

Understanding Perceived Organizational Performance through Human Resource Practices

Rana Tahir Naveed, PhD
University Putra Malaysia UPM

Mohammad Adnan
SBS Swiss Business School

Ahsan Ullah
Leads Business School, Pakistan

Babar Sohail
Hijaz Teaching Hospital

Abstract

The aim of this research study is to examine the causal relation of human resource management practices with perceived organizational performance. The study was conducted in Punjab Emergency services (Rescue 1122) of Pakistan. This study provides new insight to HR managers that they can increase the productivity of employees and improve the overall performance of organization. Sample of the study was the different cadres of rescue workers of Punjab Emergency services (Rescue 1122) of Pakistan. Among 384 questionnaires, 324 questionnaires were considered useful for data analysis. Regarding this, response rate was considered 84.38%. In order to examine casual relation of human resource management practices with perceived organizational performance, SEM has been incorporated. The findings of this research study suggested that HR managers now have to consider human resource management practices for achieving competitive advantage in the form of employees capacity building, worker's commitment with organization and ownership of their responsibilities in Punjab Emergency services (Rescue 1122) of Pakistan. Moreover, relation of perceived organizational performance with other variables like recruitment and selection, training and development, reward and compensation, performance appraisal and employees participation were found positive and significant

Keywords: perceived organizational performance, training and development, Rescue 1122, Reward, performance appraisal

INTRODUCTION

The basic and prime objective of Emergency Medical Service (EMS), is to save lives and property of the people (Kobusingye et al. 2006). It is the fundamental right of the peoples of any community. The professionals of Emergency Medical Service (EMS) work with a wide area of patients and victims, including cardiac arrest, trauma cases, fall from height, delivery cases, road traffic accidents, water rescue and fire incidents, which often require much practical skills, ideal behavior any reassurance for those affected victims. Most of EMS personnel are working in operation wing and their working is field work and they have good interaction with public. To provide immediate care to patients and victims is their prime objective.

HRM Practices develop the abilities, skills and the attitude of the EMS personnel, HRM Practices leads and enables the rescue workers to contribute and achieve the organizational objectives. Human resource management is associated and interlinked to the all organizational areas, it involves in developing, selecting, plan for hiring, using, compensating, and maximization of the energy of human capital in a firm (Hernandez, & Franklin, 2004). Previous researchers observed the relationship of Human resource management practices and Perceived firms Performance, according to them HRM practices are associated with lower turnover of employees (Huselid, 1995), better employee's organizational engagement and more better worker's practical work attitude and behavior (Moynihan & Allen, Gardner, Wright 2005). It was observed in maximum researches on HR practices was conducted in developed countries. It was very embarrassing situation that impact of HR practices on performance of employee in under developing countries is not equal with the world's Western areas (Tessema, , Soeters, & Abraham 2005). From many years, researchers introduced many HRM practices that have abilities to develop and strengthen to Perceived Organizational Performance. These practices focuses on behavior, emphasis the selection of employee, believe on the right person for the right job, important technical skills those are required for the job, concentrate on attitude, and to empowerment of employee to encourage to do team work and compensation contingent liability on performance. Paul, & Anantharaman, (2004) have introduced the seven HRM practices, these are anticipating to improve perceived performance of an organization.

Problem Statement

Rescue and Emergency medical services (EMS) are service providing organizations. The service providing organization is highly dependent on its human capital for providing better services, if organizational human resource management practices are good enough then it will provide better results for that organization in the context of perceived organizational performance (Kim, 2016). Rescue 1122 is also a service providing organization but according to my best knowledge and observations, before this there is no any research has been conducted with this topic on rescue workers of Rescue 1122 in Pakistan. Rescue 1122 is implementing seven human resource management practices but its not confirm which HRM practice is more significant.

LITERATURE REVIEW

HRM Practices and Perceived Organizational Performance.

Perceived Organizational Performance could be improved through implementation of human resource management practices. The researchers Rondeau & Wagar, (2001) observed the relationship between environments of workplace, ability of Perceived Organizational Performance in a medical related organization in Canada. They found in their study that the organization in which human resource management practices implemented effectively, the concerning organization had a better and ideal abilities and capacities to deliver its services as compared to other organizations in that specific area.

Chand & Katou (2007) also conducted a study in the hotel industry in India. Their purpose of study is to inquire the factors, effecting on hotel performance, Their research disclosed that in India performance of hotel industry is positively linked with hotel type and the category of hotel. Joseph & Dai (2009) describes that the Perceived Organizational Performance and human resource management practice are interlinked to each other, according to him human resource management practices play a role of driver to achieve the better standardized and desired Perceived Organizational Performance.

Recruitment & Selection and Perceived Organizational Performance.

Recruitment and selection is the best practice of human resource management which help to identify the best and right person for the right job, many organizations are facing this challenging situation and retain their high level of performing employees. Recruitment and selection systems are the best tools of hiring decision, it also refer the importance of workers to their management (Yang & Lin, 2009). Recruitment is a process in individuals is invited in appropriate numbers with required qualification and encourages them against available posts Mondy and Noe (1986). Their are two main sources of recruitment, one is internal and other is external source. The organizational employees those are applicant against the available vacancies is called internal sources. Transfer, posting, promotion, demotion and resignation are also under the human resource management (Usman & Dugguh, 2014).

The hypothesis has been developed after discussing the independent variable.

- **H1:** Recruitment and Selection significantly and positively impacts Organizational Performance.

Training & development and Perceived Organizational Performance

For gaining competitive advantages in 21st century the employees and workers of organizations needed to updated skills, knowledge and required capacity building for the development of human capital and Perceived Organizational Performance (Chen & Klimoski 2007). Many researchers shows that training is an better investment which gives maximum outcome and beneficiary for firms (Bartlett, 2001). Training & development build the capacity of works and improve their future and current abilities, knowledge and skills (Quartey, 2012).

On the behalf of above discussion, the following hypothesis has been developed;

- **H2:** Training and development impacts Perceived Organizational Performance positively and significantly.

Rewards & Compensation and Perceived Organizational Performance.

Reward and compensation is beneficiary and has much importance for the employees of an organization, it improve the working capacity and main source to motivate the employees and workers of an organization, reward and compensation motivate the worker in several ways to achieve the organizational objectives and goals. It is provided evidence that based on compensation and develops the organization (Allen & Helms, 2002). Reward and compensation support to the all kinds of pay or reward which increase their employment opportunities (Khan, 2010).

After the above complete discussion, the hypothesis is given under;

- **H3:** there is positive and significant impact of Rewards and Compensation on Perceived Organizational Performance.

Employee Participation and Perceived Organizational Performance.

Employees and workers are the most important assets of an organization, the participation and involvement of employees encourage them to take participation in decision making to improve organizational capacity (Brown & Leigh, 1996). The previous researchers found that after involving of employees there are many positive

impacts of this practice like Perceived Organizational Performance, job commitment, job satisfaction, employees retention (Abdalkrim, 2012).

The independent variable employee participation has been developed after above discussion

- **H 4:** Employee Participation is positively associated with Perceived Organizational Performance.

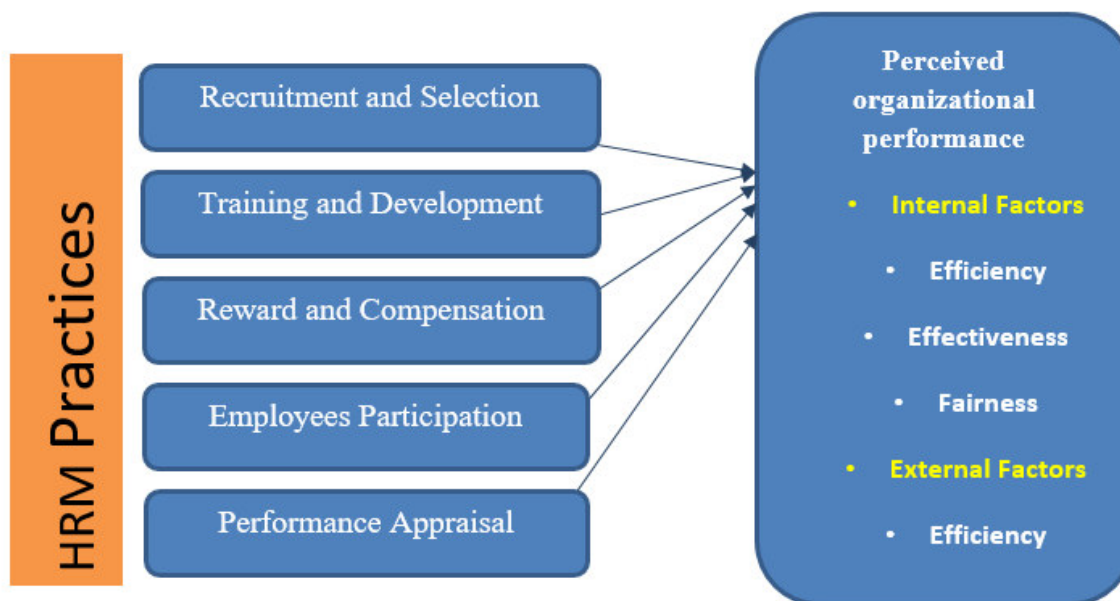
Performance appraisal and Perceived Organizational Performance.

Promotion, termination, test validation, and performance improvement are the common types and applications of performance appraisal . For everyone to improve the performance appraisal must be highly priorities for current organization and performance improvement (Saeed et al. 2013). A periodic and systematic process which evaluate and assess the employees productivity and individual's performance in accordance with organizational objectives and pre-settled standards (Manasa & Reddy,2009).

After describing the variable performance appraisal, the below narrated hypothesis has been developed;

- **H 5:** Performance appraisal has a positive and significant impact on Perceived Organizational Performance.

Figure 1: Conceptual Framework



Population and sample

Population of the study is included on the following Rescue workers/officers like. top management, middle management, supervisory level and operational staff of all 36 districts of Punjab Emergency Service Rescue 1122, Punjab Pakistan. To gain easy access on population size, from Punjab Emergency Service Rescue 1122, Punjab Pakistan twenty districts are selected on the basis of work load and more than fifty daily numbers of emergencies dealt by the rescue workers. Those Districts who are attending more than 50 emergencies on daily basis are selected as accessible population because the rescuers of these districts have more jobs experience and much interaction and work load in different areas.

Sample Size

The sampling frame consisted 10587 employees of Rescue 1122 department and Sample size of this research is 384 rescue officials and officers from Punjab Emergency Services (Rescue 1122). The sample size was calculated through online calculator available at www.raosoft.com

Questionnaire

An adapted questionnaire (Teclmichael & Soeters, 2006) which featured the 4 dimensions of HRM practices like recruitment and selection included 5 items, training and development included 5 items, reward and compensation included on 6 items performance appraisal included on 12 items whereas the items of employee's participation included 3 items and the items of dependent variable, organization performance included 12 items adapted questionnaire (Kim, & Kim, 2016) was used to collect the data. These 5 dimensions will be the independent variables while Perceived Organizational Performance is the dependent variable. In order to assure a maximum response, the questionnaires was in simple terminology .All the items of 5 independent variables of this study was measured on five point likert scale strongly agree to strongly disagree.

Table 1: Gender of respondents

Categories of gender	Frequency	Percent
Male	297	91.7
Females	27	8.3
Total	324	100.0

In Table 1, gender of respondents is described as it can be seen that male percentage is very high this is because Rescue 1122 in Punjab is highly men intense organization that's why the percentage of male portion is almost 92 percent.

Table 2: Age level of respondents

Age Limits	Frequency	Percent
20-25	64	19.8
26-30	170	52.2
31-35	64	19.8
36-40	18	5.6
Above 41	8	2.5
Total	324	100

Table 2 represents age categories of respondents. There are four categories of age of the respondents. According to the frequency level, age category from the limit of 26-30 is highest with the value of 170 and is 52.2 percentages is of total respondents. The age category from the limit 20-25 and 31-35 is the second highest with the frequency level of 64 each and their percentage is 19.8 respectively. The respondents in the age category from 36-40 have frequency level of 18 and included to 5.6 percent of total respondents. 41 and above is the lowest frequency level of age and its value is 8 and it comprises only 2.5 percent of total respondents.

Table 3: Designation level of respondents

Age Limits	Frequency	Percent
DD/DEO/EO	14	4.3
RSO/CRI	25	7.7
SC/TMI	32	9.9
SI/LFR/EMT/CTWO/FR	253	78.71
Total	324	100

In Table 3 designation level of the respondents are described. There are mainly four categories. The cadres like SI/LFR/EMT/CTWO/FR are basically different cadres of operational staff, this category has highest frequency which is 253 and its percentage is 78.71. The second category of designation is middle management of Districts including designations as RSO/CRI, it has 25 frequency level and its percentage is 7.7. The third level of designations is SC/TMI, its supervisory level, its frequency level is 32 with the percentage 9.9. The last category is top management of districts; this category is having lowest frequency 14 with 4.3 percentages.

Table 4: Statistic of Goodness of Fit of measurement Model

Fit Statistic	Expected Range	Obtained Value
X^2	-	694.432
Df	-	341
X^2 Significance	$p \leq 0.05$	0.000
X^2/Df	< 3.0	2.0364
GFI	>0.90	0.931
AGFI	>0.90	0.924
NFI	>0.90	0.917
CFI	>0.90	0.913
TLI	>0.90	0.928
RMSEA	<0.05	0.039
RMR	<0.05	0.041

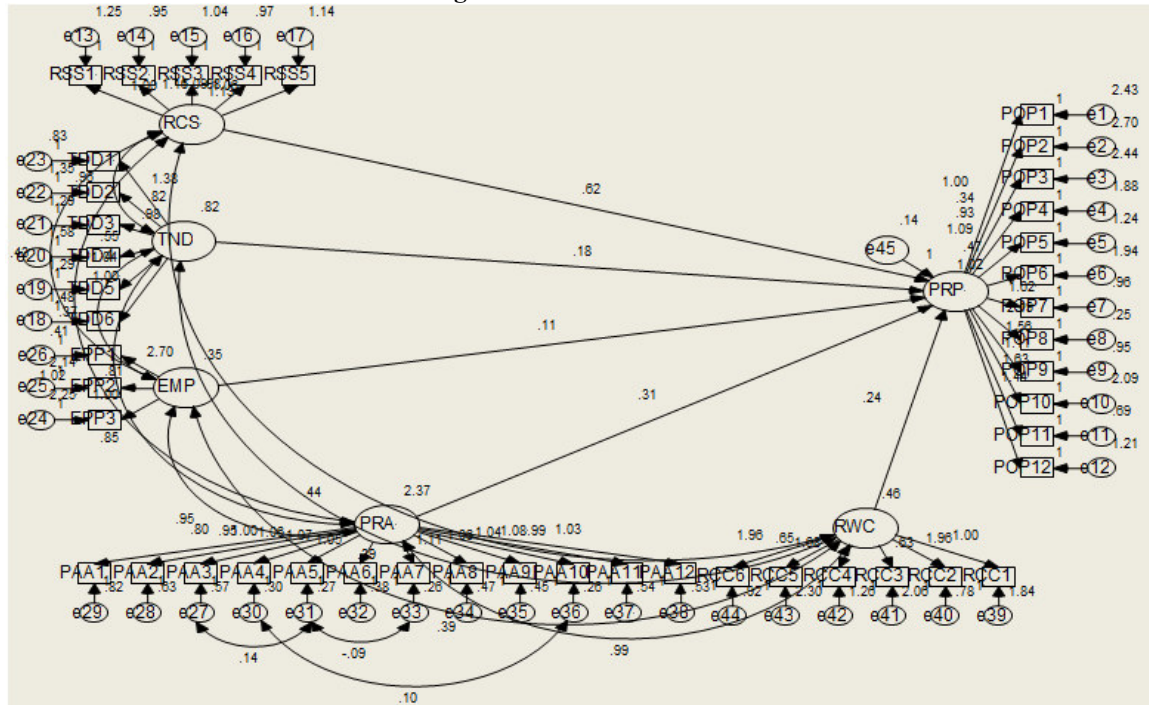
The expected range of GFI is > 0.90. In this measurement model the obtained value of GFI is 0.931 and it is above the recommended level. The fit statistics of AGFI has expected range of > 0.90. AGFI is also above recommended level with the value of 0.924. NFI has expected range of > 0.90 and its obtained value is 0.917, which is also above the recommended level. The expected range of CFI is > 0.90 and its obtained value is 0.913 which is above the recommended level. TLI has expected range of > 0.90 and in this model its obtained value is 0.928, which is also above the recommended level.

The value of RMSEA below the range of 0.05 indicates goodness of fit. In this measurement model,

obtained value is 0.039 and it is the indication of acceptable fit. In this model, the value of RMR is 0.041 and it is below the recommended level.

The results of confirmatory factor analysis show that model has acceptable fitness. Considering these results, it is quite evident that hypothesized six variables CFA model fits well with the sample data.

Figure 2: The Structural Model



HYPOTHESES TESTING:

The relation of all five independent variables with Perceived Organizational Performance is described in following section.

Table 5: Results of Hypotheses

Hypothesis	Structural Path	β value	C.R	P-Value	Significant/ In Significant	
		<i>Estimate</i>	<i>Standard Error</i>			
H1	PRP<----- RCS	.625	.188	3.241	***	Significant
H2	PRP<----- TND	.188	.041	4.391	***	Significant
H3	PRP<----- RWC	.236	.038	6.210	.005	Significant
H4	PRP<----- PRA	.310	.021	14.761	***	Significant
H5	PRP <----- EMP	.112	.041	3.284	.033	Significant

Table 5 illustrates that regression analysis is performed for testing the causal relation of Recruitment and selection with Perceived Organizational Performance. Regarding regression weights, β value is .625 and it is positive. This value is the indication of the fact that when one unit change occurs in Recruitment and selection (independent variable) it results in .625 units change in Perceived Organizational Performance (dependent variable). P value is *** and it is less than 0.05 at confidence level of 95%. Moreover, the value of C.R is 3.241 which is positive for both Recruitment and selection (independent variable) and Perceived Organizational Performance (dependent variable). The results shows that the relation of Recruitment and selection with Perceived Organizational Performance is significantly positive. It signifies that null hypothesis of brand awareness and purchase intention is rejected as the value of p is less than 0.05 and alternate hypothesis H1 is accepted. Considering results, it is evident that Recruitment and selection is having a significant and positive relation with Perceived Organizational Performance. So H1 is supported and accepted. Table above further illustrates that regression analysis was performed for testing the causal relation of Training and Development with Perceived Organizational Performance. Regarding regression weights, β value is .188 and it is positive. The positive β value shows that one unit change in training and development results in .188 units change in Perceived Organizational Performance. P value is *** and it is highly significant at 95% confidence level. The value of C.R is 4.391 which are positive for both Training and Development (independent variable) and Perceived

Organizational Performance (dependent variable). The results show that the relation of Training and Development with Perceived Organizational Performance is significantly positive. It signifies that null hypothesis of Training and Development and Perceived Organizational Performance is rejected as the value of p is less than 0.05 and alternate hypothesis H2 is accepted. In the light of all these results, it is evident that Training and Development is having a significant and positive relation with Perceived Organizational Performance, So H2 is supported and accepted. Similarly all hypotheses results are supported statistically as proved by the results of above table. Hence it is proved statistically that H1, H2, H3, H4, H5 are statistically true and accepted.

DISCUSSION AND CONCLUSION

The study Guides the Rescue management about the best practices of Human resource management (HRM) and the top management of rescue 1122 will improve the efficiency, knowledge, capabilities and skills of rescue workers and after implementation of these practices the perceived organizational performance can also be improved . The overall results also suggest that the subordinates and managers have different opinion towards HRM practices in the sample study organizations. The management attitude towards the different issues of HRM practices is more positive than subordinates. This is evident from mean score, percentage of mean score, standard deviation etc.

The management of Rescue department must execute performance appraisal system which should be based on merits and performance of employees. The present training system of Rescue organizations should be geared to design innovative and highly specialized programs as a measure to improve and provide skills, knowledge and expertise in especially in operational areas. Furthermore the HR professionals should identify the employee's opportunities and career needs. The HR managements should more focus on updated and standardized techniques in the recruitment and selection process. The handling employees efficiently management should recommended their participation in decision making. The management of rescue department under study should also provide opportunities and suitable welfare facilities like rewards and compensation. Through this the employees take active interest in their jobs, more productive and work with satisfaction which secure the benefit of high efficiency and improves the perceived organizational performance. The top management should be more focus and implement these human resource management (HRM) practices. After deployment of these practices like recruitment and selection, training and development, reward and compensation, employee's participation and performance appraisal, rescue 1122 will improve its performance through capacity building of their rescue workers and can deliver level of services to the ill and injured victims of different types of emergencies accordingly.

PRACTICAL IMPLICATION

The important implications of this study are that, it provides innovative way to the top management of service providing organizations about the concept HRM practices. In the context of service providing organizations like Rescue 1122, it will suggest to the management that the HRM practices are very important for the better competitive advantages and quality of services in market. The strategy of organization also leads to perform.

America and Europe are successful countries to promoting strong system of HR but Africa and Asia are putting their struggle to gain success of HRM models in their present culture. In Asian countries to gain success a need is identified in the context of HRM model to evaluate these would achieve people's trust as initiative for the development systems of HR (Budhwar & Debrah, 2009). From above literature review outcome will support to develop framework as listed below:

THEORETICAL CONTRIBUTION

The theoretical contribution of this study identified the importance of HRM practices in the form of perceived organizational performance in sector of service providing organizations like rescue 1122 of Pakistan. Regarding variables, this study represents HRM practices five dimensions according to human capital theory. Concerning the measurement of causal relations, perceived organizational performance was an dependent variables. This study contributes as an important strategic tool to maintain service standards and also for achieving competitive advantage in service providing organizations of Pakistan. In addition, this study provides insight that focus on each dimension of HRM practices which leads to increase in patient satisfaction and perceived organizational performance. The conceptual framework of this study provides a complete understanding of capturing outstanding position in market. At international level, few studies identify relation of perceived organizational performance and HRM dimensions. Regarding this, study contributes to many new areas of research such as relation of perceived organizational performance and HRM practices.

RECOMMENDATIONS

In the light of the results of this study it is recommended to the managers that they ought to focus on the

relationship of HRM practices and perceived organizational performance. Perceived organizational performance can be increased through the implementation of best HRM practices. In this regard, the HR professionals should keep in touch and aware about the best HRM practices in the local and international organizations.

Conclusively, high perceived organizational performance is the mean through which the proper implementation of HRM practices, rewards and compensation, training and development and employees participation are the suitable tools to improve the organizational performance and to achieve desired organizational objectives. Regarding this, management should conduct surveys on patients past experiences and they should invest more in order to improve the quality of the rescue services.

In all over the world as well as in Pakistan patients care and pre-hospital treatment is highly sensitive and noble work. Similarly rescue workers are doing their professional work as per international level and purely in favor of their patients. HR professionals should create unique and favorable environment and associations in order to enhance perceived organizational performance.

LIMITATIONS AND FUTURE DIRECTIONS OF THE RESEARCH

There are numbers of limitations of this study. First of all regarding sector, this study focuses only on rescue 1122 department of Punjab. Considering future directions of the research, researchers can select other sectors like hospitals, hotels or any service sector etc.

Regarding area of the research, this study is conducted in 20 cities of Punjab, Pakistan. Considering future directions of the research, researchers can select other cities of Punjab, Pakistan.

Regarding the sample of this study, top-management of districts, middle management, supervisory and operational staff selected as the population of the study. Considering future directions of the research, researchers can select other different samples. Another limitation of this study is that top-management of districts, middle management, supervisory and operational staff in age category of above 41 is under representative in this study. So in future, researchers can focus on this age group as well.

Regarding HRM practices and perceived organizational performance this study is based on human capital theory. In future, researchers can select other dimensions of HRM practices according to different researchers' models.

Regarding data collection method, this study has employed quantitative method in the form of questionnaires. Concerning future directions of the research, researchers can collect data through other methods like interview etc. Another implication of the study is that this study is cross sectional in nature. In future, researchers can take time series data.

REFERENCES

- 1) Abdalkrim, G. M. (2012). The impact of human resource management practices on organizational performance in Saudi banking sector. *European Journal of Business and Management*, 4(21), 188-196.
- 2) Allen, R. S., & Helms, M. M. (2002). Employee perceptions of the relationship between strategy, rewards and organizational performance. *Journal of Business Strategies*, 19(2), 115.
- 3) Bartlett, K. R. (2001). The relationship between training and organizational commitment: A study in the health care field. *Human resource development quarterly*, 12(4), 335-352.
- 4) Brown, S. P., & Leigh, T. W. (1996). A new look at psychological climate and its relationship to job involvement, effort, and performance. *Journal of applied psychology*, 81(4), 358.
- 5) Budhwar, P., & Debrah, Y. A. (2009). Future research on human resource management systems in Asia. *Asia Pacific Journal of Management*, 26(2), 197.
- 6) Chand, M., & Katou, A. A. (2007). The impact of HRM practices on organisational performance in the Indian hotel industry. *Employee Relations*, 29(6), 576-594.
- 7) Chen, G., & Klimoski, R. J. (2007). Training and development of human resources at work: Is the state of our science strong?. *Human Resource Management Review*, 17(2), 180-190.
- 8) Hernandez, V., & Franklin, G. (2004). Human Resource Management Basics: Small Versus Large Firm Practices. *Proceedings CD, Association for Small Business & Entrepreneurship*, 61(75), 25.
- 9) Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of management journal*, 38(3), 635-672.
- 10) Joseph, K. E., & Dai, C. (2009). HRM practices and organizational performance: An empirical analysis. *International Journal of Business and Management*, 4(8), 117.
- 11) Khan, M. A. (2010). Effects of human resource management practices on organizational performance—an empirical study of oil and gas industry in Pakistan. *European Journal of Economics, Finance and Administrative Sciences*, 24(157-174), 6.
- 12) Kim, S. H., & Kim, S. (2016). National culture and social desirability bias in measuring public service motivation. *Administration & Society*, 48(4), 444-476.
- 13) Kobusingye, O. C., Hyder, A. A., Bishai, D., Joshipura, M., Hicks, E. R., & Mock, C. (2006). Emergency

- medical services. *Disease control priorities in developing countries*, 2(68), 626-628.
- 14) Manasa, K. V. L., & Reddy, N. (2009). Role of training in improving performance.
 - 15) Mondy, R. W., Noe, R. M., & Edwards, R. E. (1986). What the Staffing Function Entails. *Personnel*, 63(4), 55-58.
 - 16) Paul, A. K., & Anantharaman, R. N. (2004). Influence of HRM practices on organizational commitment: A study among software professionals in India. *Human Resource Development Quarterly*, 15(1), 77-88.
 - 17) Quartey, S. H. (2012). Effect of Employee Training on the Perceived Organizational Performance: A Case Study of the Print-Media Industry in Ghana. *European Journal of Business and Management*, 4(15).
 - 18) Rondeau, K. V., & Wagar, T. H. (2001). Managing the consequences of hospital cutbacks: the role of workforce reduction practices. *Journal of health and human services administration*, 443-469.
 - 19) Saeed, R., Lodhi, R. N., Iqbal, A., Sandhu, M. A., Munir, M., & Yaseen, S. (2013). The Effect of Human Resource Management Practices on Organization's Performance. *Middle-East Journal of Scientific Research*, 16(11), 1548-1556.
 - 20) Telemichael Tessema, M., & Soeters, J. L. (2006). Challenges and prospects of HRM in developing countries: testing the HRM-performance link in the Eritrean civil service. *The international journal of human resource management*, 17(1), 86-105.
 - 21) Tessema, M. T., Soeters, J. L., & Abraham, K. (2005). Practices and challenges of the training and utilization of labour in sub - Saharan Africa: the case of the Eritrean civil service. *International Journal of Training and Development*, 9(4), 214-230.
 - 22) Usman, M., & Dugguh, S. I. (2014). Human Resource Management Practice and Organizational Performance in Tertiary Institutions in Nigeria. *International Journal of Economics, Commerce, and Management*, II, 12, 1-14.
 - 23) Wright, P. M., Gardner, T. M., Moynihan, L. M., & Allen, M. R. (2005). The relationship between HR practices and firm performance: Examining causal order. *Personnel psychology*, 58(2), 409-446.
 - 24) Yang, C. C., & Lin, C. Y. Y. (2009). Does intellectual capital mediate the relationship between HRM and organizational performance? Perspective of a healthcare industry in Taiwan. *The International Journal of Human Resource Management*, 20(9), 1965-1984.