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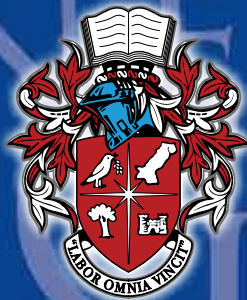
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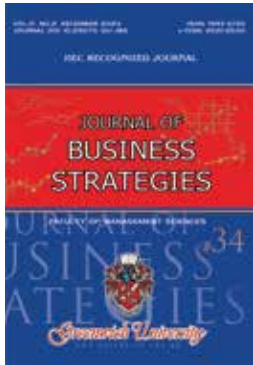
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## EDITORIAL NOTE

Dear Readers,

How the world economy is facing food insecurity , health issues and jobs situation? Inflation is little bit controlled.

How Pakistan's economy cannot be affected? Monetary policy is continuously tight to control the inflation. Fiscal sector is not good, as revenue situation is not in control and expenditure are continuously increasing, the result is fiscal deficit. As far as foreign sector is concerned, imports are more than exports, foreign exchange reserves are not increasing according to the demand, so we are welcoming IMF.

On the other hand the elites class has full control over economic managers. Bank profit is continuously increasing, which alarming in Islamic Republic of Pakistan. Poor workers are not given fair wages, though Pakistan has ratified all ILO conventions. Labor Unions are not effective to bargain for fair wages. How the productivity of Labor could be increased if they are not satisfied?

Political environment is not favorable for good economy. Foreign relations are not good enough to attract foreign direct investment. Jobs are not matched by youth , so youth unemployment is continuously increasing. Poverty is increasing in rural areas and urban development is stuck. Solution is in reforming in Monetary, Fiscal and Trade Policies according to Sustainable Development Goals.

You will find good research papers in this issue. Suggestion are welcom

Sincerely,

**Prof. Dr. Shafiq Ur Rehman**

Editor

Journal of Business Strategies



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# "SUSTAINABLE TRANSFORMATION IN PAKISTAN'S TEXTILE INDUSTRY: A HOLISTIC APPROACH TO SUPPLY CHAIN MANAGEMENT"

**Muhammad Mamoon Shaikh** (Textile Institute of Pakistan),  
**Mubashir Ali** (Textile Institute of Pakistan),  
**Umair Nizami** (Textile Institute of Pakistan),  
**Afzal Adamjee** (Textile Institute of Pakistan)

## ABSTRACT

*The textile industry in Pakistan, a cornerstone of the nation's economy, faces a critical juncture in its evolution as it grapples with the imperative of sustainable supply chain management (SSCM). This study investigates the multifaceted challenges and opportunities embedded in the industry's transition towards sustainability, acknowledging its significant economic contributions while addressing environmental concerns. This study examines the industry's sustainability transition's complex challenges and opportunities, recognizing its economic and environmental impacts. The research examines backlash management, supplier distribution, sustainability verification, compliance, collaboration, corporate social responsibility (CSR), emissions management, renewable energy adoption, and supplier improvement using a robust framework from economics, environmental science, and sustainable development.*

*The findings highlight backlash and international suppliers. Positive trends include widespread sustainability verification and CSR engagement. The study emphasizes the need for tailored policy interventions to guide the textile sector towards sustainable practices that balance economic growth and environmental responsibility. The study offers comprehensive policy recommendations based on its findings. Manage backlash, promote supplier diversification, standardize sustainability verification, enforce compliance regulations, foster collaboration, incentivize renewable energy adoption, and support supplier improvement initiatives with these recommendations. To promote sustainability, the study recommends transparent communication and sector-wide standards. The proposed policy framework aligns with global trends and addresses the growing demand for eco-friendly products to help the industry transition to a more sustainable future. These recommendations can boost Pakistan's textile industry's competitiveness and create a more sustainable and ethical supply chain. The study concludes that policymakers, businesses, and stakeholders must work together to sustain Pakistan's textile industry.*

## INTRODUCTION

The textile industry in Pakistan plays a substantial role in the country's GDP and generates a diverse range of employment prospects, thereby becoming a vital component of the national economy. However, due to increasing environmental concerns and the necessity for sustainable practices, the industry is currently confronting a significant obstacle: incorporating sustainable supply chain management (SSCM) to advance environmental stewardship and economic prosperity. The emergence of SSCM results from the growing global recognition of the adverse impacts of industrial activities on the environment. The conventional practices employed in the textile industry supply chain face increasing scrutiny due to their contribution to environmental degradation. This analysis also considers the specific context of Pakistan, where the textile industry, despite its importance to the country's economy, faces challenges in maintaining competitiveness due to unfavourable legislation and ethical quandaries. The textile industry in Pakistan plays a significant role in the country's economy and is closely linked to various other sectors, such as trade and transportation. Due to its substantial contribution to the GDP, the industry undeniably impacts the economy considerably. However, there is a price to pay for this level of recognition: the ecological harm resulting from conventional supply chain methods. The industry has been scrutinized due to its contribution to greenhouse gas emissions, water pollution, and labour exploitation, as well as its failure to adopt more ethical and sustainable economic practices. Integrating Sustainable Supply Chain Management (SSCM) in Pakistan's textile business is crucial for the environment and strategically important for maintaining the nation's competitiveness in the global market. Pakistani textile companies face increasing pressure to implement environmentally sustainable practices in their supply chains due to growing worldwide awareness and customer demand for eco-friendly products. This is not solely a reaction to external influences but also a proactive approach aimed at enhancing operating efficiency, minimizing inefficiencies, and mitigating environmental harm.

Pakistan has lately implemented measures to enhance its textile sector's export performance and environmental sustainability (Seuring & Müller, 2008). These include promoting sustainable supply chain practices, enforcing international environmental regulations, and adopting more environmentally conscious production techniques. In this instance, the role of SSCM extends beyond reducing environmental harm to include developing an innovative value proposition for Pakistan's textile sector. Pakistani textile enterprises can improve their market position and reduce their environmental effect by using sustainable practices throughout the supply chain, including sourcing raw materials, manufacturing, and distribution. With the implementation of Supply Chain and Sustainability Management (SSCM), companies such as Soorthi and AGI may reassess their brand identity, align with international sustainability patterns, and tap into new markets with a strong interest in ethical and eco-friendly goods. Pakistan's textile sector is transitioning towards adopting more ecologically sustainable supply chain processes, a challenging yet imperative transformation. According to a study conducted by Mitra and Datta in 2014, achieving a balance between economic goals and environmental responsibilities is a complex task that necessitates collaboration among business participants, decision-makers, and consumers. Implementing Sustainable Supply Chain Management (SSCM) techniques is crucial for the industry's survival in a fast-changing global market, where achieving sustainability is becoming increasingly vital for success. Furthermore, it plays a role in the preservation of the ecosystem.

### **Purpose of the Study**

This research aims to examine the complexities associated with Sustainable Supply Chain Management (SSCM) in Pakistan's textile industry. The objective is to comprehend textile firms' diverse strategies and techniques to promote sustainable production across their supply chains. The study aims to establish the correlations between SSCM practices and their outcomes in terms of environmental and social performance metrics. The report provides a comprehensive understanding of how Pakistan's textile sector may align its operations with worldwide sustainability standards while enhancing its economic viability based on an analysis of the effectiveness of these practices.

### **Problem Statement**

The textile industry in Pakistan is confronted with the task of balancing its imperative for economic expansion with the mounting social and environmental obligations it faces (Bia et al., 2018). In order to tackle the distinct issues of this industry, it is necessary to examine their Supply Chain and Supplier Management (SSCM) initiatives separately. This research employs the modified Seuring and Müller framework to examine Pakistan's Textile sector (Seuring and Müller, 2008). To mitigate the industry's impact, it is crucial to ascertain the feasibility of implementing innovative methods in sustainable infrastructure and raw materials for accessible apparel. This article offers precise recommendations for the industry by applying Supply Chain and Sustainability Management (SSCM) principles from prior research to the specific setting of the textile industry.

### **Research Objectives**

- The aim is to determine the factors that motivate organizations to embrace Sustainable Supply Chain Management (SSCM).
- The goal is to analyze the connection between suppliers and companies through supplier evaluation based on risk and performance.
- To assess the influence of Sustainable Supply Chain Management (SSCM) on the production and distribution of sustainable products.

### **Research Questions**

- What factors motivate organizations to implement Sustainable Supply Chain Management (SSCM)?
- The relationship between suppliers and companies is established through supplier evaluation, which assesses the suppliers' risk and performance.
- What is the influence of Sustainable Supply Chain Management (SSCM) on the production and distribution of sustainable products?

### **Rationale for the Study**

The study is motivated by the pressing need to address the Pakistani textile industry's social and environmental challenges. The industry significantly contributes to the nation's GDP and jobs, thus making the adoption of sustainable methods imperative from both strategic and ecological perspectives. This study holds significance as it investigates the broader consequences of SSCM activities on environmental and social metrics while also assessing the current state of SSCM practices in the firm.

Engaging in this practice facilitates the development of strategies that bolster the industry's enduring economic viability and environmental responsibility by providing researchers, policymakers, and industry stakeholders with valuable insights. Furthermore, it aligns seamlessly with global sustainability trends.

### **Review of the Literature**

The discussion on Sustainable Supply Chain Management (SSCM) within the textile business is intricate and diverse, including a wide range of ethical, financial, and environmental factors. An essential aspect of this conversation revolves around the necessity for a fundamental change in supply chain management, encompassing operational efficiency and ethical and environmental stewardship (International Labour Organisation, 1998). The literature analysis emphasizes the ongoing transformation of supply chain management and the urgent requirement for sustainable practices in response to customer choices and increasing environmental concerns. Academic research on supply chain management (SSCM) in the textile sector indicates that there has been a significant shift in the way supply chains are seen (International Labour Organisation, 1998). The transition from a solely profit-driven approach to one that considers sustainability indicates the changing dynamics of the environment and the global economy. The literature on this topic emphasizes the increasing acknowledgment of ethical manufacturing, ecological sustainability, and enduring economic feasibility.

Given the pressing climate crisis and evolving consumer preferences, numerous studies examining Sustainable Supply Chain Management (SSCM) in the fashion industry have been published in recent years (Seuring & Müller, 2008; Li et al., 2014; Turker and Altuntas, 2014; Moretto et. al, 2017). The preeminent framework for delineating how companies oversee SSCM was formulated by Stefan Seuring and Martin Müller in their publication "From a Literature Review to a Conceptual Framework for Sustainable Supply Chain Management" in the *Journal of Cleaner Production*. Based on an analysis of 191 papers on Sustainable Supply Chain Management (SSCM) published between 1994 and 2007, this study identified three essential components of corporate SSCM strategies: 1) Factors that motivate companies to adopt SSCM practices, 2) Evaluation of suppliers for risk and performance, and 3) Management of the supply chain for sustainable products. This framework is particularly advantageous for analysing fashion supply chains due to the ambiguous legal regulations regarding sustainability. Consequently, each brand has the freedom to report their progress selectively based on their own set of metrics. This paper served as a foundation for subsequent research on Sustainable Supply Chain Management (SSCM) in the fashion industry. One such study, titled "Designing A Roadmap Towards A Sustainable Supply Chain: A Focus On The Fashion Industry," was conducted in 2018 by Moretto et. al. Nevertheless, these studies primarily concentrate on the luxury sector, which distinguishes itself from the fast fashion industry in terms of its target consumers and production methods.

The recent research has concentrated chiefly on the function of Sustainable Supply Chain Management (SSCM) in diminishing environmental pollutants and addressing climate change. The textile industry, which plays a significant role in emitting greenhouse gases and polluting water, must implement sustainable supply chain

practices to reduce its negative environmental impact (Hair et al., 2010). Empirical research conducted by Testa & Iraldo (2010) and Ikram et al. (2019) demonstrates the advantages of green supply chain methods, including reducing waste generation, enhancing resource efficiency, and diminishing carbon footprint. These advantages give textile producers a competitive advantage in a market with increasing customer demand for sustainable products, surpassing mere environmental preservation.

Furthermore, research indicates that the textile industry's implementation of SSCM requires a comprehensive approach that considers social, economic, and environmental factors. This comprehensive approach tackles issues about labour rights, equitable remuneration, and the community's well-being, all intricately linked to sustainability. The recurring theme in the literature is the problem of implementing SSCM in the textiles industry, which is internationally integrated and involves supplier networks that extend across many countries and cultures (Hair et al., 2010). Given its intricate nature, policymakers, consumers, and stakeholders in the textile industry must work together to facilitate the advancement towards a more sustainable future. Analyzing Supply Chain and Sustainability Management (SSCM) in the textile industry yields a wealth of scholarly investigations, empirical studies, and valuable perspectives. This literature review section explores several aspects of sustainable supply chain management, emphasizing essential topics and emerging trends in this domain.

The core of the SSCM discourse is supply chain management, which balances financial objectives and social and environmental responsibilities. The capacity of SSCM to lessen the adverse environmental effects of traditional supply chain activities is heavily stressed in the research. A study conducted by Ikram et al. (2019) highlights the importance of implementing green supply chain practices in Pakistan to mitigate environmental deterioration and maintain economic performance. Additionally, as the (EMF, 2020) notes, the integration of green supply chain activities is driven by customer demand for environmentally friendly products, highlighting the strategic significance of SSCM in the current market context.

Ethical manufacturing practices are a fundamental component of SSCM, particularly in industries like textiles, where labor exploitation and environmental problems are prevalent. Much research suggests that ethical production practices, such as fair labor regulations, safe working environments, and careful resource management, are becoming increasingly significant. A 2021 study on fast fashion firms highlights the challenges posed by high-volume, low-cost production practices, which often harm society and the environment (Al-Ghwayeen and Abdullah 2018). This study highlights the need to reevaluate current practices, which advocates for a shift to more moral and sustainable manufacturing methods. In Pakistan's textile industry, incorporating ethical manufacturing practices is not just a moral imperative but also a well-thought-out strategic move to increase the company's global competitiveness and bring it into compliance with international labor and environmental standards.

In sustainable supply chain management, recognizability and simplicity are crucial. These principles' central tenet is guaranteeing transparency and traceability across the supply chain. Transparency in SSCM demands clear disclosure of information

on sourcing, manufacturing processes, and labor practices. On the other hand, recognizability refers to the ability of customers and stakeholders to identify and understand the sustainability activities that companies participate in. Major Pakistani textile enterprises, are beginning to see the importance of these approaches. Providing them with thorough information about their supply chain practices enables stakeholders to comprehend and appreciate their commitment to sustainability. This move toward transparency seeks to win over customers who are growing more conscious of the origins and moral implications of the things they purchase in addition to honouring ethical commitments.

Collaboration and strong alliances are essential to SSCM's success in the textile industry. These collaborations are crucial for sharing best practices, maximizing synergies, and overcoming the challenges of implementing sustainable practices. Businesses in Pakistan, like Soorti, have been leading the way in forging strategic collaborations with regional and international organizations to bolster their sustainability activities. These alliances can take many shapes, like working with environmental organizations or setting international labour standards (Hair et al., 2010). Partnerships and collaborations include joint ventures with other industry players to develop sustainable materials and technologies. Businesses that work together can share resources, take on collective risks, and work for more significant, industry-wide improvements. These collaborative efforts assist individual companies in reaching their sustainability objectives. This significantly impacts broader developments within the textile sector and establishes industry standards.

Reporting and performance reviews are crucial components of SSCM. They comprise the methodical observation, evaluation, and recording of sustainability-related actions and outcomes. For example, Outfitters PK, a well-known brand in Pakistan's fashion industry, has incorporated sustainability studies into its business plan (Al-Ghwayeen and Abdullah 2018). Typically, these reports include data on energy use, waste disposal, environmental impact, and social responsibility initiatives. Efficient reporting and evaluation enable companies to track their progress, identify areas for improvement, and notify stakeholders of their achievements. This helps maintain accountability and is a tool for continuous improvement. Textile companies that effectively measure and disclose their sustainability performance stand to gain operational efficiency, improved connections with suppliers, and more informed decision-making.

### **Methodology**

The objective of the research is to analyze the Suering and Müller framework. The collection of data is crucial to fulfil the research purpose, and a methodology based on surveys is utilized. The research focuses on the textile industry in Pakistan. The selection of participants for this study is subject to specific criteria. First and foremost, they possess convenient internet connectivity. Furthermore, they possess expertise in the textile business, and additionally, they are employed in the supply chain department. Prior to delivering the online questionnaire through Google Forms in several groups, all participants were provided with information regarding the study's objective and their agreement was obtained. In order to assure the study's validity, the individual determinant constructs that will be examined are derived from prior research.

## **Research Instrument and Data Collection**

A tool utilized for gathering information from participants consists of closed-ended and structured surveys. The survey is sent online to several textile industries in a random manner. The questionnaire consists of two sections: The initial segment comprises of stimuli that encourage organizations to embrace Sustainable Supply Chain Management (SSCM) practices. Brands may initiate the implementation of SSCM for several motives, with one of the most prevalent being consumer complaints. Furthermore, the examination of suppliers for risk and performance serves two distinct objectives: safeguarding the reputation of a brand and monitoring the overall sustainability performance. Consequently, this category is divided into two parts: 1) risk avoidance and 2) enhancement of supply chain performance. Furthermore, the management of the supply chain for sustainable products encompasses several tasks related to the selection and adherence of suppliers. This may be further categorized into three key areas: enhancing the performance of suppliers, establishing effective communication channels with suppliers, and establishing specific criteria for selecting suppliers.

This study utilized a 5-point Likert scale, ranging from strongly disagree (1) to strongly agree (5). To validate the questionnaire, a pilot study was carried out by seeking input from field specialists and research researchers.

The participant was selected based on their technical expertise and comprehensive comprehension of the research requirement. The questionnaires obtained from the pilot study were utilised to enhance the efficiency of the study by making specific modifications to its content and quality.

Data was gathered from 106 participants, with 12 responses being eliminated from the study due to their lack of relevance. Hence, the target sample exhibits a response rate of 88.6%

## **Results**

This research study delves into the sustainability practices and risk management strategies adopted by companies in their supply chain operations. The study examines key aspects such as the prevalence of backlash, regional supplier distribution, verification of sustainability, supplier compliance, collaboration with industry leaders, corporate social responsibility (CSR) initiatives, transparency about suppliers, emissions management, renewable energy adoption, and supplier improvement.

**Backlash:** 20 % of the respondents faced backlash, out of these 66 % faced backlash from the customers rest reported to be government. However, 80% of the respondents didn't face any backlash.

**Region of the Supplier:** most companies had suppliers from international and as well as domestic. While just 18% have domestic suppliers only. On the other hand, 8% have only international suppliers.

**Verification of Sustainability:** All respondents reported conducting external verifications of suppliers for sustainability. Additionally, 60% strongly believe and



conducting the verification, 33% conducted verification on average while the remaining had weak importance for verification.

**Supplier Compliance:** only 7% of respondents didn't have compliance, rest 93% do have supplier compliance. Out of these 40% have very strong compliance, 30% have strong, 24% have average and the rest have weak compliance.

**Collaboration with Industry Leaders for Joining Sustainability Campaigns, or Adhering to External Sustainability Standards:** 79% have been in collaboration with the industry leaders for joining sustainability campaigns.

Corporate social responsibility (CSR): all have CSR projects. 48% have conducted 3 projects annually, 22% 5 times and the rest at least 2 or once a year.

**Transparency about the Supplier:** all strongly believe that they should have transparency about the supplier.

**Emissions:** all have emissions, 40 % have direct, 40% have indirect and 20% have both.

**Focus on Reducing Emissions:** 86% have focused on reducing emissions. Out of these 90% rate their measures to reduce emissions on 8 out of 10 on an average.

**Success in Reducing Direct Emissions:** 90% claim to have been successfully able to reduce direct emissions from the previous level.

**Transparent about the Emissions Created by their Entire Supply Chain:** only 15% claim that they were not transparent about the emissions created by their entire supply chain.

**Renewable Energy:** All have renewable energy

**Supplier Improvement:** 66% believed that their supplier needs improvement, on the other hand 33% believed that there is no such need of improvement. Those who believed that their supplier needs improvement, 55% suggest 50% -75% improvement, 20% suggest 25-50% and 15% suggest 0-25% and only 10% suggest 75- 100% improvement is required.

**Standards of Selecting Suppliers:** all have standards for selecting suppliers. On average, each has at least 4 suppliers.

**Communication with the Supplier** (expect days of business): All have good communications with the supplier and even they visit their supplier office/site/warehouse.

### **Conclusion:**

The finding that 20% of companies faced backlash is noteworthy. Further investigation into the nature and reasons behind this backlash could provide valuable insights. Understanding whether the backlash originated from customers or government entities will help tailor risk mitigation strategies accordingly.

The reliance on both international and domestic suppliers is a positive aspect, contributing to a diversified supplier base. However, the relatively low percentage (18%) of companies with domestic suppliers warrants exploration into potential benefits or challenges associated with such a choice.

The high percentage of companies (100%) conducting external verifications is commendable. The variations in the importance placed on verification suggest a need for industry-wide standards to ensure consistency in sustainability practices.

The high level of supplier compliance (93%) is promising. A deeper analysis of the factors contributing to compliance levels and the specific areas where companies excel or struggle would enhance understanding.

The significant collaboration (79%) with industry leaders for sustainability campaigns indicates a positive industry trend. Further research could explore the impact of such collaborations on overall sustainability outcomes.

The frequency of CSR projects varies among companies. Understanding the rationale behind the chosen frequencies and the types of projects undertaken could provide insights into the depth and impact of CSR initiatives.

The commitment to emissions reduction (86%) is commendable. Examining the specific measures adopted and their effectiveness would offer valuable guidance for companies looking to enhance their environmental performance.

Identifying the criteria for supplier improvement and understanding the challenges faced by companies in achieving improvements will contribute to developing targeted improvement strategies.

While having standards for selecting suppliers is a positive finding, exploring the specific criteria and the rationale behind them would provide clarity on the factors deemed crucial in supplier selection.

Good communication practices are crucial. Investigating the impact of effective communication on overall supply chain performance and sustainability outcomes can provide actionable insights.

In conclusion, this research offers a comprehensive overview of sustainability practices and risk management in supply chains. Further exploration of the identified areas will contribute to refining strategies, promoting best practices, and advancing the sustainability agenda within the industry.

### **Policy Recommendation**

On the grounds of the results this study suggests developing industry-specific guidelines for managing backlash, emphasizing proactive communication strategies. Encourage companies to implement customer engagement initiatives and establish transparent channels for dialogue. Encourage companies to diversify their supplier base geographically, promoting a healthy mix of international and domestic suppliers.

Consider offering incentives for companies with a balanced regional supplier distribution. Standardize sustainability verification processes and establish minimum requirements for supplier sustainability assessments. Offer resources and support to companies to enhance the importance and effectiveness of sustainability verifications. Enforce mandatory supplier compliance regulations, emphasizing the importance of strong compliance. Develop a tiered compliance rating system to recognize and reward companies with exemplary compliance practices. Establish a platform for facilitating collaboration between industry leaders and companies in sustainability campaigns. Encourage the development of sector-wide sustainability standards to foster collective efforts. Introduce guidelines for CSR reporting, specifying the minimum frequency and depth of CSR projects. Recognize and incentivize companies that exceed the minimum requirements, promoting a culture of social responsibility. Advocate for transparency standards in supplier relationships. Develop guidelines for companies to disclose relevant information about their suppliers, promoting accountability and fostering trust among stakeholders. Implement emissions reduction targets and incentivize companies to adopt best practices in emissions management. Provide resources and support for companies to assess and improve their emission reduction strategies. Develop policies to incentivize and accelerate the adoption of renewable energy sources. Offer tax benefits or subsidies to companies investing in renewable energy, contributing to a sustainable energy transition. Facilitate supplier improvement programs, encouraging companies to collaborate with suppliers for mutual growth. Develop a framework for assessing and implementing improvement plans, considering the varying degrees suggested by companies. Establish a standardized framework for selecting suppliers, focusing on criteria that contribute to sustainability goals. Encourage companies to evaluate potential suppliers based on these standards. Advocate for transparent and open communication practices with suppliers. Develop guidelines for companies to maintain regular communication and foster positive relationships with their suppliers.

By implementing these policy recommendations, the industry can take significant strides towards building resilient and sustainable supply chains that benefit businesses, communities, and the environment.

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# A PLS-SEM APPROACH TO FACTORS AFFECTING VOLUNTARY LABOUR TURNOVER INTENTION

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## ABSTRACT

*This paper examines the attitudes of 122 hotel employees in Mauritius. It relates Herzberg's motivation-hygiene theory to voluntary labour turnover intention (LTI) along with age, prospects at rival hotels (OFRH), a moderating effect (age\*OFRH) and a mediator (employees' attitudes towards work, ATW). The PLS-SEM approach is used. The model indicates good fit (SRMR<0.08). The predictors of LTI exhibit moderate predictive accuracy (R-squared = 0.42). The reflective construct exhibit high composite reliability ( $\alpha=0.94$ ), high convergent validity (AVE=0.83) and ensures discriminant validity (HTMT<0.85). Redundancy analyses for the formative constructs yield path coefficients close to 0.8. There is no evidence of multicollinearity. Motivating factors (MF) and hygiene factors (HF) have no significant bearing on LTI. Lack of hygiene factors causes more women than men to resign voluntarily. Age has the greatest influence ( $\beta=-0.635$ ) on LTI, followed by attitudes towards work ( $\beta=0.428$ ) and offers from rival hotels ( $\beta=0.308$ ). ATW acts as a suppressor and considerably reduces employees' intentions to resign even if rival hotels offer better opportunities. MF, HF and OFRH have significant impacts on ATW with effect sizes ranging from weak (0.10) to medium (0.25). Employers should focus on influencing employees' attitudes towards work and reduce excessively and unjustified energy-draining tasks so as to retain effective performers.*

**Keywords:** Provide Minimum 3 keywords separated by semicolon (Brand Loyalty; Customer Satisfaction; Switching Cost)

## 1.0. INTRODUCTION:

Labour turnover would continue to be serious issue in hotels in Mauritius and this would continue to involve both direct and indirect costs. Labour turnover incurs direct costs in terms of selection, recruitment and training costs whereas indirect costs include the loss of customers, reduced productivity, low morale and extra work for remaining workers (Gima, Desaa, & Ramayah, 2015). This study postulates that Herzberg's Two-Factor theory may explain and improve job retention among employees in any organization especially the hotel industry.

This paper examines the attitudes of 122 employees within a particular department in a hotel in Mauritius. The effects of Herzberg's Two-Factor theory on employees' attitudes towards work and ultimately on their intention to resign were examined.

Prospects from rival hotels were also included in the proposed research framework. The PLS-SEM approach was deemed most appropriate for data analysis. Structural equation modelling (SEM) deals with latent variables that combine the logic of factor analysis and path modelling (Maruyama, 1997). These latent variables act as building blocks based on which the models are assessed and tested (Tipping & Bishop, 1999). However a serious limitation of SEM is that it cannot confirm a model but instead it can only not disconfirm the model.

### **Objectives of Study**

This study proposes an innovative way to predict labour turnover intentions. It seeks to:

- Provide an innovative theoretical framework and research model that link up the Herzberg's Two-Factor theory and labour turnover intention.
- Examine the indirect impacts of Herzberg's two factor theory on labour turnover intention via employees' attitudes towards work.
- Contribute to existing theory on labour turnover intention through the inclusion of the latent variable 'offers from rival hotels'. This study uses this latent variable to capture those indicators that represent the perceived alternative job opportunities at other hotels.
- Examine whether attitudes towards work mediate the relationship between labour turnover intention and its predictors (hygiene factors, motivating factors, offer from rival hotels).
- Examine whether age (i) affects the relationship between job offers from rival hotels and labour turnover intention and (ii) whether age changes the relationship between these two factors.
- Examine whether the impacts of hygiene factors, motivating factors and perceived offers from rival hotels on labour turnover intentions differ by gender.
- Discuss resulting practical implications and inform policy making so as to halt exit of effective performers.
- Inform future researchers about the avenues to be explored.

### **2.0 Literature Review**

Herzberg postulates that hygiene and motivation factors are important determinants of job satisfaction and dissatisfaction (Herzberg, 1959, 1966, 1968). Satisfaction and dissatisfaction are clearly defined by Locke (1976). Herzberg argues that the opposite of job satisfaction is not job dissatisfaction whereby the former is measured on a scale of no satisfaction to high satisfaction. Similarly job dissatisfaction operates separately within a scale of no dissatisfaction to high dissatisfaction. This two factor theory suggests that dissatisfaction is captured through hygiene factors (categorised as dissatisfiers) which are extrinsic to the job and satisfaction are captured through motivating factors (categorised as satisfiers) which are intrinsic to the job. Workers would be affected by hygiene factors such as inadequate salary, poor working conditions, job insecurity, unfair distribution of tasks, unfriendly supervisor, conflicts

with co-workers and work overload whereas examples of motivation factors would include pride, the work itself, opportunity to learn new things, creative/challenging work, autonomy, generous holidays, achievements, personal growth, and recognition. This theory postulates that meeting the hygiene factors or lower-level needs of employees would only prevent them from being dissatisfied but would not motivate them to work harder. Better performance may be attained only if motivation factors or higher level needs are met. Thus no increase in productivity may be expected unless much effort is exerted in improving motivation factors. There is empirical evidence that supports Herzberg's two factor theory such that the sources of dissatisfaction at work are different from the sources of work satisfaction (Hur, 2018) although the classification of elements into hygiene factors and motivators may differ across cultures or countries (Andersson, 2017; Matei & Abrudana, 2016).

However the distinction between hygiene factors and motivation factors may not be so distinct in reality. Some factors which were originally categorised as hygiene factors may end up being classified as motivating factors and vice versa once the data collected is analysed such as welfare programs (vacation trips and banquets) and provision of accommodations. As reported in Tan (2013), some hygiene factors such as work group interactions, co-workers' support and relationships between co-workers, contribute to job satisfaction and the Herzberg's framework need to be updated to accommodate these. Alternatively he proposes a combination of the two groups (hygiene and motivation factors). Several other studies have also reported overlaps between hygiene and motivating factors (Abdullah et al., 2007; Kovach, 1987; Lin & Lin, 2011; Ruthankoon & Ogunlana, 2003; Savery, 1996; Spillane, 1973). Despite various criticisms, the two-factor theory remains a very popular approach for investigating into the core factors that bring out satisfaction and dissatisfaction in a job across various sectors (Andersson, 2017; Chu & Kuo, 2015; Holmberg, Caro, & Sobis, 2018; Thant & Chang, 2021), and these are important aspects to increase overall productivity and profitability. Also given that this Herzberg's theory aligns with the objectives of this study, the rest of this paper is based on this theoretical framework.

Voluntary turnover implies self-initiated terminations and not organization-initiated terminations (Mobley, Griffeth, Hand, & Meglino, 1979) and it has been categorized as follows: the thought of quitting the organization; the intention to search for a new job; and the intention to quit the current position within the organization. Also lower labour turnover intention does not imply that employees are satisfied. Perceived alternative job opportunities may also impact on an employee's intention to resign. The study conducted by Živković, Fosić, and Vorkapić (2023) argues that perceived job opportunities act as a moderator. They conclude that employees who believe that they either have no better opportunities or fewer better opportunities, tend to have lower intention to resign. Those with high turnover intentions were reported to have increased job opportunities outside their companies and some could be characterized as having severe deviant behaviours (Sender, Morf, & Feierabend, 2021; Wossen & Alemu, 2018). Similar findings were reported for example, by Alpar (2020) for Information Technology outsourcing in Vietnam and Zhou et al. (2022) among routine nurses in China. Perceived alternative job availabilities may be gauged through the unemployment rate which describes the tightness of the labour market

(Ehrenberg & Smith, 1982). Labour turnover intention is low when many are being laid off and job opportunities are few whereas the intention to quit is high when job opportunities are higher compared to the number of job seekers. However Martin (2011) argues that an employee looks for alternatives a natural response to the dissatisfaction they experience at work. Data on 'offers from rival hotels' was collected in an attempt to measure perceived alternative job opportunities for the current study.

### **3.0 Methodology**

In this study, the PLS-SEM approach of structural modelling is adopted instead of CB-SEM. PLS-SEM is preferred in few situations where analysis cannot be carried out in CB-SEM, for instance, for prediction, exploratory research, formatively measured constructs, continuous moderators and use of latent variables in subsequent analysis are to be used (J. Hair, Hollingsworth, Randolph, & Chong, 2017). The use of PLS-SEM with small sample sizes may generate greater statistical power which is suitable for prediction and theory development when compared to CBSEM. A small size of 100 is enough to achieve acceptable levels of statistical power in PLS analysis (Reinartz, Haenlein, & Henseler, 2009). Thus this completed research consists of 122 observations with no missing data and is deemed sufficient for the purpose of this study. Alternatively to determine the adequate sample size, one needs to specify the significance level, effect size and the desired power should be set at least at 0.80 (Cohen, 1992). Higher statistical power implies that PLS-SEM is more likely to detect a statistically significant relationship when it exists in the population (Hair, Matthews, Matthews and Sarstedt, 2017) and minimise both Type I and Type II errors. Hence in this paper, statistical power is computed before any conclusion is drawn.

The user-friendly Smart PLS version 3 was used for all analyses. Three formative constructs, one reflective construct, a single item endogenous construct and three overall reflective indicators were measured by 16 indicators which were derived after reviewing extensively the existing literature on labour turnover. These are displayed in Table 1. With a scale from 1 to 5, respondents had to assess each statement on the questionnaire [(1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree) or (1 = very unlikely, 2 = quite unlikely, 3 = I do not know, 4 = quite likely and 5 = very likely)]. Single item construct can be used by PLS-SEM. This study abides by the ten times rule (Joseph F. Hair, Hult, Ringle, & Sarstedt, 2017). The sample size is more than ten times bigger than the largest number of formative indicators within a single latent variable in the measurement model. Also the sample size is more than ten times the largest number of structural paths aimed at a specific latent variable in the structural model.

Linear combinations of formative indicators form the formative constructs and a change in the value of the indicator cause a change in the value of the construct (Sarstedt, Hair, Ringle, Thiele, & Gudergan, 2016). Content validity for formative indicators are examined through content specification where the researcher clearly defines the domain of the content that formative indicators intend to measure and the questionnaire must contain all items that capture at least the major aspects of the formatively measured construct (Bollen & Lennox, 1991). Quality of such constructs may be assessed through 3 steps. The first step is convergence validity examined



through redundancy analysis, the second step is examining collinearity among formative indicators and the third step is examining statistical significance and relevance of those indicators.

In structural equation modeling, internal consistency reliability is more appropriately measured by composite reliability instead of Cronbach alpha because the former accounts for the indicators’ differential weights (Dijkstra & Henseler, 2015). Convergent validity is measured through the average variance extracted (AVE) for each reflectively measured construct. Outer loadings for each indicator forming each latent variable are used to calculate AVE. Convergence validity is achieved when AVE exceeds 0.5 (Fornell & Larcker, 1981). It implies that more than 50% of the indicator’s variance is captured by the latent variable (Joseph F. Hair et al., 2017). Discriminant validity refers to the extent to which constructs differ from one another. The standard measures are the Fornell-Larcker criterion, cross-loadings and the Heterotrait Monotrait ratio (HTMT). These apply to reflectively measured latent variables and cannot be applied to formatively measured latent variables (Jorg Henseler, Ringle, & Sarstedt, 2015). However Klein and Rai (2009) suggest examining the cross loadings of formative indicators.

**Table 1:** Latent variables and corresponding items on questionnaires

Latent Variables		Indicator	Item on questionnaire
Formatively measured construct	Hygiene factors	HF1	I do not face <b>conflicts</b> at work
		HF2	I have no <b>job security</b>
		HF3	<b>Pay</b> rise depends on performance at work
	Attitudes towards work	ATW1	I can satisfy my <b>basic needs</b> with my pay
		ATW2	My job given me a sense of <b>pride</b>
		ATW3	My chance of being promoted is <b>fair</b>
	Job offer from rival hotels	OFRH1	Rival hotels offers <b>higher pay</b> to their employees
		OFRH2	Possible of being <b>promoted</b> is higher at rival hotels
		OFRH3	Rival hotels offers <b>higher training</b> opportunity to their employees
Reflectively measured construct	Motivating factors	FM1	<b>Promotion</b> depends on tenure
		FM2	<b>Promotion</b> is determined through recognition from superiors
		FM3	<b>Promotion</b> depends on feedback from supervisors
Overall reflective indicator	Hygiene factors	FH4	I have good working conditions
	Attitudes towards work	ATW4	I am satisfy with my current job
	Job offer from rival hotels	OFRH4	Rival hotels offers better monetary and non-monetary packages
Ultimate endogenous variable	Labour turnover intention	LT1	How likely are you to quit your current job?

Convergent Validity in the case of formative constructs may be assessed through redundancy analysis (Wong 2013). It refers to the extent to which a formative construct correlates with a reflective construct whereby both capture the same concept. The reflectively measured construct may be measured through a single item although Sarstedt et al (2016) recommends the use of multi-item scales to prevent low levels of predictive validity. In formative constructs, the relevance of indicator weights and their statistical significance must be assessed. All indicator weights above 0.1 with the ‘correct’ sign (proposed by theory or empirical evidence) which are

statistically significant are retained within the formative constructs (Andreev et al 2009). If the confidence interval of a weight includes zero, this implies that the weight is statistically insignificant and hence may be removed from the measurement model (Sarstedt & Ringle 2017). However there are some exceptions where a nonsignificant weight is retained, for instance, if the indicator's loading is at least equal to 0.5 (Hair et al 2017) as its absolute contribution to the construct may be substantial (Cenfetelli & Bassellier 2009).

Assessing indicator collinearity implies computing the variance inflation factor (VIF) of each item in the formative constructs. Although a VIF value below the value of 3.3 implies that multicollinearity among the indicators is not an issue (Diamantopoulos & Siguaw 2006), a VIF value below 5 is generally accepted. High collinearity results in high standard errors which hinder the possibility of finding statistically significant weights and incorrect weights with reversed signs (Joe F Hair, Ringle, & Sarstedt, 2011).

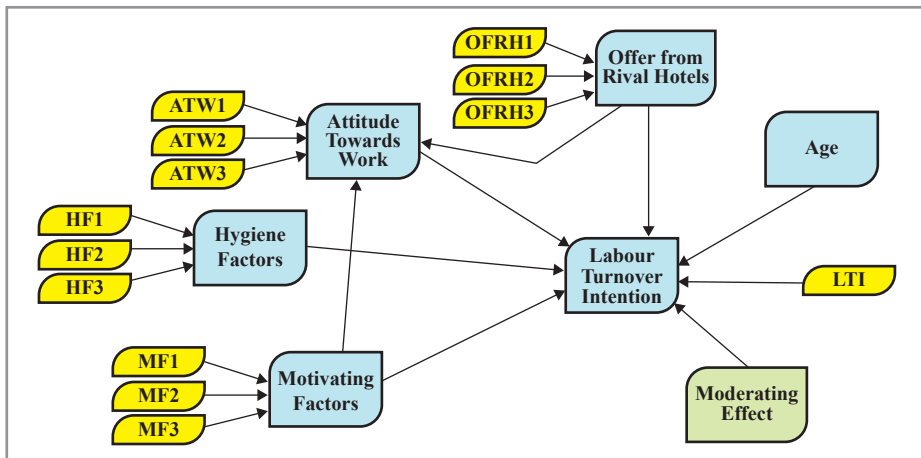
Path coefficients are similar to the standardised beta coefficients of OLS regressions and may be interpreted accordingly (J. Hair et al., 2017; Joseph F Hair, Black, Babin, & Anderson, 2010). A larger path coefficient relative to another indicates a bigger effect on the endogenous construct. These were taken into consideration before analyses and interpretations were done for this paper.

Predictive abilities of the model are also examined in this paper. The coefficient of determination, R<sup>2</sup> explains and predicts endogenous latent constructs in the structural model. The pseudo f-test, f<sup>2</sup> evaluates the predictor's incremental explanation of the endogenous construct where small, medium and large effect sizes are denoted by 0.02, 0.15 and 0.35, respectively (Cohen, 1988, 1992). Predictive relevance is assessed through the cross-validated redundancy (Q<sup>2</sup>) proposed by Stone (1974) and Geisser (1975) as it includes the structural model during its prediction of eliminated data points (Joseph F Hair et al., 2017). It measures how well the path model can predict observed original values. Also q<sup>2</sup> is used to assess the relative effect of the structural model for forecasting the observed measures of the endogenous latent variable (Ringle, Sarstedt & Straub 2012). These are obtained through the Blindfolding procedure with an omission distance of 7 as recommended by most researchers (Hair et al 2012). It should be noted that the blindfolding procedure applies usually to reflective endogenous constructs or to single item constructs (Joe F Hair et al., 2011) but may be used for formatively endogenous constructs. Also the standardised root mean square residual (SRMR) was developed to identify model misspecification which occurs when SRMR exceeds 0.08 (Joe F Hair et al., 2011).

#### **4.0 Analysis**

The model includes a mediator, 'attitudes towards work' (ATW) which receives inputs from three constructs: hygiene (HF), motivating factors (MF) and offers from rival hotel (OFRH) and converts these into outputs represented by the endogenous variable, labour turnover intention (LTI). The aim is to explain how current employment in terms of the Herzberg's two factor theory along with OFRH translates into employees' willingness to resign. A continuous moderator, age is also used to create an interaction term with OFRH such that age affects the strength of relationship between an

employee's intention to resign and job prospects at rival hotels. Finally a categorical moderating effect, gender is used through the multi-group analysis to evaluate whether the effects of the constructs on labour turnover intention differ significantly between men and women.



**Figure 1.** Hypothesized path analysis model of the relationships among Herzberg's two factor theory, attitudes towards work, offers at rival hotels and labour turnover intention.

## 4.1 The Measurement Model

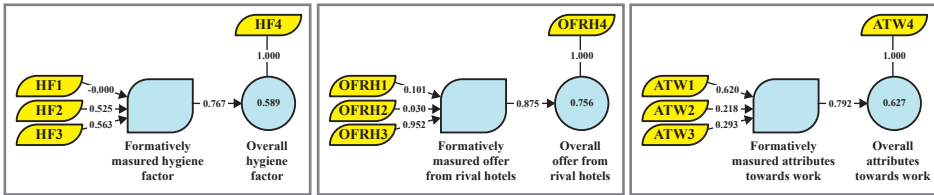
### 4.1.1 Model Specification

The standardised root mean square residual (SRMR) is used as an absolute goodness of fit measure and is equal to 0.051 which is less than the value of 0.08 as recommended by some researchers (Jorg Henseler et al., 2015; Hu & Bentler, 1998). The model is stable and stops after 3 iterations only. Usually PLS-SEM does not suffer from convergence problems. The data is normal and hence the bootstrap procedure does not produce inflated standard errors. Nevertheless it should be noted that PLS-SEM is very robust even with highly skewed data.

### 4.1.2 Formative Constructs

As depicted in Figure 1, convergent validity for each formative construct is ensured with path coefficients exceeding the ideal magnitude of 0.8 (Hair et al 2013) with the exception of the path coefficient for hygiene factor and attitudes towards work which are slightly below 0.8 but still exhibiting the desired strength of the path coefficient linking both reflectively and formatively measured constructs that should be at a minimum of 0.7 (Joe F Hair et al., 2011). These overall single-item reflective indicators were specified during the research design stage and included in the questionnaire. Single items were used to avoid discouraging voluntary participants and increasing their fatigues through lengthy and time consuming questionnaires which would have eventually resulted in lower response, increased missing values or at most refusal of participation in the survey.

**Figure 2.** Redundancy analysis



The relevance and statistical significance of each indicator weight were examined. All weights carry the correct sign, none of them are below 0.1 and none of their confidence intervals contains zero (Table 2), implying that all indicators may be retained for further analysis. The highest VIF value of the items on the questionnaire does not exceed 3.3 and thus, there is no critical collinearity issue among indicators.

**Table 2:** Examining collinearity, relevance and significance of weights of formative constructs

Latent Factor	Indicators	VIF	Weights	Confidence Intervals
Attributes towards work	ATW1	2.108	0.5	{0.317, 0.674}
	ATW2	1.761	0.442	{0.311, 0.568}
	ATW3	1.937	0.024	{0.057, 0.379}
Hygiene factor	HF1	1.285	0.371	{0.185, 0.557}
	HF2	1.595	0.543	{0.376, 0.706}
	HF3	1.569	0.319	{0.144, 0.506}
Offers from rival hotels	OFRH1	1.549	0.290	{0.163, 0.414}
	OFRH2	1.355	0.232	{0.11, 0.372}
	OFRH3	1.843	0.658	{0.49, 0.806}

Similarly there is no evidence of severe collinearity of the constructs HF, MF and OFRH as predictors of ATW. The same applies for the constructs ATW, NF, MF, OFRH, age and moderating effect as predictors of LTI. As displayed in Table 3, all VIF values are below the critical value of 5. It may therefore be stated that formatively measured constructs in this research are not highly correlated.

**Table 3:** VIF values in the structural model

	Attributes towards work	Confidence intervals	Labour turnover intention	Confidence Intervals
Age			1.1568	
Attributes towards work			4.9409	
Hygiene factor	3.2012		3.6972	
Moderating Effect			1.2039	
Motivating factors	3.7402		4.6636	
Offers from rival hotels	4.2034		4.9711	

### 4.1.3 Reflective construct

All indicator reliability values are above the minimum requirement of 0.4 (Wong 2013). The composite reliability value is higher than 0.7 and hence shows high level of internal consistency reliability. Convergent validity is attained as the latent variable's average variance extracted (AVE) exceeds the minimum threshold of 0.5.

**Table 4:** Results summary for reflective construct

Latent variable	Indicators	Loadings	Indicators reliability	Composite reliability	AVE
Motivating Factors	MF1	0.919	0.845	0.934	0.835
	MF2	0.907	0.823		
	MF3	0.899	0.808		

Discriminant validity was computed where 'motivating factors' is the sole reflectively measured construct in the model. Following J. Hair et al. (2017), the HTMT criterion is reported here instead of cross loadings and the Fornell-Larcker criterion because these two measures considerably overstate the presence of discriminant validity. As shown in Table 4, the HTMT values are below the required threshold of 0.85. Also all the Fornell-Larcker values are below the square of the AVE for 'motivating factors' and all items have the highest loadings within their respective constructs.

**Table 5:** Discriminant analysis: HTMT criterion

	Age	Moderating Effect	Motivating factors	Labour turnover intention
Age	--	--	--	--
Moderating Effect	0.014	--	--	--
Motivating factors	0.295	0.333	--	--
Labour turnover intention	0.586	0.163	0.147	--

The assessment of the reflective and formative measurement models shows that all constructs exhibit good levels of reliability and validity and hence the structural model may be assessed next.

### 4.2 Predictive Capabilities

The bootstrapping procedure was conducted with 5000 bootstrap samples as recommended by Joseph F Hair et al. (2017). The predictive capabilities of the theoretical structural model are assessed through the coefficient of determination  $R^2$ , Cohen's effect size  $f^2$ , cross-validated redundancy ( $Q^2$ ) and path coefficients.

**Table 6:** Structural model assessment, hypothesis testing and predictive accuracy

		Path coefficients	t-values	p-values	f <sup>2</sup>	q <sup>2</sup>
H1	Hygiene factor → Attitude towards work	0.232	2.619	0.009	0.10	0.015
H2	Motivating factors → Attitude towards work	0.394	4.633	0.000	0.25	0.072
H3	Offers from rival hotels → Attitude towards work	-0.347	3.747	0.000	0.17	0.048
H4	Hygiene factors → Labour turnover intention	0.121	0.771	0.441	0.007	-0.005
H5	Motivating factors → Labour turnover intention	-0.107	0.750	0.453	0.004	-0.007
H6	Offers from rival hotels → Labour turnover intention	0.308	2.009	0.045	0.033	0.056
H7	Age → Labour turnover intention	-0.635	8.926	0.000	0.60	0.543
H8	Age*OFRH → Labour turnover intention	0.204	2.630	0.009	0.056	0.03
H9	Attitudes towards work → Labour turnover intention	0.428	2.678	0.007	0.053	0.10

When motivating factors and offers from rival hotels were included into the model to explain employees’ attitudes towards work, their q<sup>2</sup> were small. However the inclusion of hygiene factors had a medium impact on ATW.

**4.2.1 R-Squared**

Together the three predictors (hygiene factors, motivating factors and offer from rival hotels) explain around 83% of the variations in employees’ attitudes towards work which according to Jorg Henseler, Ringle, and Sinkovics (2009) demonstrates substantial predictive accuracy. However hygiene factors, motivating factors, offers from rival hotels, attitudes towards work, age and the moderating effect explain only around 42% of the variations in labour turnover intention. According to Chin (1998), it may be argued that the whole model seems to have moderate predictive accuracy and provides a satisfactory level of explanation of the factors behind an employee’s intention to resign.

**4.2.2 F-Squared Effect Sizes**

The f<sup>2</sup> effect size gauges the extent to a predictor matters at the structural level (Chin, 1998). The f<sup>2</sup> values for both endogenous variables (ATW and LTI) are given in Table 3. Motivating factors have a medium effect size of 0.25 whereas offers from rival hotels and hygiene factors have small effects (0.17 and 0.10, respectively) on attitudes towards work. Age has a large effect size (0.60) but offers from rival hotels and attitudes towards work have small effect sizes (0.033 and 0.053, respectively). Motivating and hygiene factors have no effect (0.004 and 0.007, respectively) on labour turnover intention. According to the criteria for interaction terms provided by Kenny (2016), it may be argued that the moderating effect has a large effect (0.056) on the labour turnover intention. Thus it may be deduced that age has a substantive impact on labour turnover intention. Herzberg’s two factor theory has no impact on labour turnover intention but instead its components have small and medium effects on ATW.

**4.2.3 Cross-Validated Redundancy and Q-Squared**

Q<sup>2</sup> measures the extent to which observed values are recreated by the model and Q>0 indicates predictive relevance (Chin, 1998). The cross-validated redundancy Q<sup>2</sup> for the endogenous construct, ATW is 0.567 and that of LTI is 0.349. These are above zero, thus upholding the proposed research model’s predictive accuracy.

### 4.2.4 Path Coefficients

The path coefficients are displayed in Table 4. When assessing the relative importance of the exogenous constructs on the endogenous construct ATW, it may be deduced that motivating factors ( $\beta=0.394$ ) are most important, followed by offers from rival hotels ( $\beta=-0.347$ ) and hygiene factors ( $\beta=0.232$ ). It must be noted that offers from rival hotels exert a negative impact on employees' attitudes towards their current employment. All these results are significant at 1% level. On the other hand, Herzberg's two factor theory, that is, motivating factors ( $\beta = -0.107$ ) and hygiene factors ( $\beta = 0.121$ ) have no bearing on labour turnover intention as they are statistically insignificant. Instead age has the greatest influence ( $\beta = -0.635$ ) on an employee's intention to resign, followed by attitudes towards work ( $\beta = 0.428$ ), offer from rival hotels ( $\beta = 0.308$ ) and the moderating effect ( $\beta = 0.204$ ). These results are statistically significant at 1% level except for OFRH which is significant at 5% level. Given the path coefficients and the guidelines provided by Reinartz et al. (2009) and Cohen (1988), it may be concluded that both motivating factors and offer from rival hotels exert medium effects on ATW whereas hygiene factors exert a weak effect on ATW. Age has a strong but negative effect on labour turnover intention. Mobley et al. (1979) had also reported an inverse relationship between age and labour turnover in their study. Medium effects on LTI are exerted by ATW and OFRH whereas the moderating effect on LTI is weak.

### 4.3 Moderating Effect

Better offer from rival hotels has a positive influence on labour turnover intention and this effect is strengthened by age. The red line in Figure 4 represents the relationship for an average age level between OFRH and LTI. The high age value (green line) has a sharper slope than the low age value (blue line) with a shallower slope. All three lines indicate a positive relationship between OFRH and LTI. Better offers from rival hotels are associated with higher labour turnover intention. However older workers are relatively more willing to resign if better prospects are available at rival hotels. This may be due to attractive packages offered elsewhere to experienced workers. Here age may be acting as a proxy for experience.

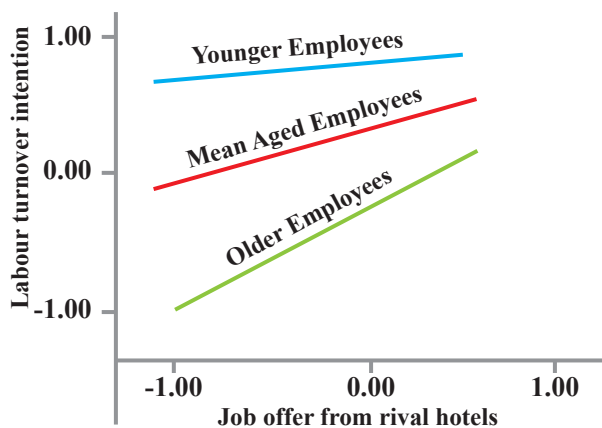


Figure 4. Moderating effect

**Figure 4.** Moderating effect**4.4 Mediating Analysis**

Both the direct and indirect effects of HF on LTI are statistically insignificant. Thus employees' attitudes towards work do not function as a mediator in the relationship between hygiene factors and labour turnover intention. This is a case of no effect nonmediation which suggests that the proposed theoretical framework is unsound and implies that some other unobserved variable may translate lack of hygiene factors into voluntary resignation.

**Table 7:** Mediating analysis

Indirect Path	Indirect effect coefficient	t-values	p-values	Confidence interval	Direct Path	Remark
HF→ATW→LTI	0.099	1.655	0.098	[0.01, 0.236]	HF→LTI	No mediation
MF→ATW→LTI	0.169	2.446	0.015	[0.044, 0.316]	MF→LTI	Full mediation
OFRH→ATW→LTI	-0.149	2.183	0.029	[-0.292, -0.033]	OFRH→LTI*	Partial mediation

\*Significant at 5% level

The direct effect of MF on LTI is statistically insignificant whereas its indirect effect is significant at 5% level. Hence employees' attitudes towards work fully mediate the relationship between motivating factors and labour turnover intention. This is a case of indirect-only mediation which implies that ATW fully conforms with the hypothesized theoretical framework. This case may be termed as the best-case scenario.

Both the direct and indirect effects of OFRH on LTI are significant at 5% level. Here employees' attitudes towards work partially mediate the relationship between offers from rival hotels and labour turnover intention. Since the coefficients of the direct and indirect paths have opposite signs, here employees' attitudes towards work act as a suppressor and considerably reduces the magnitude of total effect of OFRH on LTI. This is a case of competitive mediation.

**4.7 Multi-Group Analysis**

A multi-group analysis was conducted to identify any difference in PLS path coefficients across gender. According to Henseler (2007), p-values below 0.05 and above 0.95 indicate a statistically significant difference between group specific path coefficients for the relationship under study. Table 8 displays all results. The results were not significant except for the relationship between hygiene factors and labour turnover intention ( $p = 0.991$ ). Male employees (-0.182) had lower path coefficient relative to that of women (0.645). Hence it may be concluded that lack of hygiene factors may strongly encourage more women than men to resign. Similar findings were reported by Marsh and Mannari (1977) for Japanese manufacturing workers.

**Table 8:** Multi-group analysis



	Path Coefficients-diff (male - female)	p-Value (male vs female)	Path Coefficients Original (female)	Path Coefficients Original (male)
Age -> LTI	0.1162	0.2088	-0.691	-0.575
Moderating effect -> LTI	0.1182	0.2408	0.119	0.238
ATW -> LTI	0.2194	0.2667	0.205	0.424
HF -> ATW	0.1441	0.7671	0.334	0.190
HF -> LTI	0.8267	0.9914	0.645	-0.182
MF -> LTI	0.1488	0.2047	0.311	0.460
MF -> LTI	0.5459	0.0401	-0.421	0.125
OFRH -> LTI	0.0565	0.6165	-0.291	-0.347
OFRH -> LTI	0.0437	0.5624	0.314	0.270

## 5. Conclusion

This paper aims to examine whether the Herzberg's Two-Factor theory combined with offers from rival hotels (OFRH) affects an employee's intention to resign through a mediator 'attitudes towards work' (ATW). It also investigates whether there is an interaction between age and OFRH such that age would change the relationship between labour turnover intention and offers from rival hotels. A multi-group analysis was done to capture multi-group effects across gender.

The use of PLS-SEM is justified as it addresses the main concern of social and business research which is about combining prediction and explanation to model estimation (Joseph F Hair, Matthews, Matthews, & Sarstedt, 2017). Human resource managers want to avoid the mistake of not identifying a good employee and subsequently not retaining him/her (Type I error). Also human resource managers want to prevent wrongful classification of poor performers as effective performers and subsequently overspending in retaining the former (Type II error). False positives (Type I errors) are considered to be more problematic than false negatives (Type II errors) in business and social research (Cohen, 1988). This explains why researchers use a minimum of 95% confidence interval and a statistical power of 80 percent (Goodhue, Lewis, & Thompson, 2012) while conducting analysis.

The model used in this study (SRMR<0.08) indicates good fit. Given that the effect size  $f^2$  assesses the contribution of an exogenous latent variable to the  $R^2$  of an endogenous latent variable, it may be concluded that hygiene factors exert a medium effect on attitudes towards work whereas motivating factors and offers from rival hotels exert small effects on attitude towards work. Attitudes towards work fully mediate the relationships between the three predictors (hygiene factor, motivating factor and offer from rival hotels) and labour turnover intention. An employee's age has a large effect on labour turnover intention while the moderating effect of age on offer from rival hotels has a small effect on labour turnover intention. All other endogenous constructs have no effect on this endogenous construct.

In short with a statistical power level of 100%, it may be concluded that neither motivation factors nor hygiene factors affect labour turnover intention directly. However unlike motivation factors, hygiene factors have no indirect impact on labour turnover intention. Age is the main factor that influences an individual's decision to

resign voluntarily and this effect is accentuated in the case of older employees with better job prospects at rival hotels. The impacts of better job offers from rival hotels and attitudes towards work on labour turnover intention are however small. Women have a greater tendency than men to exhibit high intention to quit when hygiene factors are inadequate.

Employers should investigate into the most frequent sources of dissatisfaction and satisfaction to enable employees to work to their full potential. They should strive to provide their effective performers an employment environment that improves their attitudes towards work and lowers their job search. Unnecessary workloads and stress should be avoided and relatively attractive salaries should be offered to high performers and experienced workers. These measures will add to job satisfaction and reduce job dissatisfaction.

## **6. Limitations of Study**

Future research is required to identify the determinants of voluntary labour turnover because other variables that were excluded from this study (such as organisational commitment and organisational justice) may predict labour turnover better. Also similar to the study conducted by (Kmieciak (2021)), this research was based on a cross-sectional data with a small sample size whereby data were collected among a homogenous group of workers. However it may be argued that the results may be generalised to other employees in other hotels with similar working environments.

## **7. Suggestions for Future Studies**

Lack of co-worker support deteriorates the well-being of employees and increases stress with significant role overload (Chiaburu & Harrison, 2008) which may eventually stimulate voluntary labour turnover. The conservation of resources theory states that employees would tend to reduce activities which are unjustified and excessively energy-draining. Without adequate co-worker support, the employee has to put in more effort to perform his/her tasks and becomes less satisfied. Similarly psychological withdrawal behaviours such as horizontal and vertical knowledge withholding could explain the reasons behind resignations. Also employee burnout reduces job satisfaction, increases negative attitude towards the job and adds to labour turnover (Yu, Ariza-Montes, Hernández-Perlines, Vega-Muñoz, & Han, 2020). Thus future studies may examine the impacts of these factors on voluntary labour turnover. In order to avoid misinterpreting correlational data as causal data, future studies may compare competing models that have not been falsified instead of just testing a model (Hox & Bechger, 1998).

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# THE IMPACT OF ORGANIZATIONAL FACTORS ON EMPLOYEE RETENTION IN THE LOGISTIC SECTOR OF KARACHI, PAKISTAN

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## ABSTRACT

*The present study was conducted to examine the question that how Organizational factors impact on employee retention of the logistic sector of Karachi, Pakistan. The type of research is causal because our research design is quantitative in nature. In order to answer this question; five points of Likert type scale was devised. The sample of 350 employees was conveniently drawn from the logistic sector of Karachi, Pakistan. Response percentages were calculated by processing the data through SPSS statistical software, the research included 6 independent variables that are Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation and Benefits and one dependent variable that is Employee Retention. After conducting the research, it was found that Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation and Benefits have been accepted and have immense influence on Employee Retention.*

**Keywords:** *Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance, Compensation and Benefits, Employee Retention*

## INTRODUCTION

Employee retention can be improved if we know the factors it depends upon. Organizations should know the problems faced by employees and make sure to fulfill their needs, for this the manager of the organization should arrange career development and should provide compensation and benefits to employees. Working environment also play a dynamic part in employee satisfaction and also motivation. Good and attractive working environment may include safety and security of the premises, clean and hygienic environment, good employee relations, and a clear line of command, progressive organization culture and interactive two-way communication. A reward management system should be set in place to keep the employees motivated, to keep performing well and also to stay long in the organization (Chhetri, 2017). Now, organizations realize that organizational factors are very important to retain talented employees so that employees will likely to work in an organization for a longer period of time. In today's era, not only good and attractive salary is important for retaining employees but there are some factors which are very important for retaining employees such as employee career development, employee empowerment opportunities, work life balance etc. (Dajani & Zaki, 2015; Tunio, 2020).

An organization can also be increase employee retention by improving the firm's norms. Company norms are a combination of personal inter-communication between the supervisor of the organization and employees and personal inter-communication between employees. It is generally more about attitudes, personalities and how well the organization gets along. Employee retention can also be increase if an organization manages its employee engagement (Vorina, et al., 2017; Afshan, et al., 2021). Employee engagement is a method that upshots in proper condition for all workers of an association to give their greatest on a daily basis. They should similarly be committed toward their organization's objectives and values and should contribute to the organization's success while being intact with their sense of own wellbeing. Employee retention can also be increase if an organization enhances all factors which are needed to retain employees (Okwakpam, 2019; Gilal, et al., 2020).

The main reason of employee retention is not having enough coaching or capital to get the work done. If you put employees in a position in which they do not feel at ease to achieve their objectives, then there will be a problem and those problems include it doesn't matter what you think and what are your responsibilities. Always find out the solutions that will minimize the problems for both, an organization and an employee (Azeem & Akhtar, 2014; Tunio, et al., 2021). Employee retention can also be increased through structured dispute resolution. It is important because when problems come, how well you deal with an employee and it creates an important impact on structuring an employee's attitudes. Maintaining neutrality can also be increase employee retention (Cloutier, et al., 2015; Tunio, 2020). When an employee brings to you an issue, you either solve their problem or you either ignore their problem. Howbeit, employees want to feel that they can access their heads, so they can look at their problems. It doesn't matter that what is good for an organization, but they can see that what needs are to be fulfilled to keep an employee's mind at comfort. Employee retention can also be increased to give the employees respect and expect to receive respect (Kossivi, et al., 2016; Chaudhry, et al., 2021).

Organizational factors and its impression on employee retention is based on the element that how much of an employee's time stands utilized in the firm and how much work is being done considering the organization. Employee retention is considered as an achievement and belief towards the organization because if the employees believe towards the organization, they will spend more time in the organization and they stay long period of time in the organization. Employee retention shows the employees discern faithfulness towards the firm. Moreover, employee retention can also be achieved through successful organizational factors. Other factors that determine employee retention include employee empowerment opportunities, work life balance, compensation and benefits etc. (Kelly, et al., 2021; Gilal, et al., 2021). HR policies play a significant role towards employee's job and eventually lead to successful firm performances. HR practices tend to improve the employee loyalty and gain employee trust which gives an employee satisfaction from its work which in turn is beneficial for the organization (Chaudhury, 2015; Tunio, et al., 2017). Employee retention can be increased by an organization through many ways. Some of them being increase confidence in leadership; this could be achieved if an individual takes up every opportunity to seek training, give feedbacks and to seek ways to boost your own growth. When employees see the supervising team of the organization



growing in their work, that positive energy will enthuse each and every employee (Bao & Zhong, 2021; Tunio, et al., 2021).

### **Objectives of the Study**

The main objective of the study is to identify the organizational factors that effect on employee retention. The objectives of the study are as follows:

1. To identify the impact of employee engagement on employee retention.
2. To analyze the impact of employee empowerment opportunities on employee retention.
3. To understand the impact of employee career development on employee retention.
4. To gauge the impact of pay for performance culture on employee retention.
5. To determine the impact of work life balance on employee retention.
6. To establish the impact of compensation and benefits on employee retention.

### **Research Questions**

1. Does an employee engagement have an impact on employee retention?
2. Do employee empowerment opportunities have an impact on employee retention?
3. What is the impact of employee career development on employee retention?
4. Do pay for performance culture impact on employee retention?
5. Does work life balance impact on employee retention?
6. What is the impact of compensation and benefits on employee retention?

### **Hypotheses of the Study**

**H0:** Employee engagement, employee empowerment opportunities, employee career development, pay for performance culture, work life balance and compensation and benefits do not have an impact on employee retention.

**H1:** Employee engagement has an impact on employee retention.

**H2:** Employee empowerment opportunities have an impact on employee retention.

**H3:** Employee career development has an impact on employee retention.

**H4:** Pay for performance culture has an impact on employee retention.

**H5:** Work life balance has an impact on employee retention.

**H6:** Compensation and benefits has an impact on employee retention.

## **Review of Literature**

Due to the increase change in technology today, the demand for the better quality has risen not only in an organization but also has an increased competition amongst them. For organizations to survive the competition they should create contented and faithful workforce that is important for all the firms, as well as logistic sector. Due to the globalization, worldwide competition has risen in the logistic sector, high echnological changes and privatization of public logistic sectors. The logistic companies of Pakistan are also experiencing immense competition. It is however, taking part in an important role in the blossoming of the country and its financial system. Due to the high rate of logistic companies in the country, there is a fierce competition amongst them and in sequence to remain in this competitive field, logistic companies must to have largely inspired, contented, hardworking and faithful workers (Sagaro, et al., 2020; Tunio, et al., 2021).

Many studies based on the employee faithfulness have shown that the co - relation between the worker loyalty and the worker satisfaction is pragmatic. In the work of Matzler & Renzl showed that contented employees are extra faithful to the organization as collate to those who are discontented with their work. This study also proved that satisfaction among the employees lead to the higher level of satisfaction and dedication of employees with organizations. Moreover, it has been studied that the influence of worker contented on workers devotion to the firm is not just beneficial but it is one of the most chief principals that foretell the worker faithfulness. It has been found in the literature review that the relationship between the compensation and the reward and the employee behavior and the organizational performance. Prado mentioned that the feedback of the group level raised the productivity at an average of 50 percent over the baseline, the setting of the group goal raised the productivity at 75 percent over the baseline and group incentives raised the productivity at 76 percent over the baseline. In accumulation, work attitudes such as job satisfaction, turnover intentions and morale were enhanced after the interventions (Lopez, et al., 2020; Katper, et al., 2020).

Human forces are important in building and enhancing the rival edge of the organization's success as both are invaluable, different and incomparable capital. The definition of human forces can be classified under two wide standards which are specialist and distinguishing. If we talk about general idea, human forces cite to a team of human workforce that is centrally controlled which creates a source of competitive advantage for the organization. As far as distinctive approach is concerned, it focuses on traits of an employee including employee ability, understanding, capability, point of view, experiences and perception. According to different researchers, human resource management is all about maintaining a good relationship with employees to optimize the maximum output from them in order to achieve the organization's goals and increase the efficiency and productivity of employees (Montagna, et al., 2018; Katper, et al., 2020).

If we talk about the organizational factors so it can be concluded as a tool of acquiring, retaining and keeping the employees motivated through fulfilling their psychological and social needs through different ways. There are different researchers who wrote about the connection with the organizational factors and the firm's commitment

through unique tools. The most common tools for retaining employees are employee career development, compensation and benefits, employee empowerment opportunities, employee engagement, work life balance and pay for performance culture. Organizational factors further include job security, job satisfaction, training and development and working environment and culture (Kossivi, et al., 2016; Memon, et al., 2021).

### **Employee Career Development**

Career development is one of the most important factors in employee motivation. When employees see their career more brighten, they will work hard for the success of an organization they will be more motivated and loyal to the organization. Career development refers to the upgrade of one's employee. One can move upward by doing good work and gets the high position on his hard work, advancement and opportunities leads an employee to be more productive and engaged with the organization. Employee career development is not every time formal situation up gradation, in spite the fact that often times it is a ceremonial move from one position to other (Khuong & Yen, 2016; Tunio, et al., 2021).

Human resource management is a process of motivating, retaining and attracting employees for the survival of the organization. Human resource management is implemented in such a way that it helps the organization to have loyal employees who can work for the betterment of organization and make the organization successful. Accompanied by this comprehension of what is needed to grow fortunately all over one's career, Social Cognitive Career Theory (SCCT) has actually described how a joining of variables can lead to a victorious profession. The theory was obtained from Bandura's Social Cognitive Theory. The substructure inspects how varying such as adequacy, objectives and end result assumption crossing with outer variable such as the domain in which one discover themselves and official variables such as gender in either encouraging or inhibiting impede extension in professional development. The priority logic of the Social Cognitive Career Theory is that there are three interlaced variables which are important to control a person's profession behavior and thus development adequacy reliance, end result expectations and personal objectives. Bandura understood self-adequacy faith to be each person's retribution about their ability in order to manage and then administrative and certain courses of action to achieve certain performances. Adequacy as operationalized in this research mention to the trusty system that one enhances beyond the original time based on previous production and academic achievements. End result expectations mention to the beliefs (Arifin, et al., 2020; Tunio, et al., 2021).

### **Compensation & Benefits**

Compensation and benefits comprises of numerous categories of non-wage reimbursements provided to workers in accumulation to their standard incomes or earnings. An occurrence where a worker exchanges (cash) salary for some other procedure of assistance is generally denoted to as a "salary packaging" or "salary exchange" procedure. In most countries, most kinds of worker reimbursements are taxable to at least some notch. Due to the rapid increase in technology today, the demand for better quality has risen not only in organizations but it has also increased competition amongst them. For companies to survive the competition, they

tend to satisfy their workers and hire loyal workforce which is vital for organizations, including the food sectors and logistic sectors. Due to globalization, worldwide competition has risen in the banking sector; there are high technology changes and privatization on public logistic sectors (McGraw, 2015; Shaikh, et al., 2021).

### **Employee Empowerment Opportunities**

Empowerment is one of the important factors among the organizational growth through which employees feel more strengthen in their decisions and can achieve the organizational goals with more meaningful ways. Empowerment gives the feeling of respect, ownership and most significantly sense of responsibility and these factors reinforce the role of an employee. A lot of firms have been working entitlement even if it is extremely difficult. Firms are practicing authorization, and yet the empowerment at the lower level of the pyramid is barely witnessed. Logistic industry is a vastly service providers and the bottom level workers are the ones who are in straight dealings with the consumers. This makes it vital for workers to be authorized in the logistic industry to offer better amenities to its clientele. Keeping in mind, the need of empowerment in the logistic industry, several tries have been made to recognize the numerous apparatuses of empowerment being used. It is also endeavored to check the effect of empowerment on the part of workers. In logistic sector, employees are empowered by having the right to make decisions related to loan approvals and credit grants. This autonomy of decision making motivate employees and they feel empowered and become more focused towards their job and organizations and they will not tend to leave that job most likely. This resolves the problem of retaining employees and saving the training cost. It directly affects the organization's productivity and sustainability (Hanaysha, 2016; Tunio, et al., 2022).

### **Employee Engagement**

Employee engagement is very important in every organization. Only the employees, who are fully engaged with the organization, can lead to make an organization successful. They will work hard and they fully invest their energies to make the organization successful. If employees are not fully engaged with the organization, they will just do work from 9 to 5 but they do not invest their energies or they will do not work hard to make the organization successful. In this way, employees do not stay in the organization for a long period of time. There is no doubt when one claims that the reason behind a developing and successful organization is productive employees. If you run your own business or are a manager of any kind, you are probably always looking for ways to increase productivity and hence increase revenue. But productivity is directly linked to positive dedication, commitment and increased motivation. The higher the employee is comfortable at work, the higher his productivity. So yes, it is possible to say that the work environment has a direct impact on employee performance because if the working environment is good, employees feel more engaged with the organization and they will likely to stay with the organization for a longer period of time (Saks, 2019).

### **Pay for Performance Culture**

Pay for performance culture is an important factor for retaining employees. If organizations pay extra to the employees for participating in any activities, employees will be more motivated, and they will also be likely to participate in the

future. If organization do not pay extra, then employees will not be likely to participate in any activity in the future. If an organization wants to build a high - performance culture, so they should have to manage employees' performance. They should have to pay incentives to the employees so that they will likely to contribute in any activity or in any project in the future because pay for performance rewards attract attention of all employees and employees give importance to the rewarded performance. Pay for performance culture includes bonus, rewards, ncentives etc. For retaining employees in the organization, it necessary for the organization to pay incentives, bonus, rewards etc. to their employees. To ensure efficient and effective employee retention, it must be show to the employees that the organization practices a pay for performance culture where the high performing employees are reward and low performing employees are penalized accordingly, this ensures the worth of the high performing employee accordingly (Destler, 2016).

### **Rewards and Recognition**

In organizations, rewards and recognitions are given to the employees in order for desired performance or expecting from an employee for good results. However, the main purpose of mostly benefits and recognition areas are fortunate, but motivation of workers is the essential part in reaching the desired objectives. Motivation is a willingness of a person to accomplish a preferred purpose. It is said that inspiration satisfaction depends on the demand of the approach, assume that the production of an individual is formed by the form of the benefits, defiance of the sub ordinates and the information of the remuneration structures. The type of motivation is mainly two: intrinsic incentive and extrinsic incentive. It is said that workers are inspired by incentives and external recompenses are extrinsically inspired and individuals who are simply enthusiastic are intrinsically inspired employees. Nevertheless, it is recommending that it isn't necessary that essentially inspired employees do not want rewards for their performance and extrinsically motivated employees do not have job gratification. Different concepts have defined how to spread the worker's motivation. Maslow claimed that individuals are interested by the sequence of five extensive requirements (Gooderham, et al., 2018).

### **Bonus**

In pay for performance culture, bonus also includes. Bonus is a payment in which organizations give to their employees in return of their good performance. Bonus is very important to give employees because employees always see better opportunities and benefits. If organizations do not give any benefits or do not pay in return of good performance to the employees, employees switch to another organization. If the organizations want to retain their employees for the longer period of time, so the organizations should give bonus, rewards etc. and other benefits to their employees. Pay for performance culture effects on the long - term performance of the employees. If the organizations pay to their employees, then employees perform good and if the organization do not pay to their employees, then employees will not perform good because employees are satisfied and perform good when organizations pay them in return (Markovitz & Ryan, 2017).

### **Work Life Balance**

Work life balance is very important factor for retaining employees. Employees are

likely to stay in an organization for a longer period of time where there is a work life balance which means they give time to their work and they also give time to their family as well. Logistic sectors are providing work life balance to the employees. They work from 9 to 5 and the rest of the time; they spend with their family. So, that is why employees want to work in logistic sectors for a longer period of time. They do not want to switch their job because they are fully satisfied with their job. Work Life Balance is about how people manage their time at work and with their family. Now stress is very common. You will get stress at every workplace. In previous years, there was no technology and every employee have to take out their time for their family but now technology comes and technology is growing faster and we have made technology our life that nobody can live without technology. Now technology has made life easier and we can talk with our family through video call or voice call. It means that we can also take time at workplace as well. Now work life balance is becoming easier for us. During COVID 19 situation, we can also work at home because of technology. If a person is trying to do their job with stress and a person cannot relax, they do not perform well because their ability to do their job is decreasing and it will effect on their performance (Kelliher, et al., 2019).

## **RESEARCH METHODOLOGY**

### **Geographical Distribution of the Sample**

The geographic distribution of the sample focuses mainly on the the location, region or areas where the respective research is being conducted accordingly. This research shall be targeting organization pertaining to the Logistic Sector of Karachi, Pakistan. The research shall include 6 different logistic organizations, focusing mainly on the head offices of all these logsitics organzaitons, located in various areas of karachi, Pakistan, Sindh.

### **Demographic Distribution of the Sample**

Demographic distribution specifies the gender, age and nature of employees that will incorporated into this research. The research is focused on the logistic sector of Karachi, Pakistan, the employees that will be included in the research will include both male and female, ranging in age from 25 to 50 and above, incorporating employees at all three management levels that include operational level, middle level and top - level management. The designations that may be included in to the research shall include officers, senior officers, managers, assistant managers, senior managers, general managers, departmental heads, divisional heads, regional heads, group heads.

### **Population, Sample and Sampling technique**

This component specifies the population of the research from where the sample shall be selected and moreover the sampling technique implemented in the research that helps us in selecting a sample from the population. The sampling method is a procedure to select the sample of the study. There are two types of sampling methods, the probability and non-probability method. The non-probability sampling method is appropriate for the study. As the information of the entire population is not available and accessible to the researcher and furthermore the research is being conducted in during the time of COVID-19 that limited accessibility and availability of the respondents for data collection thus to ensure that data is collected from a large sample of the population thus non-probability method is appropriate for the study.

The sample of the study is selected by the researcher and relies on its subjective judgment.

Convenience sampling technique shall be implemented in this research as data will be collected from those respondents who are easily available and accessible, willing to participate in the survey questionnaire and have sound viable, experiential and credible knowledge in regards to the study being conducted that is the impact of organization factors on employee retention the logistics sector of Karachi, Pakistan, Sindh.

The population from which the sample of the research shall be extracted shall include employees at all management levels of the logistics organizations located in Karachi, Pakistan, Sindh that includes operational level, middle level and top management level. The sample size shall consist 350 employees, approximately 60 employees each from 6 logistics company.

### **Research Design**

The research design helps stated the research methodology, nature of the research and time orientation at play in the research. In research methodology, there are two types of procedure: quantitative method and qualitative method. We are using quantitative method. It is an organized procedure that gathers scientific facts and uses statistical procedure to examine the results. It achieves the study through a formal and structured process and procedures. This research is based on scientific fact, inquiry and presents a result numerically.

The nature of the research is causal explanatory in nature that focuses cause and effect relationship between variable that is the independent and dependent variable. Thus, the research helps in identifying the impact of the independent variables (Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation and Benefits) on the dependent variable (Employee Retention). Time orientation of the research is cross-sectional as it gathers information from the respondents at a given point in time, that is one single time without any manipulation in data.

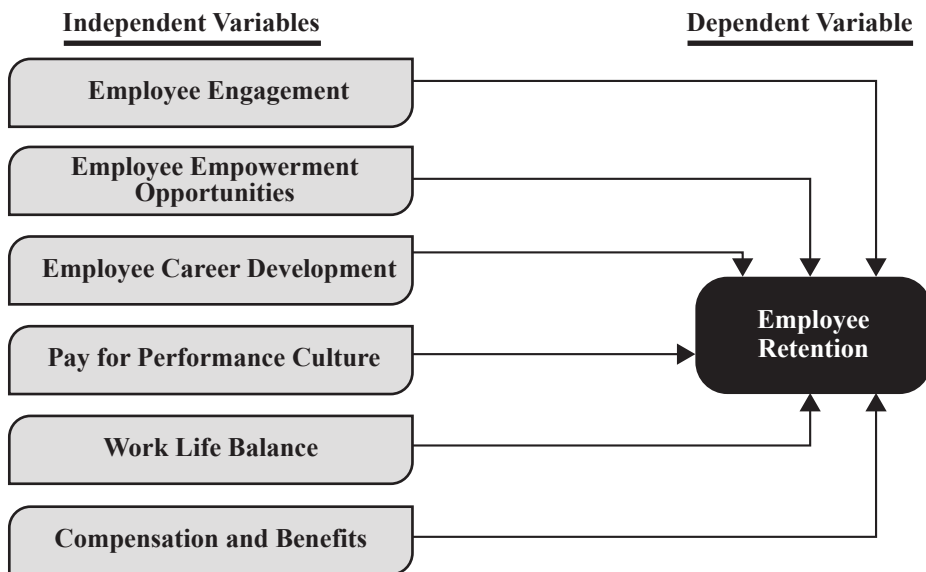
### **Description of the Instruments**

Description of the instruments highlights the medium and type of the instrument that shall be used for data collection purposes. Data will be collected by floating a close ended questionnaire. The questionnaire will consist of 3 question each both pertaining to the independent variables (Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation and Benefits) and dependent variable (Employee Retention). The questionnaire will be developed on the Likert Scale based on 1 to 5, where 1 depicts Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree which is a method of assigning quantitative value to qualitative data, so that it is responsive to statistical analysis. It will be a simple questionnaire so that all the target audience is comfortable in answering it. The questionnaire will be circulated using online means and sources and shall be shared by respondent through means of electronic mail as well. As the questionnaire is based on a Likert Scale, it will be convenient and less time consuming and will be more efficient and effective at collection data from the respondent accordingly.

### Conceptual Framework

Conceptual framework including the independent variables and dependent variable of the study are as follows:

**Figure 1: Conceptual Framework**



Conceptual Framework creates a relationship between an independent variable and a dependent variable. In this study, our independent variables are employee engagement, employee empowerment opportunities, employee career development, pay for performance culture, work life balance and compensation and benefits. Whereas our dependent variable is employee retention. This research focuses on identifying the impact of all independent variables on the dependent variable employee retention.

### Procedure of the Study and Data Collection

Procedure of the study and data collection lay emphasis on how the data will be collected and analyzed for statistical and numerical results. There are two kinds of data: Primary data and Secondary data. Secondary data is the data that has already been collected and readily available whereas primary data is the data that is to be collected accordingly and is not available, hence in this research we shall be conducting primary data to collect data from respondents accordingly. Data shall be collected through a structured and formal survey questionnaire based on likert scale. Upon collection of the data, it shall be coded on to excel and analyzed using a statistical approach through a statistical software.

### Reliability and Validity

Reliability is checked through Cronbach Alpha. Cronbach alpha is a reliability test option that is used for calculation of the reliability of the data; therefore, reliability of collected data will be calculated by making use of the mentioned reliability test option.



In this study, the hypothesis would be tested through the statistical model MLR (Multiple Linear Regression) will be applied to this research to check the validity. SPSS is used for statistical calculation implementation which is a computer software.

**Results**

The study made use of survey questionnaire as a source of data collection. The questionnaire was comprised of 3 questions relating to the independent variables (Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation & Benefits) and dependent variable (Employee Retention), having a total of 21 questions. The questionnaire was floated to 6 Logistic companies with no gender discrimination, hence both male and female employers were incorporate in the data collection being of age 25 and 50 above, from all levels of management that is operational, middle and top management pertaining to various departments. In total 350 responses were collected, approximately 60 respondents from 6 different logistic companies. After the data was collected, it was coded into an excel sheet and then analyzed through the SPSS statistical software to analyze the impact of organizational factors on employee retention relating to the retaining employees at the Logistic sector. The results and finding are as follows:

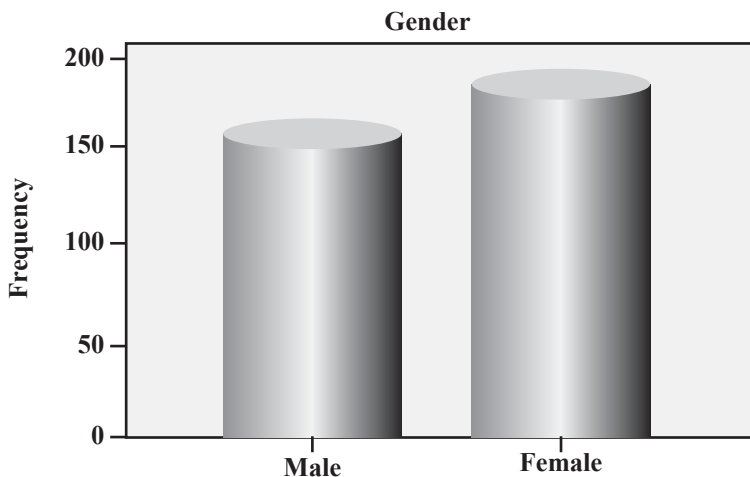
**Demographics**

**Table 1:** Demographics (Gender)

**Gender**

Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	<b>Male</b>	160	45.7	45.7	45.7
	<b>Female</b>	190	54.3	54.3	100.0
	<b>Total</b>	350	100.0	100.0	

**Figure 2:** Demographics (Gender)



The demographic segmentation of the respondents is observable above. Table 1 shows the gender segmentation of the 300 respondents, with 160 (45.7%) being males and 190 (54.3%) being females. The graphic illustration of this data is displayed in Figure 1.

**Table 2: Demographics (Age)**

Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	<b>25-35</b>	126	36.0	36.0	36.0
	<b>36-45</b>	115	32.9	32.9	68.9
	<b>46 and 50 above</b>	109	31.1	31.1	100.0
	<b>Total</b>	350	100.0	100.0	

**Figure 3: Demographics (Age)**

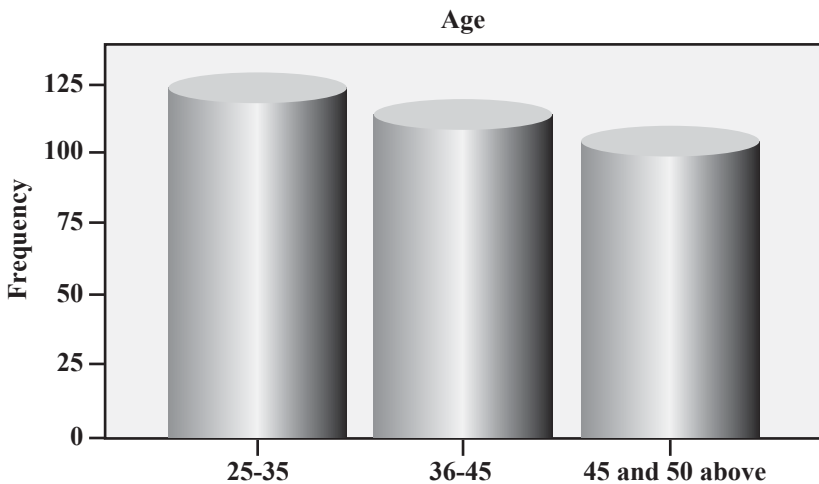


Table 2 categorizes the respondents by age. With 126 (36.0%) respondents being between the age of 25-35, 115 (32.9%) respondents being between the age of 36-45, 109 (31.1%) respondents being between the age of 46 and 50 above. The graphic illustration of this data is displayed in Figure 3.

**Table 3: Demographics (Management Level)**

Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	<b>Operational Level</b>	122	34.9	34.9	34.9
	<b>Management Level</b>	114	32.6	32.6	67.4
	<b>Top Level</b>	114	32.6	32.6	100.0
	<b>Total</b>	350	100.0	100.0	

**Figure 4:Demographics (Management Level)**

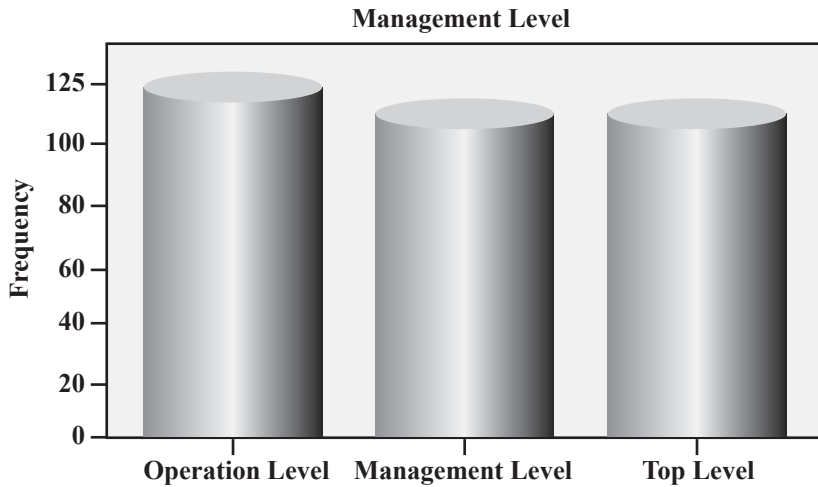


Table 3 categorizes the respondents based on their management level of employment. 122 (34.9%) respondents were part of the operational level, 114 (32.6%) respondents were part of the middle level, and 114 (32.6%) respondents were part of the top level of management. The graphic illustration of this data is displayed in Figure 4.

**Reliability Testing**

**Table 4: Reliability & Validity**

Variable	Items	Cronbach,s Alpha
Employee Engagement	3	.789
Employee Empowerment Opportunities	3	.745
Employee Career Development	3	.799
Pay for Performance Culture	3	.790
Work Life Balance	3	.699
Compensation and Benefits	3	.644
Employee Retention	3	.712
All Variables	21	.828

Table 4, above, shows the output of the reliability test done on the collected data set. Since the variables used in this research were made from this data, it is important and unavoidable that the data first needs to be checked for reliability. The Cronbach’s Alpha is also referred to as “coefficient of reliability”. The value represented by the Cronbach’s Alpha shows the consistency of the responses, values between 0.5 - 0.6 denotes the responses were satisfactory, while the values above 0.6 denotes the responses were good in consistency and the scale is reliable for application for further analysis. As displayed in the table; the value of Employee Engagement at 3 items is 0.789, Employee Empowerment Opportunities at 3 items is 0.745, Employee Career Development at 3 items is 0.799, Pay for Performance Culture at 3 items is 0.790, Work Life Balance at 3 items is 0.699, Compensation & Benefits at 3 items is 0.644

and Employee Retention at 3 items is 0.712. Moreover, the Cronbach’s Alpha for all variables together is 0.828. All values are higher than 0.6 as more than 60% consistency is achieved, hence the results are consistent, reliable and applicable for further analysis.

**Correlation Matrix**

**Table 5:** Correlations

**Correlations**

		<b>EE</b>	<b>EEO</b>	<b>ECD</b>	<b>PPF</b>	<b>WLB</b>	<b>CP</b>	<b>ER</b>
Employee Engagement	Pearson Correlation	1	.722**	.624**	.588**	.617**	.652**	.640**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	350	350	350	350	350	350	350
Employee Empowerment Opportunities	Pearson Correlation	.722**	1	.738**	.411**	.613**	.731**	.646**
	Sig. (2-tailed)	1		.000	.000	.000	.000	.000
	N	350	350	350	350	350	350	350
Employee Career Development	Pearson Correlation	.624**	.738**	.1	.251**	.561**	.806**	.602**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	350	350	350	350	350	350	350
Pay for Performance Culture	Pearson Correlation	.588**	.411**	.251**	1	.587**	.415**	.689**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	350	350	350	350	350	350	350
Work Life Balance	Pearson Correlation	.617**	.613**	.561**	.587**	1	.705**	.790**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	350	350	350	350	350	350	350
Employee Retention	Pearson Correlation	.640**	.646**	.602**	.689**	.790**	.826**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	350	350	350	350	350	350	350

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

Table 5, above, is the correlation matrix. The data in this matrix is signified by 3 components; Pearson Correlation Value, Significance (2-Tailed) Value, and N Value. Pearson Correlation value denotes the strength of the relationship between the two variables with a range of -1 to 1, where -1 to 0 mean negative relationship, 0 means no relationship, and 0 to 1 means positive relationship. Significance value denotes the statistical significance in correlation between the two variables and N value denotes the total number of respondents that have been incorporate in the research.

Hence, Employee Engagement has a Correlation Coefficient of 64.0% with Employee Retention at a p-value of 0.00 which shows a statistically good relationship between Employee Engagement and Employee Retention.

Employee Empowerment Opportunities has a Correlation Coefficient of 64.6% with Employee Retention at a p-value of 0.00 which shows a statistically good relationship between Employee Empowerment Opportunities and Employee Retention.

Employee Career Development has a Correlation Coefficient of 60.2% with

Employee Retention at a p-value of 0.00 which shows a statistically good relationship between Employee Career Development and Employee Retention.

Pay for Performance Culture has a Correlation Coefficient of 68.9% with Employee Retention at a p-value of 0.00 which shows a statistically good relationship between Pay for Performance Culture and Employee Retention.

Work Life Balance has a Correlation Coefficient of 79.0% with Employee Retention at a p-value of 0.00 which shows a statistically strong relationship between Work Life Balance and Employee Retention.

Compensation & Benefits has a Correlation Coefficient of 82.6% with Employee Retention at a p-value of 0.00 which shows a statistically strong relationship between Compensation & Benefits and Employee Retention.

**Multiple Linear Regression**

**Table 6:** Model Summary

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.936 <sup>a</sup>	.876	.873	.29002

**a. Predictors:** (Constant), Compensation and Benefits, Pay for Performance Culture, Employee Engagement, Work Life Balance, Employee Empowerment Opportunities, Employee Career Development.

Table 6, above, is the Multiple Linear Regression Model and represents the output of the regression model executed in SPSS. This helps us estimate the relationship between all the independent variables with the dependent variable., where R is the coefficient of correlation and R<sup>2</sup> is the coefficient of determination. Higher values (close to 1) represent strong relationship. This model summary is the first out of this model, which has been done to test the hypothesis being investigated in this dissertation. The model summary above, represents the goodness of fit of the model whereas it also explains how the model is explained by the variables. The coefficient “R” in the above table, tells us about the relationship between all the independent variables with the dependent variable is 0.936 (93.6%), while R<sup>2</sup> tells us the change in the independent variables, Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation & Benefits describe 0.876 (87.6%) of the model. Or simply put, all the independent variables Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation & Benefits cause a 0.876 (87.6%) change in the dependent variable, Employee Retention.

**Analysis of Variances**

**Table 7:** Anova

ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.1
1	Regression	203.158	6	33.860	402.565	.000 <sup>a</sup>
	Residual	28.850	343	.084		
	Total	232.008	349			

**a. Predictors:** (Constant), Compensation and Benefits, Pay for Performance Culture, Employee Engagement, Work Life Balance, Employee Empowerment Opportunities, Employee Career Development

**b. Dependent Variable:** Employee Retention

Table 7, above, is the Analysis of Variance (ANOVA). With the help of this model, we can measure the goodness of fit of the model, which is indicated by the F value (should be more than 4) and the implication of the model which is signified by the Sig. value (should be less than 0.05). After observing the results in the table above, it can be said with confidence that the model holds a predictive value, proven by the sig. value of 0.000 and thus we can reject the null hypothesis which is “Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation & Benefits have no impact on Employee Retention”. The model is also considered acceptable owing to the fact that the F value is above 4 at 402.565.

**Table 8:** Coefficients

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.B
		B	Std. Error	Beta		
1	(Constant)	.092	.084		1.090	.277
	Employee Engagement	.022	.025	.027	4.85	.005
	Employee Empowerment Opportunities	.250	.030	.279	8.32	.000
	Employee Career Development	.017	.034	.018	3.83	.009
	Pay for Performance Culture	.292	.022	.357	13.44	.000
	Work Life Balance	.250	.031	.248	8.13	.000
	Compensation and Benefits	.642	.037	.675	17.52	.000

**a. Dependent Variable:** Employee Retention

Table 8, above, shows the coefficient output of the linear regression executed on SPSS. This table shows the strength and direction as well as the significance of the independent variables and its impact on the dependent variable.

Employee Engagement has a significant impact on Employee Retention as its t value is 4.85 which is above the 2.0 benchmark for the t- statistic, and its sig value is 0.005 which is less than the 0.05 sig cut off value.

Employee Empowerment Opportunities has a significant impact on Employee Retention as its t value is 8.32 which is above the 2.0 benchmark for the t- statistic, and its sig value is 0.000 which is less than the 0.05 sig cut off value.

Employee Career Development has a significant impact on Employee Retention as its t value is 3.83 which is above the 2.0 benchmark for the t- statistic, and its sig value is 0.009 which is less than the 0.05 sig cut off value.

Pay for Performance Culture has a significant impact on Employee Retention as its t value is 13.44 which is above the 2.0 benchmark for the t- statistic, and its sig value is 0.000 which is less than the 0.05 sig cut off value.

Work Life Balance has a significant impact on Employee Retention as its t value is 8.13 which is above the 2.0 benchmark for the t- statistic, and its sig value is 0.000 which is less than the 0.05 sig cut off value.

Compensation & Benefits has a significant impact on Employee Retention as its t value is 17.52 which is above the 2.0 benchmark for the t- statistic, and its sig value is 0.000 which is less than the 0.05 sig cut off value.

Furthermore, the Beta value in the table above highlights the magnitude that is the impact of the independent variables from highest to lowest on the dependent variable. Thus 1st being Employee Engagement, 2nd being Employee Empowerment Opportunities, 3rd being Employee Career Development, 4th being Pay for Performance Culture, 5th being Work Life Balance, and lastly Compensation & Benefits.

### Table 9: Hypothesis Testing

#### Testing and Analysis of Hypotheses

S No	Hypotheses	T-Value	Sig Value	Empirical Conclusion
H1	Employee engagement has an impact on employee retention.	4.85	.005	Accept
H2	Employee empowerment opportunities have an impact on employee retention.	8.32	.000	Accept
H3	Employee career development has an impact on employee retention.	3.83	.009	Accept
H4	Pay for performance culture has an impact on employee retention.	13.44	.000	Accept
H5	Work life balance has an impact on employee retention	8.13	.000	Accept
H6	Compensation and benefits have an impact on employee retention.	17.52	.000	Accept

Table 9, above, shows all the hypotheses being used in this dissertation, accordingly, it shows that all the hypotheses; H1, H2, H3, H4, H5 and H6 have been accepted. Consequently, all the independent variables; Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation & Benefits, have a significant impact on the dependent variable Employee Retention.

## **Discussion**

Based on the statistical analysis it can be seen that all independent variables (Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation and Benefits) significantly impact the dependent variable (Employee Retention). We can further assess the variables accordingly as follows:

With a t value of 4.85, which is greater than the 2.0 t-statistic benchmark, and a sig value of 0.005, which is lower than the 0.05 sig cutoff level, employee engagement has a substantial influence on employee retention. Employee engagement significantly impacts employee retention because engaged employees are highly connected with their organizations and tend to go beyond their duties and responsibilities in enabling their organization to achieve their strategic goals, engaged employees remain highly retained and loyal to their respective organization.

With a t value of 8.32, which is greater than the 2.0 t-statistic benchmark, and a sig value of 0.000, which is lower than the 0.05 sig cutoff level, employee empowerment opportunities have a substantial influence on employee retention. Employee empowerment opportunities gives the employee more responsibility, authority and decision-making ability which is often not just seen as source motivation but also seen as a source of development by employees, hence this aspect of employee empowerment opportunity greatly impacts employee retention positively.

With a t value of 3.83, which is greater than the 2.0 t-statistic benchmark, and a sig value of 0.009, which is lower than the 0.05 sig cutoff level, employee career development has a substantial influence on employee retention. One of the most important and critical aspects that is eagerly sought upon by employees is their career development and growth in an organization, when an organization lays emphasis on an employee's career development it motivates them and in turn positively impacting employee retention.

With a t value of 13.44, which is greater than the 2.0 t-statistic benchmark, and a sig value of 0.000, which is lower than the 0.05 sig cutoff level, pay for performance culture have a substantial influence on employee retention. Pay for performance culture is a concept that focuses on incentivizing and rewarding employees as per their performance, this concept helps identify the high performers from the low performers. Hence when this phenomenon is observed by employees, where high performing employees are fairly incentivized and reward, this leads to employees working harder and contributing to organizations activities and their respective duties with more efforts, a fair system of incentivization and rewarding is seen as a great source from employee retention.



With a t value of 8.13, which is greater than the 2.0 t-statistic benchmark, and a sig value of 0.000, which is lower than the 0.05 sig cutoff level, work life balance has a substantial impact on employee retention. Through work life balance, employees can manage both personal and professional life which has a positive impact on employee retention, the reason being that when employees can manage their personal dynamics efficiently and effectively, this automatically leads to a higher probability of employees working more effectively at work as their personal dynamics are well taken care of, due to work life balance opportunities provide by their respective organization.

With a t value of 17.52, which is greater than the 2.0 t-statistic threshold, and a sig value of 0.000, which is lower than the 0.05 sig cutoff, compensation and benefits has a substantial influence on employee retention. Compensation and benefits refer to a salary package and benefits such as medical facilities, health insurance, bonuses etc. hence when employees are compensated as per the competencies with significant benefits, this leads to a higher levels of employee retention.

In Sustainable Development Goals (SDGs) 8.5, there will be more respectable and full employment work in the organizations with an equal pay in order to retain their employees in the future for both male and female employees which includes young and disable employees. There will be an equal earnings for all the employees including age, occupation etc. In this way, organizations will successfully retain their employees in the future.

## **Conclusion**

The variables that were incorporated in this research included (Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation and Benefits) as independent variables and (Employee Retention) as dependent ariable. As the study focused on analyzing the impact of independent variables (Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation and Benefits) and dependent variable (Employee Retention) on the dependent variable (Employee Retention), it was concluded through statistical analysis processed using the statistical software SPSS that all independent variables have been accepted as all independent variables (Employee Engagement, Employee Empowerment Opportunities, Employee Career Development, Pay for Performance Culture, Work Life Balance and Compensation and Benefits) have an impact and effect the dependent variable (Employee Retention).

## **HEALTH AND SAFETY POLICIES AND EMPLOYEE PERFORMANCE (OUTCOME)**

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### **ABSTRACT**

*As per study, implementing a policy that covers safety management rules is one of the effective processes of assigning expenditures for safety since its not only improves working conditions, but it also has a positive impact on employees' mindsets about safety, hence improving employee outcomes in terms of reducing incidents that occur in workplace. This study was carried out to examine whether the implication of safety policies enhance the outcome. For this purpose, data was collected from different industries located in Karachi and convenience sampling technique was applied. The regression along with Pearson correlation method was used to test the hypothesis. The validity of the instrument was checked using Cronbach's Alpha. The study indicated that by applying safety policies and preventive planning can have the chance to improve to outcome. Therefore, managers should always look for safety measures.*

**Keywords:** Safety Management; Working Condition; Employee Safety; Safety Policies

### **INTRODUCTION**

OHS refers to ways by which people and assets are secured within working premises. OHS prevents injuries and sicknesses resulting from workplace dangers. Safety and health of workers at workplace is one more area where specialists try to avoid great damage. Practically speaking, occupational safety and health entail elements of morality and economics. OHS is a field of study that deals with establishing safe

working conditions (Muchemedzi & Charamba, 2006; Tamene et al., 2020) There are many activities in the construction industry that pose a health and safety threat to workers such as manual handling of weights, operating at heights, proximity to drop materials, working in constricted areas. For example, noise, working with hazardous materials, dust, contact with live wires, fire, and using heavy machinery. Because of this, a greater proportion of workers in construction industries today face health risks or illnesses associated to their jobs, such as asbestos and disinfectants, which are classified as chemical hazards, and radiation and noise, which are classified as physical hazards (Ambrosini, 2007; Ngaruiya et al., 2019). Other dangers include musculoskeletal disorders due to uncomfortable jobs like overload of big objects or unusual working places, irregular days of work and night jobs, shifting from normal to odd work shifts, and violence at work e.g., harassment (Musab & Tarawneh, 2020).

Efficiently managing health and safety not only safeguards the well-being of workers but also plays a crucial role in cost mitigation. Accidents can cause a range of financial consequences, such as over time cost, replacement costs of damaged property and recruiting costs of those hurt. Moreover, additional costs like wasted time dealing with claims arising from accidents, paying compensation to injured employees and additional medicine which was not budgeted by the company. listadeer. Consequently, effective health and safety management become strategic investments against such expenses for the financial viability of the organisation as whole.

There are many deaths, injuries, and diseases that happen in the industry due to poor Occupational Health & Safety (OHS) standards. While and Employee Performance (EP) constitute critical concerns across various occupations, the literature remains notably silent on the direct impact of OHS on EP. Prior evidence suggests OHS as a predictor of EP, yet in Pakistan only limited amount of research has been conducted.

OHS, fundamentally focused on eliminating hazardous behaviors and conditions in the workplace, becomes integral in safeguarding human health and safety. EP denotes the quality and quantity of work completed by employees in accordance with their responsibilities, while JS reflects the satisfaction employees derive from their work. This review, conducted at the construction industries of Karachi that explores the research question: Does OHS significantly predict employee performance? While a wealth of global literature exists on this subject, there is a paucity of research within the context of Pakistan. This study's significance lies in enhancing worker awareness of hazards and improving the management of OHS and EP.

## **Theoretical background**

### **Health and safety policies and Employee performance (Outcome)**

In this study, Occupational Safety and Health (OSH) policies, represent the organizational framework that provides strategic direction and demonstrates management commitment to OSH. These policies guide how an organization addresses and manages OSH-related issues, as well as the expected responses from employees (Obese, 2010). The study posits that all OSH-related attitudes and

activities within an organization originate from the existence of well-defined OSH policies. The necessity of regulations governing the availability and use of personal protective equipment (PPE), the frequency and locations of putting notices on workplace safety and health, and the protocols for utilizing the proper instruments to avoid industrial diseases and accidents at construction sites are the three main aspects of OSH policies that were taken into consideration in this study (Bitire & Chuma, 2022).

Aligned with the presence of OSH regulations, the study also emphasizes OSH practices within an organization. OSH practices refer to the implementation and realization of the content outlined in OSH policies. Essentially, the review of OSH policies becomes meaningful only when these policies are actively put into practice, allowing for subsequent evaluation. The study underscores the importance of not just having OSH policies in place but also ensuring the effective implementation of practices that harness the benefits of OSH for both management and workers (Obese, 2010).

Performance is gauged by the output produced from a given input, with the construction sector equating its output to the total input (Boyle et al., 2016). Several factors contribute to performance, encompassing the commitment of both employees and management, the compensation system, training and performance management systems, and community involvement (Lee & Holzer, 2004). Organizational core processes within the construction industry play a pivotal role in influencing performance at both organizational and process levels (Jacob et al., 2012).

General efficiency is closely tied to performance within the construction sector (Fischman et al., 2011). The well-being and safety of workers are intricately linked to company performance (Oxenburgh et al., 2004). Additionally, individual workers' job performance environments exert an influence on organizational performance (Peng et al., 2018), with work systems holding significant explanatory power in employee performance (Carrión et al., 2016). Job designs have been identified as factors impacting performance, and research on workplace innovation underscores the positive effects of increased worker participation and autonomy on learning, skill development, and, subsequently, productivity (Black & Lynch, 2001; Vallance et al., 2010).

### **Hypothesis Development & Empirical Review**

The socio-economic development is contributed by the construction industry. These advantages may cause industrial accidents and diseases that result in deaths of workers or contribute to poor workforce and organization's productivity. Therefore, construction firms should make the health of their workers a priority at the construction sites. Many researchers have investigated how OSH can improve the performance of construction worker such as Segbenya & Yeboah (2022). The study found that OHS policies applied in the construction industry contributed significantly to improving workforce performance, which conformed to international practice.

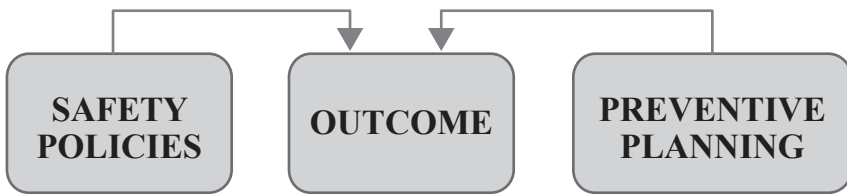
For instance, Lin (2012) found out that the safety culture influences safety rules and individuals' safety responsibilities positively, which in turn enhances the

employees' loyalty. Moreover, safety culture also enhances performance. The other researchers who also demonstrated this were subramaniam et al., (2016).

According to McCaughey et al., (2015), OHS affects job satisfaction. Job satisfaction leads to a high level of employee performance as per Jalalkamali et al., (2016). However, Walters (1998) established that work safety does not have direct impact with performance, but it can influence via conducive working environment likewise Ekowita & Amin (2019) noted that occupational health and safety did not affect performance, and job satisfaction could but job satisfaction can mediate the relationships between occupational health and safety policies on employee outcome.

**H1:** Health and Safety Policies to improve outcome in workplace

**H2:** Health and Safety Preventive Planning to improve outcome in workplace



**Fig No 1 Conceptual Framework**

### Methodology

Exploratory and descriptive research design were carried out. Cross-sectional research was applied in the current study undertaken at a single point in time. In the underlying research, a quantitative technique is used to examine hypotheses that will be established after performing a literature review. Data include numerical values gathered in the research with the goal of obtaining relevant findings are used to apply a quantitative method. Quantitative research technique is commonly used with the goal of getting more reliable evidence concerning the link between distinct factors, which is impossible to achieve with non-numeric data.

The representativeness of samples of both workers and enterprises determines the generalizability of research findings. As this study is exploratory in nature the major goal was to evaluate the questionnaire on a small group of people. Therefore, the sample size is determined using Comrey and Lee's (2016) who believes that the sample of 300 and more is good for this type of research. Our sample falls good, with exactly 300 people responding to the survey.

The goal of data analysis is to interpret it in a way that is understandable to readers while still achieving the research's primary goal. In the current study, numerous analytical procedures were used, such as Cronbach alpha analysis for determining data reliability. Descriptive statistics to test and analyse the data collected from the respondents. Regression and correlation analysis used to identify the connection among, the dependent and independent variable. All of these statistical tools were implemented using SPSS, a powerful tool for implementing various analytical techniques.

To assess the efficiency of study, the phrases "**reliability**" and "**validity**" are utilised. They are used to characterise the precision with which a technique, methodology, or set of measurements measures something. Validity refers to the precision of a measurement, whereas reliability refers to its consistency. To put it differently, the quantity to which a questionnaire survey consistently generates the same findings again and above that when used in the same situation. (Heale and Twycross 2015)

With the growing number of research questions, it's more vital than ever to use a variety of research models and procedures. While fundamental and etiologic investigations are required to detect increasing risks associated with new kinds of stressors, social epidemiology methodologies are necessary to comprehend the consequences of organisational and psychological exposures. Operational data from individual organisations can be used for epidemiologic research as individual companies become more data-driven. Surveillance tools are required to keep track of growing dangers and their possible consequences for workers and businesses. Changes in the workplace will necessitate new research methodologies for digital follow-up of employees across employment and settings, as well as figuring out how to foresee and solve confidentiality, attrition, and positive assessment bias issues.

The instrument is divided into two parts i.e., Demographics & measurement variables (Dependent & Independent). Demographics include age, gender, position and business unit etc. while there are 1 dependent variables (Outcome) and 2 independent variable which include safety policies and preventive Planning. A 7-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree was used to measure the answers. Items for measuring safety policies and preventive Planning were taken from Fernández-Muñiz et al., (2007), and the instrument for outcome was adapted from Lee (2018) The questionnaire was modified according to the study.

**Results**

**Respondent Profile**

The first step is to determine whether the people in a study are a true representation population for generalization purposes. The table below shows that most of the respondents were middle age. The table below shows that most of our participants were male (86.66%) while 27.81% were female which might implies the dominancy of male employees. Participants for this study were staff, managers, supervisor & team leaders. Experience level of most of the respondents were not more than 10 years.

**Table No 1 Demographic Profile**

Variable		Number	Percentage
	Below 30	86	28.66
	30 - 40	146	48.66
	41 - 50	43	14.33

Variable		Number	Percentage
	Below 30	86	28.66
	30 - 40	146	48.66
	41 - 50	43	14.33
<b>Age</b>	Above 50	25	8.33
	Total	300	100
	Male	260	86.66
<b>Gender</b>	Female	40	13.33
	Total	300	100
	Staff	99	33
	Manager	64	21.33
	Supervisor	98	32.66
<b>Position</b>	Team Leader	39	13
	Total	300	100
	Manufacturing	82	27.33
<b>Business Unit</b>	Electronic	79	26.33
	Metal	45	15
	Construction	94	31.33
	Total	300	100
	1-3 years	109	36.33
<b>Years of Experience</b>	4-6 Years	128	42.67
	7-10 Years	39	13
	More than 10 Years	24	8
	Total	300	100

### Descriptive Analysis

The table below shows the mean scores and standard deviation. The average response to safety policies is 6.5, indicating that respondents strongly agree with the statements made in the instrument. Similarly, Planning has a mean score of 5.96 indicating that respondents believe these practices are commonplace in the firm while Outcome has a mean value of 6.2 implying that the employees believe that they can work better if these policies and practices are implemented in a sustainable manner.

**Table No 2**

Variables	Frequency	Minimum	Maximum	Mean	Std. Deviation
Policies	300	22	7	6.556	0.68265
Planning	300	1.8	7	5.9673	0.93215
Outcome	300	1.8	7	6.266	0.91501

**4.4 Validity/Reliability Analysis**

The dependability of the scales was established as a first stage in the analysis of results by measuring Cronbach’s alpha for each level of scale. The table below suggested that the values of Cronbach are well in range as suggested by Hair et.al., (2010) i.e., above 0.6 for the exploratory research. The table below shows that scales are reliable, and we can go for further analysis.

**Table No 3 Reliability Test**

Variable	No of Items	Aloha Value
Safety Policies	5	0.905
Planning	5	0.864
Outcome	5	0.926

**Test of Hypothesis**

**Correlation:**

Correlation test was conducted which is a measure of a relationship between variables. The Pearson correlation coefficient, which displays the magnitude and direction of the related variables, is commonly utilized. The table below demonstrate that Safety Policies & Planning are highly positively correlated with Outcome.

**Table No 4 Correlations**

		Policies	Planning	Outcome
Policies	Pearson Correlation	1	.438**	.364**
	Sig. (2-tailed)		0	0
	N	300	300	300
Planning	Pearson Correlation	.438**	1	.353**
	Sig. (2-tailed)	0		0
	N	300	300	300
Outcome	Pearson Correlation	.364**	.353**	1
	Sig. (2-tailed)	0	0	
	N	300	300	300

**Regression Analysis:**

Regression analysis was conducted to test the relationship between the variables. The value of R = .423 indicates that there is a moderate correlation present between the variables.

**Table No 5 Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.423 <sup>a</sup>	0.179	0.174	0.83179

a. Predictors: (Constant), Planning, Policies



The significant ( $P = 0.000$ ) F statistics ( $F = 469.702$ ) indicates that the multiple linear regression model is fitting for the analysis, as shown in the table below.

**Table No 6 ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.1
1	Regression	44.846	2	22.423	32.409	.000 <sup>b</sup>
	Residual	205.487	297	0.692		
	Total	250.333	299			

**a. Dependent Variable:** Outcome

**b. Predictors:** (Constant), Planning, Policies

The table below shows that there is a positive correlation between policies and outcome  $P = 0.00$  and  $B = -0.384$  while Planning shows slightly weak positive relation compared to policies with outcome  $P = 0.00$  and  $B = 0.235$ . Therefore, H1 and H2 are accepted.

**Table No 7 Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.B
		B	Std. Error	Beta		
1	(Constant)	2.583	0.479		5.391	0
	Policies	0.348	0.078	0.259	4.435	0
	Planning	0.235	0.057	0.24	4.1	0

**a. Dependent Variable:** Outcome

### Discussion

The integration of Occupational Health and Safety (OHS) to enhance Employee Performance (EP) underscores its increasing strategic importance. Organizations incorporating OHS into their policies encourage a positive workplace culture, boosting productivity and profitability. Neglecting workplace safety not only leads to financial losses but also jeopardizes valuable human resources, adversely affecting job performance. Some organizations prioritize productivity over employee health and safety, impacting EP negatively. Hence, heightened attention to OHS is crucial, fostering employee well-being, confidence, and productivity while fulfilling employer obligations for a safe working environment and reducing workplace-related issues.

For the current study two hypothesis were developed and analyzed. H1 investigated the relationship between safety policies and workplace outcome. The result shows the positive relation implying that making policies can improve outcome and thus reduce risk. H2 investigated the relationship between prevention planning & outcome in terms of reducing workplace incidents. The positive relation was found implying that if better preventive plan was implemented it reduces the chances of risk.

Our study in line with the previous studies (Ekowati & Amin, 2019; Segbenya, & Yeboah, 2022).

### **Conclusion**

The results of this study show the positive association between safety policies, preventive measures and outcome. The research's significant element is that it shown any well-planned safety policies may prevent potential risk and increase job safety and work environment effectiveness. As a result, in order to maintain long-term success, businesses must constantly analyse risk, plan ahead, and take proactive measures to avoid problems.

### **Limitation**

The adoption of a cross-sectional methodology was a drawback of the current investigation. Questionnaires that were used to collect data throughout the identical time period. As a result, overcoming the frequent technique bias that could exaggerate the correlations between variables was challenging.

### **Suggestion for the future research**

The study is conducted in Karachi, the future studies might be conducted in all over Pakistan and can be compared with other cities. Only two safety variables were selected for this study the future study might be conducted on safety as well as risk variables to achieve more suitable results. Finally, the sample size can be taken large for the future studies to generalize the result.

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## **ANALYZING BRAND EXTENSION TECHNIQUES AND THE IMPACT ON BRAND PERSONALITY**

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### **ABSTRACT**

*This study focuses on the case of Nestlé in Pakistan to examine how brand extension methods impact brand personality. By utilizing the reputation of well-known brands, brand extension is a powerful strategy for ensuring the success of new items that fall under the brand's umbrella. Competitive strategy, quality, perceived fit, innovation, and brand loyalty are among the factors that the study looks at in relation to brand expansion. A self-administered, closed-ended questionnaire that 214 Nestlé customers completed served as the study's main source of data. Brand personality for each of the five categories is significantly impacted by brand expansion, according to the analysis of the data. It is advised that companies use brand extension strategies for upcoming promotions.*

**Keywords:** *Competitive Strategy, Quality, Perceived Fit, Innovation, Brand Loyalty, Brand Personality, Brand Extension.*

### **INTRODUCTION**

#### **Background of Research**

As a marketing strategy, a well-known company leverages its existing brand equity to penetrate new product categories. This is about brand expansion. Companies can launch new products by leveraging the reputation and attraction of their primary brand (Keller, 2016). Brand extensions are becoming increasingly popular as businesses seek to broaden the breadth of their product offerings, enter new markets, and strengthen their overall market standing.

Brand personality is critical in determining how customers feel about and prefer a product or service. In order to be relevant and build an emotional bond with consumers, a brand is stated to have human-like features and properties (Aaker, 1997). Customers commonly assume that brands have different personalities, which influences both their purchase habits and brand loyalty.

Given Pakistan's competitive market, research into brand expansion and its impact on brand personality is very significant. Pakistan's consumer market is dynamic, with

rapidly fluctuating tastes and a wide range of cultural influences. Nestle, a well-known international business with operations in Pakistan, has gained a reputation as the market leader in the food and beverage sector. Nestle's brand personality, which is defined by attributes like as dependability, honesty, and a focus on nutrition and welfare, is one factor that contributes to the company's success.

For the corporation to make wise marketing and branding decisions, it is crucial to comprehend how brand expansion affects Nestle's brand identity. Evaluate how consumers perceive the brand when Nestle expands into new product categories and product lines. To preserve clients' confidence and loyalty across multiple product lines, a consistent brand identity is required.

The efficiency of brand extensions and how they affect brand personality have been the subject of prior studies. According to studies, the perceived match between the parent brand and the extension product is a key factor in determining the success of the extension (Buil, Chernatony, & Hem, 2009). Additionally, customers' views and brand loyalty to the parent brand can have a big impact on how well the brand extension is received (Martinez & de Chernatony, 2004).

To find out how brand extension has changed Nestle's brand personality in the Pakistani market, a case study will need to be done because brand extension impacts vary depending on the situation. By examining the unique traits connected to brand extension in the context of Nestle, Pakistan, this study seeks to shed light on the complicated relationship between brand expansion and brand personality in a varied and competitive market.

Marketers and brand managers may learn a lot about the difficulties and possibilities related with brand extension initiatives by reading this case study on Nestle in Pakistan. The results of this study will also add to the body of knowledge already available on brand management and marketing in the context of developing countries like Pakistan

This study examines how independent brand extension variables affect Nestle's brand personality. The following factors—brand loyalty, quality, perception, and competitive strategy—are particularly the focus of the search. Brand extension is the process of using an established brand's recognition and popularity to launch new products in the same or a different industry. This tactic is helpful since it offers a low-cost method of introducing new products, especially in light of the significant costs associated with creating entirely new brands. Consumers and marketers benefit from the brand's familiarity since the attributes associated with the current brand are carried over to the new product (Hameed, Soomro, Kaimkhani, & Shakoor, 2013).

### **Overview of FMCG Industry in Pakistan**

Nestlé S.A., a firm with Swiss roots and a main office in Vevey, Switzerland, is the parent organization of Nestlé Pakistan Ltd. The Milk Pak Ltd. joint venture, which had been operating in Pakistan since 1988, was now under the management of Nestlé Pakistan. The company has consistently achieved a seat among the top 25 companies on the Karachi Stock Exchange for ten years straight. It is listed on the Lahore and Karachi stock exchanges. Nestlé Pakistan has four manufacturing facilities under its

control, including multi-product plants in Sheikhpura and Kabirwala, a bottled water facility in Islamabad, and other ones in Karachi and Lahore. The company's corporate office is located in Lahore. Nestlé Pakistan ensures that customers may easily obtain its products thanks to a strong nationwide sales and distribution network and a strong marketing presence.

Nestlé Pakistan actively works to enhance people's quality of life in the areas of nutrition, access to clean water, and rural development along its whole value chain. In order to satisfy the needs of a diverse customer base, Nestlé, a market leader in Pakistan's food and beverage sector, sets a high value on nutrition, health, and wellbeing. Nestlé Pakistan has traditionally placed a strong emphasis on nutrition and takes pleasure in being champions of fitness and wellness since Henri Nestlé invented the first infant formula in 1867. Nestlé's Corporate Business Principles, which support best practices and a culture of ethical performance everywhere, guide the company's strategy.

Nestlé Pakistan's dedication to innovation and renovation ensures continuous improvement and adaptation of existing products while maintaining a balance in geographical operations and product offerings. With a customer-centric approach, the company strives to provide the latest and most essential products to meet the diverse needs of consumers of all ages. Nestlé Pakistan values its consumers as individuals, respecting the cultures of the countries it operates in and acknowledging people's desire for a better quality of life. Aligned with Nestlé's corporate philosophy, Nestlé Pakistan emphasizes food safety, quality excellence, and aims to be a leading force in nutrition, health, and wellness. Socially conscious, the company also focuses on environmentally sustainable practices, fair business ethics, and community engagement (Donald, 2011).

### **Scope of Study**

This study intends to fill in important knowledge gaps about how brand extension affects a brand's personality. The study examines the critical elements of competitive strategy, quality, perceived fit, innovation, and brand loyalty to evaluate their influence on brand personality, with Nestlé as the brand of interest. This study aims to offer insightful knowledge that can direct organizational future strategies by examining the relationship between these factors and brand personality. Consumer reactions and views from the current study will be analyzed to determine whether brand extension results in favorable or unfavorable effects on brand personality. This will help businesses make educated judgments about their brand extension activities.

### **Statement of Problem**

In the dynamic and fiercely competitive market of Pakistan, maintaining a brand's personality while executing brand extensions presents a significant challenge. This research endeavors to explore the influence of brand extension strategies on brand personality. As companies seek growth opportunities through brand extensions, the risk of diluting or altering the established brand personality becomes a critical concern. Understanding the extent of this impact is crucial for marketers and organizations as they navigate the complexities of the marketplace. This study aims to shed light on the complexities and implications of brand extension on brand personality in the context of the Pakistani market.

## **Objectives of Research**

The following main objectives drive this study:

1. To identify the effect of brand extension on brand identity, to elucidate how the introduction of new products under an established brand name affects consumer perceptions and associations.
2. To analyze the influence of Competitive Advantage on Brand Personality, investigating how a logo's wonderful competitive positioning and specific promoting propositions make a contribution to shaping its character in the minds of consumers.
3. To apprehend the effect of Quality on Brand Personality, examining how the perceived stage of fine associated with a emblem influences its typical persona and the emotional connections formed with customers.
4. To look at the impact of Perceived Fit on Brand Personality, exploring the role of customers' perceptions concerning the compatibility of logo extensions with the middle brand in shaping the overall persona of the emblem.
5. To examine the influence of Innovation on Brand Personality, assessing how the introduction of innovative products under a brand affects its personality and the perception of the brand as being forward-thinking and cutting-edge.
6. To interpret the impact of Brand Loyalty on Brand Personality, elucidating how strong brand loyalty among consumers contributes to reinforcing and enhancing the personality of the brand, and the emotional bonds formed with loyal customers.

By focusing on these goals, the study intends to offer insightful analysis into the intricate interactions between brand extension methods and brand personality, delivering useful recommendations for marketers and businesses looking to manage and maximize their brand extension efforts.

## **Research Questions**

The purpose of this project is to answer the following research questions:

1. How much of an impact does brand extension have on brand personality? How much do consumers' impressions and associations with an established brand's personality change when new items are introduced under that name?
2. What is the effect of Competitive Strategy on Brand Personality? How does a brand's distinct competitive positioning and unique strategic approach contribute to shaping its personality in the minds of consumers?
3. What is the impact of Quality on Brand Personality? How does the perceived level of quality associated with a brand influence its overall personality and the emotional connections formed with consumers?



4. What is the effect of Perceived Fit on Brand Personality? How do consumers' perceptions regarding the compatibility of brand extensions with the core brand impact the overall personality of the brand?
5. What is the impact of Innovation on Brand Personality? How does the introduction of innovative products under a brand affect its personality and the perception of the brand as being forward-thinking and cutting-edge?
6. What is the effect of Brand Loyalty on Brand Personality? To what extent does strong brand loyalty among consumers contribute to reinforcing and enhancing the personality of the brand and the emotional bonds formed with loyal customers?

This study aims to provide thorough insights into the intricate relationship between brand extension strategies and brand personality. By addressing these research questions, it will help marketers and organizations looking to maximize their brand extension efforts and forge close emotional connections with their target audience.

### **Hypothesis**

This research endeavors to test the following hypotheses:

**H1:** Brand Personality is significantly impacted by Brand Extension. Consumer impressions and associations with a brand's personality will be influenced by the launch of new items under an existing brand name.

**H2:** Competitive Strategy has a significant impact on Brand Personality. A brand's distinct competitive positioning and unique strategic approach will play a crucial role in shaping its personality in the minds of consumers.

**H3:** Quality has a significant impact on Brand Personality. The perceived level of quality associated with a brand will significantly influence its overall personality and the emotional connections formed with consumers.

**H4:** Brand personality is significantly impacted by perceived fit. The perceptions of consumers regarding the compatibility of brand extensions with the main brand will have a big impact on the brand's overall personality.

**H5:** Innovation has a significant impact on Brand Personality. The introduction of innovative products under a brand will significantly affect its personality and the perception of the brand as being forward-thinking and cutting-edge.

**H6:** Brand Loyalty has a significant impact on Brand Personality. Strong brand loyalty among consumers will significantly contribute to reinforcing and enhancing the personality of the brand and the emotional bonds formed with loyal customers.

Through empirical analysis, this study aims to validate or refute these hypotheses, providing valuable insights into the complex relationship between brand extension strategies and brand personality. By establishing the significance of these factors, marketers and organizations can make informed decisions to effectively manage brand extensions and cultivate a strong and favorable brand personality in the minds of their target audience.

## **Definitions of key terms**

### **Brand Personality**

Brand personality refers to the human-like characteristics and distinct traits that make a business or brand relatable and recognizable to potential customers. It is conveyed through various elements such as tone of voice, visual identity, and customer service policies. Consistently conveying specific personality traits to the audience helps create a unique and engaging customer experience (Endeavor Creative, 2020).

### **Brand Extension**

A brand extension occurs when a company leverages the established identity and positioning of an existing brand to introduce new products under the same brand name, even if they belong to different product categories. This marketing strategy allows the brand to capitalize on its reputation and market position, enabling the new products to benefit from the existing brand's image and equity (Feedough.com, 2019).

### **Competitive Strategy**

A company's long-term plan to outperform its competitors in a certain industry is referred to as its competitive strategy. Establishing a solid defensive position in the market and producing a higher return on investment are the main objectives. In highly competitive industries where the goods or services provided by businesses are comparable to one another, these strategic choices are essential (MBAskool, 2020).

### **Quality**

A product or service's level of perfection or superiority compared to other similar ones on the market is referred to as its quality. It shows how well a good or service satisfies consumer requests and expectations (Market Business News, 2020).

### **Perceived Fit**

Perceived fit is the degree of congruence or similarity perceived by consumers between a brand extension and the parent brand. It reflects how well the new product aligns with the existing brand's core identity and positioning (Buil, Chernatony, & Hem, 2009).

### **Innovation**

A domain, product, or service can be renewed and updated by implementing fresh procedures, cutting-edge methods, or fruitful concepts to add new value. It is a dynamic strategy that encourages growth and improvement over time (Innolytics, 2021).

### **Brand Loyalty**

Brand loyalty refers to the tendency of consumers to consistently choose and purchase products from one particular brand over others. It is a demonstration of consumer behavior that reflects a strong, trusting relationship between the brand and its customers (Skyword, 2014).

By understanding and operationalizing these key terms, this research aims to comprehensively evaluate the influence of brand extension strategies on brand personality, providing valuable insights for businesses and marketers seeking to optimize their brand positioning and customer relationships.

### **Delimitations of Research**

This research on evaluating brand extension strategies and their influence on brand personality acknowledges certain delimitations and limitations that affect the precision and scope of the study.

Firstly, due to constraints such as time limitations and the study couldn't incorporate thorough observations, interviews, or in-person questionnaire administration. Consequently, the data gathering process primarily relied on responses from respondents residing in Karachi, Pakistan. The restricted geographical area and data collection method may have implications on the generalizability of the findings.

Moreover, the sample size could have been more comprehensive if not for the aforementioned limitations, potentially leading to a more comprehensive representation of the population.

This study, focusing on the impact of independent variables on brand personality within Nestlé, has its limitations. The exclusive concentration on Nestlé as the brand of interest may not encompass the full spectrum of brand extension strategies and their effects across different industries or companies. There may be other factors or variables related to brand extension that could significantly impact brand personality, which this study didn't delve into.

Additionally, the analysis is confined to the data collected from respondents during the year 2020, limiting the ability to capture potential shifts or changes in consumer perceptions and brand dynamics beyond that period.

Despite these limitations, this research lays the groundwork for future investigations, providing a starting point for exploring other variables and their interplay on brand personality in the context of brand extensions. As researchers delve into more extensive and diverse samples, the findings can yield broader implications for marketers and organizations seeking to optimize brand strategies and cultivate a strong brand personality that resonates with consumers.

## **LITERATURE REVIEW**

### **Brand Personality:**

Successful branding must include a strong sense of brand personality because it embodies the connections that brand strategists work to create and sustain (Viot, 2011). Brand image, as opposed to a brand name, represents the essence and values that the corporation wants the brand to represent (Viot, 2011). The brand personality, brand community, linkages between brand and consumer, reflection, personality, and self-perception are the six elements that make up the identity prism (Viot, 2011). Brand identity, which includes the collection of connections people have with a brand, is determined by the company's particular culture, which is characterized by its basic values (Viot, 2011).

In the same way that a dedicated partnership exists between a brand and its customers, so too does the relationship between a consumer and a brand (Viot, 2011). Self-image

relates to how a brand helps customers to make a personal statement about themselves, whereas a brand's physicality refers to its tangible features as viewed by consumers (Viot, 2011). Relationships and user image define the social dimension, whereas brand personality and brand values define the personal components of brand identity (Viot, 2011). In comparison to items normally promoted under the brand's identity, a new product launched under a well-known brand identity may match with either the social dimension (relationships and user image) or the personal dimension (brand personality and brand values) (Viot, 2011).

In the realm of marketing, branding and brand management play a crucial role in establishing strong connections between buyers and sellers (Abdavi & Shiralizadeh, 2015). Brands serve as valuable assets, helping customers make purchasing decisions and distinguishing products and services from competitors (Abdavi & Shiralizadeh, 2015). In today's competitive markets, retaining existing customers and increasing repeat purchases are essential for business success (Abdavi & Shiralizadeh, 2015). To promote business growth, brand extension has become a common strategy, allowing companies to introduce new product categories under an existing brand name, leveraging the positive brand image associated with the core brand (Abdavi & Shiralizadeh, 2015). This strategy aids in minimizing advertising investments and capitalizing on brand equity (Abdavi & Shiralizadeh, 2015).

Brand credibility is a critical factor in the success of brand extensions, as customers heavily rely on signs of brand legitimacy (Evangeline & Ragel, 2015). The strength of brand equity associated with the core brand also influences the measure of brand extension success (Sudaryanto, Courvisanos, & Rahayu, 2018). In the consumer's decision-making process, brand associations and brand image play significant roles, shaping attitudes and perceptions of new products (Evangeline & Ragel, 2015).

A positive brand image serves as a strategic advantage for businesses, fostering customer trust and loyalty (Shabbir, 2020). It reduces marketing expenses, helps customers anticipate what the brand offers, and increases market share and profitability (Shabbir, 2020). Successful brand extensions can further strengthen brand reputation and value, while unsuccessful ones may negatively impact the brand in consumers' minds (Shabbir, 2020).

Brand equity encompasses the value endowed to a brand in the eyes of consumers, influenced by brand image and brand recognition (Shabbir, 2020). A robust brand image not only connects with consumers but also effectively communicates the brand's value proposition (Taqi & Muhammad, 2020). It fosters customer loyalty, reduces price sensitivity, and leads to increased sales and profitability (Taqi & Muhammad, 2020). Brand image also contributes to sustainable customer relationships, encouraging repurchase and enhancing brand loyalty (Taqi & Muhammad, 2020).

In conclusion, the concept of brand personality, brand image, and brand equity plays a significant role in the success of brand extensions and overall brand management. Building and maintaining a positive brand image is crucial for establishing long-lasting customer relationships and fostering brand loyalty, which are essential for sustained business growth and success in today's competitive markets.

### **Brand Extension:**

Brand extensions are a widely used branding technique where existing brand names are used to introduce new products (Juniarti & Afiff, 2020). This strategy offers an opportunity to develop superiority over a freely chosen buying criterion. Differentiating a brand extension is easier due to better attention to the target market and recognition of rivals (Munteanu, 2015). To eliminate competitors, brand extensions should introduce something new and avoid familiar hints to customers about a category (Munteanu, 2015). Successful brand extensions can provide tremendous opportunities for new features, product flexibility, and greater reliability, leading to significant growth (Munteanu, 2015).

Customers are more likely to respond favorably to brand extensions that reflect how they feel about the parent brand (Viot, 2011). Consumer perceptions regarding the extension are influenced by the perception of continuity between the brand and the brand extension (Viot, 2011). However, brand extensions can also be harmful to the parent brand because they may result in short-term competitive advantages (Sudaryanto, Courvisanos, & Rahayu, 2018). If properly integrated into a competitive strategy system, effective brand extensions can be an unstoppable source of differentiation and a long-term competitive advantage.

By utilizing pre-existing brand identities and associations, brand extension initiatives seek to increase brand equity (Evangeline & Ragel, 2015). However, the success or failure of brand extensions can have a beneficial or negative impact on the parent brand's equity (Evangeline & Ragel, 2015). Consumer sentiments regarding brand extensions are also moderated by the perceived fit between the extension and the parent brand identity attributes (Evangeline & Ragel, 2015).

Businesses releasing new products must decide between brand expansion and new brand building (Jin, Wang, Yu, & Ma, 2015). Compared to fresh brand generation, brand extension can aid organizations in increasing their market share and the efficacy of their advertising (Jin, Wang, Yu, & Ma, 2015). The perceived fit and likeness between the new extension and the parent brand are important considerations for brand extensions (Alavinasab, Soltani, & Alimohammadi, 2017).

Customers form expectations about a new product based on their knowledge of the existing brand, reducing the need for product testing in established categories (Ishihara & Moorthy, 2018). Horizontal brand extensions, which involve adding a new product within the existing category, are often more successful than vertical extensions, which introduce a new product with different price and quality characteristics (Alavinasab, Soltani, & Alimohammadi, 2017).

The relationship between customer perceptions and brand extension success is essential (Ergin & Sahin, 2015). Brand extensions can be a cost-effective way to launch new products, as they leverage the existing brand name and customer awareness (Shabbir, 2020). Effective brand extensions save the costs associated with introducing new products and may speed up consumer adoption (Shabbir, 2020).

As customers from other ethnic groups have distinct ideas on brand identification,

cultural aspects also have a role in the success of brand extensions (Hadi & Sandhu, 2020). Consumer approval of brand extensions is significantly influenced by advertising (Juniarti & Afiff, 2020).

As a result, brand extension methods are well-liked by companies looking to expand into new markets and capitalize on their current brand equity (Juniarti & Afiff, 2020). Alavinasab, Soltani, and Alimohammadi, 2017; Shabbir, 2020; Hadi & Sandhu, 2020; Ergin & Sahin, 2015; to name a few—depend on factors like perceived fit, customer perceptions, advertising effectiveness, and cultural considerations to determine whether a brand extension is successful. Vertical extensions with varying price and quality features typically have less success than horizontal extensions within the same product category (Alavinasab, Soltani, & Alimohammadi, 2017). Effective brand extensions can provide a competitive edge and prospects for long-term growth (Munteanu, 2015). In general, brand extensions give companies a tactical tool to stand out from the competition and succeed in cutthroat industries.

### **Competitive Strategy:**

To achieve long-term profitability, companies must establish and maintain a clear competitive advantage (Munteanu, 2015). Developing specific capabilities and securing the necessary resources are vital in the pursuit of competitive advantage (Munteanu, 2015). Business ties and a strong marketing orientation play a crucial role in retaining a competitive edge by catering to customer needs better than rivals and promoting customer loyalty (Munteanu, 2015).

In today's hyper-competitive landscape, market leaders are those who understand what performance or distinction truly means for a specific product category (Munteanu, 2015). Sustainable profitability and market dominance are closely linked, but many CEOs fail to recognize this reality (Munteanu, 2015). With competition becoming fiercer, businesses need to intentionally choose to be distinct and make strategic choices (Munteanu, 2015).

While brand extensions are commonly considered for innovative or improved products, they can lead to a broadening of brand associations and forgetfulness of strategy (Munteanu, 2015). Brand extensions can erode competitive advantage as rivals quickly catch up or mimic the extension (Munteanu, 2015). Building a competitive advantage through brand extensions requires clarity and focus on meeting customer desires and positioning the extension in relation to purchasing criteria (Munteanu, 2015).

The heart of marketing orientation should be competition, and the essence and strength of competition in the marketplace are influenced by factors like existing rivalries, the threat of new competitors, bargaining power of consumers and suppliers, and the risk of alternative goods (Munteanu, 2015). The strongest competitive force often determines profitability (Munteanu, 2015). As rivals become similar over time, competitive differentiation becomes essential (Munteanu, 2015).

To break self-referential strategy structures, successful brand extensions operate toward the present and enable companies to potentially select or control their rivals (Munteanu, 2015). The strategic focus should be on competitive differentiation to reverse the pattern of brand extensions and avoid intense rivalry (Munteanu, 2015).

In summary, maintaining a competitive advantage is essential for long-term profitability (Munteanu, 2015). Business ties, a strong marketing orientation, and competitive differentiation are critical elements in achieving and sustaining a competitive edge (Munteanu, 2015). Brand extensions can be a powerful tool for building a brand-based competitive advantage if they align with customer desires and serve as effective differentiators (Munteanu, 2015). Companies must be strategic in their approach, select their rivals wisely, and focus on competitive differentiation to thrive in today's hyper-competitive market (Munteanu, 2015).

### **Quality:**

Customers' perception of a brand's high quality plays a crucial role in the success of brand extensions, as positive expectations regarding quality can be leveraged to reach new product segments (Alavinasab, Soltani, & Alimohammadi, 2017). High-quality brands are likely to receive higher assessments and spread further compared to low-quality brands (Alavinasab, Soltani, & Alimohammadi, 2017). Favourable perceived brand consistency can ease the launch of a brand extension, and a strong association with a high-quality parent brand can significantly enhance the perceived value of related goods (Alavinasab, Soltani, & Alimohammadi, 2017).

Perceived brand quality plays a critical role in driving product success and overall business performance (Juniarti & Afiff, 2020). As businesses expand their product diversity, the importance of brand quality becomes even more significant (Juniarti & Afiff, 2020). Customers' assessment of the efficiency of the parent brand directly influences the approval of the extended brand (Juniarti & Afiff, 2020).

The perception of a brand's quality contributes to shaping the brand image, with both real quality and perceived quality interacting to influence consumer perception (Taqi & Muhammad, 2020). While both aspects are important, the impact of real quality is more critical than perceived quality (Taqi & Muhammad, 2020). Companies often invest substantial resources in enhancing consumers' understanding of the brand's quality in addition to focusing on the physical quality of their products (Taqi & Muhammad, 2020).

In summary, customers' perception of a brand's high quality positively affects the success of brand extensions, as it enhances the perceived value and reputation of the extended brand (Alavinasab, Soltani, & Alimohammadi, 2017). Perceived brand quality is a crucial factor in driving product success and expanding product diversity (Juniarti & Afiff, 2020). A strong brand image is influenced by both real quality and perceived quality, with real quality playing a more critical role (Taqi & Muhammad, 2020). Businesses should invest in maintaining and enhancing both real and perceived quality to drive the success of their brand extensions (Taqi & Muhammad, 2020).

### **Perceived Fit:**

Despite efforts to describe and assess the similarity among product groupings, the idea of perceived fit between a parent brand and a new product remains elusive and difficult to measure (Viot, 2011). When managers want to expand their brand into a new product category far from the top seller, perceived fit—the ability of a product to match the brand identity—becomes especially important (Viot, 2011).

from management teams to project teams, and even individuals (Ramakrishnan, 2020). Collaboration, conception, execution, and value creation are the four components of innovation, which involve various variables and factors influencing the innovation process (Ramakrishnan, 2020).

Innovation management is a structured approach that fosters an environment conducive to exploration, creativity, and the commercial use of ideas that address unmet needs (Ramakrishnan, 2020). It involves three main phases: invention, which involves creating scientific discoveries; translation, which transforms knowledge into new products, processes, or services; and commercialization, which brings these innovations to the market to generate economic value (Ramakrishnan, 2020).

Innovation is a key component of business success and survival in today's highly competitive and globalized world (Ramakrishnan, 2020). It requires a creative environment, willingness to embrace new technology, infrastructure, and education (Ramakrishnan, 2020). Success in business requires the capacity to think differently and solve challenges creatively (Ramakrishnan, 2020).

To accomplish long-term strategic goals, business executives must take into account and manage the expectations of numerous stakeholders (Ramakrishnan, 2020). When leadership is dedicated to generating social, economic, and environmental value and puts effective assessment and management mechanisms in place, innovation happens (Ramakrishnan, 2020).

Innovation has an impact on society as a whole, affecting a variety of institutions, including government agencies, civil society organizations, labor unions, and consumers (Ramakrishnan, 2020).

An innovation-friendly environment and consumer trust in goods and services are crucial for fostering creativity and encouraging new entrants into markets (Ramakrishnan, 2020).

In conclusion, innovation plays a central role in economic development, societal progress, and brand equity (Janošková, Kral, & Krizanova, 2018). It drives economic growth and success in today's competitive world (Ramakrishnan, 2020). Organizations need to foster a creative environment, embrace new technology, and manage stakeholders effectively to thrive and achieve long-term strategic goals (Ramakrishnan, 2020). Innovation is a multifaceted process that impacts various sectors and stakeholders, and it is crucial for the growth and survival of businesses today (Ramakrishnan, 2020).

### **Brand Loyalty:**

Consumer reactions towards brand extensions are influenced by the nature of the consumer-brand relationship, especially when the extended product is in harmony with the brand (Ergin & Sahin, 2015). Brand trustworthiness plays a significant role in determining consumers' responses to brand extensions, and positive harmony between the main product and the extended product leads to favorable buying decisions (Ergin & Sahin, 2015).



Consumer innovation is linked to individuals' receptivity to new concepts and their willingness to try new practices and brands (Evangeline & Ragel, 2015). Consumers with high levels of innovation tend to assess goods for brand extensions rigorously (Sudaryanto, Courvisanos, & Rahayu, 2018).

The symbolic sense of products, particularly brand personality, influences consumers' choices in various ways (Moons & Pelsmacker, 2015). Consumers seek brands that reflect their real or ideal selves, driven by the need for self-consistency and self-continuity (Moons & Pelsmacker, 2015).

Consumers' attitudes towards brand extensions are influenced by brand loyalty rather than coordination (Alavinasab, Soltani, & Alimohammadi, 2017). Positive harmony between the main brand and the extended brand leads to constructive feedback and forgiveness of potential errors by consumers (Alavinasab, Soltani, & Alimohammadi, 2017).

The evaluation of brand extensions is influenced by how consumers interact with product categories (Juniarti & Afiff, 2020). Brand value dimensions play a role in differentiating brands in consumers' minds, with practical and symbolic brands meeting distinct needs (Juniarti & Afiff, 2020).

Customer satisfaction is directly correlated with brand loyalty (Taqi & Muhammad, 2020). Satisfied customers not only remain loyal to the brand but also spread positive word of mouth, enhancing the brand's credibility (Taqi & Muhammad, 2020). Brand loyalty is influenced by customer satisfaction, leading to frequent transactions and continued loyalty to the brand over time (Taqi & Muhammad, 2020).

In conclusion, brand loyalty is influenced by factors such as brand trustworthiness, consumer innovation, and brand personality (Ergin & Sahin, 2015; Evangeline & Ragel, 2015; Sudaryanto, Courvisanos, & Rahayu, 2018; Moons & Pelsmacker, 2015). Consumer reactions to brand extensions are favorably influenced by the harmony between the primary brand and the extended product (Alavinasab, Soltani, & Alimohammadi, 2017). Additionally, customer happiness is a significant factor in brand loyalty since happy consumers are more likely to stick with the brand and spread good word of mouth (Taqi & Muhammad, 2020). Businesses looking to establish solid and enduring relationships with their customers must comprehend these aspects and how they affect brand loyalty.

## **RESEARCH METHODOLOGY**

### **Geographical Distribution of Sample**

This research study's primary goal is to assess how Brand Extension has affected Nestle's Brand Personality in Pakistan. To do this, a survey employing closed-ended questions was carried out among Nestle customers in Karachi, Pakistan. According to the researcher's convenience, the questionnaires were given to and collected from customers in Karachi's Districts East, South, and Central (Hussain et al., 2023).

### **Demographic Distribution of Sample**

This study focuses on Karachi's Nestle product consumers with an emphasis on Pakistan's food and beverage industry. The demographic focus is on adult consumers, including both sexes, who frequently buy Nestle products. The respondents of the survey represented varying educational backgrounds, with a majority having good occupational backgrounds and handsome household monthly incomes (Hussain et al., 2023).

### **Research Design**

Self-administered, closed-ended questionnaires served as the main method for data collection in this quantitative study's research design. The information from the surveys was coded, collated, and subjected to analysis using SPSS software. The Cronbach's Alpha test was used to evaluate the data's dependability; a reliability threshold of 0.6 was used. The relationship between the dependent and independent variables was examined using regression analysis, and the relationship between the two variables was examined using Pearson's correlation test. Together, these tests determined whether the research hypotheses were accepted or rejected and found the critical variables affecting Nestle's brand personality in Karachi, Pakistan (Hussain et al., 2023).

### **Type of Research**

The quantitative methodology used in this study makes it easier to test ideas based on empirical data. Understanding the impact of independent variables on the dependent variable—in this example, the brand personality of Nestle—requires quantitative study. The study also serves as an explanation, outlining the subject in great depth. Close-ended questionnaires were used to collect primary data, which was restricted to Nestle product users in Pakistan (Hussain et al., 2023).

### **Population of the Study**

The central idea of this research is to comprehend the different variables impacting Nestle's brand personality through brand extensions in Pakistan. The population under study consists of nationwide customers of Nestle products currently residing in Karachi.

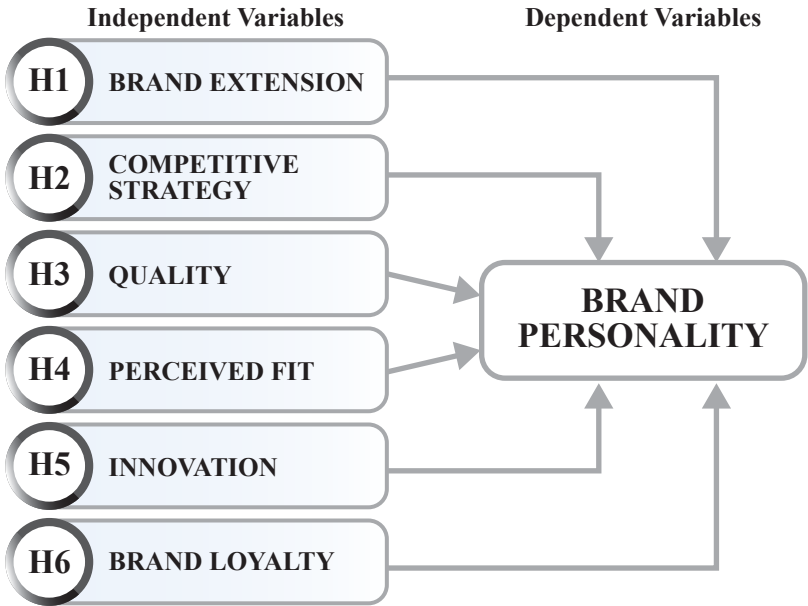
### **Sampling Technique and Sample Size**

Due to the mass market reach of Nestle, it was not feasible to interview all customers. Therefore, the responses from 214 consumers of Nestle Pakistan were considered, making them the sample size. The responses were collected through online techniques using Google forms to ensure ease of data collection (Hussain et al., 2023). Convenience sampling was chosen as the sampling technique due to limited resources, with respondents approached through online surveys at the researcher's convenience. 214 responses were included in the sample size calculation to guarantee the accuracy of the data gathered.

## **CONCEPTUAL FRAMEWORK**

### **Research Instrument**

The source of data collection in this research study is primary, involving first-hand research to gather maximum information related to the topic. Primary data in this thesis was collected via close-ended questionnaires prepared on a 5-point Likert scale.



The questionnaires were self-administered, directly forwarded to and collected back from the respondents by the researcher, focusing on consumers of Nestle products in Karachi, Pakistan (Hussain et al., 2023).

**Data Collection & Analysis Techniques**

The data will be collected through the Questionnaire, then collected data processed through the SPSS Software.

**DATA ANALYSIS**

The demographic distribution of the sample is covered in the first section of this chapter, which then moves on to a reliability examination of the data collection device. To ascertain how independent variables affect the dependent variable, correlation and regression studies are also performed.

**Reliability Testing**

**Table 1:** Reliability of Collected Data

Variables	Items	Cronbach Alpha
Brand Extension	5	0.743
Competitive Strategy	4	0.642
Quality	4	0.750
Perceived Fit	3	0.696
Innovation	4	0.734
Brand Loyalty	5	0.727
Brand Personality	3	0.624
<b>All Variables</b>	<b>28</b>	<b>0.803</b>

Using the Cronbach's Alpha method, the reliability study was done on a sample of 26 respondents. With a cumulative Cronbach's Alpha of 0.803, the findings demonstrate the study's high reliability and good internal consistency of the data.

### Demographics of Respondents

**Table 2:** Demographics - Gender

Gender					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	<b>Female</b>	147	68.7	68.7	68.7
	<b>Male</b>	67	31.3	31.3	100.0
	<b>Total</b>	214	100.0	100.0	

The survey includes 147 females (68.7%) and 67 males (31.3%) out of the total 214 respondents. The representation of both genders ensures that the opinions gathered are reflective of Nestle's mass-market consumers across Pakistan.

**Table 3:** Demographics - Age

Age					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	<b>20-25</b>	95	44.4	44.4	44.4
	<b>26-30</b>	91	42.5	42.5	86.9
	<b>31-35</b>	6	2.8	2.8	89.7
	<b>36-40</b>	3	1.4	1.4	91.1
	<b>41-45</b>	5	2.3	2.3	93.5
	<b>46-50</b>	14	6.5	6.5	100.0
	<b>Total</b>	214	100.0	100.0	

20–25 years (44.4%), 26–30 years (42.5%), 31–35 years (2.8%), 36–40 years (1.4%), 41–45 years (2.3%), and 46–50 years (6.5%) make up the respondents' age groupings.

**Table 4:** Demographics – Education

Qualification					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	<b>Graduate</b>	109	50.9	50.9	50.9
	<b>Post Graduate</b>	59	27.6	27.6	78.5
	<b>Undergraduate</b>	46	21.5	21.5	100.0
	<b>Total</b>	214	100.0	100.0	

The education distribution reveals that 50.9% of the respondents are graduates, 27.6% are post-graduates, and 21.5% are undergraduates.

**Table 5:** Demographics – Income

Monthly Income (Approx.)					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	<b>10,000-20,000</b>	11	5.1	5.1	5.1
	<b>100,000-above</b>	115	53.7	53.7	58.9
	<b>21,000-30,000</b>	6	2.8	2.8	61.7
	<b>31,000-40,000</b>	12	5.6	5.6	67.3
	<b>41,000-50,000</b>	17	7.9	7.9	75.2
	<b>51,000-60,000</b>	10	4.7	4.7	79.9
	<b>61,000-70,000</b>	13	6.1	6.1	86.0
	<b>71,000-80,000</b>	7	3.3	3.3	89.3
	<b>81,000-90,000</b>	8	3.7	3.7	93.0
	<b>91,000-100,000</b>	15	7.0	7.0	100.0
<b>Total</b>	214	100.0	100.0		

Regarding family monthly income, the majority (53.7%) of the respondents have an income of 100,000 or above, while 5.1% have an income between 10,000 and 20,000.

### Correlation Analysis

**Table 6:** Correlation Matrix

Correlations								
		Brand Extension	Competitive Strategy	Quality	Perceived Fit	Innovation	Brand Loyalty	Brand Personality
Brand Extension	Pearson Correlation	1	.332**	.413**	.425**	.195**	.276**	.328**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Competitive Strategy	Pearson Correlation	.332**	1	.601**	.457**	.442**	.324**	.185**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Quality	Pearson Correlation	.413**	.601**	1	.674**	.436**	.241**	.153**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Perceived Fit	Pearson Correlation	.425**	.457**	.674**	1	.344**	.249**	.247**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Innovation	Pearson Correlation	.195**	.442**	.436**	.344**	1	.179**	.071**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Brand Loyalty	Pearson Correlation	.276**	.324**	.241**	.249**	.179**	1	.068**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Brand Personality	Pearson Correlation	.328**	.185**	.153**	.247**	.071**	.068**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214

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

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

The associations between variables are ascertained using the Pearson's correlation analysis. With correlation values ranging from 0.328 to 0.071, the findings show a strong positive relationship between brand expansion, competitive strategy, quality, perceived fit, innovation, brand loyalty, and brand personality.

**Regression Analysis**

The model explains the model summary, ANOVA and analysis of coefficients based on variables.

**Table 7:** Regression Model Results

<b>Model Summary</b>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.768 <sup>a</sup>	.536	.110	1.67101
a. Predictions: (Constant), Brand Loyalty, Innovation, Brand Extension, Perceived Fit, Competitive Strategy, Quality				

All independent variables (brand extension, competitive strategy, quality, perceived fit, innovation, and brand loyalty) had a substantial impact on brand personality, according to the regression study. 53.6% of the variance in brand personality can be explained by these variables, according to the R-square value of 0.536.

**Table 8:** Regression Model Results - ANOVA

<b>ANOVA<sup>a</sup></b>						
	<b>Model</b>	<b>Sum of Square</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	90.623	6	15.104	5.409	.000 <sup>b</sup>
	Residual	577.999	207	2.792		
	Total	668.621	213			
a. Dependent Variable: Brand Personality						
b. Predictions: (Constant), Brand Loyalty, Innovation, Brand Extension, Perceived Fit, Competitive Strategy, Quality						

The study yielded an F-value of 5.409 and a corresponding p-value of 0.00, both of which fall below the usual threshold of 0.05. An F-value larger than 4 is regarded as statistically significant, therefore this indicates that the data are significant.

**Table 9:** Regression Model Results – Co-efficient

Coefficients <sup>a</sup>						
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.B
		B	Std. Error	Beta		
1	(Constant)	0.923	.154		5.988	.000
	Brand Extension	.413	.043	.388	9.602	.000
	Competitive Strategy	.458	.039	.428	11.733	.000
	Quality	.235	.034	.308	6.878	.000
	Perceived Fit	.325	.045	.346	7.219	.000
	Innovation	.259	.036	.327	7.101	.000
	Brand Loyalty	.446	.068	.509	6.542	.000
	a. Dependent Variable: Brand Personality					

All the independent variables ("Brand Extension," "Competitive Strategy," "Quality," "Perceived Fit," "Innovation," and "Brand Loyalty") have a significant impact on the dependent variable ("Brand Personality"). The coefficients provide valuable insights into how each variable influences the brand personality.

**Hypothesis Testing**

**Table 10:** Hypothesis Testing

Hypothesis	Path	Co-efficient	t-Value	p-Value	Empirical Conclusion
<b>H1</b>	Brand Extension Brand Personality	0.413	9.602	0.000	Accepted
<b>H2</b>	Competitive Strategy Brand Personality	0.458	11.733	0.000	Accepted
<b>H3</b>	Quality Brand Personality	0.235	6.878	0.000	Accepted
<b>H4</b>	Perceived Fit Brand Personality	0.325	7.219	0.000	Accepted
<b>H5</b>	Innovation Brand Personality	0.259	7.101	0.000	Accepted
<b>H6</b>	Brand Loyalty Brand Personality	0.446	6.542	0.000	Accepted

All six hypotheses (H1 to H6) are accepted based on their t-values and p-values, which demonstrate that brand extension, competitive strategy, quality, perceived fit, innovation, and brand loyalty have significant positive impacts on brand personality.

These results provide valuable insights into the impact of brand extension on Nestle's brand personality in Pakistan.

## **CONCLUSION**

Brand extensions have been a long-standing strategy in the market. Companies decide to introduce new products under their umbrella or create new brands after carefully considering various factors that may affect the brand's personality during the extension process. In the case of Nestle, the brand's numerous successful extensions worldwide have contributed to maintaining a high brand personality and consumer loyalty.

The study shed light on the impact of brand personality resulting from brand extension. It revealed that consumers' preferences play a crucial role in extending a brand successfully. The research utilized regression analysis to understand the nature of the relationships between variables and Pearson's Correlation test to assess their associations, both of which reaffirmed the positive correlations between brand extension and brand personality, as well as the individual independent variables.

This research delved into the relationship between brand extension and brand personality, focusing on Nestle in Pakistan. The study identified competitive strategy, quality, perceived fit, innovation, and brand loyalty as major independent variables relating to brand expansion. Each independent variable significantly influenced brand personality, supporting the hypothesis that brand extension impacts brand personality positively.

## **SUMMARY OF FINDINGS**

With a focus on Nestle in Pakistan, the goal of this study was to examine the effect of Brand Extension on Brand Personality. To understand their impact on brand personality, the study looked at a number of independent variables connected to brand extension, including competitive strategy, quality, perceived fit, innovation, and brand loyalty. In Karachi, information was gathered from 214 Nestle customers and analyzed with SPSS. The findings supported the positive correlation between brand expansion and brand personality by showing that all independent variables had a substantial impact on brand personality.

## **RECOMMENDATIONS**

On the basis of the study's findings, the following suggestions are made:

1. Brand extension is preferable to brand launch, especially when supported by a parent brand with a solid reputation that helps with sales and promotion.
2. By continually addressing customer wants and adhering to a solid competitive strategy, businesses can keep their customers' loyalty and stop them from looking elsewhere.
3. Quality should never be sacrificed since if customers notice a drop in the caliber of a product or service, they will swiftly move to alternatives.



4. Customers have certain expectations about companies and their goods, so it's important to meet those expectations.
5. Since consumers are drawn to new and inventive items, constant innovation is necessary to keep them interested.
6. Consumer satisfaction leads to brand loyalty, which is largely maintained by price and quality.

### **IMPLICATIONS OF THE STUDY**

This study has shed important light on how brand extension affects brand personality, especially in the context of Nestle in Pakistan. An awareness of how a parent brand can maintain its uniqueness while growing its brand is necessary for successful expansions. Through expansion, factors like competitive strategy, quality, perceived fit, innovation, and brand loyalty affect a brand's personality. Customers are more likely to purchase from brand extensions when the parent brand has a good reputation. Brand expansions may also have an effect on the parent brand's reputation, particularly if issues like cost and quality are not adequately addressed. The study's findings are applicable to brands other than Nestle in Pakistan's food and beverage sector. This study also creates avenues for further investigation into brand extension and personality in other contexts.

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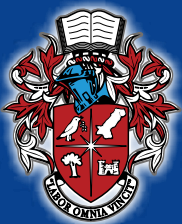
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