The Effect of Human Resource Management Practices on Employee Performance

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Abstract: The present study examines the relationship between HRM practices and performance of employee to be tested in Punjab police, Pakistan. The sample size in this study is 368 respondents that consists of Inspectors and Sub-inspectors of Punjab Police Department in Pakistan. We collected data using questionnaire and analysis using Smart-PLS. Our result discovered that job rotation, training and development, compensation, career planning, and performance appraisal have a positive affect to Employee Performance in Punjab Police department, Pakistan. Based on our findings, we suggest the policymakers to provide more intensive compensation to employees, optimizing job rotation, implementing training and development, provide appropriate career planning, and making advance performance appraisal in order to improve the performance of Punjab police employees in Pakistan. This study extends existing literature of Employee Performance, it delivers new understandings on the conception and role of job rotation, training and development, compensation, career planning, and performance appraisal to stimulate the reformation of Employee Performance in the government institution such as the Punjab police department.

Keywords: Employee Performance, Job Rotation, Compensation, Training and Development, Career Planning, Performance Appraisal.

1. Introduction

In current years, the requirement of employee performance and its fame is at the peak. Several factors behind boost of performance, provision of goods and services, advance medical and mechanical technology, aircrafts and space shuttles, IT, telecommunication, social media, automobiles, mobiles, etc. an increasing competitions among organizations have required organizations to thoughtful of ways to maintain, improve and optimize their employee performance (Koopmans et al., 2012; Palvalin, 2019; Ramos-Villagrasa, Barrada, Fernández-del-Río, & Koopmans, 2019). Ahmad, Danish, Ali, Ali, and Humayon (Ahmad, Danish, Ali, Ali, &Humayon, 2018) describes that employees (human resource) are one of the most vital resources of any organization as they subsidize to its growth and success. Similarly, Goštautaitė and Bučiūnienė (Goštautaitė&Bučiūnienė, 2015) considered employee as an important element for organizational success when properly managed.

The public sector is an institution of government and is established mostly to provide goods and required services to the general public in efficient and effective manner (Inyang&Akaegbu,2014;ATabiu,2019). Moreover, in modern governance, the public service is regarded as the nerve center of the government administration (Adegorye, 2006; Olubunmi&Adesopo, 2017). Study by Bason (Bason, 2018) found the public sector departments and firms have vital role in economic, development, political, social welfare of society. Therefore, public servants (employees) are expected to perform competently in providing these services and many other services to the general public as in developed countries like UK, Australia, Denmark and USA.

Pakistan is the 6th largest country in the world in terms of population. However, the performance of Pakistani public sector employees in the provisions of these very important services and many others are not satisfactory especially at the grassroots level of government (local government areas). There was too muchpublicoutrcyonthediminishingstandardofPakistanpolicePerformance,whichhas4partsincluded Punjab police, Sindh police, KPK police and Baluchistan police (Iqbal, Farooq, &Shabbir, 2019; Shehrani, 2017; Ullah, Hussain, &Alam, 2016). Prior literature described that Pakistan police instead of helping and providing security, they have threatened businessmen and royal rich families by making false cases and claimed heavy amount as corruption money to remove cases (Asad& Harris, 2019; Bluth, 2019; Warf, 2019; Wolf,2017).

Since the independence of Pakistan in 1947, there 21 recommended reports for police reforms hadpublishedthatwererarelyappliedandthePoliceActof1861,whichwasannouncedbytheBritishcolonial powers to suppress political uprisings or opposition, remained operative (Babakhel, 2018). Due to serious internal security challenges, this lack of political ownership has greatly diminished the public safety in Pakistan. Several reform measures had been introduced by different successive governments all with sole aim of improving the employee performance of Police so that efficient service deliveries will be provided to the general public (Faisal &Jafri, 2017). For instance, from Pakistan independence in 1947 to 2020, there are number of reforms in the Pakistan Punjab police Services (PPS) introduced but can’t be successful due to
opposition of Bureaucracy and lack of political ownership (Human Right Watch, 2016).

In the last three decades, the security issues have been elevated in the province of the Punjab (Pakistan) which ultimately prime to the breakdown of the country’s economy (Laeeq, Shahzad, Ramalu & Habiba, 2016). Also, De-Cenzo, Robbins, and Verhulst (2016), noted that several other factors had affected HRM practices in Pakistan, like lack of internal efficient manpower to complete all necessary tasks and poor application of HRM practices. In this regard, Khan, Raziq, and Ghouri (2019) stressed that any organization without a well-tailored and structured HRM policies/practices risk poor performance of employees. From the above mentioned employee performance related to problems and deficiencies in the Pakistan Punjab police, it is argued here that majority can, if not all the problems could be solved by appropriate, effective and efficient HRM practices that can adequately address these unfortunate situations (Khuram, Bajwa, Ansted, Mamoon, & Khalique-Ur-Rehman, 2016).

Based on issue above, the aims of this study are to investigate the effect of Job Rotation, compensation, career planning, performance appraisal, Training and development of Employee Performance in the Punjab Police, Pakistan. Specifically, the present study intends to address this above gap findings on previous studies by incorporating compound performance to provide a measurement of employee performance with effect of different set of above-mentioned variables in context of Pakistan that ignored on the relevant previous studies. This study expected to contribute to useful recommendation to policymakers in order to improve the performance of security employees of government institution like police in Pakistan. Moreover, this study also expected to provide new knowledge regarding study about development of human resource management.

2. Literature Reviews

2.1 Relationship between Job Rotation and Employee Performance

Job rotation practice is a method employed by organizations in order to improve their workers’ performance and make them more committed towards their work (Mohan & Gomathi, 2015). Job rotation enables employees in the organization to be aware and also be equipped with the necessary rudiments of their job processes thereby making them more versatile and competent to perform any task given to them with little or even no supervision (Oparanma & Nwaek, 2015). Review of empirical studies on job rotation and employee performance indicated a positive association between the two variables (Hosseinie et al., 2015; Khan et al., 2014). To be more specific, the study by Khan et al., (2014) and Hosseinie et al., (2015) found significant positive relationship between job rotation and performance of bank employees in Pakistan. They supported that adoption of effective job rotation practice in organizations brings high employee performance and commitment.

In addition, the study of Rashkiet al. (Rashki, Hasansaeemi, & Mazidi, 2014) revealed that movement of employee from one duty post to another within the organization promote high employee performance. Job rotation, as perceived by the employees enable them to acquire new skills and knowledge. However, the result from the study of Saravani and Abbasi (Saravani & Abbasi, 2013) indicated that the relationship between job rotation and employee performance was not direct relationship but rather indirect through the mediation of employee job satisfaction. Moreover, Casad (Casad, 2012) argued that job rotation practice develops abilities and skills (e.g., knowledge), that help in identifying and optimize employees’ strengths (e.g., capacities), and positively influence their willingness to perform. Similarly, Way (Way, 2002; and Fægri, Dybå, and Dingsøyr (Fægri, Dybå & Dingsøyr, 2010) opined that job rotation in general improves the workers’ problem-solving competencies, abilities and skills that enable them to produce superior performance in organization. Based on the above argument and empirical supports, the present study proposed the following hypotheses:

H1: Job rotation is positively related to employee performance

2.2 Relationship between Training & Development and Employee Performance

Training & development refers to all the methods used by organizations to give both new and existing (already working) employees the required skills, knowledge and other abilities needed to perform their jobs in organization (DeNisi & Griffin, 2001). Training & development practice is considered as one of the most significant and effective process intended to achieve positive result in the strategic HRM (Jerez Gómez, Céspedes Lorente & Valle Cabrera, 2004). Previous researches that study the relationship between training & development and employee performance have reported a positive relationship (Cho & Yoon, 2009; Marwat, Qureshi, & Ramay, 2006; Tessa & Soeters, 2006). The study by Akhteret al. (2013) revealed that training & development have significant positive impact on employee performance, and this finding was consistent with

Additionally, the study by Dysvik and Kuvaas (2008) shows that perceived training opportunities explained 13 per cent of the variance in task performance, 19 per cent of the variance in contextual performance. This was in line with the work of Rehman, Mansoor, Rafiq, and Rashid (Rehman, Mansoor, Rafiq, & Rashid, 2011) who postulated that training & development have significant positive relationship with employee performance. Similarly, the recent study by Falola et al. (2014) and Issahaku et al. (2014) provided evidences that training & development positively influence employee performance. Moreover, Smith and Hayton (1999) supported that training & development of employees is an important factor that developed the workers towards adaptability to changes as well as adoption to new situations. In addition to the above empirical support, the Social Exchange Theory (SET) (Blau, 2017) argued that when the management of an organization provided employees with sufficient training & development opportunities, this will send message to employees that the organization cares for its employees’ development (Aguinis, 2009). From the above empirical and theoretical supports, this study formulates the hypotheses below.

H2: Training & development is positively related to employee performance.

2.3 Relationship between Compensation and Employee Performance

Compensation practice is considered to be one of the key HRM functions in organization. Compensation conceptualized as the forms of rewards or pay given to the employees by the organization in relation to their employment (Singh, 2012). Compensation in organizational setting refers to the financial and non-financial intrinsic or extrinsic system of rewards that are provided by an organization for the time, skills and efforts made by employees toward fulfilling job requirements, aimed at achieving the organizational objectives (Dowling, Festing, & Engle, 2008). Previous studies have empirically supported a positive association between the perception of employee on compensation practices and their performance in organization (Baloch et al., 2010; Marwat et al., 2006; Shahzad et al., 2008). In addition, the study by Nadarasa (2013) found a positive relationship between perceived compensation practice and employee performance.

Many studies like Hameed, Ramzan, Zubair, Ali, and Arslan (2014), Oluigbo and Anyiam (2014), Sopiah (2013) as well as Quartey and Esther (2013) supported a positive relationship between perceived compensation practice and employee performance. In contrast, the study of Bowra (2012) did not found relationship between perceived compensation practice and employee performance. Theoretically, SET (Blau, 2017) provided a theoretical support for the relationship between compensation practice and employee performance. The SET argued that, in a social relationship the reciprocity and good gesture between two parties govern the entire relationship. In this regard, if employee perceived that the organization provided him/her with appropriate compensation (both financial and nonfinancial), then such employee will tend to reciprocate with good performance (task, contextual and adaptive). These empirical and theoretical support lead to the following hypotheses:

H3: Compensation is positively related to employee performance.

2.4 Relationship between Career Planning and Employee Performance

Career planning is an important HRM practice of identifying employees’ career preferences and setting up a development objective by establishing an action plan that enable employees to match their capabilities and interests with organizational available opportunities (Ismail, Adnan, & Bakar, 2014). Gardner et al. (2011), observed that individuals (employees) mostly prefer to join the organization that provides enough opportunities to attain their career goals and fully displayed their potential. Through career planning practice, organizations designed favorable systems that provide opportunities for employees to develop and improve their skills, administrative knowledge and new technologies that increase the employees’ abilities and performance (Pynes, 2009). Empirical studies on the relationship between career planning and employee performance revealed that there is a significant positive relationship (Akhter, Siddique, & Alam, 2013; Khalid, Abdul Rehman, & Ilyas, 2014; Nadarasa, 2013).

Specifically, the study of Khalid et al. (2014) provided empirical evidence on the positive relationship between career planning and employee performance. The study also argued that the career planning practice provided by organizations inspires the individual employees in the organization to excel in performance. Similarly, the study of Akhter et al. (2013), Tiwari (2011) and Nadarasa (2013) that also provided another empirical support on the significant influence of career planning and development practice on employee performance. Their study also revealed that employees attached strong importance to their career development
opportunity, and they prepare to work for an organization that provides better career development practice. Therefore, attaining career opportunities and success within the organization is obtainable through career planning. Based on the above empirical studies and theory that supported positive links between career planning and employee performance, this study formulated the following hypotheses:

H4: Career planning is positively related to employee performance.

2.5 Relationship between Performance Appraisal and Employee Performance

Performance appraisal/review/evaluation is a regular review of an employee's job performance and overall contribution (Cappelli & Tavis, 2016; Cleveland, Murphy, & Williams, 1989; Gruman & Saks, 2011; Mone & London, 2018). Performance appraisal is considered as one of the core functions of human resource management and it was given more focus by the researchers to check its relationship with performance (Arshad, Masood, & Amin, 2013; Dubebohn & Ferris, 1999; Osma, 2013). Performance appraisal characteristically consists of a form of HRM practices that the HR department of an organization demands every superior to complete on every subordinate once in every year. Fair performance appraisal is a critical tool for the organization in order to get the best of its employees’ performance (Dello Russo, Miraglia & Borgogni, 2017) and the use of performance appraisal is well-known and current need (Pichler et al., 2016).

AMO theory can support the relationship between performance appraisal and employee performance (task, contextual and adaptive). Performance appraisal practice in an organization can enhance the employee performance through review performance and an increase in human resource (employees) capabilities, motivation, and opportunities, that translate into higher performance outcomes and behaviors (Appelbaum, Bailey, Berg, Kalleberg, & Bailey, 2000). Boxall and Purcell (2003) considered AMO theory as the best theory of human performance by asserting that if our concern is to manage an individual (i.e. employee) human performance in organization more effectively, then organization should actually start with AMO theory. AMO theory is used to explain the relationship between performance appraisal practice and employees’ performance at individual levels research (Pauauwe, 2009). Accordingly, based on AMO theory, if in any organization has the best performance appraisal system then the best will be the performance of such organization’s employees (Jiang, Takeuchi, & Lepak, 2013). Based on the above empirical studies and theory that supported positive links between performance appraisal and employee performance, this study formulated the following hypotheses:

H5: Performance appraisal is positively related to employee performance.

3. Data And Methodology

Data collection procedure is regarded as an essential part of research design (Sekaran & Bougie, 2013). In this study researcher consider only Inspectors and Sub-inspectors of Punjab police as respondents because they are the officers usually promoted from constable based on their high qualifications and best performance. Total population of this study is 8009 (1670 Inspectors and 6339 Sub-inspectors) and then researcher employing the Krejcie-Morgan table provided by Krejcie and Morgan (Krejcie & Morgan, 1970) to determines sample size in this study. Based on the Krejcie-Morgan table, the appropriate sample size for population from 8,000 to 9,000 is 368. In order to avoid missing of data, researcher distributed 400 questionnaires to the respondents and then selected only...
The present study utilized the Smart Partial least Square Structural Equation Modeling (SmartPLS-SEM) version3.SmartPLS-SEM has some advantages over other related SEM, like LISREL and AMOS that are covariance-based (Imran, Hamid, Aziz, & Wan, 2019). In contrast, the PLS-SEM is a component-based approach with an algorithm that minimizes the variances of all the dependent latent construct rather than just explaining the covariance alone (Urbach, N., & Ahlemann, 2010). Additionally, SmartPLS-SEM places only minimal restrictions on measurement scales, sample size and residual distribution (Pavlou & Fygenson, 2006). The Smart PLS-SEM is a second-generation statistical tool that enables researchers to analyze simultaneously multiple variables. The PLS-SEM is regarded as a family member of regression techniques designed to estimate simultaneously the relationships or links between the structural model (constructs) and measurement model also called indicators (Chin, Marcolin, & Newsted, 2003). The literature indicated that there are two stages in conducting PLS-SEM analysis that is the measurement model assessment and the structural model assessment (Hair Jr, Sarstedt, Hopkins, & Kuppelwieser, 2014). The present study assessed both measurement model and structural model in its analysis.

4. Analysis And Result

The first step in PLS SEM analysis is the structural model assessment. To assess the measurement model within PLS-SEM are involved several tests. It is starting from determining reliability individual items through examining the outer loadings of each construct. The commonly used measure of internal consistency instrument in PLSSEM is composite reliability and Cronbach’s alpha (Barroso, Carrillo, & Roldán, 2010). The factor loading of the items and measurement model in the study are mentioned in table 1 and figure 2, respectively.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CM</th>
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<th>EP</th>
<th>JR</th>
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<tr>
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<td>EP4</td>
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<td>EP10</td>
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<td>EP11</td>
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<tr>
<td>EP12</td>
<td>0.769</td>
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<tr>
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<td>JR5</td>
<td>0.850</td>
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</table>
From the results mentioned above, all scales are satisfied with the next condition. In order to understand the implication and worth of the collected data from the respondents, it is very important to calculate the reliability and validity. In order to find the validity, discriminant validity and convergent validity are very useful. In the present study, the reliability of the constructs is calculated through Composite Reliability (CR) and Cronbach Alpha. Researchers have mentioned that the value of composite reliability and Cronbach Alpha coefficient must be more than 0.7 (Fornell & Larcker, 1981). In the present study, the value of CR is more than 0.7, as evident from the table 2. AVE was used in the present study, so the convergent validity can be established. The value of AVE coefficient must be greater than 0.5 in order to establish the convergent validity of the data collected (Sarstedt, Ringle, Henseler, & Hair, 2014). According to table 2 below, all these values meet the condition mentioned by Sarstedt et al. (2014).
Table 2. Construct Reliability and Validity

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach's Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>CM</td>
<td>0.918</td>
<td>0.919</td>
<td>0.936</td>
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<td>CP</td>
<td>0.929</td>
<td>0.931</td>
<td>0.941</td>
<td>0.668</td>
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<td>EP</td>
<td>0.954</td>
<td>0.955</td>
<td>0.959</td>
<td>0.665</td>
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<tr>
<td>JR</td>
<td>0.938</td>
<td>0.940</td>
<td>0.948</td>
<td>0.670</td>
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<td>PA</td>
<td>0.895</td>
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<td>0.706</td>
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<td>TD</td>
<td>0.872</td>
<td>0.878</td>
<td>0.907</td>
<td>0.663</td>
</tr>
</tbody>
</table>

The discriminant validity measures the extent to which an individual construct is different from other constructs. In the assessment of discriminant validity, Fornell and Larcker (1981) recommended that the AVE most be higher than the variance between the variable and other variables in the model. This analysis is done in table 3 below.

Table 3. Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>CM</th>
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<td>CP</td>
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<td>0.817</td>
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<td>EP</td>
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<tr>
<td>TD</td>
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<td>0.942</td>
<td>0.971</td>
<td>0.955</td>
<td>0.931</td>
<td>0.814</td>
</tr>
</tbody>
</table>

These second stage in PLS-SEM analysis is the structural model assessment. To measure the structural model, standard bootstrapping procedures will be followed with 5000 sample as recommended by scholars (Hair et al., 2014; Henseler, Ringle, & Sinkovics, 2009). Measuring the structural model allows for the assessment and ascertaining the significance of path coefficient (Hair et al., 2014), the coefficient of determination $R^2$, the effect size of all the relationships and lastly the predictive relevance of all models (Hair, Ringle, & Sarstedt, 2012; Urbach, N., & Ahlemann, 2010). Figure 3 below depicts the structural model of the present study.
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Figure 3. Structural Model.

Table 4 shows the direct association between the variables. In order to determine the significance between the variables, P-values and t-values are calculated. We reject null hypothesis and concluded there are a significant effect between the variables if t-value is more than 1.96 and P-values is less than 0.05 (<5%). Based on Table 4, our findings can be describing as follows. First, Compensation (CM) has a positive effect on Employee Performance, where an increase in Compensation (CM) at 1% will lead to an increase in Employee Performance (EP) by 0.129%. It implies that an increase in compensation will stimulate the improvement of performance of Punjab Police employees in Pakistan. Second, Career Planning (CP) has a positive effect on Employee Performance, where an increase in Career Planning (CP) at 1% will improve Employee Performance (EP) at 0.137%. It shows that career planning potentially motivates Punjab police employees to improve their work performance.

Table 4. Direct Effect.

<table>
<thead>
<tr>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>Standard Deviation</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
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<td>CM → EP</td>
<td>0.139</td>
<td>0.128</td>
<td>0.036</td>
<td>3.824</td>
</tr>
<tr>
<td>CP → EP</td>
<td>0.137</td>
<td>0.138</td>
<td>0.056</td>
<td>2.433</td>
</tr>
<tr>
<td>JR → EP</td>
<td>0.283</td>
<td>0.309</td>
<td>0.101</td>
<td>2.807</td>
</tr>
<tr>
<td>PA → EP</td>
<td>0.194</td>
<td>0.188</td>
<td>0.037</td>
<td>5.305</td>
</tr>
<tr>
<td>TD → EP</td>
<td>0.266</td>
<td>0.254</td>
<td>0.043</td>
<td>6.202</td>
</tr>
</tbody>
</table>

Third, Job Rotation (JR) has a positive effect on Employee Performance (EP), where an increase in Job Rotation (JR) at 1% can rise Employee Performance (EP) at 0.283%. It is shown that Job Rotation can promote the performance of Punjab police employees. Fourth, Performance Appraisal (PA) has a positive effect on Employee Performance (EP), where an increase in Performance Appraisal (PA) at 1% will cause Employee Performance (EP) to increase by 0.194%. It shows that enforcement of performance appraisal on the Punjab police employees will improve their performance. Fifth, Training and Development (T&D) has a positive effect on Employee Performance (EP), where an increase in Training and Development (T&D) at 1% will cause Employee Performance (EP) to increase at 0.254%. It is implying that implementation of Training and Development (T&D) toward the Punjab police employees will promote their performance.

Furthermore, in order to determine the impact of the IV’s on DV, R-square and Adj. R-square are calculated. According to the table 7 below, Employee Performance impacted around 98.3% by the independent variables, while the rest are influenced by other indicators that not considering in this study.

Table 5. R-Square

<table>
<thead>
<tr>
<th>DV</th>
<th>R-Square</th>
<th>Adj. R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>EP</td>
<td>0.983</td>
<td>0.982</td>
</tr>
</tbody>
</table>

5. Discussion And Conclusion

Overall, our findings revealed that compensation, career planning, job rotation, performance appraisal, and training and development are positively improving performance of Punjab police employees. An increase in compensation is considered to motivate employees to be more disciplined and improve their performance. It is consistent with the findings from previous studies (Hameed et al., 2014; Oluigbo and Anyiam, 2014; Sopiah, 2013; Quartey & Esther, 2013) that concluded that compensation is a supporting element that stimulates improvement in employee performance. Implementation of career planning is very beneficial for employees because it indirectly directs employees to develop more professionally in their work. This result supported the viewpoint of previous studies which concluded that career planning has a positive value in developing employee potential in an organization (Akhter et al., 2013; Khalid et al., 2014).

This research also shows that the application of job rotation provides a better work experience for employees and directly increases the professionalism of employees at the workplace. It is consistent with the findings of Hosseini et al. (2015) and Khan et al. (2014) that also concluded that job rotation is useful for improving job experience of employee and certainly influences their work performance. This study also reveals that performance appraisal motivates employees to be more professional and responsible in
This finding is in accordance with the view of Arshad et al. (2013) and Osma (2013) who argue that performance appraisal is a useful practice for organizations to motivate employee performance. Furthermore, this study found evidence that training, and development has a positive impact on employee performance development. This finding is certainly in accordance with the theory and previous studies (Amin et al., 2013; Jagero et al., 2012; Khan, 2012; Nadarasa, 2013; Abubakar Tabiu & Nura, 2013) which concluded that the application of training and development is one way to increase the knowledge and skills of employees.

This study provides practical contribution that useful for the policymakers on the Punjab police institution. Based on our study, we recommend that policymakers in Pakistan pay more attention to the welfare of Punjab police officers by compensating them according to their performance. The implementation of job rotation may improve employee experience and indirectly improving the performance of Punjab police officers. Apart from that, we also think that performance appraisal, career planning, and training and development should be optimized in order to motivate the discipline and professionalism of Punjab police officers. Moreover, this study also has limitations such as restricted respondent only within middle senior official levels (Inspectors and Sub Inspectors) on the Punjab police institution but the higher and the lower official levels ignored. So, it is recommended for future study to collected data with the respondent within various employee levels in order to provide a better result.

6. Acknowledgement

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References


