

A Comparative Study of HR Practices in Public & Private Organizations in Lahore, Pakistan. It's Impact on Employee's Performance.

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Aim of this study is to check human resource practices in public and private organizations in Pakistan, also check its impact on employee's performance. In all over the world companies want to manage HR practices in their operational system because they want sustainability in their environment. The comprehensive purpose of this study is to measure human resource practices and its impact on different public and private organization in Pakistan. Another motive of this study is to settle out the influence of supervisor behavior, centralization, training, motivation and rewards toward employee's performance. To check the relationship between these variables different methods and instruments were used. The population of this research were the employees in different organizations of Pakistan and collected data from 100 employees of public and private organizations. From major industrial areas of Lahore, Pakistan. Sample data was collected by using stratified sampling technique for male and female and then the cluster sampling technique was used. To find out the statistical results EFA, correlation and regression analysis was conducted by using SPSS. This research provides a guideline to the governing bodies that how much important are the HR practices to check the employees performance in our organizations.

Keywords: HR practices, Training, centralization, supervisor behavior, motivation, rewards.

1 INTRODUCTION

Day by day developments in human resource management are well known and recognized in writings (Keenoy, 1999). Everyday debates on human resource remains but the attention of these debate has improved time to time. It start through difference of personal supervision and human resource management, then forward to corporate relations into HR (Guest, 1991). Beside with developments and changes the literature highlights a strong need for worldwide human resource studies (Brewster et al., 1996). This is because of increasing in the internationalization and globalization of companies and business. Now world is a global village and we need to know how companies manage the several roles and issues related to HR and what are the factors which impact on human resource policies, practices in different situations (Hofstede, 1993). Many researchers have recognized that some variables are important to influence human resource practices, like the organization size, age, type of ownership, technology, formal human resource department, training unis, life cycle of organization, centralization, supervisor behavior, motivation, rewards (Jackson et al., 1989). This study demonstrate relationship between apparent performance of employee and human resource (HR) practices in organizational sector of Pakistan. This study is important because it will show the impact the employee's performance in state owned and private organizations. Employees are the strength of every organization which leads the organization on the upper level of success. If human resource makes good practices in favor of employees i.e. (Compensation, performance evaluation & promotion practices) it will be more beneficial for the employees of the organization. Through this research, the

assistance will be provided to the top level management and especially to human resource department of organizational sector to plan or modify their HR policies for the effective and efficient output.

1.1 Problem Statement

The purpose of this study is to analyze the relation with of HR practices in Private and Public organization and the factors that affects the employee's performance. This study will be constructive study for the higher management of organizations because there are huge difference of HR practices between Public& Private organizations and its effects on employee's performance. After this study researchers will also come to know that, what is the reason of employee's satisfaction & dissatisfaction in public & private organizations?

1.2 Research Objective

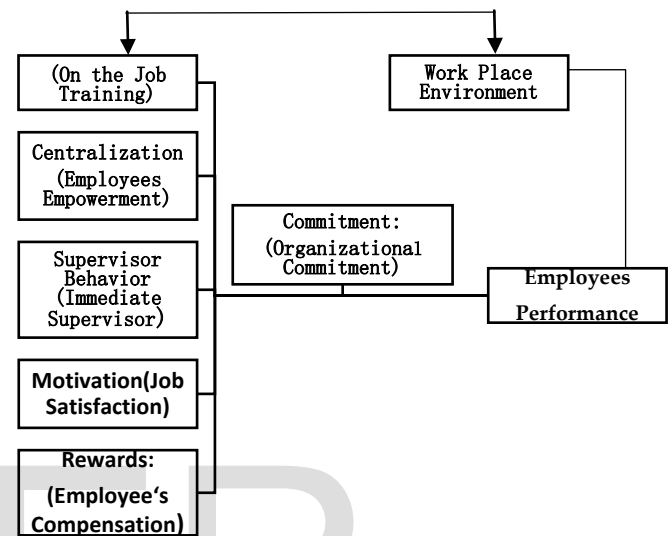
This study address the root causes and solution of the factors that is impacting the employee's performance and productivity level of an organization.

2 LITERATURE REVIEW

Basically empowerment means to deliver the action and decision to the employees, with this respect under more authority and responsibility employees complete their tasks in time (Dr.yasarf, 2010). Employees have enough ability and they can perform their tasks which is given by the organization. On the other hand, in wider perspective, empowerment includes employees involvement in goal setting, motivational techniques and decision making enables the employees to work very well in participated

environment (Osborne, 2002). Supportive behavior of supervisor has positively impact on job satisfaction (Griffin, 2001). According to Hussami (2008) employees need one of those supervisors who develop bonding with them, trust and show his fairness with them, even understand them. Abusive behavior of supervisor impact negative reflects on subordinate's job. According to Locke (1969) job satisfaction can be defined by an individual perceive a pleasant feel from work or job. By Spector (1997) job satisfaction is how individuals feel after performing their job from different aspects. Job satisfaction is pleasurable state of employees regarding working situations, supervisor and job duties and take organization as whole (khalid, 2011). Azaraet al., (2013) studied HR practices on the educational sector, the training of school teachers are very importance and examining its relationship between training of teachers and teachers' performance. Results shown significant and positive relationship between training and institute performance. Training can be defined as a development of skills, attitudes and knowledge which is required by performing the task assigned by the organization which boost their performance in the working location . Training necessity depict new skills or knowledge that provide to their employees which meet the organizational needs, that efficiently delivered (Salas, 1999). Human resources can be revitalized by the training. It helps the workers to study new knowledgeable things and advance skills for practice something different and for career opportunities can provide (Mendonsa, 1998). Peghaet al., (2012) It is constructed by the empirical research that, organizational environment positively impact on the employees performance organization identification (Singh & Winkel, 2012). Supportive organization environment influence positively on employee's reaction towards workforce which involved the emotional feelings and satisfaction of trust with the organization, as well as help to achieve its goals (Lauring et al., 2011). It is examined by Frye (2004) the firm performance and equity based compensation has a positive relationship. According to him, human capital in demanding companies' benefit plays a very important role in holding and inviting the number of expert employees. As many companies also considered as human capital demanding organizations. Huselid, (1995) Organizations reward practices help to hire and retain the competent, skilled and hard worker teachers. High performance work practices in which include compensation built relationship with corporate financial performance as well as employee outcomes. By (Taseema, 2006) said there is a significant progressive relation within the performance of employee and compensation practices of a firm. In maintaining the membership with the organization, employees willingly accept the goals and values which shows their commitment with the organization (Mowday, 1979). It is argued by Guest, (1987) that employee's higher level of commitment indicates their greater effort towards goals and objectives of the organization to achieving that.

3 THEORETICAL FRAMEWORK



4 RESEARCH METHODOLOGY

Our study is descriptive and causal because it includes the quantitative data. It states the causes and effects of HR practices towards employee's performance. To identify the factors which impacts the employee's performance in public and private firms we have total 8 variables in which six are independent variables, one moderating variable and one dependent variable. The sampling technique used for the study is convenient sampling technique which is targeted from different organizations in Lahore. The population frame is basically the target area from where we collected the data for the research purpose. We are targeting the employees of the different organizations to check the impact of human resource practices. We have selected this population frame because employers and employees would only be able to respond to our questions accurately who are performing in the different public and private firms. The selection of sample size is very important because accurate sample size selection was responsible for defining the whole characteristics of the population. We have selected the sample size using 5:1 approach because we have 8 variables and 5 questions was asked against a single variable. According to this information our sample size is 400 (10 respondents will give the response of

1question. So, 10x40 = 400). But our population has complexity that's why we are doing research on 100 sample size. For our research purpose the questionnaire is adapted for data collection and we measured our variables on a seven point likert scale. For data analysis for checking the

accuracy of our data. We have applied statistical tools, Reliability analysis, Exploratory Factor Analysis, regression, correlation because we want to check the influence or impact of variables, apply correlation to check the relationship between variables by using SPSS software.

5 DATA ANALYSIS AND RESULTS

5.1 Demographic Analysis

Variable	Category	%	Variable	Category	%
Gender	Male	59.0	Work Experience	< 5 years	62
	Female	41.0		5-10 years	22.0
Age	Below 30	62.0	10-15 years	14.0	
	31 - 40	24.0	> 15 years	2.0	
	41 - 50	13.0	Sector	Public	50
	Above 50	1.0		Private	50

Out of 100 %, 59% people are male and 41% are female. The age set of 30 years are 62% whereas the age within 31-40 are 24%, the respondents with the age range of 41-50 are 13%. Employees with the work experience of less than 5 years are 62%, the respondents with the work experience range of 5-10 are 22%, while employees lying in the range of 10-15 are 14% and above 15 are 2%. The respondents from both public and private sector are 50%.

5.2 Data Analysis

The data is gathered through questionnaires. The population frame was employees of different organizations. The collected data and final respondents are 100. Most importantly, all the data should have been screened and cleaned. The purpose of screening all the numbers is to check if our data values have out of range, to analyze the missing values, to check normality of data, and determining what is the way to check the non-normality. On data the outcomes of descriptive statistics express that our data does not contain any out of range value which means all respondents mark on the given likert scale. Each variable is presented as a frequency table. By looking at the output, we can see that there is no number out-of-range. Percent column presents over all data percentage but on the other hand valid percent presents over all data percentage excluding missing values. By running of EDA through SPSS. The results shows data there is no missing value exists in our data.

5.3 Reliability

The table demonstrates the reliability of every independent variable

Reliability Analysis (Inter Item Consistency)

Serial name	Variable name	Cronbach's Alpha	No of items
1	WE	0.816	5
2	OJT	0.730	5
3	EE	0.797	5
4	ISB	0.729	5
5	JC	0.724	5
6	JS	0.724	5
7	OC	0.668	5
8	EP	0.772	5

Note: all variables are fulfilling the requirement of Cronbach's alpha.

5.4 Exploratory Factor Analysis (EFA)

The EFA has two assumptions which have to fulfill for rendering of further analysis.

The value of KMO should be greater than 0.6

The score of Bartley's test significance should be less than 0.05

Serial no	WE	OJT	EE	ISB	JC	JS	OC	EP
1	.606	.573	.697	.648	.711	.526	.453	.429
2	.883	.755	.724	.808	.796	.643	.706	.522
3	.837	.834	.800	.768	.818	.843	.721	.649
4	.824	.3676	.819	.611	.709	.799	.683	.516
5	.702	.616	.671	.623	.419	.625	.734	.513
Variance	58.6	48.62	55.44	48.4	49.7	48.6	44.5	52.5
Explained	6		5	5	1	0	5	8
KMO	0.77	0.730	0.798	0.74	0.75	0.70	0.73	0.78
Bartlett	.000	.000	.000	.000	.000	.000	.000	.000

According to the results, above the loading scores of all variable are greater than .40. The assumptions of KMO and Bartley's test are fulfilled. In our analysis we put all items in one basket or shrink the items in one component.

5.5 Correlation Analysis

Variable	WE	OJT	EE	ISB	JC	JS	OC	EP
WE	1							
OJT	.592**	1						
EE	.511**	.544**	1					
ISB	.256**	.228**	.116	1				
JC	.319**	.358**	.379**	.478**	1			
JS	.571**	.589**	.515**	.306**	.394**	1		
OC	.491**	.320**	.420**	.188	.454**	.420**	1	
EP	.515**	.410**	.609**	.198*	.352*	.627*	.485*	1

At 99 and 95% confidence level that our data represent the true picture of correlation. The variable work environment

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

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

indicate a mild strong positive relationship with employee's performance .515 it indicates that independent variable are correlated. Similarly the association of job satisfaction with other variables are .571**, .589**, .515, .306, and .394** respectively. Same is the interpretation of other variables of the research model.

5.6 Regression Analysis

Variable	B	S.E	t-value	p-value	Hypothesis
Constant	.668	.507	1.317	.191	Not Supported
WE	.098	.092	1.064	.290	Not Supported
OJT	-.132	.102	-1.292	.200	Not Supported
EE	.334	.087	3.816	.000	Supported
ISB	.010	.081	.123	.902	Not Supported
JC	-.002	.101	-.019	.985	Not Supported
JS	.412	.104	3.951	.000	Supported
OC	.183	.102	1.792	.075	Not Supported

Note: R2= .541, f (7, 92) =15.500, P value < .05

Only two hypotheses are supported in the simple linear regression model i.e. EE (Employees Engagement) & JS (Job Satisfaction). They are showing the significant results the other hypotheses are rejected because of insignificant values.

5.7 Regression Analysis (With the Impact of Moderation)

Variable	B	S.E	t-value	p-value	Hypothesis
Constant	3.054	.254	12.004	.000	Supported
OJTWE	-.111	0.45	-2.456	.16	Supported
EEWE	.142	0.45	3.146	.002	Supported
ISBWE	-.014	0.40	-.344	.732	Not Supported
JCWE	0.19	0.51	.371	.712	Not Supported
JSWE	.115	0.52	2.225	.028	Supported
OCWE	.010	0.45	.216	.829	Not Supported

Note: R2=.439, f (6, 93) =12.114, P value < .05

The above analysis is the regression with the impact of moderation. As it is shown in the results that with the

impact of moderation the hypothesis which were rejected in the simple regression test, OJT (on the job training) is accepted here. It means that the moderator is playing the significant partial mediation role.

6 CONCLUSION

Because of the significance of human resource practices in everywhere throughout the world, many researchers want to conduct this research of human resource practices at country level. This research has significant suggestions for future research and trainings. The results of this research study have significant suggestions to the employees and employers. The practices of human resource in public sector organizations are narrower than private sector organizations. While practices of human resource in public sector organizations has its unusual and lengthy features, they can pick from the practices, systems from the researches and private sector organizations. This study can be beneficial for the organizations, these human resource policies will help the organizations to attract employees and recruit new employees as well as to retain them for a longer time period. It will also help to improve employee's performance.

7 LIMITATION OF STUDY

This study is limited because this vast concept of human resource practices could not be better justified by conducting research on a single city Lahore, Pakistan. That's why the results are surprising because this vast concept cannot be judged effectively by lower sample size and in single city of Pakistan. Time is also a limitation for my study because more time is required for larger sample size and for desirable results.

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