

EVALUATING THE ROLE OF HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES ON JOB PERFORMANCE: AN APPLICATION OF EMPLOYEE EMPOWERMENT AS MODERATOR

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ABSTRACT

This research endeavor was designed to gauge the role of Human Resource Management (HRM) practices in employee's performance. This study has encompassed employee empowerment as a moderating variable to further assess the relationship between HRM practices and job performance. The HRM practices employed in this research includes selection, training, and participation. The total of 130 sampled respondents was selected from the target population by adopting the proportional allocation sampling technique. The sampled respondents include administrative employees and teaching faculty of two public sector universities named as Hazara University, Mansehra and The University of Agriculture, Peshawar. The reliability of scales was computed using Cronbach's Alpha Coefficient which reveals that all scales were found to have good reliability. The major findings of regression analysis depicts that all the selected HRM Practices have significant and positive effect on job performance. Furthermore, the moderating variable i.e. employee empowerment is observed as a substantial parameter which is enhancing the relationship between HRM practices and job performance.

Keywords: HRM Practices, Selection, Training, Participation, Job Performance and employee empowerment.

INTRODUCTION

Human Resource Management (HRM) is an integrated set of managerial responsibilities that enhance the propensity of employee's human resource which surge the organizational effectiveness. HRM practices have a direct impact on employee's motivation, their behavior and skills development which results in to enhanced organizational performance. There are different HRM practices used in different organizations for achieving their goals. Some of the important practices that ensure proper management of human resources in the organization are reward ceremonies, performance appraisal, selection, training, participation and employee empowerment. With the appointing people by an institute or organization, from that time the role of HRM practices started. So hiring new staff entail the completion of HRM (Human Resource Management) practices (Zafar, et. al, 2011). Once employees are hired, through training and socialization they need to be included into the organization's framework. After this step, key components of HRM are evaluating the progress of these workers and motivating them through reward and compensation (Schuler and MacMillan, 1984). The selection of employees, their evaluation and performance can

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play a pivotal role in attaining the set targets and challenges confronted by an organization. This is pretty difficult task to manage the employees efficiently that are rendering their services with different outcomes. If these employees are not precisely tackled, it can damage the advantages and all rewards of the company while entering into new markets. The HRM practices could be a noticeable panacea to stimulate the employees' skill, behavior and attitude which result in the better performance of an organization. It is the employee attitudes that reveal that to what extent employees are willing to unleash their efforts and capabilities for the benefit of the organization. It is evident from previous research endeavors that HRM practices and job performance have the direct and positive relationship. The paradigm shift in HRM practices is the can uplift the positive correlation with organizations' performance. Under the execution of HRM practices, one can be confident enough that the employees would be treated fairly. New Public Management (NPM) is altering traditional human resources practices in public sector of Pakistan from permanent hiring to seniority based and performance based promotion (Siddiqi, 2005). In past the vast majority of researches regarding HRM Practices were undertaken in many countries. Negligible research has explored this concept in the developing countries such as Pakistan. Therefore, this study is designed to assess this concept in two public sector universities. The major aim of the study is to examine the impact of HRM practices on job performance and to evaluate the HRM practices in Hazara University, Mansehra and the University of Agriculture, Peshawar of Khyber Pakhtunkhwa (KP) Province, Pakistan. This study shall examine the possibility of apply four management practices i.e. Selection, training, participation and employee empowerment; Nadarajah et al., (2012) and they further call for that how these practices can be strengthen in the presence of such type of moderator variable like, personality traits, psychological contract and employee empowerment, so in light of these direction this study only focused on employee empowerment which strengthen the relationship of these HR practices with employee job performance. In addition, to examines the moderating role of employee empowerment in the aforementioned two universities. The variable and their relationship in this study totally based on the motivation theory of Herzberg's and Maslow hierarchy of needs.

The contributions in the theories of Herzberg's and Maslow hierarchy of needs are employee security is given importance and gives employee the motivation and incentive to stay in an organization. Employees feel satisfied and comfortable when the employer can provide a safe and happy workplace. Besides, it also helps in building trust between them and their employer which more likely can lead to more cooperation and encourages people to look at a long term perspective on the organization performance and their jobs. Other corresponding studies in this research realm such as Paul and Anantharaman (2003), Zacher et.al (2015) and Vredenburg, (2002) have demonstrated the significant role of HRM Practices in selection process that facilitates the subsistence staff with accurate knowledge, qualification and lead to Increase in academic staffs' performance and quality of teaching.

This research endeavor is designed to address the research questions that owing to non execution of HRM practices how the firms/organization can confront to downfall and de motivate the employee's enthusiasm. The concerns and interest of employees regarding HRM practices are need to be assessed and to which extend they follow these practices in achieving their professional goals. With in this context this study focused to explore

the relationship between human resource management practices and job performance exists in selected universities. In addition, how employee empowerment can play the moderating role between Human resource practices and job performance?

OBJECTIVES OF THE STUDY

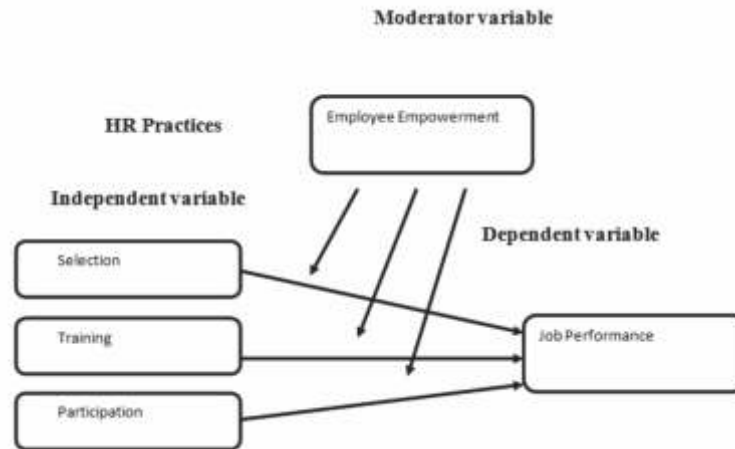
- 1: To analyze the effect of HRM Practices on employees job performance.
- 2: To examine the moderating role of employee empowerment on the relationship between HRM practices and employee job performance.

Theoretical Model

Number of studies has been carried out to find out the impact of HRM Practices on employee job performance and show that there is significant impact of HRM Practices on job performance. Current study aimed to investigate the moderating effect of employee empowerment in the relationship between HRM Practices and employee's job performance in the context of public sector universities in Khyber Pakhtunkhwa, Pakistan. Based on the above literature the conceptual model of the research can be built as given below:

CONCEPTUAL FRAME WORK

Following is the conceptual framework of this study.



HYPOTHESES

The following hypotheses have been considered in the study.

- H1:** There is significant effect of selection on job performance.
- H2:** There is significant effect of training on job performance.
- H3:** There is significant effect of participation on job performance.
- H4:** There is significant moderating effect of employee empowerment on the relationship between Selection and job performance.

H5: There is significant moderating effect of employee empowerment on the relationship between Training and job performance.

H6: There is significant moderating effect of employee empowerment on the relationship between Participation and job performan

RESEARCH METHODOLOGY

Population and Sampling

The two public sector universities namely; Hazara University, Mansehra and The University of Agriculture, Peshawar were considered as population of this research study. Total faculty of Hazara University is 360 and 293 are the university of agriculture Peshawar. Therefore 130 sample size of the total were selected and convenient sampling technique was used as in Pakistan. Abbas, et al (2012) used the same technique and also collect data from the same respondent but the nature of the study was different as compared to this study.

Distribution of sample size in the selected universities		
University	Total Faculty	Sampled Faculty
Hazara University Mansehra	360	72
The University of Agriculture, Peshawar	293	58
Total	653	130
<i>Source: Registrar office of concerned universities.</i>		

Data Collection Instruments

This research utilized the primary data that was collected from the respondents (teaching staff) on close ended questioners distributed personally. The scale used in this study for selection with 03 items, training 05 items and participation 06 items was originally developed by Diana and Florence (2011). For employee empowerment scale developed by Spreitzer (1995) was used with 12 items, and job performance scale was developed by William and Anderson (1991) with 04 items are used in this study.

DATA ANALYSIS

The collected data was punched in the computer software SPSS (Statistical Package for Social Sciences) v. 20 and that was analyzed under the light of objectives of the study. The major results of this research endeavor are illustrated through Cronbach's alpha reliability test and regression analysis.

RESULTS

Reliability Analysis

Table 1 showed different HRM practices results It's clear that the Cronbach's alpha for every variables is greater than 70 percent suggested that collected data is reliable (Cronbach, 1995). The table 1 shows the reliability analysis of the major variables used

in this study. Hair et.al (2003) suggested that Cronbach's alpha value is higher than 60 percent than the data will be consider as reliable. The findings of Cronbach's alpha analysis for this study revealed that the overall data was observed in the given range of reliability.

Table-1: Reliability Analysis of Major Variables

	No of items	Cronbach's Alpha	Remarks
Selection	03	0.601	A reliability of 0.60 and 0.70 or more than 0.70 is the standard criteria for indicating internal consistency of new and established scales (Gounaris, 2005)
Training	05	0.856	
Participation	06	0.829	
Employee Empowerment	12	0.768	
Job Performance	04	0.606	
Source: Authors' Own Calculation			

Table-2: Regression analyses between HRM Practices and job performance

Model	Unstandardized Coefficients		T	Sig.
	B			
1				
	Selection	.215	3.29	0.001
Dependent: Performance: F = 10.84, R ² = 0.078				
1				
	Training	.160	2.73	0.007
Dependent: Performance: F = 7.49, R ² = .05				
1				
	Participation	.29	4.32	0.000
Dependent: Performance: F = 18.74, R ² = .12				
1				
	Empowerment	0.402	4.64	0.000
Note: Dependent: Performance: F = 21.57, R ² = .14				

The major results of regression analysis are illustrated in Table2. The results demonstrating the relationship between selection and job performance by considering selection as independent variable and job performance as dependent variable. The findings of regression analysis illustrate the R2 value as 0.078. The R2 value implies that 78 percent variation in job performance is due to selection. The P-Value (0.001) demonstrate that selection contributes significantly in job performance and coefficient value have positive sign which reveals that selection have positive relationship with job performance. According to the first hypothesis of the current study there is positive and significant relationship between selection and job performance. The training was regressed on job performance and its results show that R square value is (R2 = 0.05) which demonstrate that 0.05 percent variation in job performance is due to training. These results showed that the effect of training on job performance is positive.

According to the first hypothesis of the current study there is significant and positive relationship between training and job performance.

Table 4 showed that the regression analysis of participation on job performance shows the following results i.e. ($R^2 = 0.12$, $F = 18.74$, $\text{Beta}, \beta = 0.294$, $T = 4.32$ and $P = 0.000$), The R^2 value means that 12 percent variation in job performance is occur due to participation. The value of t-ratio is greater than 2 ($t > 2$), P value is significant with $P < 0.05$; from these value it is showed that there is positive and significant relationship between the variable of participation and job performance and here first hypothesis accepted. Table 2 also the regression analysis showed the effect of moderator variable that is employee empowerment on dependent variable that is job performance the following outcome after the regression analysis are ($R^2 = 0.14$, $F = 21.57$, $\text{Beta}, \beta = 0.402$, $T = 4.64$ and $P = 0.000$), so these value showed that there is significant and positive effect on job performance and first hypothesis accepted.

Moderation Analysis between HRM Practices and job performance.

Table-3: Selection with inclusion of Employee Empowerment and job Performance

	Job Performance				
	B	t-value	P- value	F-statistics	R ²
Constant	2.611	15.390	0.000		
Selection	0.215	3.29	0.000	27.96	0.179
Employee Empowerment	0.402	4.64	0.000	27.96	0.179
Moderator1(Selection*Emp)	0.70	5.28	0.000	27.96	0.179

Table. 3, showed moderation analysis of selection * employee empowerment on job performance the following results ($R^2 = 0.179$, $F = 27.96$, $T = 5.28$, $\text{Beta}, \beta = 0.70$, and $P = 0.000$), here in moderation analysis in comparison with simple regression of selection & job performance there is some change occurred. Moderation's values are different from the simple regression. The moderated results also positive & significant combine effect showed on job performance first hypothesis accepted.

Table-4: Training with inclusion of Employee Empowerment and job performance

	Job Performance				
	B	t-value	P- value	F-statistics	R ²
Constant	2.864	20.476	0.000		
Training	0.160	2.73	0.000	21.49	0.14
Employee Empowerment	0.402	4.64	0.000	21.49	0.14
Moderator2(Training*Emp)	0.058	4.63	0.000	21.49	0.14

Table 7 showed combined effect of training and employee empowerment on job performance these results ($R^2 = 0.14$, $F = 21.49$, $\text{Beta}, \beta = 0.058$, $T = 4.63$ and $P = 0.000$), according to the first hypothesis these values showed that the results are positive and

significant of combined effect of moderator variable and independent variable on dependent variable i.e. job performance.

Table-5: Participation with inclusion of Employee Empowerment and job performance

	Job Performance				
	B	t-value	P- value	F-statistics	R ²
Constant	2.636	17.533	0.000		
Participation	0.29	4.32	0.000	34.26	0.21
Employee Empowerment	0.402	4.64	0.000	34.26	0.21
Moderator3(Participation*Emp)	0.07	5.85	0.000	34.26	0.21

Table 5 showed moderation analysis of participation * employee empowerment on job performance the following results (R² = 0.21, F= 34.26, Beta, β = 0.07, T= 5.85 and P= 0.000), according to the first hypothesis these results also showed positive and significant combined effect of moderator variable (empowerment) and independent variable (participation) on dependent variable (job performance).

DISCUSSION

This research study was conducted to find out the effect of HRM Practices on job performance in public sector universities and employee empowerment was used as a moderator variable. For affirming the reliability Cronbach's alpha was used on the collected data. In the table I the reliability analysis of selection shows the Alpha value (0.60), training (0.85), participation (0.82), employee empowerment (0.76) and job performance (0.60). This confirmed that our collected data was reliable.

The study used regression analysis. On the moderator variable only regression techniques were applied. In the table 2 findings and results showed the significant and positive effect of selection on job performance. The P-Value (0.001) demonstrates that selection contributes significantly in job performance and Beta value has a positive sign which reveals that selection has a positive relationship with job performance. Nadarajah et. al. (2012) confirmed the same pattern results in their research study. These results show that the null hypothesis is rejected and the alternate hypothesis is accepted.

In the table 1 results showed the effect of second regression analysis of independent variable that training on job performance is also positive and significant. Here with the p value 0.007 that is less than 0.05 the alternate hypothesis is accepted and null is rejected. And these results are aligning with previous study of Barzegar and Shahroz (2011).

In the table 1 Third variable is participation i.e. independent variable and effect of participation on job performance also showed significant and positive results with the P-value of 0.000. Stashevsky and Dov (2000) confirmed the same pattern results in their research study.

In the table 2 employee empowerment i.e. moderator variable on job performance was also regressed, the results showed after regression analysis that employee empowerment also has a positive & significant effect on employee job performance. First hypothesis is accepted and Le Chien Thang et al. (2007) confirmed the same pattern results

in their research study.

In second step a moderation analysis was applied after simple regression techniques, as the most important role is to find out the moderation effect of employee empowerment on employee job performance. In the table 6 moderation analysis of Selection with inclusion of Employee Empowerment on job performance showed that the effects are positive and significant. Thus these results proved that moderator variable employee empowerment has also positive and significant effect on job performance with the P-Value 0.000 that is $<$ then 5.

In table 4 the second interaction term i.e. Training with inclusion of Employee Empowerment mean that combined effect of training and employee Empowerment on employee job performance also showed that there effect is also positive and significant. So results proved alternate hypothesis accepted. Here P-Value is also less then 0.5. The last in the table 8 moderation analysis of Participation with Employee Empowerment and its effects on employee job performance also showed that there is positive and significant effect on employee job performance with the p-value of 0.000. So these results proved alternate hypothesis is accepted.

CONCLUSION

Human resources are considered the most essential asset of an organization; however there are only some organizations and institutes are capable to completely bind its prospective. This study identifies the relationship between HRM Practices (selection, training, participation) and job performance with the moderate role of employee empowerment. The study was conducted in the two public sector universities named as Hazara University and the University of Agriculture Peshawar. The major results revealed that there is a positive effect of HR practices on job performance. HRM Practices was used independent and job performance was used as dependent variable and moderating variable was Employee empowerment of the study. Other relevant results confirm that selection, training and participation have the positive and significant effect on job performance.

Moderation analysis of Selection with inclusion Employee Empowerment, training with inclusion Employee Empowerment and participation with inclusion Employee Empowerment on job performance has demonstrated that there are positive and significant effects. Findings of this research study corroborate that HRM Practices have significant impact on job performance and HRM Practices can play an important role in employee performance. Therefore, to enhance the performance of university employees the organization may adopt the HRM Practices regarding to improve and develop their performance in future. Training should be conducted for the employees to enhance their skills and job performance.

RECOMMENDATION

On the base of major finding and conclusion, the following recommendations are forwarded:

1. HRM Practices have a direct impact on job performance and HRM Practices plays an important role in employee performance. So for enhance the performance of university organization should work on these practices.

- Organizations must develop practices regarding to improve and develop their performance in future.
2. It's recommended that management is required to modify the HRM Practices by considering the employees who are more are less not appreciating these practices and to find out the problems and injustice they are facing. Acknowledgement system should be introduced so that employee's effort could be recognized and awarded properly.

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