HRM PRACTICES AS PREDICTOR OF EMPLOYEE PERFORMANCE AND JOB SATISFACTION: A STUDY OF NESPAK, PAKISTAN

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Abstract
This research is conducted to find out association among staff selection, promotion opportunity and employee job security. This study was conducted in NESPAK (National engineering services of Pakistan) of Lahore, Pakistan. 220 respondents filled up the questionnaires who are the employees of NESPAK and the total response rate was 78 percent. SPSS software was applied to analyze the data using inferential statistics. There are six hypothesis were developed and positive results were founded as the research hypothesis were empirically significant and accepted. So HRM practices are positive predictors for job satisfaction and employee performance.

Key words: Staff selection, promotion opportunity, employee job security as an independent variables and employee's work performance, job satisfaction as a dependent variables

Introduction
The study of human resource management practices has been a vital area in administration and organizational performance from last several years. Human resource management is associated to all fields relevant to managerial tasks and skills e.g. staff selecting, appraisal performance/promotion opportunity, work security which is helpful to enhance employees’ capacity. Human resource management carries out the important activities for the productive success of the countries. In the ancient days, management researchers were examined how HRM practices affected employee performance. The link of human resources with tactical goals and objectives and to improve the organizational performance is known as HRM practices (Sims, 2007). It is understood with the human dimension in administration (Rondeau & Wagar, 2002). A set of tasks and practices are organized which increase both employee and organizational performance (Aswathappa, 2007).Organization should have efficient HRM practices for developing a good and strong HRM practices. According to Schuler Jackson & Schuler & Macmillan & Wright & Snell HRM practices is concerned that managerial actions aimed at supervision the group of HR and labor force are used for achieving the objectives of organization (, 1987, 1984, 1991).Every organization has workforce and it is also varying from one country to another. Recently, HRM has become a significant aspect for achieving and supporting competitive advantage. Human resource management chooses the finest candidates and trains
them with the exact skills and abilities that can significantly manipulate the superiority and quantity of firms’ goods and services, that’s why it is examined that HRM is an essential resource of an organization (Dessler, 2000). If the employees are pleased with their employer’s action then they do the good work and enhance the organizational performance. But if they are not happy from their employers then they might reason of organizational loss. Management constantly struggles to satisfy their labor force. The satisfaction level of employees is larger; the greater will be profits for organization Researchers were found the different ways to satisfy the workers and facilitated to the HRM to magnetize, inspire and retained the majority committed labor force. Job satisfaction has straight impact on intensity of absence, obligation, performance and production. Workers’ maintenance stage develops through work liking as well as decreases charge when organizations hire latest human resources (Murray, 1999). On the other hand, the result of job dissatisfaction is high in the expenditure of recruitment, selection and training, opposition of existing workforce and decline in the development of organization (Padilla-Velez, 1993).Job satisfaction is a central part for developing efficacy and too employees’ satisfaction in an organization. Managers are liable all the time to enhance Job satisfaction between their workers. Job performances are being success in career and indicate the point of satisfaction from that (Shimon, et.al, 1996). Inspiring employee is energetic feature of an organization in contrast to others and it is focused on it. The issues of HRM and job satisfaction are associated as a lot of researchers suppose that superior human resources (HR) practices consequence in high levels of job satisfaction and loyalty and therefore organizational performance is improved (Appelbaum, Bailey, Berg, & Kalleberg,2000). Work liking/job satisfaction factor which has commonly examined in the organization. In 1997, According to Spector Definition of job satisfaction is combination of citizen’s satisfaction and diversity with their career. According to Martin & Miller (19860, If employees are not satisfied with their job, then labor force output will be reduced as well as non-attendance will be occurred, and they want to receive salary, Dupre & Day, 2007. Our study looks at three HRM Practices: Staff selection, Promotion opportunities, employment security. Researchers have become gradually more involved to having knowledge about labors for through which presentation of organization as well as work force has been improved, Boselie et al., 2001. Work safety is also necessary for employees in every organization. If organization provides high work safety, then productivity of labor force will be increased. The usual dispute in goodwill of job security laws is that the laws defend workers from unfair destruction by employers, which imposes main mobility expenses on employees. Opponents of job security system dispute that unemployment will consequence because employers become more unwilling to employ fresh workforce.

I. Research Objectives
This research has the following objectives:
1) To observe affiliation among staff selection and employee performance.
2) To observe affiliation among promotion opportunity and employee performance.
3) To observe affiliation of employee job security with employee performance.
4) To observe affiliation of staff selection with job satisfaction.
5) To observe affiliation of promotion opportunity with job satisfaction.
6) To observe affiliation among job security and job satisfaction.
II. Research Questions
This research has the following objectives:
1) In what way staff selection influence employee performance?
2) In what way Promotion opportunity influence employee performance?
3) In what way job security influence employee performance?
4) In what way staff selection influence employee job satisfaction?
5) In what way promotion opportunity influence employee job satisfaction?
6) In what way job security influence job satisfaction?

III. Significance of this Study
To investigate the link of promotion opportunities, employee job security and Staff selectivity on employee performance and job satisfaction is major goal of this research. Through this research it is attempted to bridge the gap between HRM practices and workforce performance & job satisfaction.

Literature Review
Policies, procedures, and practices are included in HRM management of an organization’s employees (Sims, 2002). Employees’ attitude and action such as loyalty, organizational performance and job satisfaction are influenced by HRM practices. Through improvement of employees’ skills and quality, the organization’s performance is directly influenced by HRM practices. By increasing Staff selection, performance appraisal and employment security, it can do so indirectly. The employees of every organization are a basis of competitive advantage. However, HRM potential is necessary to administer efficiency/output and understand the capability inside its employees (Ristow, Pearse, Ristow, & Amos, 2008). HRM practices help to maintain the effectiveness because HRM practices are significant resources of organization. The present research includes three major HRM practices (employment security, promotion opportunities and staff selection that have impact on employee performance and job satisfaction. Most important resources for an organization are Human resource management practices, as it chooses finest candidates and trained them with high skills and capabilities so that they can considerably manipulate the organization’s goods and services according to value and quantity (Dessler, 2000).Selection is the procedure through which candidates are selected from outside organization or within the organization for the up to date position. This study revealed that employee’s selection is based on the selection tests and staff selection and organization performance is positively associated with each other (Harel & Tzafrir, 1999). According to Zainal and Nasurdin (2011), the impact of HRM practices can be affected by employees’ skills, abilities, and motivation as well as organizational structure. To choose the best skillful employees, Organizations can hire workforce through complicated selection procedures created. After selection, employees are trained through development programs to enhance the employee’s skills and potential knowledge so that they are able to perform their job. If employees are not skilled or motivated by organization, then they cannot perform their work efficiently. As a result, employers should to encourage the employee’s efficiency and motivate them through promotion opportunities. Organizational performance is affected by organization formation and HRM practices which supports employees’ contribution and encourages them to improve the way of their jobs performance. When employees efficiently work in organization, then their
income/wages will be enhanced. In 2007, Ruwan said incentives are used by organization which is helpful to enhance the workers' effectiveness. According to Tessema and Soeters (2006) promotion opportunities significantly influence employee work act. Every organization has aims to achieve something. Organization can achieve all aims or objectives through utilizing the capital, equipment and HR. The entire factors are vital but HR is the most essential. The important function of HR is to performing excellent work for achieving the objectives. Different jobs are performing by employees in an organization according to its nature. Aguinis (2009) defines that consequences of employee’s actions are not included in the definition of performance, but just the behavior is included. Many researchers have done investigation on job performance because it is considered an essential problem of organization. (Shekrkon, 2001). According to Motowidlo (2003) researchers anticipate the overall company presentation through people’s different actions throughout precise era. HRM practices and employee performance is positively correlated with each other (Gould-Williams, 2003; Park et al., 2003; Tessema and Soeters, 2006). Huselid (1995) described that due to HRM, the efficacy will move on the employee’s performance which also shows an optimistic relationship.

The point to which employees like their job is called Job. Employees who believe that job is the essential element of their life look as they are happy and taking benefits to perform their job (Spector, 1985). Outside atmosphere has impact on individual feelings in place of labor. Therefore, because employment or job is a huge element of life, thus job satisfaction has impact on entirely human being’s satisfaction. We can found that there is common effect among existence and job satisfaction, thus managers should not merely observe the job condition but furthermore ensure their workers life circumstances (Storm, 1991). Human resources have requirements and needs, when they are hired and their preceding experiences compose absolutely career outlook. The responses of organization to workers wants will make negative or positive outlook between workforces in the direction of their employment. In effect work satisfaction defines affiliation among human being prospects and compensation gets from employment (Willem, 2007). Spector (1997) examines about job satisfaction that it shows the passion of members of the staff and concerning several parts of it (i.e. employment, administrative, remuneration, profits and appraisal). Production and accountability of the organization, bodily and intellectual health increases through employee job satisfaction, that’s why employee shows superior performance and his performance leads to his promotion (Coomber, Barriball, 2007). Employees’ job satisfaction is also affected by HRM practices. Petrescu and Simmons (2008) studied the association among job satisfaction of the employees and HRM practices. He also examined the employees’ satisfaction with earning. After that, the consequence showed that some HRM practices increase job satisfaction of the employee and also HRM practices increase their job satisfaction about salary. The consultant search that job atmosphere is a vital part of employees’ job satisfaction (Herzberg, 1968; Spector, 2008). Demand of employees with excellent knowledge and skills are high in labor marketplace. (Currall et al., 2005) examined that organization’s production and yield is considered through labor force performance. Research was established that Job satisfaction of the employees is high due to superior performance of the employees (Sousa-Poza 2000).

Nanda and Brown (1977) have found that job satisfaction and enthusiasm of workforce effects the worker’s output or production. At the hiring stage investigation is an important indicator of employees’ performance. If workers’ enthusiasm point related to work liking is high then
organization’s outcome will be exaggerated. Employees that are showed high performance in the organization, they also insist handsome post and salary from their employers. For the HR specialists to keep the performer is become the issue (Sumita, 2004). Employees’ loyalty and obligations are unfavorably affected by low intensity of job satisfaction and in order affect the organizational performance and accomplishment of goals of the organization. Essential curtail of organization is work safety which affects workers productivity. For example, Kuhnert et al. 1989 said the significant factor of employees’ physical condition or health is work safety and according to Burke, 1991; Jacobson, 1987, 1991; Kuhnert and Palmer, 1991 organization should care workers according to their mental and bodily which indicates workforce’s welfare and labor force preservation or maintenance is also considerable (Ashford et al., 1989; Bhuian and Islam, 1996; Iverson and Roy, 1994) and Vinokur-Kaplan et al., 1994). Due to importance of it, the interest area of the researchers was employment the impact of employment insecurity on commitment, employees’ work performance and job satisfaction is examined by Ashford et al (1989). They concluded that there is decreased in job satisfaction and decreased in commitment because of employment insecurity, but there is no association between work performance and employment insecurity. Ashford et al (1989) examined there is no association among employment insecurity and employees’ employment presentation other researchers (Bolt, 1983; Rosow and Zager, 1985) declared that employment act reduced due to employment insecurity. In UAE, managers concerns a huge matter is how to attain sensible point of job satisfaction with employment security for their human resources Herzberg (1968) describes the level to which an organization provides secure job for workers is job security.

**Hypothesis**

H₁: Staff selectivity has positive influence on employee’s Performance.
H₂: Promotion opportunities have positive influence on employees’ performance.
H₃: Employee job security has positive influence on employees’ performance.
H₄: Staff selectivity has positive influence on job satisfaction.
H₅: Promotion opportunities have positive influence on employees’ job satisfaction.
H₆: Job security has positive influence on employees’ job satisfaction.

**Schematic Diagram**

<table>
<thead>
<tr>
<th>HRM Practices</th>
<th>Employee Performance</th>
<th>Employee job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Staff Selectivity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Promotion Opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Employee Job Security</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Research frame work of present study**
3. Methodology
The data for this study were collected from NESPAK (National engineering services of Pakistan). For the research sample a total of 220 respondents were selected and sample was calculated through www.raosoft.com with 5% level of significance. The instrument which is used for gathering data is questionnaires. SPSS software was applied to analyze the data using Reliability statistics, Factor analysis, and Regression and correlation. The survey instrument for this study was collected of three parts. Non-probability convenient sampling methodology was adopted for this research study. The first part was related with HRM practices (staff selection, promotion opportunity and employee job security), the second part was about employee performance and the third part was about employees’ job satisfaction. The data is composed through an adopted questionnaire and Likert level was adopted for variables of staff selection, promotion opportunity, job security, employee performance and job satisfaction.

Data Analysis
1. Descriptive Statistics
Questionnaires are filled up by Forty eight employees. Gender, age and educational level are incorporated in descriptive statistics of this research.

I. Gender
Below table explains frequency and percentage for male & female.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>128</td>
<td>58.1</td>
</tr>
<tr>
<td>Female</td>
<td>92</td>
<td>41.8</td>
</tr>
<tr>
<td>Total</td>
<td>220</td>
<td>99.9</td>
</tr>
</tbody>
</table>

Above table shows the distribution of gender in present research. Table shows that 58.1% males and 41.8% females are included for this study which depicts low response toward females than males within company and illustrate the intellectual level of gender regarding staff selectivity, promotion opportunity and work safety.

II. Education
Descriptive statistics for education has been showed in below table.

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Graduate</td>
<td>48</td>
<td>21.8</td>
</tr>
<tr>
<td>Graduate</td>
<td>101</td>
<td>45.9</td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>71</td>
<td>32.2</td>
</tr>
<tr>
<td>Total</td>
<td>220</td>
<td>100</td>
</tr>
</tbody>
</table>

This table shows the education of employees in the organization. Consequences disclose that 45.9 percent employees have a graduate educational level and 21.8 percent employees have a
under graduate educational level and 32.2 percent respondents have an post graduate level which is the lowest for this study.

2. Inferential Statistics
Many statistical tools are included for this research. These are:
   i. KMO and Bartlett’s test
   ii. Reliability Statistics
   iii. Correlation analysis
   iv. Regression analysis

   i. Factor Analysis

<table>
<thead>
<tr>
<th>Table3: KMO and Bartlett’s test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kasir-Meyer-Olkin Measure of sampling</td>
</tr>
<tr>
<td>Adequacy</td>
</tr>
<tr>
<td>Bartlett’s test of Approx. chi square</td>
</tr>
<tr>
<td>Sphericity df.</td>
</tr>
</tbody>
</table>

This is table that shows sample adequacy is 71%. Bartlett’s test is highly significant at 0.000 because it is less than 0.05 and chi square is also significant.

   ii. Reliability Statistics
This table is the Reliability Statistics table that provides the authentic value for

   Cronbach's alpha

<table>
<thead>
<tr>
<th>Table4: Reliability statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>0.970</td>
</tr>
</tbody>
</table>

The value of this table shows overall research model goodness of fit. Here .970 shows the value of Cronbach’s Alpha and indicates good point of reliability through present precise sample. Because number of all items are correlated with total scale to high quality level.
iii. Correlation Analysis

<table>
<thead>
<tr>
<th>Table 5: correlation analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Correlation Analysis</strong></td>
</tr>
<tr>
<td><strong>Promotion opportunity</strong></td>
</tr>
<tr>
<td><strong>Job security</strong></td>
</tr>
<tr>
<td><strong>Employees performance</strong></td>
</tr>
<tr>
<td><strong>Job satisfaction</strong></td>
</tr>
</tbody>
</table>

The above table shows the results of pearson correlation analysis as it is clear from the above table all the variables are positively and significantly correlated. The level of correlation is not so high among different variables that shows there is no fear of multicollinearity in this data. The table further shows that the highest level of correlation exists between employee performance and promotion opportunity and the lowest exists between promotion opportunity and staff selection. So all results are significant according to pearson correlation analysis.
The above table presents the results of regression analysis for dependant variable employee performance. As it can be seen from above table that the value of bête for variable staff selection is .118 that is positive and shows positive change in dependent variable, similarly the value of T is greater than the average value 2 and p value is less than .05 so it shows staff selection and employee performance are positively related and our alternate hypothesis for staff selection and employee performance is accepted. As it can be seen from above table that the value of bête for variable promotion opportunity is .350 that is positive and shows positive change in dependent variable, similarly the value of T is greater than the average value 2 and p value is less than .05 so it shows promotion opportunity and employee performance are positively related and our alternate hypothesis for promotion opportunity and employee performance is accepted. As it can be seen from above table that the value of bête for variable job security is .163 that is positive and shows positive change in dependent variable, similarly the value of T is greater than the average value 2 and p value is less than .05 so it shows job security and employee performance are positively related and our alternate hypothesis for job security and employee performance is accepted.

Table7: Regression analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-.423</td>
<td>.734</td>
<td>-.576</td>
<td>.567</td>
</tr>
<tr>
<td>Staff selection</td>
<td>.252</td>
<td>.051</td>
<td>.155</td>
<td>.000</td>
</tr>
<tr>
<td>Promotion opportunity</td>
<td>.377</td>
<td>.168</td>
<td>.283</td>
<td>.029</td>
</tr>
<tr>
<td>Job security</td>
<td>.453</td>
<td>.144</td>
<td>.403</td>
<td>.003</td>
</tr>
</tbody>
</table>

b. Dependent variable: Job Satisfaction
The above table presents the results of regression analysis for dependant variable job satisfaction. As it can be seen from above table that the value of bête for variable staff selection is .252 that is positive and shows positive change in dependent variable, similarly the value of T is greater than the average value 2 and p value is less than .05 so it shows staff selection and job satisfaction are positively related and our alternate hypothesis for staff selection and job satisfaction is accepted.

As it can be seen from above table that the value of bête for variable promotion opportunity is .377 that is positive and shows positive change in dependent variable, similarly the value of T is greater than the average value 2 and p value is less than .05 so it shows promotion opportunity and job satisfaction are positively related and our alternate hypothesis for promotion opportunity and job satisfaction is accepted.

As it can be seen from above table that the value of bête for variable job security is .453 that is positive and shows positive change in dependent variable, similarly the value of T is greater than the average value 2 and p value is less than .05 so it shows job security and job satisfaction are positively related and our alternate hypothesis for job security and job satisfaction is accepted.

**Conclusion**

The finding of present study is that HRM practices (staff selection, promotion opportunity, Job security) have significantly and positively associated with work fulfillment and employee performance. Management should focus on HRM practices in every organization. Other aspects of HRM practices i.e. teamwork, work family balance on job satisfaction and employee performance should be researched. The limitation of this research has not estimated the importance of indirect way that is to identify the affect of independent variables on dependent variables through model.

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