Foundation University Journal of Business & Economics

FUJBE

ISSN-P: 2414-4770
ISSN-E: 2519-0172
Vol. 4, No. 1
February 2019

FUJBE

Foundation University Journal of Business & Economics
fujbe@fui.edu.pk
http://fujbe.edu.pk
+92-51-5152266

FUJBE

Foundation University Journal of Business and Economics

VOL. 4, No.1, February 2019

ISSN-P: 2414-4770

ISSN-E: 2519-0172

ADVISORY BOARD

Online Submission available at:
http://fujbe.fui.edu.pk/fujbe@fui.edu.pk

Table of Contents

How Social Economy can add Value to State Development?

Iram Batool
Ph.D. Scholar, Iqra University Islamabad, Pakistan
iram_batool@hotmail.com
Muhammad Awais
PhD (Finance), Iqra University Islamabad, Pakistan
awaisafzal77@hotmail.com
Kashif-Ur-Rehman
Professor, Iqra University Islamabad, Pakistan
drkashif14@gmail.com
Muhammad Shafiq
PhD (Logistics &Supply Chain), Naresuan University, Thailand
muhammads59@email.nu.ac.th
&
Imran Bashir Dar
PhD Scholar, International Islamic University Islamabad, Pakistan
imraan.basheer@gmail.com

Abstract

The research aim of this study is "Social economy" execution to exhibit its effect on the growth of a country. Although the social economy arises with the flowing together of economic and the social factors, however, to this point, the core object of social economy is considered the welfare of stakeholders instead of profit earning. This paper grasps the concept of value maximization by "social economy" perspective, which considers the integration of social and monetary advantages for state development through inputs in terms of institutionalized reforms and identification of development opportunities. Such point of view can assist with expanding the scope of our professional readiness and depiction subsequently, specifically helping professionals to comprehend the challenges associated to nation or societal economic prosperity. Qualitative research method has been engaged to evaluate value of social economy for development and social unity. This paper defines social economy in relation to third sector and argues that it must be seen as a distinct type of social practice as well as being inter-related to social enterprise and social entrepreneurship and thus having great impact on overall growth of a state. This paper finds that budgetary consideration of public welfare that is connected to provision of health facilities, literacy and social inclusion practices will be the source of amplified pressure triggering points for achieving the target of state growth.

Key Words: *Human Capital, Economic Growth, Human Development, Value of Life*

Introduction

Putting "people before profit" by social economy precedes an extensive and renowned history generally worldwide and especially in Europe. Presumably, in economics literature, the term "social economy" appeared first time in 1830. Charles Dunyer, a liberal French economist, published an article in 1830 on social economy, in which a moral attitude of economics was presented by him. This idea of Social economy, later, facilitated in illustrating community, self-help, informal exchange, and mutual aid, as solidarity economic relations under bottom-up approach (Moulaert &Aileni, 2005).

In practice, a range of definitions of social economy are being used. The social economy, presently in general, is believed to refer as "third sector"- which spheres between public and private sectors. It is also referred as "civil society" comprising mutual, cooperatives, social enterprises, and voluntary sector (Treasury, 2005). Since 1989, the "Social economy" has been established as an official term. Whereas a separate and an exclusive unit of the European Commission's General Directorate Employment and Social Affairs has been established to look after social economy-related issues (Westlund, 2003). The foundation for development of corporations, economic establishment, co-operatives and other institutional structures is connected to social welfare and being non-profit in operations, under the 'European Social Enterprise Network' (ESN), which projects the basis and possess the philosophy compatible to "third sector" of contemporary economies (Barna, 2014).

Different countries have corresponded to Social economy in their own fashion. The Swedish Government employed a working party, by end of 1997, and assigned the task of defining term "social economy" along with other responsibilities. The Term described by working party was in following words, "Social economy means organized bodies which have primarily social purposes, are based on democratic values and are organizationally independent of the public sector. Their social and economic activities are conducted mainly in associations, cooperatives, foundations and similar bodies. Activities in the social economy have the public good or the good of their members, not private interests, as their principal driving force" (Westlund, 2003; Åhlander, 2003).A through and well embraced elaboration was provided by the CIRIEC (International Centre of Research & Information on the Public, Social & Cooperative Economy) which anticipated a definition appropriate for accounting automation frameworks at national level: *"The set of private, formally-organized enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote. The Social Economy also includes private, formally organized with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them"* (CIRIEC, 2012).

Although the instruments which describe social economy may vary from one country to another, the literature agrees upon inclusion of heterogeneous economic establishments for 'social economy' Operationalization. Moreover, as per the depictions of CMAF (2015), "The social economy organizations are active economic and social players characterized principally by goals and specific entrepreneurship type. Those enterprises are particularly active in such fields as social protection, social services, health, banking, insurances, education and training, culture, sport".

In upcoming era, the agenda of social policy, will not only perceptible on ageing population globally on massive scale, but shall also desire diversification in assistance like social services, social assistances and social status maintenance services to be provided to people. These escalating expectations will come up in a context where public and private budget for services related to society like education, health, poverty reduction, and other welfare activities like post disaster involvement shall be placed with great emphasis and under accentuate need (Pestoff 2009; BEPA, 2010). Socialistic researchers agree with the viewpoint of Jia'en and Jie (2011) that 'social economy' has to be based on the capacity development of community. As opposed to the market economy, whose emphasis on benefit splits it from the social relations with community by profit focused? The main postulation for social economy stating that economic activity is for societal welfare and wellbeing and not concentrating on consumer-oriented consumptions, delineates that social economy doesn't support stagnant storage of capital, rather it is a modular shift towards for re-implanting monetary improvement into social welfare at large.

On similar lines, social economy can be characterized as "commercial and non-commercial activity largely in the hands of the third-sector or community organizations that gives priority to meeting social and environmental needs" (Amin, 2009). With regards to territorial advancement, Sonnino and Griggs-Trevarthen (2013) discovered that the social economy provides a platform for the localized value addition models that could bring versatility, but the operational procedures at regional and national level are yet to be mapped. This means that there is a need for global research on the issue so that wealth accumulation in some hands could be mitigated. More prominent meticulousness is required in portraying various sorts of entrepreneurial movement (ranging from revenue driven, social, network enterprise) and whether they struggle with one another or lead to input circles that encourage various sorts of economic progression (Baumgartner, Putz & Seidl 2013). Because of Social economy improvement, the financial condition advantages of specific favorable circumstances. The social economy elements are significant contributors in the social development process by methods for merchandise made and benefits conveyed. There is an immediate connection between the improvement of the social economy and the localized growth. Additionally, the primary target of the social economy elements is to serve community-based initiatives. The administrative and governance capabilities of social economy focus on optimum utilization of local assets and project indigenous development. The self-ruling character of the social economy substances establishes an additional worth component, as they are not controlled by public entities and have no interlink with political interventions. Here the question arises that how Social economy can add value to state development ultimately. What are the variables and what is the cyclic channel in which the process of social economic development ultimately effects the State Development, or even does it affect or not. The objective is to make conditions where individuals can carry on with a long, healthy and positive life, and have advantages in learning.

Literature Review

As per the depiction of Jia'en and Jie (2011), Karl Polanyi, an economic history expert, contends that the perspectives of economic are dynamic and not in a stagnant mode, as ongoing conceptual revival can be readily observed. In addition, this procedure is established in a wide range of organization in terms of their ecological boundaries connected to technology, resources or systems. As such, the economic life cycle is influenced by numerous sorts of socio-social elements. So, economic development is inhibited by non-economic factors, which mainly involve socio-cultural indicators. Hence, the economic value addition can be holistically done through inclusion of non-financials raging from cultural to societal variables.

Barth, Barraket, Luke & McLaughlin (2015) at a progressively large-scale level, another developing however immature zone is the investigation of community thinking logic (CTL). CTL alludes to reciprocities and a guarantee to shared qualities and is frequently connected with social developments (Gill, 2014). CTL is connected to plural institutional projections, which range from business communities to state machinery that can either upgrade or restrain endeavors to make a community thinking rationale (Marquis & Lounsbury, 2007; Marquis & Lounsbury, 2011). In any case, investigation into CTL is still in its earliest stages and a lot more prominent examination into how community thinking rationales identify with the concurrent impact of other institutional depictions, connected to state and non-state actors is required (Marquis & Lounsbury, 2011). This is exemplified in an examination by Lounsbury, Ventrasca and Hirsch (2003) who found that community thinking rationale established the early conditioning of the recycling mechanism development before it could be exploited by the profit-oriented organizations. Therefore, it has been proposed that the social economy projects CTL which contends with the predominant market rationale way to deal with local advancement. A market rationale way to deal with local development status is to check the condition of the locally developed medium and small size businesses that pay their role in local economic progression (Barkley & Dudensing, 2011; Bristow, 2005).

The Yearbook of Cooperative Enterprise, distributed by the Plunkett Foundation (1988) laid out the key attributes of a CTL undertaking as follows: A community enterprise is a business which aims to create sustainable jobs and related training opportunities for local people and/or to provide commercial services. A community enterprise aims to make profits and to become financially self-supporting; to use profits only for investment in its enterprises, for limited bonus payments to workers, and for community benefit. Membership or shareholding in the community enterprise is organized on democratic one-person-one-vote principles. A community enterprise must be registered either as a company or as a cooperative society using a model or other legal structure which is recognized as acceptable. The assets of the community enterprise are owned on behalf of the community and are held in trust by the directors such that the assets may not be disposed of to benefit financially individual members or directors. The membership of the community enterprise must be open to all persons within its agreed area of benefit. In some circumstances a "community of interest" or a "community of need" can be established. The community enterprise is committed to be a good employer regarding wage levels, terms and conditions, equal opportunities and employee participation. The community enterprise is committed to evaluating and reporting annually on the effectiveness of its impact on the local community.

Human Capital is the estimation of individuals' work. Giving instruction, preparing, and medicinal services to a specialist are an interest in human capital (Åhlander, 2003; Kemnitz & Wigger, 2000). In the first report on Human Development by UNDP, published in 1990, it has been highlighted that development refers towards broadening choices of people— concentrating extensively on the prosperity of human lives instead of just on the prosperity of economies. Labor and Employment is a foremost basis for both the prosperity of human lives and prosperity of economies but has been inclined to be interpreted in financial and monetary terms with reference to economy rather than in human development terms.

The UNDP's Human Development Report (2015) goes further than resolution in simply connecting employment or work to the prosperity of human lives. The Report begins with a vital and basic question that how employment can boost human development? The Report considers an extensive perspective of employment or work, considering further than jobs and pondering activities as unpaid custodian work, charitable work and original imaginative work, all of which contribute to the prosperity of human lives. The Report says that in the present world due to health facilities people are having long lives, due to emphasis on education, more children have access to school and due to recognized importance of cleanliness, and more people have facility clean water and basic sanitation. Overall in the present world per capita income has gone up, whereas poverty has been reducing, consequently living standard of people has been improved. Societies and people across countries are now connected to each other due to digitization, whereas by structuring people's capabilities, work has contributed to this growth. Modest work has offered people a sensation of self-respect and a prospect to function efficiently in society (UNDP Human Development Report, 2015).

Human Development Index (HDI) is progressed similar to a superior pointer than "Gross domestic product per capita" in measuring the advancement of Nations. HDI is figured by UNDP from pointers for wellbeing, training and expectation for everyday comforts (wage/individual).Human Development Report Score is a composite measurement used to request nations by level of "human advancement" – it quantifies four main considerations of improvement, which are wellbeing, instruction, wage and correspondence (as of late included). Since wage is a measure that is incorporated into the HDI, it can be concluded that a higher genuine per capita salary likens to a higher HDI score (Acemoglu, 1996; CMAF, 2015; Robison, Schmid & Siles, 2002).

The recently presented fairness rating in HDI is disposed to bring about an interruption in the positive pattern in the middle of HDI and pay per capita. Despite the fact that GNI per capita (PPP) is a compelling measure of a nation's general riches level, it is not a reasonable marker of the dispersion of pay – even with an expansion in wage for every capita, the hole between poor people and the rich might finish what has been started and much of the time, augment. Human capital means the information and aptitudes that make it feasible for specialists to gain a living creating products or administrations. The more aptitudes and training laborers have, the better they can work without missteps and to learn new occupations as innovation changes. Organizations that put resources into better preparing and training for their specialists by and large acquire more benefits. Great organizations likewise attempt to ensure working conditions are protected and effective, so their laborers can carry out their occupations without danger (Robison, 2002).

Organizations that have put resources into their human capital through preparing and training probably have gainful organizations and more fulfilled laborers than organizations that don't make these speculations. Nations where preparing and instruction are all the more effectively accessible frequently have higher creation levels of merchandise and administrations, accordingly higher total national output, than nations that don't offer these open doors. The nations in Southwest Asia have generally diverse total national output levels. Those nations that make it feasible for specialists to get preparing and instruction have a tendency to be wealthier than those that don't. The HDI underlines that individuals and their capacities ought to be a definitive criterion for surveying the improvement of a nation, not monetary development alone. The HDI can likewise be utilized to address national approach decisions, asking how two nations with a similar degree of GNI per capita can wind up with various human advancement results. The Human Development Index (HDI) is an outline proportion of standard accomplishment in key elements of human improvement: a healthy and long span of life, being educated and provision to means for having a welfare-oriented living. The HDI is the geometric mean of standardized lists for every one of the three measurements.

The trade-off connected "speculation" alludes to the utilization of assets by organizations, people, or government to increment gainful limit by growing new innovation, getting new capital assets, or enhancing the aptitudes of the work power. Illustrations are as per the following: An eatery purchases new stoves in which to prepare bread; an individual purchases device to make a few repairs; and as School purchases new PCs and reading material. But all needs expertise, training and skill to run. As per the above argumentation, there is notable number of studies from around the globe that exhibit about training and capacity development of the society are significant determinants of economic development, a significant inquiry for the developing economies is whether there is satisfactory capitalization of human capital. Another relevant inquiry is the probability of underinvestment or overinvestment in education, comparative with different kinds of venture capitalization?

The GDP per capita is commonly defined as the sum of gross investment, private consumption, government spending of that particular country, and total net exports, which comes after deducting imports from exports (Haugh & Kitson,2007).Total national output, or GDP, is dictated by taking the aggregate estimation of all products and administrations delivered by a nation in a solitary year. Gross domestic product incorporates just the estimation of those merchandise and administrations delivered inside of a nation. Affluent nations have a much higher per capita GDP (measure of merchandise and administrations partitioned by the aggregate populace) than do creating or immature nations (Natoli & Zuhair, 2011).

The wellbeing measurement is surveyed by the life span from birth of an individual. The literacy measurement is estimated by average number of years spent in educational institute by 25 years or older individual and the age at which most children among that community go to school. The quality of livelihood is measured by per capita national income (GNI). The HDI utilizes the logarithm of salary, to mirror the decreasing significance of income with expanding GNI. The scores for the three HDI measurement lists are then amassed into a composite record utilizing geometric mean. The gross local (GDP) is one of the essential pointers used to measure the wellbeing of a nation's economy.

Gross capital development (some time ago gross household venture) comprises of expenses on augmentations to the settled resources of the economy in addition to net changes in the level of inventories. Altered resources incorporate area enhancements (wall, trench, channels, et cetera); plant, hardware, and gear buys; and the development of streets, railroads, and so forth, including schools, workplaces, doctor's facilities, private abodes, and business and mechanical structures. Inventories are loads of merchandise held by firms to meet brief or sudden vacillations underway or deals, and work in advancement.

Many studies have been done earlier to find out relationship between GDP per capita and capital investment. Borzaga and Spear (2004) studied data of two periods: 1962–1990 and 1954–1990. The research examines annual growth of GDP, with per capita human capital, incorporating endogenous growth theory, and neoclassical growth model. Co-integration tests have been used in it, and this study establishes a positive effect of per capita human capital on economic growth. Another study on GDP carried out by Harvie and Pahlavani (2007) find out that technological innovation, trade openness, per capita human capital, and physical capital, have a positive effect on GDP. Kwack and Lee (2006) have presented the South Korea growth reasoning study of 31 years (from year 1971 to 2002), and they also ascertain the positive effect of investment on research and development, financial liberalization, and per capita human capital, on the efficient socio economic growth and development of the economy. In the same study they also find that government productivity in supervision and security is having a negative effect, whereas the magnitude or total hours worked by human resources is having no impact. In another study by Yuhn and Kwon (2000) positive effect of per capita human capital was found; whereas physical capital was also found having a significant impact. It was found by Kay (2006) that Export expansion, Human capital and physical capital, are having significant relationship with per capita GDP. Kim (2008) established that expansion in schooling, physical capital, and research and development all have positive effects on the economic growth of South Korea. A standout amongst the most fascinating inquiries in similar financial history is the hole in levels of genuine salary in the middle of developed and emerging nations. Ample decades before, the level of GDP per capita was very low in emerging states but from few decades it is going to be better now (Maddison, 1983). The assessments of real GDP per capita got by extrapolations starting with one arrangement of nations then onto the next must be viewed as approximations pending the further growth of itemized buying power correlations

(Kravis, Heston & Summers, 1978).

In another examination did by Sofilda et al. (2015) the foreign and localized investment ventures have a profound impact on GNI at 99% certainty level in 33 territories in Indonesia. The variable of FDI, DDI, products and capital use can expand the development of GNI. The consequences of the second condition for consolidated models of 33 territories and for WESTIND and CENTEASTIND show that there is a noteworthy impact at the 99% certainty level for the development of GNI towards HDI during the period 2007-2012. Henceforth, there are the immediate impacts of capital consumption, work force use, merchandise and enterprises use, DDI, and FDI factors toward HDI through financial development variable. In a recent study by Khandker (2016) the main factors found which have produced the disparity between Pakistan, India, Sri Lanka, and Republic of Korea for the per capita GDP is based on composition of average economic activity accompanied by physical and human capital investments. Financial liberalization is perceived having more impact on per capita GDP than physical capital. This means that although South Korea and the South Asian countries (Pakistan, India, Nepal, Bangladesh and Sri Lanka) could have exercised notable measures for financial liberation and trade promotion mechanisms. As per the observed records, South Korea has been comparatively progressive for utilizing it in their favor while improving production capacity, technological advancements, human and physical capital investments (Khandker, 2016).

McDonnell (2008) says that Ireland has as of late experienced, moving from economically backward to one of the world's best economies. The Irish example of overcoming adversity is especially fascinating considering the delay at which modern improvement started. Albeit political autonomy was picked up from Britain in 1922, industrial advancement didn't genuinely quicken until the turn of the 1960s when Ireland moved from a protectionist financial system to an open, free-market, outward improvement technique. The fundamental components of this strategy change included; a staged decrease in levies; a disintegration in the significance of the horticultural part; fascination of outside assembling endeavors; the presentation of investment support on trade deals. These progressions pushed the outside big business into Ireland and surely an enormous piece of Ireland's ongoing monetary achievement can be credited to the fascination of FDI. The mid 1990s saw Ireland positioned in 50th spot in the United Nations Conference on Trade and Development (UNCTAD) Inward FDI Performance and Potential Index, by 2004 Ireland held a place of fourth (Rios-Morales & Brennan, 2007).

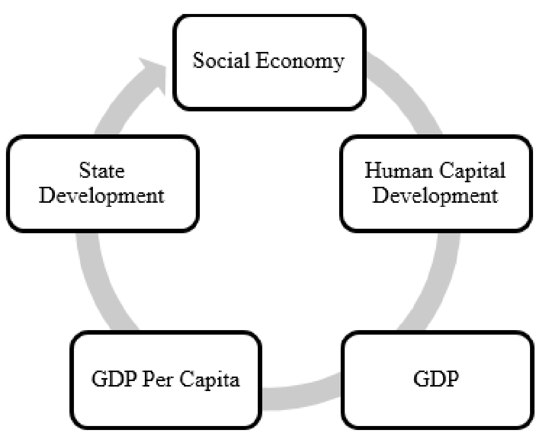
Developments in real exports, real FDI, accompanying settlements of migration, and the conversion scale debasements are relied upon to make positive commitments to real GDP development and job, despite the fact that in differing extents. According to Weisbrod (1997), GDP per capita plays a very important role in the economic growth of the country. The captions of their causal connections to real GDP development and business are liable to scholarly civil argument. Nevertheless, nations might expect with a bigger base level of settled capital venture per capita profit from an unexpected decrease in episode (Crain & Crain, 2006). Proceeding the decade of 1980s, the greater part of the less developed countries (LDCs) used to depend on government-to-government official remote guide of different sorts to alleviate the issues of unemployment, destitution, value flimsiness, and outside trade emergencies (Rahman, Mustafa, Islam, & Guru-Gharana, 2006).

The lack of good governance is one of the major reasons behind the economic/fiscal failure of the states. As bad governance is the core problem of Asian region (Ahluwalia & Mahmud, 2004), but from the last ten years, Asian nations are speedily trying to enhance its economic growth (Devarajan & Nabi, 2006). On the basis of good governance, a country can enhance its employment level in order to boost-up the economic growth. There is a strong and positive association exists among the saving patterns of an individual and growth of the country (Agrawal, Sahoo & Dash, 2009).The standard neoclassical theory expects that capital ought to spill out of rich to poor nations. Under the typical assumptions of countries producing the same merchandise with the same steady returns so scale creation innovation utilizing capital and work as variables of generation, contrasts in pay per capita reflected contrasts in capital per capita (Alfaro, Kalemli-Ozcan & Volosovych, 2008). During the period of 1970-2000, Pakistan was in the worst situation in terms of wealth in the Asian region (Dasgupta, 2010).All the above work has few similar conclusions: social economy has been characterized pivotal for sustaining and holistic economic growth by major research endeavors, as well as capital investment in shaping the economic growth of developed economies. Some studies also mention the role of Human capital development in the high growth rate of developed economies as well. From these studies we can develop a pictorial depiction of State development by Social Economy as follow:

Methodology

For this study, we have collected data through interviews and open-ended questionnaires regarding; transportation facilities, human health, technological access, education facilities (government schools, government colleges, and government universities), efficient health facilities, employment opportunities, corruption level, transportation facilities, timely justice, equality in all perspectives, social media access, availability of economic growth steps. Then we sorted-out variables from those interviews and then to support these variables through literature for the development of an appropriate model.

Figure 1: Method of Study



Results and Discussion

As social media is playing an important role in the development of an economy of Pakistan. There are so many characters that develop the whole building of the socially responsible roles. In general, public manner, these characters can includes having a; good job, good living space, good health, latest cell phone, new model car, immediate access to internet, good approach to electronic media, and sound purchasing power. In macro-economic manner, these characters also includes having a; good and sound living infrastructure, cheap and easily available medical facilities, easy access to quality education, least or no corruption, sound GDP per capita, high level of exports, low level of imports, political stability, economic stability, lower level of inflation, appreciation of currency, high literacy rate, excellent social and economic growth model, impressive leadership, lack of social biasness, high level of merit, equality and justice, high morale, excessive service and production industries growth, good transportation facilities, lack of energy problems, and fast growing monetary conditions.

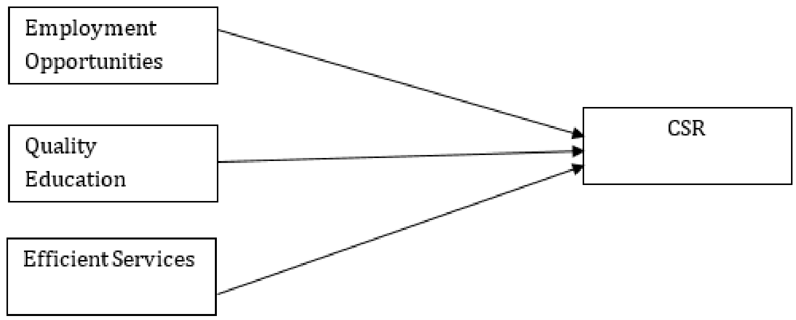
The literacy rate of Pakistan is not encouraging because as per the judgment standards it is 57%, the living standard of Pakistan is also not good as more than 45% of the people in Pakistan do not have proper shelter for their living, more than 40% of the people are earning less than Rs. 10,000/month salary, thousands of people are dying because of poor quality food as well as lack of hospitals. The infrastructure in small cities of Pakistan is also too bad, lack of access to latest technology and social media tools in the rural areas, too much unemployment which may leads to poor economic conditions and high level of corruption as well, no proper transparency measures, inefficient economic and foreign policies, lack of justice and equality measures, poor water and sanitation system, lack of dams for the storage of water and creation of electricity, very weak in accessing latest technology on an immediate basis, lack of saving patterns, scary consumption behavior because of too limited purchasing power, too much gaps in service industry which is now a day playing a role of backbone for any growing and developed country as well.

Conclusion and Recommendations

Government should take serious measures to improve the literacy rate of Pakistan by building high level government schools, colleges, and universities which each and every competent individual will gel access easily. Government should focus on the living standard of the people by supporting poor & needy. Government must improve the GDP per capita in order to improve the overall living standard of the people by providing high quality food and efficient health facilities for each and every one. Government must make a strategic transparency measures in order to provide clean and corruption free environment. Government must develop a strategy for development of dams that may reduce the electricity gap in our country. Government may provide easy and immediate justice for everyone in order to maintain equality measures. Government must focus on the development and enhancement of existing and new industries by giving subsidies and low-interest loans, especially to the MNCs, and through this act, government can increase its production capacity, which may leads to lack of unemployment, which may leads to sound purchasing power, and which may further leads to stability in economic conditions, and which may finally leads to the human and social development which is the main goal of the state.

From the above discussion, it is evident that for CSR there is need of three core components to be addressed by any government interested in development and growth of its society. These three components are equal employment opportunity, easy and equal access to quality education and efficient services to all masses without any biasness. On the basis of it an initially proposed model is drawn as follow:

Figure 2: Proposed Research Model



References

Acemoglu, D. (1996). A micro foundation for social increasing returns in human capital accumulation . *The Quarterly Journal of Economics*, *111*(3), 779-804.

Agrawal, P., Sahoo, P., & Dash, R. K. (2009). Savings behaviour in South Asia. *Journal of Policy Modeling*, *31*(2), 208-224.

Åhlander, A. M. S. (2003). The social economy–a lever for local economic development?. *Arbetsliv i omvandling*, (11), 109-128.

Ahluwalia, I. J., & Mahmud, W. (2004). Economic transformation and social development in Bangladesh. *Economic and Political Weekly*, 4009-4011.

Alfaro, L., Kalemli-Ozcan,S., & Volosovych,V. (2008). Why doesn t capital flow from rich to poor countries? An empirical investigation. *Review of Economics and Statistics, 90*, 347-368

Amin, A. (Ed.). (2013). *The social economy: International perspectives on economic solidarity*. Zed Books Ltd.

Barkley, D. L., & Dudensing, R. M. (2011). Industrial legacy matters: Implications for the development and use of indices of regional competitiveness. *Economic Development Quarterly*, *25*(2), 130-142.

Barna, C., (2014). *Atlasul Economiei Sociale*. Institute for Social Economy–Civil Society Development Foundation.

Barth, S., Barraket, J., Luke, B., & McLaughlin, J. (2015). Acquaintance or partner? Social economy organizations, institutional logics and regional development in Australia. *Entrepreneurship & regional development, 27*(3-4), 219-254.

Baumgartner, D., Pütz, M., & Seidl, I. (2013). What kind of entrepreneurship drives regional development in European non-core regions? A literature review on empirical entrepreneurship research. *European Planning Studies, 21*(8), 1095-1127.

Bristow, G. (2005). Everyone's a 'winner': problematising the discourse of regional competitiveness. *Journal of Economic Geography*, *5*(3), 285-304.

Campos, J. L. M., & Ávila, R. C. (2012). *The Social Economy in the European Union: Report Drawn Up for the European Economic and Social Committee by the International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC)*. EESC.

Dasgupta, P. (2010). Nature's role in sustaining economic development. *Philosophical Transactions of the Royal Society B: Biological Sciences*, *365*(1537), 5-11.

Harvie, C., & Pahlavani, M. (2006). Sources of economic growth in South Korea: an application of the ARDL analysis in the presence of structural breaks–1980-2005.

Devarajan, S., & Nabi, I. (2006). Economic growth in South Asia: promising, unequalising, sustainable?. *Economic and Political Weekly*, 3573-3580.

Friedland, R. (2012). The Institutional logics Perspective: A new approach to culture, Structure, and Process. *M@n@gement*, *15*(5), 583-595.

Haugh, H., & Kitson, M. (2007). The Third Way and the third sector: New Labour's economic policy and the social economy. *Cambridge journal of economics*, *31*(6), 973-994.

Hubert, A. (2010). Empowering people, driving change: Social innovation in the European Union. Brussels: Bureau of European Policy Advisors.

Jia'en, P., & Jie, D. (2011). The social economy of new rural reconstruction. China *Journal of Social Work, 4*(3), 271-282.

Kay, A. (2006). Social capital, the social economy and community development. *Community Development Journal*, *41*(2), 160-173.

Kemnitz, A., & Wigger, B. U. (2000). Growth and social security: the role of human capital. *European Journal of Political Economy*, *16*(4), 673-683.

Khandker, A. (2016). Why is the South Korean growth experience different? An analysis of the differences of per capita GDP between South Korea and South Asian countries. *Economic Change and Restructuring*, *49*(1), 41-69.

Kravis, I. B., Heston, A. W., & Summers, R. (1978). Real GDP per capita for more than one hundred countries. *The Economic Journal*, *88*(350), 215-242.

Kim, B. W. (2008). Future of economic growth for South Korea. *Asian Economic Journal*, *22*(4), 397-410.

Kwack, S. Y., & Lee, Y. S. (2006). Analyzing the Korea's growth experience: The application of R&D and human capital based growth models with demography. *Journal of Asian Economics*, *17*(5), 818-831.

Lounsbury, M., Ventresca, M., & Hirsch, P. M. (2003). Social movements, field frames and industry emergence: a cultural–political perspective on US recycling. *Socio-economic review, 1*(1), 71-104.

Maddison, A. (1983). A comparison of levels of GDP per capita in developed and developing countries, 1700–1980. *The Journal of Economic History*, *43*(1), 27-41.

Marquis, C., & Lounsbury, M. (2007). Vive la résistance: Competing logics and the consolidation of US community banking. *Academy of Management Journal, 50*(4), 799-820.

Marquis, C., Lounsbury, M., & Greenwood, R. (2011). Introduction: Community as an institutional order and a type of organizing. *Research in the Sociology of Organizations, 33*, ix-xxvii.

McDonnell, A. (2008). Outward foreign direct investment and human capital development. *Journal of European Industrial Training.*

Moulaert, F., & Ailenei, O. (2005). Social economy, third sector and solidarity relations: A conceptual synthesis from history to present. *Urban studies, 42*(11), 2037-2053.

Natoli, R., & Zuhair, S. (2011). Measuring progress: A comparison of the GDP, HDI, GS and the RIE. *Social Indicators Research*, *103*(1), 33-56.

Pestoff, V. A. (2008). A democratic architecture for the welfare state (Vol. 11). Routledge.

Rahman, M., Mustafa, M., Islam, A., & Guru-Gharana, K. K. (2006). Growth and employment empirics of Bangladesh. *The Journal of Developing Areas*, 99-114.

Robison, L. J., Schmid, A. A., & Siles, M. E. (2002). Is social capital really capital?. *Review of social economy*, *60*(1), 1-21.

Rios-Morales, R., & Brennan, L. (2007). Ireland's foreign direct investment competitive advantage and Japanese outward foreign direct investment. *Asia Pacific Business Review*, *13*(2), 201-231.

Sofilda, E., & Hamzah, M. (2016). Input output analysis to determine sustainable development planning in Indonesia. *OIDA International Journal of Sustainable Development*, *9*(10), 11-22.

Sonnino, R., & Griggs-Trevarthen, C. (2013). A resilient social economy? Insights from the community food sector in the UK. *Entrepreneurship & Regional Development, 25*(3-4), 272-292.

Treasury, H. M. S. (2005). Exploring the role of the third sector in public service delivery and reform. *HM Treasury, London*. Weisbrod, G. (2007, March). Evaluation of public infrastructure effects on macro-level public welfare. In *Workshop on Economic Impacts of Infrastructure Investments, The Hague, Netherlands. http://www. edrgroup. com/pages/pdf/Infrastructure% 20Effects. pdf. Accessed* (Vol. 5).

Westlund, H. (2003). Social economy and employment–the case of Sweden. *Review of Social Economy, 61*(2), 163-182.

Yuhn, K. H., & Kwon, J. K. (2000). Economic growth and productivity: A case study of South Korea. *Applied Economics*, *32*(1), 13-23.

Impact of Transformational Leadership on Job Performance Goal Orientation as Moderator and Job Satisfaction as Mediator

Maryam Abid
MBA (MS), Foundation University Islamabad Rawalpindi Campus
mariamabid994@gmail.com

Iftikhar Hussain
PhD Scholar, Management Sciences, Foundation University Islamabad Rawalpindi Campus
Iftikhar.hussain@fui.edu.pk

Abstract

Employees' job performance is very important in organizations as it ultimately improves the organizational performance. This study examines the influence of transformational leadership on employees' job performance. Furthermore, the research examines the moderating influence of goal orientation on the association of Transformational leadership and Job satisfaction of employees. Social learning theory recommends that transformational leaders use their brainwaves on employee's behavior primarily using role modeling. Therefore, role modeling becomes the source of learning for employees which is very significant on the way to exhibit better performance while feeling more satisfied on job. This study also examines Job satisfaction as mediator in the relationship of transformational leadership and job performance. Data was collected from 230 respondents from different organizations of Rawalpindi and Islamabad in Pakistan. Results show that transformational leadership positively affects job performance. Additionally, we find that the relationship between job satisfaction and job performance is positive. The result also describe that partial mediation exist between transformational leadership and job performance or moderator cannot exist between transformational leadership and job satisfaction. The study may helps organizations to know about how they should train their managers to be ready for taking new ideas from the employees working under them, they should let never down their subordinates and showing trust in them.

Key Words: Transformational Leadership, Job Satisfaction, Goal Orientation, Job Performance, Social Learning

Introduction

Any extraordinary action or success accomplished by a leader occurs with the active involvement and support of someone else. Leadership is not a one person act. It is a team effort by the leader and his followers. Collaboration between the two parties is therefore essential ability for achieving and sustaining high performance (Kouzes & Posner, 2014). Leaders have to be compelled to take a pro-active role in making a positive context and organization for cooperation and collaboration. A leader has to assign tasks to each team member in order that he contributes to a singular task for the ultimate outcome to succeed. Changes within the business atmosphere and manpower resulted within would like leaders to become more transformational and fewer transactional (Bass, 1999). Transformational leadership implies that followers exceed agreements and expectations within which the leader-follower relation goes any other than with the transactional leadership wherever the economic exchange so as to meet self-interests within the foreground. This review focuses on the employee's performance and his motivation, determined by transformational leadership vogue. However, there has been no try as of nevertheless to check linkages considering the idea of motivation as negotiator between transformational leadership and individual performance. This study is with purpose of understanding the effects of transformational leadership on job performance through job satisfaction and how goal orientation moderates.

Literature Review

While there is much literature on the area of leadership, this study focuses on Bass's conceptualization and dimension of leadership. Bass (1999) was one of the leading researchers of leadership studies who classified leaders such as transactional or transformational. He recommended that transformational leaders showed "more leadership performance". Further definitions of transformational leadership have been recommended by Avolio, Bass, and Jung (1999), who defined transformational leaders as being magnetic and powerful in their capability to make employees organize more than what was anticipated of them at work. Similarly, Seltzer and Bass (1990) declared that transformational leaders directed by inspirational and encouraged their assistants to use original methods to resolve problems. Such leaders are skilled of having thoughtful and unexpected impacts on persons by causing changes in the views, the wants and the standards of groups, so admirers can develop leaders themselves .

Modern period organizations are in a continuous state of change, hence the management of idealistic leadership is vital to the achievement of any business. According to Jones and Harter (2005), "engagement leads to social benefits for the individual feeling it," and later managers are most likely to have daily interaction and effect over the subordinate, they are also most significant to the conversation of leadership because of their capability to effect employees to stay encouraged and involved at work. Also, there is an extensive bias to observe leaders as fundamental agents who shape events, reasonably than as being formed by them (Dvir & Shamir, 2003, p. 327). Most frequently, standing at the helm motivating these organizational changes and occasions are extremely transformational leaders (Lim & Ploy hart, 2004).

Job is one of the most important aspects of people's life in the highly economical corporate environment. Later, individuals expend almost of their waking times at effort, worker job satisfaction achieve more attention in their functioning lives. Therefore, job satisfaction plays an important part in effective work. In agreement with that manipulating issue of job satisfaction, a large amount of contracts is necessary to handle the prosperity of our culture . Consequently, job satisfaction, as a significant theoretical idea, has been general in inclusive variety of fields such as social consciousness. According to MacMillan (2012), job satisfaction is an important matter in administration of organizations, and it is leading signs of how strong a society is. Therefore, organizations give more attention to the issues of job satisfaction. Satisfaction of employees is necessary for administrations. Then, happy workers participate in effectiveness and long-term achievement of administrations. The efficiency and production of an organization rely on its worker and "a cheerful employee is an operative one".

Previous literatures describe the two types of job satisfaction: general satisfaction and specific satisfaction. General satisfaction is a complete assessment for the job. Specific satisfaction refers to the evaluation of different job features . Job satisfaction consider as general approach of worker (Lussair, 2005) but, some other researches return employees' assessments on each detailed feature of their effort, opposite from the general description (Zhu, 2013). Weiner (2000) described that job satisfaction is reliant on the environment of the work himself, which is combined with job experiments, independence, ability, and job opportunity. There are several concepts trying to clarify job satisfaction in the works, among these philosophies, conspicuous ones are separated into two types: content theories and process theories. Content theories classify reasons noticeable to job satisfaction or dissatisfaction and advice that job satisfaction come real when servants' need for development and self-actualization are happened by their work. Process theories try to define the communication among variables for job satisfaction and clarify job satisfaction by observing at how well the job sees one's hopes and morals. Both of two theories individuals have been discovered by numerous academics.

Goal Orientation (GO) is a philosophy to deliver an outline for accepting changes in managers' attitudes towards office education and self-directed learning methods (Dweck, 1988). GO defines persons' comparatively unchanging preferences for attainment goal recreation approaches. GO effects more exact learning goals and self-directed learning policies (Brett, 1999), and forecasts fulfillment consequences outside other forecasters such as mental capability (Mathieu, 1996). GO scopes have been connected to numerous optimistic learning consequences in informative and organizational preparation environments, containing the propensity to set learning goals , determination and strength (Dweck, 1988), the usage of multifaceted learning plans (Ford, 1998), and academic performance (Church, 2001).

Most of the study on GO has occupied place in proper educational or preparation settings somewhere there are clear learning purposes. However, goal orientation is expected to be as appropriate to informal supervisory education). Later on, the scholars established two kinds of goal orientations known as mastery orientation and performance orientation. Mastery orientation is described by an individual's wish to recover his or her skills and directing the tasks he or she achieves for his or her own advantage. An individual who is mastery focused on is more concerned with the understanding he or she has on the task at indicator than on seeming superior to his or her peers. Performance orientation is considered by an individual's want to attain a positive assessment of his or her present capabilities and performance from others. An individual who is performance oriented has a strong desire to appear superior to his or her peers. Past research has exposed that performance orientation should be distributed into two isolated divisions: performance-approach and performance-avoidance (Anderman, 1994).

Performance can be perceived as a single group or organizational task presentation. Organizations have a vital requirement to recognize how to increase employee's performance, and consequently they attempt to discover a clarification as to why staffs fail to achieve (Muchinsky, 1993). Employee performance can be described as a worker capability to achieve tasks allocated to him or her in a structural background (Arvery, 1998). Motowildo (1997) stated that performance is an action with evaluative features. This definition is reliable with the main approaches used to extent job performance, specifically performance scores from supervisors and aristocracies (Newman et al., (2004). One additional component of performance is that the actions must be applicable to the aims of the association (Campbell, 1993). There are many reasons that affect the level of performance. (Korman, 1971).

Theoretical Framework and Hypotheses Development

Transformational leadership and job performance

Studies describe that transformational leadership influences the team cohesiveness. Unit efficiency and managerial learning compare to other major leadership theories (Boerner et al., 2007). Previous researches described that positive and significant relation exists between transformational leadership and job performance (Bass et al., 2003). Social learning theory delivers an inclusive model clarifying how leader influence the job performance. Social learning theory recommends that transformational leader use their inspiration on employee behavior primarily using role modeling. Therefore role modeling deals to employee the source for learning those behaviors which are important to display well on job. Transformational leadership forms the behavior of admirers by inspiring them to achieve performance beyond hopes by altering their attitudes, opinions and morals as opposite to simply gaining compliance. It helps to bring valuable and positive changes among the followers by exhibiting the role model characteristics, providing intellectual motivation and showing individual concern for the followers.

H1: *Transformational leadership is positively related to job performance.*

Transformational leadership and job satisfaction

Transformational leadership designs decrease work burdens and increase servants' assurance causing in inspiring their job satisfaction. Job satisfaction is the degree of liking or disliking the job by employees. Medley and Rochelle (1995) recommended that this kind of leadership shows a vital role in job satisfaction predominantly the transformational leadership which affected job satisfaction the greatest . Certain assistants consider that there are positive qualities that a leader should have to create job satisfaction between employees, such as firmness and ambiguity of vision. So admirers have to share their organization's dream and try to understand actual transformational leadership and their principal concern should be the realization of organizational aims fairly their individual special happiness (Hater & Bass, 1988). Transformational leaders tend to create a working environment with satisfied and motivated employees (Bass et al., 2008). Social learning theory helps the leader to build a strong relationship with subordinates. Loyal associate connections are powerfully related with better role perceptions, increase job satisfaction and participation, and lead to better commitment to one's organization. On the reverse, colleague behaviors are also linked to withdrawal 2 behaviors, such as absenteeism, turnover intent and overall decrease in power (Bandura, 1977).Brown and classmates take a social learning perception to suggest that leaders assist as role models and use rewards and punishments to encourage moral behavior. Therefore we hypothesize:

H2: *Transformational leadership is positively related to job satisfaction.*

Job satisfaction and Job performance

Many researchers stated that there exists a positive relationship between job satisfaction and job performance, and so long time was devoted to conclude “why” job satisfaction would lead to higher performance (Lawler, 1967). Researchers described that there exists a temperate association between job performance and job satisfaction (McShane, 2010). Researchers supported this concept and described that when performance is related to appreciate rewards then job performance depend on job satisfaction. Extraordinary performers are happier than lower performers who obtain lesser prizes (Strauss & Griffin, 2012). Job satisfaction also affects employee motivation but not continuously influence job performance somewhere workers do not have a lot of mechanism over their work productivity. When learning the association between job satisfaction and job performance, it is significant to do so at the surface level, since it is reasonable that due to the multidimensional environment of job satisfaction and job performance, there are diverse relations among aspects/measurements of performance and aspects/measurements of job satisfaction . Social learning theory develop positive attitude of employee toward their job and encourage social learning that result in positive workplace outcomes (Bandura 1977).

H3: *Job satisfaction is positively related with job performance.*

Mediating Role of Job Satisfaction

Job satisfaction indicates the positive and satisfying expressive state individually to employees' involvements at the workplace (Rainey, 1997). The relationship among transformational leadership and job satisfaction is well established in literature. However, in these studies, satisfaction and performance were examined separately (Judge, Thoresen & Bono, 2003). That study ignored a desire factor (Job satisfaction) as a possible mediating instrument to check the results of transformational leadership on employee job satisfaction, and job performance leadership (Riketta, 2008). Furthermore, it is claimed that workers who are happy with their jobs perform better and desire to stay related with the organization. A satisfied employee puts his/her energy to improve job-related performance. Another study use work satisfaction as a mediator between transformational leadership or group performance and results specify that mediation influence was strong but significant only at 10% because of limited team member. Social learning theory supports the positive attitude among leader and employees which means leader's positive behavior toward employees and employee positive behavior toward job.

H4: *Job satisfaction mediates the relationship of transformational leadership and job performance*

Moderation of Goal orientation

Goal orientation of employees is an individual effort to improve the ability and authority of as well as understanding and mastering something new . Social learning theories also support the concept of goal orientation. Social learning theory encourages the employees and leaders to learn new attitudes, behaviors and acquire knowledge from each other. Social learning theory (Bandura, 1977) highlights individuals' ability in pursuing, understanding, and giving sense and valence to related impacts. Social learning theory develops strong relation between supervisors and subordinates and influences the individuals to share knowledge with each other. A goal orientation approach may influence assistants in understanding and structure a connection with their managers. Employees with a goal orientation tend to try to develop their skills and capabilities. Furthermore superiors or company leaders should study the morals of work-related information, and knowledge that can deliver skill development and self-improvement. Consequently, staffs with a goal orientation tend to study in social exchange with their managers in dealing with the evolving harms and chances while doing work. Thus, the relationship between superiors and subordinates and goal orientation will tend to develop a better relationship quality. With that supposed they can trust on and support each other and increase their loyalty, such as common belief, admiration, and accountability . A goal orientation focused on employees will generate a certainty of positive result (Soini, Salmela-Aro, &Niemivirta, 2011). Goal orientation can improve an employee's performance and even the company's business performance. Mastery orientation generates a trend to increase work ability and the efficiency in facing problems (Dweck et al., 1999). Previous studies use goal orientation as a moderator with different variables, some studies found significant relation and some studies find insignificant relation. So thereforehypothesize:

H5: *Goal orientation moderates the relationship between the transformational leadership and job performance.*

Research Methodology

The current study aims to investigate leader's role in changing and dynamic environment to enhance employee's job satisfaction and job performance. This study is conducted in twin cities of Pakistan where data was collected using structured questionnaire having six point Likert scale. Both services and industrial sectors of Rawalpindi and Islamabad were targeted to collect data. Employees were asked to tell about their leader and leaders were asked to tell about the performance of their employees.

Survey Population

The targeted population for the study people of Pakistan working in services of industrial sectors. For sample we selected Rawalpindi and Islamabad only.

Data Collection Method(s)

Convenient sampling was used to collect data and people were first requested if they are willing to participate in research. If they agreed then questionnaire was floated in hard form, and if they required in soft form also, it was being sent via email. Use convenient sampling not just because it is easy to use, but because it also has other research advantages. It allows the researcher to obtain basic data and trends regarding his study without the complications of using a randomized sample. A few people targeted through social media while questionnaire developed in Google docs were in boxed them. Rawalpindi and Islamabad were selected mostly because both the cities have potential industrial and services sector as well and that cities are easily reached. And in services and industrial sector we specifically targeted industries having potential of innovation in changing economic dynamics like software sectors, financial sectors and some other manufacturing industries. Questionnaire were got filled by the people who could understand English as English is not the national language of Pakistan. A questionnaire having 47 items was sent to more than 300 employees in hard form or soft form. Out of 300 we received only 230 questionnaires back so response rate was 76.66%. Our main demographics are gender, age, qualification, or income. Out of 230 respondents 51.3% were male while rest were female, 6.1% were above 50 years of age while rest were below, 45.7% were masters and 6% were PhDs while rest of the respondent were having education undergrad or lower and most of the respondents were having income between 21,000 and 40,000 while rest were having income above 40,000 or below 20,000 Rupees.

Measures

The questionnaire consisted of four variables: transformational leadership, job satisfaction, goal orientation, and job performance having a total of 47 items. A six point Likert scale having 19 items (1= strongly disagree to 6= strongly agree) was adapted from Podsakoff, MacKenzie, & Bommer (1990) to measure transformational leadership. This scale had reliability alpha, α (Cronbach's Alpha) = 0.746. Scale of Lynch, Patrick and Eisenberger (1999) was used to measure job performance of employees and this part of questionnaire was to be filled by managers. Scale having six Likert points from 1 = strongly disagree to 6 = strongly agree. This scale had reliability alpha, α (Cronbach's Alpha) = 0.800. Janseen and Yperen's (2004) scale was used to measure job satisfaction. A six point Likert scale having (1= strongly disagree to 6=strongly agree) was used. This scale had reliability alpha, α (Cronbach's Alpha) = 0.640. Goal orientation was measured by using scale developed by Yperen and Janssen (2002). Scale was having six Likert points (1= strongly disagree to 6=strongly agree). This scale had reliability alpha, α (Cronbach's Alpha) = 0.711. Spss 23.0 was used to analyze data and also XL was used for some basic data handlings. Linear regression was checked to find and study the relationship of variables. study were age, gender, income, qualification level.

Results

Demographics

Our main demographics are gender, age, qualification, and Income. 51.3 % are male and 48.3% are female out of total sample of 230. 73 (31.7%) respondents are having age between 21 and 30 years, 79 (34.3%) respondents are between 31 and 40 years, and 64 (27.8%) respondents are in between 41-50 years while rest of the 14 respondents is above 51. Most of the respondents are having qualification masters (45.7%) and 48.2% were having bachelor degree or intermediate certificates while 14 respondents were done with their PhDs. 41.3% respondents were having income between 20 and 40 thousands, 20.9% were having lower income than 20,000 and only 16.1% respondent were earning a reasonable income of more than 50,000. For all demographics figure 2 is referred.

Table 1 discusses descriptive (Mean, Standard Deviations, Maximum and Minimum) of variables. Standard deviation measures range of data nearby the mean value. Mean of all variables was calculated to be 4.71 while means of all individual variables are lying "between" 4.4771 to 4.651. It means over all responses against all the variables are towards agreeing side.

Figure 2: Demographics

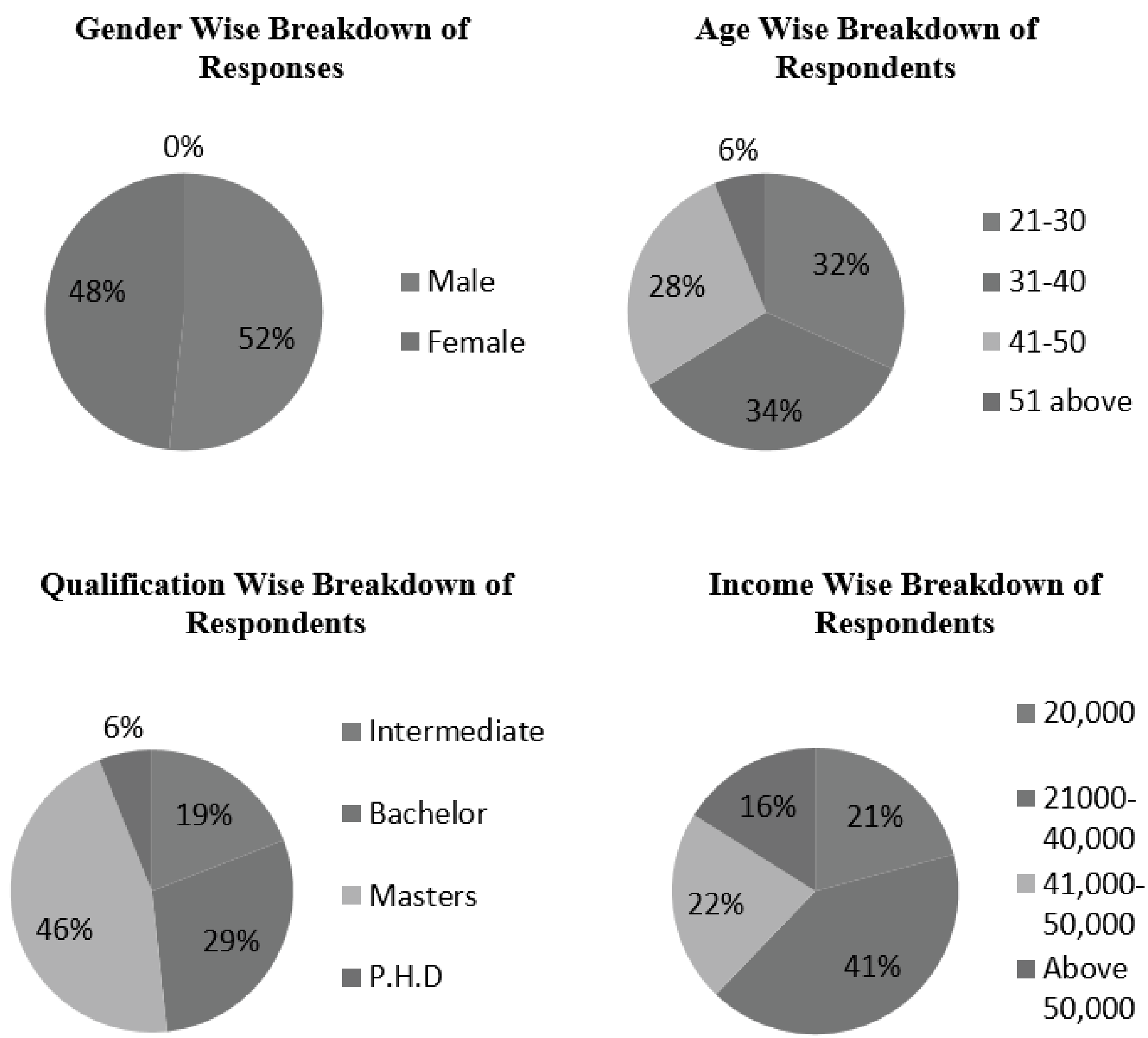


Table 1: Descriptive Statistics

Variables	Range	Minimum	Maximum	Mean	Std. Deviation
Transformational leadership	2.79	2.84	5.63	4.4771	.52105
Job Satisfaction	4.50	1.50	6.00	4.6609	.76509
Job performance	2.94	2.69	5.63	4.4516	.58304
Goal orientation	3.13	2.75	5.88	4.6511	.65584

Table 2 includes and shows the reliability of tool and measures internal consistence (i.e., coefficient α) of all the four hypotheses which are part of the study. All the constructs have good consistency only job satisfaction is viewing a little low alpha but it is also exceeding 0.640. Nunnally (1978) suggested that alpha should be 0.7 minimum. But this value is dependent on number of items in the scale. Job satisfaction is having lower than 10 items that's why Cronbach's alpha is observed a little low. Cronbach's alpha for all variables is exceeding 0.7 while collective Cronbach's alpha of the complete gathering is also above 0.868.

Table 2: Reliability Statistics

Variables	Cronbach's Alpha	No of Items
Transformational leadership	.746	19
Job satisfaction	.640	4
Goalorientation	.711	8
Job performance	.800	16

Table 3 describes the correlation among all variable of study and all are found to be significant mostly are above 0.30 and below than 0.55. According to the study framework all the variable are positively related. And from correlation table we can see that are variables are significantly and positively correlated. Also from table we can see that no independent variables are having correlation more than 0.70 which means that there is no issue of multi-co linearity.

Table 3: Correlation

	Transformational Leadership	Job Satisfaction	Goal Orientation	Job Performance
Transformational Leadership	1			
Job satisfaction	.512**	1		
Goal orientation	.330**	.318**	1	
Job performance	.404**	.353**	0.449**	1

**** Correlation is significant at 0.01 levels (2 tailed**)

Mediation Analysis

From table 3 we can see the results of regression analysis we performed. . Significant beta values clearly showing that job satisfaction and job performance 'which are hypothesized as dependent variable is dependent on transformational leadership 'our defined independent variable. Also job

performance is dependent on job satisfaction. R2 is a statistical measure that represents the proportion of the variance for a dependent variable that's explained by an independent variable.

We used mediation method described by Andrew F. Hayes (2013) to test the mediation of JS between TL and JP. According to Andrew F. Hayes, we first test (c) the relationship of IV (TL) and DV (JP) and it should be significant, (a) the relationship of IV (TL) and MV (JS) should be significant, (b) the relationship of MV (JS) and DV (JP) should be significant. All the direct relationships were significant and results were given in the table 9. From table 9 we can see that TL is positively and significantly impacting JP with ($\beta = .3380$, $\rho = .000$, S.E = .0777, R2 = .192), hence our first hypothesis (H1) is supported. TL is positively and significantly impacting JS as ($\beta =.9010$, $\rho = .0777$, S.E = .5083, R2 = .288), so results are supporting our H2. JS is impacting JP significantly with ($\beta = .1514$, $\rho = .000$, S.E = .0529) which is showing a support to our H3.

Table 4: Estimates of Mediation and Direct Effects

Model	Unstandardized Direct Effect	SE	p	T-Stats
TL→JP	.3380	.0777	.000	4.349
TL→JS	.9010	.5083	.0777	1.7742
JS →JP	.1514	.0529	.000	2.861

TL = Transformational Leadership; JS = Job Satisfaction; JP= Job Performance

After testing for significance of all the three direct relationships then mediator JS was used with TL as an independent variable and JP as a dependent variable. From table we can see that in presence of mediator JS, the effect of TL on JP is now reduced to β = .113 from β = .3380, but still it is significant at ρ = 0.00. From table 9 we can see that in presence of mediator JS direct effect of TL to JP was reduced and mediator was significant too hence it's a case of partial mediation. TL is transferring its effect to JP directly and through mediator also. And over all prediction power of TL in presence of JS as mediator is raised to R2 = .192. So, our hypothesis 4 is also supported that claimed mediation of JS in relationship of TL and JP.

Table 5: Estimates of Mediation and Indirect effect

Model	Unstandardized Direct Effect	SE	LLCI	ULCI
TL, JS →J.P	.1139	.0425	..0367	.2081
JS				

Dependent variable: JP

The results show that partial mediation exists between variables because partial mediation implies that there is not only a significant relationship between the mediator and the dependent variable, but also some direct relationship between the independent and dependent variable. The result describe that positive relation between Transformational leadership and job performance (B=.3380, Square change 0.192). So, our hypothesis 1 is fully supported additionally mediation is not a full mediation but partial mediation. Transformational leadership has positive relation with job satisfaction (B=0.901, R2 = .288) which support our hypothesis H2. Job satisfaction as positive influence on Job performance (B=.1514, R2=.192) which support our hypothesis H3. Then check effect of Transformational leadership or job satisfaction on Job performance (TL B=0.338, JS B=0.151, R.S 0.185).

Moderation Analysis

For moderation we first checked the direct effects TL to JS and it was significantly impacting JS with (β =.9010, ρ = .077, S.E = .5083). Also our moderator GO was significantly impacting JS with (β =.4238, ρ = .398, S.E = .5007). Interaction term of TL and GO was found to be insignificant with (β = -.0512, ρ = .6461, T-stat = -.4598, SE = .1114). So, these statistics showing that goal orientation is not moderating the relationship of transformational leadership and Job satisfaction.

Table 6: Estimates of Moderation

	Unstandardized Direct Effect B	SE	P	T-stat
TL→ JS	.9010	.5083	.0777	1.7724
GO →JS	.4238	.5007	.3982	.8464
TL*GO→JS	-.0512	.1114	.646	-.4598

From table 6 we can see that moderation effect of goal orientation is insignificant in relationship of transformational leadership and job satisfaction. Hence our hypothesis 5 claiming moderation of GO between TL and JS is not supported.

Discussion

We found that there exists statistically significant impact of TL on JP and these results are parallel to many other researchers conducted. These results further substantiate the findings of Judge and Piccolo (2004); Nyachanchu, Bonuke and Chepkwony (2017); Sanda and Kuada (2013). Results showing that there is positive relation between Transformational leadership and Job Satisfaction. Riaz and Haider (2010) found TL impacting career over satisfaction while rising job satisfaction and Medley et al. (1995) recommended that this kind of leadership shows a vital role in job satisfaction mostly transformational leadership which affected job satisfaction the greatest. Hence it over all improves satisfaction level of employees by fostering learning and trust that leader shows in them.

Statistically, Job Satisfaction is found having significant impact on job performance with β= .1514 and R2 = .1922. Overall satisfied employees perform well and many of the researchers found significant and positive impact of high level of satisfaction on enhancement in performance. Lawler et al. (1967) studied a positive relationship between job satisfaction and job performance devoted a lot of time to conclude “why” job satisfaction would lead to higher performance. Reward effect the Job satisfaction of employees, and achievement of reward effect the Job performance. Studies have proved that job satisfaction and organization performance and his study indicated that customer satisfaction leads to employee's satisfaction so employees are able to perform their duties in better way and hence help improve organizational performance by improving their individual performance. Liang (2011) found from a sample of 266 employees that TL predicts satisfaction and satisfaction then predicts team performance. Also, Vaculik (2017) studied TL and performance positive through satisfaction but in presence of high trust in leader and support by coworkers. Study hypothesized moderating role of GO and this hypothesis is not supported as all the calculated statistics are not in favor of accepting this hypothesis. The result not supported to hypotheses so no reason to believe that Goal orientation use as a moderator between Transformational leadership and Job satisfaction. Although no results are found for this statement, other results It suggests that this theory can be somewhat authentic. Baker and Sinkula (1999) studied performance orientation as moderator in market orientation and organizational performance and it proved a positive moderator. So this belief is not on the basis of results of the hypothesis; rather it is based on direct or indirect evidence from other studies. According to the results, the relationship between Transformational leadership, Goal orientation, and Job satisfaction may not exist. I believe that results support more studies on that topic. May be sample size not well evaluated

(Sosik, 1997). Previous studies also use mastery orientation as a moderator between Transformational leadership and work place outcome and hypothesis of his study also not support the results (Nicholos, 2006).

Conclusions, Limitations, and Future Research

The major aim and purpose of the study was to test if transformational leadership enhances employee's satisfaction to ultimately enhance the job performance of employees. Goal orientation was to be tested for the potential moderating role. Study with the help of social learning theory developed relationships in variables. Study was being conducted in Pakistan (one of the major human resource provider to many Asian and other European countries), and sample was drawn from Rawalpindi and Islamabad. The research helps endow with an improved consideration of the conception of transformational leadership, goal orientation and job performance and how job satisfaction helps develop the relationship in TL and JP. The results from this research is parallel to the many other researches on job performance and visionary leadership. Therefore, it provides substantiation to conclude and extend the other researches that TL enriches confidence and trust of employees in them that stimulates further towards the better performance.

Apart from many of the hypothetical or conceptual insinuation there are a lot of managerial implications this research can support. Organizations should train their managers to be ready for taking new ideas from the employees working under them. They should let never down their subordinates, and must show trust in them. They should let them feel that they can and they are the precious asset for the organization. In this way they can help employees be satisfied with the job they are in. Transformational leadership can help subordinates enhance their self-control and proficiency amongst their colleagues, and thus can achieve better self-control and improving their competency level high satisfaction can be achieved that can drive to improve their performance.

Transformational leadership addressing every direct subordinates needs can also win trust and hence satisfaction in employees. Many other studies tested direct relationship of transformational leadership and job satisfaction in many different contexts. But this study suggests managers that in presence of high goal orientation (mastery orientation or learning orientation) in employees can further help achieve the high level of satisfaction in employees. Spat that transformational leadership impacts job performance positively, launches a circumstance that managers should accept ideas and encourage new ideas and decentralized powers and should improve employee's self-trust to find the enhanced performance levels in employees.

References

Anderman, E. M., & Young, A. J. (1994). Motivation and strategy use in science: Individual differences and classroom effects. Journal ofresearch in science teaching, 31(8), 811-831.

Bandura, A. (1978). Social learning theory of aggression. Journal of communication, 28(3), 12-29.

Bass, B. M., Avolio, B. J., Jung, D. I., & Berson, Y. (2003). Predicting unit performance by assessing transformational and transactional leadership. Journal of applied psychology, 88(2), 207.

Bass, B. M. (1999). Two decades of research and development in transformational leadership. European journal of work and organizational psychology, 8(1), 9-32.

Boerner, S., Eisenbeiss, S. A., & Griesser, D. (2007). Follower behavior and organizational performance: The impact of transformational leaders. Journal of Leadership & Organizational Studies, 13(3), 15-26.

Bothma, R. (2015). The relationship between job satisfaction and job performance in a manufacturing firm in the Vaal Triangle (Doctoral dissertation).

Brett, J. F., & VandeWalle, D. (1999). Goal orientation and goal content as predictors of performance in a training program. Journal of Applied Psychology, 84(6), 863.

Campbell, J. P., & Campbell, R. J. (1988). Productivity in organizations: New perspectives from industrial and organizational psychology. Jossey-Bass.

Church, M. A., Elliot, A. J., & Gable, S. L. (2001). Perceptions of classroom environment, achievement goals, and achievementoutcomes. Journal of educational psychology, 93(1), 43.

Dvir, T., & Shamir, B. (2003). Follower developmental characteristics as predicting transformational leadership: A longitudinal field study. The Leadership Quarterly, 14(3), 327-344.

Dweck, C. S., & Leggett, E. L. (1988). A social-cognitive approach to motivation and personality. Psychological review, 95(2), 256.

Ford, J. K., Smith, E. M., Weissbein, D. A., Gully, S. M., & Salas, E. (1998). Relationships of goal orientation, metacognitive activity, and practice strategies with learning outcomes and transfer. Journal of applied psychology, 83(2), 218.

Hater, J. J., & Bass, B. M. (1988). Superiors' evaluations and subordinates' perceptions of transformational and transactional leadership. Journal of Applied psychology, 73(4), 695.

Janssen, J. (2003). The Team Captain's Leadership Manual: The Complete Guide to Developing Team Leaders Whom Coaches Respect and Teammates Trust. Winning the Mental Game.

Janssen, O., & Van Yperen, N. W. (2004). Employees' goal orientations, the quality of leader-member exchange, and the outcomes of job performance and job satisfaction. Academy of management journal, 47(3), 368-384.

Jones, J. R., & Harter, J. K. (2005). Race effects on the employee engagement-turnover intention relationship. Journal of Leadership & Organizational Studies, 11(2), 78-88.

Judge, T. A., & Piccolo, R. F. (2004). Transformational and transactional leadership: a meta-analytic test of their relative validity. Journal of applied psychology, 89(5), 755.

Korman, A. K. (1971). Organizational achievement, aggression and creativity: Some suggestions toward an integrated theory. Organizational Behavior and Human Performance, 6(5), 593-613.

Kouzes, J. M., & Posner, B. Z. (2014). The leadership challenge. San Francisco: Jossey-Bass.

Kuada, J., &Sanda, A. (2013). Predicting the Impact of Leadership Style and Culture on Job Satisfaction/Organizational

Commitment towards Organizational Performance in Ghanaian Retail Banks: A Structural Equation Modeling BasedApproach. International Business Economics Working Paper Series, (55), 1-70.

Lawler iii, e. E., & porter, l. W. (1967). The effect of performance on job satisfaction. Industrial relations: A journal of Economy andSociety, 7(1), 20-28.

Lynch, P. D., Eisenberger, R., & Armeli, S. (1999). Perceived organizational support: Inferior versus superior performance by wary employees. Journal of applied psychology, 84(4), 467.

MacMillan, C. (2012). The Effects of Physical Work Environment Satisfaction and Shared Workspace

Characteristics on Employee Behaviors Toward Their Organization: Using Environmental Control as a Mediator (Doctoral dissertation, University of Waikato).

Medley, F., & Larochelle, D. R. (1995). Transformational leadership and job satisfaction. Nursing management, 26(9), 64JJ.

Melek, E. K. E. R., Anbar, A., & KARABIYIK, L. (2007). Job satisfaction of academicians in Turkey and the factors affecting job satisfaction. ISGUC The Journal of Industrial Relations and Human Resources, 9(4), 66-90.

Motowildo, S. J., Borman, W. C., & Schmit, M. J. (1997). A theory of individual differences in task and contextual performance. Human performance, 10(2), 71-83.

Muchinsky, P. M. (2006). Psychology applied to work: An introduction to industrial and organizational psychology. Cengage Learning.

Nyachanchu, T. O., Bonuke, R., & Chepkwony, J. (2017). Moderating role of transformational leadership behaviour on the relationship between dynamic capabilities and performance of manufacturing firms in Cairobi County, Kenya.

Podsakoff, P. M., MacKenzie, S. B., & Bommer, W. H. (1996). Transformational leader behaviors and substitutes for leadership as determinants of employee satisfaction, commitment, trust, and organizational citize. Journal of Management, 22(2), 259-298

Rainey, H. G. (2000). Work motivation. Handbook of organizational behavior, 19-42.

Riaz, A., & Haider, M. H. (2010). Role of transformational and transactional leadership on job satisfaction and careersatisfaction. Business and Economic horizons, 1(1), 29-38.

Riketta, M. (2008). The causal relation between job attitudes and performance: A meta-Analysis of panel studies. Journal of Applied Psychology, 93(2), 472.

Seltzer, J., & Bass, B. M. (1990). Transformational leadership: Beyond initiation and consideration. Journal of management, 16(4), 693-703.

Strauss, K., Griffin, M. A., & Parker, S. K. (2012). Future work selves: How salient hoped-for identities motivate proactive career behaviors. Journal of Applied Psychology, 97(3), 580.

Schneider, D. S., & Vaught, B. C. (1993). A comparison of job satisfaction between public and private sector managers. PublicAdministration Quarterly, 68-83.

Tuominen-Soini, H., Salmela-Aro, K., &Niemivirta, M. (2011). Stability and change in achievement goal orientations: A personcentered approach. Contemporary Educational Psychology, 36(2), 82-100.

Van Yperen, N. W., & Janssen, O. (2002). Fatigued and dissatisfied or fatigued but satisfied? Goal orientations and responses to high job demands. Academy of Management Journal, 45(6), 1161-1171.

Weiner, I. B. (2000). Using the Rorschach properly in practice and research. Journal of Clinical Psychology, 56, 435– 438.

Zhang, M., Zhu, C. J., Dowling, P. J., & Bartram, T. (2013). Exploring the effects of high-performance work systems (HPWS) on thework-related well-being of Chinese hospital employees. The International Journal of Human Resource Management, 24(16), 3196-3212.

The Mediating Role of Perceived Value in the Relationship between Retail Marketing Mix and the Purchase Intention for Retail Stores in Urban Retail Customers of Developing Country

Numair Ahmed Sulehri
COMSATS Institute of Information Technology Islamabad
sulehri39@gmail.com
&
Mansoor Ahmed
COMSATS institute of information Technology Islamabad

Abstract

This study is designed to investigate how the consumers of the developing country shape their purchase decision while considering the retail marketing mix and purchase intention in retail store. 400 participants were selected at point of sales of large super stores in the region of Islamabad and Rawalpindi. Purposive sampling technique was applied based on survey design. Three instruments were used to measure retail marketing mix, purchase intention and consumer perceived value. The study result sheds light that the perceived value was playing the role of mediator between the retail marketing mix and purchase intention in urban consumers of developing countries. Result indicated that the perceived value partially mediated in the relationship between retail marketing mix and purchase Intention in urban retail customers. This study would be helpful for marketing professionals to align their marketing strategy through long term trust building effects on the sales.

Key Words: Retail Super Stores, Purchase Behavior, Trust in Store, Attractiveness, Purchase intention, Perceived value.

Introduction

Retailing has always remained in the center of socio economic setup of every civilization and the largest industry among most of the current word . Over the years it had grown to more efficient, better, economical, and widespread across the human population . Products, culture and process may be different in every geographical region but the basis for consumer physiological responses remain same. These responses are greatly been influenced with the use of marketing techniques predominantly by the marketing mix .

Retail settings are evolving with the change in the lifestyles of the modern humans according to the availability of the products and the value . As previously considered concept of retailer as only involved in the merchandise trade, with no manufacturing ability , the modern retail is the space needed by both consumers and sellers to efficiently move their products down to the value chain . The expansion of the marketing mix concept had included the concept of product, service, and physical evidence and post purchase behavior of the customer .

Past marketing literature had contributed too little in investigating the effects of retail marketing mix on the consumer buying behavior and choices, further probing is needed to open up the symmetrical effects of the collective retail marketing efforts by the retailer towards the “buying behavior and the buying intentions” . With the ever increasing demand of the material goods and the purchasing power in the developing countries, retailers are finding it more difficult to differentiate themselves from their competition for their unique marketing mix . Just like every other business retailers evolve their differentiated business model, including the marketing link to outreach their customers . Instead of making only products available, modern retailers use downstream marketing activities to make themselves more visible and useful in the shopping experience .

The past research in marketing on the retail stores had considered sampling from one store in a single urban area . Moreover the study of the Islamic developing country retail customers is rare in the literature . This research will help managers to decide internationalization in to developing countries according to marketing mix perspective moreover it will also help in linking marketing activities to value based on customer perception of individual retail store.

Literature review

The marketers are consistently looking for new means and methods to shape up their strategy, while working to improve the traditional tools. Organized retail has one of the widest and continuous marketing planning for making the customers feel the joy of shopping.

Retail Marketing Mix

The concept of marketing mix evolved its roots from 40's by Professor N. H. Borden, and was shaped by G. McCarthy in 1960 by giving the 4p's framework. The initially believed four p's of marketing rose up to seven for product and eleven or services. The retail marketing mix (RMM) had evolved with the inclusion of the marketing domains in the retail setup that address the services and merchandising . RMM includes the merchandise, services and marketing efforts to outshine the retail space .

The retailers marketing mix brings the customers closer to the store and increases the sale . With the change of "in-store retail mix" the customer involvement and strength of purchase intention changes, the strength of these elements varies from store to store depending upon the target market and category of the store . This makes the design of marketing activity as more current to the fashion and understandable to the customers. The scarce marketing resources could be shaped with a better retail marketing mix to enhance the view of the customers and thus increasing trust in retail store . In organized retailing localized marketing mix strategies are the key in the profits and customer perception building, better location reinforces the mix for wider customer flow and the intensity of the elements of the retail mix to support the customer purchase decision .

The effect that the retail mix creates has to be in accordance with the perception of the customer, too strong or too week signal can create the competition among the products at display, with this the signal has to reinforce all four kinds of shopping involvement. This involvement is mediated by perceived value for the attractiveness between purchase intention and the retail marketing mix .The depth of the retail mix explains the degree of the customer satisfaction to their shopping needs .

Purchase Intention

Perceived value displays greater influence on purchase intention then the actual satisfaction in the purchase and the retailer effort to create value in the marketing mix can generate the positive customer behavior for patronage . Past studies had identified that emotional and social dimensions explain the perceived value of the product in building purchase intention The trust is viewed as multi-dimensional construct that creates the " honesty and benevolence" in the behavior for the relationship between the parties . The customer trust in the retailers brand paves the way for patronized buying behavior, past studies have considered this dimension lesser to explain the marketing efforts. This trust can bring much needed attention towards the retail space and then contributes positive intention towards store patronage behavior for all the values in purchase (Hedonic and utilitarian) for retailer . Trust proves its importance in every customer retailer relationship . Old retailers are trusted more in the developing economies of South East Asia but the modern organized retailers are crating trust with short, consistent and widespread presence across the modern urban population .

Perceived Value

Perceived value is the "overall consumer assessment of the utility of the product, based upon the perception of what is received and what is given" . Perceived value creates impression stimulus through positive arousal of the emotions on one side and social recognition for the purchase to the customer. These two values creates the total impression for the shopping and are the most relevant for the shopping experience of groceries . Moreover the emotional values precedes the economic benefits for the decisions made on the basis of customer loyalty, similarly the social interactions are also valued high for the customer interactions, which retailers should enhance by making use of technology of social media .

Hypotheses Development

After the detailed evaluation of the past literature following hypotheses are developed.

H1: *Retail Marketing Mix has a positive and significant influence on purchase intention of retail customers in developing countries.*

H2: *Retail Marketing Mix has a positive and significant influence on perceived value of retail customers in developing countries.*

H3: *Retail Marketing Mix has a positive and significant influence on purchase intention with mediation of perceived value.*

Methodology

Structural Equation Modeling Technique is used to analyze the variables of the study. This had enabled to link the theoretical foundations to the empirical meaning. Following is been done to secure more sense to the study.

Research Design

Purposive convenient sampling technique is used at point of sales based on cross sectional design. It was divided into two parts, first; the pilot study and second; the main study.

Sample

400 participant (male, n=284; female, n=116) were approached through online with the use of smart phones at the point of sales (POS) in the retail space of hypermarkets for the urban region of Rawalpindi, Islamabad, and Lahore, Pakistan, where hypermarkets are situated. Age ranging from 16 to 55 (M=36.5, SD=1.282) years. The qualification ranging from ten years of education to doctoral degree holder were distributed among six categories (M=2.72, SD= 1.289), with Majority of the respondents were undergraduates (27.5%) followed by twelve years of education group (24.6 %). The nucleus families were surveyed because of the demographic trends in the country and grocery shopping being a family affair. 39.5 % of the respondents were from the second category of income class (approx. monthly

income between 501 to 1000 US dollars) followed by income class three (approx. monthly income between 1001 to 1500 US dollars) with (M=2.13, SD=1.289).

Instrument

Following instruments were used in current study to complete the survey.

Perceived value (PrcvV): Perceived value scale was developed by . It designed to assess the perception of value to the customer. It contains on three items with having two subscales known as social value and emotional value. Higher score on scale reflects the presence of perception of the value. Lower score on scale show low prevalence of social and emotional value to the customer for the purchase. The scale consisted of three items for the subscale of emotional value (α= 0.72 original scale) and three items for the subscale of social value (α= 0.88), both are measured on seven point Likert scale. This scale was translated through back standard method in current study.

Purchase Intention (PurcInt): scale was adopted from Grewal, D., Krishnan, R., Baker, J., & Borin (1998) and was modified current research. The scale consisted of six items (Alpha reliability= 0.82) are measured on seven point Likert scale.

Retail Marketing Mix (RMM): scale was adopted from Grewal, D., Krishnan, R., Baker, J., & Borin (1998) and was modified current research. The scale consisted of six items (Alpha reliability= 0.82) are measured on seven point Likert scale

Procedure

The data was collected at different retail store point of sale from the customers through online survey from Rawalpindi, Islamabad, and Lahore. Participants were approached by researcher, after taking the permission from the retail manager of the store. After explanation of the research endeavors and with the permission of the respondents. Informed concert was given to the respondent. It was also insured that the results of the research would be kept confidential and will only be used for the current research purpose. The survey tool was been filled out using the smart phones and were filled in presence of the researcher and the respondent, in case the respondent wanted extra explanation for their choices. The researcher influence was reduced with enhanced accuracy of data entry by online data gathering method, moreover time and cost was reduced . The ethical considerations were endorsed by COMSATS ethical review committee. After filling the survey the data was submitted online, which was subsequently arranged and prepared for further analysis. AMOS 23 was used to explain the study variable in advance data analysis.

Data Analysis

The mediating role of Perceived Value (PV) between Retail Marketing Mix (RMM) and Purchase Intention (PurcInt) were observed with beta coefficients of .59 between RMM and PurcInt, .75 between RMM and PV, finally .08 between PV and PurcInt. This indicates full mediating role of PV between RMM and PurcInt.

This indicates that the consumer perceived value in Pakistan is the link between the retail Marketing mix and its effect on purchase intention. Customer behaves according to the pre-arranged retail marketing mix variables.

Table 1: Correlations and Alpha value of study variables

	α	1	2	33 3	4	5	6
RMM	.86	-	.563**	.679**	.852**	.851**	.843**
PurcInt	.71		-	.534**	.559**	.517**	.591**
PrcvV	.81			-	.625**	.652**	.591**
SAttrct	.77				-	.682**	.696**
SituAttr	.84					-	.667**
OAttratv	.85						-

Note. RMM = Retail Marketing Mix; PurcInt= Customer Purchase Intention; PrcvV=Customer Perceived Value; SAttrct= Sustainable Attractiveness; SituAttr= Situational Attractiveness; OAttratv= Overall Attractiveness*$p \leq .05$, ** $p \leq .01$, *** $p \leq .000$.

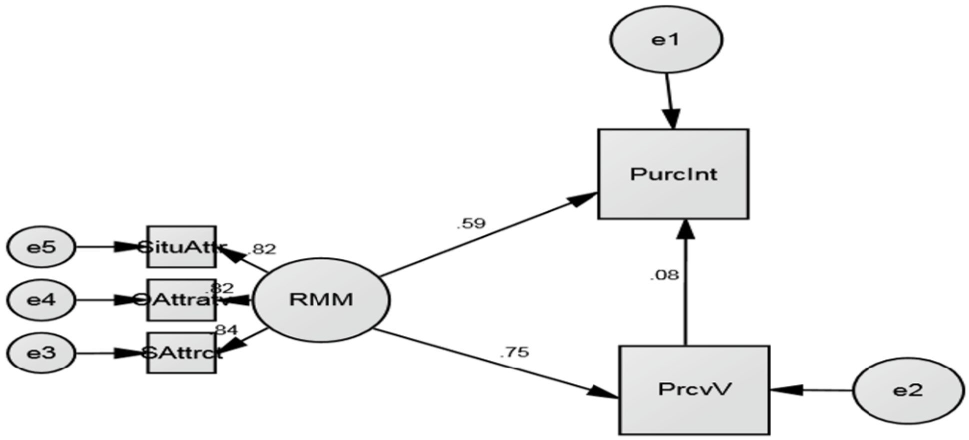
Table 1 reveals that the study variables are highly correlated and have alpha value more than .65 is accordance with prior theory.

Table 2: Mediation Analysis

	B	S.E.	β	B	S.E.	β
Retail Marketing Mix	.804	.066	.594***	2.081	.082	.754***
Perceived Value	.042	.022	.085 *			

This conditional model displays good fit of the data adequacy, $x2(4) = 18.57$, $p < .0001$, $x2/df=4.64$, RMSEA= .06, CFI= .99, NFI = .98, TLI =0.98, IFI=0.99 & RFI=0.97. The result indicated that retail marketing mix was positively significant predicting to Purchase Intention ($\beta= .59$, $p < .000$), Perceived Value ($\beta=.75$, $p < .000$) in urban retail customers of developing country. The result also reveal that perceived value was positively significant predicting to Purchase Intention ($\beta= .09$, $p < .05$) in urban retail customers of developing country. Result indicated that the perceived value partially mediated in the relationship between retail marketing mix and purchase Intention in urban retail customers. Regarding to objective no.1 which stated "To study the mediating role of perceived value in the relationship between retail marketing mix and purchase Intention in urban retail customers" was supporting in current study.

Figure1: Mediating Role of Purchase Intention



The Mediating role of Perceived Value between Retail Marketing Mix and Purchase intention among urban consumeres of Developing country.

Discussion

The present study was designed to inspect the mediating role of perceived value between retail marketing mix and purchase intention. Additionally, to examine the relationship among the study variables of retail marketing mix. Regarding to the objective no 1 Result indicated in table no 1 that the perceived value partially mediated in the relationship between retail marketing mix and purchase Intention in urban retail customers. The previous study finding are consistent with current study findings and is confirmed in the developing country scenario. The perceived value derived from the social and emotional value explains the shopping drives of these customers based more on hedonic values . The perceived value crucially develops the purchase intention. The consumers in South East Asia like to consume fresh perishable goods and would like to purchase their groceries more than once in a month. This study will guide the marketing managers to plan their marketing activities around the perceptions of the customers in developing countries. Specifically, the design of the retail marketing mixes in different in urban areas.

Limitations and Future directions

Current research was carried out by collecting data from five different retail stores in the urban centers of Pakistan using cross sectional research design. Further research can be done by adding new moderating variables like age and gender. Secondly; further research using the same variables which can increase or decrease the strength of the relationships and with different geographical locations in the world can shed light on the topic.

References

Akagün Ergin, E. (2010). Complusive buying behavior tendencies: the case of Turkish consumers.

Azeem, S., & Sharma, R. R. K. (2015). Elements of the retail marketing mix : a study of different retail formats in India. *The Business & Management Review*, *5*(4), 29–30.

Babin, B. J., Darden, W. R., Griffin, M., & Darden, R. (1994). Work and/or fun: Shopping measuring value hedonic and utilitarian. *Journal of Consumer Research*, *20*(4), 644-656.

Berry, C., Mukherjee, A., Burton, S., & Howlett, E. (2015). A COOL Effect: The Direct and Indirect Impact of Country-of-Origin Disclosures on Purchase Intentions for Retail Food Products. *Journal of Retailing*, *91*(3), 533–542.

Bradley, G. T., & LaFleur, E. K. (2016). Toward the development of hedonic-utilitarian measures of retail service. *Journal of Retailingand Consumer Services*, *32*(1), 60–66.

Chen, P. T., & Hu, H. H. (2010). How determinant attributes of service quality influence customer perceived value. *International Journal of Contemporary Hospitality Management*.

De Nisco, A., &Warnaby, G. (2014). Urban design and tenant variety influences on consumers' emotions and approach behavior. *Journal of Business Research*, *67*(2), 211–217.

Dębek, M. (2015). What Drives Shopping Mall Attractiveness? *Polish Journal of Applied Psychology*, *13*(1), 67–118.

Dennis, C., Fenech, T., & Merrilees, B. (2005). Sale the 7 Cs: teaching/training aid for the (e) retail mix. *International Journal of Retail & Distribution Management*.

El-Adly, M. I., & Eid, R. (2017). Dimensions of the perceived value of malls: Muslim shoppers' perspective. *International Journal of Retail & Distribution Management*, *45*(1), 40–56.

Fauzi, M., & Irani, W. (2016). An exploratory study of Muslim consumers' expectation of an Islamic–based retail store and their patronage motive.

Gilboa, S. (2009). A segmentation study of Israeli mall customers. *Journal of Retailing and Consumer Services*, *16*(2), 135-144.

Gindi, A. A., Abdullah, A. M., Ismail, M. M., & Nawi, N. M. (2016). Factors Influencing Consumer ' S Retail Formats Choice for Fresh Fruits Purchase in Klang Valley Malaysia. *Academia Scholarly Journals*, *3*(3), 52–61.

Grewal, D., Krishnan, R., Baker, J., & Borin, N. (1998). The Effect of Store Name, Brand Name and Price Discounts on Consumers Evaluations and Purchase In1tentions. *Journal of Retailing,74*(3), 331–352.

Kan, G., Cliquet, G., & Puelles Gallo, M. (2014). The effect of country image on hypermarket patronage intention. *International Journal of Retail & Distribution Management*, *42*(2), 106–130.

Karbasivar, A., & Yarahmadi, H. (2011). Evaluating Effective Factors on Consumer Impulse Buying Behavior. *Asian Journal of Business Management Studies*, *2*(4), 174–181.

Khare, A. (2012). Influence of Culture on Indian Consumers' Preference to Shop at Small Retail Stores. *Journal of Global Marketing*, *25*(2), 100–111.

Kukar-Kinney, M., Ridgway, N. M., & Monroe, K. B. (2012). The Role of Price in the Behavior and Purchase Decisions of Compulsive Buyers. *Journal of Retailing*, *88*(1), 63–71.

Kumar, A., & Kim, Y.-K. (2014). The store-as-a-brand strategy: The effect of store environment on customer responses. *Journal of Retailing and Consumer Services*, *21*(5), 685–695.

Kumar, V., Anand, A., & Song, H. (2016). Future of Retailer Profitability: An Organizing Framework. *Journal of Retailing*, *93*(1), 96-

119.

Kwak, K., Duvvuri, S. D., & Russell, G. J. (2015). An analysis of assortment choice in grocery retailing. *Journal of Retailing*, *91*(1),

19–33.

Lapoule, P. (2010). Carrefour and its competitors in India. *Management Decision*, *48*(3), 396–402.

Le, N. H., Nguyen, H. M. T., & Van Nguyen, T. (2013). National identity and the perceived values of foreign products with local

brands. *Asia Pacific Journal of Marketing and Logistics*.

Lefever, S., Dal, M., & Matthíasdóttir, Á. (2007). Online data collection in academic research: advantages and limitations. *British Journal of Educational Technology*, *38*(4), 574–582.

Leingpibul, T., Broyles, S. A., & Kohli, C. (2013). The comparative influence of manufacturer and retailer brands on customers' purchase behavior. *Journal of Product & Brand Management*, *22*(3), 208–217.

Maruyama, M., Wu, L., & Huang, L. (2016). Journal of Retailing and Consumer Services The modernization of fresh food retailing in China : The role of consumers. *Journal of Retailing and Consumer Services*, *30*, 33–39.

Melis, K., Campo, K., Breugelmans, E., & Lamey, L. (2015). The Impact of the Multi-channel Retail Mix on Online Store Choice: Does Online Experience Matter? *Journal of Retailing*, *91*(2), 272–288.

Mencarelli, R., & Lombart, C. (2017). Influences of the perceived value on actual repurchasing behavior: Empirical exploration in a retailing context. *Journal of Retailing and Consumer Services*, *38*(1), 12–21.

Niraj, D. (2013). When Marketing is Strategy. *Harvard Business Review*, *91*(12), 100–108.

Parsons, A. G., & Descatoires, E. (2016). Retail marketing : A novel research agenda. *Australasian Marketing Journal (AMJ)*, *24*(2), 102-107.

Puccinelli, N. M., Goodstein, R. C., Grewal, D., Price, R., Raghubir, P., & Stewart, D. (2009). Customer Experience Management in Retailing: Understanding the Buying Process. *Journal of Retailing*, *85*(1), 15–30. Randt, I. M. Du. (2015). *Factors that would enhance consumers' total value experiences in interior retail outlets*. University of Pretoria.

Rubio, N., Villaseor, N., & Yague, M. J. (2017a). Creation of consumer loyalty and trust in the retailer through store brands: The moderating effect of choice of store brand name. *Journal of Retailing and Consumer Services*, *34*(November), 358–368.

Sarkar, D. N., Kundu, K., & Roy Chaudhuri, H. (2016). Constructing a conceptual model of purchase behaviour of village shopkeepers a study of small rural retailers in Eastern India. *Journal of Retailing and Consumer Services*, *28*, 1–16.

Swoboda, B., Haelsig, F., Morschett, D., & Schramm-Klein, H. (2007). An intersector analysis of the relevance of service in building a strong retail brand. *Managing Service Quality*, *17*(4), 428–448.

Teller, C., Alexander, A., & Floh, A. (2016). The impact of competition and cooperation on the performance of a retail agglomeration and its stores. *Industrial Marketing Management*, *52*, 6–17.

Teller, C., Elms, J. R., Thomson, J. A., & Paddison, A. (2010). Place Marketing and Urban Retail Agglomerations : an examination of shoppers place attractiveness perceptions. *Journal of Place Branding and Public Diplomacy*, *44*(March), 1–19.

Teller, C., & Thomas, R. (2008). The Evolving Concept of Retail Attractiveness: what makes retail agglomerations attractive when customers shop at them? *Journal of Retailing and Consumer Services*, *15*(3), 127–143.

Terblanche, N. S. (2017). Customer involvement, retail mix elements and customer loyalty in two diverse retail environments. In *The Customer is NOT Always Right? Marketing Orientationsin a Dynamic Business World* (pp. 795-804). Springer, Cham.

Uchil, R., Thakkar, N. S., & Venugopal, A. (2015). Drifting Through Diversity : A Study Of Buying Behavior Of Indian Consumers in Retail Stores. *International Journal of ManangementReserarch and Business Strategy.*, *4*(1), 120–133.

Wilbanks, J. K. (2005). *Exploring lifestyle orientation, attitudes toward lifestyle merchandising, and attitudes toward lifestyle advertising as predictors of behavioral intention to purchase lifestyle home furnishing products*. University of North Texas.

Yan, R. N., & Eckman, M. (2009). Are lifestyle centres unique? Consumers' perceptions across locations. *International Journal of Retail & Distribution Management*, *37*(1), 24–42.

Author's Guideline

Instruction for Authors

There is no standard fixed length for articles, but an 8 – 24 A4 pages, with 12-fonts and 1.15-line space article would suffice. This page limit includes all parts of the paper: title, abstract, body, bibliography, appendices and tables.

Title should be a brief, not more than fourteen words it should be written in Times New Roman Font Size 14 Bold and centered.

All papers are to be submitted as a single MS WORD file, formatted for 8.5" x 11" paper.

Manuscripts should be composed according to APA (American Psychological Association) 6th edition format.

FUJP accepts manuscripts via e-mail. The manuscript should be prepared using a recent version of Microsoft Word and should utilize standard fonts and symbols.

The submitted manuscripts should be written in English, (American or British usage is accepted, and however it should not be a mixture of both). Manuscripts should be free from grammatical errors.

Use headings sparingly and logically. Do not use more than three levels of headings.

Manuscripts should be prepared according to the following style rules (deviations from these rules can cause publication delays)

A. Content, Length, and Formatting

It is the author's responsibility to make the submitted paper clear, related, and thought-provoking, before submission and consideration by referees. This requires:

Abstract

An abstract not exceeding 250 words comprising the following is required in the following format:

Author's name (s) and affiliation

a) Email address

b) Title and abstract content

The abstract should be clearly written and readily comprehensible. It should provide a concise summary of the objectives, methodology (including the species studied), key results, and major conclusions of the study. It should be written in complete sentences, without subheadings.

Provide maximum 7 key words of the manuscript

Introduction

The Introduction should provide a clear statement of the problem, the relevant literature on the subject should be cited. Methods and procedures used in the research should be described in detail. Results should be clearly described and should provide a comprehensive picture of results. Previously published findings should be written in the present tense. Detailed interpretation of data should not be included. In discussion section findings should be interpreted in view of the present study results and results of past researches in that area. Conclusions should be given at the end of article. Discussion section should describe briefly the major findings. It should describe the validity of observation and other published work dealing with the same type of findings.

Full paper

a) A4 size paper

b) Margins must be 1.25 inch on all sides

c) Font size 12 Times New Roman (body text)

d) Title, subtitles, abstract and references single spaced; body text 1.15 - line spaced

e) Referencing, graphics & tables will be considered in the total page count.

Tables and Figures

a) Tables must be submitted in Microsoft Word table format, and should be created using Times New Roman text, 10 point size. APA-style provided elsewhere must be preferred.

b) Figures must be clearly produced in black and white. All text included in figures should be Times New Roman (10 point minimum).

c) Each table and figure should fit on a single page. Tables and figures may be oriented horizontally (landscape) or vertically (portrait) within the allotted space.

d) Each table and figure should be identified with a table or figure number and a descriptive title.

e) For data not generated by the author(s), the source of the data should be given (in short form) below the table or figure and listed in full in the references.

Footnotes and References

a. Footnote material should be incorporated into the text whenever possible. If footnotes are necessary, the note number should be typed in the text and superscripted. The notes should be collected at the end of the text as endnotes.

b. References should be (a) integrated into the text in short form and (b) collected together at the end of the article. APA format needs to be followed

For works with three or more authors, list the first author followed by "et al." as shown above. For multiple citations, alphabetize citations by first author's last name.

The author(s) should make sure that there is a strict one-to-one correspondence between the in-text citations (including citations in footnotes, tables, and figures) and the list of references in the References.

Copyright Transfer

a) Submission of a paper will be held to imply that it contains original unpublished work and is not being submitted for publication elsewhere

b) Submission of a paper also implies that, upon acceptance of an article by the journal, the author(s) will transfer copyright of the article to the publisher. The transfer will ensure the widest possible distribution of material.

Miscellaneous

a. Use the American terms such as billion (one billion = 1,000,000,000; one trillion = 1,000,000,000,000), rather than lakhs and crores.

b. Spell out all numbers from one to ninety-nine, unless:

i. the number contains a decimal point, e.g., "6.2" and " 0.12"

ii. the number precedes a percent sign or a unit of measure, e.g., "47%" and "16μm"

c. A short abstract of the paper should always be included with the submission.

d. Each author is entitled to one copy of the issue in which his or her article appears.

Note:

Editor reserves the right to amend, abridge or otherwise alter the contents of the paper to make it suitable for publication. However every endeavor will be made not to affect the spirit or effectiveness of the paper.

Call for Papers

Dear Prof./Dr./Researchers,

This is to inform you that we are currently accepting original research articles for evaluation and publication in our February 2019 volume. We would like to invite you to contribute your Research Paper for publication in ***"Foundation University Journal of Business & Economics (FUJBE)"***. Papers published in "FUJBE" will receive very high publicity and acquire very high reputation. The scopes of the journal include: Accounting, Finance, Human Resource Management, International Business, Marketing, Organizational Behavior, Strategic Management and Services, Economics, & Other Areas Related to Businesses.

The Journal accepts article submissions by e-mail:

fujbe@fui.edu.pk

Dr. Muhammad Awais

Secretary & Editor – FUJBE

Assistant Professor (Finance)

Faculty of Management Sciences, Department of Business Administration

Foundation University Islamabad, Pakistan