

HRM Practices in Public and Private Universities of Pakistan: A Comparative Study

Muhammad Zafar Iqbal

PhD Scholar and Visiting Lecturer in University of Education, Lahore, Pakistan

Tel: 92-300-600-8007 E-mail: iamzafariqbal@gmail.com

Muhammad Irfan Arif

PhD Scholar, University of Education Lahore, Pakistan

Tel: 92-333-890-1810 E-mail: irfanarif149@yahoo.com

Furrakh Abbas

M Phil in Linguistics, MA in English (PhD Scholar in Linguistics), &
Lecturer, University of Management and Technology, Lahore, Pakistan

E-mail: furrakh.abbas@hotmail.com

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Abstract

The purpose of this study was to compare the HRM practices of public and private universities in Punjab province of Pakistan. The data for the study was collected through a questionnaire comprising 30 items mainly related to job definition, training and development, compensation, team work, employee's participation and performance appraisal. The instrument was validated through pilot testing. The internal reliability of the instrument was found to be 0.85. The sample was comprised of 60 executives (directors/heads of departments) selected randomly from six universities. The collected data was analyzed by applying descriptive and inferential statistical techniques such as means and independent sample t-test. The results showed that there was a significant difference in HRM practices according to executives of public and private universities. HRM practices in the areas of job definition, training and development, compensation, team work and employees participation were better in the public universities than private universities. However, performance appraisal practices were found better in the private universities than public sector universities. At the end recommendations were made for the HRM executives of private and public universities to improve their HRM practices in favor of their employees.

Keywords: HRM practices, Public universities, Private universities

1. Introduction

The role of HRM practices start with appointing people by an organization or institute. Thus, employing new work force entails the implementation of human resource management (HRM) practices. These practices specifically include recruitment, selection, and hiring of the workforce. Once individuals are hired, they need to be incorporated into the company's framework through training and socialization. A step later, appraising the progress of these employees and motivating them via compensation are also key components of HRM (Schuler & MacMillan, 1984). How to select, train, appraise, compensate, and communicate with one's domestic workforce may pose many challenges for organizations. Successfully managing employees who do not share the same opinions, values, and outlooks as those found in the company can be very difficult. If not handled properly, it can harm the advantages of entering new markets. Because of the increasing pressures and interconnectedness of the global market, researchers are now studying how well HRM practices can be transposed across different countries and which practices need to be given more attention in order to fulfill their respective purposes (Begin, 1992, Budhwar & Khatri, 2001).

The current literature available in the field of HR shows that HRM practices are associated with positive operational (employee's productivity and firm's flexibility) and quality performance outcomes (Chang and Chen, 2002; Ahmad

and Schroeder, 2003; Kuo, 2004; Sang, 2005). The accumulated research evidences show that effective HRM practices can have substantial impact on business performance (Ichniowski, Shaw & Prennushi, 1995). Huselid et al. (1997) studied the effect of HRM on the performance of corporate sector. They divided HRM effectiveness into two types: The first type is HRM effectiveness including compensation, recruiting and training, employee/industrial relations, selection tests, appraisal, employee attitudes, and so on. The second type is strategic HRM effectiveness including team work, employee participation and empowerment, employee and manager communications, management and executive development, etc. Their study shows that there is positive link between strategic HRM effectiveness and performance, but technical HRM effectiveness is not related to performance. They found that there is a relationship between HRM effectiveness and productivity.

In order to evaluate the links between human resource management practices and the performance of Taiwanese high-tech organizations in Hsinchu science-based industrial park, Chang and Chen (2002) conducted a comprehensive study. The data collected from 197 participating organizations, revealed that HRM practices such as training and development, teamwork, benefits, human resource planning, and performance appraisal have significant effect on employee productivity. In addition, benefits and human resource planning are negatively related to employee turnover. Another research done by Ahmad and Schroeders' (2003) attempts to generalize the efficacy of seven HRM practices proposed by Pfeffer (1998) in the context of country and industry, focusing primarily on the effects of these practices on operations. The seven HRM practices include employment security, selective hiring, use of teams and decentralization, compensation/incentive contingent on performance, extensive training, status differences, and sharing information. The operational performance includes cost, quality, delivery, flexibility, and organizational commitment. Their findings provide overall support for the relationship between the seven HRM practices and operational performance.

The relationship of various HRM practices with performance and outcome of the organizations have also been explored in-depthly by the researchers. It is said that incentive pay plans positively and substantially affect performance of workers if combined with innovative work practices like 'flexible job design, employee participation in problem-solving teams, training to provide workers with multiple skills, extensive screening and communication and employment security'. HRM policies related to training and development and employee compensation are also central in the HRM literature. The relationship between equity based compensation and the performance of an organization has also been analyzed and found positive by Frye (2004). He argued that for human capital intensive compensation plays a crucial role in 'attracting and retaining highly skilled employees'.

Another aspect of HRM practices is job definition, which is the combination of job description and job specification. In this regard, Qureshi and Ramay (2006) state that job definition clearly outlines duties, responsibilities, working conditions and expected skills of an individual performing that job. In another research, Brown and Heywood (2005) state that 'performance appraisal represents, in part, a formalized process of worker monitoring and is intended to be a management tool to improve the performance and productivity of workers'. Employees' commitment and productivity can also be improved with performance appraisal systems (Brown & Benson, 2003)

Hence, adopting best practices in selection, inflow of best quality of skill set will be inducted adding value to skills inventory of the organization (Huselid, 1995). He also emphasized training as complement of selection practices through which the organizational culture and employee behavior can be aligned to produce positive results. Increasing employee participation will increase productivity of the employee due to increased commitment of the employee. Financial participation schemes were more beneficial for the organizations than the associated cost (Summers & Hyman, 2005).

Several other studies have shown that the effectiveness of HRM practices is dependent on how well these methods fit with the culture in which they are implemented (Debrah, McGovern, & Budhwar, 2000; Huo & Von Glinow, 1995). Whatever is the case, the use of best HR practices shows a stronger association with the productivity in high growth industry (Datta, Guthrie, and Wright, 2003). Huselid (1995) found that the effectiveness of employees will also depend on impact of HRM on behavior of the employees.

Education plays an important role in skills and personality developments of human beings and well as progress of any nation. It is an essential tool to directionate the attitude and behavior of the individuals. In the process of education, people learn how they can better survive in the world and also progress very fast. The world has become very competitive where innovations and discoveries are being made every passing day. Thus, human beings are also expected to adapt themselves in order to meet the challenges of the future. Education is one of the most powerful instruments that can bring changes in community, society and particularly in the future dusting of nation (Shami, 1999). In this scenario, the role of higher education is especially vital in the economic development of the country. As universities are human capital intensive organizations, HRM practices of a university can be of great help in

hiring and managing the highly skilled and competent teachers. Through research, new ideas and innovation can generate; which help us in promoting higher education in the development of human resources.

A ranking given on the web site <http://www.topuniversities.com/world-university-rankings>, accessed on 27-12-2009, we come to know that there is no Pakistani university even in the top 500 universities of the world. Why it is so? We lack in funding, research culture, HRM practices (e.g. training, selection, performance appraisal, job definition, compensation, career planning, and employee participation), productive politics, highly qualified staff, training of the staff etc. No adequate research has been conducted on HRM practices at higher education level. Therefore, it was imperative to review HRM practices in the universities. It was due to this reason that the researchers selected to investigate the HRM practices in public and private universities so as to suggest remediation strategies to raise the quality of higher education in Pakistan.

1.1 Objectives of the Study

The objectives of the study were to:

- i. Investigate the HRM practices in view of the HRM executives of public sector universities
- ii. Investigate the HRM practices in view of the HRM executives of private sector universities
- iii. Compare the HRM practices in view of the HRM executives of public and private sector universities of Punjab province of Pakistan

1.2 Hypotheses of the Study

Following were the hypothesis of the study:

H0:1 There is no significant difference between HRM practices implemented by HRM executives of public and private universities.

H0:2 There is no significant difference between training and development practices implemented by HRM executives of public and private universities.

H0:3 There is no significant difference between practices for team work implemented by HRM executives of public and private universities.

H0:4 There is no significant difference between performance appraisal practices implemented by HRM executives of public and private universities.

H0:5 There is no significant difference between job definition practices implemented by HRM executives of public and private universities.

H0:6 There is no significant difference between compensation practices implemented by HRM executives of public and private universities.

H0:7 There is no significant difference between employee participation practices implemented by HRM executives of public and private universities.

2. Method and Procedure

The researchers aimed to generalize the result of this study on all HRM executives of public and private universities of Punjab, Pakistan. For data collection, a sample of 66 HRM executives (directors/ heads of departments) was randomly selected from six universities (3 private and 3 public). The sample was taken from universities in the central and the southern Punjab in view of the geographical considerations. Owing to ethical considerations, the names of the universities have not been mentioned here. Ten heads/executives were selected from each university by using simple random sampling technique.

A questionnaire on HRM Practices was distributed among the respondents. The questionnaire used in this study was adapted from Qureshi, and Ramay (2006) who conducted a similar study on “impact of human resource management (HRM) practices on employees’ performance”. Moreover, some items on specific HRM practices were also included from the instrument developed by “Feng-Hui Lee and Tzai-Zang Lee” (2007) who conducted a study to investigate the relationship between HRM practices and performance. The instrument on HRM Practices comprised 30 items, which contained questions on training, team work, performance appraisal, job definition, compensation, and employee participation. The instrument was validated through pilot testing. The internal reliability of the instrument was found to be as 0.85. Subjects were asked to indicate their level of agreement or disagreement with each statement on 5-point Likert scale.

3. Findings and Discussion

Data collected through the survey questionnaire were analyzed using SPSS (statistical package for social sciences). The analysis has been given below according to the hypotheses framed for the study.

(Insert Table 1)

Table 1 show that the mean score of public universities is greater than the mean score of private universities on HRM practices. Public universities are better due to the infrastructure, binding of HEC. It also shows that standard deviation of public sector universities is greater than that of private universities; which means that the score of public sector universities is more spread out than private universities. It further shows that t-value 2.811 is greater than critical t-value 1.980 at 5% level of significance. So the null hypothesis is rejected. It means that there is a significant difference between the HRM practices of public and private universities.

(Insert Table 2)

Table 2 shows that the mean score of public universities is greater than of private universities on their training practices. Public universities are better due to training programs funded by HEC. It also shows that standard deviation of public sector universities is greater than that of private universities; which means that the score of public sector universities is more spread out than private universities. The t-value 2.13 is greater than critical t-value 1.980 at 5% level of significance. So the null hypothesis is rejected. It means that there is a significant difference between the training practices implemented by HRM executives of public and private universities.

(Insert Table 3)

Table 3 shows that the mean score of public universities is greater than the mean score of private universities in their team work practices. It also shows that standard deviation of public sector universities is greater than that of private universities; which means that the score of public sector universities is more spread out than private universities. The t-value 2.05 is greater than critical t-value 1.980 at 5% level of significance. So the null hypothesis is rejected. It means that there is a significant difference between the team work practices of public and private universities HRM executives

(Insert Table 4)

Table 4 shows that the mean score of private universities is greater than the mean score of public universities in implementation on performance appraisal practices. It also shows that standard deviation of private sector universities is greater than that of public universities; which means that the score of private sector universities is more spread out than public universities. The t-value 2.91 is greater than critical t-value 1.980 at 5% level of significance. So the null hypothesis is rejected. It means that there is a significant difference between the performance appraisal practices implemented by HRM executives of public and private universities.

(Insert Table 5)

Table 5 shows that the mean score of public sector universities is greater than the mean score of private universities in their job definition practices. It also shows that standard deviation of private sector universities is greater than that of public universities; which means that the score of private sector universities is more spread out than public universities. The t-value 2.49 is greater than critical t-value 1.980 at 5% level of significance. So the null hypothesis is rejected. It means that there is a significant difference between the selection practices of public and private universities HRM executives.

(Insert Table 6)

Table 6 shows that the mean score of public sector universities is greater than the mean score of private universities in their compensation practices. It also shows that standard deviation of public sector universities is greater than that of private universities; which means that the score of public sector universities is more spread out than private universities. The t-value 2.14 is greater than critical t-value 1.980 at 5% level of significance. So the null hypothesis is rejected. It means that there is a significant difference between the compensation practices of public and private universities HRM executives.

(Insert Table 7)

Table 8 shows that the mean score of public sector universities is greater than the mean score of private universities in their employee participation practices. It also shows that standard deviation of private sector universities is greater than that of public universities; which means that the score of private sector universities is more spread out than public universities. The t-value 2.05 is greater than critical t-value 1.980 at 5% level of significance. So the null hypothesis is rejected. It means that there is a significant difference between the employee participation practices of public and private universities HRM executives.

4. Conclusions

The conclusions drawn from the findings and discussion are:

- HRM practices of public universities are relatively better as compared to the private universities.
- Public universities are performing better as compared to private universities in training practices due to good HRM.
- Public universities are performing better as compared to private universities in team work practices due to good HRM.
- Private universities are performing better as compared to public universities in their performance appraisal practices due to good HRM.
- Public universities are performing better as compared to private universities in employee participation practices due to good HRM.
- Public universities are performing better as compared to private universities in compensation practices due to good HRM.
- Public universities are performing better as compared to private universities in their job definition practices due to HRM.

Recommendations

In view of the aforesaid conclusions, following recommendations can be put forwarded for the universities.

- i. The private sector should give special emphasis on improving their HRM practices in the areas of team work, job definition, employee participation, compensation, career planning, and training.
- ii. The public sector should especially focus the area of performance appraisal practices so as to enhance the quality of higher education.

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Table 1. Statistics of Independent Sample t-test for overall HRM practices implemented in public and private universities

Universities	N	Mean score (X)	St. Dev	Df=(n1+n2)-2	t-value
Public	30	52.57	19.00	58	2.811
Private	30	43.03	18.14		

Table 2. Statistics of Independent Sample t-test for training practices implemented by HRM executives of public and private universities

Universities	N	Mean score (X)	St. Dev	Df=(n1+n2)-2	t-value
Public	30	60.23	16.00	58	2.13
Private	30	49.05	15.24		

Table 3. Statistics of Independent Sample t-test for team work practices implemented by HRM executives of public and private universities

Universities	N	Mean score (X)	St. Dev	Df=(n1+n2)-2	t-value
Public	30	40.35	14.07	58	2.05
Private	30	32.65	12.18		

Table 4. Statistics of Independent Sample t-test for performance appraisal practices implemented by HRM executives of public and private universities

Universities	N	Mean score (X)	St. Dev	Df=(n1+n2)-2	t-value
Public	30	47.73	18.52	58	2.91
Private	30	62.1	19.67		

Table 5. Statistics of Independent Sample t-test for job definition practices implemented by HRM executives of public and private universities

Universities	N	Mean score (X)	St. Dev	Df= (n1+n2)-2	t-value
Public	30	53.37	13.61	58	2.49
Private	30	52.2	19.47		

Table 6. Statistics of Independent Sample t-test for compensation practices implemented by HRM executives of public and private universities

Universities	N	Mean score (X)	St. Dev	Df= (n1+n2)-2	t-value
Public	30	63.1	15.57	58	2.14
Private	30	55	13.68		

Table 7. Statistics of Independent Sample t-test for employee participation practices implemented by HRM executives of public and private universities

Universities	N	Mean score (X)	St. Dev	Df= (n1+n2)-2	t-value
Public	30	69.63	15.61	58	2.05
Private	30	61.03	16.93		

Questionnaire

Organization Name: _____

EMPLOYEES PERFORMANCE

1. Employees Performance in our organization has been improved over the past 12 months in relation to

- a) Effectiveness 1 2 3 4 5
- b) Efficiency 1 2 3 4 5

HUMAN RESOURCE (HR) PRACTICES	1	2	3	4	5
I. Training					
1 Our organization conducts extensive training programs for its employees in all aspects of quality.					
2. Employees in each job will normally go through training programs every year.					
3. Training needs are identified through a formal performance appraisal mechanism.					
4. There are formal training programs to teach new employees the skills they need to perform their jobs.					
5. Training needs identified are realistic, useful and based on the business strategy of the organization.					
II. Performance Appraisal					
1. Performance of the employees is measured on the basis of objective quantifiable results.					
2. Appraisal system in our organization is growth and development oriented.					
3. Employees are provided performance based feedback and counseling.					
4. Employees have faith in the performance appraisal system.					
5. Appraisal system has a strong influence on individual and team behavior.					
III. Team Work					
1. During problem solving sessions, your firm makes an effort to get all team members' opinions and ideas before making a decision.					
2. Your firm forms teams to solve problems and in the past 3 years many problems have been solved through small group sessions.					
3 Problem solving teams have helped improve manufacturing processes at your firm.					
4. Employee teams are encouraged to try to solve their problems as much as possible at your firm.					
5. New knowledge and skills are imparted to employees periodically to work in teams.					
IV. Employee Participation					
1. Employees in this organization are allowed to make decisions related to cost and quality matters.					
2. Employees in this organization are asked by their superiors to participate in operations related decisions.					
3. Employees are provided opportunity to suggest improvements in the way things are done here.					
4. Employees' suggestions for organization's improvement are always welcomed.					
5. Employees are encouraged to participate in problem solving matters.					
V. Job Definition					
1. The duties of every job are clearly defined in our organization.					
2. Each job in our organization has an up to date job description.					
3. The job description for each job contains all the duties performed by individual employee.					
4. The actual job duties are shaped more by the employee than by the formal job description.					
5. Each employee has clear about his duties and responsibilities.					
VI. Compensation					
1. Job performance is an important factor in determining the incentive compensation of employees.					
2. In our organization, salary and other benefits are comparable to the market.					
3. In our organization, compensation is decided on the basis of competence or ability of the employee.					
4. The compensation for all employees is directly linked to his/her performance.					
5. In our organization, profit sharing is used as a mechanism to reward higher performance.					