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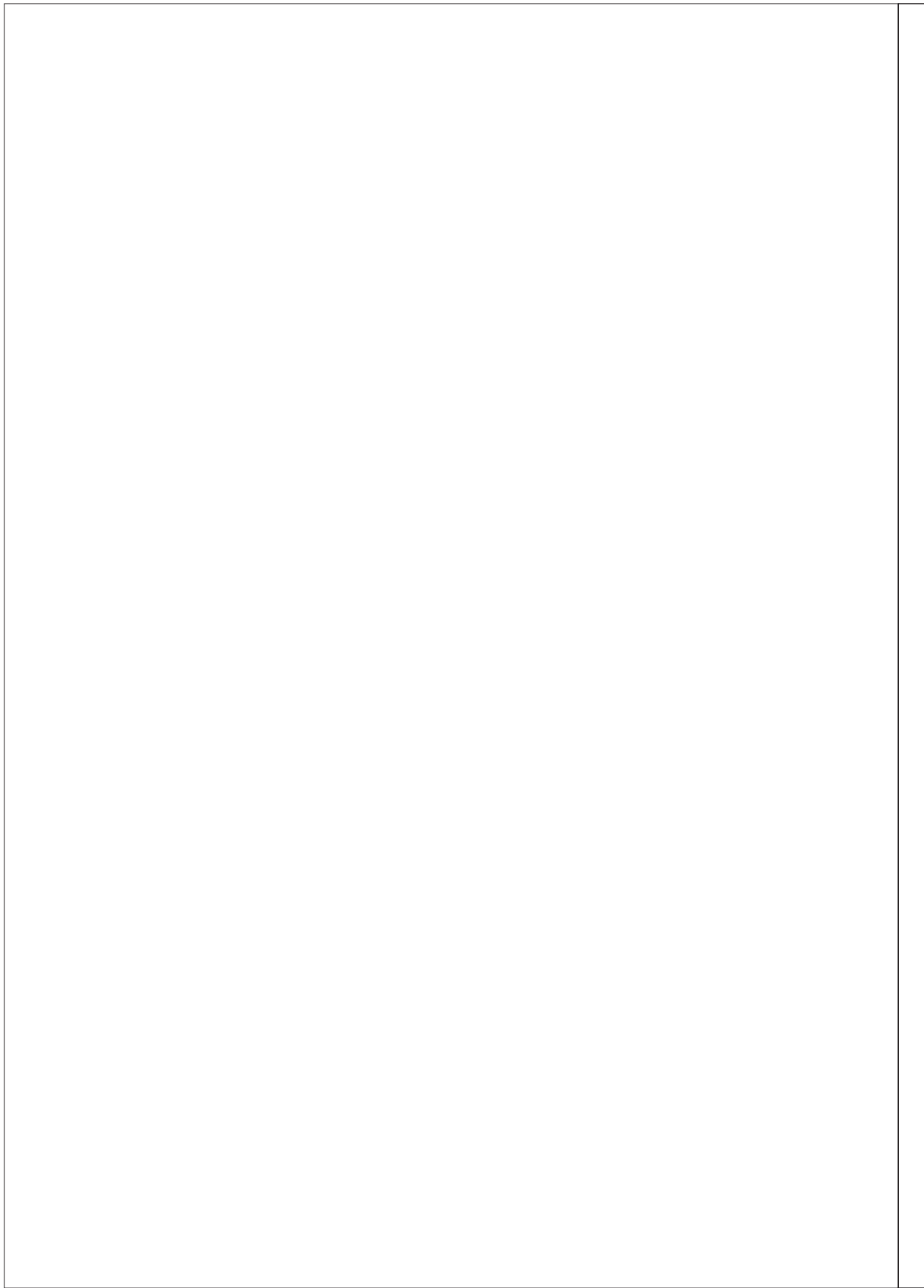
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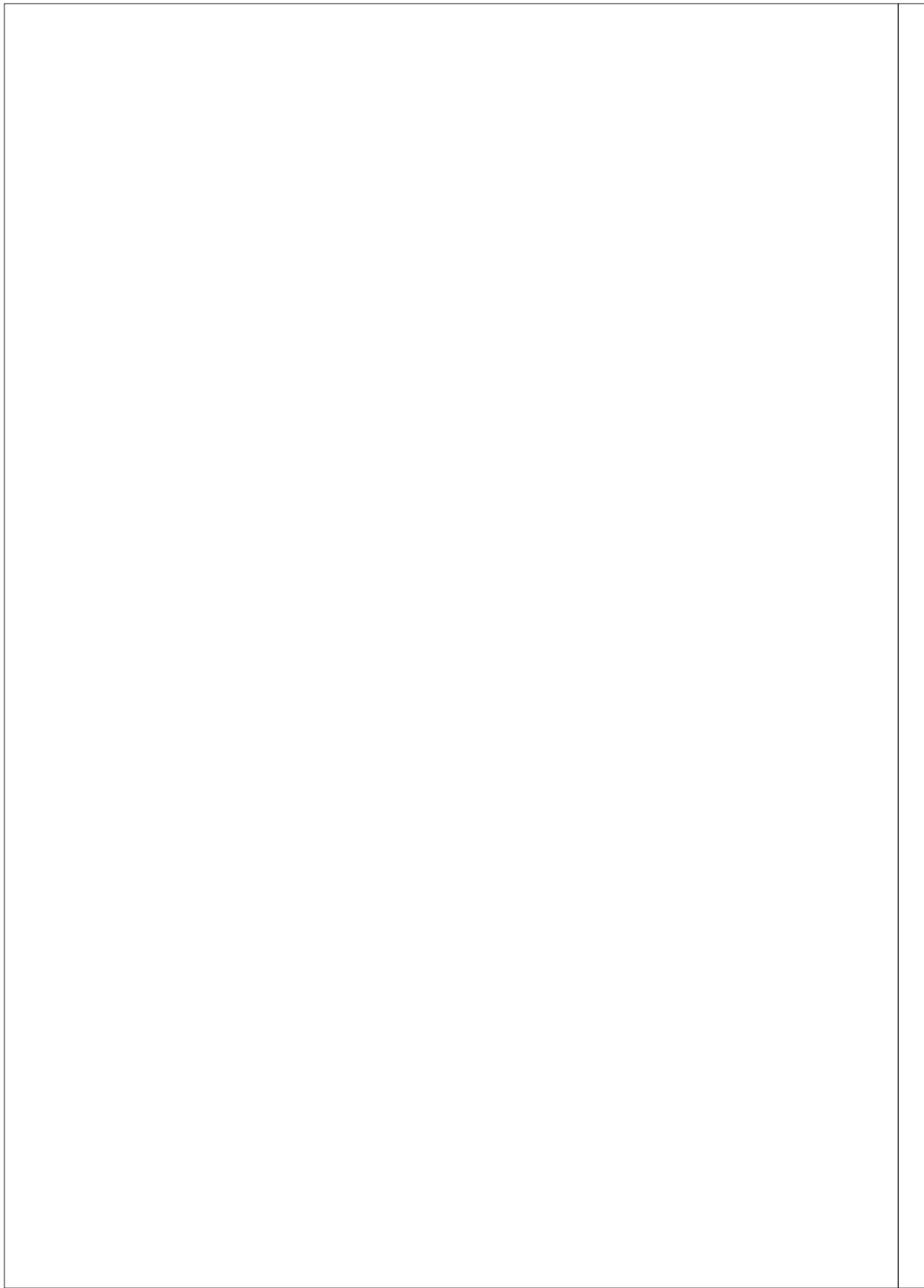
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Organizational Effect on Social Categorization Process: A Study of Ethnic Stereotyping in Karachi

Fatima Imam*

Federal Urdu University, Karachi

The present study explores the effects of perceived discriminatory attitudes of employers on employees' in-group/out-group formation process. Purposive sampling data was collected from two small garment factories in Karachi. For measuring employers' attitudes towards their workers structured interview was conducted by workers belonging to Urdu-speaking linguistic group. A total of 80 workers participated in the study. The data was collected in two phases: in the first step interview was conducted from workers working in two working setup related to their perception towards attitudes of their employers; in the second step the workers completed semantic differential scale expressing their perception towards themselves and other linguistic groups. It was hypothesized that the organizational setup perceived as biased and prejudiced towards their workers would have more strong impact for in-group formation process and the workers would possess more positive stereotyping towards their own linguistic group and more negative towards other linguistic groups. The results confirm the hypothesis by supporting the assumption that the biased and discriminatory attitude by employer produces in-group bias and more negative attitudes towards other linguistic groups. The results are explained in terms of social categorization theory.

Key Words: *Organizational Effect, Social Categorization, Ethnic Stereotyping, In-group Bias*

Introduction

People in all cultures and societies learn to make distinctions toward others in terms of in-groups and out-groups. Literature on in-group/out-group bias in the field of intergroup relations suggests a distinction between two theoretical approaches: (a) motivational or in-group favoritism/out-group discrimination, and (b) Cognitive perspective. Both the approaches start with a common assertion that categorization is the first step in the process of cognitive and evaluative differentiation. In categorization theory, Tajfel examined the effects of super-imposed classification on a stimulus series and explains the accentuation (or distortion) of judgment as a result of this classification. Tajfel (1969) proposed that intergroup bias may be a general phenomenon, a direct product of categorization process. Tajfel (1981) further argued

**dr.fatima.imam@hotmail.com*

that motivational mechanism postulated operates through in-group members' self-identity and positive self-esteem maintenance. The phenomenon of in-group favoritism has been demonstrated in such studies as (Haque, 1968) during the Indo-Pakistan war; and with Arabs and Israelis (Haque & Lawson, 1980).

The in-group out-group classification is one of the oldest and best studied social classifications in history of social psychology (Tajfel, 1982). Tajfel sees the various intergroup relations as turning on individuals' sense of belonging to, or identification with, their group. Definitions of 'what is or is not' a group thus depends on this process of identification, rather than on any other single factor. In-group/out-group bias is an attitude toward members of a social group based solely on their membership in that group. It reflects underlying emotional responses to different out-groups, including fear, anger, guilt and disgust (Baron et al. 2012).

Social identity theory by Tajfel and Turner,(1986) proposes that individuals while comparing themselves with other groups, due to a basic need for maintaining positive self-esteem evaluate their own group (in-group) more positively in comparison to other groups (out-groups). The negative effects of discriminatory attitudes expressed by organizational setup may contribute more in-group biases formation in order to maintain their identity. In analyzing the structure and origins of social categorization process, many researchers suggests that prejudice and discrimination have their roots in process of social categorization (Allport, 1954; Tajfel, 1969; Tajfel & Turner, 1986).

In Pakistan (Khalid, 1990) examined the hypothesis that the use of words referring to in-group status (such as, we or they) may unconsciously promote intergroup bias. The sample consisted of 72 postgraduate university students equally divided by sex. As hypothesized by the researcher the nonsense syllables unobtrusively paired with in-group designating pronouns (e.g. us, we, our) were rated on semantic differential scales as more pleasant than the nonsense syllables paired with out-group designators (e.g. them, they, theirs). Similarly individuals perceived as in-group members were rated significantly higher on positive traits than as members of out-group.

The realistic group conflict theory (Sherif et al., 1961; Campbell, 1967) states that real or objective conflicts of interests between groups causes conflict. For example, in the camp studies (Sherif et al., 1961), only one group of boys could win the games. Thus, real conflict of interest may lead to intergroup hostility as well as in-group loyalty. The role of economic threat on stigmatization has been highlighted by King, et al (2010) and concluded that economic conditions influence stigmatization in selection decision.

A number of studies have been conducted on ethnic stereotypes internationally (Brewer & Campbell, 1976; Marjoribanks & Jordan, 1986; Triandis, Lisansky, Setiadi, Chang, Martin & Betancourt, 1982). Many researchers found effectiveness of careful structured cooperative activities in producing positive sentiment among members of different racial groups and increase the likelihood of intergroup friendship (Johnson & Johnson, 1981; Sharan, 1980; Slavin, 1981, 1985). In Pakistan Haque (1989) conducted a research on generational changes in ethnic stereotypes and found that third generation rated for self and other ethnic groups more intensely as compared to second generation. Earlier, Sailer (1955) in Lahore found male and female Punjabi-speaking students selected more positive traits for self as compared to others. Another study by Schuman (1966) carried out research in East Pakistan (now Bangladesh). The result of study confirms social identity theory (Tajfel & Turner, 1986).

Method

Subjects

In order to investigate in-group/out-group biases among workers belonging to Urdu-speaking linguistic group towards other linguistic groups working in two garment factories, data was collected from 80 male workers by using purposive sampling. One garment was selected from Orangi town and other from Landhi industrial area. All the workers belong to working class families. Age range of subjects was 22-57 years.

Instrument

All the participants of study responded on: (1) Structured Interview containing 6 questions covering three dimensions: perceived discrimination; unfavorable comparison; and competitive threats (2) Semantic Differentials with 10 evaluative scales (e.g., brave-coward; cruel-kind; honest-deceitful; peaceful-aggressive, etc.). For interview the researcher asked the questions in urdu, as well as the urdu translations of the ten evaluative scales were used (Sechrest, Fay & Zaidi, 1972). All the 80 subjects rated self (Urdu-speaking) and other linguistic groups (Pushto-speaking; Sindhi-speaking; Punjabi speaking; and Baluchi-speaking) on semantic differentials.

Procedure

The researcher obtained permission to conduct interview and to administer semantic differential scale on workers of factories. The researcher approached each worker (belonging to urdu-speaking families) individually and obtained responses verbally. The participants were assured that their responses would in no way influence their jobs, and would be use for research purpose. It took 15 to 20 minutes to conduct interview and administer semantic differential scale.

Results

Table 1

Table 1 showing responses of workers in both factories in interview situation

Interview schedule	Respondents			
	Factory 1 (n=40)		Factory 2 (n=40)	
	Yes	No	Yes	No
Perceived Discrimination	20%	80%	66%	34%
Unfavorable Comparison	25%	75%	70%	30%
Competitive Threats	18%	82%	76%	24%

Table 1 showing responses of workers in both factories, where in Factory 1 perceived discriminatory attitude of employers for employees, as well as unfavorable comparison and competitive threats were perceived by workers as less than 25%. Whereas, in factory 2 the workers perceived discrimination by employer for workers as well as unfavorable comparison and competitive threats equal or more than 66%.

The means of the ten evaluative scales were calculated on the basis of ratings on seven point scale so that 7 is assigned to maximum on positive pole, whereas 1 is assigned to minimum of scale on negative pole. The mean scores of Urdu-speaking Adults (working in Factory 1 & Factory 2) for self and others (for four major linguist groups i.e., Pushto-speaking, Sindhi-speaking, Punjabi-speaking, Baluchi-speaking) is presented in Table 2.

Table 2

Table 2 showing means on ten evaluative scales of Urdu-speaking Adults for self and others (Pushto, Sindhi, Punjabi & Baluchi speaking) in Factory 1 and Factory 2.

Scales	Factory 1 (n=40)		Factory 2 (n=40)	
	Self	Others	Self	Others
Brave-Coward	4.50	2.90	6.50	1.30
Clean-Dirty	5.30	3.83	6.20	2.30
Dependable-Unreliable	6.11	2.38	6.58	1.23
Efficient-Inefficient	4.68	3.79	6.25	1.98
Graceful-Awkward	4.23	3.29	5.11	1.77
Hardworking-Lazy	5.10	4.02	6.50	1.33
Honest-Dishonest	4.59	3.59	6.00	2.11
Intelligent-Dull	5.12	4.20	5.99	1.34
Kind-Cruel	4.23	2.67	5.99	1.78
Peaceful-Aggressive	4.70	2.23	6.18	1.80

Table 2 is showing mean scores of urdu-speaking adults in two different working places. In situation 1 (i.e. in Factory 1) they perceived less discriminatory attitude by employers. In situation 2 (i.e. in Factory 2) they perceive more discriminatory attitude and competitive threats, as a result in Table 2 we can clearly see in-group biases and out-group discrimination.

Discussion

The present study explores organizational effects on social categorization process of workers belonging to urdu-speaking linguistic groups. The design of study is based on two organizational set-up differs in their treatment towards their employees. The organizational headship of factory 1 (located in Orangi Town) belongs to Urdu-speaking linguistic group, where at the top management level all posts are hold by urdu-speaking people. The situation is reverse in factory 2 where the top management is with other* linguistic group, and the workers belonging to urdu-speaking group feel unfavorable and discriminatory attitude by their bosses as well as they perceive competitive threats which induced to show more favoritism towards their own linguistic group and negative for others. Here, one important point need to describe is that the researcher, in order to desensitize the issue in focus deliberately collected data from urdu-speaking workers only, as well as in order to soften the sensitive issue is withholding the* ethnic identity of top management of factory 2 located in Landhi industrial area. The finding of study is depicting a clear picture (see Table 2) of in-group favoritism and formation of in-group bias formation as a result of perceived discriminatory attitude of employer towards employees. The experimental work by Tajfel & Associates (Tajfel, 1970; Tajfel & Turner, 1979) have shown that mere presence of the out-group is sufficient to produce an in-group bias and discrimination toward an out-group. There is no conflict of interest or antagonism between the groups. Tajfel explains the intergroup conflict by positing the individual's need for positive social identity, which is obtained by first distinguishing one's own group from others and by evaluating one's own group more positively. The behavior of employers may be explained by an extension of categorization theory to intergroup behavior (Tajfel, Billing, Bundy & Flament, 1971) which explains that one's own group is favored and the other group is discriminated in distributing monetary rewards and other material resources, if people are arbitrary divided into in-group and out-group.

Another possible explanation for urdu-speaking adults' favoritism for self and discriminatory attitude for others might come from King et al. (2010) which explains that:" Based on realistic group conflict theory, realistic threats (i.e.,

competition for scarce resources) increase ethnocentrism and in-group bias while simultaneously increasing hostility toward out-group members, particularly when they are believed to be the source of the threat.” Researches in social sciences have shown as the perceived threat and discriminatory attitudes increases, the in-group bias and out-group hostility also increases. The individuals work in the interest of in-group members to save organizational, structural, and societal policies that could benefit their in-group (Tajfel & Turner, 2001).

Conclusion

Based on earlier research on intergroup relations by Allport (1954) till current evidences, researches are assigning psychological primacy to the processes of in-group bias formation over attitudes toward out-groups. Majority of preferential treatments and attachment for one’s own group is motivated by the desire to maintain positive relationships with in-group members. Current research (King, et al, 2010) highlighted the role of economic conditions on intergroup attitudes and explains that when resources are perceived to be scarce, the social categorization really works. It is suggested that at organizational headship level, the discriminatory attitude should be avoided in order to mitigate the negative effects of social categorization in ethnic stereotyping.

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Comparative Analysis of Job Satisfaction among Faculty Members of Shah Abdul Latif University Khairpur Mirs Compared with University of Sindh Jamshoro

Anwar Ali Shah G. Syed*

University of Sindh, Jamshoro

&

Muhammad Munir Ahmedani

Govt., Commerce College, Hyderabad

This research investigates the job satisfaction among faculty members of University of Sindh in comparison with Shah Abdul Latif University Khairpur Mirs. The sample consisted of 200 teaching staff— 100 teaching staff working in Shah Abdul Latif University Khairpur Mirs and 100 faculty members working in University of Sindh Jamshoro. The sample was drawn on random basis using Fisher and Yates random numbers. A five-point scale based on Likerts summated rating scale was constructed to measure the opinions of the respondents towards various factors of job satisfaction. It was revealed that job satisfaction is viewed as a summation of many attitudes. It is not a single unified entity but a summation of many attitudes possessed by an employee concerning the job and other contextual factors. After careful deliberation 22 items were selected for measuring job satisfaction. The co-efficient of reliability was found 0.84. The teaching staff of the University of Sindh-Jamshoro is highly satisfied with their job when compared to the teaching staff in Shah Abdul Latif University Khairpur Mirs. The mean job satisfaction scores between the two universities was compared and the null hypothesis that the mean job satisfaction score of the teaching staff in University of Sindh-Jamshoro, is less than or equal to the mean job satisfaction score of the teaching staff in Shah Abdul Latif University Khairpur Mirs was tested by using the 't' test. The results revealed that means job satisfaction score of the teaching staff in University of Sindh-Jamshoro is higher than Shah Abdul Latif University Khairpur Mirs.

Key words: *Job Satisfaction, Faculty Members, Comparative Analysis*

Introduction

Job satisfaction is an interesting concept which has received much attention in the past and deserves to receive more in the future. The recent interest in studying job satisfaction is particularly guided by the rising concern for improved

**dr_anwar_shah@yahoo.com*

quality of working life. There is an increasing acceptance of the view that material possessions and economic growth do not necessarily produce a high quality of life. Instead, it is partly the outcome of affective reactions that people experience, which is not always tied to economic or material accomplishments. Job satisfaction is one measure of the quality of life in organizations. It is a complex phenomenon of immense importance.

Job satisfaction among teachers in the university is necessary for effectively and properly making use of the large resources poured in directly and indirectly through HEC (Higher Education Commission) Islamabad and Government and for rendering maximum service to the society through building up of future human resources of the nation. Job satisfaction and dissatisfaction are functions of the perceived relationship between what one expects and obtains from one's job and how much importance or value one attributes towards it. When people get what they aspire for, work will be regarded as a source of pleasure and satisfaction.

Luthans (1989) argues that job satisfaction is a pleasurable, or positive, emotional state resulting from the appraisal of one's job, or job experience, and is the result of the employee's perception of how well his/her job provides those things which are viewed by them as important. Locke (1976) states that job satisfaction is really a collection of attitudes about specific facets of the job. Employees can be satisfied with some aspects of the job while simultaneously being dissatisfied with others. Overall job satisfaction is a combination of the person's feeling towards the different facets of job satisfaction. Studies in the area of job satisfaction as an important and popular research topic started decades ago. Several studies have been made on job satisfaction and its managerial implications of industrial workers. But such studies regarding the service organizations like universities are few. Identification of the underlying sources of job satisfaction has been the subject matter of a good number of studies. A large number of research studies have established that job satisfaction is derived from and caused by a number of interrelated factors. The present study aims at finding out the underlying sources and levels of job satisfaction of the teaching staff in the universities.

Pelz (1949) observed that the attitude towards management and supervisors exercised significant influence on job attitudes. Pestonjee (1973) found that a democratic organizational structure is conducive to higher morale and job satisfaction. Singhal (1973) concluded that the three types of factors-personal factors, organizational factors and situational factors interacted and influenced each other, and did exercise a significant influence on job satisfaction index. The study conducted by Arya (1984) revealed that education, training, worker's participation in the bipartite committees had

a positive influence over work satisfaction whereas militancy had a negative influence over work satisfaction. Pritpal Kaur (1984) carried out an investigation in a university with a view to bring to the surface some of the conditions which ensure job satisfaction and place the conditions in content or context of the job categorically. The study rejected the overall importance of content factors and stressed more on context factors.

The study conducted by Dhar and Jain (1992) explored the nature of relationship between job satisfaction and job involvement. An important finding of the study was that job involvement and job satisfaction are positive correlates which implies that involvement in job increases with job satisfaction and vice-versa. Foles, Driskell, Muller and Salas (2000), by a meta-analytic integration of research evidence, revealed that there is, in general, a significant, but small, tendency for groups experiencing democratic leadership to be more satisfied than groups experiencing autocratic leadership. The findings of Jonge, Dollard, Dormann and Le Blance (2000) provided empirical support for the view that high strain jobs (high demand, low control) are conducive to ill health (i.e. emotional exhaustion, psychosomatic health complaints, et al). Further active jobs (high demands, high control) give rise to positive outcomes (i.e. job challenge, job satisfaction). The study conducted by Deepak Srivastava, Umesh Holani, & Naval Bajpai (2005) concluded that changes in leadership and the work environment that took place in the post reform era have improved job satisfaction levels of public sector employees. Professional leadership has shifted the importance to employee performance and better performance is being rewarded thereby contributing to job satisfaction.

Objectives of the Study

The following were the objectives of the study:

1. To undertake comparative study of job satisfaction of the faculty members of the two universities;
2. To examine the relation between faculty needs and job satisfaction;
3. To find out if there is a difference between the levels of job satisfaction of the teaching staff in two different Universities;
4. To find the causes of job satisfaction and job dissatisfaction among the university teaching staff;
5. To study the impact of certain personal variables such as age, sex, marital status, length of service, designation, etc. on job satisfaction of the teaching staff.

Hypotheses

The following hypotheses were formulated in the present study:

1. There is no relation between needs fulfillment and job satisfaction of the teaching staff;
2. There is no significant difference between the levels of job satisfaction of the teaching staff in the two universities;

3. Job satisfaction among the faculty members of University of Sindh is higher than SALU- Khairpur Mirs;
4. Job satisfaction is independent of personal variables such as age, sex, length of service, etc.

Method

Sampling Design

There are about 58 Universities and degree warding institutes in Pakistan. In Sindh province nearly 18 universities are government/public universities. The current research focuses on the job satisfaction between two Universities Shah Abdul Latif University Khairpur Mirs compare with University of Sindh Jamshoro. Shah Abdul Latif University is located in Khairpur District and about 20 K.M in distance from Sukkur city and University of Sindh is located in Jamshoro district and about 10 K.M from Hyderabad city. So in order to facilitate comparison, these two Universities were chosen. The sample consisted of 200 teaching staff – 100 teaching staff working in Shah Abdul Latif University Khairpur Mirs and 100 faculty members working in University of Sindh Jamshoro. The sample was drawn on random basis using Fisher and Yates random numbers. The sample for the study consisted of 40 lecturers in Shah Abdul Latif University Khairpur Mirs and 40 lecturers, in University of Sindh, 20, Assistant Professor, 20, Associate Professors, and 20 Professors in Shah Abdul Latif University Khairpur Mirs and University of Sindh-Jamshoro.

Data Collection

The required data were collected from the sample respondents with the aid of questionnaires designed for the purpose and through personal interviews. A five-point scale based on Likerts summated rating scale was constructed to measure the opinions of the respondents towards various factors of job satisfaction.

Statistical Tools Used

The data collected were analyzed using the Correlation, 't'- test, Chi-square test, Arithmetic mean and median.

Results and Discussion

In the present study, job satisfaction is viewed as a summation of many attitudes. It is not a single unified entity but a summation of many attitudes possessed by an employee concerning the job and other contextual factors. The coefficient of correlation between the 'composite' job satisfaction scores based on 22 items and 'overall' job satisfaction scores based on two items was computed. Coefficient of correlation (r) is 0.41 for the University of Sindh and 0.60 for SALU-Khairpur and both r -values are significant at five per cent level. Thus the overall items of job satisfaction lend support and validate the composite

job satisfaction scores based on the following 22 items:

- 1 Salary;
- 2 Job security;
- 3 Nature of work;
- 4 Work load;
- 5 Relationship with colleagues;
- 6 Meaningful work;
- 7 Freedom in doing the job;
- 8 Challenging job;
- 9 Recognition for work;
- 10 Management policies;
- 11 Management attitude towards work;
- 12 Dignity and respect;
- 13 Promotional opportunities;
- 14 Work environment;
- 15 Library and laboratory facilities;
- 16 Equipment and other facilities;
- 17 Pension and other benefits;
- 18 Opportunities for growth and self-fulfillment;
- 19 Medical and educational facilities;
- 20 Housing facilities;
- 21 Sense of achievement;
- 22 Transport and marketing facilities.

Comparative analysis of teaching staff of Two Universities

The teaching staff of The University of Sindh-Jamshoro seemed to be highly satisfied with their job when compared with the teaching staff in Shah Abdul Latif University Khairpur Mirs. The mean job satisfaction scores between the two universities was compared and the hypothesis that the mean job satisfaction score of the teaching staff in University of Sindh-Jamshoro is less than to the mean job satisfaction score of the teaching staff in Shah Abdul Latif University Khairpur Mirs by using the 't' test. The results of computation revealed that the observed 't' value is 7.1 and it exceeds 2.33, the critical value of 't' at one per cent level. So the null hypothesis is rejected and the alternative hypothesis that means job satisfaction score of the teaching staff in University of Sindh-Jamshoro is higher than that in Shah Abdul Latif University Khairpur Mirs was accepted. The faculty members of University of Sindh appeared to be more satisfied due to the factors which includes the age of the University, quality of education, job market as well as environment because Jamshoro is the education city.

Job Satisfaction Score – Factor Wise

The scores of factors of job satisfaction of the teaching staff and their ranks in two universities were analyzed and found that in University of Sindh Jamshoro, the teaching staff are most satisfied in terms of freedom of doing job and least satisfied in promotional opportunities. While teaching staff of Shah Abdul Latif University Khairpur are the most satisfied with dignity and respect provided by the job.

Dimension of Job Satisfaction

The 22 factors are grouped into five dimensions, the nature of job, benefits from the job, managerial aspects, social relation, and facilities. The scores of dimension of job satisfaction are depicted that the faculty members of University of Sindh are most satisfied in nature of doing job, benefits from the job. The faculty members of Shah Abdul Latif University are most satisfied in making social relations.

Ranking Factor of Job Satisfaction

After analyzing the responses of the teaching staff. Eight important job satisfaction and dissatisfaction have been identified. The major factors causing job satisfaction to the teaching staff of the University of Sindh Jamshoro in doing the job and scope for self improvement, while income and job security are the main factors causing job satisfaction to the teaching staff to the faculty members of Shah Abdul Latif University Khairpur Mirs. The major factor causing job dissatisfaction is bureaucratic rules, no recognition of work and interfering administration. Where as no recognition of work was one of the cause that few faculty members leave the job and got immigration to Canada and other countries. The other factors that might causes dissatisfaction among faculty members are bad working conditions and routine work.

Relationship between job satisfaction and Socio Economic Variables by using Chi-Square test

Factors	Chi-Squire Test	
	University of Sindh	SALU-Khairpur
Bureaucratic Rules	1	5
Sex and Job Satisfaction	1.33	0.65
Marital Status and Job Satisfaction	0.17	0.11
Family size and job satisfaction	1,22	1.67
Age and Job satisfaction	18.99	1.56
Designation and Job satisfaction	11.33	10.55
Length and job satisfaction		

The relationship between socio-economic and job related variables – and job satisfaction of the teaching staff. The socio-economic and job related variables selected for the purpose of the study are: age, sex, marital status, designation, length of service, family income, size of the family. The relation between each variable and job satisfaction of the teaching staff was examined using chi-square test. The chi-square values are portrayed in above table. In case of the variables sex, marital status, family income, size of the family, there was no evidence to reject the null hypothesis of no relation between those variables and job satisfaction. But in the case of age and length of service, in relation to job satisfaction, Chi-Square is significant for each variable in University of Sindh but not for SALU. Only in the case of one variable, designation of staff, the relation between the variable and job satisfaction is found to be significant in both the universities.

The faculty of both the universities expressed the view that the quality of universities is going down due to the entry of regionalism, casteism and politics in the university set-up. They feel that the university should be entirely free from outside interference and should have the dignity of an autonomous self-governing institution. Some of them opined that the institutions and their working conditions had undergone many changes in the recent times. The jobs have become more demanding and workloads were thought to have increased. The pressure to conduct research and publish findings had increased over the last few years. But some of the teaching staff in SALU stated that they had insufficient opportunities and lacked the necessary support to conduct high quality research.

The teaching staff of both the universities was of the opinion that one of the main factors affecting job satisfaction is good environment which mainly depends upon the student community – their behavior, regularity to the classes, their interest in studies, etc. If students show real interest in studies, then the staff will be motivated to prepare well for teaching and they can perform their job well thereby gaining satisfaction. The role of the teacher is extremely crucial in the context of education being the best instrument of change and nation building. To play their role more effectively, the teacher faces a greater challenge today than at any time in history. As an interpreter, the teacher has to place new knowledge and new experience within the context of what is already known and understood by the students. In order to be a good mediator, he has to understand a great deal about the way in which people at various ages and stages of development perceive the world around them. As a guide, he has to teach the student ‘how to learn’ rather than stuff his mind with factual information.

Conclusion

The faculty of both the universities expressed their views that the quality of universities is going down due to the factors of regionalism, casteism and politics among the university teachers. They feel that the university should be entirely free from outside interference and should have the dignity of an autonomous self-governing institution. Some of them opined that the institutions and their working conditions had undergone many changes in the recent times. If service is taken as a mark of profession then teaching profession could be rated as one of the most important professions since its social value lies in its significant contribution to the betterment of people and society at large. Nothing is more important than securing a sufficient supply of high quality recruits to the teaching profession, providing them with the best possible professional preparation and providing satisfactory conditions of work in which they can be fully satisfied. The faculty members of University of Sindh appeared to be more satisfied than the counterparts in the Shah Abdul Latif University Khairpur Mirs, due to the factors which include the age of the University, quality of education, and climatic conditions, job market as well as environment of Jamshoro which has emerged as city of education.

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J-Curve Relationship between Balance of Trade and Exchange Rate in Pakistan

Muhammad Abubakar Awan*, Sherbaz Khan & Shair Sultan Mughal
Greenwich University

This study encompasses and covers the economic phenomena of J-curve derived from the concept of martial-learner condition (1944, 1948) which explains the concept of inverse relationship between the two economic variables, foreign exchange and balance of trade. However this study looks into the possibilities of a beneficial negative relationship between these two. Historically conventional wisdom states that a depreciation in the value of a particular local currency deteriorates the countries balance of trade initially in the short term, but improves gradually and eventually in the long run due to an increase in economic activities and decrease in the value of exports. Many researchers have questioned the existence of this phenomena supported by empirical data and many have found the existence of this relationship. This research has focused on the evidence of the existence of these phenomena in Pakistan's import, export (balance of Trade) and foreign exchange.

Key words: *J-curve, Martial-Lerner Condition, Balance of Trade, Foreign Exchange.*

Introduction

J-curve is a phenomena which has been derived partially from the studies of Alfred Marshall and Abba Lerner, which gives it its name Marshall-Lerner condition in the situation where the balance of trade of a country is zero then elasticity in supply are never ending then an exchange rate decrease in value can initiate a surplus surge in the balance of payments of that country.

The theory, in essence states that initially when a country's currency devaluates the balance of trade for that country will decline in the immediate scenario, that is in the short-term but it will increase as the dynamics of elasticity settle in. Devaluation means that more people will buy good and products of your country as they are cheaper now than before, it also means that you will have a competitive edge over other countries dealing in the same goods as you can provide them at a lower rate than those countries. This will increase the economic activity and in essence increase your exports. This will give you a J-curve shape if you plot it in a time-series graph as initial figures will be declining but as economic activity increases it will move upwards, forming a J-curve in the process.

*mabawan@hotmail.com

Advantages of J-curve

The benefits yielded by the use of J-curve vary across many aspects of modern study which includes economics, finance, medicine and even politics and the effects of revolution on our countries long-term stability. J-curve also explains the changing dynamics of closed economies in communist countries when they change to democratic governments if J-curve was not there it would be hard and almost impossible to measure the short-term as well as the long-term effects of such transition on the economy of a country.

J-curve also helps top realize varying risks in business and multi-nationals by identifying the effects of any long-term business decision it also measures the political risk and its effects on the economy. The J-curve also helps to realize the positive side effect of a seemingly negative occurrence in an economy if J-curve's didn't exist we couldn't have possibly identified this positive outcome through a negative incident and blindly think of it as a bad sign. For example countries currency devaluation is seemingly negative and a bad sign for an economy but the J-curve helps us to find that this devaluation actually is beneficial in the long-run as the country's exports increase and economic activity is, as a result, increased.

Foreign exchange

Foreign exchange has a great impact on the GDP and its true and real value the value of any currency is derived from the laws of demand a supply the more a currency is demanded by buyers, which includes tourist buying the local currency to spend while on vacation, multinationals which buy local currency in huge amounts to invest in a new country and new business venture, importers who buy a countries local currency to pay off their payments in return for the goods they have purchased or investors who buy and sell currencies to make and benefit from arbitrage profits.

A countries currency can be pegged to any other countries currency so as to give an idea of the fluctuation and the universal standing of that currency. Currency can be fixed by the government, which usually is the case in closed economies or is floated freely on the mercy of demand and supply, which usually is the case in open and free economies which are developed.

Any particular currency is judged by the forces in market which are based on factors of tourism, geo-political situation and investment scenario along with trade.

Aim of the Research

The aim of this research is to find a relationship between the two economic variables foreign exchange and balance of trade.

Statement of the Problem

“Is there negative co-relation or a positive co-relation between the balance of trade and foreign exchange of Pakistan?” The research wants to analyze the effects of foreign exchange on the trade balance of Pakistan. As developing economy Pakistan’s economic variables and dynamics are not fully developed and this acts as a barrier for economic progress. These economic indicators should be assessed and tested so that in the future, people can build on these findings to create a better solution and economic policy to strengthen the economy.

Hypotheses

H₁ = Exchange rate has a significant impact on balance of trade

H₂ = There is a negative correlation between Exchange rate and Balance of Trade

According to Atiq-ur-Rehman (2012) exchange rate is a tool through which economists and researchers try to manage the balance of trade of a country. Now, the import and export are commonly sensitive to fluctuations in the value of the local currency. In other words import and export are elastic. In Pakistan the effect of the devaluation of currency has little or no impact on the balance of trade. Normally if the import and export are elastic a decrease in the value of currency means that the balance of trade will increase and record a surplus, as balance of trade has an inverse relation with the value of currency. But, in Pakistan this impact is not visible or attainable as the import and export are not elastic or sensitive to currency value fluctuation. In this case the devaluation of currency will only cause a highly inflated value of imports and an increase in the external debt of Pakistan.

The decrease in value of a currency translates into increased domestically produced good’s consumption as goods from abroad and imported become more expensive than they already were due to the extra burden of a decreased value in the currency. People demand more of the domestic goods as they are cheaper and affordable. This phenomena increases economic activity and balance of trade surplus is expected.

The goods traded offered services are improved as a result of decrease in the real value of money and increase in the real price.

Further Atiq-ur-rehman (2012) explained that many and every statistical tools were used to find the relation between these two variables; balance of trade and real exchange, and were not able to find any relation between the two.

The negative flipside of J-curve as highlighted by the Marshall-Lerner

condition is that the J-curve comes into effect when and if the import and export of a country are elastic enough to sustain the effect and change in one variable and transfer it to the other. In Pakistan the absence of a relation between these two variables is due to the same reason as our import and export are not elastic enough.

Pakistan's main exports are sports good, leather etc. Now these items which constitute a major chunk of our exports are facing challenges from the international community not due to the exchange rate but due to other issues as child labor etc. So countries are not buying and furthermore Pakistan is faced by energy crisis which has damaged production to a large extent. That is the reason why our exports are also not responding to the fluctuations in exchange rate and giving us the benefits of J-curve effect.

Another study conducted by Elif Akbostanci (2002) suggests that a particular pattern can be seen in the balance of trade fluctuations due to varying exchange rates, where the balance of trade dips low initially as an immediate reaction to the changes in exchange rates but gradually rises upwards due to increased economic activity and exports due to the lower exchange rate of the currency where people buy more of the local goods and internationally goods are more demanded as it becomes cheaper.

Furthermore Elif stated that after conduction tests on both long-term equilibrium and short-term dynamics exposed an S-curve rather than a J-curve in the short-term dynamics which recorded the behavior of trade balance in reaction to changes in the exchange rates. The reason Elif Akbostanci (2002) said economist give behind the logic and dynamics of J-curve which states an initial worsening of balance of trade in the short-term and improvement in the long run comes from the fact that when a 'real' depreciation of the currency occurs the value of imports increase only. This is due to the fact that import and export bills and orders are made many months in advance, so the value of exports does not change but the bill-value of import rise as the currency depreciates making imports more in absolute value than exports causing an inflated import value in the beginning. Afterwards in the long run the exports increase due to heavy buying by other countries of cheap goods and cut in imports due to expensive goods help increase the balance of trade towards surplus and give us a tilted J-curve shape.

Shirvani & Wilbratte (1997), Elif (2002) and Liu, Fan, Shek (2006) also found similar results to Henran (1999) which gave proof of a J-curve relation existence between the two economic variables, exchange rate and balance of trade. Onafowora (2003) identified a substantial existence of a relation between the

three Asiatic countries of Indonesia, Thailand and Malaysia. Moreover this relationship was found in the bilateral trading between the mentioned countries as well as Japan and United States.

Rose (1991), significantly went in the opposite direction and stated that there was no significant relation among the five OECD countries. In addition she said that there was no significant relation between the two economic variables of exchange rate and balance of trade. This supported the conclusion that a decrease in the value of the currency would not improve the balance of trade in the long-run but would rather keep deteriorating.

Hatemi & Irandoust (2005), utilizes the cointegration method of testing. Results obtained were failed to comply with the marshal-Lerner condition. This was probably due to the inelasticity of Sweden's balance of trade to the fluctuations in the real exchange rate.

Wilson & Kua (2001), similarly conducted out tests which again directed towards the fact that there was significant relation between the two-way trade balance of the United States and Singapore on exchange rate.

Method

The study is looking into the socio-economic phenomenon of the J-curve and find out what are the causes of it. Moreover the phenomenon of the J-curve has not been clearly defined as many researchers have found its evidence and many have questioned it. This study also looking at the two variables to figure out why it is so. This demands the use of explanatory research (Quantitative) method.

J-curve relation is determined on long-term, as the balance of trade improves due to the depreciation of the currency in the long run. Hence, we employ time series analysis for this research.

The data was collected for two variables balance of trade and exchange rate from the last 10 years. Both, balance of trade and exchange rate data was obtained from State Bank of Pakistan's Historical archive database.

Results & Discussion

Table 1 **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.651a	.423	.419	398.06513

a. Predictors: (Constant), Exchange Rate

Table 1 shows the linear relationship between the variables under study. The R-value of 0.651 shows that there is a 65% correlation between the independent and dependent variable. The R square value shows the variability in the dependent variable which is explained by the variation in the independent variable. The R-square value of 0.423 shows that a variation of one (1) unit in the independent variable causes a variation of 0.423 in the dependent variable.

Table 2 ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	17207277.350	1	17207277.350	108.594	.000 ^a
Residual	23451465.983	148	158455.851		
Total	40658743.333	149			

a. Predictors: (Constant), Exchange Rate

b. Dependent Variable: Balance of trade

Table 2 shows the significance of the model. The Sig. value of 0.00 is very less than 0.05 showing that the study is significant. Keeping this in mind we fail to reject our null hypothesis.

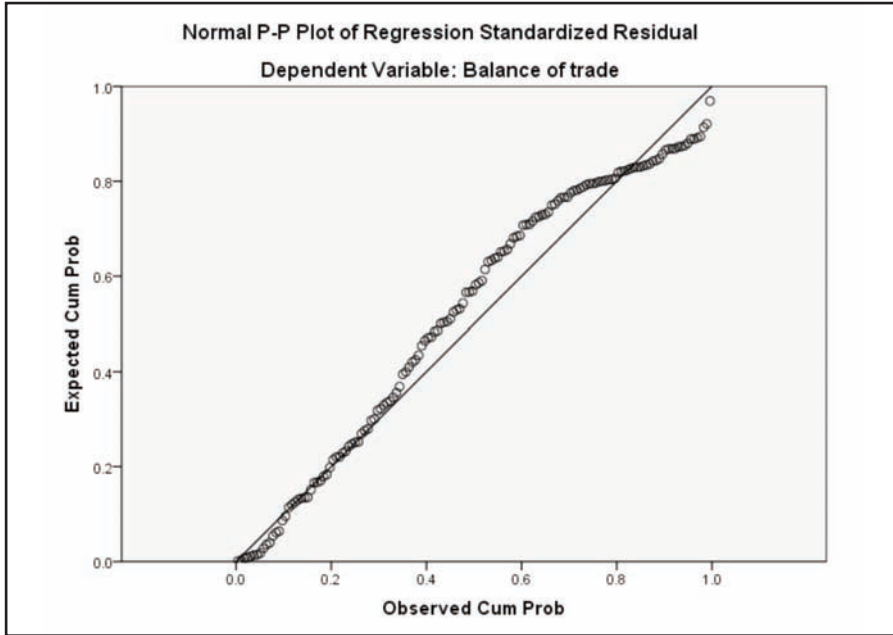
Table 3 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1111.800	176.454		6.301	.000
Exchange Rate	-25.754	2.471	-.651	-10.421	.000

a. Dependent Variable: Balance of trade

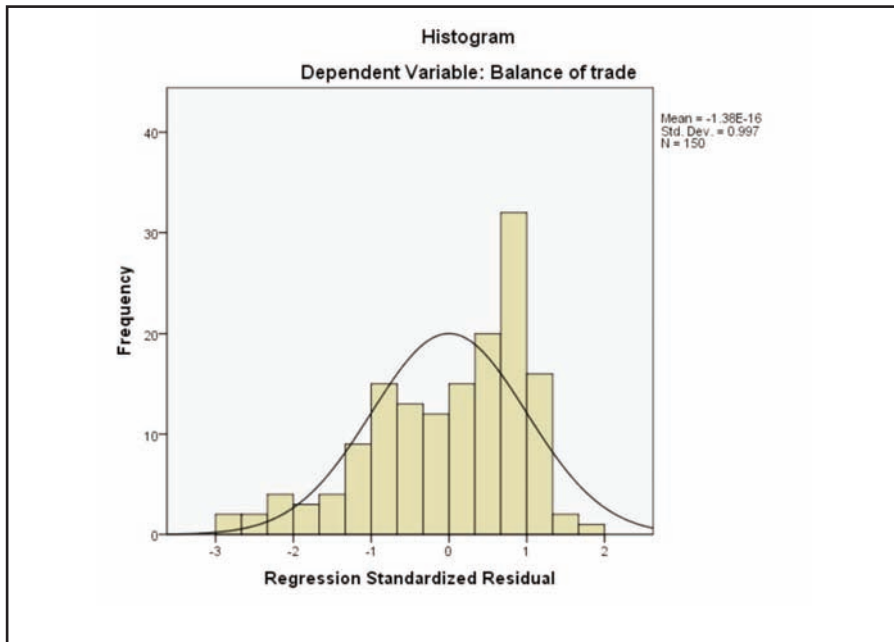
Table 3 shows the individual sig and t value of the variables under study. The exchange rate has a sig. value of 0.00 which is very less than 0.05 showing that the exchange rate has a significant impact on the dependent variable, Balance of trade. Additionally the t value shows a value of -10.421 showing that the impact is significant and inverse. Keeping these values in mind it can be concluded that exchange rate has a significant and inverse impact on the balance of trade.

Figure 1



In figure 1 P.P Plot clearly shows that the residuals are normally distributed.

Figure 2



In figure 2 Histograms are used as tools to find out if the data is normally distributed. We generated a histogram, using SPSS, from our data. The Histogram shows that the data is more or less normally distributed.

Table 4 **Correlations**

		Exchange Rate	Balance of trade
Exchange Rate	Pearson Correlation	1	-0.651 **
	Sig. (2-tailed)		.000
	N	150	150
Balance of trade	Pearson Correlation	-0.651 **	1
	Sig. (2-tailed)	.000	
	N	150	150

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

Table 4 shows the correlation between the dependent and independent variable. A correlation of -0.651 exists between the two variables showing an inverse correlation with a magnitude of 0.651. This correlation is also statistically significant because the Sig. (significant) value is 0.00 which is less than 0.05. Keeping this in mind it can be concluded that if one variable increases, the other decreases with a magnitude of 65%.

Data Analysis

1. Statistically the two variables, exchange rate and the Balance of Trade are negatively correlated with each other with a negative value of -0.651
2. The results are significant as the sig value is .000 which is less than 0.05 and within the specified 95% confidence level
3. We significantly to reject Null Hypothesis.

Discussion

The initial supporting evidence presented is the matrix for correlation (also known as the correlation of matrix) for the economic variables of import, export, exchange rate and the balance of trade. The component used to construct the matrix is the growth rate (percentage change in each variable's growth). As the difference in all of these variables is constant and stagnant, the results of the correlation testing is purposeful.

The matrix of correlation that we applied here gives us results that present the fact that there is an existence of an inverse or negative relationship between the two economic variables, balance of trade and the exchange rate. This means clearly that the fluctuations in the exchange rate due to any means will lead to a positive increase in the balance of trade figures. If, for instance the currency depreciates due to exchange rate dynamics it will cause the balance of trade to increase.

However we can see that the currency depreciation is further destroying and disintegrating the balance of trade but this can be explained by two factors as to why it is deteriorating the balance of trade.

(a) As is consistent with all J-curve theories that a decrease in currency's value will cause a proportionate increase in the balance of trade in the long run. But however in the immediate scenario or short-term the J-curve phenomena states that the balance of trade will decrease as a result initially due to the decrease in value of exports and increase in the value of imports but gradually and eventually this will rise upward due to increased economic activity. So we can assume that this might be one of the reasons we see a deterioration in the balance of trade even when the currency is depreciating.

(b) The import and exports of the country are not sensitive to changes in the exchange rate, meaning that they are inelastic and any change in the exchange rate is not causing any sort of effect other than negative and decrease in value of the balance of trade.

The ineffectiveness of J-curve is explained by so-called Marshal-Lerner condition. The Marshal Lerner condition states that both imports and exports should be elastic enough in order to improve the trade balance. If the imports are inelastic, the devaluation of local currency will cause an increase in the import bill.

Furthermore we can say that if the imports of a country are not sensitive and responsive to changes in the exchange rate, meaning if the imports are in elastic then a decrease or depreciation the currency will lead only to an inflated imports bill.

Similarly if the exports of a country is not responsive and elastic then a depreciation in the value of currency will mean only a decrease in the value of exported products and goods and it will create a worse scenario then what we were trying to overcome. Meaning the cure will become more hazardous than the disease itself.

This assumption can be further supported by the date and the facts of the components in Pakistani imports and the nature of those imports. Major imports of Pakistan include Machinery, Petroleum, Fertilizers, Chemicals and medicines which are all inelastic in demand due to their nature. As a result the currency depreciation only increase the value of these imports items and their bills.

Conclusions

The primary objective of this study is to find an estimated form of reduced balance of trade model to suggest and establish the empirical authentication of J-curve's existence. The effect of the depreciation of Pakistan Rupee on the balance of trade is examined using aggregate data. From the statistical testing conducted it is concluded that Exchange rate and Balance of Trade are negatively correlated. Thus, we significantly reject the null hypothesis. Our findings are statistically significant. These results are in similarity with the results of Mr. Ateeq-ur-Rehman's Exchange Rate, J-Curve Amd Debt Burden of Pakistan. His empiric finding stated that there is a negative relation which is statistically significant. He concluded that depreciation in the value of currency increased external debt only. Thus the negative relation is not yielding desired effects. Similarly this research also supports the same perspective that although negatively related they fail to yield positive results. The evidence of the existence of J-curve is found but the long-term effects of the depreciation of Pak Rupee, which is supposed to be favorable, is not favorable

Recommendation

Based on the findings and this research report it is clear that the Pakistan's Balance of Trade is not improving as a result of the currency's depreciation and only the value of imports is increasing along with the external debt. So it is suggested that the State Bank of Pakistan should not depreciate the currency through monetary or fiscal policies as a tool and variable to subsequently increase trade balance because it will not yield the desired result.

Limitations

The major hindrance and limitation during the research was that the data acquired to test and observe the J-curve relation was aggregate. The research could face the problem of aggregate bias. As Thorbecke, (2006) stated that the trade direction of any country is quite sensitive to fluctuations of changes in income and the general prices. Keeping that in mind disaggregated data is more suitable as it is constant with the empirical literature involving the trade which is multilateral.

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Female Stereotypes as Rated by Male Employees in Organizational Setup

Syed Arshad Imam*

Greenwich University, Karachi

&

Fatima Imam

Federal Urdu University, Karachi.

The study measures differences in selection of female associated traits for Pakistani women by male employees in two working set-ups: (1) where the working set-up was headed by male boss; and (2) a working set-up where organizational head was female. The data was collected from 25 male workers in each set-up with a difference of their headship with respect to gender. The tool for the study was 20 items of the Urdu version of Adjective Check List used by Haque (1982). It was hypothesized that in working setup 2 (i.e. headed by female boss) due to active and dominant role played by female boss, the workers assigned more instrumental adjectives for women as compared to working setup 1 (headship by male boss). The results indicated differences in both the working setup by simply making a difference of headship in selection of traits for typical Pakistani women. From results it is clear that male employees in working setup 1 retained the female stereotypes as found in earlier research (Haque, 1982), thus supporting hypothesis No.1. The organizational setup headed by female boss contributed a partial difference by replacing weak, affected, affectionate and submissive by dominant, confident, demanding and gentle as female-associated traits. Thus, providing support to hypothesis No.2.

Introduction

Since Lippman (1922) introduction of the word ‘stereotypes’ (or pictures in our heads) in his book ‘Public Opinion’ a number of definitions have been given by researchers. The main features of these definitions are: that stereotypes are widely shared beliefs about the attributes of a group of people. Sex stereotypes (i.e., psychological characteristics associated with men and women) have received special attention for the last many decades. Sex-trait stereotypes may be defined as:” the constellations of psychological characteristics which are said to characterize men more or less frequently than women”. Williams & Best, (1982) analyzed sex stereotypes cross-culturally and found a remarkable degree of similarity in the sex stereotypes associated with women and men. In Pakistani cultural context, Haque (1982) as part of a cross-national research, studied

*arshad@greenwich.edu.pk

psychological characteristics associated with men and women among Muslim adults and compared it with other cultural data. The significance of Pakistani study as reported by Haque (1982) lies in the fact that it was the only data of Muslim culture which pointed out that in order to be better adjusted in a Muslim culture the girls and boys are trained early in life for sex differentiated roles. He further explains that a Muslim culture, which puts much emphasis on differentiated sex roles of men and women is likely to produce highly sex differentiated stereotyped beliefs among its young adults and children.

In every culture men and women differ in their psychological makeup especially in a sex segregated Islamic society like Pakistan where women are prohibited from free mixing with males. The idea that the psychological importance of personality traits have different level of importance as well as some traits are more diagnostic in describing a person has been discussed by Williams et al. (1995). The Psychological Importance (PI) of personality traits is defined: "as the degree to which they provide information useful in understanding and predicting behavior" (Williams, et al. 1995). In investigating cross cultural variation in importance of psychological characteristics, a seven country study was conducted. University students from seven countries including Pakistan participated in the study. The results indicated a modest level of consensus across seven cultures regarding the psychological importance of adjectives (Williams, et al. 1995).

How society views and sees masculinity and femininity depends on cultural and social factors that explain what it is to a man (masculine) or a woman (feminine). Wolff and Taylor (1979) found that the concept of masculinity and femininity stands at two poles describing competence traits as masculine pole and feminine holding nurturance, warmth and passivity trait. Hetherington (1975) found two clusters in which male valued items like independent, objective, active, competitive, self-confident always working as a leader reflect competency cluster, whereas warmth and expressiveness cluster constitutes female valued items as gentle, sensitive to other's feelings, religious and quiet. Hofstede (2001) describe traits associated with masculinity as focused on material success and femininity traits as more compatible with quality of life.

The development of sex trait stereotype may be explained under three theoretical frameworks:

1. Identification theory;
2. Cognitive approach; and
3. Social learning theory.

Identification theory explains how individuals make their behavior pattern similar to their significant persons especially consistent with their role models. Cognitive development approach explains that the individual in order to be better adjust in his/her environment selects only those information that improves his/her interaction with the social world. Kohlberg (1966) hold: "Once the boy has stably categorized himself as male he then values positively those objects and acts consistent with his gender identity". Social Learning theory states that boys imitate their fathers and other significant males; whereas girls usually follow their mothers and other significant females. If the child is rewarded for following sex appropriate behaviors it becomes reinforced and thus strengthened. On the other hand, sex inappropriate behavior that is punished usually extinguished.

The present investigation was designed to explore the differences if exists due to organizational headship effect on sex stereotypes selection for females. It was hypothesized that in organizational setup where a female boss is playing a leading role, the male employees would select goal-oriented adjectives for describing Pakistani women as compared to a working setup where they are faced by male boss.

The present study proposes to test the following hypotheses:

1. The male employees in working setup 1 would rate more expressive (feminine) traits to Pakistani females;
2. The male employees in working setup 2 would rate more instrumental (goal-oriented) traits to Pakistani females.

Method

Subjects

Subjects in each of the organizational setup were 25 males having age ranging 35-52 years. The educational levels of employees vary in range from matric to M.A/M.Sc. Most of the employees in both the working setup belong to middle class families. The respondents were selected by quota sampling technique. Consent was taken from administration before data collection.

Measure

The tool for study consisted of 20 adjectives of the Adjective Checklist (ACL). The ACL was originally developed by Gough and Heilburn (1965;1980). Each adjective is presented with a 5-point scale. For administering adjectives, Urdu translation of scale was used (Haque, 1982). Along with ACL Urdu instructions were used.

The instructions given to subjects in Urdu were: "In describing a person, some traits seem to be relatively important because they seem to refer to central or

basic personality characteristics. In this questionnaire you will find a list of 20 adjectives. For each adjective you are asked to consider its importance in describing Pakistani women. There is no right or wrong answers and it is your first impression that we want”.

Procedure

The research design demands selection of two comparable working setup. In working setup 1 the organizational setup was headed by male boss, in comparison to another working setup where the employees were supervised by female boss. Each subject was presented with a list of 20 adjectives and a printed copy of general instruction. The subjects were asked to rate the importance of each adjective in describing typical Pakistani women. The list of ACL provided for rating as level of significance in describing Pakistani women contains ten adjectives as reported by Haque, (1982) selected by university students for women, whereas as per requirement of research design ten more adjectives were added that were more competence related i.e. more focused on material success.

Results and Discussion

Table 1

Table showing adjectives selected for Pakistani females by male employees
In working setup 1

First ten traits rated as more Important in describing Pakistani women	Group 1 Males (n=25) Percentage of Endorsement	Mean Score
Charming	82.0	4.5
Affectionate	78.5	4.0
Submissive	70.0	3.2
Soft-hearted	75.0	4.2
Talkative	92.5	3.8
Emotional	86.4	3.5
Weak	77.0	3.0
Complaining	90.0	4.3
Forgiving	70.0	3.0
Affected	72.4	3.5

Table 1 is showing percentage of endorsement for describing Pakistani women by male employees in working setup 1. Table 1 also shows mean scores of adjectives according to level of importance in describing a Pakistani woman. According to results out of 20 adjectives the first ten adjectives endorsed by

70.0% or more respondents has been shown in Table 1, where as highest endorsed traits for Pakistani women are; Talkative (92.5), Complaining (90.0), Emotional (86.4) and Charming (82.0). The mean scores obtained for ten adjectives according to level of importance in describing Pakistani women on 5-point scale shows high mean values for adjectives; Charming (mean=4.5), Complaining (mean=4.3), Soft-hearted (mean=4.2), and Affectionate (mean=4.0). The observed expressiveness in selection of trait for Pakistani females found confirmation in earlier cross-cultural research (Williams et. al. 1990a). A very interesting explanation for the result may be found in differential socialization experiences by boys and girls (Bem & Bem, 1970, Block, 1978). These researches showed that boys are educated to control affect and to display instrumental behaviors while girls are encouraged to be emotional and to restrain aggression.

Table 2

Table showing adjectives selected for Pakistani females by male employees
In working setup 2

First ten traits rated as more Important in describing Pakistani women	Group 2 Males (n=25) Percentage of Endorsement	Mean Score
Dominant	72.0	4.5
Charming	78.5	4.0
Confident	70.0	3.2
Soft-hearted	73.0	3.2
Talkative	72.5	4.2
Emotional	82.0	3.5
Demanding	87.0	3.0
Complaining	80.0	4.3
Forgiving	75.0	3.0
Gentle	72.4	3.5

Table 2 is showing percentage of endorsement for describing Pakistani women by male employees in working setup 2. Table 2 also shows mean scores of adjectives according to level of importance in describing a Pakistani woman. According to results, out of 20 adjectives, the first ten adjectives endorsed by 70.0% or more respondents has been shown in Table 2, where as highest endorsed traits for Pakistani women are Demanding (87.0) Emotional (82.0), Complaining (80.0) and Charming (78.5). The mean scores obtained for ten adjectives according to level of importance in describing Pakistani women on 5-point scale shows high mean values for adjectives, Dominant (mean=4.5), Complaining (mean=4.3), Talkative (mean=4.2), and Charming (mean=4.0).

The adjectives; affectionate, submissive, weak and affected used for describing Pakistani women in working setup 1 has not been selected in working setup 2 and replaced by dominant, confident, demanding and gentle. The adjectives that remained consistent in describing Pakistani women in both working setup are Charming, Soft-hearted, Talkative, Emotional, Complaining and Forgiving. The rationale for consistent trait selection for Pakistani women may be explained in terms of integration of women into the outfits. Integration appeared to accentuate a conventional gender role of women, in that women are seen as more feminine and less masculine outfits (Boldry, et. al 2001). Although the ACL list contains adjectives like competent, eligible, and energetic but it has not been endorsed by 70% participants of study. Stereotyped views of what women are like produce the perceived lack of fit responsible for many types of biased judgments about women in work setting (Heilman, E. M. 2001). According to gender stereotypes typical women are more helpful, kind, gentle, and emotionally expressive than men (Diekmann & Eagly, 2000). The psychological attributes required for a successful headship of organization, mismatch the conventional gender role of women. The employees who faced headship of female boss rejected feminine traits like weak, submissive and affected.

Conclusion

In rating conventional sex stereotyping, males are often said to be more adventurous than women and women are said to be more affectionate than men. Usually males are said to possess instrumental goal-oriented qualities while females are said to possess expressive personality qualities. The present study was designed to measure the difference that the organizational headship could produce in making overall evaluation about Pakistani women. It is important to mention here that the rating from employees in working setup 2 was taken for general Pakistani women and not for their female boss. The results showed organizational headship affected the conventional female stereotype. Those employees who faced female head rejected weak, submissive and affected as female-associated traits.

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Determinants of Women Empowerment: The Role of Microfinance in the Devastated Areas of Pakistan

IzzahTaimur*

Greenwich University

&

Sumaira Hamid

Lahore School of Economics

The purpose of this study is to assess the role of microfinance programs in enhancing women empowerment along with other variables including education, cultural norms, economic condition, social and health status and employment opportunities. In the past decade Pakistan has gone through number of natural calamities which have destroyed the basic infrastructure of the affected areas. Microfinance programs are crucial for the development of these devastated areas. A non-probability sampling technique has been used in this study to collect data from a sample of 150 female respondents located at Rajanpur district near Multan, Punjab. Targeted field work was the rehabilitation shelter of Akuwat Trust. People enrolled in this camp were seriously affected by floods in Punjab. Our results are consistent with the findings of past studies. We find a significant positive impact of microfinance programs, education, economic conditions, cultural norms and employment opportunities on women empowerment. Overall the study concludes that effective microfinance programs play a significant role in improving the economic and living standards of women thus leading to enhanced empowerment.

Introduction

In the last ten years Pakistan has been confronted with two of the world's leading natural calamities, which shook the country. First, the earth quake of Muzaffarabad in the year 2005 and then the floods which hit the province of Sindh in 2010. Overall about 9000 people lost their lives and an additional 27 million people were displaced by (OCHA¹). Most of the people, who were hit by this natural calamity, were from lower socio economic class. However it was the women population who had to face enormous challenges, as the majority of women is not only illiterate but also dependent on the male dominant population. Numerous steps had to be taken by local and international humanitarian groups. Nonetheless substantial improvement still had to been documented as a huge percentage of people were still lacking in basic needs. Pakistan being a struggling

¹<http://www.un.org/popin/unfpa/taskforce/guide/iatfwemp.gdl.html>

*itaimur@gmail.com

economy lacks in statistical data reporting and accuracy. There is a burning need to measure women empowerment, as women are the center of the household. Thus her well-being denotes social-economic well-being of Pakistan's society. Women empowerment consists of political, spiritual, and social strength. Moreover it firmly involves developing confidence in them. *Women account for 50% of the total population in Pakistan*². Thus women empowerment not only provides welfare but also poverty reduction, phenomena that is deeply rooted in Pakistani society, particularly in rural and devastated areas. Thus target population was women who were considered a way out from the problem.

Prior to the floods, majority of the women in the flood-affected regions of Punjab had only one of two sources of income. Firstly selling hand-embroidered crafts and secondly, picking cotton in the cotton fields. The flooding ruined most of the cotton crop, leaving a scarce unscathed area. Women had to travel extended distances to seek out employment as cotton pickers, where they could earn merely about 70 Rupees (less than \$1)³ per day. Regardless of the crushing effects of the floods, women were still expected to perform their household responsibilities towards caring for their family. Very often this had resulted in psychosocial problems, augmented anxiety levels, and health issues.

Over the years natural disasters and a testing macro-economic environment, enforced the microfinance sector to slow down in the country. Thus the already testing target market was hit badly as numerous micro finance banks and institutions confronted great losses for the outstanding loans. Since, after the disaster the existing debtors were considered as unrecoverable.

A research study carried out by PRSP⁴, recorded a positive impact of micro credit in the District of Gujrat. Micro credit programs targeted towards women resulted in substantial improvement. There were numerous projects being carried out in Pakistan for women empowerment. They included Benazir Bhutto Shaheed Women Centers, Women Complaint Cell, Day Care Center, Women & Juvenile Prisoners Committee, Gender Reform Action Plan (GRAP)⁵ and many more in multiple cities.

The main aim was to ensure that government agencies implement a gender sensitive approach for development. Secondly, developing multi-sartorial and inter disciplinary approaches for women's development with horizontal and vertical linkages at every level. Also it was required mainstreaming gender issues

² Retrieved from, <http://www.farzanaraja.com/images/speeches/WOMEN%20EMPOWERMENT%20IN%20PAKISTAN.pdf>

³ Retrieved from, <http://internationalmedicalcorps.org/page.aspx?pid=1947>

⁴ Retrieved from, [http://www.savap.org.pk/journals/ARInt./Vol.1\(2\)/2011\(1.2-36\).pdf](http://www.savap.org.pk/journals/ARInt./Vol.1(2)/2011(1.2-36).pdf)

⁵ Retrieved from, <http://www.sindh.gov.pk/wdd/template.asp?page=projects>

through integration into all sectors of national development, so that all negative social practices are eliminated.

The problem of women empowerment has not been properly evaluated in Pakistan. According to the FAO finding around 75% of world's poor are living in rural areas not only that, about 70% of this population are women. For the last two decades diverse programs have been launched throughout the world to eradicate poverty. Microcredit was the leading runner. With the monetary aid from the developed world, micro credit enables to stabilize the situation. Thus, it makes a substantial effort, to get the people out of the vicious cycle of poverty. Empowerment in the broader sense refers to the increase in power, where by extension power refers to the access to and control over material for intellectual and ideological resources (Baltiwala 1994). Schuler and Hashemi (1994) outlined variables of women empowerment which include mobility, self-esteem social, economic and social status of women.

Academic research international define Microcredit as a “loan for the poor” or a tool used by many developing economies for awareness, growth and empowerment (Academic research international, 2011).

Moving on, the relationship between Micro credit and women empowerment was positive because both of them harmonize each other. A focal function of offering women credit was to enhance their economic status that enables them to earn extra income through which they can gain greater financial self-sufficiency (Malik and Luqman, 2005). It is believed that Microfinance programs enable women to get out of the poverty. Furthermore, in this regard, Microcredit Summit Campaign Report (2011) stated that of the 128.2 million poorest clients reached at the end of 2009, 81.7 percent or 104.7 million are women. The growth in the number of poor women has reached 104.7 million (2009) from 10.3 million at the end of (1999). This depicts a high jump in the poverty level of women and throws light on how much had to be done for the eradication of poverty from their lives.

As of this trend it is observed that from a period of December 31st 1999 to December 31st 2009, the number of poor women has augmented to a considerable extent. Since the number of poor women has gone up, the focus of microfinance has been on these needy women, and this increase represents an additional microloans being given to them in the last 10 years. While on other hand few scholars working in the same line stated that the microcredit schemes of different banks, NGOs and other organizations reduced poverty, increased mobility and strengthened networks among women who were previously confined to their homes (Schuler and Hashemi, 1994).

Development sector requires better coordination and a more targeted approach for the reason that a number of organizations which include United Nation, USAID, Care, Red Cross/Red Crescent and many more are planning and executing number of development approaches however they are commonly short term and long run benefits are not achieved. Furthermore, Pakistan government has also launched Benazir Income Support Fund (BISF) which targets women empowerment, registering women with NADRA and to bring women in mainstream.

Along with this UN has also mainstreamed women well-being in the society by dedicating two of its millennium development goals (MDGs) to women which include support of gender equality and empowering women and improving maternal health. Gender equality and empowerment of women for Pakistan includes primary, secondary and tertiary level enrollment, number of seats ratio by gender in the national parliament, share of women wage employment in the non-agriculture sector and women to men parity index from 15 to 24 years.

Pakistan comes under MDG goal 3, “At primary level the index in 1990-91 was 0.73 which has increased to 0.85 by 2004-05 and the MTRF has a target of 0.94 so that the GPI (Gender Parity Index) at primary level was achieved by 2015. However, it seems less likely to achieve the target unless more efforts are made. At secondary level index in 2004-05 was 0.83 but the MTRF target was 0.90 and the target for 2015 was 0.94 and that seems more likely to be achieved. The second indicator was the GPI of one in literacy rate by 2015; in 2004-05 index was just 0.67, and MTRF target of 0.85 and therefore GPI of 1 by 2015 seems quite unrealistic. Third, the share of women in wage employment in the non-agricultural sector which at present was around 10 percent and the MTRF target was 12 percent has been targeted to rise to 14 percent by 2015. It may be possible if the average targeted growth rate of GDP of 7.6 percent for the MTRF period was achieved. The fourth indicator was the proportion of seats held by women in national parliament and there has been significant improvement; from just 0.9 percent in the National Assembly and 1.0 percent in Senate, the female seats have gone up to 21 percent in National Assembly and 17 percent in Senate.”⁶

Therefore the development sector presents growth and learning opportunity. Furthermore Pakistan government was also campaigning door to door service for women in rural areas through Local Health Worker (LHW) programs and many more.

Development sector and women development specifically provides great academic value of concern regarding its efficient working and effectiveness of

⁶Retrieved from, <http://undp.org.pk/goal-3-promote-gender-equality-and-women-empowerment.html>

implementation. The research would help to elaborate the cause and effect of independent variables on the dependent variable.

The effect of independent variables was a key requirement in the current situation of Pakistan for the development of devastated areas. The research would explain the relationship in detail.

Key Definitions

Micro finance: “Microcredit was based on the premise that the poor have skills which remain unutilized or underutilized. It was definitely not the lack of skills which make poor people poor....charity was not the answer to poverty. It only helps poverty to continue. It creates dependency and takes away the individual’s initiative to break through the wall of poverty. Unleashing of energy and creativity in each human being was the answer to poverty.”⁷

Women Empowerment: Women’s empowerment has five components: women’s sense of self-worth; their right to have and to determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally.⁸

Economic Development: Qualitative change and restructuring in a country’s economy in connection with technological and social progress. The main indicator of economic development was increasing per capita GNP(Gross national Product) or per capitaGDP(Gross Domestic product), reflecting an increase in the economic productivity and average material wellbeing of a country’s population. Economic development was closely linked with economic growth.⁹

Sustainable Growth: “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” from the World Commission on Environment and Development’s (the Brundtland Commission) report *Our Common Future* (Oxford: Oxford University Press, 1987)

The researcher would measure the women empowerment in a targeted population which has been hit by a natural calamity and the after affects are still significant with respect to micro finance from an informal approach through employment opportunity, cultural norm in female population, term of trade for funds, economic condition for women, social and health status, extent of disaster,

⁷Muhammad Yunus, *Expanding Microcredit Outreach to Reach the Millennium Development Goals, International Seminar on Attacking Poverty with Microcredit, Dhaka, Bangladesh, January, 2003*

⁸Retrieved from, <http://www.un.org/popin/unfpa/taskforce/guide/iatfwemp.gdl.html>

⁹Retrieved from, <http://www.worldbank.org/depweb/english/beyond/global/glossary.html>

Government programs to enhance women empowerment, microfinance projects and educational level. Detail questionnaires would be carried out to collect primary data and to test empirical analysis.

The averages would be used for the measurement of the variables meaning composite variables would be used. Furthermore to make empirical analysis simpler due to lack of resources one directional questions would be formed in the final questionnaires.

The main objective of this study was to assess the role of microfinance in enhancing women empowerment through improved economic conditions and living standards in the devastated areas of Pakistan. The basic reason behind the research was that Pakistan is largely under developed and these areas require need for development on immediate time frames.

The study was divided into five sections. Section 2 highlights the importance of women empowerment in literature; section 3 discusses the methodology and choice of analytical technique; section 4 report findings of our study and section 5 concludes our research.

Literature Review

Mahmud (2011) in his research suggested that women schooling was directly associated with self-esteem and freedom of mobility. He concluded that a woman's control over the household resources played a positive role, it not only increased employment opportunity but also if the total decision making role was left to the woman it lead to a negative effect in the overall findings. Thus, the development and growth of a household in Bangladesh was more of a joint venture between the man and woman. As a result it can be stated that there should exist a clear distribution of power. Both genders should be clear about their responsibilities and equal rights regarding freedom to move and fundamental rights should be provided to men and women which would lead to prosperity. It also explains that employment helped increasing freedom and autonomy for women. It also helped in decreasing violence against women and children. The limitation for the study includes that the responses for women would be affected by social desirability bias.

Women participation in Muslim communities of Bangladesh working was discouraged under the banner that this was against the fundamental principles; that women cannot interact with men especially from those who are not from a Muslim background (Savor 2010).

The research also proposed that women themselves do not support this passive ideology by the male population on them because they put forward their opposition that this concept was not against "honor" ideology. The findings of the research explained that this concept should be changed for the development of the country.

Furthermore real development can only take place when the mindset of the general population changes, not only in the urban areas in fact also in rural population as well. Rozario (2010) discussed that religion had been an important factor in joining the community together specially in places where the diversification of people was high which include Muslims, Hindus and Christians. The religious factor had an important role play, in the sustainable development of the community and nation. To sum it up development was determined by the joined effort of the community through ongoing corporation between families and communities.

The feminist analysis in relation with economic development and suitable growth was finally applicable in the current world scenario. The research focused on two main areas (a) visibility of women work and (b) macroeconomic issues. This research provided an alternative approach to traditional economic theorist specifically neoclassical theorist. Beneria (1995) explained the theory by providing backing from UNDP annual human development report (1995). The findings concluded that new macroeconomic indicators should be included in nation building, growth and development policies.

Self-employed or dependent workers were not easily identified because it failed to capture the gender subordination which was particularly important in home based work Prugl (1999). The author further explained that banks generally do not sponsor home based workers in the form of loans to cover administrative costs. Furthermore, home based workers shy away from paper work and travelling. The author specified that women should be treated fairly because they had the capability to participate in decision making of their livelihood. Women workers needed to broaden their approach in protection for women.

Morduch (1999) stated Microfinance provides a “win win” situation for poor client portfolio. This helps in improving the social standing of the region by improving the economic conditions of the area.

Muhammad Yunus of Grameen Bank explained that micro credit was relatively new concept which, sponsors small loans program and fights third world poverty issues Khandakar (2006). Micro credit schemes include:

1. Limited set of products;
2. Group lending;
3. Social collateral;
4. Small initial loan size;
5. Standardized loan;
6. Frequent repayments.

The functional difference was that micro finance targets primary the smaller groups rather the micro credit which institutionalizes this financing process. The conceptual difference was that in micro credit companies motives are profit making where as in micro financing companies focuses on sustainability involving NGO's and humanitarian organizations and secondly micro credit was financed by external sources whereas micro finance was self-financing. The findings explains that for developing economies the policy makers should be clear between the fundamental differences in between these two techniques and that for poverty reduction a multilateral approach was required.

Microfinance planning was the most fruitful choice for rehabilitation in devastated areas in underdeveloped countries. Nayer (2011) argued that Microfinance planning should be done in three levels firstly client and household level, then individual Microfinance providers and lastly at overall microfinance industry level. This type of planning would be beneficial for attracting interested groups in the region especially NGO's and humanitarian groups. And secondly this would also setup standards for performance in the region by providing benchmarks of performance. And lastly, Microfinance would also aid in disbursements and replenishment of funds for the affected groups.

A sub regional cooperation effort was required for progress in microfinance. Furthermore, government reforms are a must to coordinate efforts on a broader level according Asian Development Bank (2003).It denotes that development projects are being ventured in Women health, Farm to markets roads, and many more. The report denotes that progress was being made by providing ambulances, construction of schools and building operation theaters. Moreover, water supply and sanitation projects are also under way in great weight.

The most beneficial way to climb out of poverty was by educating the masses. Furthermore, also dictates the benefit to third world nations of microfinance Kathryn (2001). The case study explains that mobile banking concept has proven to be very cost cutting and productive in rural areas especially in Bangladesh. The finding of the study explains that online education was to make technology adaptive to the general public especially in third world training and grass root training was required which would lead to progress and development; but only in the long run if used under caution.

The presentation to President of Pakistan stated that microfinance projects had reached more the 60% rural villages in Pakistan with high recovery rate and around 20 to 30 million growth potential in the region Akhtar (2007). The presentation also covered potential problems which include widespread area, access to donor financing, and operational efficiency. It stated that to achieve full growth potential it requires increasing

sustainable domestic capital, and building Human resource base. This can be done through key poverty reduction, and by increasing the demand of “formal” borrowing. According to the author, the Emphasis should be on “community driven development”, these lead communities to have direct control over primary project decisions. Local information and resources lead to efficiency, accountability and poverty reduction. Furthermore, these incentives help to capture the local elite’s attention. NGO’s help to fill the gaps left by government authorities by improvement in capacity and resources but their full potential was still to be seen. Their main aim was to improve the unequal distribution of income and assets. The NGO’s which were taken into consideration are primary working in devastated areas helping to improve women empowerment situation in the area.

Households of different villages which were taken into consideration proved to be benefited by community driven development because their education level improved, poverty controlled to a certain extent. There are more than 14.2 million women of the world have access to microfinance which has greatly improved their personnel and household economic base Cheston (2001). Furthermore, this empowerment has also lead to reduction in gender biasness in their communities. This has allowed them to hedge against social discrimination on a broader level. This was done by client and provider dealings which inherently improves their social standings.

The case study also stated that in some majority of cases a financial injection was the only way to jump starts the household towards economic prosperity. But this has to be in accordance to the social values and systems. Group lending was largely the choice for women because they fell secured and protected. The areas where microfinance projects have been implemented domestic burden has been reduced, self-confidence has increased, education levels improved, and rule of law situation has become stronger. Recommendations for microfinance projects require tailored made products according to the environment, women leadership participation, tracking institutional performance, creating performance incentives and research.

Method

A non-probability sampling technique has been used in this study to collect data from a sample of 150 female respondents located at Rajanpur district near Multan, Punjab. Targeted field work was the rehabilitation shelter of Akawat Trust. People enrolled in this camp were seriously affected by floods in Punjab in the last few years.

A detailed questionnaire was designed in order to assess the role of microfinance and other determinants in enhancing women empowerment. The questionnaire was divided into different sections according to the number of variables and included both open ended and closed ended questions.

A multiple regression technique has been used to assess the relationship and significance of variables under consideration. Following is the regression equation for this study

$$WEMP = \beta_1 + \beta_2MF + \beta_3EDU + \beta_4CULT + \beta_5ECW + \beta_6SHSW + \beta_7EO \quad (i)$$

Where

WEMP = Women Empowerment; MF = micro finance programs; EDU = education level; CULT = cultural norms; ECE = economic condition of women; SHSW = social and health status of women; EO = employment opportunities.

MF includes questions on the financial terms of microfinance and ease in access to these programs. We expect a positive impact of the role of microfinance on women empowerment as highlighted in previous studies (Cheston, 2001). Education was one of the most important determinants of eradicating poverty and we expect as positive relation between the current education level of targeted women and their economic empowerment. In a developing country like Pakistan, women are significantly affected by the cultural norms of the society in almost all aspects of life. Their mobility to work was significantly restricted by cultural norms in our society, especially in case of the rural areas. We consider a positive relation between the importance of cultural norms and women empowerment in our study. Economic condition which represents the current income level of females and their contribution in the overall income of the household was likely to enhance the economic empowerment of women. We also expect a positive relationship of employment opportunities and the social and health status of women with empowerment.

Results and Discussion

The following table represents the findings of our study

Table 1: Results of Multiple Regression Model

Variable	T-Statistics	P values
Constant	2.013	0.0531**
MF	1.801	0.0817*
EDU	2.432	0.0212**
CULT	2.685	0.0117***
ECW	2.667	0.0122***
SHSW	0.611	0.5633
EO	2.605	0.0141***

Notes: *, **, *** represent significance at 10, 5, and 1% Confidence Intervals

The findings of our study are consistent with results of past studies discussed in the literature review. According to Table 1 microfinance programs, education level, cultural norms, economic condition of women and employment opportunities are all found to have a significant positive impact on women empowerment.

Effective microfinance programs with flexible financial terms and ease in accessibility are found to have a direct impact on improving the standard of living of women in devastated areas as it provides the basic disbursement of funds at low interest charges and collateral requirements. It provide them the resources for starting small scale business e.g. juice vending shops, bike repair shops, food stalls and many more. The profits generated from the source of earnings supported by these microfinance schemes significantly help in providing the basic needs for the subsistence living which include rent, food and clothing.

Furthermore, the educational and vocational training for the general public was very important to eradicate underemployment and hedge devastation in the economy. Education provides the key skills and tools required for development and sustainable growth to eradicate poverty. Moreover, human physiology and social status for the female gender was very important because to helps to remove cultural biases in our society.

Conclusion

Female rehabilitation and development in Pakistan is a sensitive issue that needs to be solved with an articulated response and careful planning. Micro credit and micro finance should be planned on a macro level by government bodies with collaboration with humanitarian organizations because they provide statistical knowledge and structural framework for sustainable development programs. The findings of our study highlight the importance of the role of microfinance programs in enhancing women empowerment especially in the devastated areas of Pakistan. Microfinance should be carried out by the institutions already in place which includes women development wing and disaster management department under the complete government control. Their duties, responsibilities and policies should be carefully analysis according to the short term and long term need of women in underdeveloped regions which include the allocation of basic need (short term) and educational development (long term).

Humanitarian organizations which include United Nations, Care International and Red Cross (Crescent) should coordinate their development programs in between them and with the government according to region division and requirements at the time of disaster and after the event has taken place.

Achievement of millennium development goal set by UN is very important because it sets the position of Pakistan in the international arena for progress and prosperity which would lead to investment and image building.

Our findings are in line with the results of the past studies which confirm that effective microfinance programs significantly affect women empowerment along with other variables like education, economic condition, employment opportunities and cultural norms. Effective microfinance programs can help eradicate poverty by improving living standards and economic conditions thus overall leading to an increase in empowerment of women in the rural areas of Pakistan.

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Workplace Conditions' Impact on the Physiological Conditions of Labour Children in District Kohat, Pakistan

Mamoon Khan Khattak*, Rahim ud Din Afridi & Anwar Zeb

Dept. of SocialWork & Sociology, Kohat University of Science & Technology (KUST)

The focus of the research was on the workplace conditions' impact on children involved in labour on their physiological condition in District Kohat of Khyber Pakhtunkhwa, Pakistan. The purposive sampling technique was used for respondent's data selection. A sample of 60 respondents was selected randomly for data collection from the urban Kohat. The respondents were male children working as labour in District Kohat and they were selected irrespective of their ethnicities under the age of 18. Interview schedule was used for data collection purpose. The major findings of the research showed that the work place condition is truly affecting the physiological condition of the children working as a labour.

Keywords: *Child Labour, Working Condition, International Labour Organization, Hazardous Work, Children Crimes, Immorality.*

Introduction

Considerable differences exist between the many kinds of work the children do. Some are difficult and demanding. Others are more hazardous and morally reprehensible. Children carry out a very wide range of tasks and activities when they work. Not all work done by children's should be classified as child labour that is to be targeted for elimination. Children's or adolescents participation in work that does not affect their health and personal development or interfere with their schooling, is generally as regarded as being something positive. This includes activities such as helping their parents around the home, assisting in family business or earning pocket money outside school hours and during school holidays. These kinds of activities contribute to children development and to the welfare of their families; they provide them with skills and experience, and help to prepare to them to be productive members of the society during their adult life. The term "child labour" is often defined as work that deprives children of their childhood. Their potential and their dignity and that is harmful to physical and mental development (International Labour Organization [ILO], 2013).

According to the latest statistics from the International Labour Organization, about 53 million younger children under 15 years of age are working. Despite

*mamoonkk@gmail.com

attracting much negative attention, the effect of child labour is ambiguous. On the one hand, it may have detrimental effect if children are forced to leave school in order to work, or if working adversely affect children's health. On the other hand, working has the potential to increase the income of the household so that food, books and health care and schooling become more affordable. To this end child labour may have a net positive effect both on the child and other family members. In developing countries the empirical evidence on the effect of child labour on the education and health is mixed (Sim, 2012). Millions of children work under the agriculture sector, the manufacturing industry and performs various types of services. They perform grueling and demanding tasks and in return receive only meager wages. Many develop severe health problems due to their working conditions (Oracle Think Quest Education Foundation, 1998).

Literature Review

Working condition of the children are hazardous everywhere. In Pakistan more information is required about the working conditions and hazards by children. However, in majority of the cases the working conditions and hazards are conspicuous as in Pakistan, a good proportion of the child labours work for 56 hours a week, and around 7 percent of child labourers suffer from illness or injuries frequently [FBS, 1996]. In a sports goods factory in sialkot, children in the age group of 5-10 years produce soccer balls. Children work 80 hours a week in near-total darkness and total silence. The children are permitted one thirty minute break every day. Their work benches are sloppy to make uneasy and awake. Fatigueless is cause of children's intellectual and development. Girl's works longer hours than boys often more engaged in both economic and household tasks, whereas boys usually engage only in those involved in garbage picking faces extreme risks of long term diseases or disabilities. These include high blood level of lead and mercury and poisoning, serious infections such as tetanus, impaired pulmonary function and skeletal deformities from heavy lifting [Silvers, 1996].

Several work situations expose children to dangerous substances including toxic and carcinogenic substances. Asbestos is probably one of the best known of human carcinogens. Children work in mining, construction, brake repair workshops and other work places where asbestos is used, and in jobs with exposure to silica or coal dust [Hussain, 1998]. Aniline dyes are also known human carcinogens and children are involved in the dying of wool for carpets or leather for shoes where aniline dyes are used, exposure to solvents and glues causes neurotoxicity. Children are involved in work with the substances, for example in the leather industry. Many metals contain lead and mercury. Children are particularly sensitive to lead exposure, which is frequent in construction, glass

works and repair of automobiles radiators [ILO, 1998].

Impacts of Work Place Conditions on Children`s Development

Family poverty effects ECD on various levels, work-life/home life conflicts shape child care provision, occupational prestige affects child ECD outcomes, and child labour affects children in the 0-8 age range. About four fifth of child workers who lived in brick factory compound assessed their own health conditions is either moderate or severe based on the general health index for both work duration groups. For child workers who did not live in brick factories, however, the percentage of reporting moderate or severe health problems is much higher than among the short-term workers (91.5% versus 74.5% respectively). In terms specific health problems frequently experienced, both child workers living in or not living in brick factories tends to suffer mostly from eye watery or eye itches because of smoke and flying ashes. Other health problems depend on the living place. The village children are more likely than their factories counterparts to experience back ache (40% versus 18.2%), chest pain (31.9% versus 15.2%), head ache (33% versus 21.1%), skin rashes (37.2% versus 24.2%), difficult breathing (25.5% versus 18.2%), and stomach ache (16% versus 9.1%). One potential explanation is that village children have not been accustomed to the work environment in brick factories as their factories counterpart who live and work in the same environment (Bunnak, 2007). The child labours have mental health impacts like mental health impairment, such as neurotic or even psychotic disorders and impaired concentrations, intelligence or intellectual development (Khan, 2003).

Global Impacts of Hazardous Work

The ILO (2005) reports shows that children who are working in agriculture suffer from the same kind of accidents, ill health and fatalities as young adult workers. Due to the lack of experience, education on hazards, risks management and most importantly more exposure to activities which are dangerous to their health. They are more prone to accumulating a lot of these hazardous materials through injuries and inhalation. These higher rates of intakes results, for example, in greater exposure to diseases and toxic subsistence/pollutants. Frequent awkward and heavy lifting and repetitive strains can permanently injure growing spines and limbs, especially due to use of poorly designed tools. Skin, eye, respiratory or nervous problems often occur in children exposed to pesticides owing to thinner skin hence toxic substances are more easily absorbed and children are more vulnerable to much lower levels of exposure than adults. They may will be chronic long term health effects from exposure to pesticides that will now show up until working hours in scorching heat, carrying heavy loads, frequently exposure to pesticides and fatal injuries from sharp and dangerous cutting tools.

Physical Child Labour is a Serious Social Problem: Pakistan, Karachi

According to a report compiled by Sahar Foundation these young souls could also be witnessed working as loaders at different shopping centers, particularly at vegetables and fruit markets and weekly bazaars. Average age of these children was identified to be between 14 years and they mainly pertained to large size families. With their parents absolutely illiterates and largely unskilled thus unable to make proper and sustainable earning to raise their children. Sahar Foundation which is working for the upliftment of street children and child workers after a thorough survey regarding the immediate needs of these children had arranged series of medical camps. These camps include those children who were suffering from Asthma, ENT diseases, skin diseases, eye and other infections. The exercise was equally focused on educating the children as how to prevent these health conditions and identify plausible symptoms of these ailments. As per report, the children visiting the children visiting the camps for diagnosis and treatment of asthma in main city area were found to have a disease incidence round six percent to 17 percent. The direct exposure to different types of atmospheric pollution. Including those discharged by vehicles, industrials units and smoke caused due to burning of waste goods were registered to be the main culprit. Children working at auto-workshop were report with highest number of asthma and other chest infections, said the compilers of the report. Cigarette smoking and increased exposure to passive smoking was also registered among these children (Anonymous, 2012).

Method

The nature of the study is descriptive: it states the prevailing conditions of social phenomena under the study i.e. child's labour physiological impacts on children involved in labour in study area.

The universe of the study was the district Kohat of Khyber Pakhtunkhwa province of Islamic republic of Pakistan.

Sampling and its procedure

The purposive sampling method was used for data collection. A sample of 60 respondents was selected at random. The town Jarma, Choongi city and University (Kohat University of Science and technology) chowk, shops and business places were selected for samples selection; random sampling was made in the urban Kohat. The respondents were male children having their age below 18 years as working labour in District Kohat; the respondents were selected irrespective of their ethnicities.

Data Collection

Interview schedule was used for the data collection purpose. The collected data was classified, tabulated, analyzed and described in text form. The collected data was analyzed through SPSS (Statistical Package for Social Sciences) software.

Research Hypothesis

H₁ The workplace conditions have negative effects on the physiology of children involved in labour.

H₂ The workplace conditions have no negative effects on the physiology of children involved in labour.

Results

Table 1: *Age group of the respondents*

Age-Groups		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5-10 years	3	5.0	5.0	5.0
	10-15 years	27	45.0	45.0	50.0
	15-17 years	30	50.0	50.0	100.0
	Total	60	100.0	100.0	

Table-01 shows that out of total 60(100%) respondents, 3(5%) were of the age-group 05-10 years, 27(45%) were of the age-group 10-15 years and 30(50%) were of the age-group 15-17 years.

Table 2: *The ethnicities of the respondents*

Ethnicities		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pashtun	57	95.0	95.0	95.0
	Sindhi	1	1.7	1.7	96.7
	Afghan Mahajir	2	3.3	3.3	100.0
	Total	60	100.0	100.0	

Table-02 shows that out of total 60(100%) respondents, 57(95%) were Pashtun by ethnicity, 1(1.7%) were Sindhi by ethnicity and 2(3.3%) were Afghan Mahajir by ethnicity.

Table 3: *The family types of the respondents*

Family Type		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Nuclear	5	8.3	8.3	8.3
	Joint	50	83.3	83.3	91.7
	Extended	5	8.3	8.3	100.0
	Total	60	100.0	100.0	

Table-03 shows that out of total 60(100%) respondents, 5(8.3%) family type was nuclear, 50(83%) family type was joint and 5(8.3%) family type was extended.

Table 4: *The kind of the labour the respondents*

Kind of Labour		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Motor Workshop	31	51.7	51.7	51.7
	Generators Repairing Workshop	5	8.3	8.3	60.0
	Welding Workshop	7	11.7	11.7	71.7
	Waiter in Hotel	7	11.7	11.7	83.3
	Others	10	16.7	16.7	100.0
	Total	60	100.0	100.0	

Table-04 shows that out of total 60(100%) respondents, 31(51.7%) were working in motor workshops, 5(8.3%) were working in generators repairing workshops, 7(11.7%) were working in welding workshops, 7(11.7%) were working in hotels and 10(16.7%) were working at other places.

Table 5: *The physical conditions of workplace of the respondents*

Physical Conditions		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Hazardous	27	45.0	45.0	45.0
	Unsatisfactory infrastructure	11	18.3	18.3	63.3
	Unsuitable tool/ methods/ place for work	2	3.3	3.3	66.7
	Polluted environment	4	6.7	6.7	73.3
	Good	16	26.7	26.7	100.0
	Total	60	100.0	100.0	

Table-05 shows that out of total 60(100%) respondents, 27(45%) were working in hazardous conditions, 11(18.3%) were working in unsatisfactory infrastructure conditions, 2(3.3%) were working with unsuitable tools/methods/places for work, 4(6.7%) were

working in polluted environment and 16(26.7%) were working in good conditions.

Table 6: *The physical locations of the workplace of the respondents*

Physical Locations		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Near the road	53	88.3	88.3	88.3
	Near the garbage	5	8.3	8.3	96.7
	None of the above	2	3.3	3.3	100.0
	Total	60	100.0	100.0	

Table-06 shows that out of total 60(100%) respondents, 53(88.3%) physical workplace locations were near the road, 5(8.3%) physical locations of the workplaces were near the garbage and 2(3.3%) physical locations of the workplace were other than the mentioned options.

Table 7: *The physiological impacts of labour on respondents*

Physiological impacts of labour		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No damage	47	78.3	78.3	78.3
	Hands cut	6	10.0	10.0	88.3
	Skin burnt	2	3.3	3.3	91.7
	Hearing	3	5.5	5.5	96.7
	Allergy	1	1.7	1.7	98.3
	Flu	1	1.7	1.7	100.0
	Total	60	100.0	100.0	

Table-07 shows that out of total 60(100%) respondents, 5(8.3%) were 18-25 years of age, 8(13.3%) were between 26-33 years of age, 6 (10%) were between 34-41 years of age, 5(8.3%) were 42-49 years of age, 4(6.7%) were 50-57 years of age, 7(11.7%) were between 58-65 years of age and 25(41.7%) were above the age of 66 years.

Table 8: *Duration status of the respondents in labour*

Duration status in labour		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-6 months	28	46.7	46.7	46.7
	7 months to 1 year	13	21.7	21.7	68.3
	2-4 years	16	26.7	26.7	95.0
	5-10 years	3	5.0	5.0	100.0
	Total	60	100.0	100.0	

Table-08 shows that out of total 60(100%) respondents, 28(46.7%) passed the duration of same labour from 0-6months, 13(21.7%) passed the duration in same labour was from 7 months to 1 year, 16(26.7%) passed the duration in same labour from 2-4 years and 3(5%) passed the duration in same labour from 5-10 years.

Table 9: *Break duration given to respondents in a day*

Break duration		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-40 minutes	44	73.3	73.3	73.3
	1-1.5 hours	2	3.3	3.3	76.7
	1.5-2 hours	7	11.7	11.7	88.3
	No break	7	11.7	11.7	100.0
	Total	60	100.0	100.0	

Table09 shows that out of total 60(100%) respondents, 44(73.3%) replied that they took 20-40 minute break in a day, 2(3.3) replied that they took 1-1.5 hours break in a day, 7(11.7%) replied that they took 1.5-2 hours break in a day and 7(11.7%) replied that they took no break in a day.

Table 10: *The variety of food given to the respondents in lunch time*

Variety of giving food		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Good	57	95.0	95.0	95.0
	Satisfactory	2	3.3	3.3	98.3
	Not good	1	1.7	1.7	100.0
	Total	60	100.0	100.0	

Table-10 shows that out of total 60(100%) respondents, 57(94%) replied that they were given variety food in lunch time, 2(3.3%) replied that were given satisfactory variety of food and 1(1.7%) replied that they were not given variety food.

Table 11: *Respondent's status of getting enough time for rest*

Time for rest		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	35	58.3	58.3	58.3
	No	24	40.0	40.0	98.3
	Don't know	1	1.7	1.7	100.0
	Total	60	100.0	100.0	

Table-11 shows that out of total 60(100%) respondents, 35(58.3%) were given enough time for rest, 24(40%) were not given enough time for rest, 1(1.7%) did not know about their break time.

Conclusion

Child labor is considered as the acts that deprive the children from their childhood activities, their potentials are negatively used and their dignity is harmed. Most importantly, they are required to do so much type of physical work that is harmful for their physical growth, well being and mental development. International Labour Organization (ILO) stated that 153 million children of the world are involved in child labour and their age is under 15. The 60% of children are involved in agriculture. In Pakistan this curse is due to the poverty. Parents are sending their children for labour due to having less to eat, less to wear and have to live in hazardous situation. The research reveals the results that in Kohat (Pakistan) the parents are prone towards child labour due to the reasons that are common all over the world with poor i.e. poverty, unemployment, ill health and the desire to become rich. From the data analysis, it is concluded that that the research hypothesis i.e. the workplace conditions have significant negative effects on physiology of the children involved in labour was true and feasible in study area.

Recommendations

1. Schooling should be made the first priority of the parents for their children through offering stipends from government.
2. There shall be no forced labour even for children between the ages of 14-18 years, it has to be treated as an offence under the factories act 1934.
3. When any matter is brought to be noticed the state commission regarding violation child rights, the state commission should deal with the same and pass necessary directions according jurisdictions.
4. There is also a need of rehabilitation of such children in the society. (a) moving out the child from exploitative environment (b) Ensuring Food/Cloth/ and other physical necessities (c) regularizing state law.
5. Religious leaders can play their role to reduce child labour.
6. Media should play its role to mitigate this problem in Pakistan.
7. To motivate parents through by government by campaigns and actual implementations of laws and strong check and balance over the laws, as well as society should cooperates in decreasing the child labour ratio.

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On the Solution of Economic Models Using Computer Application Matlab

Muhammad Arif Hussain*, Syed Arslan Wasti
Institute of Business and Technology, Karachi
&
Syed Arshad Imam
Greenwich University, Karachi

*Several computational subjects have emerged in the last four decades including computational physics, computational fluid dynamics, computational mathematics, computational statistics, computational economics, and computational finance, etc. Study of computational economics helps students in understanding more insights of economic activities. Computational approach is in fact a futuristic method in teaching. This communication reviews the use of computer application **Matlab** for solutions of some economic models found in mathematical economics. It also suggests for further applications of **Matlab** in solving complex business problems through simulation approach.*

Keywords: Computational subjects, futuristic method in teaching, computational economics, *Matlab*

Introduction

Proper understanding of working mechanisms of markets is crucial to ensure the stability of domestic and global economies. It requires in depth know how of mathematical economics and finance. In general, the business cycles may change during their interactions with the linear, nonlinear dynamic financial and economic systems (Judd, Renner & Schmedders (2012)). So, computational economics techniques can help researchers and students in understanding and getting insights of economic activities by changing useful parameters of models capturing economic activities. This in turn, will help solve complicated market problems in sophisticated manner. This paper aims to apply *Matlab* to practical problems in business as mathematical modeling software provides enormous advantages to those who must model real-world markets (Kendrick, Mercado, Amman 2006). Besides offering common matrix algebra operations, *Matlab* allows one to quickly manipulate sets of data in a wide variety of ways. In addition to this, it also offers programming features similar to other high level languages. Graphs of more than hundred types can also be produced with the help of this application software (Hanselman & Litterfield 2011)). Application areas covered by this software include business sciences (macroeconomics,

**arif.biztek@gmail.com*

determination of optimal policies in finance, etc.), basic sciences, and engineering sciences (Dukkipati 2010). Use of mentioned application clearly helps students in implementation and tailoring of existing models of business. Many academic programs and research into financial modeling require adequate understanding of *Matlab* or other parallel software (Rahin & Hussain 2012)). The applications described in this paper can also be done in a number of software environments. With this background, the paper addresses issues of how to use application software effectively to solve business sciences problems, and what kind of economic and financial problems can be attacked by these computer applications.

In Method section, basics commands of *Matlab* are described which are helpful in solving linear and non-linear mathematical economics problems. In order to describe the most important features of *Matlab*, some examples taken from finance and economics disciplines as case studies are also demonstrated. Finally the discussion is concluded in conclusion section.

Method

Solving mathematical problems using *Matlab*

In order to explain some of the important features of *Matlab*, this section illustrates various examples (Hussain & Rahim 2012). These drills should be reproduced by students for better use of *Matlab*.

Some Basic Operations in *Matlab*

Addition of numbers in Matlab:

```
>> 2 + 1/2  
ans =  
2.5000
```

This shows use of *Matlab* as a calculator. Now, we look at the matrix representation in two different formats.

```
>> b=[1,2,3;2,0,9;0,0,3];  
>> c=[1 2 3;2 0 9;0 0 3];  
  
>> b'  
  
ans =  
  
2 0 0  
3 9 3  
  
>> c'
```



```
ans =
 1  2  0
 2  0  0
 3  9  3
```

The commas in specifying **b** can be replaced with spaces, as depicted by matrix **c**. Square brackets refer to vectors and parentheses are used to refer to elements within a matrix. The command **det** and **inv** return the determinant and inverse of a matrix respectively. This performs the transpose of a matrix. In above output **b'** and **c'** are transpose of matrices **b** and **c**.

The **help** command returns information on different commands.

For system of equations (Nakamura, 1996) in the form $Ax = y$ where

$$A = \begin{Bmatrix} 3 & 2 \\ 1 & -1 \end{Bmatrix}$$

$$y = \begin{Bmatrix} -1 \\ 1 \end{Bmatrix}$$

We solve above system with *Matlab*.

Solution with Matlab

```
>>A = [3 2;1 -1]; y = [-1; 1];
```

Then,

```
>> x=inv(A)*y    yields
```

```
x =
      0.2000
     -0.8000
```

Calculus with Matlab

Differentiation:

For constructing symbolic objects, we define (% sign is used to give comments)

```
>> syms x                % defines x as symbolic variable
```

```
>> y=x*x; diff(y,x)      % diff differentiates y w.r.t. x
```

```
ans =
```

```
2*x
```

For its second derivative we write

```
>> y=x*x;diff(y,x,2)
```

```
ans =
```

```
2
```

Integration:

Matlab uses **int** command to integrate. For example, $\text{int}(S, x)$ is the indefinite integral of S with respect to ' x '. Similarly, $\text{int}(S, v, a, b)$ is the definite integral of S with respect to v from a to b . We demonstrate these with few examples.

```
>> syms x ;
```

```
>> int(x^2,x)
```

```
ans =
```

```
x^3/3
```

In Matlab **linprog** command is used for linear programming. The syntax is as follows.

$X = \text{linprog}(f,A,b)$ attempts to solve the linear programming problem:

$\min f^*x$ subject to: $A*x \leq b$

Another option is:

$X = \text{linprog}(f,A,b,Aeq,beq)$ solves the problem above while additionally satisfying the equality constraints $Aeq*x = beq$.

Similarly, we can use

$X = \text{linprog}(f,A,b,Aeq,beq,LB,UB)$ defines a set of lower and upper bounds on the design variables, X , so that the solution is in the range $LB \leq X \leq UB$. Use empty matrices for LB and UB , if no bounds exist. Set $LB(i) = -\text{Inf}$ if $X(i)$ is unbounded below;

set $UB(i) = \text{Inf}$ if $X(i)$ is unbounded above.

In addition *Matlab* has other commands as well for linear (Venkataraman 2001) and nonlinear programming (Rardin 1998).

Linear Programming Example

We solve following examples (Hoffmann & Bradley 1995) with *Matlab* command **linprog**.

Example:

We solve the LP problem:

$$\text{Maximize } P = 1.2 H + L$$

$$\text{Subject to: } 10 H + 12 L \leq 1920$$

$$5 H + 3 L \leq 780$$

$$H, L \geq 0$$

Matlab Input:

```
>> f=[-1.2,-1];  
A=[10,12;5,3];  
b=[1920 780];  
>> [x, fval]=linprog(f,A,b)
```

Matlab Output:

Optimization terminated.

```
x =  
120.0000  
60.0000
```

```
fval =  
-204.0000
```

Minus sign shows that we solved a problem of *Maximization*. Next, we take examples from Finance and Economics disciplines.

Examples from Economics

This section gives several examples of linear and nonlinear models and their solutions with *Matlab*.

Example 1: Linear and Nonlinear Models

Simple, compound and continuous interest rate models are defined as below (Hussain 2013):

Simple, compound, and continuously compounded interest formulae:

The formula to calculate simple interest is (1)

In this formula, I is the actual amount of interest you earn or pay, P is the principal of the investment or loan (the amount of money you invest or borrow), r is the annual interest rate, and t is the time you invest the money for or the time for the loan.

So, future amount A is given by

$$A = P + P r t \quad (2)$$

In eq. (2) $P r$ (fixed amount to be added to new balance at the end of each year) behaves like slope, m , in well known linear equation model:

$$y = c + m t \quad (3)$$

and P on the RHS of eq. (2) behaves like y -intercept, c , that is, the initial amount deposited. In Fig. 1, the linear line shows the growth of amount as a function of time t . So, linear model is an additive process as fixed amount is added to new balance.

Compound Interest Formula

This is an example of a non-linear model. Present amount is multiplied by a factor $(1 + r)$ to get the new balance. So, non-linear model is a multiplicative process as fixed factor is multiplied to get new balance.

The future value of an initial amount P (also known as present value, PV) deposit can be calculated by using equation (4) (Keowin 2001) :

$$A = P \left[1 + \frac{r}{n} \right]^{n \cdot t} \quad (4)$$

Where, A , P , r , n , and t are as defined as follows:

A : the value of the investment after t years from now (also known as future value, FV).

P : the present value of the investment.

r : the interest rate expressed as a decimal.

n : the number of compounding periods per year.

t : the number of years the money is in the account.

Sometimes people use what is called continuous compounding. This idea is used if the number of compounding periods per year is infinitely high. Limiting case of eq. (4) gives

$$A = P \cdot e^{rt} \quad (5)$$

In this equation e represents Euler's number which has an approximate value of 2.718.

Example: *Matlab* program to plot the future value for depositing an amount, Rs. 50,000/= at the annual interest rate $r = 0.08$, compounded annually, compounded continuously, and with simple interest.

```
P = 50000; %Amount invested, Rs. 50,000/=
r = 0.08; %interest rate in decimal
n = 1; %number of compounding per year
t=0:20; time in years
t=0:1:20; % Time begins at 0, ends at 20 years in 1 year increments. Use
A= P*(1 + (r/n)).^(n*t); % future value compounded annually
A1=P*exp(r*t); % future value compounded continuously
A2=P+P*r*t; %t future value with simple interest
plot(t,A, 'red', t,A1, 'blue', t,A2, 'green');
xlabel('Time in years', 'fontsize',12, 'fontweight','b')
ylabel('Balance', 'fontsize',12, 'fontweight','b')
title ('Compound, Continuously compounded, and Simple Interest Case',
'fontsize',12, 'fontweight','b')
legend(' Compound ', ' Continuously compounded', ' Simple Interest');
```

Compound, Continuously compounded, and Simple Interest Case

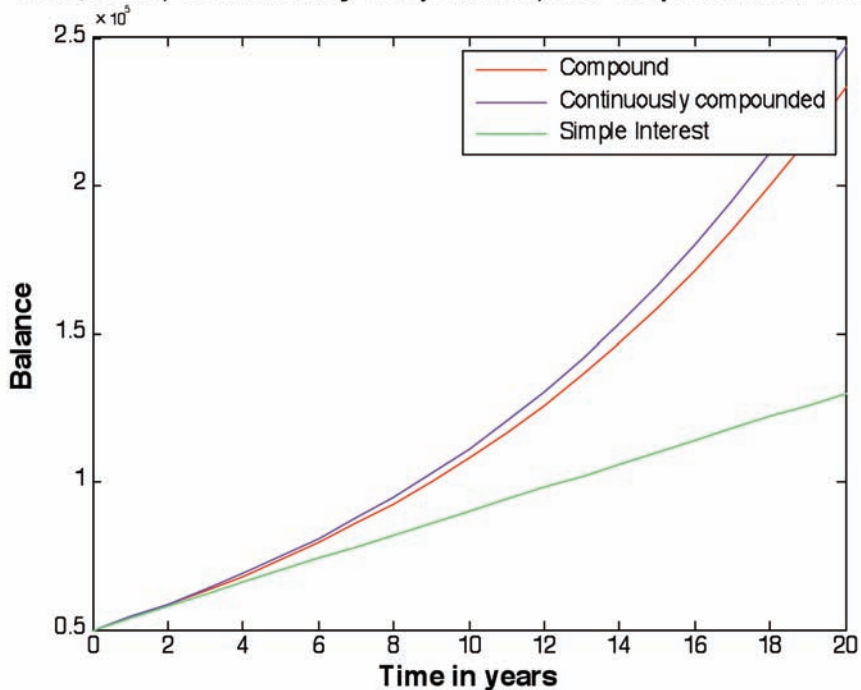


Figure 1. Simulation of compound, continuously compounded and simple interest investment.

Solution of Cobb-Douglas model in Mathematical Models

One can verify the Euler's theorem for Cobb-Douglas model (Dowling 2005):

$$Q = b * K^{\alpha} * L^{(1 - \alpha)}$$

Here, $\alpha = \alpha$;

We prove Euler's theorem: $K (\partial Q / \partial K) + L (\partial Q / \partial L) = Q$

Use of Matlab:

```
>> syms b K L alpha;  
a=diff(b*K^alpha * L^(1-alpha), K);  
c=diff(b*K^alpha * L^(1-alpha), L);  
>> [a,c]
```

ans =

```
[ K^(alpha - 1)*L^(1 - alpha)*alpha*b, -(K^alpha*b*(alpha - 1))/L^alpha]
```

Now, one can show that $K * a + L * c = Q$, that is, $K (\partial Q / \partial K) + L (\partial Q / \partial L) = Q$

Example: *Matlab* program to find production levels (x_1, x_2, x_3) in three departments (A, B, and C) of a company satisfying following system of equations:

$$2x_1 + 3.5x_2 + 3x_3 = 1200 \text{ (hours available per week in A)}$$

$$3x_1 + 2.5x_2 + 2x_3 = 1150 \text{ (hours available per week in B)}$$

$$4x_1 + 3.0x_2 + 2x_3 = 1400 \text{ (hours available per week in C)}$$

Solution with Matlab:

Set `>>A = [2 3.5 3;3 2.5 2;4 3 2]; y = [1200; 1150;1400];`

Then,

```
>> x=inv(A)*y yields
```

x =

200

100

150

Example: *Matlab* program to find the total cost if marginal cost function for a company's product is given by

$$MC = 25 + 30Q - 9Q^2$$

Solution with *Matlab*:

```
>> syms a Q;  
>> a=25 + 30*Q - 9*Q^2;  
  
>> int(a,Q)  
  
ans =
```

total cost = $Q*(-3*Q^2 + 15*Q + 25)$. Now, we conclude this communication.

Conclusion

This communication has demonstrated the use of *Matlab* to gain better understanding of the mathematical models in economics. It also emphasized that sufficient knowledge of application software *Matlab* is necessary for students. As computational economics is an inter-disciplinary research area so it requires proper understanding of mathematics and statistics in addition to computer knowledge. The examples explained provide the opportunity for several research directions. To further investigate application of *Matlab* in economics, a discussion on exact and approximate methods for solving business problems will be the topic of next paper.

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Introduction of Structural Adjustment Programme (SAP) in Pakistan: Transition towards Market Economy

Manzoor Ali Isran

ZABIST, Karachi.

&

Samina Isran

Shah Abdul Latif University, Khairpur

Paper attempts to find out the social, political and economic impact of Structural Adjustment Programme (SAP) joined by Pakistan from 1988 to 2002, with the hope that it would bring macroeconomic stability and democracy in the country, finally leading to economic development after the years of dismal economic performance under various regimes. The reason for selecting period from 1988 to 2002 is that during the period Pakistan had signed around 4 agreements with IMF. In the following decade of nineties, Pakistan was thrown into the cauldron of political and economic problems marked with rampant fiscal deficit, soaring unemployment and spiralling inflation, wiping out middle class and making the life worse for urban and rural poor. Inflationary nature of IMF programmes is accused to be responsible for unleashing economic crisis based on demand control through demand deflation by forcing Pakistan to devalue currency, increase interest rate, and follow austerity economics by withdrawing subsidy, downsizing and cutting public expenditure in order to adjust fiscal deficit. The paper is qualitative analysing the available data in order to draw conclusion that SAPs have created greater social, economic and political problems for Pakistan than offering any viable and workable solutions to its macroeconomic problems. Moreover, paper argues that the successfulness of SAPs requires viable political system, political stability, and rule of law, functional institutions and more importantly the political will on the part of ruling governments to carry out reforms of macroeconomic stabilization while protecting people from its negative effects.

Introduction

As the winds market-centred paradigm Neoliberalism were blowing across the world, Pakistan joined IMF in 1988 following internal and external imbalances causing economic crisis. IMF offered shock therapy under structural adjustment programme which was designed to remove the structural rigidities in fiscal, monetary and trade policies and restore the macroeconomic balances to

*manzoorisran@gmail.com

sustainable levels. The neoliberal shock therapy focused was on the demand management through the inflationary measures such as increase in interest rates, withdrawal of subsidies, cut in public expenditure, increase in taxes and removal of barriers from imports.

Basically the shock therapy of Structural Adjustment Programme (SAP) is “consisting of set of reforms to be implemented sequentially as well as simultaneously. It is defined as “a set of policies which combines short-term stabilization and longer-term adjustment measures” (Anwar, 1996). Conditions under which Pakistan joined IMF were not good for its economy. Fiscal position deteriorated and reached to whopping 8.5% of GDP. The deterioration was attributed to subsidies being provided on consumer goods and tax exemptions. In order to address the issue of fiscal deficit, IMF suggested range of measures, which included the withdrawal of subsidies and tax reforms in order to increase tax revenue to 16.9 per cent in 1992-93 from 13.0 percent in 1987-88. It also recommended reduction in government expenditure from 26.7 percent of GDP in 1987-88 to 24.8 percent of GDP in 1990-91. In this regard, government took concrete measure to overcome the problem of fiscal deficit and attempted to reverse the process of fiscal imbalance “by broadening the tax base, abolishing tax exemptions and tax holidays and increasing the elasticity of tax system by shifting the emphasis from imports to domestic consumption” (Anwar, 1996). The subsidies provided earlier on prices of essentials, with the purpose to protect poor, were withdrawn from 1.7 percent of GDP in 1988-89 to 0.5 percent in 1997-98. Current expenditure also came down. The fiscal deficit declined from 8.5 percent of GDP in 1987-89 to 5.4 percent in 1997-98. The expenditure on health and education also declined.

Historical Review of Macroeconomic Indicators

Pakistan has been facing perennial crisis of macroeconomic management due to inept governance, institutional decay, galloping corruption and wrong priorities on the part of different democratic and dictatorial regimes. Pakistan was created with the aim that the Muslims of the subcontinent would live peaceful and prosperous life according to their wishes. *Quaid-e-Azam* Mohammad Ali Jinnah conceived Pakistan as welfare state to be based on legal, economic and social egalitarianism. The system would cater to the primary needs of people such as health, education and shelter. Ironically, after the death of father of nation, Pakistan was turned into security state where priority was given to the territorial and ideological security of the country rather than welfare of people. The security state adopted typical political economy of state building under mercantilism based on *laissez faire* economy where the interest of the security establishment

and newly emerging bourgeoisie were weighed high against the interest of common people. National building was sacrificed at the altar of state building.

Pakistani state born with few resources at hand, it had no viable industrial base. Agriculture was also in shabby shape. The areas which constituted Pakistan were among the most underdeveloped regions of British India. With the exception of few cities, these areas produced raw material which was transported to industrial and trade centres in India for manufacturing. Delhi, Bombay, Madras and Calcutta housed the central offices of all major financial and business concerns. The East Pakistan economy was crippled by the separation of Calcutta and the refusal of the Indian authorities to accept Pakistan's proposals to jointly levy trade and excise duty.

It was in this context, Papanek (1970, p.24) wrote that "at independence Pakistan was widely considered an economic monstrosity". In order to come out of that economic monstrosity and backwardness, the newly born state of Pakistan embarked upon the project of modernizing economy under which merchant capital was encouraged to be invested in industrial capital as government saw private sector as the main agent of development. The foreign reserves that had been accumulated during Korean boom were used to finance the imports of machinery for private sector. So many economic institutions such as Pakistan Development and Investment Corporation (PICIC) and Pakistan Industrial Finance Corporations (PIFCO) were set up to establish public industrial units which were then transferred to the private sector. In addition to that government offered so many other incentives such as export bonuses and low credit facilities.

The result of such pro-business policies was positive. High rates of output and investment growth were maintained during 1949-54 and GDP grew at the annual average rate of over 5 per cent per annum. But this growth proved unsustainable due to fall in exports after Korean War and stagnant agriculture productivity (Khan, 2001). As Haq (1961) shows foreign exchange reserves fell and increased amounts had to be committed to imported grain.

As the formative years of Pakistan were passing by, the civil-military combo felt growingly frustrated with politico-economic conditions of the country. As a result, Ayub seized power and declared Martial Law in the country in 1958. Ayub accelerated the pace of economic development. He introduced wide ranging industrial reforms in order to lay down the industrial foundation of Pakistan. In order to modernize the agriculture sector, he launched "Green Revolution" under which he introduced Land Reforms, which brought tractors, tube well, and high yielding varieties of rice and wheat (Zaidi, 2006). Papanek (1967) calls Ayub era

“the era of good economic management”. Agriculture and industrial output increased. Gustav Papanek, in his book “Pakistan’s Development: Social Goals and Private Incentives” (1967), acknowledged that “foreign aid contributed significantly to Pakistan’s growth from late 1950s; without it, the rapid increase in development in the 1960s could not have been possible”. But the sad part of that was that there was no mechanism in place ensuring that the gains of growth to be shared with the masses at grassroots level.

Industrial policies, formulated during 1950’s and 1960’s, were faulty and produced negative effects for the economy. Small coterie of business houses was patronized by the state in an effort to speed up the process of industrialization in the country. According to Papanek (1967), there were 3000 individual firms in Pakistan but majority of the wealth was concentrated in a very small group of industrialists. For instance, seven firms or individuals owned 25% of all private industrial assets in United Pakistan and twenty-four units represented nearly 50% of all private industrial assets. By the end of the Ayub era in 1970, there were 44 monopoly houses that controlled 77% of the gross fixed assets of all manufacturing companies on the Karachi Stock Exchange. These houses owned 7 of the 17 banks in the country thus being responsible for 60 of total deposits and 50% of total loans and advances. A similar situation prevailed in insurance and other services sectors (Amjad, 1982). Such uneven distribution of wealth created economic and social inequalities which finally culminated in the dismemberment of Pakistan.

Ayub policies resulted in concentration of wealth in the hands of few industrial elite while real wages declined and poverty increased. As a result, social tension brewed and boiled to the point where his regime fell as a result of popular movement spearheaded by Zulfikar Ali Bhutto, under the banner of newly formed Pakistan People Party (PPP). Zulfikar Ali Bhutto enjoyed the support of peasant, workers and urban middle class seeking reform and conservative landlords who developed antagonism with industrial elite that was appropriated the major chunk of economic resources (Hussain, 2004). Zulfikar Ali Bhutto adopted the model of socialist economy. He wanted to share the wealth of rich with poor. In this regard, he nationalized banks and industrial units such as cement, fertilizer, oil refining, engineering and chemicals in 1972. Under the second phase of nationalization, he nationalized cooking oil industry.

His economic policies had serious implications with regard to investment, growth and budget deficit as a result of increase in public sector investment, especially in Defence, which grew at 11.4 per cent. Private investment as per cent of GDP fell to 4.8 in comparison to 8.2 per cent previously. The nationalization of heavy industry punctured the confidence private sector and was one of the strong

reasons in declining investment. Increase in prices of crude oil led to doubling of import bill. Further, it was hit by what Zaidi (2006) calls bad luck factor. There was sequence of floods and droughts. Commodity sector growth fell to 2.21 per cent and private sector dis-investment accelerated during 1974-7. To continue this trend, the government embarked on a course of large scale public sector investment. Capital expenditure rose from 5.1 billion in 1972-73 to Rs 16.5 billion in 1976-77. The public sector's share of total fixed investment rose from 52.7 per cent in 1972-73 to 79.5 in 1976-77. Public sector saving was negligible: negative in 1972-73 to 1974-75 and 1.3 per cent of GDP in 1975-6 to 1976-77. Foreign resource inflow increased, as did remittance inflows, but gross domestic saving was lower in 1976-77 than it had been in 1972-73.

As a consequence of exponential increase in the public expenditure, budget deficit widened. To control the budget deficit, government reduced subsidies on consumption goods and increased indirect taxation, which hit hard the poor section of the society. It fomented social tensions and the petty bourgeoisie class that had joined ZA Bhutto against the regime of Ayub Khan turned against him and joined street demonstration in 1977. ZA Bhutto regime was toppled down as a consequence of Coup led by General Zia on July 5th 1977. As such first democratically elected regime, with socialist agenda to redefine relationship between the rulers and ruled, came to an end.

In Pakistan's chequered history, different rulers have come with different slogans. Ayub raised the slogan of modernization and economic development to improve the lot of people. ZA Bhutto came with the slogan of socialism to distribute the wealth of rich with poor and establish socialist society by redefining relationship between rulers and ruled. General Zia raised the bogey of Islamization of the society in order to create Islamic order by integrating state and society in the scheme of theocracy. To establish theocratic order, Nizam-e-Salat campaign was launched and in this regard 100,000 "Prayer Wardens" were appointed in rural and urban localities. The task of "Prayer Wardens" was to monitor the religious activities of individual and seek their compliance in religious practices.

No doubt Zia regime inherited weak economic indicators – growing debt servicing and declining GDP growth that could have crippling impact on the economy but that was averted due to generous western aid to the tune of \$ 3.2 billion from US after Soviet interference in Afghanistan in 1979 and increasing volume of remittances from \$ 0.5 in 1978 to \$ 3.2 billion in early 1980's (Hussain, 2004). It helped greatly to stimulate growth increase in GDP to 6.6% from 5% during ZA Bhutto period. Also capital formation increased from 15.5%

in ZA Bhutto period to 16.8%. Being ideologically hostile to ZA Bhutto, Zia regime also brought shift from socialist economy of nationalization to capitalist economy of denationalization, under which the industrial units nationalized by ZA Bhutto in 1972 and 1976 were returned to their original owners. This way Zia regime assigned major role to private sector in the process of growth. No doubt the GDP growth rate increased but it could not be maintained due to low domestic rate, which was 10% in comparison to 20% previously. Further, economy was constrained by growing expenditure on Defence and debt servicing and expenditure on Annual Development Programme as per cent of GDP fell to 6.2 % in Zia period from 7.4% in the ZA Bhutto period.

According to some studies Zia economy was bubble economy. Its survivability was very much dependent on the flow of foreign aid, especially aid from US. When aid was stopped due to end of Afghan war, the economy heated and crisis exploded. Further, debt servicing, low saving rate, high borrowing, balance of payment deficit due to declining exports sent economy into tailspin.

So Being faced with financial crisis, resulting from plummeting remittance and slowing down of foreign loans and assistance, the regime of General Zia signed three year agreement with the IMF for structural adjustment facility seeking \$2.1 billion in return for package of structural reforms. The terms of the agreement were later ratified by successor government after some renegotiation. The agreement with IMF committed it to medium term macroeconomic and structural adjustment programme for 1989-91. Pakistan this embarked on never ending adjustment process in which the first IMF agreement was followed by SAF/ESAF/EFF and several sectoral agreements.

The agreements committed government to meeting quarterly macroeconomic targets set by the IMF. The key features of the successive SAF/ESAF/EFF agreements were as follows.

1. Reduction in the level of military expenditure.
2. Competitive devaluation.
3. Privatization and de-regulation of the economy.
4. Liberalization of foreign trade and elimination of controls on capital flows.
5. Reduction in the consolidated budget deficit.
6. Curtailment of the growth of high-powered money and of domestic credit and linking domestic interests rates to international money market.

Fiscal and monetary policies were constrained by these agreements and economic planning was abandoned. Singh (1994) argues that in Pakistan, as in most of developing countries, Fund/Bank sponsored adjustment programmes have failed in their stated objectives of achieving sustainable improvement in fiscal

and payments balance. They have led to significant deceleration of output growth which has been halved during 1988-95 in comparison to 1981-88 and deindustrialization has occurred – the share of large-scale manufacturing in GDP has fallen from 12.9 percent in 1987-88 to 12.6 percent in 1994-95. Investment and saving rate stagnated. The current account deficit remained large. External reserves had fluctuated widely in response to uncontrollable inflows and outflows of capital. Inflation reached double digit proportions and was fuelled by accelerated currency depreciation. Government bank borrowing was high and budget deficit averaged over 6 percent during 1988-95.

In the literature on the political economy of adjustment, there has been vigorous debate that whether Pakistan would have joined SAP or not. There are some economists like Akbar Zaidi who opposed the joined of SAP by Pakistan. He meticulously argued against joining SAP, and maintained that Pakistan's economy was 'doing well' and structural adjustment programs were supposed to be implemented in countries where there were deep economic crises and recession, something which to him had not yet happened in the case of Pakistan (Zaidi, 2006). Furthermore, he holds the opinion that in term of development and economic growth, the post-1988 was the worst period in Pakistan's economy. Consequently, the decade of 1990s is referred to as a 'decade of lost development,' for the inappropriate policies of the World Bank and IMF were naively implemented by the then governments (Zaidi, 2006).

In the same vein, Dr. Ishrat Hussain (a renowned economist and former Governor of the State Bank of Pakistan) concurring with Akbar Zaidi, asserts that, without exception, the key driving force for different governments from 1988 till 2002 (i.e. Bhutto's, Jatoi's, Mazari's, Moeen Qureshi's, Bhutto's, Meraj Khalid's, Nawaz Sharif's and Musharraf) was primarily political. They were not genuinely concerned about carrying out serious economic reforms or restructuring of the economy (Ishrat Hussain, 2003). He has however sketched out following motivational factors:

1. Need to obtain financial resources for resolving balance of payment problem;
2. Secure access of funds from other international financial institutions and bilateral donors;
3. Get a 'seal of approval' for seeking commercial and export credit facilities.
4. Shift the blame for some of the politically unpopular decisions to external pressures;
5. The attempt of reformist economic managers to restrain and block the pursuit of populist policies by political leaders;

6. In post-1988 period to get debt relief and rescheduling”. (Ishrat Hussain, 2003, p.11).

In the final analysis, it can safely be said that no matter whatever exactly the motivations behind joining SAPs, its implementation had devastating consequences for the society and economy of Pakistan, especially since most of the regimes could not implement SAP policies due to political constraints, resulting into spiralling inflation, soaring unemployment and biting poverty.

Missing political and social matrix

One of the criticisms on IMF is that it ignores the local political, social matrix and economic in which SAPs have to operate. The main criticism has come from none other than Joseph Stiglitz, a noble laureate economist who is considered to be one of the insiders of Neoliberalism. Stiglitz's seminal work *'Globalization and Its Discontents'* (2002), in which he blames IMF for hurry in advocating and imposing what he calls “shock therapy” in an attempt to cure the sick economies, without first establishing institutions to protect the public and local commerce. According to him Local social, political, and economic considerations were put on the backburner while privatization was pushed in utter haste, without institutions, rule of law, accountability, transparency, land reform and strong competitive policies resulted in crony capitalism, enriching few and pauperising millions.

Stiglitz, in his critique, highlights the social cost of IMF programme for the impoverished sections of the society following the withdrawal of subsidies from different government programmes, without devising any safety nets strategy to protect the poor and vulnerable sections from the deleterious effects of IMF conditionalities. This book is an eye-opener as it challenges orthodox thinking in more ways than one.

Moreover, some studies attribute such failure of IMF programmes to lack of viable political environment and good governance in which SAPs have to operate. Mostly, the SAPs are being run in the countries which are facing the major problem of political instability coupled with economic crisis. And in this regard, IMF candidly admits that democracy is not suitable for the execution of SAPs because it promotes resistance to the anti-people nature of SAPs. Further, democracy brings pressures on the cash-strapped institutions. It is in this context that SAPs always suggest downsizing in order to lessen the financial pressure on the institutions. There are many examples where IMF programmes were major cause of Peoples' resistance. A review of some studies, supporting the view that SAPs undermine democracies and strengthen dictatorships, thereby killing chances of genuine development in which marginalised sections of society could benefit

from the trickle down impact of growth which SAPs are designed to promote.

According to orthodox neoliberal perspective free market will lead to development, political liberalization and democracy but in case of Pakistan opposite has been seen. According to the perspective of World Bank, economic and political liberalization as well as democratization are reciprocally reinforcing processes. Economic reorganization programs are considered as compatible, in fact vital to the introduction of political liberties and, ultimately, democracy (Kleingberg & Clark, 2000).

In the case study on Latin America, Kleingerg & Clark (2000) argues that economic liberalization in Mexico has resulted in greater social inequalities and political instability and not in political liberalization per se. As per study, these programmes resulted in the abandonment of state's traditional "social pact" and created big business's control over the direction of economy. The result has been the concentration of benefits and privileges.

Here it is germane to refer to the Chilean experience as well to illustrate as to how IMF policies spawned political instability by creating unemployment, inflation and poverty. According to Noami Klien (2007), after the bloody coup of 11 September 1973 in Chile, which led to the end of Allende's socialist regime and killing, the neoliberal market trinity – privatization, deregulation and cuts in social spending – was introduced. Chile became literally the laboratory to test the neoliberal economic policies by the Chicago boys.

Economic policies were virtually handed over to the Chicago University-trained economists and Pinochet regime suppressed any opposition to the introduction of market economy. His regime faithfully followed the principles of free market economy; state owned companies (including several banks) were privatized and he allowed cutting edge new forms of speculative money. Doors to the foreign markets were flung open and barriers were removed that had protected Chilean economy. Price control was eliminated and finally the government spending was cut by 10 percent. On the other hand, the military spending received significant increase (Noami Klien, 2007, p.79). According to Noami Klein (2007), the state was stripped of its welfare role. Public spending was cut by 27 percent in one blow. Health and education took the heaviest hit. Even *The Economist*, a free market cheerleader, called it "an orgy of self mutilation". In addition five hundred state-owned companies and banks were privatized. Consequently 177,000 industrial jobs were lost between 1973-1983. By the mid-eighties, manufacturing as a percentage of economy dropped to levels last seen during the World War II.

The shock treatment was seen by many Chileans as a war of the rich against the poor and middle class. By 1988, when the economy stabilized and was growing rapidly, 45 percent of the population had fallen below the poverty line. The richest ten percent of Chileans, however, had seen their incomes increase by 83 percent (Noami Klien, 2007, P.87)

Noami (2007) while discussing another case of horrible consequences of macroeconomic stabilization at the hand of neoliberal economists referred to Bolivia, which faced almost identical situation in 1985. As an illustration, its inflation shot up to 14,000 percent. To control the inflation, the regime of Hugo Benzer hired the services of Harvard young economist Jeffery Sachs. He advised the government to adopt neoliberal prescriptions, suggesting austerity and price increase in the prices. He proposed tenfold increase of oil prices and range of other price deregulation and heavy budget cuts, elimination of food subsidies and cancellation of food controls, 300 percent price hike in petrol prices as a part of the 'shock therapy'.

As a result of neoliberal economic policies, unemployment rate increased to 20 percent. Furthermore, the impact can be judged from the fact that the state-run Mining Corporation alone was downsized from 28,000 to 6000 employees. Wages were down to between 40 to 70 percent, per capita income declined from US \$ 845 to \$789 in 1995. The tiny ruling elite became far wealthier while large segments of working class were marginalized and impoverished.

Recently Ukraine after the so called orange revolution is facing the same grim situation which Bolivia faced in the 1980's, where people are suffering from tuberculosis (TB) as a result of IMF programmes. It may be recalled that Ukraine applied in 2008 to IMF for emergency loan to the tune of 16.4 billion US dollars. The purpose of IMF loan is explicitly to stabilize the Ukraine currency and support the Central Bank and not to help the economy or the population.

According to Cambridge University study conducted by Professor David Stuckler, there is close link between IMF conditions and sharp rise in incidence of TB, a disease related to severe poverty conditions and lack of public health infrastructure. In this context, a study analyses the data of 21 countries belonging to Central and Eastern European region. They were all involved with the IMF programme for different periods after 1989.

"We found TB rates were falling or steady before the IMF programmes began, and rose during the IMF programs," then fell again afterwards to almost the rate they had been before the IMF, says Stuckler (2009). According to Cambridge

scientist, it was because the IMF loans uniquely demand less government spending, fewer doctors per person, and a cut of nearly half in the number of people with TB that received Directly Observed Therapy (DOT).

In Pakistan the IMF programmes have ravaged the lives of the people due to soaring inflation, increasing unemployment and rising tide of poverty because of withdrawal of subsidies, deregulation of prices and increase in oil prices, notwithstanding that oil prices per barrel have come down in the international market. Prof. David Stuckler says that structural adjustment programmes produce poverty and poverty produces diseases like TB.

As available data shows every year almost 300,000 new TB patients are added to existing cases (NL&MIS, 2010). This, in fact, is a grim situation and a major cause of this gruesome picture is the unavailability of cure attributed to cuts in health expenditure under IMF-mandated programmes.

Discussion

If we assess objectively the impact of IMF policies on the economy, especially social sector, it had negative impact mainly due to attempts focusing on the demand management. Growth rates fell, the inflation accelerated to 12.70 percent in 1990-91 from 6.0 percent in 1988-89, due increase prices of fertilizer, depreciation of rupee against dollar and subsequent increase in price of petroleum products due to Gulf war in early 1990 (Tilat, 1996).

IMF takes serious view of increase in public expenditure on the part of government, which finally leads to budget deficit and government expenditure is more than its income. So, IMF suggests measure to reduce the budget deficit by cutting expenditure, withdrawing subsidy and freezing employment under downsizing and exercising wage restraint. Government reduced expenditure on social service mainly on education and health services over the period of adjustment from 3.4 percent in 1987-88 to 2.8 percent in 1990-91. Reduction in health and education not only deprived the access of poor to health facilities but also affected the earning capacity of most vulnerable groups. cut in development expenditure also reduced the employment opportunities for the poor in addition to affecting adversely the quality and quantity of serviced provided to poor through social and economic infrastructure in the long run. According to Balqees (1992) "government wage policy contributed to a decline in real wages in the public sector over the period. While the lowest grad earned an increase of 3.66 percent in salary, the middle and higher grade experienced a real wage cut of 5.16 percent and 12.75 percent , respectively over three year period. While the lowest

grade employees were already in a significant proportion among the poor, erosion of real wages of middle grade employees (especially clerical workers) is likely to create some new poor over the period of adjustment”.

Under the structural adjustment programme, Pakistan had to bring tax reforms in order to generate more revenue. IMF favours indirect taxes than direct taxes which bite the poor badly. According to Kamal (1992), “the tax increase on necessities are likely to raise inequality in consumption”. Kamal (1992) notes “incidence of General Sales Tax was the most for the lowest income group, while for the highest income group tax incidence declined over the period”. As such the introduction of General Sales Tax appeared to hit hard the real income to poor over the period of structural adjustment.

Under the SAP programme, Pakistan was asked to withdraw subsidy. As a result, the prices of wheat and other essential goods and services were increased. For example, wheat price was increased by 9.5 percent, edible oil by 22 percent, fertilizer by 9.5 and power by 13 percent. Overall, the withdrawal of subsidies and increase in prices of food had greater impact on the real income of the poor sections of the society.

As a part of agreement, Pakistan perused the policy of economic liberalization under which the economy was opened to outside world and tariffs were reduced from 22 percent to 100 percent. Besides depressing consumer prices, it exacerbated urban unemployment over the period of adjustment. According to the study of Tilat (1996) “the combined effect of public expenditure reduction and liberalization resulted in an increase in the urban unemployment from 4.58 percent in 1987-88 to 8.19 in 1990-91. It was almost double.

The negative social impact of adjustment programmes belies the basic objective of loans which are meant to contribute towards the overall socio-economic development. Following figures show glaringly the negative social impact of SAPs on different spheres of life:

1. 17 million children were out of school in 1995.
2. 60 million people do not have access to health facilities.
3. 67 million are without safe drinking water and 89 million are without basic sanitation facilities.
4. 740,000 children die a year, half of them because of malnutrition.
5. One-half of primary school children drop out before reaching grade five.
6. Against 100 males, only 16 females are economically active;
7. 36 million people live below poverty line;
8. There are nine soldiers for every one doctor and three soldiers for every two teachers.

Conclusion

Above discussion amply shows that Pakistan joined IMF programme with the hope that it would overcome macroeconomic problems through structural adjustment and put economy on the path of stabilization through litany of internal structural reforms of the economy under the tutelage of IMF. But evidence shows that SAPs of IMF have utterly failed to bring both development and democracy to the country that had been devastated by harsh conditionalities, coupled with rampant economic mismanagement and political corruption.

The economic instability of nineties is attributed to absence of viable political system, strong economic institutions; with full autonomy, good governance; accountability and transparency are the pre-requisites for the successful implementation of any IMF conditionality. Turkey is glaring example which had around \$35 billion loan when Tayyip Erdoğan took over in 2003. His regime introduced economic, political and institutional reforms, establishing good governance and iron fisted accountability. As a result, today Turkey is not only political stable but it has taken sound economic strides towards economic stability and has cleared all loans except one billion dollars. It is all due to political and institutional reforms and good governance. When we look at Pakistan, the spectre of political instability and bad governance haunt the country's economy. If Pakistan wants to benefit from the market economy, it has to initiate set of reforms ranging from building institutions to creating good governance providing security to life and limb of people as investors and consumers.

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Job Satisfaction Among Faculty Members of Greenwich University

Rabeel Shaikh*, Sherbaz Khan & Chand Bibi
Greenwich University, Karachi

Job satisfaction is an important element of an organization as it tells the human resource of the organization whether the employees are satisfied with their job and organization. This report is based on the job satisfaction level as experienced by the faculty members of the Greenwich University. The study is a descriptive one and the data collected was through a survey i.e. questionnaires. The respondents, who were the faculty members, gave their responses according to their overall experience at the Greenwich University. The collected data was analyzed through pie charts which tell us the overall satisfaction level as experienced by the faculty members of the organization.

Keywords: *Job satisfaction, Human Resource, Faculty Members*

Introduction

This study is based on job satisfaction among faculty members of Greenwich University. This is one of the most studied topic in organizational behaviour. The famous old studies such as the Hawthorne Studies in 1939 and human relation movement contributed a lot to the concept of job satisfaction. The first important thing is to understand what exactly job satisfaction is and the answer to this question can be defined in simple terms i.e. “the pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job values” (Locke, 1969, p. 316).

Initially job satisfaction and motivation were only tied with wages. Later it was discovered that wages are not enough to lead to motivation in job satisfaction. Therefore further ideas were brought into consideration such as the training and development of the employees. Furthermore a new perspective was brought in, leaving behind the wages and training and development, which included wages, benefits, other employment conditions, and career development to support motivation and job satisfaction at work (Wood, 1973).

Literature Review

Causes of Employee Attitude

Dispositional Influences on job satisfaction can be in either ways, high or low.

*rab331@hotmail.com

People usually compare their previous jobs with their current ones and if the previous job has more positive factors than the level of job satisfaction for the current job tends to be low (Spector, 1997).

Spector (1997), states that cultural differences also play a vital role in determining the level of job satisfaction of workers in an organization, especially cross-cultures. The reasons that give birth to job dissatisfaction, due to cultural differences, are the individualism versus collectivism, avoiding uncertainty versus risk taking, biased attitude by the higher authorities and unequal opportunities related to gender. Work situation influences also decide the degree to which an individual is satisfied with his job.

Factor of Job Satisfaction

Job satisfaction highly relies on factors such as the nature of works, compensation, growth opportunities, management and overall work conditions. All the above mentioned factors not only cause job satisfaction but may also contribute to job dissatisfaction. We can further classify these factors as motivator and hygiene factors where the motivators can lead to job satisfaction and hygiene factors can lead to job dissatisfaction. Job satisfaction, being an important part of employee work, has a lot of impact on employee productivity, commitment to the org and the rate of absenteeism (Luthan, 1998).

Luthan in his research concludes that there is no strong relationship between satisfaction and productivity which means satisfied workers will not necessarily be the one to produce highest output. It is believed that productivity is more linked with rewards. If people receive rewards they will be satisfied and will tend to produce more. Satisfaction improves not only an individual's performance but performance at organizational level but this still remains ambiguous whether it is performance that leads to satisfaction or satisfaction that leads to, performance (Luthan, 1998). Employee loyalty is another significant factor associated with job satisfaction. The three important types of loyalties are:

1. Affective loyalty
2. Normative loyalty
3. Continuity loyalty

The Sources and Effect of Stress

Stress is one element that leads to job dissatisfaction. Almost 50% of workers feel same level of job dissatisfaction which further leads to a negative impact on their productivity; therefore they don't prefer staying with employees. Stress can be caused due to several reasons. It can also occur when employees are not

provided with resources to achieve required productivity, which reduces their speed in which they work and so they are not able to achieve their targets and hence they quit their jobs. Another source of stress for employee is the organizations that make their workers redundant by cutting down positions and the work of those workers is allocated to the present employees increasing their work load. This results in work not being done effectively or efficiently as most of the focus is on the extra work given to them rather than the quality of work being performed (Ellickson & Logsdon, 2002).

Increase in workload is a source of stress as whatever free time is provided to the employees is used in completing their work only. Further if the company expects employees to work more than the official timings then there is no relaxation time left for employees at all. It is important for an individual to have a leisure time in order to maintain his sanity and when it is not done so, they don't tend to advance and so start hunting new job (Branham, 2005). Employees who are not able to perform up to the standards of the company and so are terminated and it becomes a cause of stress to other remaining employees. This excessive stress leads to disastrous effects. Some employees are not trust worthy to their employers, so employees undergo stress.

Aim of Research

The aim of this research is to identify various reasons that lead to job satisfaction among faculty members and the reasons that keep them motivated and loyal towards their work and organization.

Research Objective

The objective of the study is as follows:

1. To assess the satisfaction level of faculty at Greenwich University
2. To identify the factors which influence the job satisfaction of the faculty at Greenwich University
3. To identify the factor which improves the satisfaction level of faculty at Greenwich University

Research Questions

1. How satisfied the faculty of Greenwich is with their jobs?
2. What are the factors that influence the job satisfaction of faculty at Greenwich University?
3. Which factors improve the level of satisfaction of faculty at Greenwich University?

Scope of Study

Following are the scope of the study:

1. To identify the level of job satisfaction at Greenwich University
2. This study can also be helpful in conducting further studies

Limitation of the Study

The survey was done through a questionnaire and the respondent's responses recorded might be biased and prejudiced. Therefore 100 percent accuracy of the findings may not be assured.

Method

The study is qualitative in nature and leans more towards the descriptive side. The data collected for this study is both, primary and secondary. The secondary data was taken from articles and journals whereas the primary data was collected through questionnaires.

It is a cross sectional study where the data was collected at one point of time through questionnaires which was filled and returned to the researcher.

The primary data was collected through a survey. A semi-structured questionnaire containing 17 questions altogether where 15 of them were close ended and the remaining 2 were open ended.

The sample size chosen for the study was 20 faculty members which include both full-time and part-time faculty.

The sampling technique used for this study was based on convenience sampling. The entire population of the faculty at Greenwich University was not taken into consideration as it was difficult to find all faculty members at one time.

Results and Discussion

1. Rate your overall level of satisfaction for your job at GU

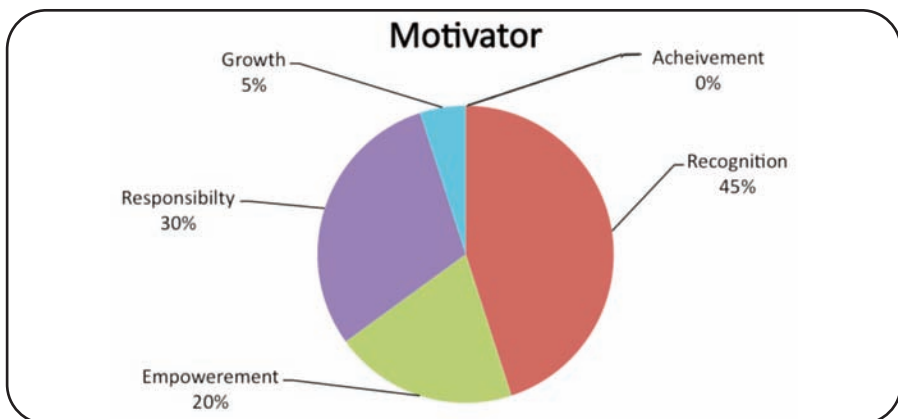
Not Satisfied	0
Somewhat satisfied	2
Satisfied	8
Very Satisfied	8
Extremely Satisfied	2



None of the faculty members are completely dissatisfied with their jobs whereas 10 percent of the respondents are somewhat satisfied i.e. 2 faculty members. The 40 percent of the respondents are satisfied with their jobs i.e. 8 faculty members. The respondents who are very satisfied with their job comprise of 40 percent of the respondents i.e. 8 faculty members whereas there are only 10 percent of the respondents who are extremely satisfied with their jobs at Greenwich University, i.e. 2 faculty members only. So the overall results show that majority of the faculty members are satisfied with their jobs and also very satisfied with their jobs.

2. Which one of the following is the most important motivator for you to work at GU?

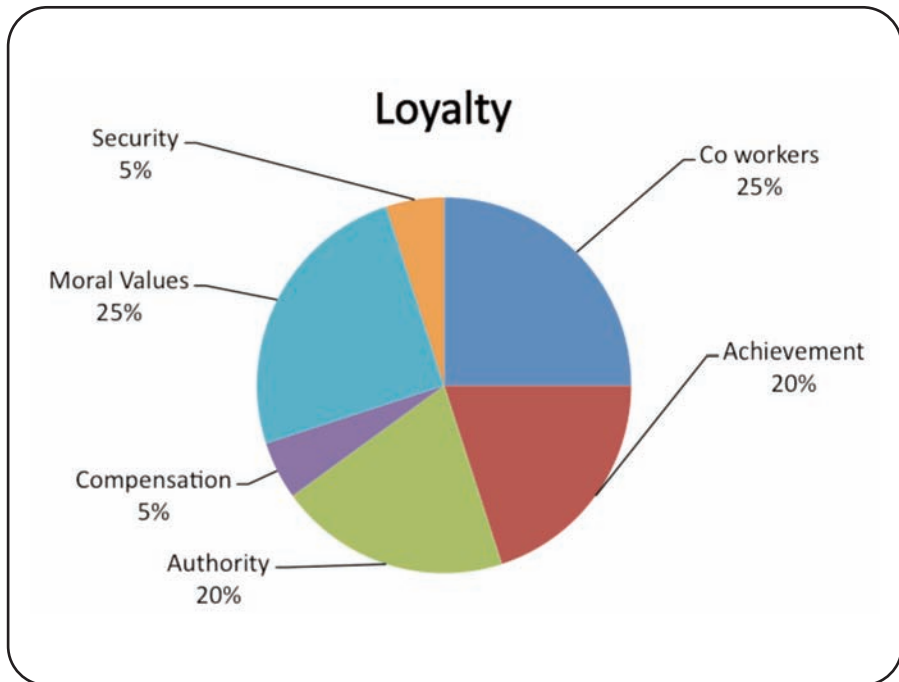
Achievement	0
Recognition	9
Empowerment	4
Responsibility	6
Growth	1



None of the faculty members consider achievement as an important motivator at Greenwich University. The 45 percent of the respondents consider recognition as the important motivator at GU, i.e. 9 faculty members whereas 20 percent of the respondents consider empowerment as an important motivator at Greenwich University, i.e. 4 respondents. Responsibility according to 30 percent respondents is an important motivator at GU i.e. 6 faculty members and 5 percent of the respondents believe growth as an important motivator at GU. This tells that majority of the faculty members, i.e. 45 percent, believe recognition to be the motivator for them at Greenwich University.

3. What factor, in particular, makes you more loyal towards the organization?

Co workers	5
Achievement	4
Authority	4
Compensation	1
Moral Values	5
Security	1

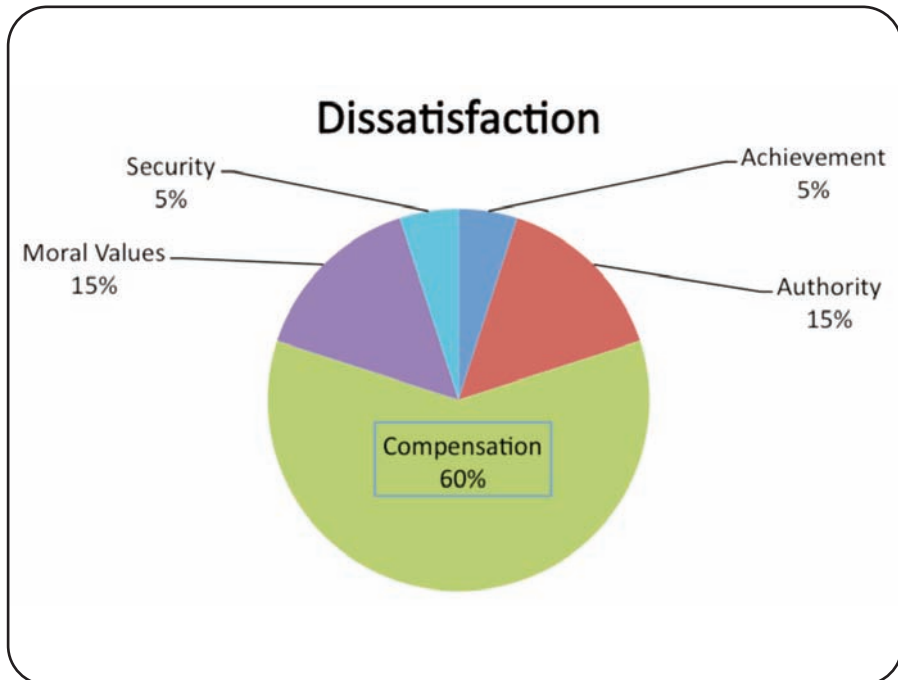


Co workers are considered as an important factor for 25 percent of the respondents at the Greenwich University, i.e. 5 faculty members. Achievement

is an important factor for loyalty at GU according to 20 percent of the respondents, i.e. 4 faculty members. The 20 percent of the respondents, i.e. 4 faculty members, at GU consider authority as an important factor for loyalty whereas only 5 percent of the respondents, i.e. 1 respondent, consider compensation as their reason of being loyal to GU. The remaining 25 percent of the respondents, i.e. 5 faculty members, feel loyal towards GU due to the moral values in the organization and the 5 percent of the respondents, i.e. only one faculty member, consider security as an important factor for loyalty at GU. Hence this proves that moral values and co workers are the two most important factors that consider a faculty member's loyalty towards GU.

4. What factor, in particular, disappoints you about your job?

Achievement	1
Authority	3
Compensation	12
Moral Values	3
Security	1

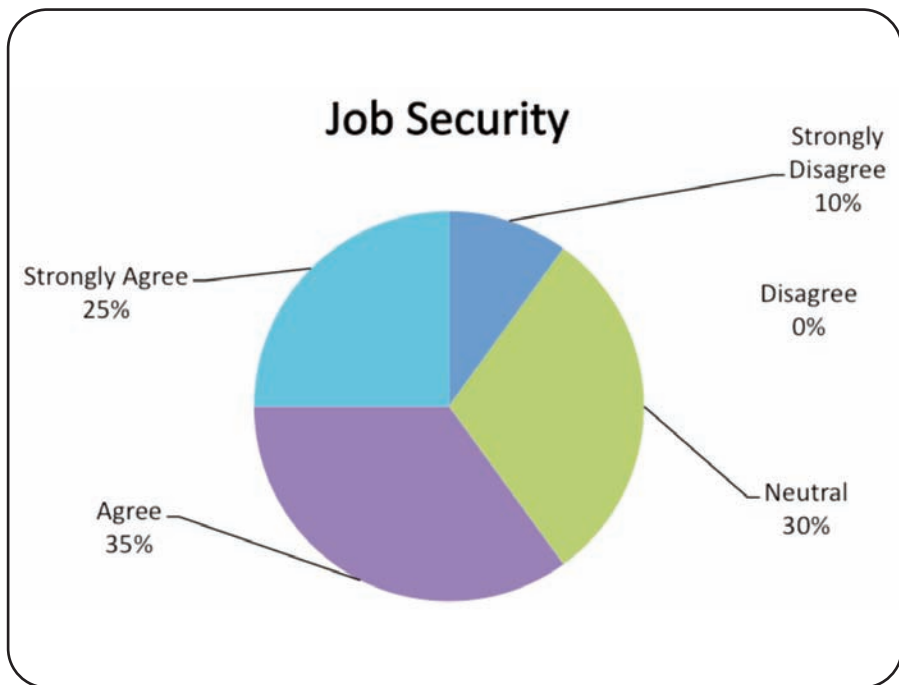


Only 5 percent of the respondents, i.e. 1 faculty member, is disappointed with his job due to the factor achievement whereas 15 percent of the respondents, i.e.

3 faculty members, dissatisfied with their jobs due to authority and 60 percent of the respondents, i.e. 12 faculty members, are dissatisfied with their jobs because of the compensation package they receive at Greenwich University. There are 15 percent respondents, i.e. 3 faculty members, who are disappointed with their jobs due to moral values and only 5 percent, i.e. 1 faculty member, are disappointed due to the level of job security at GU. This shows that majority of the faculty members, i.e. 60 percent of the total respondents, are dissatisfied with their jobs at GU due to the compensation package they receive.

5. The job security at GU is very high

Strongly Disagree	2
Disagree	0
Neutral	6
Agree	7
Strongly Agree	5

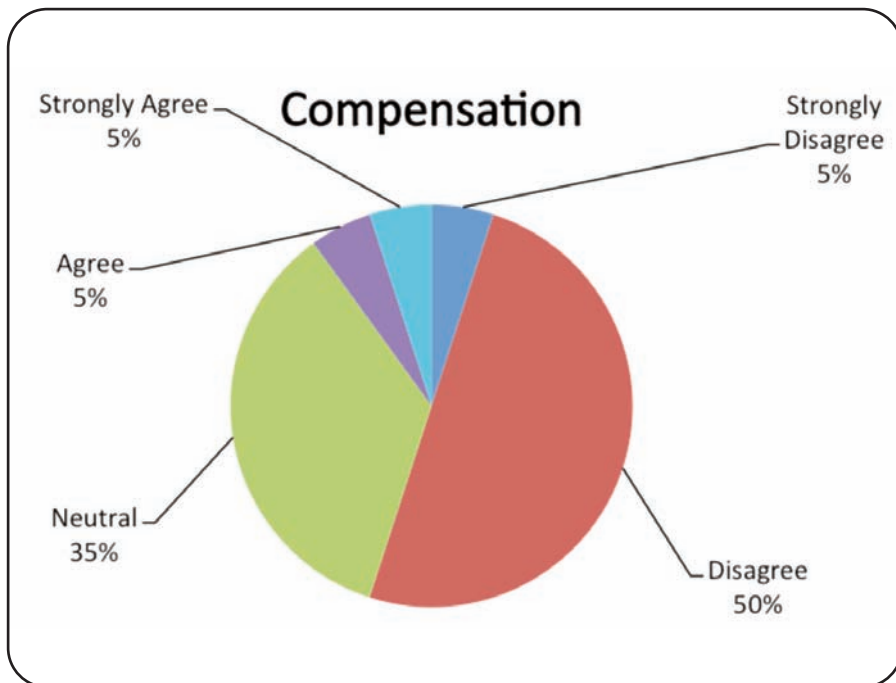


The 10 percent of the respondents, i.e. 2 faculty members, strongly disagree that the job security at GU is very high where as none of the respondents disagree that job security at GU is very high. The 30 percent of the respondents, i.e. 6 faculty members, remain neutral about their point of view on the level of job security at GU whereas 35 percent of the respondents, i.e. 7 faculty members agree that the job

security at GU is very high. The remaining 25 percent of the respondents, i.e. 5 faculty members, strongly agree that the job security at GU is very high.

6. The compensation package for you at GU is very high.

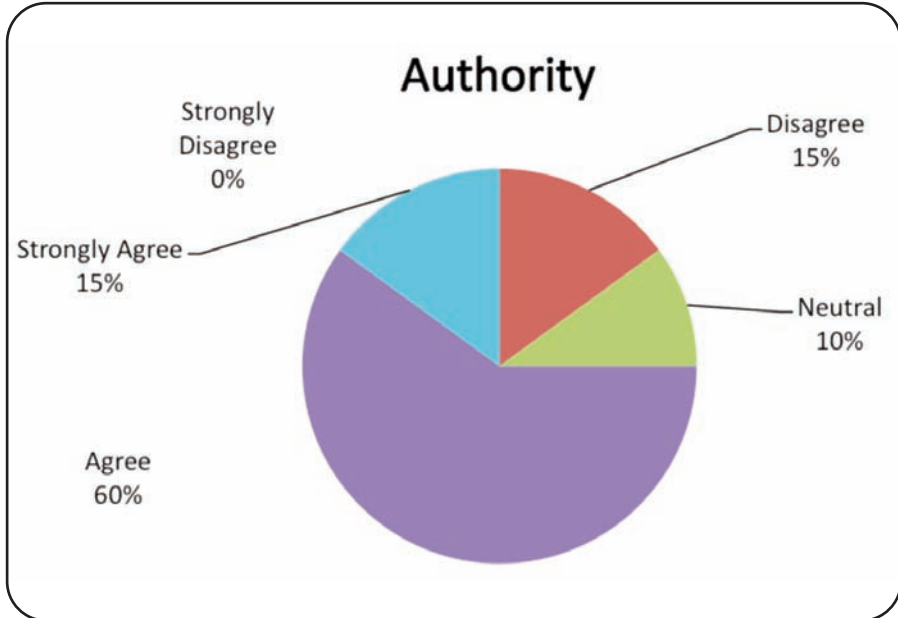
Strongly Disagree	1
Disagree	10
Neutral	7
Agree	1
Strongly Agree	1



The 50 percent of the respondents, i.e. 10 faculty members, disagree that compensation package for them at GU is not very high whereas only 5 percent of the respondents, i.e. 1 faculty member, agree to that the compensation package is very high. The same statistics are seen for the respondents who strongly agree and strongly disagree for the statement. The remaining 35 percent of the respondents, i.e., 7 faculty members, who have a neutral view of the compensation package at GU.

7. You are provided with enough authority to make important decisions related to your tasks.

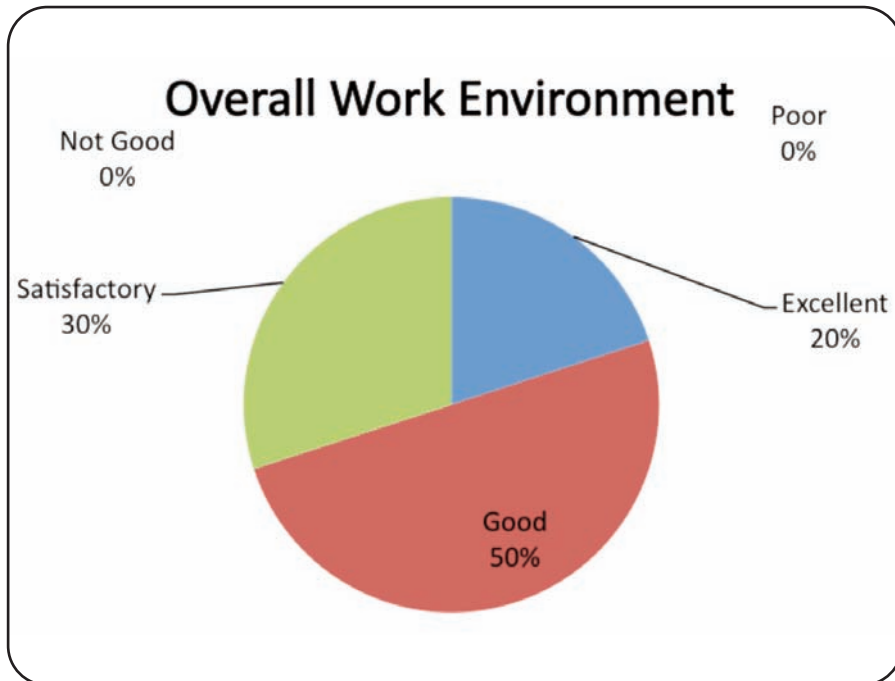
Strongly Disagree	0
Disagree	3
Neutral	2
Agree	12
Strongly Agree	3



The 60 percent of the respondents, i.e. 12 faculty members agree that they are given the authority that is required whereas 15 percent respondents, i.e. 3 faculty members, strongly disagree that enough authority is not vested upon them and 10 percent respondents, i.e. 2 faculty members, are neutral about the authority given to them at Greenwich University. This shows that majority of the respondents agree that the authority provided to them is enough.

8. How do you rate the overall work environment at GU?

Excellent	4
Good	10
Satisfactory	6
Not Good	0
Poor	0



The overall work environment is rated as good by 50 percent of the respondents, i.e. 10 faculty members. Around 20 percent of the respondents, i.e. 4 faculty members, consider the overall environment at GU as Excellent and 30 percent of the respondents, i.e. 6 faculty members consider the overall environment as satisfactory. Hence majority of the faculty members consider the overall environment at Greenwich University as good.

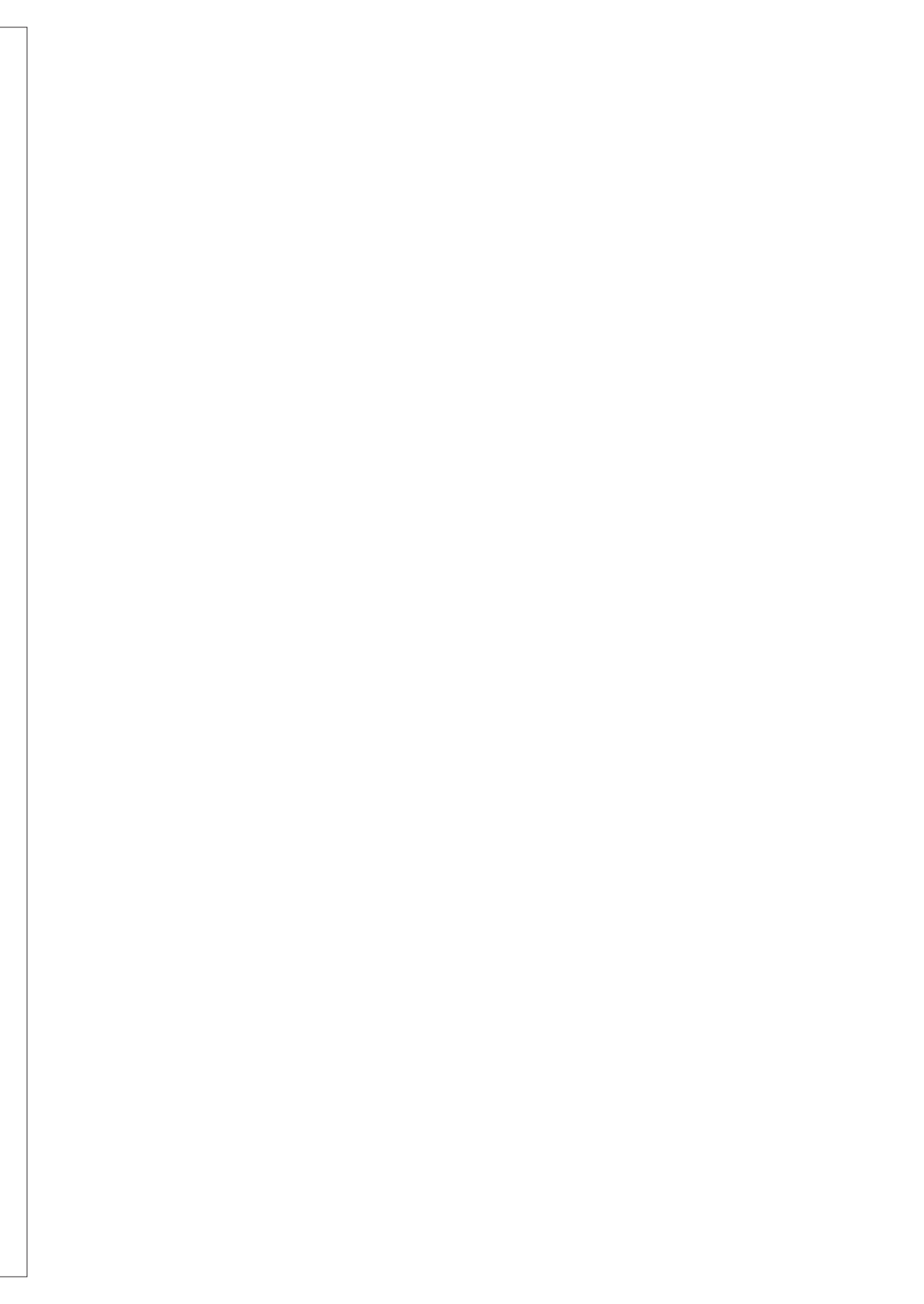
Conclusion

The overall findings of the study suggest that the faculty members at Greenwich University are satisfied with their jobs and those who are not are mostly because of the compensation provided at Greenwich University. Therefore improvement in the compensation package will help them retain their faculty and provide them with a highly satisfying job environment. There are several aspects in Greenwich University on which the faculty members showed their likeness. Some of the respondents like the friendly working atmosphere they experience at Greenwich University. Some really appreciate the security system at Greenwich and also the discipline at university. Some respondents think that the classrooms at Greenwich are very comfortable. Also some respondents like the administration which they consider to be honest. Many respondents consider students as the best thing they like in Greenwich University.

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Greenwich University

DK-10, 38 Street, Darakshan, Phase VI, Defence Housing Authority, Karachi-75500.
Tel: +9221-3584-0397/98, 3584-7662, 3584-7664, Fax: +9221-3585-1910, UAN: 111-202-303
E-mail: gu@greenwichuniversity.edu.pk, URL: www.greenwichuniversity.edu.pk