

Impact of HR Practices on Perceived Performance of University Teachers in Pakistan

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A number of researchers have established the relationship between HR practices and employee performance but they mainly discuss developed countries. Little evidence is available about relationship between HR practices and employee performance from developing countries like Pakistan. This study examines the relationship between three HR practices i.e. compensation, promotion and performance evaluation and perceived employee performance among university teachers in Pakistan. The results of the study indicate a positive relationship between compensation and, promotion practices and employee perceived performance while performance evaluations practices are not significantly correlated with perceived employee performance. Pakistani universities need to revise compensation practices and define clear career paths to enhance the performance of teachers.

Keywords: HR practices; employee performance; university teachers; developing country; Pakistan.

Field of Research: Human Resource Management

Introduction

A number of researchers have reported that HR practices are positively linked with organizational and employee performance (e.g. Guest, 2002; Harley, 2002; Gould-Williams, 2003; Park et al., 2003; Wright et al., 2003; Tessema and Soeters, 2006). The focus and thrust of these studies have been towards developed countries. Little research has been done to test the HR-performance link in developing countries like Pakistan. Aycan et al. (2000) termed Pakistan as 'under-researched' country in the field of HRM practices.

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The present study is an attempt to test the relationship between HR practices and employee performance in a developing country i.e. Pakistan among university teachers. Pakistan is one of the countries where literacy rate is very low. Apart from other factors teacher performance can be considered a major reason for low literacy rate. So far none of the Pakistani universities is ranked among top universities of the world. Government of Pakistan is also emphasizing the growth and development of university teachers with various initiatives. In this situation it is important to find out the determinants which can enhance the teachers' performance in Pakistani universities. The objective of this research is to facilitate the decision makers in universities across Pakistan to follow the HR practices which can improve the performance of University teachers. The present study could be helpful to human resource managers of public and private sector universities in Pakistan for formulation and development of HR practices that will ensure high level of teachers' performance resulting in increased achievement and learning among students.

Review of Literature

HR Practices

There are number of HR practices that could be tested in connection with employee performance. Teseema & Soeters (2006) have studied eight HR practices and their relationship with perceived employee performance. These eight practices include recruitment and selection practices, placement practices, training practices, compensation practices, employee performance evaluation practices, promotion practices, grievance procedure and pension or social security. Huselid (1995) used eleven HRM practices in his study which are personnel selection, performance appraisal, incentive compensation, job design, grievance procedures, information sharing, attitude assessment, labor-management participation, recruitment efforts, employee training and promotion criteria. This study examines the relationship between three HR practices i.e. compensation, promotion and performance evaluation and perceived employee performance. Pakistan is a developing country with very low per capita income and above three practices which have a relatively direct impact on financial earnings and social status of an individual may be considered the major determinants of employee's performance. This is the reason these practices have been selected for this study.

Compensation Practices

Frye (2004) examined the relationship between equity based compensation and firm performance and found positive relationship between the two. He argued that for human capital intensive firms compensation plays a crucial role in 'attracting and retaining highly skilled employees'. As universities are human capital intensive organizations, compensation practices of a university can be of great help in hiring and keeping hold of highly skilled and competent teachers.

Incentive pay plans positively and substantially affect performance of workers if combined with innovative work practices like 'flexible job design, employee participation in problem-solving teams, training to provide workers with multiple skills, extensive screening and communication and employment security' (Ichniowski et al., 1997). High performance work practices (including compensation) have a statistically significant relationship with employee outcomes and corporate financial performance (Huselid, 1995). Significantly positive correlation has been reported between compensation practices and perceived employee performance by Teseema & Soeters (2006). On the basis of above mentioned literature and arguments it can be safely assumed that compensation practices are correlated with the performance of employees. However the relationship needs to be tested in university teachers of Pakistan.

H1: Compensation practices are significantly and positively related with perceived performance of university teachers in Pakistan.

Promotion Practices

Financially successful companies like HP (Hewlett-Packard) 'promote and develop from within' (Truss, 2001). Teseema & Soeters (2006) found significantly positive correlation between promotion practices and perceived employee performance, however HR outcomes was used as mediating variable. HR practices including 'vacancies filled from within' have been found positively correlated with work satisfaction and life satisfaction with values 0.24 ($P < 0.001$) and 0.15 ($P < 0.001$) respectively (Guest, 2002). Synergetic systems of HR practices (including merit promotion decisions) lead to higher performance of an organization (Park et al., 2003).

On the basis of above mentioned literature and arguments it can be safely assumed that promotion practices are correlated with the performance of employees. However the relationship needs to be tested in university teachers of Pakistan.

H2: Promotion practices are significantly and positively related with perceived performance of university teachers in Pakistan.

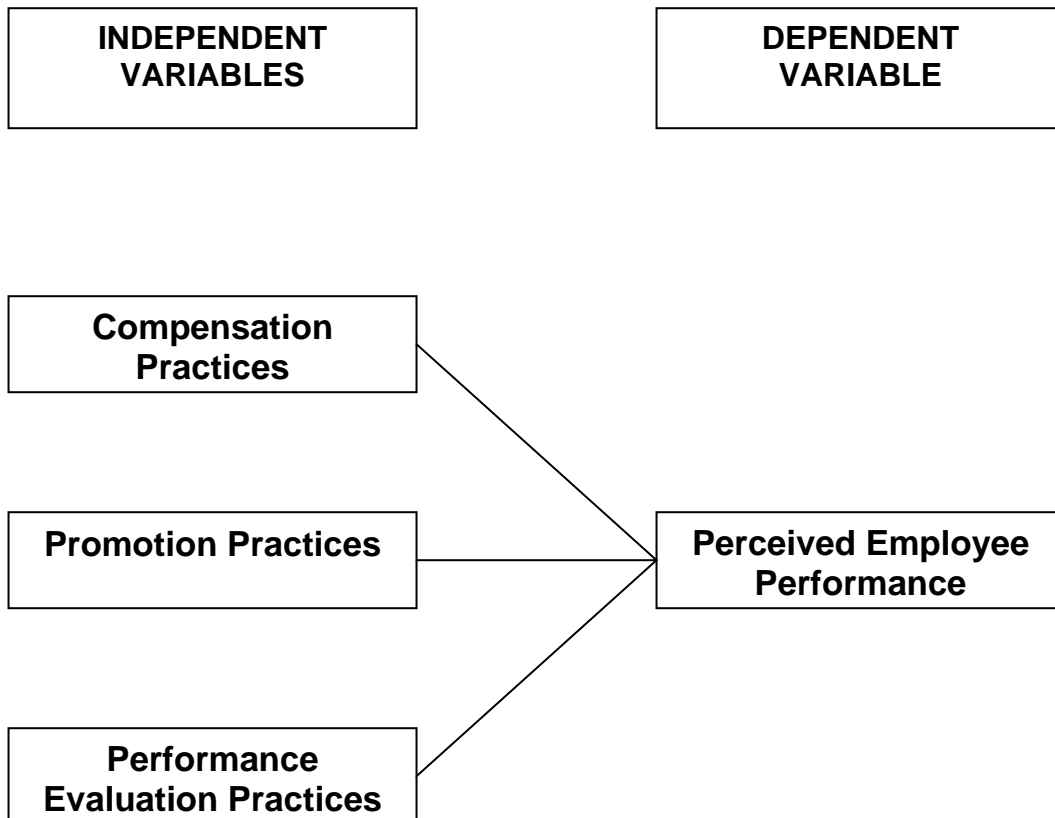
Performance Evaluation Practices

'Performance appraisal represents, in part, a formalized process of worker monitoring and is intended to be a management tool to improve the performance and productivity of workers' (Brown and Heywood, 2005). Employee commitment and productivity can be improved with performance appraisal systems (Brown and Benson, 2003). Appropriate explanation and supervision of performance lead to higher job satisfaction and professional commitment amongst teachers. This is also true when performance appraisal is low. Commitment to teaching is a function of teacher's attitude towards performance appraisal system. (Rahman,

2006). Possibility of performance appraisal is enhanced by complementary human resource management practices like formal training and incentive pay and performance appraisal leads to greater influence of productivity (Brown and Heywood, 2005). On the basis of above mentioned literature and arguments it can be safely assumed that performance evaluation practices are correlated with the performance of employees. However the relationship needs to be tested in university teachers of Pakistan.

H3: Performance evaluation practices are significantly and positively related with perceived performance of university teachers in Pakistan.

Theoretical Model of the Study



Methodology

Questionnaire

The questionnaire was based on questionnaire used by Teseema & Soeters (2006) for measuring impact of various HR practices on employee performance. The reason for selecting this questionnaire is that it was used to study the impact of same variables as in present study and was well tested on reliability and validity scales. Questionnaire that was administered consisted of three HR practices which are Compensation Practices (6 items), Promotion Practices (3 items) and Performance Evaluation Practices (6 items) and Perceived Employee Performance (4 items).

The questionnaire was well tested by researchers on internal consistency and other measures. According to Teseema & Soeters (2006) alphas for Compensation Practices, Promotion Practices and Performance Evaluation Practices and Perceived Employee Performance are .82, .74, .73 and .74 respectively. All alphas range between .73 and .82 which is acceptable. The response was required on five point Lickert scales (endpoints: 1 = Strongly disagree, 5 = Strongly agree).

Participants

The participants included full time university teachers from 12 leading universities of Pakistan. A total 115 questionnaires were distributed however 94 were received back making response rate as 82% and a sufficient sample size was collected for analysis of results.

Procedure

Data was acquired through personally administered questionnaire.

Statistical Methods

i. Demographics frequency table:

Demographics are shown in a demographics frequency table (see Table 1).

ii. Correlation Matrix:

Correlation matrix was used to verify existence of relationship between the independent variables i.e. Compensation Practices, Promotion Practices and Performance Evaluation Practices and the dependent variable Perceived Employee Performance.

Findings

Table 1: Demographics

n = 94

<i>Description</i>		<i>Frequency</i>	<i>%age</i>
Gender	Male	76	80.85
	Female	18	19.15
Age	20-24	12	12.76
	25-29	44	46.81
	30-34	28	29.78
	35-39	4	4.26
	40-44	3	3.19
	45-49	2	2.13
	50 & over	1	1.06
Qualification	Bachelors	0	0.00
	Masters	66	70.21
	MS/M. Phil	24	25.53
	PhD	4	4.25
Marital Status	Married	68	72.34
	Unmarried	26	27.66
Organizational Tenure	1 to 4	38	40.43
	5 to 9	18	19.15
	10 to 14	24	25.53
	15 to 19	8	8.51
	20 to 24	4	4.26
	25 to 29	2	2.13
	30 & above	0	0.00

The demographics are not used in the present study to find out their relationship with employee performance. The objective of Table 1 is to show composition of respondents to have a better understanding about their response and results for present study. Majority of the respondents are male and majority have less than 10 years tenure in their respective organizations. Majority of the respondents hold a masters degree which at present is the minimum requirement to become a university teacher. The marital status of the respondents is an important demographic in the present study as having a married life and children increase responsibility on individuals and mostly work life conflict situation arises when there is an imbalance between work and family life.

Table 2:
Correlation Matrix

	<i>Mean</i>	<i>SD</i>	<i>EP</i>	<i>CP</i>	<i>PP</i>	<i>PEP</i>
EP	3.09	0.61	1			
CP	3.26	0.53	0.44**	1		
PP	3.32	0.49	0.56**	0.70	1	
PEP	3.17	0.56	0.15	0.09	0.06	1

** $p \leq 0.01$, $n = 94$

SD= standard Deviation, EP= Employee Performance, CP= Compensation Practices, PP= Promotion Practices, PEP= Performance Evaluation Practices

Discussion

The correlation matrix indicates that Compensation Practices are strongly correlated with teachers' performance in Pakistani universities (0.44**), (**.p<.01) which is supported by Teseema & Soeters(2006) who found value (0.38**), (**.p<.01). Pakistan is a developing country with very low per capita income and majority of employees including the teachers place compensation at top. These results indicate that teachers' performance in the Pakistani universities is greatly affected by Compensation Practices. Similarly the Promotion Practices are also significantly correlated with teachers performance in Pakistani universities (0.56**), (**.p<.01). Teseema & Soeters(2006) found value (0.48**), (**.p<.01) which supports the findings of this study. Promotion not only offers a position with more status and power but also the teachers feel more motivated as promotion provided them a chance for professional development as well. On the other hand promotion also means more financial benefits. Hence the teachers' performance is greatly affected by the promotion practices of Pakistani Universities.

The relationship between Performance Evaluation Practices and teachers' performance is quite weak (0.15). These findings are not supported by Teseema & Soeters(2006) . The reason for these different findings is that in most of the Pakistani universities there is no proper system of teachers' performance evaluation. In public sector universities it is based on typical confidential reporting of performance after one year and in private sector if any system exists that has no impact on teachers' performance. Teachers do not consider it important as it is not linked with compensation and promotion.

Conclusion

This study has a number of implications for Pakistani universities. Firstly the weak correlation between Performance Evaluation Practices and teachers' performance needs prompt attention. If ineffective performance evaluation practices exist in the universities than it would be difficult to gain desired output from the teachers. The public sector universities need to change the typical confidential reporting system. The time period for evaluation should be reduced from one year to six months and results should be communicated to teachers so that they can improve their performance. The evaluation system should be devised in such a manner that it is linked with promotion and compensation so that teachers consider it important.

As far Compensation Practices are concerned they have direct impact on teachers' performance in Pakistani universities. Currently The Higher Education Commission in Pakistan has announced attractive salary package for university teachers which is a very positive step to enhance teachers' performance. The rest of the universities should pay special attention towards this most important aspect of HR to enhance teachers' performance. Promotion practices not only help teachers to grow in organizational hierarchy but also serve as mode for professional development. Since this study proves relationship of promotion practices with teachers' performance, it is up to the government and the universities to devise career development programs for teachers which should allow them to grow in their careers as well as there should be opportunities to grow professionally.

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A SURVEY ON IMPACT OF HR PRACTICES ON UNIVERSITY TEACHERS

Dear Respondent!

I am a student of PhD (HRM) at Muhammad Ali Jinnah University, Islamabad Campus, and am conducting a research on 'Impact of Hr Practices on University Teachers". The questionnaire will be used for research which is a part of my PhD course. The objective of this questionnaire is to find out relationship between HR practices and employee performance in university teachers of Pakistan. It should not take more than 10 minutes to fill the questionnaire as all of questions just require you to tick appropriate answer.

These questions pertain to your experiences in your current job and organization. Your answer will be kept strictly confidential and will only be used for research purposes. Your name will not be mentioned any where on the document so kindly give an impartial opinion to make research successful.

You are requested to take 10 minutes out of your busy schedule to fill this questionnaire. Your cooperation is highly appreciated. If you need findings of this research please send a request to kshahzad78@yahoo.com

Thanks once again for your time and cooperation.

**Khurram Shahzad
PhD Scholar**

Please tick the appropriate answer or fill in the box.

Section: 1
Demographics

0. What is your designation?

Lecturer	1
Assistant Professor	2
Associate Professor	3
Professor	4

1. How long you have been employed in this university (Years)?

2. What is your highest qualification?

Bachelors	1
Masters	2
M.Phil/MS	3
Doctoral	4

3. What is your native language?

Urdu	1
English	2
Punjabi	3
Sindhi	4
Pushto	5
Balochi	6
Others	7

4. What is your marital status?

Married	1
Un-married	2

5. What is your Gender?

Male	1
Female	2

6. What is your age?

Section: 2
Employee performance

7. My performance is better than that of my colleagues with similar qualifications

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

8. I am satisfied with my performance because it is mostly good.

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

9. My performance is better than that of teachers with similar qualifications in other universities.

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

10. The performance of my university is better than that of other universities.

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

Section: 3
Compensation practices

11. Presence of attractive compensation system

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

12. Presence of equitable internal salary

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

13. Presence of equitable external salary

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

14. Presence of salary that reflects performance

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

15. Presence of salary that encourages better performance

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

16. Presence of salary that reflects standard of living

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

Section: 4
Performance evaluation practices

17. Presence of written and operational performance evaluation

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

18. Performance evaluation has a lot to do with my salary

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

19. Performance evaluation has a lot to do with my personal decisions

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

20. Provision of feed back of performance evaluation results

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

21. Performance evaluation is considered important task by superiors

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

22. Performance evaluation is knowledgeable

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

Section: 5
Promotion practices

23. Presence of written and operational promotion policy

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

24. Provision of priority to seniority in promotion decision

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

25. Provision of priority to merit in promotion

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5