, & Opoku, 2015). Increase in exports empowers the manufacturing of products and services through a wide range of possible prospects like efficient allocation of resources, dispersion of specialized information, competitive firms, cost reduction through competitive advantage, increase in capital formation and foreign investments (Shaikh & Shaikh, 2012). Consequently, it invigorates national production and exports of goods and services in international markets.

In the course of the most recent four decades, many developing economies have experienced a rapid increase in exports, imports, income per capita and energy consumption to promote economic growth. However, Pakistan is facing a continuous declining trend in exports for the last 5 years. During the year 2011 the export level was US\$ 25.34 billion which has been reduced to US\$ 20.53 billion in 2016, which showed a negative average growth of -4.0% during the years 2012-2016.

Table 1. Pakistan's Exports (2011-2016)

Years	Value (US\$ billion)	Growth (%)
2011	25.34	
2012	24.62	-2.8
2013	25.12	2.0
2014	24.72	-1.6
2015	22.09	-10.6
2016	20.53	-7.1
Average growth		-4.0

Source: ITC

Table 1. shows the overall export trend for the years 2011 to 2016. This sharp decline is a major concern for the policy makers in the country. It is important to note that Pakistan has been given zero rated market access by European Union from 1st July 2014, under GSP-Plus scheme. But the overall export still followed the same declining trend. Government of Pakistan tried to address this issue and took some steps to reverse the trend but could not be successful.

The purpose of this research is to find the reasons of this negative growth for the period 2011 to 2016. Our analysis will be based on Constant Market Share (CMS) analysis. This methodology is widely used for such analysis, which will be described in literature review section. It is important to note

that some of the studies have used this methodology for Pakistan, such as Ahmed and Wizarat (2015); Mahmood (2015); and Akbar (2000). However, all these studies have covered the period of positive export growth. This study is different in a way that it has covered the period from 2011 to 2016 when there was significant and persistent decline in exports earnings.

LITERATURE REVIEW

Constant Market Share Analysis (CMS) was first used by Tyszynski (1951), for analyzing export growth. The analysis is based on the assumption that over the time, export growth remains constant. If there is any change in the growth trend it is attributed to the world demand, competitiveness, market distribution and commodity composition effects.

Ahmed and Wizarat (2015), investigated Pakistan's export performance in the developed markets during the period 2003-12 through CMS analysis. Results of the CMS analysis showed negative effect for commodity composition. On the basis of this finding, the study suggested for commodity diversification. The period selected for this study showed a significant positive export growth. However, after 2012, Pakistan has been facing a constant declining trend in exports. Therefore, the results of this study may not be appropriate after 2012, when a change in export growth is evident.

Barbaros, Lenger, Akgüngör, and Aydoğuş (2007), used CMS analysis to examine the competitiveness of exports of organic agricultural products from Turkey to the European Union. The objective of the study was to find the factors that influence the performance of the country's exports. The study covered a period for 1999-2005 and divided the growth of exports into an export market growth (structural effect), improved competitiveness (competitiveness effect) and the collective effect of structure and competitiveness. The study found that the export growth of Turkey's selected organic agro products were due to the growth of EU markets.

Amador and Cabrel (2008), analyzed Portuguese export growth and market shares in the world during the period 1968-2006, using the CMS methodology. The study breakdown the export growth in terms of commodities and markets, separately. Authors concluded that the growth of Portuguese followed market share effect, which implies that the evidence of changes in each geographical market. They also stated that CMS analysis does not inform about the factors that induces changes in market share and therefore is considered as descriptive method.

Furthermore, Athanasoglou, Backinezos, and Georgiou (2010), examined the performance of Greek exports through constant market shares analysis. The study used panel data on bilateral trade by product category and noted that the degree of specialization of Greek exports is relatively high. The finding of the CMS analysis suggested that in the product categories of mechanical equipment, metallurgical products, paper and glass, Greece can increase exports by concentrating on factors other than prices.

Previously and Veeramani (2007), used this method to shed light on the sources of growth of Indian exports in the period 1962-2005. The effective growth of exports was found greater than the potential offered by the growth of global demand. The researchers asserted that the gap between real and potential growth was mainly due to the competitiveness of exports, while world demand also played an important role in determination of export growth. Singh (2014), also used CMS technique to analyze the India's export performance in post liberalization period. His study covered the period 1991-2011, which also confirmed the same results as other researcher's findings that India's export growth is attributed to competitiveness effect.

In 2010, Jiménez and Martín used the CMS analysis to examine the changes in the market shares of the euro area and its member states for the period of 1994-2007. The authors noted that the geographical composition counteracted the negative effects due to the loss of competitiveness and that the euro countries were strongly influenced by the lower relative specialization of high technology products. Moreover, it was found that the high intra-euro exchange also positively supports exports from the euro area.

Previous literature on Constant market share analysis show that CMS is widely used for the analysis of export performance through which the positive or negative export growth is determined. On the basis of the research conducted, findings, and results of the CMS, a policy to address the objective to attain higher exports is designed. It is also observed through the literature review that so far; no study has used CMS analysis in Pakistan context to examine the export performance in a period when export is continuously declining. Thus, the findings of this study will cover this aspect and fill the research gap.

RESEARCH METHODOLOGY

The data was procured from United Nations Comtrade database (UN COMTRADE), which is accessible through World Bank's World Integrated Trade Solution (WITS) software. The data is at 2-digit level of Standard International Trade Classification (SITC), revision-3 for the period 2011-2016.

For data analyses, Constant Market Share (CMS) analysis is employed, to determine a disaggregation of export growth in terms of market and commodity composition growth, and increased competitiveness. CMS analysis is a statistical method frequently utilized as a part of the investigation of patterns of structural change in global trade. The traditional adaptation of CMS was introduced by Tyszynsky (1951); Leamer and Stern (1972), and Richardson (1971). It is a measuring tool used to assess the impact of structural factors on export growth and contribution in the import markets (Santeliz & Contreras, 2016). CMS calculates the divergence between the actual export growth and export growth computed on the assumption that each export flow grows in accordance with the export market- i.e. the exporting country's share of each commodity in each destination remains constant. Commodity wise exports are considered independent of each other. The estimator thus has taken the form:

$$\Delta X = \sum_{i=1}^n r X_i + \sum_{i=1}^n r_i X_i - \sum_{i=1}^n r X_i + \sum_{i=1}^n \sum_{j=1}^n r_{ij} X_{ij} - \sum_{i=1}^n r_i X_i + \Delta X - \sum_{i=1}^n \sum_{j=1}^n r_{ij} X_{ij}$$

Where,

- ΔX actual change in country's exports,
- r percentage increase in total world (excluding Pakistan's) exports from period 1 to period 2,
- r_i percentage increase in world (excluding Pakistan's) exports of commodity i from period 1 to period 2,
- r_{ij} percentage increase in world (excluding Pakistan's) exports of commodity i to region j from period 1 to period 2,
- X_i Pakistan's exports of commodity i to the rest of the world in period 1,
- X_{ij} Pakistan's exports of commodity i to region j in period 1.

In the equation, the expression ($\sum_{i=1}^n r X_i$) refers to overall growth in the world exports and this is termed as the 'World Demand Effect (WDE)'. In other words, this term estimates the level of change in the exports of the concerned country which has merely maintained its share in the world market. Expression ($\sum_{i=1}^n r_i X_i - \sum_{i=1}^n r X_i$) captures the effect of the differential export growth of the products in the export of the focus country. This effect is termed as the 'Commodity Composition Effect (CCE)'. A positive value for this term indicate that focus country's exports during the specific period were concentrated on commodities for which the growth rates of the world exports (r_i) were higher than the world average for all commodities (r). A negative value indicates just the opposite.

Expression ($\sum_{i=1}^n \sum_{j=1}^n r_{ij} X_{ij} - \sum_{i=1}^n r_i X_i$) reflects the 'Market Distribution

Effect (MDE)', which can be interpreted in the same manner as the CCE: a positive value indicates that focus country's exports during the specific period were directed to the markets (i.e. regions), which were growing faster than the world average, while a negative value indicate the vice versa. Expression $(\Delta X - \sum_{i=1}^n \sum_{j=1}^n r_{ij} X_{ij})$ is a residual, which reflects the difference between the actual export growth of focus country (ΔX) and the growth that would have occurred if the country maintained its export share of each commodity to each market ($\sum_{i=1}^n \sum_{j=1}^n r_{ij} X_{ij}$). A positive residual reflects the general improvement in the competitiveness of the exporting country due to the various price and non-price factors. Hence, it is referred to as 'Residual Competitiveness Effect (RCE)'.

Furthermore, the CMS model suffers from certain limitations. It cannot establish any cause and effect relationship on its own. It cannot decompose the competitiveness effect into price and non-price components. Thus, the model helps us in analyzing the pattern and structure of a country's exports as compared to world pattern and structure of trade. It throws light on the adaptability of a country's production structure according to the changed world markets.

RESULTS AND DISCUSSION

The decomposition of total Pakistani export growth during 2011-2016 is presented in table 2. It is obvious that the negative growth of our exports is because of the negative world demand and competitiveness effect. The products which we are exporting are very much sensitive to the global economic crisis. Furthermore, a very high negative competitiveness effect implies that we are losing ground with respect to commodities and destinations in the global markets. On the other hand, positive market demand effect and commodity composition effect implies that Pakistan could export to some of those markets and products where export growth were higher than the world averages. However, the values of these positive effects are relatively small, which could not counter the high negative impact of world demand and competitiveness effects.

Table 2. Decomposition of Export Growth 2011-2016

	Value in US\$ (000)
Actual change in Pakistan's exports	-4,784,874
World Demand Effect (WDE)	-3,654,192
Commodity Composition Effect (CCE)	1,973,697
Market Distribution Effect (MDE)	536,795
Revealed Competitiveness Effect (RCE)	-3,641,174

A more disaggregated CMS analysis is presented in table 3 and 4. Table 3. presents CMS estimates for top 10 export industries. The five (5) export sectors; apparel (SITC 84), vegetables & fruits (SITC 05), scientific instruments (SITC 87), fish (SITC 03) and sugar (SITC 06) have positive actual change, while remaining five (5) products, textiles (SITC 65), cereals (SITC 04), miscellaneous manufactures (SITC 89), leather products (SITC 61) and non-metallic manufactures (SITC 6) have negative actual change. Here the competitiveness growth effect is strong in the textiles, apparel, vegetable and fruits, scientific instruments, fish and sugar products. However cereal products, miscellaneous manufactures, leather products and non-metallic mineral manufacturing have negative competitiveness effect.

For textiles and apparel, both World Demand Effect and Market Demand Effect is negative. It is evident that the destination effect on export growth is also highly negative in textiles, apparel, vegetables & fruits, scientific instruments, fish and sugar. Among all, textiles was highly affected by market demand effect, which led to an overall negative growth. Cereals, which is dominated by one product ‘rice’, has the highest negative effect of competitiveness but has positive destination effect. Vegetables and fruits is only affected by destination effects but has actual positive change. Miscellaneous manufactures are the only sector which is affected by negative competitiveness effect. World demand and market demand effects have shown positive effect for this sector.

Table 3. Constant Market Share Analysis (2011-2016) Product Wise

Code	Product Description	Actual change	WDE	MDE	RCE
		VALUE IN US\$ MILLION			
65	Textile yarn/fabric/art.	(1,401)	(413)	(2,169)	1,182
84	Apparel/clothing/access	554	(38)	(240)	831
04	Cereals/cereal preparation	(1,282)	(422)	352	(1,212)
05	Vegetables and fruit	33	83	(551)	502
89	Misc. manufactures	(482)	40	154	(676)
61	Leather manufactures	(121)	(53)	158	(226)
87	Scientific/etc instrument	53	(3)	(48)	104
03	Fish/shellfish/etc.	25	28	(21)	18
66	Non-metal mineral manuf.	(179)	(42)	82	(219)
06	Sugar/sugar prep/honey	188	(12)	(6)	205
	Others	(2,172)	(848)	847	(2,171)

Table 4. presents CMS estimates for major export destinations of Pakistan during 2011-16. There were only 2 regions Central Asian Republics (CARs) and Europe, where actual change was positive. Interestingly, only these two regions

have shown positive effect for competitiveness. All the regions have shown negative demand effect and positive commodity composition effects, except CARs where a marginal negative commodity composition effect was noted.

Results in the table 4. show almost same results as in table 2, where world demand and competitiveness effects were the major contributor of negative export growth. Competitiveness effect in South Asia, Middle-East (MENA) and East Asia Pacific was very high and showed a major contribution in negative export growth in these regions.

Table 4. CMS Analysis Region-Wise (2011-2016) Region wise

	Values in US\$ million			
	Actual change	WDE	CCE	RCE
Africa	(373)	(238)	296	(431)
CARs	26	(2)	(4)	32
EAP	(731)	(532)	597	(796)
Euro	611	(910)	816	704
MENA	(1,513)	(464)	455	(1,504)
North America	(437)	(613)	616	(440)
South Asia	(1,614)	(615)	759	(1,758)
South America	(121)	(53)	92	(159)
Others	(632)	(229)	446	(850)

The policy lesson that we should learn from the research findings is that incentivization should focus upon improving competitiveness of exporting firms. The primary focus of export policy should be on enhancing the global competitiveness of our leading exporting firms. Ansari and Siddiqui (2017), therefore suggested the government that the Export policy should focus on firms not on sectors.

CONCLUSION

Constant Market Share (CMS) analysis show that the ‘Competitiveness Effect’ and ‘World Demand Effect’ is highly negative in the overall export growth pattern during 2011-2016 in Pakistan. While ‘Market Demand Effect’ and ‘Commodity Composition Effect’ account positively for the growth of Pakistan exports, Competitiveness effect is particularly highly negative in the cereals preparations, manufactured items and leather products sector. CMS analysis further shows that we are losing ground to other countries because of the declining competitiveness of our products in the global markets. The weak world demand of our product is equally contributing to negative growth in exports in Pakistan.

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DO ‘EMPLOYEE TRAINING PROGRAMS’ AFFECT EMPLOYEE PERFORMANCE?

Dr. Farhan Zeb Khaskhelly, and Dr. Imamuddin Khoso

ABSTRACT

The purpose of this study is to carry out the analysis of the interviews gathered from the managers and employees working at NGOs which may help in comprehending whether training has a significant impact on the performance of the employees. In this essence, the researcher selected three NGOs for carrying out interview analysis. The data was collected from the managers of the NGOs who were responsible for managing and carrying out training programs in their organizations to enhance employees' performance. The methodology involved informal interviews and in this connection, the researcher interviewed five managers from the NGOs in different districts of Hyderabad region, which helped in getting insights on the training strategies of their respective NGOs. The results concluded that there is a strong significant impact of training and development in organizations. The managers were of the opinion that training programs should be implemented at every level of the organization for enhancing the performance of the employees.

Keywords: *Trainings, Employees, Interviews, NGOs (Non-Governmental Organizations).*

INTRODUCTION

Trainings provide an immense boost to the employees that makes them perform harder to achieve the organizational goals. Trainings directly influence the attitudes and behaviors of employees thus, ensuing in their performance enhancement (Dessler & Tan, 2006). The training programs tend to be the basic operational and functional foundations for the development of the employee's skills (Agarwal & Sudhakar, 2017). It is the key area of human resource management after the human resource planning, as through this, managers assess the number of employees required to undertake organizational activities and to achieve the

organizational objectives. After job analysis, efficient recruitment, and right placement of the people, the HR managers are concerned towards provision of required job trainings to the employees. The inclusion of employee on job training in HR practices is the best approach for employee development and enriching their skills and capabilities (Przewoźna-Krzemińska, 2017). Trainings play a vital role towards achievement of organizational goals as it integrates the individual and organizational interests (Argyris, 2017; Ahmad & Bakar, 2003), and increases the organizational and employees' competence and efficiency. On the basis of this backdrop, it is very essential to understand the key concept of employee training and its importance in delivering organizational efficacy. Training is a very essential activity which not only helps in accomplishing the overall organizational goals but also provides a strategic path to the human resource personnel, to amalgamate the organizational goals and objectives into its training and development plan. The trained and skilful human resource is a key for sustaining competitive advantage and many organizations today consider employee training as an investment rather than a cost (Schonewille, 2001). The organizations need to be very cautious when they are designing and planning the training and development programs as it involves great deal of time, effort and organizational cost (Blatter, Muehleemann, Schenker & Wolter, 2015; Dichter, Alexander, & Gagnon, 1993). After the designing of the program the human resource manager should be responsible to take the key inputs from the personnel themselves otherwise the whole activity will go futile and there will be no substantial results, as it is very important to understand what the trainees' feel about the training programs. This activity is also essential to gauge the change after the implementation of the training program.

Human resource is the most important resource in any organization. It requires immense focus and development to achieve organizational goals and objectives. Human Resource Development (HRD) is the structure or basis which helps employees advance their individual and executive abilities, knowledge, and skills. It is a framework through which employees in the organizations are given appropriate training and education. In current scenario, it is an area of focus study for academicians. Many researchers have come up with latest theories and philosophies which state a wide array of phenomena of attention towards the vocation of human resource development (Torraco, 2004). The

purpose of human resource development is to get employees learned, trained and educated after the process of recruitment and selection is accomplished. Defining human resource development has remained a topic of argument and debate for long for the researchers and not withstanding with the fact that several attempts have been made to define it (Wilton, 2016; Haslinda, 2009).

Human Resource Development is an area that falls under human resource management and deals with the development of skills through trainings. It is a function of human resource management (Werner & DeSimone, 2006). It involves systematic growth of employees by imparting them the required and relevant education, training and development. Human resource development has a direct connection with the performance. Human resource development plays a significant role in improving the performance of employees by ameliorating their skills, abilities and knowledge, through right and ample trainings and concerned education which ultimately influences and enhances the performance of the organization (Chew & Chan, 2008). The major focus of human resource development is over employee training and development and organizational development. Moreover it also focuses over human resource policies, awareness and empowerment, community mobilization and entrepreneurship (Khan, 2012).

With the scarcity of literature and prior research studies on job trainings and employee performance, there is a need to explore the currently available knowledge to recognize an effective mix of HR practices that are relevant in service sector like NGO's and in Pakistan context. An attempt to investigate an understanding of the HR practices pertaining to job trainings in Non-Government organizations is done through informal interview analysis.

LITERATURE REVIEW

Many previous research studies have discovered and provided ample and extensive interview evidence that training has an impact on the performance of employees. Truitt (2011), carried out her study connecting training and development effects on attitude and approach of employees in four different organizations i.e. one academic and three business in the states of Maryland, Delaware and Arizona in the USA, relating them to training and working aptitudes and abilities. The results supported two suppositions trained employees possess positive training attitudes, and

therefore positive training attitudes are supposed to ameliorate job proficiency and skills.

Otuko, Chege, and Douglas (2013), conducted their research in Kenya on the effect of training dimensions on employee's work performance. The purpose of their study was to evaluate the effect of training dimensions on the performance of employees. They carried out their study by targeting 150 employees and 6 departmental heads through simple random sampling and purposive sampling respectively. The data was collected using interviews and concluded that there was a positive and major effect between training needs assessment and employee performance; positive and significant effect between training contents and employee performance; and positive and significant association between training evaluation and employee performance. The results thus indicate a positive and significant effect between all the training dimensions and performance of an employee.

The findings of the literature review suggested that training has its impact in different dimensions and manifestations but due to the scarcity of literature and prior research studies on job trainings and employee performance, there is a further need to explore the available knowledge to recognize an effective mix of HR practices that are relevant in NGO sector in Pakistan. In this study an attempt to investigate an understanding of the HR practices pertaining to job trainings in Non-Government organizations is done through informal interview analysis.

RESEARCH OBJECTIVES

The study has following objectives:

- To examine the relationship of training with the performance of employees at NGOs in Hyderabad Region.
- To know and analyse the effect of trainings on employees' performance at NGOs in Hyderabad Region.

RESEARCH METHODOLOGY

In this research, informal interviews were conducted from the managers of the NGOs who were responsible for managing training programs in their organizations. In this context, the researcher selected five managers of three NGOs in Hyderabad, as reaching the managers for conducting informal interviews was relevantly convenient for the researcher. These five managers provided valuable insights to the researcher with respect to

training and development in their respective organizations which are intended to ameliorate the performance of the employees.

RESESRCH FINDINGS

The researcher interviewed five managers from the NGOs in different districts of Hyderabad, and gained useful insights on the training strategies of their respective NGOs. The interviewees were given the liberty to speak freely about the events and their beliefs and notions in accordance to the research study and following are the responses:

(a). Significance of Training & Development in the NGOs

The significance of training and development was extensively discussed by the interview participants. They were of the opinion that trainings should be implemented at every level of the organization in order to enhance the performance of the employees working in the organization. According to Dale (1970), training and development plays a significant role in creating a difference in the performance of the employees working at the organization. However, the process of improvement of the employees should be focused towards well execution of training and development programs in the organization. Effective implementation of the training programs requires a set of goals which can boost the employee performance and motivate them to work harder for the organization. In this essence, one of the NGO members highlighted the importance of training and development in the organization as:

“I think trainings can help the employees in improving their performance if they are properly designed according to the needs of the employees where they are lacking. The skills where the employees are lacking are required to be trained for proper execution of daily tasks. As our NGO is one of the prestigious organization in the vicinity which possess highly motivated working staff, we, therefore, have acknowledged the importance of training and development for which, we continually train our employees to solve their problems.”

In this essence, another manager of the NGO stressed that:

“I prefer to design new training programs for the employees because I have realized the importance of employees' trainings which are significant as it introduces the employees to the existing culture of the organization which is very necessary for them to learn. Through this they can adapt

themselves according to the culture of the organization. We even provide training to our lower level staff which includes janitorial staff and drivers because we feel accountable to them as their effective work practices can make the organization more prosperous.”

The third interviewee reflected on the importance of training and development in the organization as:

“I believe that training is important for the performance enhancement of the employees within an organization as it caters to the problems and develop employee skills. However, the effectiveness in their task can be subjected towards the enhancement of the employee performance because it should meet the expectations and needs of the employees with respect to the work related tasks. I also believe that training and development is a factor which benefits the company, however, it incurs an adequate cost, however, it also provides an ultimate benefit to the organization. I suggest every organization to focus on training of the employees so as to enhance their productivity towards work.”

The interview responses reflect that the managers of the NGOs highly recognize the importance of training and development in the organizations. One of the managers even suggested to all the NGOs and organizations to acknowledge the importance of implementing training and development practices in the organization so that the performance of the employees can be boosted for the better productivity and efficient use of human resource.

(b). Organizations’ Investment in the Training & Development for the Enhancement of the Performance of their Employees

Investment in the training and development programs has significantly become important for the organizations due to increased globalization and increase in the competitive exposure of the companies. For this purpose, organizations try to invest in the activities which can help them in sustaining their competitive advantages, especially with respect to the development of human resources as it is considered as the core of the business choices. In this context, organizations largely invest in the training and development programs in order to make their business in line with the objectives of the company and further enhance the competencies and skills of their key employees. In this regard, one respondent of the interview highlighted that:

“Training and development is the lifeblood of a company because it helps generate an attitude in employees through which they can achieve the objectives of an organization. I believe that an adequate amount of funding should be invested in training activities so as to train the employees for the emerging challenges. As NGOs are involved in human interactions for day to day tasks and subjected to numerous challenges which can be resolved by the skilful strategic moves of the employees, therefore, investment in the training activities of the organization should be kept at priority list.”

Another manager spoke about the investment in training and development programs in the organization and said that:

“Training programs should be kept at precedence over other activities in the organization as investment in the training programs requires time, money and energy of the company. I believe that if you are spending a heavy amount on the training and development programs of the employees, there has to be some demonstrable benefit which should be returned back to the organization.”

Another participant of the interview responded to this question that:

“Investment in training should be given due importance in the organization as a person could not perform his task without receiving adequate training related to the job description. So, I am of the viewpoint that training is necessary and should be considered as a top priority in the organization because it helps improve the performance of the employees. I prefer to invest adequate amount in training and development of the individuals because it leads to ultimate benefits of the organization.”

According to the interview responses of the managers of NGOs, it is made apparent that the managers are of the opinion that a significant amount should be invested in the training of the employees so as to enhance their performance in the organization with respect to their job description. In doing so, the company can gain a competitive advantage over its competitors and can turn their expense into an asset.

(c). Challenges Pertaining to Planning an Appropriate Training Program for the Employees

In this era of globalization, the training and development of the

employees is found to be significant for the organizations with respect to training the employees according to structure, tradition and culture of the organization. For this purpose, trainers face certain difficulties related to planning the training programs for the employees. However, some of the practitioners and authors are of the opinion that training should be planned according to the skills and expectations of the employees for effective design and efficient utilization of the program. In this essence, one of the interview respondents highlighted that:

“Many of the training professionals in our NGO are females who are responsible for designing new training programs for the employees working in the company. They face some difficulties in designing new training programs for the employees as it is difficult to gauge each employees skill requirement due to their diverse work tasks. They also face difficulty in measuring the effectiveness of the training employed in a systematic manner because training evaluation is necessary to be carried out which assesses whether the training was effective for the employees or not. Therefore, our trainers face difficulty in planning training programs according to the policies and procedures followed by the company.”

It was also highlighted by the interview respondent of one of the NGOs that:

“Planning of training programs is full of challenges because it requires planning the activities according to the needs and lacking skills of the employees working in the organization. In our NGO, trainers have adopted a comprehensive set of framework which guides them to adapt relevant training activities for the benefit of the employees. I will again repeat my statement here that an effective training program is an ultimate benefit for the organization. For combating challenges, our trainers’ team conduct a quantitative assessment which helps in determining the area which requires more training of the employees in the organization. I have proposed the training team to primarily conduct surveys connecting the weak areas of employees and arrange the training programs in accordance to those weak areas.”

Another respondent also highlighted the nature of the challenges they face during planning a training program in their NGO:

“I believe that planning training program is a huge task which is more

complex for the trainers, because it is difficult to take every aspect into consideration in the process of planning. In our NGO, we plan the training programs by the nature of problems faced by the people working in the organization as I believe working in an NGO is indeed challenging for the employees who are working in direct or indirect contact with the people suffering or the children with down syndrome. Such people are required to be tackled with care and love for improving their health. Therefore, for handling the people, it is essential to build the patience and tolerance of the workers so that they do not get offended and tired of their work. These situations are often faced by the trainers of the NGOs and have to be handled by the managers in an effective manner. Therefore, we plan different strategies in order to handle the challenges which are currently faced by our trainers."

In this viewpoint, another interview respondent highlighted in the informal session that:

"We face intense challenges while planning training programs for the employees working in our NGO as our employees face numerous challenges in their job tasks. One day, a trainer complained to me that most of the fellow employees are not so well educated which is the reason they do not take into account the instructions of the trainers that are necessary to be adhered. This generates gaps in the understanding level between the employees and the trainer which creates difficulty in setting agenda for the training programs. Right now we are working on hiring highly educational human resource so that they can work according to the instructions of the trainers of the company."

The interviews highlighted that all NGOs faced certain challenges while planning training programs for their employees. However, they acknowledge the importance of planning training programs for the enhancement of the employee performance. An appropriate procedure should be adopted by the training managers to effectively implement the trainings in the organization in order to not only assist the employees but to result in the eventual value and ultimate benefit for the organization.

(d). Importance of Training Needs Analysis and Training Contents for the Enhancement of Employee Performance

In the light of Dale (1980), training needs analysis is regarded as the

effective component of the training and development in the organization as it helps in identifying the gaps between the performance of the employees according to the training needs and the skills of the employees. However, a successful planning of the training needs analysis will not only help the trainer in analyzing the skills which are lacking on the part of the employees but also to identify those that are necessary to be acquired in order to meet the expectations of the company. Furthermore, the content of the training is also important in the planning process of training because it reflects which subjects and key areas are to be included according to the skills and lacking abilities of the employees. In this essence, one manager from the NGO highlighted in the interview that:

“NGOs in Pakistan are undergoing major changes as the concept of serving the community is lost somewhere in the wake of gathering reputation for the NGO and increasing the number of trustees NGOs have now become a place to market things and generate profits whereas the ultimate objective of an NGO should be to provide community services to the needy people in the vicinity. In such case, managing the workforce is a highly crucial task because the employees are also here to get their salaries and monetary benefits for the work they conduct. But it is necessary to train the employees and allocate a significant budget to train them in a systematic manner. It is also necessary to set an appropriate content for the training according to the needs of the employees through which a counter training can be provided to the employees.”

In this essence, another manager of the NGO with the viewpoint about training needs analysis reflected that:

“Training has become crucial for filling the skill gaps in the employees so that they can perform complex tasks in most effective manner which is also cost effective for the company. Our trainers conduct an analysis on the training needs which is used to identify how the employees can be trained by the trainers and what kind of trainings should be provided to the employees. Through this, the trainers get to know the competencies and capabilities of the employees working in the organizations which can further be enriched in order to make them work effectively, as in the case of NGOs, different set of skills of the employees is required. I believe that a better outcome can be achieved by conducting

a training needs analysis of the employees working in the NGO so that the content of the training can be set in accordance to the training manual and needs of the employees.”

The responses of the interviewees highlighted that there is a significant importance of training needs analysis and content of the training as it can help in identifying the employee needs with respect to training and development. In this essence, a checklist can be created which helps in determining how to improve the job performance of the employees through means of training.

(e). Significance of Training Delivery Approaches and Training Evaluation for Improving Employee Performance

It is significant for the organizations to evaluate the overall effectiveness of the training programs because it sheds light on how well the training program was executed by the trainer and how the needs and objectives of the learners were met through the program. In addition to this, the evaluation of the training program helps in assessing the knowledge and skills which are imparted to the employees of the organization. In case of successful implementation of the training program, it can bring a desirable change in the organization by directly influencing the performance of the employees. In this context, the interviewee which was the manager of an NGO highlighted that:

“In most of the companies, training evaluation is not adequate as it requires spending resources of the organization which is followed by the comprehensive evaluation of training. I believe that it can be evaluated from the feedback process of the employees comprehend whether the training program is according to the needs and expectations of the employees or not. The training evaluation is also dependent on how it was delivered to the employees of the company which helps in assessing how the gaps in the performance of the employees can be filled. I believe that training evaluation should be conducted after one month of the training program for understanding the impact of the training on the employees. Our trainers are usually happy with the training sessions because they always result in positive outcomes and enhancement of the employee performance.”

In addition to this response, the manager of another NGO stated that:

“Our trainers are very much concerned towards evaluating the training provided to the employees because it helps in knowing the future prospects of the training and confirms whether you are going on the right track. Our trainer once stated that training evaluation helps in assessing how we can add value to the delivery approaches and the contents of the training so that we can perfectly impart the learning to shape the abilities of the employees. It is our due responsibility to train the employees and continuously evaluate them for the improvement of the training programs. I believe that gathering feedback of the training from participants will help in better evaluating the training program that whether it brought positive impact on the employees’ performance in the organization or not.”

The interview analysis revealed that there is a strong significance of training and development in their organizations as the managers were of the opinion that training programs should be implemented at every level of the organization for enhancing the performance of the employees. It was also highlighted that training and development also plays a significant role in the company which should be followed by an effective implementation of the training program requiring a set of goals which can boost the employees’ performance and motivate them. According to Truelove (1992), training is undertaken for providing knowledge, skills and attitudes essential to accomplish work connected responsibilities. It was also stated that the training programs should be properly designed so that the employees can be trained in an effective manner and according to the schedule of the training. This requires setting of training objectives which should cater the problems and skills of the employees and also help them in carrying out their day to day task.

The interview analysis also revealed that organizations should conduct investment in the training and development for the enhancement of the performance of their employees. This is also reflected in the study of Aswathappa (2008), that organizations should mainly invest in the strategies of training and development so as to make their business in line with the objectives of the company and also to enhance the competencies and skills of their key employees and management staff which can help in achieving objectives of the company. The interview analysis also highlighted the challenges pertaining to planning an appropriate training program for the employees. The interviewees stressed that the managers face difficulty in measuring the effectiveness

of the training programs which are employed in a systematic manner because training evaluation is necessary to be carried out which assesses whether the training for the employees was effective or not. The results reflected a positive significance of training of the employees for the enhancement of their performance.

CONCLUSION

Overall the informal interviews were conducted from the managers of the NGOs in Hyderabad Region who have reflected upon the importance of training and development in the organizations. The findings revealed that it should be prioritized by the managers of the NGOs because employees are in need of training and require enhancement in the performance according to the strategies of the company. Trainings are vital for the organizations as they can help the members of the organizations to increase their performance and further help in achieving the objectives of the firm in an effective manner. This was also revealed from the responses of the interview participants that training should be employed at every level of the organization including the lower management staff of the organization. Therefore, trainings should be considered important as they help in the up-gradation of employee knowledge and skills which eventually benefit the organization.

MANAGERIAL IMPLICATIONS

- It is recommended to identify the employee skills which are required for the job and also the problem that is required for resolving the training gaps. This should be initiated with the job description and the task allotted to the employees so that they can be trained connecting enhancement of their skills. In addition, it is necessary to carry out training needs analysis which entirely focuses on the job tasks rather than inquiring people about what they want from their job which could also be misleading for the employees.
- It is also recommended to the managers of the NGOs to ignite the passion of the managers for coaching the employees which should entirely focus on the skills and knowledge and mentoring of the employees. In the highly competitive global environment, the managers' role in the organization has eroded as they are overburdened with the companies' responsibilities and also the new

hired people lack at the skills and competencies. In this essence, the organizations need to support the managers by providing them with incentives so that they can perform their tasks effectively.

- Training evaluation is considered to be the most critical and important stage of training program and plays an important and significant role in training session, thus, it is recommended to the management of organizations to give special emphasis on training evaluation in order to determine the effectiveness of training process.

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IMPACT OF MANAGERIAL COACHING ON EMPLOYEE THRIVING AT WORK: THE MODERATING ROLE OF PERCEPTION OF ORGANIZATIONAL POLITICS

Basharat Raza, Abdul Moueed, and Dr. Muhammad Ali

ABSTRACT

This study attempts to look at the influence of managerial coaching on employees thriving at work through the moderating effect of perception of organizational politics. The study strives to fill the research gap of limited available literature on the effectiveness of managerial coaching. Data is collected from the employees working in the pharmaceutical sector in Lahore, Pakistan. By using correlation and regression analysis technique with 261 workers' sample, results indicate that managerial coaching is positively correlated with thriving at work. The results also exhibit that the relationship between managerial coaching and thriving at work is moderated by the perception of organizational politics. Furthermore, the practical implications of this study are discussed.

Keywords: *Managerial Coaching, Thriving at Work, Perception of Organizational Politics.*

INTRODUCTION

The organizations are trying to access the dynamic markets in the global competitive environment, and job atmosphere is changing continuously in all over the world (Kalleberg, 2018). The achievement of sustainable competitive advantage requires extraordinary efforts of the organizations in the rapidly changing environment (Delery & Roumpi, 2017; Pousa & Mathieu, 2015; Hagen, 2010). The managerial activities are becoming crucial for increasing the performance of employees in the workplace (Pousa & Mathieu, 2010). Managerial coaching thus has become an important HRD and organizational development strategy to enhance the salespersons' skills in the organizations (Pousa, Mathieu & Trépanier, 2017, Dahling, Taylor, Chau & Dwight, 2016; Deeter-Schmelz, Goebel & Kennedy, 2008).

Coaching has become increasingly vigorous together with a set of

activities for supervisor, human resource development experts, and subordinate's accomplishment (Park, 2007). Human resource development specialists, academics, training related professionals and organizational psychologists are exerting effort to uncover the effectiveness of managerial coaching as a practice in the workplace (Woo, 2017; Kim, Egan, Kim, & Kim, 2013). Turnover intention rate is negatively related to managerial coaching (Kim, Eom, Kim, & Youn, 2015), and OCB is positively related to managerial coaching (Kim & Kuo, 2015). The coaching behaviors of a supervisor fosters the sense of responsibility among the subordinates and in exchange, employees also respond favorably towards the achievement of organizational goals (Sonenshein, Dutton, Grant, Spreitzer, & Sutcliffe, 2013). In a political environment, employees perceive that their supervisor is not treating them equally which distorts their relationship and result in lower employee job performance (Chang, Rosen, & Levy, 2009), thus, aggravates adverse outcomes like withdrawal behavior, absenteeism, low job performance and job worries (Ferris & Kacmar, 1992).

Managerial coaching is a developmental relationship between the subordinate and the supervisor, where subordinate is the ultimate beneficiary of this relationship (Park, 2007). The support of top management is essential to develop the coaching environment in the organization to increase the learning, efficiency, and effectiveness of employees in the workplace (Ratiu, David & Baban, 2017; Ellinger, Ellinger, Hamlin, & Beattie, 2010). Managerial coaching has become a very famous technique for HRD specialists to improve organizational practice, creating a learning environment for employees and for their career development. It is also necessary for the growth of organizational members, management of human capital in the strategic perspective, managing talent, and fostering improved work environment to achieve organizational goals (Gilley, Gilley, & Kouider, 2010). Hence, among the well-known outcome variables of the managerial coaching, job performance is a significant variable, as the effectiveness of managerial coaching can be understood in a stint of employee's performance (Ellinger, Ellinger, & Keller, 2003). Moreover, concentrating on organizational change and learning at the place of work dynamics, it has been evident that organizations are assigning specific responsibilities, related explicitly to HRD roles to their supervisors and executives (Jones, Woods & Guillaume, 2016; Liu & Batt, 2010). The fluctuation of job duties is

persistent in organizations as the managers attempt to accomplish the roles of recognizing and assigning the human capital in specific jobs, to attain business objectives (Muhlberger, & Traut-Mattausch, 2015; Ellinger et al., 2003). All these desired outcomes and responsibilities are achieved with the support of managerial coaching behavior (Turner, & McCarthy, 2015; Kim et al., 2013). Henceforward, to support the development of employees, the managers are required to act as educators (Cohen & Tichy, 1998), and coaches (McGill & Slocum, 1999).

The concept of “thriving at work” is now getting the attention in the workplace conduct, movements and constructive organizational scholarship (Abid, 2016). Spreitzer et al., (2005), describe thriving at work with the mixture of both knowledge and vitality. Elliott and Dweck (1988), discuss and elaborate that the knowledge factor of thriving involves in gaining and implementation of new sciences. Hence, Knowledge and vitality are the positive feelings to encourage vigor and enthusiasm in employee’s performance (Nix, Ryan, Manly & Deci, 1999). Moreover, knowledge and vitality are further investigated individually. Latest research focused on thriving at work designating utility while considering knowledge and vitality jointly (Porath, Spreitzer, Gibson & Garnett, 2012). Henceforth, both the psychological conditions together in the workplace relate to the positive consequences for the employees as well as the organizations (Ren, Yunlu, Shaffer, & Fodchuk, 2015; Spreitzer & Porath, 2012; Spreitzer et al., 2005). Further, Abid and Ahmed (2016), describe thriving at work with three-dimensional factors being cognitive; effective, and behavioral. When employees receive psychological capital from their organizations, they feel thriving at work (Iverson, 2017; Frazier & Tupper, 2016; Paterson, Luthans & Jeung, 2014). Thriving at work can be increased through promotion (Wallace et al., 2016), and the employees, who have a core self-evaluation personality trait, create an environment of thriving at work (Walumbwa et al., 2017). Another study conducted by Jiang (2017), found a positive relationship between proactive personality and thriving at work. The employees, who are conscientious, and extrovert feel more thrived at their work environment (Hennekam, 2017). Employees behave creatively and show favorable attitudes when they feel thrive in their workplace as a result of managerial coaching (Sonenshein et al., 2013).

It is observed that the perception of organizational politics will moderate the affiliation between managerial coaching and thrive at work.

“Organizational politics denotes self-interested activities which are not supported by the organization, and the consequences of these behaviors are negative for their employees and organizations” (Ferris & Kacmar, 1992). Perceptions of organizational politics (POP) are the magnitudes to which employees observe political actions as prevalent in their workplace. These behaviors have been discussed in social exchange theory (Blau, 1964), which argues the employee exchange effort, abilities and time for reward in the organization. In politically oriented organizations, distribution of rewards is based on favoritism, not on merit system (Rusbult, Campbell & Price, 1990). For fair attitude, a leader must create a healthy and fair environment in the organization, as proposed by social exchange theory (Blau, 1964). If organizations want to succeed, then it is necessary to create a balanced relationship between managers and the employees (Gadot, 2007).

POP has a negative influence on employee outcomes like job satisfaction and affective organizational commitment (Butt, Imran, Shah & Jabbar, 2013). POP creates a stressful environment and has an adverse effect on job attitude and performance (Ferris, Russ, & Fandt, 1989). Therefore, it is projected that perceptions of organizational politics will moderate the relationship between managerial coaching and employees’ thriving at work.

Despite increasing attention and related practice-oriented actions which emphasize the significance of the manager acting as coach, research on managerial coaching is scant (Beattie, Kim, Hagen, Egan, Ellinger & Hamlin, 2014), the results of studies on managerial coaching effectiveness are infrequent (Boyatzis, Smith, & Beveridge, 2012). Existing studies have explored a few outcomes like in-role enactment, organizational citizenship behavior of individuals, and organizational citizenship behavior of the organizations (Kim & Kuo, 2015). Furthermore, thriving at work is an essential outcome of managerial coaching which has been continuously recognized (Kim & Kuo, 2015). Another significant research gap in the literature on managerial coaching is an investigation of its practices and effectiveness outside the Western countries (Beattie et al., 2014). The current study tries to fill the research mentioned above gaps in the literature on managerial coaching. So, the objective of this research is to examine the association between the managerial coaching and thriving at work with the moderating role of POP. Thus, this study determines the results of following research questions:

- What is the relationship between the managerial coaching behavior of a supervisor and thriving at work?
- Does the association between managerial coaching and thriving at work is moderated by the POP?

LITERATURE REVIEW

The perceived organizational support theory discusses the connection between managerial coaching behavior and thriving at work, where it elaborates the exchange between the organization and employee (Eisenberger, Fasolo, & Davis, 1990). Employee perception of organizational funding is appreciated as psychological contentment and assertion that which employees can discover from organization to execute their tasks and obligations together with inspiring conditions (Abid, Zahra & Ahmed, 2015). Kottke and Sharafinski (1988), alleged that since influential leaders and managers do as the exemplification of the organization, an employees' potency to be familiar with their leader and manager's positive coordination concerning them as a specimen of organizational support. Moreover, with the perception of support of the organization (Levinson, 1965), employees might feel valued to take care of organizational well-being and organizational success.

In the coaching setting, managers do their job duties as a coach; subordinates recognize their natural processes as benevolence (Hagen, 2010). They accomplish diverse activities to provide objectives and means to provide immediate feedback for performance enhancement, character-forming valuable instructions, on-the-job opportunities for employees learning and development, gratitude, reward and expediting employee's development and achievement (Kim, 2014). When subordinates perceive supportive behavior as coaching relationship with supervisor, subordinate feels the duty to react by refining the advantageous approaches and thriving at work (Sonenshein et al., 2013). Hence, the theoretical model advanced by Spreitzer et al. (2005), recommends that when employees thrive at work, they cautiously communicate their subordinates to improve interactive properties and to take attention of the requirements of the others at the workplace (Spreitzer et al., 2005).

Therefore, promoting the arguments, organizational support theory explains the exchange relationship between employee and organization as actions performed by a manager or leader perceived as the spokesperson for the organization. When employees perceive the favorable actions from

their manager or supervisor, organizational support enables them to fly high at work. From the social exchange viewpoint, in a political environment, employees feel a lack of transparency, ambiguity, uncertainty about the organizational reward system (Hall, Hochwarter, Ferris & Bowen, 2004). So, POP will moderate the relationship between managerial coaching and thrive at work.

Therefore, grounded in the organization support theory, in this study the theoretical model contains managerial coaching eventually influencing thriving at work with the prerequisite of the moderating effect of perception of organizational politics. Therefore, the above literature depicts our theoretical framework as follows:

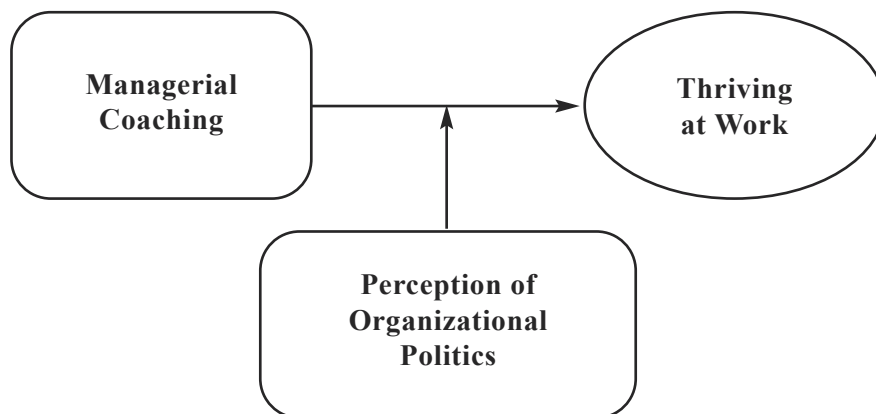


Figure 1. Theoretical Framework

Managerial Coaching, Thriving at Work and POP

Managerial coaching is “a method of facilitator of learning which is provided by a supervisor or manager, enabling the employees to learn and enhance the performance” (Ellinger et al., 2010). It is considered a practical and development performance of subordinates (Jones et al., 2016). Coaching mulls over as being extricated from old-style management because it consists of self-directed, empowering, supportive and teamwork strategies as an alternative of a dependent on the steering, observing, and inflexible—where it is prepered an emergent collaboration in the workplace setting (Muhlberger & Traut-Mattausch, 2015; Boyatzis et al., 2006). Moreover, managerial coaching enactment is improved by quick feedback, training and mentoring (Kim et al., 2013), giving clear goals, acting as a role model, create learning opportunities

and refining the prospects of accomplishment and betterment of employees (Kim, Egan, & Moon, 2014). Many researchers mark managerial coaching with mounting a relationship, active listening abilities, unique and logical skills, rapid response, and openness of new beliefs in a work setting. Further, it also appreciates the viewpoints of employees in decision making, cognitive abilities, exposed communication, amplification of goals and objectives, teamwork and establishing a cooperative atmosphere in the organization (Cox, Bachkirova & Clutterbuck, 2010). The supervisors, who need to establish a healthy and beneficial relationship for the subordinates, should adopt the helping behavior and appreciate the effort of the employees (Zhang, Tsui, Song, Li, & Jia, 2008). Which in turn would create a healthy environment (May, Gilson, & Harter, 2004). In this situation, employees are self-assured to accept threats, as they accept they are backed by the supervisor (Abid et al., 2015; Kahn, 1990), and consider perceived organizational support by their organization. When employees perceive support by their organization, they increase enthusiasm for creativity and new knowledge. Thus, healthy and supportive environment enhances thriving at work (Wiesenfeld, Raghuram, & Garud, 2001) and in return employee personates constructive attitude (Kwon, 2015), and share encouraging opinions (Yang, Cho, Kim, Eom, Kim, & Youn, 2015), towards their determination and obligations. The work-family balance enhances thriving at work (Russo, Buonocore, Carmeli, & Guo, 2015). When employees are empowered in their work setting, then they feel a sense of thriving (Li, Liu, Han, & Zhang, 2016). When coaches are transformational leaders, then employees perceive contextual resources and in return, feel thriving at work (Hildenbrand, Sacramento, & Binnewies, 2016; Niessen, Mader, Stride, & Jimmieson, 2017). Therefore, in coaching behavior, the managers deliver quick feedback for improving the performance. The subordinate feels the responsibility to answer by refining the promising approaches and thriving at work (Sonenshein et al., 2013). Hence, based on the contextual and practical research grounds, the first hypothesis is constructed as:

H1: Managerial coaching is positively related to employee thriving at work.

POP is a personal viewpoint and self-serving behavior about the environment, which is observed by an employee in a working setting. By self-determination theory, employees feel proficiency, independence, and

understanding when they are intrinsically motivated (Deci & Ryan, 1985). But in the political environment, where decisions are taken by some authorized persons and power distributed through favoritism, employee's intrinsic motivations, proficiency, and performance are reduced and consequently create workplace imbalance (Ryan & Deci, 2000). Furthermore, it triggers increased turnover intentions, counterproductive and withdrawal behaviors, and absenteeism, which is detrimental to organizations (Rodell & Judge, 2009). Previous research has explored that in political environment employees' decrease job satisfaction, commitment and job stress is accelerated (Atinc, Darrat, Fuller, & Parker, 2010). A Manager improves the employee performance by creating a learning environment in the organization (Colquitt, Scott, & LePine, 2007). Thrived employees take creativity at their workplace for improvement of performance (Porath et al., 2012).

Employees see a threat when they notice widespread organizational politics in the work environment. In these circumstances, employees often lose the confidence and support (Erkutlu & Chafra, 2015). Thus, we can say that POP moderates or weakens the positive relationship between managerial coaching and thriving at work.

H2: POP moderates the relationship between executive coaching and thriving at work.

RESEARCH METHODOLOGY

Sample and Procedures

The respondents in this study were full-time workers of the pharmaceutical sector of Lahore, Pakistan. This model is applied to the pharmaceutical industry because this sector is adopting much motivational managerial services to enhance their sales and market share through their workforce. Managers or employees of this industry may behave politically for gaining and speedy career promotions. So, the environment of the pharmaceutical industry is more conclusive to respond to the research questions devised and suitable for this study in Pakistan. For administration of the questionnaires, Random selection 380 pharmaceutical employees was made through HR managers. Structured questionnaire was utilized to collect cross-sectional data from them and were translated from English to Urdu for better understanding (Brislin, 1980). The questionnaires were directly sent to sales representatives with permission of their organization head in sealed envelopes. The sample of

this research study consists of 261 (response rate approximately 69%) respondents through simple random sampling technique. This technique was used for generalizability of the study and avoid biases. In this study, 83.9% respondents were male, and 16.1% were females, 59.8% were in the 26 to 30 years' age bracket, 60.9% had a master's education and 56.3% had 1 to 5 years of job practice.

Measures

The following items were measured with the help of Likert scale ranges from 1 (strongly disagree) to 5 (strongly agree).

1. **Managerial.** It was measured with 11 items, which is developed by Park's (2007). The sample item is: "To improve workplace performance, my manager constantly provides feedback."
2. **Thriving at Work.** Thriving was measured by 10 items, which is developed by Porath et al. (2012). The sample items are "I find myself learning often" and "I feel alive and vital."
3. **Perception of Organizational Politics.** The 15-item scale was used to assess the respondent's views regarding POP Scale by Kacmar and Carlson's (1997). An example item is "Promotions around here are not valued much because how they are determined is so political."

Common Method Variance

In this study, self-reporting measures were used, so, common method variance checked through Harman's single factor test (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). There is not an issue of common method variance, because single-factor showed only 23% of the total variance, which is below the standard limit of Harman's test. According to this test, common bias may occur, when one factor describes more than 50% of the change in the items (Mattila & Enz, 2002). Further, Confirmatory factor analysis was run for checking the validity of the scales and measurement.

Measurement Model

The measurement model has been checked with the help of fit indices, the values have shown a good fit ($\chi^2 = 1223.571$, $df = 585$, $\chi^2/df = 2.091$, $RMSEA = 0.06$, $CFI = 0.93$, $NNFI = 0.95$), as these values are indicated better advised cut-off ($\chi^2/df < 3$, $RMSEA < 0.08$, $CFI > 0.95$, $NNFI > 0.95$)

(Hu & Bentler, 1999; Browne, Cudeck, Bollen, & Long, 1993; Bagozzi & Yi, 1988). 0.90 value of CFI and NNFI also acceptable as advised by Cheung and Rensvold (2002).

Table 1. Results of Construct Reliability and Convergent Validity of Constructs

Factor	Composite Reliability CR > 0.7	Average Variance Extracted (AVE) ≥ 0.5	Square root AVE
Managerial Coaching	0.85	0.57	0.75
Thriving at Work	0.80	0.62	0.79
POP	0.84	0.54	0.73

The data is reliable for further analysis because Cronbach’s Alpha values of all variables exceed (> 0.70 , Kline, 2005). The construct validity assessed through convergent and discriminant validity. This study provides initial validation because, the values of AVE are higher than 0.5 ($AVE \geq 0.5$) table 1, and Cronbach alpha values exceed from 0.70, so the convergent validity has been assessed (Hair, Anderson, Tatham, Black, 1995; Fornell & Larcker, 1981).

Table 2. Results of Discriminant Validity

Means	Standard Deviations	Variables	1	2	4
3.7261	0.53990	1.Managerial Coaching	0.75		
3.7682	0.36902	2.Thriving at Work	0.287**	0.79	
3.7027	0.49384	5.POP	-0.332**	-0.508**	0.73

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

* . Correlation is significant at the 0.05 level (2-tailed).

In table 2, discriminant validity has been checked through Fornell-Larcker criterion, and the values of the square root of AVE has shown higher than the correlation values of variables. The above table represents the means, standard deviations, and Pearson correlations. Table 2 described that, managerial coaching was positively correlated with thriving at work ($r = 0.287$, $p < .01$) and POP ($r = -0.332$, $p < .01$). Moreover, POP was negatively correlated with thriving at work ($r = 0.508$, $p < .01$). These results are consistent with hypotheses and provide initial support for the hypotheses. Correlation coefficients were lower (< 0.70 ; so multicollinearity is not issued in the study. Further, Regression technique was used to test the hypothesis.

Table 3. Regression Coefficients to Predict Thriving at Work (Dependent Variable) through Managerial Coaching:

Model Variables	Unstandardized coefficients		Standardized coefficient		T	Sig.	Adj. R2	F	Sig. F
	B	Std. Error	B						
Constant	3.038	0.153			19.83	0.000	0.079	23.195	0.000
Managerial Coaching	0.196	0.041	0.287		4.816	0.000			
Dependent Variable: Thriving at Work									

Table 4. Regression Coefficients to Predict Thriving at Work through POP (Moderating Variable) and Managerial Coaching:

Model Variables	Unstandardized coefficients		Standardized coefficient		T	Sig.	Adj. R2	F	Sig. F
	B	Std. Error	B						
Constant	4.498	1.154			3.898	0.000	0.277	34.205	0.000
Managerial Coaching	-0.524	0.301	-0.767		-2.742	0.000			
POP	-0.288	0.311	-0.386		-2.928	0.000			
Interaction	0.165	0.080	1.432		2.061	0.000			
Dependent Variable: Thriving at Work									

According to hypothesis 1, managerial coaching is positively associated with thriving at work. In table 3, regression model denotes, there is a significant impact of managerial coaching on thriving at work with (β value (c') = 0.287, $t=4.816 > 2$, $F=23.195 > 5$ & $sig=0.000$). It demonstrates that one-unit change in managerial coaching brings 0.287-unit change in thriving at work. So, support for the first hypothesis, that is, **H1-** managerial coaching is positively related to thriving at work. Employees who are working in such environment, where manager act as a coach, give quick feedback, the employee will feel thrive in their work setting.

Hypothesis 2 propose that POP moderates the relationship between managerial coaching and thriving at work. According to the second regression model, the interaction between managerial coaching and POP is positively related to thriving at work, (table 4) (β value (c') = 1.432, $t=2.061 > 2$, $F=34.205 > 5$ & $sig=0.040$). Thus, support the second

hypothesis that is **H2-POP** moderates the relationship between managerial coaching and thriving at work. When POP is persistent in the organizational environment, then employees feel the threat and lose the trust, which decreases thriving at the workplace.

CONCLUSION AND DISCUSSION

This current study is focused on the relationships of managerial coaching and employee thriving at work with the moderating effect of POP by employees using the 261 samples from full-time workers of the pharmaceutical sector. This study tested the hypothesis, which were developed on the basis of the social exchange theory. The results of correlation and regression revealed that the empirical data supported the hypothesis. The analysis showed the relationship between managerial coaching and thriving at work is in line with findings of previous researchers (Liang, & Wang, 2016). The study found positive relationships of management support for HRD and perceived organizational support and job satisfaction, which is further moderated by managerial coaching behavior (Raza, Moueed, & Ali, 2015). POP had a moderating effect on the relationship between managerial coaching and thriving at work. The moderating role of POP between managerial coaching and employees thriving at work is also consistent with the findings (Butt et al., 2013).

Managerial coaching is found to be positively related to employee thriving at work. When a manager acts as a coach, it is considered goodwill of the manager by subordinates. Mushtaq, Abid, Sarwar and Ahmed (2017), found that when employees perceive support from their organization and supervisor, then they feel thriving at work. Raza, Ali, Ahmed, and Moueed (2017), found the positive relationship between managerial coaching and thriving at work and further when employees feel thriving, then they enhance their performance and OCB. In coaching behavior manager provide rapid reaction for enhancing the performance of employees and gives clear paths of goals by acting as a role model. This also creates learning opportunities on the job and improves the prospects of success and betterment of employees (Kim et al., 2014). Employees who receive coaching from their direct managers, will feel learning and positive feelings and have the vigor and enthusiasm. But POP will change these learning and positive feelings in negative views about manager and organization (Lau, Tong, Lien, Hsu, & Chong, 2017). Which modify the

relationship between managerial coaching and thriving at work. Thus, the study findings show that POP moderate or weaken the relationship between managerial coaching and thriving at work.

RESEARCH LIMITATIONS AND FUTURE RECOMMENDATIONS

There are some limitations to this research which can become the prospects for future investigation. Firstly, in this study the data is collected only from pharmaceutical organizations situated in Lahore, Pakistan; therefore, the results cannot be utilized by other organizations. Secondly, this study was conducted the eastern culture, and the findings of same research in other culture could be different. Further, to avoid common method variance, longitudinal design can be used in future investigations. Future studies can employ in other industries to generalize the findings and also investigate gender roles in workplace in the same context. Moreover, in future research can also be conducted to explore other possible mediators or moderators to further understand the relationship between managerial coaching and thriving at work.

MANAGERIAL IMPLICATIONS

The effective managerial coaching is vital for the thriving at work of the employees and POP makes this relationship weaker. A good manager should have the following abilities like active listening skills, rational, intellectual, quick response ability, original thoughts, numerous viewpoints in decision making, reasoning, open communication, clarification of goals and tactics and forming a helpful atmosphere (Cox et al., 2010). Thus, the managers who want to increase employee's thriving at work should provide opinion on employee's performance, give clear tracks of goals and objectives, create learning prospect on the job and improve the visions of success and betterment of the employees When subordinates perceive proper supervision under coaching relationship with supervisor, they feel the responsibility to react by improving the satisfactory attitudes and thriving at work (Sonenshein et al., 2013). Thus, the negative effects of POP can be minimized by quick feedback, training, mentoring and effective managerial coaching.

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SOCIAL MEDIA GOVERNANCE: ROLE OF E-PROMOTION MIX

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ABSTRACT

Globally, governance of social media is the critical challenge for most of the companies for customer engagement, which can ensure sustainability of any firm. Consequently, key objectives of this research study are to discover the latest trend of e-promotion strategies and their effect on the buying behavior of French Customers. Data for this research study was collected from 150 respondents from Paris (France), using internet with a response rate of 64.51%. Our results depict that the online promotional strategies play a significant role to explain the French customer's behavior. This study can help the marketing managers to understand the importance of e-promotion mix as a cost-effective solution for firms to engage consumers online.

Keywords: *e- Promotion Mix, Social Media, online buying behavior.*

INTRODUCTION

The promotion of products or services in a market is significant for any company to promote its sales in order to achieve organizational long as well as short-term growth and sustainability objectives (Subramanian & Monisha, 2016). Business professionals continuously face product promotion challenges to achieve annual organizational growth objectives. Nonetheless, the usage of latest technology has changed the way marketers were historically crafting promotional strategies to attract new customers and retain existing ones (Shukla, 2018). The technological change and contemporary practices in marketing are demanding reorganizations and digitalization, given product promotional needs of 21st-century firms (Zhang & Wedel, 2009). Digital firms like Google, Yahoo, and Amazon are providing different online solutions to cater to customer needs and demands. Similarly, Apple, HP, DELL, and Samsung are providing hardware solutions ranging from laptops to smartphones to facilitate the customers. At the same time, consumer products as automobiles, electronics, books, textile, and other products are being sold online using technology through web-based marketing promotion tools for products

and services through Google, Facebook, and YouTube by various firms (Constantinides, 2002). Currently, when the customers are rethinking the firms, they get promotional advertisements online while using email and or smartphone Applications (Mahajan & Suresh, 2017). Because of lesser time than other mass media, electronic marketing is obtaining an advantage for being cost competitive and more useful for conveying company's promotional message (Zghidi, Boubakri, & Zaiem, 2013). The innovative use of technology for marketing has brought a significant impact on the electronic industry (Brousseau, 2003; Wedel, 2016). This has also created effective interactive ways through which customers can interact with firms for sustainable customer relationships (Zha, Yang, Yan, Liu, & Huang, 2018; Zghidi et al., 2013).

French Electronic Industry

Due to the emerging technological advancements, changing consumer lifestyles and adherence to the internet usage and buying, there is dire need to focus the e- promotion-mix strategies of the firm using online product promotion tools to capture more customers. The same has been demanded by research calls by various authors and marketing scholars to investigate the e-potential to attract more customers online (Constantinides, 2002; Mangold, & Faulds, 2009; Shukla, 2018).

From 2000 to 2016 the output for the French electronics industry has decreased by around 47% because of the relocation of production to low-cost areas in the computing and communications market segments¹. In the year 2017, the French online market benefited due to various factors including economic environment and higher demand for electronic products. Moreover, the volume of such transitions is expected to increase up to \$8476m by the year 2022 (figure 1). Therefore, increasing French electronics production (i.e., forecasted to increase by 2.2-3.0% in 2018 and onwards), stresses the need for sustainable promotional strategies by firms to meet the potential of the online market of French electronics industry. Another survey shows that the French industry in the online retail sector of the region has achieved second largest share (20.9%), with the volume of 48.1 billion dollars after the United Kingdom. Germany is in third place with 14.7% share having a volume of 34 billion dollars of the total 230.7 billion dollars (figure 1). Moreover, the trend in French industry shows that more consumers are willing and ready to buy products

¹*Electronics Industry in France (May 2018): <https://www.electronics.ca/store/electronics-industry-in-france.html>*

and services online. Thus, companies need to adopt the latest social media based promotion-mix strategies and tools in order to maintain this growth trend in French retail industry by integrating with online financial services of banks and distribution network. This can help the firms to strengthen the supply chain network to fulfill online orders of the customers. Once taken the French market the firms can continue to grow across the neighboring economies through successful promotion strategies mix using online promotion tools.

Similarly, if we explore the trend of the consumable electronics market, Germany is leading the market with 16.2% share with the dollar value of 12.8 billion. Here the French market is just below the United Kingdom with 12.0% with 9.5 billion dollars (Refer to figure 2). Moreover, the survey by MarketLine (2017), about French consumer electronic market identifies the vast potential for the French firms to promote and attach customers with firm's online promotional-mix tools. There is total 54.3% of market share of electrical and electronic products. This share is further divided into two categories with 51.6% share of retailers and 2.7% of supermarkets, hypermarkets, and discounter accounts retail stores figure 3). Moreover, online retail store market which includes electronic goods is also showing growing trends. The firm's marketing managers should create customized marketing promotional-mix for French customers which can also help attract the purchases by the European customers. The similar trend can be observed from a recent survey showing last five year's growth trend of the online retail store of the French market. This trend has increased from 20.3 to 48.1 billion dollars in last five years in French industry. This creates a need to undertake the study further to explore potential customers and their preferred ways of social media usage.

The objective of this study is to identify this gap by exploring the workable electronic (e)-promotion-mix model for French electronics product. The potential for e-promotion-mix model has been identified by latest studies (Meslat, 2018; Mahajan & Suresh, 2017; Bagde, 2015; Bezawada, & Pauwels, 2013; Zghidi, et al., 2013). Another recent survey also explored that online retail industry has witnessed record sales growth of about 500 Euros in France, which include companies like Amazon from the USA. Therefore, it is a significant challenge for local French companies and their marketing managers to design a model to compete the US firms captivating additional share in French online consumer market. The survey also claims that online French retail will continue to

grow with an upright rate of 9.6%. Finally, the significance of this study can also be well predicted through the trends shown in the area of electronic goods using online tools for next five years in French industry (figure 4). The next five years prediction, based on historical data is going to be negative; however, the consumer online buying trend is positive and also the new generation is well versed with smartphones usage. This market trend needs attention from market leaders and scholars to respond with the help of predicted models and come up with customized local market trends in the light of contemporary market research on promotion mix (Zghidi et al, 2013) using social media tools (Felix, Rauschnabel & Hinsch, 2017; Mangold, & Faulds, 2009). Refer to figure 1.5; the online retail sector is expected to grow at the rate of 75.3% with the dollar value of 84.3 billion with an annual rate of 11.9% for next five years. This can be further enhanced if local French companies take personal interests to get involved in the online business by competing with their major competitor, Amazon USA (Zha et al., 2018).

Thus, marketing scholars need to study the latest promotion-mix using the internet and social media promotion tools, to guide the marketing managers of latest trends in firm's promotional strategies and to achieve a sustainable competitive advantage.

This study addresses the following research questions

- 1) What are the latest trends of promotion-mix strategies using social media promoting tools being adopted by French electronic industry?
- 2) How the buying behavior of next generation is being affected by using social media based promotion-mix strategies of the firms?

LITERATURE REVIEW

Classically, marketing concepts can be traced in 1960's, when McCarthy Jerome introduced the 4Ps of marketing. The literature on marketing defines promotion mix as part of nonproduction marketing activities including sales and advertising (Boulding, Lee & Staelin, 1994) that differentiates one company from the other. The concept of e-marketing was established in last decade when Kalyanam & McIntyre (2002), came-up with eleven marketing functions and thirty e-marketing tools. From these thirty defined tools, promotion through websites includes banner ads, outbound e-mail, pop-over and pop-under ads, e-coupons and firm's website based virtual chat, etc. According to Mangold and Faulds (2009), promotion of product using internet technology and resources is also

known as social media marketing. Historically promotion-mix consists of four common sources including Advertising, Sale Promotion, Public Relation and Personal Selling (Boulding et al., 1994), as promotion-mix is the part of broader marketing-mix of 4Ps (price, product, place, and promotion) usually quoted in the marketing textbooks (Al-Abdallah & Abou-Moghli, 2013). There are five common promotion tools cited in marketing literature (Boulding et al., 1994; Felix, Rauschnabel, & Hinsch, 2017; Schlosser, Shavitt & Kanfer, 1999). These include sales promotion (using seasonal discount offers etc.), direct marketing (using the face-face introduction of product/services), advertising using mass media (using television, radio, and newspapers/magazines), sale promotion (using discount coupons etc.) and personal selling (using sales force in field).

Social Media Governance: A Paradigm Shift

The year 2000 can be traced as nascent for e-marketing (Kalyanam & McIntyre, 2002). Nonetheless, till the end of same century information technology changed the firm-customer communication style to introduce, use and adopt the product/services including the European market (Zott, Amit & Donlevy, 2000). This paradigm shift has created social media based promotion-mix practices of the firm. Social media based promotion of product and services has made it possible for firms to promote organizations to thousands of global customers at low cost (Mangold & Faulds, 2009). Typically, promotion-mix of the firm consists of using sales promotion, running direct marketing promotion campaigns, advertising using mass media, using sales force to promote product using personal selling technique like public relations and one-to-one marketing to communicate company's promotional message to achieve firm's sales objectives (Shukla, 2018; Bezawada, & Pauwels, 2013). However, promotion mix-using telecom technology comes under the term of social media-based marketing and promotion or e-promotion. Kalyanam and McIntyre (2002), assert that one of the robust marketing tools is the promotion. According to authors, the natural extension of internet-based promotions can be online ads which could include popup, banner ads during browsing, etc. When the company uses its own website, social media website, customer email databases, websites like YouTube, Facebook, Google for advertisements and promotions it is called internet-based advertising tool (Koss, Miles & Boyes, 2013). Similarly, companies are using Skype or any other software to chat or talk to the customer while he/she is visiting company's website or its sponsor, then the technology-

based personal selling tool is used (Felix et al., 2017). The third type of promotional mix is called sales promotion which can also fall under the technological sales promotion if discount coupons are being distributed electronically using email (Dolan, Conduit, Fahy & Goodman, 2017). For example, if customers purchase from a superstore, and are given electronic discount coupons with the bill, to entice them online ordering at a discounted price for next purchase (Subramanian & Monisha, 2016). The final form of promotion is the public relation. It rarely can be done through technology. However electronic database is one of the options through which company can organize webinars to attract the customer. Zott et al. (2000), highly cited work at Google scholar on e-commerce about the European market, argue that strategic value creation can help the firm to strategize the firm technology based promotion needs which is consistent with the recent call for further research in the same area (Dolan et al., 2017). Zott et al. (2000), have used a case-based methodology to identify the value chain of manufacturing firms using the internet to boost the sales volume in the European market.

There are multifarious benefit of social media marketing which can be helpful in applying the product promotional strategy. On small and medium enterprises promotional-mix, Al-Abdallah and Abou-Moghli (2013), claim that usage of smartphone and internet has made it cheaper, cost-effective and essay to enhance firm's promotional mix. Authors also claim that internet has reached to more than 50 million users and growing exponentially and has emerged as a unique medium has interactive communication mode across the borders as compare to any other medium of communication like TV, radio, newspapers, etc. having geographic limitations. The same can be estimated for selling and promoting electronic products.

The previous section has highlighted the macro level significance of using social media and electronic promoting mix, while subsequent section covers in-depth investigation in the light of contemporary research and empirical studies undertaken on the topics of Internet-based Advertising, Internet-based Personal Selling, Internet-based Sale Promotion and Internet-based Public Relation & Publicity and Internet-based Direct Marketing.

Internet-based Advertising. Recently it has been explored that internet technology using social media has enhanced and is widely used for the Internet-based advertising campaign for the firm (Meslat, 2018; LaRose

& Eastin, 2004). The previous literature identifies that advertising can use mass media like television, radio, newspapers, banners on walls and shopping marts (Goodwin & Etgar, 1980). The fundamental components of this promotion tool include attitude and advertising utility. The attitude means the consumer attitude towards brand and utility means the effectiveness of the advertisement concerning its cost versus access of users (Wedel, 2016).

Internet-based Personal Selling. Historically the personal selling has remained the cutting edge tool to enhance sales of the firm through promotion (Wedel, 2016; Weitz & Bradford, 1999). There are three essential components of this product or service promotion tool. The first one is attracting consumers through personal selling techniques, second is perceived as ease of use for the product which can be demonstrated in personal selling campaign. Finally, building the trust of sales force team launched by the firm. More-recently personal selling is getting obsolete due to the advent of technology-based assets or product selling force working online for the firm instead of visiting homes. It has been explored that internet technology using social media has enhanced the stated three factors. Thus, social media needs to be used for internet based selling and using online agents for the firm (Dolan et al., 2017).

Internet-based Sales Promotion. Sales Promotion techniques are also getting obsolete. The firms involved in the online business to sell product or services are re-crafting this tool using technology. Internet-based sales promotion includes discounted e-coupons for a specific period of time (Kalyanam & McIntyre, 2002). Similarly, Cheng and Dogan (2008), argue that mass delivery of e-coupons without customer-centric information has an adverse effect on web-based promotion of products or services, as this type of internet-based sales promotion beats the price discrimination of firm and its effect of e-coupon. Thus, a firm using sales promotion must focus the customer, which is possible with one of three options; firstly, free targeted information about the product on the web; secondly, the firm can target customers with imperfect information using e-coupons. Nonetheless, the distinction between the customers being attracted with e-coupons and thirdly, regular customers being attracted without e-coupons must be distinguished (Felix et al., 2017).

Internet-based Public Relations & Publicity. Pescher, Reichhart, and Spann (2014), identified virtual marketing campaign as one of the tools

for Internet-based publicity and public relations. The time of the customer is essential, and he/she may not be willing to give time to the marketing campaign. On the other hand, virtual marketing is cost-effective, and if the customers are browsing and get involved in the product promotion, he/she will ultimately focus on firm's virtual marketing campaign (Shukla, 2018). Classically the promotion tool of Public Relation & Publicity can include entertainment as value for the customers, purpose value and finally the usage intensity increase by the client or ultimate consumer once they get involved in public relations & publicity. Recently this trend has not been modified much; however, the loyal customer can help to promote the firm products among their network using this tool online (Iankova, et al., 2018; Zhou & Wang, 2014).

The Digital Age and Consumer Online Buying Behavior. The buying behavior is a well-established concept and has been extensively studied around the globe. However, it is being studied since last decade after the invention of e-commerce and social media marketing concepts. Web-based tools have significantly affected the buying patterns of some brands due to a variety of choices. According to Bellman, Lohse, and Johnson (1999), the global online buying behavior has constantly been changing constantly, thus needs to be studied more, to understand the consumer buying pattern. Bellman et al. (1999), studied more than 10,000 online users, from the US and Europe and proclaimed that the new generation is more adaptive towards technology. The study identified that during online browsing, viewing the product information is a more important predictor of online buying behavior as compared to checking the daily email with banners and other factors. Additionally, a study by Lucas and Koff (2014), found that women are more impulsive online buyers than men. Thus, they can dominate the online purchase pattern of the family due to the availability of time at home, having more household responsibilities and closer attachment with kids. Moreover, the electronics products including kitchen and other household appliances are mostly used by women at home. Therefore, this market segment needs more attention. This is because women may have more time for browsing in order to make the real purchase happen during the internet based promotion.

An advertiser is a company responsible for doing the advertising campaign for selling different products and services for a specific public or private firm, company, or organization. Traditionally speaking, an advertisement company generates a whole campaign which goes through multiple channels starting from television, radio, print media, billboards and most common medium used now a day is the internet media. For internet based advertising 'publisher' is a

term used for the operator of the website who controls all the traffic, moving it to different pages and displaying it for the viewers (Iankova et al., 2018; Aksakallı, 2012). According to Lucas and Koff (2014), a website is only a collection of different web pages ruled by one common domain address in the eye of a computer operator but looking through the lens of a marketer; it proves to be a powerful marketing tool. The more important aspect about internet advertising is the 'number of clicks' which is also known as the number of actions a user is performing while looking at different sections of the web page or while browsing different information. Then there is an 'output action' in internet advertising considered as the 'revenue generating action' which is the actual result or a prolific output of the advertisement. Revenue generation actions include making different kinds of purchases and subscribing to different services. Such revenue generating actions are also known as Conversions or Acquisitions concerning Internet-based Advertising. Aksakallı (2012), claim that, when a user has done any of the revenue generated action it is classified as one of the following two types of actions; (1) Click through or (2) View through action. If the action is Click Through then, the revenue is generated on the spot, and if it is the View Through action, the revenue is generated after a specific time when the user has been exposed to a specific advertisement.

Furthermore, there is a substantial level of material on different areas of Internet-based advertising. Ha published extensive literature and report on this subject within the advertising domain in 2008. According to classical research by Rook and Fisher (1995), two main factors can help to predict the buying behavior. First is the frequency of purchase by the consumer. At the same time recent research claim that latest online technology has helped increase the frequency of online purchases due to convenience and ease of ordering once the product is found useful (Subramanian & Monisha, 2016; Li, Kuo & Rusell, 1999). Second significant predictor of buying behavior is the amount spent by consumer online, that is equally significant for the firm to increase the volume of sales (Bellman et al., 1999). Thus, the firm needs to explore how it can achieve sustainable advantage over competitors through the e-promotion mix for selling electronic products (Subramanian & Monisha, 2016). To make the purchase happen e-banking has provided substantial facility to assure secure transaction and is a critical aspect for firm's success (Zha et al., 2018; Wedel, 2016). In the view of previous studies, a recommendation model has been presented in this study. This model will help to predict consumers online buying behavior through social media based promotion tools, which is redefined using social media and internet technology of iPhones, Android, and other latest technology gadgets.

THEORETICAL FRAMEWORK

Figure 1. (Appended) presents the research model adopted for the study. The primary assumption made under this study is that social media based promotion mix adopted by the firm can help to attract customers online and enhance the buying behavior. Therefore, five main classical promotion mix tools are related to online buying behavior. Subsequently, the theoretical framework presented in figure 1. has assumed five more sub assumptions. First, it assumes that Internet-based advertising effort of the electronic products firm related to technology and use of internet thus affects consumer online buying behavior (COBB). The second assumption is that internet-based personal selling effort of the firm selling electronics online is also related and thus affects COBB. The third assumption is that internet-based sale promotion effort of the firm selling electronics online is related and thus also affects COBB. The fourth assumption is that internet-based public relation & publicity effort of the firm selling electronics online is related and thus also affects COBB. Finally, Internet-based direct marketing effort of the firm selling electronics online is related and thus also affects COBB. The figure presents the same assumptions in the schematic diagram for ease of users to understand the model easily.

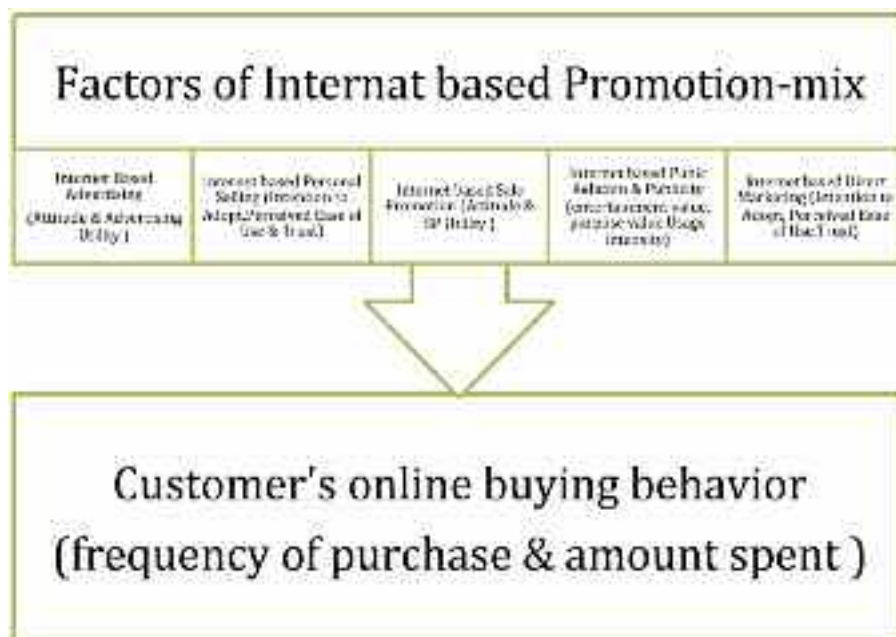


Figure 1. Theoretical Framework for e-Promotion-Mix

Hypotheses: Null hypotheses have not been developed for the study as per the current trends of marketing research presented in various past studies.

H: e-promotion mix effort of the firm to sell electronics online is related and thus also affects the customer's online buying behavior (COBB).

The main hypothesis has been subdivided into five more parts as stated as follows.

H1: Internet Based Advertising effort of the firm sale electronics online is related to and also affects COBB.

H2: Internet-based Personal Selling effort of the firm sale electronics online is related to and also affects COBB.

H3: Internet-based Sales Promotion effort of the firm sale electronics online is related to and also affects COBB.

H4: Internet-based Public Relation & Publicity effort of the firm sale electronics online is related to and also affects COBB

H5: Internet-based Direct Marketing effort of the firm sale electronics online is related to and also affects COBB.

RESEARCH METHODOLOGY

Data Collection

The data has been collected from French consumers, buying electronic products online. The firms included were local and international brands, e.g., Samsung, HP, Dell, Sony, LG, and other electronics brands. The electronic products include mobile sets, smartphones, computer accessories, electric home appliances and other electronics. The exact number of customers was high, but due to study limitations, it was not possible to access all the customers and collect the data from the more significant sample size.

Thus, data for this research study is collected from Paris (France) from 150 respondents using the internet and the repose rate was optimal. The survey was pilot tested, and it took an estimated time of around 6 minutes to complete the survey questionnaire. With a response rate of 64.51%, 200 responded participated against 310 potential participants who were invited to take part. Among those 200, only 150 were filled correctly and used for data analysis.

Research Questionnaire

The research questionnaire consists of three parts. The first part covers the explanatory variables. Second is about social media based promotion

mix, and the last one is about dependent variables, i.e., Customer online buying behavior (COBB).

The demographic variables include age, gender, social media usage, electronic brands, and companies/brands classification.

There are five subcomponents of internet-based promotion mix which have been developed to quantify the concept. *Internet-based advertising* concept (IBA) scale is fundamentally adopted from Schlosser et al. (1999). The classical study describes internet users' attitudes toward Internet-based advertising. This scale covers two conceptual features (i.e., the attitude of the customer towards IBA with three subcomponents).

Scale Development

The scale of *Internet-based Personal Selling* (IBPS) is adopted from Wang and Benbasat (2005) and has been slightly updated. The concept has been quantified using virtual advisor which is an online chat assistant being used by many companies to help customers online purchase. *Internet-based sales promotion* (IBSP) is fundamentally adopted from Schlosser et al. (1999), which deliberates Internet users' attitudes toward Internet-based advertising. *Internet-based Public Relation & Publicity* (IBPRP) using virtual marketing campaign by the existing customers has been adopted from Pescher et al. (in press). *Internet-based Direct Marketing* (IBDM) using company representative, a concept which is an online assistant being used by many companies is adopted from Wang and Benbasat (2005), after modifications. COBB is adopted from the research study by Li et al. (1999), which considered it as a dependent variable. The concept was quantified by analyzing the frequency of the online purchases in last 3-6 months. The response categories were calculated and ranged from 1- never to 5- 20 times. For data analysis, these categories are classified recoded into five levels: "5 times or more" for frequent buyers. "never" for non- buyers and "1-5 times" for occasional buyers.

Reliability Analysis

Table 1. reflects the values of Cronbach's alpha test applied to test the reliability of the variables. The overall reliability of all 31 items is 0.938 which falls well into the acceptable region mean above than 0.70 (Pallant, 2010). The individual results are presented below. All the variables are highly reliable and fall under the acceptable region with 0.80 and above value for Alpha (α).

Table 1. Reliability of the Research Tool

Sr#	Name of Scale used for Study	Alpha (α)	Total Items
1	Internet-based Advertising	0.839	04
2	Internet-based Personal Selling	0.841	06
3	Internet-based Sale Promotion	0.877	04
4	Internet-based Public Relation & Publicity	0.833	06
5	Internet-based Direct Marketing	0.854	06
6	Social Media based promotion	0.827	05

Note: The values above 0.7 are accepted

DATA ANALYSIS

Descriptive and Correlation Analysis

Descriptive analysis shows that Facebook is being used mostly by females (69) as compared to males (64); Twitter is not being used by a common person; YouTube is being used mostly by males (61) as compared to females (59), and Skype/Viber is being used mostly by females (65) as compared to males (56).

Moreover, most of them have spent the total amount of 100-500 Euros (€) with the average of 250 € on online buying. So, the electronic promotion using social media can launch products pricing 10 to 250 € for online sales. Many users of age 18-25 buy electronic products once a month. Most of the customers are interested in buying the computer accessories online. Nonetheless, there is room for online promotion for companies if they promote home appliances online and attract the married females of age above 35 or more.

Table 2. Correlation among Variables

Variables of interest	1	2	3	4	5	6
1 Internet-based Direct Marketing	1					
2 Internet-based Advertising	-.003	1				
3 Internet-based Personal Selling	.058	.488**	1			
4 Internet-based Sale Promotion	.088	.490**	.477**	1		
5 Internet-based Public Relation & Publicity	-.072	.368**	.359**	.444**	1	
6 Customer online buying behavior	.055	.485**	.566**	.480**	.457**	1

Note: The electronic promotion mix consists of five independent variables. Customer online buying behavior (COBB) is the dependent variable.

Correlation analysis is used to find the level of relationship between independent and dependent variables. These variables include e-promotion mix, i.e., internet-based advertising; internet-based personal selling; internet-based sales promotion; internet-based public relations & publicity; internet-based direct marketing; and social media based promotion. Whereas customer online buying behavior is captured with data on online purchases in last three months; the approximate amount spent in Euros; the Approximate amount spent on electronics; and interest in online promotions. It was found that Internet Based Advertising was related to COBB as correlation value ($r = 0.485$; $p < 0.01$) is statistically significant. Similarly, the correlation value ($r = 0.566$; $p < 0.01$) shows that the internet-based personal selling is related with the COBB. Similarly, internet-based sales promotion was also found related with COBB as correlation value ($r = 0.480$; $p < 0.01$) is statistically significant. Lastly, the correlation value ($r = 0.457$; $p < 0.01$) shows that internet-based public relations and publicity is related with the COBB. However, the relationship between the internet-based direct marketing effort of the firm's electronics sale was not found related with COBB.

Regression Analysis

Regression analysis using enter methods was used to test the effect or cause and effect relationship between the variables. The model explains 43.9% variation in COBB by four variables which is quite significant in magnitude ($F=28.377$, $p < 0.05$). In-depth regression analysis shows that three variables, i.e., internet-based advertising, internet-based personal selling and internet-based public relation & publicity are statistically significant. This means betas (β) of three variables are statistically significant. However, one variable, i.e., internet-based sales promotion was found significant at the confidence interval of 90%. The First hypothesis, "internet-based advertising effort of the firm sale electronics online affects COBB" is accepted as standardized $\beta = 0.173$ $p = 0.025$ is statistically significant. Therefore, it is deduced that the internet-based advertising affects COBB. The second hypothesis, "internet-based personal selling effort of the firm sale electronics affects COBB" is also accepted as standardized $\beta = 0.340$ $p = 0.000$ is statistically significant. Thus, the internet-based personal selling affects COBB. The third hypothesis, "internet-based sales promotion effort of the firm to sell electronics online affects COBB" is not accepted as standardized $\beta = 0.141$, which proves a statistically

insignificant relation. Thus, it is assumed that the internet-based sales promotion does not affect COBB. The fourth hypothesis, “internet-based public relations & publicity effort of the firm sale electronics affects COBB” is also accepted as the standardized $\beta = 0.208$ $p = 0.004$ is also statistically significant. Thus, internet-based public relations & publicity affects COBB.

CONCLUSION

The results of this study depict that the four e-promotion tools are useful to predict french consumer’s behavior for electronic market. This means the internet-based effort of selling by the firm can be successful if four types of e-promotion mix or social media based promotion-mix are used. The findings show the existence of a significant positive relationship between the variables of interests in the french electronics. The results are partially consistent with previous research. Firstly, the finding regarding internet-based advertising is found correlated with consumer online buying behavior (COBB). This finding regarding internet-based advertising is consistent with older studies (Meslat, 2018; Ha, 2008; Goodwin & Etgar, 1980). Similarly, findings on internet-based personal selling are partially consistent with the study of Wang and Benbasat (2005), which proves that internet can play a vital role to enhance the sales of firm dynamically. The third finding of the study is consistent with previous studies (Subramanian & Monisha, 2016; Mangold & Faulds, 2009), about internet-based sales promotion efforts of the firm. Finally, the finding of the study about internet-based public relation & publicity effort of the firm to sale electronics affects COBB is consistent with recent work by Meslat (2018), and Pescher et al. (2014). Nonetheless, the findings were consistent with online firm’s efforts for direct marketing with previous studies (Bezawada & Pauwels, 2013). Thus, overall the study confirms the previous work in the french market context.

This study implies that firm’s marketing department and staff needs to understand the significance of online promotion of electronic for customer’s engagement which can ensure the sustainable growth of the business. The marketing promotion-mix offers a cost-effective solution for the firm to attract online consumers. The study shows that there is a dire need to promote household electronics and target the women market to sale household products. The study results show that women

age 35 or above in France have minimal interest in online buying of electronic products whereas the same age group in the USA is found to be most effective (Andrews & Biggs, 2006). Thus, firms need to promote the French brands more aggressively using online promotion tools to compete with its competitors like Amazon in the USA and other global competitors.

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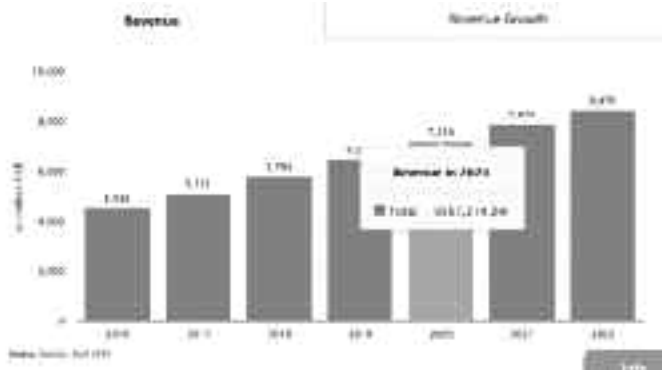
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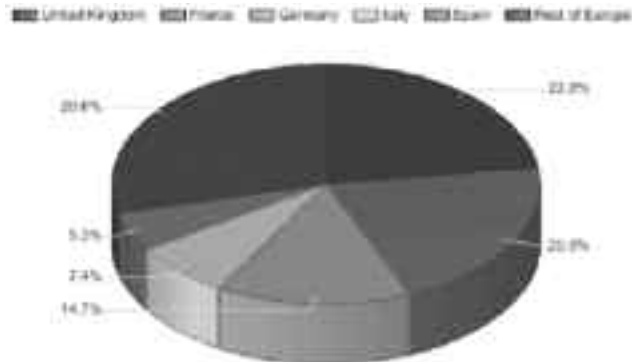
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Figure 1. Forecasting French Online Consumer Buying Trend Trends



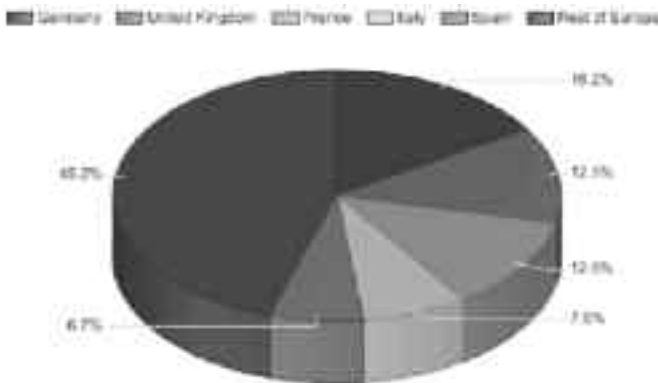
Source: Online Retail Industry Profile: France. (2018: p70)

Figure 1. Online European Retail Sector



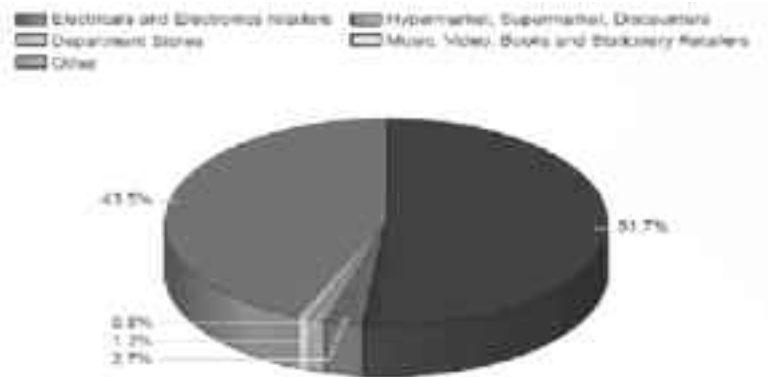
Source: Online Retail Industry Profile: France. (2013: p10)

Figure 2. European Consumable Electronics Sector



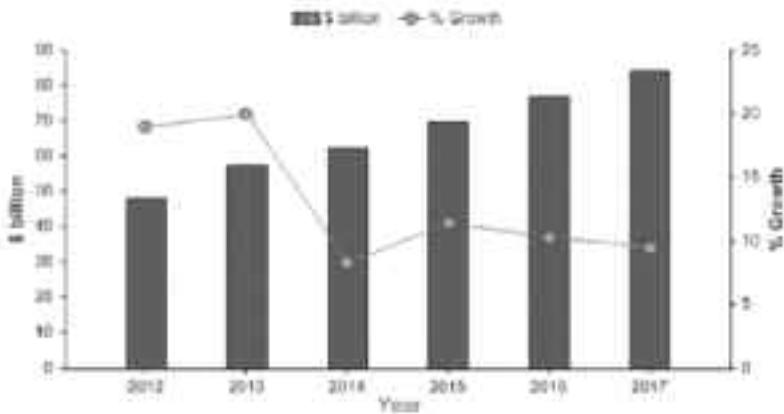
Source: Consumer Electronics in France. (2012: p10)

Figure 3. French Consumer Electronics Market



Source: Online Retail Industry Profile: France. (2013: p8)

Figure 4: Forecasting French Online Retail Sector Trends



Source: Online Retail Industry Profile: France. (2013: p11)

RELATIONSHIP BETWEEN PERCEIVED EMPLOYABILITY AND SUBJECTIVE CAREER SUCCESS: EVIDENCE FROM PRIVATE SECTOR ACADEMICS OF PAKISTAN

Dr. Junaid Zafar, Dr. Aqeel Ahmad, and Abdul Jabbar

ABSTRACT

The “new career” concepts found in the industrialized economies were studied since the implementation of career models in institutional environments, which have different social, cultural and political norms and thus result in diverse patterns of career development. For carrying out the research, academics were chosen from Pakistan’s private sector universities. The private sector is commercialized and innovative and fits well with the career concepts discussed in the study. To support to the conceptual framework, the researcher has taken the Protean Career Theory as the underpinning theory. For sampling purposes, proportionate stratified sampling has been adopted. Simple random sampling has been utilized to select the academics within each stratum. The sample was chosen out of a total population of 4,994 academics present within the 35 private sector universities located across the country. The questionnaire was distributed among individuals after obtaining permission from the universities. The researcher managed to collect data from 192 respondents with a response rate of 55%. The hypothesis was measured with Structural Equation Modeling and Confirmatory Factor Analysis in AMOS software. The researcher found a statistically insignificant relationship between perceived employability and subjective career success.

Keywords: *Perceived Employability, Protean Career Theory, Subjective Career Success, Private Institutional Sector.*

INTRODUCTION

The nature of work, workplaces, and organizations, in the last few decades, have witnessed a considerable change. The workplaces are in transition, and new changes and challenges are evolving. For individuals, success has been the primary

motive in the career of one's work life. The success, however, is divided by researchers as subjective and objective in nature. Especially the subjective career success has gained much popularity and significance in recent times. Researchers have investigated multiple psychological factors, responsible for nurturing subjective thinking of an individual and its relationship with other personality traits. The present research intends to better understand the "contemporary career concepts" like protean career orientation, affective commitment, and perceived employability in relation to the subjective career success among academics in Pakistan. These concepts are explained in light of the Protean Career Theory that is the underpinning theory for the present research. The theory has an emphasis on dispositions, attitudes, identities, and beliefs leading to psychological success (Briscoe, Hall & De Muth, 2006). The researcher has included academics as the population of interest as they are at the forefront of developing human resources (Iqbal, Arif & Abbas, 2011). Moreover, academics in the private sector of Pakistan are taken as the study sample, as the private sector is commercialized and more innovative (Halai, 2013), and thus fits well with the career concepts as discussed. These "contemporary career concepts" are known by the "new deal" which does not guarantee permanent employment, but rather the onus of career development is on the individual (De Vos & Soens, 2008), and the fact is also mirrored by Briscoe and Hall in their study in 2006. Briscoe *et al.* (2006), mention an increase in self-employment, independent contractors, private consultancy firms, and entrepreneurship as models of functioning in the modern career landscape.

De Vos and Soens (2008), stress that skill development, meanwhile, leads to perceived employability and subjective career success. A discouraging figure has been put forth by the Bureau of Emigration and Overseas Employment (BEOE, 2015). According to the BEOE report (2015), a large number of Pakistanis have migrated to other countries especially from 2010 to 2015. Among those who migrated, the Bureau claims that 975 were university academics that left in 2014 alone. This brain drain meanwhile is common among all professions and not just academics. Therefore, it is essential to know from a researcher's perspective the level of job dissatisfaction among academics living in their motherland, and whether they feel employable enough to continue working. It is imperative to study, in light of the modern-day concepts like perceived employability and subjective career success especially after the global financial crisis and from the view of developing country like Pakistan.

LITERATURE REVIEW

The economic conditions during the recession of 2007-2012 have called for workplaces to be more flexible so as to meet marketplace challenges.

Likewise, Hall (2002), called for internalizing career success in times of economic uncertainties. There is also an emphasis on employees learning and adapting according to the changing workplace by shifting the motivations from employer-orientated to being career-orientated. Therefore, continuous learning has become crucial for the workers in the contemporary era. Moreover, Hall (2004), emphasize that such changes lead the employees to shift their attention towards a career path with a heavy heart rather than moving up the organization's hierarchy. Hall (2004), proclaims about the protean career as:

“The central issue is a life fully worth living.... The secret is to find your unique genius, your talents that you love to develop and use” (Hall, 2004, p. 9)

There have been thus changes in the employees' psychological contract where, as a result of the transactional psychological contract, the individuals' responsibility for career development has increased (O'Neil, Bilimoria, & Saatcioglu, 2004). Employees can, therefore, enhance their perceptions of employability through the ever-increasing possession of skills.

There is empirical evidence to support that perceived employability, and career outcomes are positively related to each other (Akkermans & Tims, 2017; De Cuyper, Van der Heijden, & De Witte, 2011). Similarly, in the competency-based definition given by De Vos, De Hauw and Van der Heijden (2011), perceived employability is taken as a human capital variable. According to human capital theory, employees invest in skills which lead them to greater employability in the marketplace (Forrier, Verbruggen, & De Cuyper, 2015; Ackah & Heaton, 2004).

Furthermore, the contest mobility perspective of career success has similar premises. It states that individuals build upon their human capital competencies, so as to lead themselves to subjective career success (Ng, Eby, Sorensen & Feldman, 2005). In numerous studies, employability has been positively related to the job and career satisfaction (Greer & Waight, 2017; Xie, Xia, Xin, & Zhou, 2016; Berntson & Marklund, 2007). Employability is thus considered as an important trait for those who perceive that there are a few job opportunities in the labor market. Uncertainty associated with unemployment may lead to a feeling of reduced well-being, but employability being a positive personality characteristic and psychological attitude may reduce these uncertainties (McKee-Ryan, Song, Wanberg & Kinicki, 2005). According to McKee-Ryan et al. (2005), outcomes associated with reemployment should be assessed in terms of quality of one's reemployment. They define the quality of reemployment as

a “new employment” that is of equal if not less than the job that was lost before in terms of satisfaction. Consequently, coping with a job loss takes one form or another until the professional achieve a state of equilibrium with multiple life areas such as work-life balance. Therefore, it may be held that individuals who adjust to less than acceptable jobs are sacrificing their self-worth.

On a negative note, there has been little research done on the relationship between perceived employability and subjective career success. Empirical evidence is provided by De Vos *et al.* (2011), establishing the proposition that perceived employability is positively associated with subjective career success. In their research, the authors found that individuals with employment options are more satisfied with the job. Also, Cash and Gardner (2011), depict a positive relationship between hardiness and career satisfaction. According to them hardiness is related to employability and is a multidimensional concept known for the individual’s inclination to act rather than be passive about the outcomes. Eby Butts and Lockwood (2003), found a positive relationship between perceived employability and subjective career success when employees’ skill building was shown to lead to career satisfaction and success. Also, Gowan (2012), identified four dimensions of perceived employability: career identity, personal adaptability, social capital and human capital. According to Gowan (2012), social capital particularly is related to career satisfaction since networking opens the doors to career opportunities.

Rothwell and Arnold (2007), further describe a positive relationship between perceived employability and subjective career success in their study on 200 human resource professionals. According to their findings:

“We suggest that subjective career success relates to an individual’s perceptions of their past and present, such as how they feel they are doing up to now in relation to their “subjective timetable”, while employability relates to their perceptions of the present and future, in that it concerns their self-perceptions of how well they expect to be able to deal with a number of circumstances that may present themselves in the future, whether positive (e.g., promotion, selection processes) or negative (e.g., redundancy, downsizing) (Pp.35-36)

Furthermore, it should be mentioned that employability drive leads to proactivity and opportunities for career development (Chiaburu, Baker & Pitariu, 2006). In their study on a Global Fortune 500 company, Joo and Ready (2012), depicted a positive relationship between highly career satisfied individuals and proactive personalities. According to their research findings, proactivity is independent of the efforts as displayed by the organizations and creates a culture of employability. It is thus assumed that:

H: There is a positive relationship between perceived employability and subjective career success

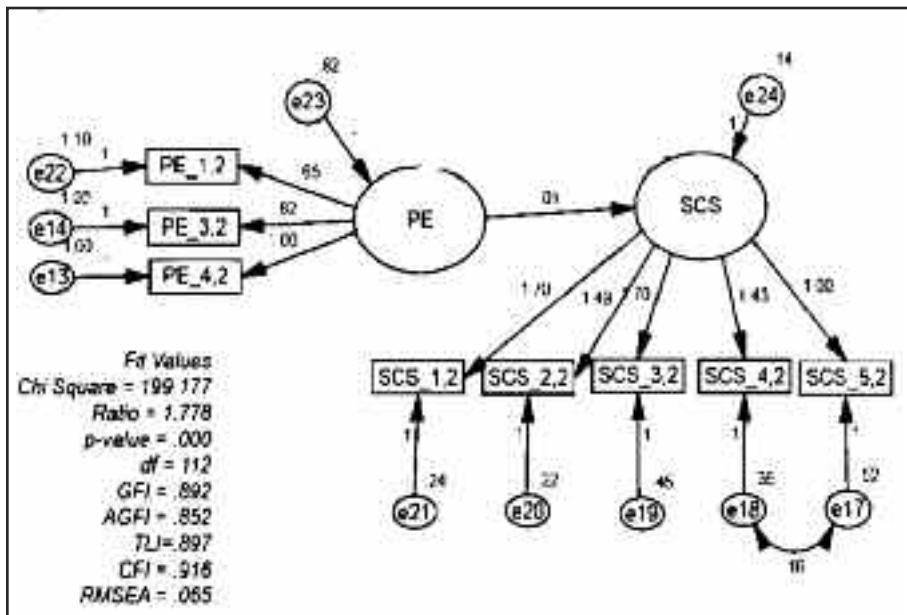
RESEARCH METHODOLOGY

Hypothesis testing is done by the researchers after the questionnaires were received. The researcher has employed SPSS and AMOS for data analysis. The Statistical Package for Social Sciences (SPSS) is especially important to find out the missing values, outliers, non-responder bias, and normality. Analysis of Moment Structures (AMOS) is particularly used for hypothesis testing since it's easy to use Graphical User Interface (GUI) shows an accurate view of confirmatory factor analysis.

RESEARCH FINDINGS

Hair Jr, Black, Babin, Anderson, and Tatham (2010), define a structural model in which there is a correlation between latent constructs. This model is built up after subsequent stages and includes first defining the constructs that are being used in the research, developing the measurement model, and last of all checking for the validity of the measurement model. After these stages, the structural model builds up, and shows the relationships among the different constructs and is based on the hypotheses of the research.

Figure 1. Results from AMOS: Relationship between PE and SCS



After the structural model was developed using the graphical user interface of AMOS software, the researcher has looked into the “fitness of the model” as proposed by Garver and Mentzer (1999). The fitness has been found out using specific indices like Tucker Lewis, Comparative Fit, Root Mean Square, Degrees of Freedom, Goodness of Fit and Adjusted Goodness. These are presented in the Table below:

Table 1. Model Fit

Index	Ideal Fit	Observed Fit
Non-normed fit index (NNFI) or Tucker Lewis Index (TLI)	>.90	.89
Root Mean Square Approximation of Error (RMSEA)	<.08	.86
Comparative Fit Index (CFI)	>.90	.92
X ² / D.F. ratio	Equal to or Less than 3	1.7
Goodness-of-fit Index (GFI)	>.90	.89
Adjusted Goodness-of-fit Index (AGFI)	>.80	.86

Direct effects were observed through the structural model. These direct effects move from one variable to another as depicted in the hypotheses developed earlier in the conceptual framework. The Table is shown below:

Table 2. Directs Effect

			Est.	S.E.	C.R.	P	Status
SCS	β	PE	.007	.05	.16	.88	Not Sig

		Est.	S.E.	C.R.	P	Status
SCS	β PE	.007	.05	.16	.88	Not Sig

*P < 0.05 *** Not Sig = Not Significant*

SCS (subjective career success), PE (perceived employability)

CONCLUSION

As theoretically argued previously, there have been changes in the psychological contract, with more emphasis laid on “Internal Success” (Rothwell & Arnold, 2007). At the same time, employees can enhance the perceptions of employability through an increase in skills (Berntson & Marklund, 2007). The result from the hypothesis testing shows a statistically insignificant relationship as β = .007, z-value = .155 and p>.05.

The insignificant relationship between perceived employability and subjective career success does not support the argument as posited by De

Vos *et al.* (2011). According to De Vos *et al.*, perceived employability is taken as human capital. Professionals thus invest in their skills which leads them to greater employability in the marketplace. With a positive and yet statistically insignificant relationship, the academics are not skill- driven, with greater emphasis on developing their employability. The findings are also not supporting Cash and Gardner (2011), who found a positive relationship between hardiness and career satisfaction. Hardiness according to Cash and Gardner (2011), is related to employability and is a concept known for the individuals to become positive about job outcomes. Thus, due to competition, fewer jobs, less upward mobility, and centralization are hampering academics' subjective career success. The insignificant relationship is not supporting according to Rothwell and Arnold (2007), who found a positive relationship between skills-building and career satisfaction. The findings of the present study are also not supporting Seibert Grant, and Kraimer (2001), who describe employability-driven employees as adaptive and willing to change personal factors such as knowledge, skills, and abilities (KSA's), so as to meet the needs and demands of the external and internal environmental situations. Results of the present research are contrary to those of Berntson and Markland (2007) who mention perceived employability as a reflection of the employees' ability to attain better jobs in the workplace. The academics, due to weak employability perceptions, are not satisfied with employment prospects and are feeling less secure.

In this regard, the previous theoretical contribution is related to the insignificant relationship between perceived employability and subjective career success. The employing organizations provide skills that are needed to increase their employability perceptions. However, the skill development has been short of providing career satisfaction to the academics. The findings of the present study are thus contrary to the research that employees learn and adapt according to the changing workplace by shifting the motivations from being employer-orientated to being career-orientated (Rothwell & Arnold, 2007). These findings confirm the fact that employment opportunities among the academics in Pakistan are not undergoing major shifts as those of their counterparts in the industrialized world depicted within the Anglo-American researches. In other words, careers are still being seen in terms of security of job within a single organization, and employees are less employable across relevant labor markets. Respectively, the academics have not transformed themselves and are still organization-centered.

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