Making it Work in Government Sector: Issues and Challenges

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ABSTRACT

Purpose: The major aim of current research is to explore the factors which affect the performance of employees in public sector organizations. More specifically, this study investigates the factors which are affecting the performance of employees working in National Highway Authority (NHA) which is a very well known public sector organization in Pakistan.

Design/methodology/approach: A qualitative research was conducted focused on four factors out of several factors that can affect and improve the employee performance in public sector organizations i.e. integrative leadership, communication, supervisor support and opportunity to apply. We conducted a qualitative study by interviewing the entry, middle and top management of NHA. We also collected data from the secondary sources such as news papers, books and research papers. On the basis of interviews and analysis, recommendations are given that can improve the performance of employees in NHA.

Findings: The employees of NHA; especially hired from CSS background bring with them the qualities and elements of bureaucracy. Results of the interviews revealed that no local training is given to employees for the purpose of improving their performance. It was also observed that

the performance of the NHA employees is not up to the standard. This lack of performance is due to lack of integrated leadership, supervisor support, communication and opportunity to apply. When the employee reaches back after training (mostly out of country training through Ministry of Finance) no cascading opportunities are given so that the knowledge creation can benefit others. Mostly employee himself is unwilling to share the training details because of personal insecurities. The political factors play an important role on the decision making and vested interests of top management and government results in the contract issuance. Some employees believe them to be under privileged in terms of the pay scales as well as workplace facilities. The promotion is based upon the impression management. Also they are more dependent upon social ties with the peers of their level in digging the inside information regarding office matters and making themselves up to date with the intention of either transmission or exploitation of the information for their own benefit.

Research limitations/implications: The study is based upon a single government company (though a major representative of transportation sector). However the results are extendable to other government sectors.

Practical implications: The current study will help the government sector move from a traditional low performing tier characterized by bureaucracy and close communication towards the dynamic and more efficient sector.

Originality/value: The original idea is the necessity of public sector organizations to become dynamic, flexible and act as learning organizations. It needs an optimistic and vibrant role in accomplishing hopes and aspirations towards environmental changes. The sector characterized by social networking based promotion, low wages, increased politics, low employee morale, increased communication gap between employees and management, absence of supervisor's support and limited opportunity to apply knowledge & abilities of the employees, needs to be efficient to cope new challenges being faced by economy .

Keywords: Public sector, NHA, Integrated Leadership, Communication, Opportunity to Apply, Supervisor's Support.

INTRODUCTION

The public sector is considered to be the major chunk of the economic verve, not in private possession, which deals with the creation, deliverance, and distribution of basic public goods and services at global, regional, national, or local forums (Olivier Serrat, 2010). The major activities of Government are funded through taxes, government borrowing and through foreign aids or grants. However though public sector is considered to be a major and important sector in the economic performance of an economy still its performance indicators gives a non appreciative look. In current dynamic environment where every day changes takes place it is necessary for the public sector organizations to be more dynamic, flexible and act as learning organizations. The Public sector needs an optimistic and vibrant role in accomplishing hopes and aspirations towards environmental changes (S.K. Sharma, 1999).

Public sector (also known as "Government Sector") has faced major criticism by academicians and practitioners for their poor administration and functioning (Horn, Murray J. 1995). Government organizations are considered to be the victims of corruption, sluggishness, red tape and nepotism due to bureaucracy (M.A.J. Mian, 1999). Pakistan after its independence in 1947 has constantly faced the challenges of impounded means of power, large Public Sector Enterprises (PSEs) and economic instability, during the development of currently prevailing HRM practices in Public and Private Organizations (Alavi, 1972; Islam, 2005; Khilji, 2003).

Human resources are considered very important for the efficient and effective performance of the organizations (Terpstra and Rozell, 1993). The competence of human capital is an important factor in the successful performance of organizations because an excellent strategy might not be

implemented appropriately due to low capabilities of human resource and a weak strategy might be executed productively with the high capabilities of human resource (Muhammad and Farooq, 2009). Human resource has been recognized as one of the critical factor in the performance of the public sector organizations. As compared to other resources which are passive in nature (e.g. financial and physical resources), human resources are vigorous and dynamic. In order to grasp the full potential of the human resource in the achievement of organizational goals, it needs to be properly supervised, trained and developed (Muhammad and Farooq, 2009). Research has shown that one of the reasons for the low efficiency and effectiveness of the public sector organizations is the lack of attention given to the human resources as an important strategic tool (Muhammad and Farooq, 2009). According to Hussain (2007) the failure and collapse of the organizations is primarily due to the lack of investment in the human resources.

In addition, employee performance is hard to be measured in the public sector organizations. It is because most of the literature has focused on the subjective perceptions of performance (Brewer & Seldon, 2000) due to unavailability of the objective data. However the content analysis and qualitative factor analysis has decreased the subjective evaluation and biasness in the research. The literature on the existing state of HRM and employee performance in Pakistan is limited; due to low level of importance given to efficient HR policies and their role in organizational performance; cross-cultural management studies have neglected the development of HRM in analogous postcolonial financial system (Khilji, 2003). Therefore, the current study focuses on the various factors affecting the poor employee performance in the Public Sector Organization by focusing on the Case of National Highway Authority (NHA); a Public Sector Organization; and then developing the recommendation portfolio. This study is divided into five sections. In

the first section, literature is reviewed with regard to factors affecting the performance of public sector organizations in Pakistan. In the second section, we assessed the literature on the four factors: integrative leadership, communication, supervisor support and opportunity to apply which are considered integral for PSE performance. In the third section, research methodology is discussed which we used for data collection. In the fourth section, results are discussed. In the last section, recommendations and conclusion is drawn.

FACTORS AFFECTING THE PERFORMANCE OF PUBLIC SECTOR ORGANIZATIONS IN PAKISTAN

Cultural Factors

Pakistan was established as a quasi religion state in 1947 and inherited myriad of British Colonial characteristics vested in the legal frameworks, powerful leaders and in civil and administrative structures, which formed its national facet and as a result its management practices in Public Sector (Khilji, 2002; Alavi, 1972). Also the military support to Pakistan by USA during Cold war era and its sugar coated relationship during post 9/11 atmosphere has far reaching effects on its public agencies. According to Cohen and Chollet (2007), Pakistan has earned a lot of international donations, has promised good governance and transformations of government institutes, especially after 9/11. Jhatial, Cornelius and James (2010) proposed a model of facets affecting the national culture and resultantly the implementation of HRM practices in a country *(See Appendix 1).*

As British kingdom officially reigned the Indo-Pak subcontinent for more than hundred years with the consequential unresolved political issues in most third world countries, this destabilized

the peace many postcolonial civilization, including Pakistan, consequently which originated nationalist and religious movements (Jhatial, et al. 2010). "Many postcolonial cultures in Asia and Africa exist with the resultant of grand legacies: superiority and ritual structures which the population and organization" (Alavi, 1972, 1990; Kennedy, 1984; Waseem, 1997). The Royal rulers chose the finest courtiers and compliant military, social and landlords to control the population which was fragmented on the basis of faith, caste and language (Kazi, 2003).

Embedded with extravagant religious, ethnic, linguistic and geographical attitudes; of privileged management lined in fragmentation of society; are reflected at work settings and in HRM practices (Jhatial, et al. 2010). As a consequence of which customs of favoritism, favoritism, obsequiousness and preferential treatment in HRM practices of Public Sector Organizations of Pakistan prevails (Islam, 2005). The traits of flattery, sycophancy and sugar coating the boss are passed in between generations are most of the time considered to be the norm of public and private sector. The ladder of success is mainly attained through *Sifarish,* obsequiousness, deceit, manipulations and ultimate compliance to superiors and authority (in personal and workplace tasks) (Islam, 2005; Kazi, 2003).

Political Interests

After a detailed analysis of the important factors affecting the employee performance the existence of augmented political interests Government Organizations have proved to be the important element in the decreased employee performance (Dahl and Lindblom, 1953). Market control i.e. market mechanisms and regulatory processes, prevailing in the private sector helps in determining the organizational performance controls. However the bureaucratic agencies and government legislations act as control mechanisms in public sector organizations (Cole, 1988).

The original model of the public sector has inherent structure of Weber's Bureaucracy (1978), in which bureaucracies were considered to be capable of highest degree of organizational efficiency. According to Lane (1998), Weber's idea is maintained by the confidence that dedication to particular job leads to dedication and therefore as a result competence. According to Cole (1988), the "Public Choice Theory" suggests that political concern instead of Public interest prevails under the acts of community service provision to the nation, which has caused the flourished government Sector in post war era. However this development is adjunct to the inefficiencies augmented by the absence of market competition (Cole, 1988). This logic prevails under the necessity for adoption of new managerial practices from private sector in the public sector.

Lower Level of Autonomy and Communication Gap

The employees are given lower level of autonomy and are appreciated for the self reliance to learn new things. Also there is a wide communication gap between the management and employees (Khilji, 2003). Usually the HR Policies are made in seclusion; feedback from employees during policy formulation and action phase is not taken to measure the effectiveness of decisions and problem solutions. Most of the time the employees are unaware of the decisions made in the HR and Personnel Departments as the communication between the two is deliberately kept minimal (Khilji, 2003).

Wage Differentials

Another important factor in the poor performance of the Government employees is the markedly difference in the recruitment and promotion process as compared to private sector. The process

of wage determination across the two sectors is also distinct and gives rise to the large pay differentials between comparable jobs in both sectors. The profit motives of private sector result in the wage incentives subjected to worker productivity and performance. However these motives are generally absent from public sector and pay and promotional awards are based on some other criteria as mentioned above.

Employee Attitudes

Employee attitudes are considered to be one of the important factors in the organizational and employee performance. There is a lower level of trust among Pakistani employees as employees distrust the management promises because of their readily implementation (Jamal, 1998; Khilji, 2003). Close networking with immediate supervisors and management helps in getting jobs, promotions, good placements and generous rewards (Khilji, 2003). Also due to large power distance i.e. limited top down and bottom up communication, people in authority "Big sharks", are protected and masked. The prevalent trends of manipulation, leg pulling, back biting and unethical means of promotion and privileges, result in attitude of helplessness in the genuine employees. As a result of which the high performers in Public sector who enter with great zeal and zest after a shorter period of time get de-motivated, consider themselves to be misfit for Public Sector, become the victim of office politics and reduce the performance due to peer pressure.

On the basis of above mentioned factors we have identified four major factors: integrative leadership, communication, supervisor support and opportunity to apply which we consider important for enhancing the performance of public sector organizations in Pakistan.

Employee Performance

Performance is a multidimensional variable intended to attain results and has a strong relation to strategic goals of an organization (Mwita, 2000). Organizational performance depends partially on employees' behaviors and these behaviors can become a source of sustainable competitive advantage (Huselid, 1995). Guest (1997) define "three major essentials of high-performance: 1) leadership functions for increased work quality, human capital, socialization, training and personnel growth, 2) functions directed to the commitment and motivation of workers such as functions in respect, work safety, and 3) functions emphasizing internal career markets and performance-based rewards." Pfeffer (1994; 1998) "defines a more detailed list of best practices in his model of high performance.

1. Selective recruitment,

2. Caretaking of safe working relations,

3. Autonomous teams and team work,

4. performance-based rewarding and rewarding excellence (paying at above market rates),

5. extensive (inside) training system,

6. The deduction of status differences (increasing loyalty and commitment),

7. Information openness"

Employee performance is considered really important for the success of the organizations specially the PSE's in Pakistan (Abbas and Yaqoob, 2009). Employee performance does not mean the individual effort of one or two employees but it is the combined effort of all the employees which results in success for the organizations (Abbas and Yaqoob, 2009). Performance is the most important multidimensional construct intended to accomplish results

and having a strong relationship with the strategic goals of an organization (Mwita, 2000). Since it has been observed that the performance of the employees in the public sector organizations of Pakistan is not up to the desired standard, this brings us to the question that how can we enhance the performance of the employee in an efficient and effective manner to increase the profitability and growth of the organizations. Research has shown that leadership has a direct as well as indirect relationship with performance (Gadot, 2007). In our study we are focusing on four variables (integrative leadership, communication, supervisor support and opportunity to apply) that can improve employees' performance in public sector organization particularly NHA.

Insert Figure 1 Here

Integrative leadership

Leadership has been an important field in management and business literature over the years. As a result of rapid changes in business, technology, political and social factors growth of effective leadership skills and leadership development programs have become an increasing priority for business and government organizations (Cacioppe, 2000). According to Chemers (1997) "Leadership is a process of social influence in which one person is able to enlist the aid and support of others in an accomplishment of a task". They argued that Intrapersonal factors (thoughts and emotions) interact with interpersonal factors (attraction, communication and influence) to have effects on dynamic external environment. Perra and Murdoch (2001) found that Integrated Leadership Practice Model can be practiced by executives to promote employee satisfaction and thus can increase employee performance.

Van Wart (2003) stated that to understand leadership in public sector organization scholars should expand and analyze complete leadership model that combine transactional and transformational basics and that explain various contextual factors inherent in the public sector. In addition, they asserted that the result of a meticulous leadership style on performance is moderated by the personal characteristics and skills of a leader.

Yukl's (2002) integrative leadership structure integrates leadership skills, traits, behaviors and styles, and situational variables in a model to elucidate the efficiency of a leader. From the leadership and public administration literatures (Fernandez, Cho, & Perry, 2010) enlarged the idea of integrated leadership. They found that there are five leadership functions vital for the accomplishment of leaders in the public sector. These roles are task-oriented leadership; relations-oriented leadership; change-oriented leadership; diversity-oriented leadership; and integrity-oriented leadership.

"Task-oriented leadership entails the types of leadership behavior that articulate a concern for achievement of the goals of the team and that are meant at defining and organizing the group's activities. Task-oriented behaviors comprise setting and communicating goals and performance standards; planning, directing and organizing the actions of assistants; developing clear channels of communication; supervising observance with procedures and goal achievement; and providing feedback" (Chemers, M.M., 1997). By defining goals, assigning human resource, and enforcing sanctions task- oriented leaders are influential in contributing to their groups' effectiveness (Bass, 1990).

Relation orientated leadership involves sustaining private associations, opening channels of communication, and delegating to empower subordinates, involves support, friendship, and mutual trust (Bass, 1990). Relations-oriented behavior encourages supportive work environment that contributes to higher levels of employee high level of performance through satisfaction and motivation (Chemers, M.M., 1997).

Change-oriented leadership, symbolize leadership behavior that "is mainly related to polishing strategic decisions; acclimatizing to change in the environment; increasing flexibility and innovation; making dramatic changes in processes, products, or services; and dedicating to the changes" (Yukl, 2002). Change-oriented leader can make their organizations more adaptive and responsive to the external environment and by doing this they can increase organizational performance (Ekvall & Arvonen, 1991). Change-oriented leader can engage employees to search for creative solutions to problems facing the organization (An integrative theory of leadership, 1997).

A diversity oriented leader can produce performance benefits by increasing the quality of decisions. McLeod, Lobel, and Cox (1996) found, that the ideas formed by ethnically diverse groups were assessed to be of greater quality than the ideas produced by homogeneous groups. Integrative leaders who are thoughtful to diversity also develop basis for growing potential for the organization by human resource characterized by the skills, experience and knowledge of myriad stakeholders (An integrative theory of leadership, 1997).

The integrity-oriented leadership involves legitimacy, fairness, and impartial treatment of employees and service beneficiaries (Rainey, 2003). Research offers abstract support for the positive effect of integrity on performance. Fairness within organizations is a factor enhancing employee motivation (Chemers, M.M., 1997). A meta-analysis identifies that honest practices prevailing in organizations conclude the quality of individuals' life within organizations as well as organizational performance (Colquitt, Conlon, Wesson, Porter, & Ng, 2001). Abbas & Yaqoob (2009) conducted a study to examine the influence of leadership development on employee job performance in Pakistan and the results of the study reported that five leadership development factors e.g. empowerment, participation, delegation, coaching, training and development has a significant positive relationship with employee performance and collectively explain 50% variance in employee performance.

Communication

Employee communication is defined as "the communication dealings between individuals and/or groups at various ranks and in different fields that are proposed to design and redesign organizations, to execute designs and to synchronize day-to day activities"(Frank & Brownell, 1989). Hall (2002) suggests that effective communication ideally comprises of "precise information with the suitable emotional connotation to all members who need the communication substance. This presumes neither too much nor too little information in structure and that it is clear from the outset who can utilize what is available".

Effective communication results in a number of positive results for example increased productivity, reduced absenteeism, and greater commitment to organizational goals, thus increasing employee and organizational performance (Clampitt and Downs, 1993; Pincus, 1986).

Communication if properly managed can help in empowered workforce and thus improving employee morale and improved working (Brooks, Callicoat & Siegerdt, 1979). The efficiency of communication classification is often neglected in the organizations. Greenbaum and White (1976) noted that "communication issues always arise in complex organizations. The challenge for administration is to minimize the level of dysfunctional operation". Conversely, recognizing the causes of poor communication is a multifaceted task. As Buchanan & Huczynski (2004) stated that the variables affecting communication are enlarged and often depend on multiple variables; "organizations methodically reduce communication through hierarchical arrangement, power and status differences, the design and gendered differentiation of jobs, the nature of employment contracts, physical layouts, and rules".

Supervisor Support

Supervisors can play an important role in providing information and feedback to employees and structuring the work environment in the organization (Griffin, Patterson, & West, 2001). Supervisors are seen as representative of wider organizational processes because they provide information about the support of the broader organization for change and their behaviors (Griffin, Patterson, & West, 2001). Supervisors act as supporter for employees, assembling and distributing the resources needed by the employees for them to be able to do a good job and providing positive encouragement for a job well done (Chandrasekar, 2011).

As a result, supervisors have an effect on the affective reactions of employees (Durham, 1997). Research shows that when supervisors are supportive of employees, this treatment leads to favorable outcomes for the employee and the organization such as reduced work stress, increased

job satisfaction and enhanced performance (Babin & Boles, 2002; Rhoades & Eisenberger, 2002). By having supervisor support, employees are less likely to leave an organization and be more engaged in work performance by having good relationship and open communication with the supervisor (Greenhaus, 1987). Patricia & Michael (2007) reported that employees need trustful bosses who know them, appreciate them and treat them reasonably and this has an impact on performance and abusive supervisors create conflicts in worker's attitude for job and thus decrease the performance of employees. Employees who feel that their supervisors are supportive will take part in organization's goals, express creative workplace behaviors such as enhanced job involvement, reduced absenteeism and have less turnover rates (Shoaib, Noor, & Tirmizi, 2009). In a study (Debra, 2007) found that Nurses with superior levels of professed supervisor support experienced more encouraging job outcomes and less negative outcomes, including less occupational stress, than nurses with less perceived supervisor support.

Opportunity to Apply

Another important factor in this regard is the opportunities available to an employee. It is related to the situational constraints which may limit an employee to utilize its KSA pool. As mentioned by Chandrasekhar (2011), the employees' performance will increase if the organizational workings and procedures don't hamper employees from applying their skills and from application of newly learned skills. The workload of individuals and organizational systems are not hindrance. As mentioned by Peters, O' Conner and Rudolf (1980)situational constraints like lack of job related information, in adequate equipment, insufficient support from peers and subordinates even and lack of authority contribute towards the poor employee performance. Other factors which also contribute towards lower level of opportunity to apply include the lower

budgetary support, poor work environment i.e. too noisy, too cold or too hot and time constraint i.e. availability of time needed to do a required task is constrained by the interruptions, unnecessary meetings and non job related distractions etc.

RESEARCH METHODOLOGY

The aim of current research is to explore the factors which affect the performance of employees in public sector organizations. More specifically, this study investigates the factors which are affecting the performance of employees working in National Highway Authority (NHA) which is a very well known public sector organization in Pakistan. The National Highway Authority (NHA) established, in 1991, through an Act of the Parliament, was organized for the planning, development, operation, repair and maintenance of National Highways and Strategic Roads (National Highway Authority, 2011). Total distance end to end of the federalized roads under NHA is 8780 KMs, account for 3% of the entire road network and 75% of the commercial road traffic in the country (National Highway Authority, 2011). NHA is mainly responsible for the Highway Assets of Pakistan's road network. It works as the integral element for Pakistan transportation system and plays a major role in the micro and macro development of Pakistan's transportation system; augment the national assimilation by increasing the social and economic dependence between the Provinces (National Highway Authority, 2011).

Head office of NHA is in Islamabad with eight Wings/Sections mentioned. *(See Appendix 2).* Previously objective data was being preferred for evaluation of the performance. However it has been observed that due to the personal insecurities and face saving issues objective data is not always available as compared to subjective data. When objective data is not available it has been

observed that subjective measures have been used (Allen and Helms 2002; Delaney al of and Huselid 1996; Dess and Robinson 1984). Though there are always some doubts regarding self reported and perceptual measures of performance but there is high level of correlation between perceptual and organizational level performance. Dess and Robinson (1984) have confirmed this relationship.

To carry out this study, we utilized the case study method to explore the factors which are affecting the performance of employees working in the NHA. Case study has been described as one of the empirical inquiry technique that explores a current phenomenon within its real-life situation (Yin, 1984). Case study method is generally used for the investigation of a study. The reason for using this method of data collection is to depict an adjacent picture of the actual work circumstances. Case study research has been conducted in the natural working environment of the organization where data may be collected by several methods by examining one or few elements e.g. the person, group or the organization (Christenson, 1976). According to Yin (1984) case study research might utilize multiple data collection methods such as observation, interviews, archival data and documentations.

This is a cross-sectional study in which we collected data in a time span of two months from the employees of the Head quarters of NHA. We conducted semi-structured face to face interviews during this period with the entry, middle and top level management of the NHA and collected information regarding employee's perceptions and opinions regarding their job description, pay policies, career growth opportunities and how these factors affect their job performance. For the purpose of maintaining heterogeneity in the sample, we utilized the random sampling method.

We divided the employees into three levels: entry, middle and top and 50% of the sample were selected from entry level, 30% from middle level and 20% from top level. The duration of the interviews was generally 40 minutes to an hour. After conducting the interviews, data collected through interviews were transcribed and data triangulation technique was applied to ensure the data validity. We also collected data from the secondary sources such as news papers, books and research papers. In addition, we also collected data from the NHA website and its internal (Non confidential) official documents.

RESULTS AND DISCUSSION

The office of NHA depicts the scenario of a typical government sector characterized by bureaucracy, closed room offices with name plates on every office, Peons and "Naib Qasids" as the support staff and less access to higher authorities. The interviews revealed several insights which are as under.

The hiring of the employees is done in different cadre. Firstly, the entry level employees (BPS17) are usually hired from competitive environment through proper procedure. Then the employees on Deputation (BPS18, 19) come from the background of CSS (Civil Service Servant) or are transferred employees from other organizations. These employees bring with them the qualities and elements of bureaucracy. Another category of employees is the contractual employees who are hired for specific projects. Then the Consultants are hired for the NHA regarding mega projects like Motorways etc. They usually come from the political pressures and also exert pressures on the decision making processes of the NHA regarding contracts and projects. Lastly the "Daily Wages" employees who are mainly hired as support staff and are non

managerial in nature. However for the discussion ease we have divided the employees into three levels i.e. top, middle (both as senior employees) and lower level employees.

Since the main purpose of our study was to find out factors which affected the performance of employees in NHA, during our conversations with the employees we asked them that whether they get the job descriptions and how much these job descriptions are helpful in performing their jobs. Majority of the employees from the top, middle and lower level said that they have clear job descriptions which provide them a clear direction in performing their jobs. These findings are also in line with the study of Hayat, Khalid & Malik (2010) who reported that majority of the employees in NHA are of the view that their job descriptions are understandable and provide clear direction in performing their jobs. However, the results of the interviews revealed that no training is given to employees for the purpose of improving their performance. In addition majority of the senior management employees are of this view that NHA has a clear path for career advancement. However we still observe that the performance of the NHA employees is not up to the standard. We believe that this lack of performance is due to lack of integrated leadership, supervisor support, communication and opportunity to apply.

The middle level employees which are mostly comprised of engineers are hired on the basis of their experience and educational background. They are considered to be fully furnished assets and as such no proper formal trainings regarding up gradation of skills is given to them. However if some out of country training program is being launched by the Ministry of Finance, selection for it is being done in a highly closed environment and "privileged" employees are

being sent (Hassam[1], S.A, Personal Communication, April 18, 2010). Also when the employee reaches back no cascading opportunities are given so that the knowledge creation can benefit either employee. Sometime the employee himself is unwilling to share the training details because of his personal insecurities.

Moreover, we also got to know that majority of the junior management and supervisory group were of the view that NHA has no clear career path, the processes used to get the promotion are very slow and generally promotions are seniority based along with social networking (which has an important part to be played) with no importance given to competence and efficiency where political influence and contacts are the most influential deciding factors. Moreover, the findings of interview revealed that there is a lot of corruption which is a major hurdle in the efficient and effective performance of employees. These findings are also in line with the result of the study conducted by Hayat, Khalid & Malik (2010).

The results of the interviews also revealed that there are departmental differences in the organization which is also a factor that influences the performance of the employees. In addition, employees themselves believe that their performance is good and employees are satisfied with the compensation and facilities such as medical, the attention and care employees receive (few of the employees reported that if employees are not feeling well, sometimes the doctors also visit the employees at home). There is no concept of leadership and supervisor support as majority of employees are engineers and they are not considered as good managers. Moreover, there are no rules and regulations, no implementation of timings. Moreover, performance is considered subjective; there are no parameters to measure performance.

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[1] *For the purpose of maintaining the anonymity, name of the respondents have been changed*

The political factors play an important role on the decision making. Though NHA mostly outsource its projects from the private contractors in the market, still from the Request of Proposal to the completion of project by the contractors, several political interests prevail and pressures are created on the decision makers. The Private contractors mostly have roots in the political parties as they are being owned by them either through shares or full ownership. At each and every step the decision is being controlled by the members of secretariat, Ministry of Finance and other parties, which makes the procedure lengthy and of greater of a political decision rather on merit. Majority of the respondents in NHA reported that there is no appropriate reward and punishment system operational in NHA. These respondents were of this view that for a public sector organization which is restricted by government policies and laws, it is impossible to have reward and punishment system based on justice. Because wrongdoers always find some loopholes in the government laws and the implementation of these laws and tend to get away from the punishment. These findings are also consistent with the result of the study conducted by Hayat, Khalid & Malik (2010).

Furthermore, the findings of the interviews revealed that majority of the senior and junior management employees are not satisfied with their compensation packages as compared to corporate sector and demanded a raise in their salary. These respondents were of this view that increasing the compensation packages will increase performance, job satisfaction and organizational commitment of employees and will diminish corruption and will increase efficiency in the system. These findings are also in line with the result of the study conducted by Hayat, Khalid & Malik (2010).

According to the results of the study conducted by Hayat, Khalid & Malik (2010) on the job satisfaction level of NHA employees, compensation packages consisting of basic salary, ability to make decision, comfortable work environment, employees training program, career development plan, recreational activities, housing and health are considered as the most important determinants of job dissatisfaction. Around 94% of the senior employees reported that the best thing they liked about working for NHA is the work environment and the sense of accomplishment that they drive from their work (Hayat, Khalid & Malik, 2010). Moreover, this study also reported that compensation decisions are based on seniority, networking and political influence as compared to performance based compensations. In addition, employees of NHA were of this view that salary raise will increase transparency, decrease corruption and enhance the performance of the employees (Hayat, Khalid & Malik, 2010).

This was observed during the visits and interviews that the definition of "satisfaction" and "motivation" for the upper levels was different from lower level employees. A BPS 19 or BPS 20 grade officer having privileges of car, driver, fully furnished rooms, centrally air conditioned, no check on reporting time to office (as his/ her boss also comes late), project allowance, full medical allowance (incl. family of employee) etc. is well motivated and satisfied with the job (except packages).

In addition, the lower level employees believe them to be under privileged in terms of the pay scales as well as workplace facilities. The promotion is based upon the impression management upon the boss and giving a helping hand for the personal and official affairs, also they are more

dependent upon social ties with the peers of their level in digging the inside information regarding office matters and making themselves up to date with the intention of either transmission or exploitation of the information for their own benefit (Sarfraz, A., Personal Communication, April 10, 2010).

RECOMMENDATIONS AND CONCLUSION

Public Sector organizations though are considered to be the emblem of inefficient work environment, still being the owner of state owned enterprises, and they have an integral role to be played in the economy of any country. We recommend the following changes to NHA for increasing the performance of their employees. Training should be given to employees for the purpose of improving their performance. In addition, a clear career path should be communicated to employees for their career advancement. The processes used to get the promotion should be speed up and promotions should be performance based as compared to seniority. In addition, the impact of political influence and corruption should be minimized. The impact of leadership and supervisor support should be enhanced. Moreover, rules and regulations, policies and procedures should be properly implemented. There should be an appropriate reward and punishment system based on justice operational in NHA. Compensation packages should be comparable to corporate sector and salary should be increased to increase the job satisfaction in turn job performance of employees.

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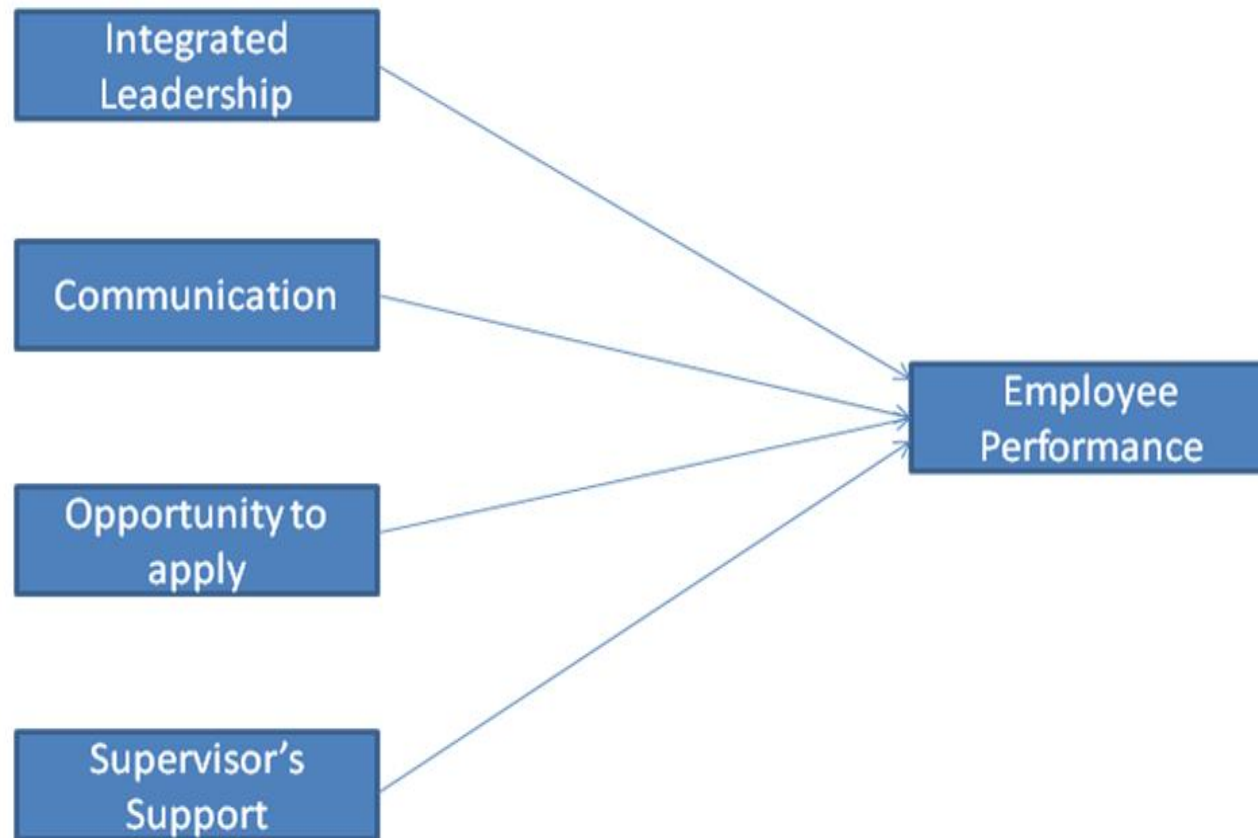
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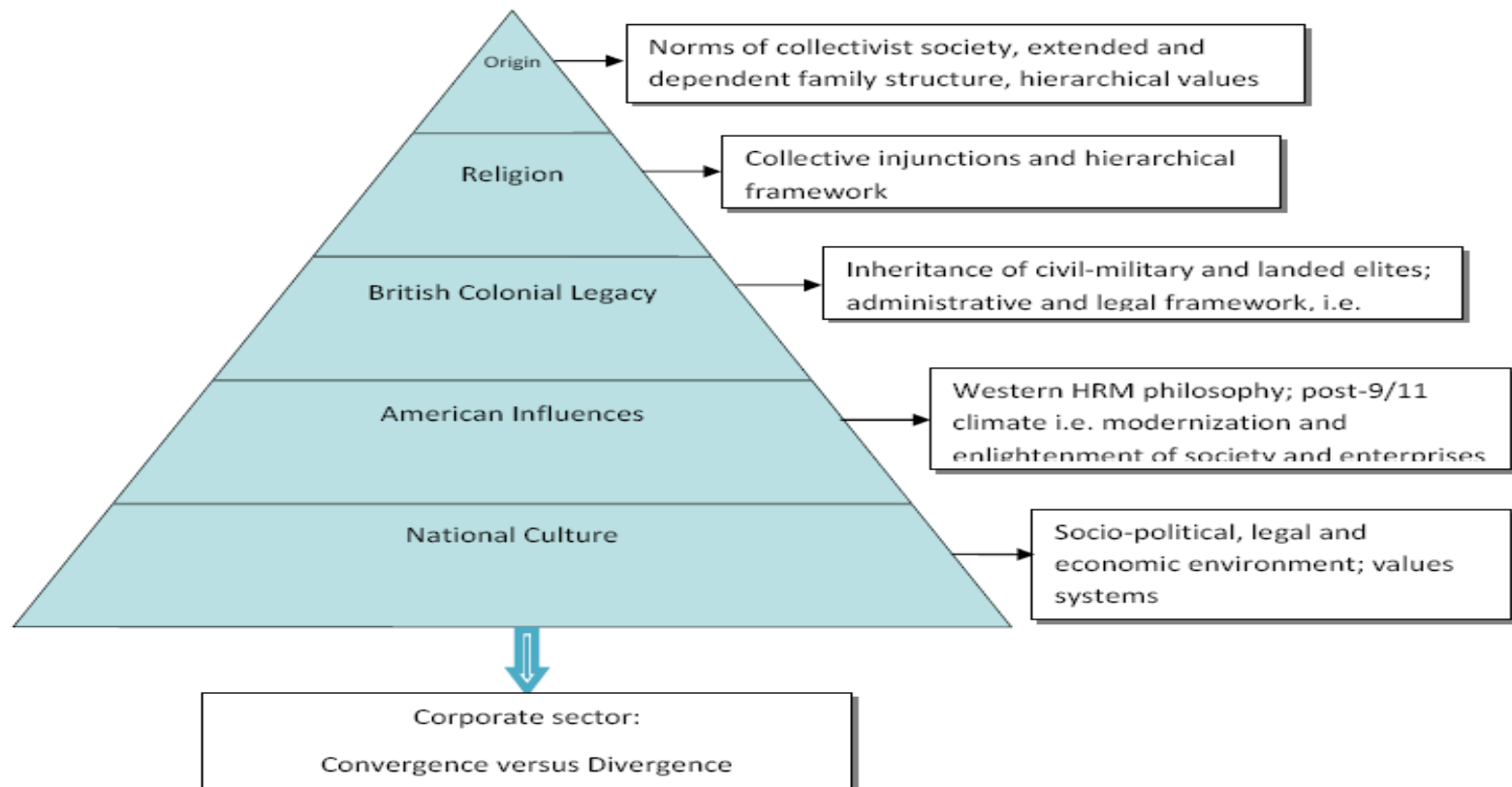Yin, R. K. (1984), Case Study Research: Design and Methods, California CA, Sage Publishing.

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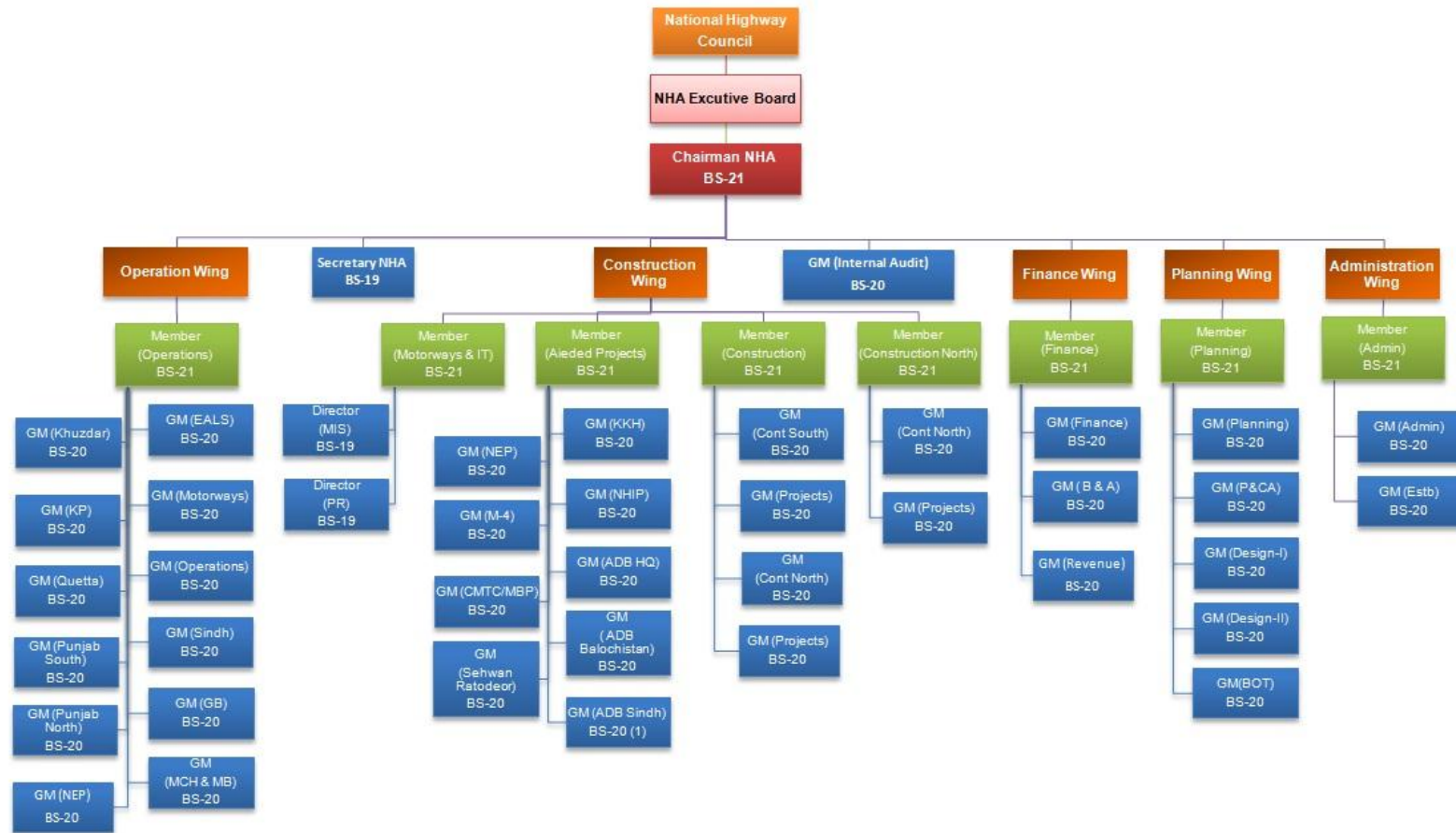
APPENDICES

Figure1 Conceptual Model

Appendix 1: Conceptual Model of Trickle down Factors Affecting National Culture and Function of HRM in a Country

Pyramid diagram with levels from top to bottom:

- Origin → Norms of collectivist society, extended and dependent family structure, hierarchical values
- Religion → Collective injunctions and hierarchical framework
- British Colonial Legacy → Inheritance of civil-military and landed elites; administrative and legal framework, i.e.
- American Influences → Western HRM philosophy; post-9/11 climate i.e. modernization and enlightenment of society and enterprises
- National Culture → Socio-political, legal and economic environment; values systems

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Corporate sector:
Convergence versus Divergence

Source: Jhitial, Cornelius and James (2010)

Appendix 2: Organogram of NHA

Source: NHA website (2011)