

In Public Sector Organizations, how the Performance of Employees is influenced by the HR Practices - Analyzing the Perspective

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Abstract

Human Resource Management provides an agency with an impressive work team in order to satisfy its mission. Effective human capital management uses systems and tools to present together the appropriate amount of people, with the appropriate attitude and skills, in the right place, at the right time. Human Resource Management provides an agency with an impressive work team in order to satisfy its mission. Effective human capital management uses systems and tools to present together the appropriate amount of people, with the appropriate attitude and skills, in the right place, at the right time. Human Resource Management provides an agency with an impressive work team in order to satisfy its mission. Effective human capital management uses systems and tools to present together the appropriate amount of people, with the appropriate attitude and skills, in the right place, at the right time. Human Resource Management provides an agency with an impressive work team in order to satisfy its mission. Effective human capital management uses systems and tools to present together the appropriate amount of people, with the appropriate attitude and skills, in the right place, at the right time.

Keywords: Performance; HR practices; Human capital management; Skills management.

Introduction

Human resource managers are concerned with designing overall employment systems that are internal complementary and ultimately contribute to the firm's attainment of its principal goals. (Becker & Huselid, 1998) argued that the role of HR system in Pakistan is only visible in either multinational firms or highly technological firms. Various studies showed the relationship of HR system and performance of employees. These studies prove that HR system positively affect the performance 1987; Guest, 2002; Harley, 2002; Wall and Wood, 2005;

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Tessema and Soeters, 2006; Park et al., 2003; Wright et al., 2003; Appelbaum et al., 2000; Batt, 2002.; Gould-Williams, 2003; Guest et al., 2003; Wright and Bosewell, 2002; Ichniowski et al., 1997; Huselid, 1995.

Through a valid selection system, a right potential candidate can be identified to perform (Holzer, 1987). Performance level declines if there is mismatch between the job and candidate to perform (Lado and Wilson, 1994). Therefore a valid selection system identifies a candidate whose abilities are superior fit to the organization's requirement. Job Definition is an important element to influence motivation in employee by structuring and designing of work. The tightly defined job provides less scope to the candidate to apply his skills and abilities to the work which he possess because of very less freedom of decision making is given to perform work, whereas direct involvement in performing work and accomplishing task increase the motivation level (Lado and Wilson, 1994). With the help of a Performance appraisal system firms can monitor the development of desired employee attitudes and behaviors through the use of the appraisal mechanisms. A well-functioning career progression system might encourage the employees to take more responsibility of their own development, including the development of the skills viewed as critical in the company. A well-planned career development system, along with internal advancement opportunities based on merit, results in high motivation among employees, which has an impact on firm performance.

This research was carried out to determine and to identify the role of HR practices in an organization especially in a public sector of Pakistan and its impact on employee's performance. In this study researcher take into consideration three major HR practices and there are Recruitment and Selection, Career Planning and performance appraisal. Public services personnel systems and procedures are generally characterized as rigid, cumbersome and rule bound. Managers in public sector usually complain that existing systems do not meet the modern day requirements for efficient and effective management of human resource. Due to the existence of this age old, obsolete and rigid systems, public sector employees also face frustration because they are not compensated well and are not given the recognition that they deserve.

In the current changing and competitive environment organizations are adopting HR practices to increase the competitive advantage. Private organizations are implementing and improving the HR practices to increase the organizational performance in order to gain competitive advantage. However, public sector organizations are far behind given their level of performance. A gap observed between the rigidity of the HR practices in the public sector and flexibility of HR practices in private sector. The critical analysis of Pakistani organizations

clearly depicts a very grim picture of Pakistani public sector organizations both at federal and provincial level. Even, the recent performance of state controlled corporations like PIA, WAPDA, and Pakistan Railways etc. also depict that performance of these organizations has been quiet dismal. In depth analysis of these organizations suggests that it is essential to study HR practices of the public sector organization in order to fully understand its link with performance.

Therefore, it becomes essential to analyze the HR practices of public sector organizations and its impact on employee's performance as very few studies have been conducted in this regard and due to inherent importance of this field of study for development of Pakistan.

Research Question

Is there a positive relationship between HRM practices on employee's performance of public sector organizations?

Objectives of the study

In Pakistan there are a large number of public sector organizations. These organizations are responsible for very important functions for the country like providing, economic policies, education, science & technological development, regulating various function of economy and also provide basic services, like transportation, power and supply, maintaining law and order, banking services etc.

The broad objectives of the study are:

- To understand three HR practices (Recruitment and Selection, Performance Appraisal and Career Planning) of public sector organization;
- To find linkage between three HR practices (Recruitment and Selection, Performance Appraisal and Career Planning) and employees performance of public sector organizations of Pakistan;

Literature Review

The contribution of the Human Resource Management towards increased organizational performance is gaining interest in the recent years especially in context of Public sector organizations (Rehman, 2011, 2012). The organizations are constantly facing competition, in this globalized era, which is both fierce and threatening. Therefore, in this competitive business environment competitive advantage over business competitors can be achieved mainly by the intangible resources of the organization including its human resources (Harel and Tzafrir, 1999). It is the human resource of an organization that adds value to the

organization in a unique way and can increase the efficiency of its organization.

Jamil and Raja (2011), argued that the organization having well trained, experienced and qualified Human Resource have a competitive edge on other organizations. It is because the workforce of an organization is the basic source of innovation and unique ideas and differentiates an organization from its competitor. By managing the human resource and developing their competencies that are firm specific, they can contribute positively towards gaining increased performance and competitive advantage (Lado and Wilson, 1994). Thus companies all around the world now a day are focusing on talent acquisition, its nurturing and retention.

Previous studies have indicated that Organizational performance is increased due to the presence of effective human resource systems (Huselid, 1995). This is due to the fact that effective human resource is able to create synergy in out performing their competition. Moreover studies have also indicated human resource systems to be a source of sustained competitive advantage for the organization (Lado and Wilson, 1994). The human resource of an organization has certain set of abilities and skills which add to the success of an organization. Their skills and abilities help the organizations in achieving the ultimate goal efficiently. Thus organizations do want to have superior human resource as compared to their rivals in order to gain competitive advantage.

Rehman (2011) conducted a research in the public sector organizations to observe the impact of Human resources management on the organizational performance. He carried out regression analysis to measure the relationship between the independent and dependent variables. The data was collected from the regulatory authorities of Pakistan. In his study he found out the positive relationship between the employees and organizational performance and the HR practices.

Shahzad et al. (2008) researched the effect of three HR practices i.e. promotion, compensation and performance evaluation on the perceived performance of university teachers of public sector. A positive relationship was found between the HR practices and the perceived performance. Promotion and compensation were found to be significantly correlated to the perceived performance of the teachers. Performance evaluation was found to be insignificantly correlated to the perceived performance of the university teachers. Many more researchers have empirically investigated the correlation between the Human Resource management and the organizational performance. Delaney and Huselid (1996) found a positive association between HRM practices such as selectivity and training of staffing and the perceived firm performance. They gathered data by conducting a survey in 590 for-profit and nonprofit firms. Harel and Tzafrir (1999) found that in Israel

HR practices had positive relationship with firms' performance in private and public sectors. Huselid (1995) established that high involvement HRM practices have positive relationship with productivity, corporate performance, financial performance and work attachment.

Strong evidence exists in literature about different HRM practices and their effects on superior firms' performance. Researchers found a positive relationship between effective recruitment and selection practices and top-class performance (Harel & Tzafrir, 1996; Delany & Huselid, 1996); training and development (Arthur, 1994; Huselid, 1996); compensation, reward and performance appraisal (Jamil and Raja, 2011). Thus HR system could significantly improve the performance of the organizations when they are properly aligned with the right type of manufacturing strategy (Youndt et al, 1996). Thus it becomes essential for firms to invest in human capital in order to be more competitive and for successful implementation of their manufacturing strategy so that performance of organization could be enhanced.

In this study researcher analyze the impact of three HRM practices on the employee's and organizational performance in public sector and find out whether a positive relationship exists between the Recruitment and selection, performance appraisal and career planning to the employee's organizational performance.

Organizational Performance

Organizational performance is the output that any firm or an organization produces. The organizational performance is measured in different ways. Previously researchers have measured the organizational performance in terms of financial output (Huselid, 1995). Some have measured it in terms of productivity and manufacturing out (Arthur, 1994), whereas others have measured the perceived organizational performance (Khan, 2010; Delaney and Huselid, 1996).

Employee performance

Major researches conducted on Hr practices in private sector while very few studies examined public sector organization. As (Legge, 1998) argues that a considerable attention has not been paid on evaluating impact of HR practices in public sector organizations. At the same time research on HR practices and their impact on employee and organizational performance mainly revolve around the developed countries. Sajid Bashir (2008).

There are three factors in employee's performance which may considered possible to perform better than others, and these factors are declarative knowledge, procedural knowledge and motivation (McCloy et al, 1994).

Human Resource Management Practices

Human Resource Management practices are the independent variables in our study. The independent variables are those that influence the dependent variables. By the review of literature researcher identified three HR practices: Recruitment and Selection, Performance Appraisal, and Career Development (Cianni and Wnuck, 1997; Paul and Anantharaman 2003).

Recruitment and Selection

It is the process of attracting and hiring the potential pool of applicant for a specific job. These are series of steps that are followed while making a staff hiring decision (Werther and Davis). The core purpose of recruitment and selection process is to hire the right person for the right job at minimal cost as it is essential for organization productivity and efficiency that skilled and knowledgeable individuals are hired for the said job. The output of a well-planned selection system is hiring the best candidate with required set of skills to perform the job in order to achieve organizational performance (Holzer, 1987). This is essential as studies have indicated that the performance of organization as well as individuals can be hindered due to the mismatch between the person and the job (Lado and Wilson). Therefore, organizations should develop an efficient and effective recruitment procedure so that talented, skilled and motivated individuals are hired for the job having necessary skills required to perform their tasks.

Performance Appraisal

Performance Appraisal is one of the most important HR practices. It is formal system to evaluate and measure the performance of the employees working in an organization. Its goal is to determine how productive an employee is and in what ways its productivity can be enhanced (Khan, 2010). This system is used to monitor the development of the desired attitudes and behavior of the employees. Bowra et al (2011) found a positive relationship between performance appraisal systems and the perceived performance of the employees. Paul and Anantharam (2003) have also linked performance appraisal systems positively with the organizational performance.

Career Planning

Career planning systems help the employees in developing such skills which are not only important for their own development and growth but are also important for the development and success of the organization as a whole (Aynada and Sani, 2010). A well planned career system works as a motivational factor for the employees. They are clear about their future success and work hard in order to achieve it. The individual

increased performance of an employee leads to the increase in the organizational performance as well.

HR in Public Sector Organization

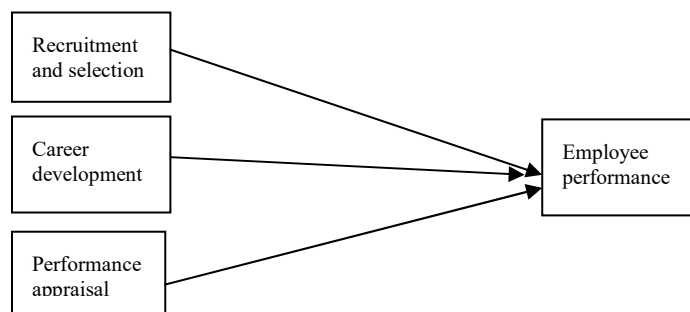
In this age and time, Human Resource Management has become a very essential element of performance for every type of organizations especially for public sector organizations. A very few studies in this regard have been conducted in context of public sector of Pakistan (Rehman, 2011, 2012). These studies have indicated that HR planning in public sector organization is gaining considerable importance. The study in context of public sector organizations of Pakistan revealed that job retention and job satisfaction had positive relationship with each other (Rehman, 2012).

Recent researches in United States of America have revealed that significant changes have occurred in their state level Civil Service Systems (Selden et al, 2001). The emerging trend there is to decentralize the HR system and to give more autonomy to agencies and managers at state level

Theoretical Framework

In theoretical framework for this study researcher analyzed the impact of HR practices with employee performance, with in public sector employee of Pakistan. The major portion of theoretical framework has been borrowed from Ramay, Bashir and Shahzad (2008).

The framework comprised on three independent variable i.e. Recruitment and Selection, Performance appraisal and Career Planning and Employee's performance is dependent variable.



Source: Ramay, Bashir and Shahzad (2008).

Hypothesis

H1: Recruitment and Selection practices are impact positively to the performance of public sector employees.

H2: Career development practices are impact positively to the performance of public sector employees.

H3: Performance appraisal practices are impact positively to the performance of public sector employees.

Methodology

A questionnaire based survey design was chosen as it allows relatively large population easily and economically for the collection of data. The questionnaire was closed ended with the dependent variable being measured was employee's performance and independent variables being measured are HR practices i.e. recruitment and selection, performance appraisal, and career planning. A well-developed questionnaire was used in this study to measure the responses of the target sample in order to have accurate results. The sampling technique was convenient sampling. The primary data gathered from various Public Sector organizations i.e. Higher Education Commission, PIA, NADRA, and Director General Audit, Defence Services etc. It was envisaged that the questionnaire distributed among 50 respondents who belong to various occupational groups of the Public sector as mentioned above.

Sample size was 50/10 of the questionnaires were destroyed, therefore the sample size decreased to 40. The sampling technique was convenient sampling.

The questionnaire was distributed by hand and the questionnaires were given to the respondents only upon their willingness to participate. The respondents were provided by explanations for any queries if they have regarding to the questionnaire statements. For this study, Questionnaire approach was used for collecting and gathering data. A questionnaire was developed in from a published study to measure the impact of HR practices on the employee's performance in the public sector of Pakistan. The items for employees Performance and HR practices was adapted from already published study Ramay, Bashir and Shahzad (2008).

The questionnaire was designed to ask the respondents about the two important factors that are Perceived employees Performance and all of the important Human resource Practices in the organizations. The sub factors that fell under the main category of HR Practices included Recruitment and Selection, Performance Appraisal, and Career Planning. These sub factors are very important in determining the true impact of HR practices on the organizational performance as well as the individual's performance that has somewhat impact on the overall organizations performance. The questionnaires were distributed among the employees of the Public Sector situated in Islamabad and Rawalpindi. The questionnaires were distributed to the respondents directly and the respondents were requested to respond to each and every

statement thoroughly. This would ensure the validity of the responses and research.

After gathered the data from the respondents, the data was entered in the Statistical Package for Social Sciences program (SPSS) for analysis of the data.

Data was analyzed by Statistical package for social sciences (SPSS) of version 20.0. Reliability Analysis of the data was based on cronbach alpha greater than 0.6. Pearson Correlation analysis will be performed to test the relationship between the recruitment and selection, performance appraisal and career development and employees performance. Regression analysis was used to examine the effects or impact of each Independent Variable (Recruitment and Selection, Performance Appraisal and Career Development) on Dependent Variable (employee's performance)

Results and Discussion

Reliability Analysis

Reliability analysis is basically used for checking the significance of the questions of the questionnaire because end result will only depend on the responses of the respondents.

Reliability is the degree to which experimentation, test, or some gauging technique yields the same result on frequent trials (Guides, 2009). Also reliability, simply, could be defined as the degree to which measures are free from errors and therefore, yield consistent results (Zikmund, 2003).

Table 1: Reliability of Recruitment & Selection:

Reliability Statistics	
Cronbach's Alpha	N of Items
.880	8

The items mentioned in 'Recruitment & Selection' variable are intended to test the reliability. To test the reliability of the items 'Cronbach's Alpha' is used. The table 1 shows that Cronbach's alpha is 0.880 which is greater than (0.880 > 0.6). Therefore the variable 'Recruitment & Selection' is reliable.

Table 2: Reliability of Performance Appraisal

Reliability Statistics	
Cronbach's Alpha	N of Items
.890	8

The items mentioned in 'Performance Appraisal' variable are intended to test the reliability. To test the reliability of the items 'Cronbach's Alpha' is used. The table 2 shows that Cronbach's alpha is 0.890 which is greater than ($0.890 > 0.6$). Therefore the variable 'Performance Appraisal' is reliable.

Table 3: Reliability of Career Planning:

Reliability Statistics	
Cronbach's Alpha	N of Items
.850	4

The items mentioned in 'Career Planning' variable are intended to test the reliability. To test the reliability of the items 'Cronbach's Alpha' is used. The table 3 shows that Cronbach's alpha is 0.850 which is greater than ($0.850 > 0.6$). Therefore the variable 'Career Planning' is reliable.

Table 4: Reliability of Employee Performance

Reliability Statistics	
Cronbach's Alpha	N of Items
.616	3

The items mentioned in 'Employee Performance' variable are intended to test the reliability. To test the reliability of the items 'Cronbach's Alpha' is used. The table 4 shows that Cronbach's alpha is 0.616 which is greater than ($0.616 > 0.6$). Therefore the variable 'Employee Performance' is reliable.

The above reliability statistic is showing a significant level of the questionnaire. The reliability statistics of all variables shows values > 0.6 .

It means that the questionnaire is reliable and their outcomes are also reliable because they show accurate results.

All questions are highly relevant with their corresponding variable. The result of the validity and reliability tests indicate that the used instrument is a valid and reliable instrument.

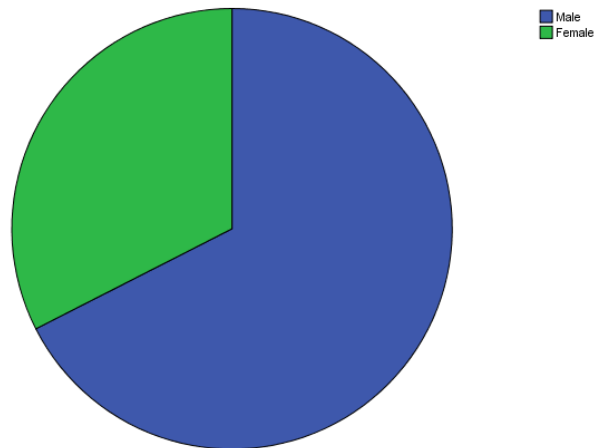
Frequency Distribution

Table 5: Frequency Distribution with respect to Gender

Frequency Distribution with respect to Gender (N=40)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	27	67.5	67.5	67.5
Female	13	32.5	32.5	100.0
Total	40	100.0	100.0	

Frequency Distribution with respect to Gender (N=40)



Frequency distribution represents the count of occurrences of a value within a particular variable group.

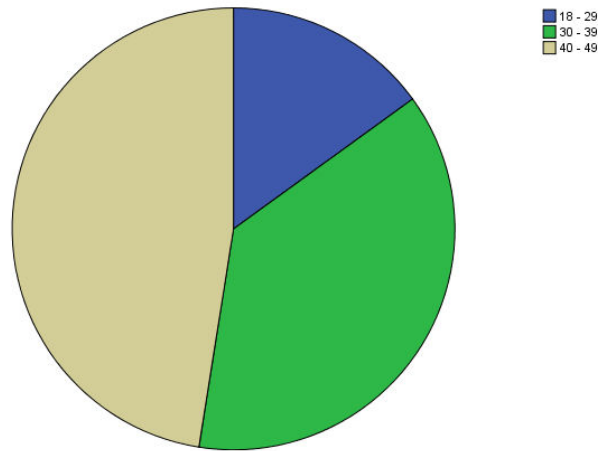
Table 5 and its accompanying figure show frequency distribution of respondents with respect to the demographic variable i.e. gender. The table shows that out of total 40 respondents, 27 belong from male group representing 67.5 % and out of 40 respondents, 13 belong from female group representing 32.5%. Thus, the figure represents that the majority of the respondents are male.

Table 6: Frequency Distribution with respect to Age

Frequency Distribution with respect to Age (N=40)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18 - 29	6	15.0	15.0	15.0
30 - 39	15	37.5	37.5	52.5
40 - 49	19	47.5	47.5	100.0
Total	40	100.0	100.0	

Frequency Distribution with respect to Age (N=40)



Frequency distribution represents the count of occurrences of a value within a particular variable group.

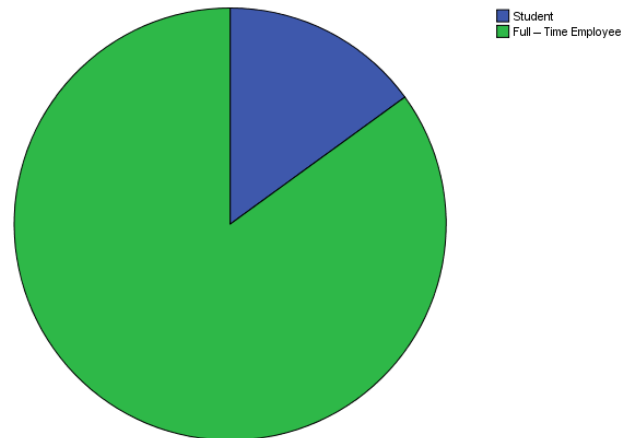
Table 6 and its accompanying figure show frequency distribution of respondents with respect to the demographic variable i.e. age. The table reveals that out of a total of 40 respondents, 6 belong to age group of 18 - 29 representing 15.0%, 15 belong to age group of 30 - 39 representing 37.5%, 19 belong to age group of 40 - 49 representing 47.5 % Thus, the figure represents that the majority of the respondents belong to age group of 40 - 49.

Table 7: Frequency Distribution with respect to Current Profession

Frequency Distribution with respect to Profession (N=40)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Student	6	15.0	15.0	15.0
Full – Time Employee	34	85.0	85.0	100.0
Total	40	100.0	100.0	

Frequency Distribution with respect to Profession (N=40)



Frequency distribution represents the count of occurrences of a value within a particular variable group.

Table 7 and its accompanying figure show frequency distribution of respondents with respect to the demographic variable i.e. current profession. The table reveals that out of a total of 40 respondents; 6 are students representing 15.0%, 34 are full – time employees representing 85.0%. Thus, the figure represents that the majority of the respondents are full – time employees.

Correlation Analysis

Table 8: Correlation of the entire Variables

		R & S	PA	EP	CP
R & S	Pearson Correlation	1	.919**	.853**	.848**
	Sig. (2-tailed)		.000	.000	.000
	N	40	40	40	40
PA	Pearson Correlation	.919**	1	.799**	.907**
	Sig. (2-tailed)	.000		.000	.000
	N	40	40	40	40
EP	Pearson Correlation	.853**	.799**	1	.741**
	Sig. (2-tailed)	.000	.000		.000
	N	40	40	40	40
CP	Pearson Correlation	.848**	.907**	.741**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	40	40	40	40

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

Pearson correlation analysis is used to substantiate the relationship between recruitment and selection, career planning and performance appraisal (HR Practices) and employee's performance.

This table reveals that Pearson correlation analyses were used to validate the relationships between the dependent and independent variables.

Table 8 shows the relationship between the four variables. The value of correlation varies from -1 to 0 and from 0 to $+1$. -1 means negative correlation, 0 means no correlation, whereas $+1$ means positive correlation represents the linear relationship between two attributes of data. The significance of a variable is denoted by the letter 'p' which tells the dependency between variables and their significant relationship between the independent variable and dependent variable.

The correlation between independent variable (Performance Appraisal) and dependent variable (Employee Performance) is ($r = .919$, $p = 0.000$). It represents that there is positive correlation between both the variables.

The correlation between independent variable (Career Planning) and dependent variable (Employee Performance) is ($r = .848$, $p = 0.000$). It represents that there is positive correlation between both the variables. The correlation between independent variable (Recruitment and Selection) and dependent variable (Employee Performance) is ($r = 1$, $p = 0.000$). It represents that there is positive correlation between both the variables.

Above results conclude that among all the independent variables the most significant variable to increase the employee Performance.

Regression Analysis

Table 9: Regressions

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.854 ^a	.729	.707	.34817
a. Predictors: (Constant), CP, R & S, PA				

In Table 9, The Adjusted R Square indicates that how much appropriate is the model that we have designed for our study. In this model, the value of adjusted R square is .707 which shows that 70.7% variance in the dependent variable can be predicted from the independent variables. It means that 70.7% change in employees performance variable can be anticipated from the chosen independent variables which are recruitment and selection.

The value of adjusted r square should not be closer to zero. If the value is near zero then the model is considered to be less appropriate. Here, the value is 70.7%. It is a very remarkable value and that means that the model designed for the study is highly accurate.

Table 10: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.744	3	3.915	32.294	.000 ^b
	Residual	4.364	36	.121		
	Total	16.108	39			

a. Dependent Variable: EP

b. Predictors: (Constant), CP, R & S, PA

ANOVA under regression tells the good fit of the model which means that the positions of the variable are on the appropriate places. Significance of the variance is denoted by the letter 'p'. The value of the p should be less than 0.05.

Table 10 shows that significant value is less than 0.05 ($0.000 < 0.05$), so we conclude that there is a statistically significant relationship between independent variables (recruitment and selection, Career planning and performance appraisal.) and dependent variable (employees performance).

Table 11: Coefficients^a

Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.
		B	Std. Error	Beta	
1	(Constant)	.358	.178		2.012 .052
	R & S	.789	.230	.756	3.434 .002
	PA	.089	.302	.082	.293 .771
	CP	.024	.194	.025	.122 .903

a. Dependent Variable: EP

Letter 'β' tells the direction of the effect, its strength and influence of independent variable. Its value can vary from positive to negative. The significance level is denoted by the letter 'p' which should be less than 0.5.

The value of Beta shows how much the independent variable is contributing to the dependent variable. The more it is means the stronger its magnitude is. The closer to zero means it is not contributing to the dependent variable. Following are the results of this study:

- The recruitment and selection variable is contributing 75.6% to the employee performance variable.
- The performance appraisal variable is contributing 8.2% to the employee's performance variable.
- The career planning variable is contributing 2.5% to the employee's performance variable.

This shows that the variable recruitment and selection contributes the most to the dependent variable. Second is the performance appraisal variable and third comes out to be career planning.

The significance level determines whether the hypothesis gets accepted or rejected. The significance level should be less than 0.05 or 5% for the hypothesis to get accepted.

- The variable recruitment and selection has the significance level of 0.002 which is less than 0.05 so we may accept the hypothesis.
- The variable performance appraisal has the significance level of 0.771 which is more than 0.05 so we may reject the hypothesis.
- The variable career planning has the significance level of 0.903 which is more than 0.05 so we may reject the hypothesis.

So, one of the hypothesis get accepted while the two one gets rejected.

Conclusion and Recommendations

This research was carried out to investigate the relationship and effects of HR practices i.e. Recruitment and selection, performance appraisal and career planning on employee's performance. The study found out that whether these three variables affect the dependent variable employee's performance positively or not. First of all results indicate that recruitment and selection is positively related to employee's performance of the organization which clearly indicates that recruitment and selection has a strong driver of employee performance in public sector organizations of Pakistan. In an increasingly competitive environment, organizations are largely dependent on their employees for success. So to identify the right man for the right job is a great challenge. So the organization must select those candidates who could perform effectively and efficiently. So the starting point in recruitment process is an accurate analysis of the job. This important aspect of human resource management is being not ignored particularly in public sector jobs and Selection process should be done on the basis of the requirements of the job. The second hypothesis has been rejected which means that the career planning in the organization does not affect the employees performance. Every employee has a desire to grow in his workplace continuously. If there are enough opportunities, he can pursue his career goals and use his potential fully. He feels highly motivated. Unfortunately, organizations

do not pay sufficient attention to this aspect in actual practice for a variety of reasons. The demands of employees are not matched with organizational needs; no effort is made to show how the employees can grow within certain limits etc. The third hypothesis has been rejected which means that the performance appraisal in the organization does not affect the employees performance.

Performance appraisals should be plan in such a format that it must have all the elements and aspects. These activities must be done in systematic and synchronized way. Employees should have a belief that their efforts will be recognized. Criteria and procedures should be made clear to all. Another reason for the rejection of our third hypothesis could be that in Public sector organizations of Pakistan most of the promotions and rewards are seniority based. So the employees are not motivated to perform better because they are aware of the fact that the person who is senior from them will be considered for promotion.

Organizations should think about launching a proper procedure for monitoring the HRM practices to gain higher performance. Organizations should also consider designing HRM practices with focus on employee performance.

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