

High Performance Work System and Organizational Performance: Exploring the Mediating Role of Stress

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Abstract

The aim of this study was to investigate the new dimension of High-Performance Work Systems by exploring its impact on job stress, perceived organizational performance and perceived employee performance. Data was collected through Questionnaire from four public sector organizations. The results show that there is positive relationship between independent variables and mediating variable as well as independents and dependent variables. It has been found that High-Performance Work System Practices being used as HR Practices create Stress. This study examines the correlation between high-performance work system (HPWS) and individually perceived stress. Contrary to the past studies which evaluate HPWS emphatically, this investigation stresses the potential drawback of HPWS and proposed that some HPWS are more emphatically connected with upgraded anxiety than others. Data was collected on the basis of already established questionnaire and reliability of each part of instrument was calculated which was in acceptable range. Three Hundred questionnaires were distributed among employees with the approval of Competent Authority. 167 respondents was given response which is 59% and 133 respondents did not send back the questionnaire, the response rate was 56%. The data was investigated through software SPSS(20.0). Results indicate that there is a positive association between HPWS and individual perceived stress among employees.

Keywords: High-performance work practices; Job Rotation, Selection, training, performance appraisal, compensation, job involvement, internal career opportunity, employment security, job Stress

Introduction

High Performance Work systems are basically a collection of human resource practices covering the three broad areas, high employee

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involvement practices, second one is a human resource (HR) practices, and at the end the 3rd one is reward and commitment practices (Sung & Ashton, 2005). Actually high performance work practices intended to enhance the individual level outcomes such as organizational commitment, knowledge, skills, and abilities and, consequence, these practices increase the organizational performance (Jiang, Lepak, Hu, & Baer, 2012). Literature on strategic HR management provides a relationship between HPWS and individual and organizational level outcomes such as performance (Appelbaum, Kalleberg, Bailey, & Berg, 2000; Chaudhuri, 2009; Huselid, 1995).

In the opinion of Kroon, van de Voorde, and van Veldhoven, (2009) and Godard, (2004) HPWS has negative consequences also; one out of such consequences is its relationship with perceived stress. Stress can be defined as “a particular relationship between the person and the environment that is appraised by the person as taxing or exceeding his or her resources and endangering his or her well-being” (Lazarus & Folkman, 1984). Stress at individual level is an important factor for organizations in the applicability of HPWS

In spite of stress promoting potential of high performance work systems (HPWS), empirical assessments of association between HPWS and stress requires to be explored extensively. Partially, we still lack a sufficient understanding how HPWS are linked with perceived stress (Godard, 2004; Jensen et al., 2013). Stress related research is growing during the last recent years. Studies emphasize that individuals under stress have a lower level of health (Leino, 1989; Repetti, 1993; Tennant, 2001), encompass lower satisfaction level (Bennett, Lowe, Matthews, Dourali, & Tattersall, 2001; Pugliesi, 1999), and thus show a lower level of performance as compared to their coworkers than other workers (Kazmi, Amjad, & Khan, 2008). As pointed out by Topic, Baum, & Kabst, R. (2016) stress could be a mediating variable in the relationship between HPWS and firm performance.

As per 4th European Working Conditions Survey conducted by European Foundation (2007), 22% of European workers/employees experience stress at workplace which causes a cost of approximately 20 billion EUR for EU15 countries alone (Levi & Levi, 2000). World Health Organization (WHO) has called stress as greatest health risk of 21st century.

In literature positive impact of high performance work practices have been found on labor productivity (Datta et al. 2005), on the organizational effectiveness and performance (Liu et al. 2006), associated with lower level of turnover intention within workers (Arthur 1994) and profit per employee (Guest et al. 2003). HPWS bring the

harmony among workers and organize the work settings in such a way that it ensures benefits to the both employer and employees by enhancing the labor efficiency (Cappelli and Neumark 2001). Youndt et al. (1996) investigated the impact of HRM on organizational performance and found that HRM has a positive impact on performance in firms. Research conducted by Black and Lynch (2001) supports the argument that HRM practices have a significant impact on firm performance.

In the opinion of Boxall and Macky, (2014) there is no single universally accepted definition high performance work system due to significant differences in theoretical concepts, empirical and practical approaches. In literature high performance work system has been studied as high involvement practices, high commitment practices and best human resource practices. High performance work practices have been found in labor productivity (Datta et al. 2005), on the organizational effectiveness and performance (Liu et al. 2006), associated with lower level of turnover intention within workers (Arthur 1994) and profit per employee (Guest et al. 2003). HPWS bring the harmony among workers and organize the work settings in such a way that it ensures benefits to the both employer and employees by enhancing the labor efficiency (Cappelli and Neumark 2001). Youndt et al. (1996) investigated the impact of HRM on organizational performance and found that HRM has a positive impact on performance in firms. Research conducted by Black and Lynch (2001) supports the argument that HRM practices have a significant impact on firm performance. Wood (1999) used universal and contingency approach to investigate the relationship of HRM practices and organizational performance and identified that HR practices enhance the firm's performance. Huselid (1995) argued that HR practices are said to be High Performance Work systems if such practices boost up organizational performance.

Job Rotation:

Job rotations may be defined as lateral transfers of employees between different jobs or sometimes different departments in a firm. After rotation, workers do not occupy jobs forever however do not normally come back to previous positions. Researchers have advocated that frequent job rotations reduce boredom and fatigue (Walker, Guest, 1952). Job assignments are considered a key source of professional learning (Howard and Bray, 1988). Morrison and Hock 1986 argues that chronological job transfers are significant for professional development. Giffi et al (1990) states that lean practices are positively linked with high performance. WenHsien Ho (2009) proposes that Job rotation helps workers to obtain numerous skills and capabilities and broaden the vision.

Job rotation is often considered the source to boost the skills of employees and to decrease monotony in daily routine work. It can also be used as a means to alternate between high and low energetic loads of different jobs (Jonsson, 1988). Job rotation is sometimes used to get a person in organization which best fits to a specific job. It also increases efficiency of an employee and enhances job satisfaction among employees. The research work of Ortega (2001) showed that job rotation helped organizations to learn about the productivities of their employees and the profitability of different activities or jobs. Eguchi (2005) stated that employees refrain from performing influence activities due to job rotation. Employees involve in influence activities for their personal benefit.

According to Eriksson and Ortega (2006), job rotation is adopted for employee and employer learning, employer and motivation of employees. Job rotation gives a great exposure of a greater variety of experiences to employees and thus makes employees more knowledgeable and versatile. Hence, job rotation helps workers to acquire the vast competence of business, develop their abilities and to prepare them for top management positions.

Employer learning theory describes that employers have to take promotion decisions by observing their performance. Job rotation helps employers to know their workers by evaluating their performance. Job rotation helps employers to know about the strengths of their employees and so it helps to improve promotion decisions. Lastly, the employee motivation theory argues that job rotation increases motivation of workers and decreases boredom. It also plays role to enrich an employee's career. Skill variety can be defined as the extent to which an employment obliges various competencies of employees. The level to which individuals think personally liable for their tasks or toil is called autonomy. Feedback is the level to which employment supplies information about the degree of task completion.

Selection:

Selective staffing, job security, training, empowerment, rewards, teamwork and career opportunities that are significant for flight attendants are treated as the indicators of HPWPs. Kozaket al. (2003) discuss that effective training programs, empowerment practices and financial and nonfinancial rewards motivate flight attendants to manage passengers' requests and problems effectively. This is evident among successful airline firms.

Training:

According to Karatepe and Vatankhah (2014), presence of number of HPWPs such as training and re-training programs aimed at better use of

empowerment, rewarding and recognizing high performing flight attendants and providing them with the promotional opportunities in the organization as functions of HPWPs leads to increased perception of organizational support. This is in line with previous studies which found that these practices increase job related skills and employees' commitment (Macky and Boxall 2007). At the same time, the increase in job variety is positively associated with balance between the work and family domains (Berg et al. 2003).

Job Involvement:

A process of authorizing workers to take part in making decisions is termed as employee involvement. Lawler (1996) stated some conditions which prove the existence of employee involvement in an organization. First is that employees of a firm should have authority to perform and make decisions. They should also be provided with the required information and awareness to utilize their authority effectively. They should also be rewarded for doing so. If an organization is fulfilling these conditions then it means that there exists employee involvement in the organization.

Organizations are focusing on capitalizing human resources to become more competitive. One technique for maximizing human resources is employee involvement. Tsui et al (1997) stated that employee involvement characterizes an investment in workers. Employee involvement became popular since 1980's. It popularized with the raised fame of human resource management. The idea of employee involvement is used in terms of authorizing workers.

Employees use their potential creativeness. It helps organizations to achieve greater organizational efficiency because it motivates employees. Kerr and Slocum (1987) argue that if employees are provided with such environment where investment in employees is norm then employees will have less intention to turnover. Employees are less likely to turnover and more pivotal to high involvement organization because these organizations are more focused to workers by design. Instruction and powers for making decisions are transferred down to the organization hierarchy so employees in whole organizations and at all ranks accept more liability for its working and success. High involvement organizations utilize such HR practices that train and sustain a self-managing employees (Lawler, 1992).

According to Fenton-O'Creevy (2001), Employee involvement involves a wide range of practices. Employee involvement can be defined as a practice by which employees show their influence over the work. Employee involvement and participation may be direct, indirect or informal. Workers are individually engaged in a conventional practice in

direct employee involvement and participation. Team discussions, upward dilemma solving and recommendation schemes are example of direct employee involvement and participation. According to Kessler et al (2004), these forms of employee involvement and participation are most extensively practiced in Europe. Hall, Hutchinson, Purcell, Terry and Parker (2011) argued that in indirect employee involvement and participation only trade union officials or one worker represent their coworkers on an official committee which may be cooperative discussion or wellbeing and protection on European Works Councils, company boards or as component of partnership agreements.

Employee involvement practices are designed to infuse the awareness and understanding of such workers who are not a part of management into upper level decision making practices of organization (Benson, Young and Lawler, 2006). Participation of employees in decision making in organizations increases the diversity of views judged. Favorable outcomes are resulted from participation of employees. Previous research supports this argument (Harrison & Klein, 2007). Responsibility can be defined as autonomy to manage an employee's own work. In lean production, tasks are delegated to workers that are why they are considered more accountable. Just assigning responsibility to workers will not signify that employees will consider themselves accountable (Cummings & Anton, 1990).

Job characteristic theory employs a structural approach to rising felt responsibility. It states that independence is an objective employment plan feature that promotes amplified sensations of liability for task performance.

Internal Career Opportunity:

Empowerment, reward and promotion are among HPWPs which are commonly used by such organizations. According to Karatepe and Vatankhah (2015), career opportunity is the most important indicator of HPWPs among flight attendants. This maybe the result of the fact that flight attending job develops its' own specific skills and experiences which are rarely transferable to other occupations (Liang and Hsieh, 2005), therefore, flight attendants tend to remain in their current organization and are highly concerned about the possible promotion opportunities within the organization.

Employment Security:

Jick (1985) states that merging of organizations, downsizing and restructuring causes stress, anxiety and insecurity in employees about the nature and continued existence of job. The danger of employment loss is evaluated for near future. Job security increases job satisfaction of private sector worker. It also reduces employee's intention to turnover.

It is observed more during contractions when employment opportunities are less than during expansions when employment opportunities are relatively more. Employees may identify equal intensity of employment security during expansionary growth stages and in the start of contractionary growth stages because openings of job decrease before increase of job losses. Greenhaigh and Rosenblatt (1984) define employment insecurity as inability to continue a wished stability of an employment in threatened job circumstances. Clark (2001) proves that employment security is most significant and negative forecaster of turnover behavior. He proves it by using the British Household Panel Study.

Employment security motivates workers to take up a long-standing perspective (Pfeffer1998) and it also enables them to take initial steps. Findings of Arnold and Feldman (1982) showed that job security affects turnover behavior. It also proves that worker's intentions to turnover strongly relate to actual turnover behavior. Ashfordetal (1989) model also focuses on employee's intent to turnover and proves that employment security considerably decreases turnover intentions. Işık U. Zeytinoglu argues that job security and insecurity refers to worker's assessment of their current job conditions and worker's perception of current employment from both positive and negative perspectives. Employment security may refer to the objective aspects of continuous agreement like full time duty hours and also compensated and unpaid overtime.

Employment security may also refer to the subjective aspect of perceived employment security. Perceived employment security is positively related to intent to continue the job. Objective dimension of employment security may refer to job forms of continuous agreement, full time duty hours and also compensated and unpaid overtime. The other aspect of employment security, the subjective dimension, directs to perceived employment insecurity conception. It contains the perception of employee that he is secure from firing and he feels workplace would remain a safe place as long as they wish to continue working here, worker feel confident about security of his current job, feel that he will not be likely fired and will likely continue employment in the job at least three months from now and do not feel worried about his future in workplace and he feel security of his job.

Job Stress:

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defined as “a particular relationship between the person and the environment that is appraised by the person as taxing or exceeding his or her resources and endangering his or her well-being” (Lazarus & Folkman, 1984). Stress at the individual level is an important factor for organizations in the applicability of HPWS.

Performance (Employee and organizational)

The High Performance Work System (HPWS) has evolved as a revolutionary paradigm of performance excellence. The basic rationale behind the success of the high performance work system is ‘the way people are managed and treated at work place has an impact on their performance level i.e. on their productivity and efficiency’ (Punia and Garg, 2013). Wood (1999) used universal and contingency approach to investigate the relationship of HRM practices and organizational performance and identified that HR practices enhance the firm’s performance. Huselid (1995) argued that HR practices are said to be High Performance Work systems if such practices boost up organizational performance.

Actually high-performance work practices intended to enhance the individual level outcomes such as organizational commitment, knowledge, skills, and abilities and, consequence these practices increase the organizational performance (Jiang, Lepak, Hu, & Baer, 2012). The literature on strategic HR management provides a relationship between HPWS and individual and organizational level outcomes such as performance (Appelbaum, Kalleberg, Bailey, & Berg, 2000; Chaudhuri, 2009; Huselid, 1995). In the opinion of Boxall and Macky, (2014) there is no single universally accepted definition high performance work system due to significant differences in theoretical concepts, empirical and practical approaches. In literature high performance work system has been studied as high involvement practices, high commitment practices and best human resource practices.

The earlier research on outcomes of HPWS has focused on managerial perspective and organizational related outcomes like organizational performance. But it has been found that HPWS affect employee related outcomes more than organizational related outcomes. Further, some studies have revealed that HPWS results in positive employee attitudes like job satisfaction organizational commitment and organizational citizenship behaviour (Dizgah et al., 2011), but there are studies that revealed negative outcomes such as burnout (Kroon et al., 2009), anxiety emotional exhaustion and intention to leave. Wood and Menezeand Jensen et al. (2012) revealed that the negative outcomes like anxiety and overload get reduced by adequately empowering employee’s job control. HR practices give competitive edge to firms over their competitors

because of their uniqueness, causal uncertainty and difficult to imitate (Barney, 1991).

Review of Literature

The organization should direct its human resources in optimal manner. It should pay attention to the staffing, training and development, continuation and inspiration to amplify the effectiveness or productivity of its current work force. Job rotation is a good means for training the human resources (De Cenzo and Robbins, 1996). Job rotation is beneficial for organizations in many ways. It decreases dullness and as a result increases morale and motivation of employees for work. Job rotation supports the principle of getting knowledge through practical experience. By working in more than one department and learning by doing results in acquisition of information and expertise related to various practical fields of the organization. It increases competency of employees.

Job rotation makes workers handier and employers learn more about their subordinates strengths and weaknesses through job rotation. The employee learning theory of job rotation states that rotated employees accumulate more human capital in comparison to employees who are not rotated. The process of enabling workers to take part in management decision making is called employee involvement. Employee participation, decision making and consultation are different forms of employee involvement. In employee involvement, every worker is involved and encouraged in facilitating the organization to achieve its objectives. Employees are not considered just a cog in machine but input of every worker is appreciated by the organization. Workers and management identify that every worker takes part in operations of business. Lawler describes four attributes of involvement. First is the authority to take and implement decisions. Second is the knowledge about results and objectives of business. Third is the bonuses coupled to performance. Fourth is the related information of the job gained from training and development. All these features are crucial to attain high involvement. Evered and Selman (1989) states that participatory climate apparently allows employees meaningfulness. Employees are more pivotal to their organization if it is focusing on employee involvement practices.

“Social exchange theory is a communal, psychological and sociological viewpoint that clarifies social alteration and constancy as a procedure of settled exchanges among parties. Social exchange theory hypothesizes that relationships of humans are shaped by applying a subjective cost benefit analysis and the evaluation of analysis. A sociologist George Homans introduced the social exchange theory in 1958”. Models of

social exchange propose that benefits and costs make decisions that either the two parties will build relationships with each other or not. Costs have harmful worth to an individual in a relationship. Wastage of time, money and effort may be costs. Rewards or benefits have positive worth in a relationship. Sense of approval, support and friendship are different forms of rewards. The social-exchange point of view describes that people analyze the general value of a specific relationship by deducting its overheads from the benefits provided by it. While dealing with the social exchange theory as a whole, social exchange results in satisfaction and reliance of relationships.

Job characteristics theory states that when workers think more liable for their work, they feel higher intrinsic motivation for work and ultimately the more concern with the quality of their work. Organizations in many industrialized countries have employed in extensive firing and economizing as well as in a more elastic use of labour (shorter tenure, temporary and part time work and subcontracting) in order to decrease costs, adjust to modest times and to become more profitable. All this has aroused the feeling of job insecurity in employees which has negative organizational outcomes. Now days, organization are trying to provide job security to their employees.

The industrial scenario has undergone a radical change over past few decades due to globalization, changing customer requirements and growing technology. Organizations can decrease costs, make positive changes in products and processes through innovation, upgrade quality, production and speed of products to the market. This will improve the performance of organizations and ultimately helps to compete in market. To overcome employee turnover is a big challenge which organizations are facing nowadays. Organizations can achieve competitive advantage over competitors through their human resources. Employment security can be defined as threat of loss of job perceived by employee in the near future. Job security is an employee's hope about stability in a job place. Loss of attractive job characteristics such as shortage of opportunities of promotion, present working circumstances, and long term job opportunities play an important role in arising the feeling of job security or insecurity in employees. When job security is provided to employees then they feel that they are valuable for the organization and it motivates them to work hard for the organization and the ultimate result is increase in organization performance. It also has negative effect on employee turnover.

Employment security generates an environment of trust among workers and strengthens their loyalty to the company. Job security involves a definite level of reciprocity: firstly, a company should signify a

comprehensible announcement that jobs are safe then workers assuming that it is fact feel trust and use extensive endeavor for the benefit of the company. Greenhalgh (1985) describes that job security has positive association with organizational commitment. Arnold and Feldman (1982) states that job security has negative association with intention to leave the job. Job security beliefs are often the product of extensive prior events and influences like mergers, layoffs and reorganizations etc. Job insecurity in organizations causes stress in employees and they want to get rid of this stress. Sometimes employees exhibit quit behavior to avoid this stress. In this ways an employee eludes the anxiety induced by employment insecurity by evacuating the circumstances. Based on the research work of Jacobson (1991), it can be argued that workers may start to think about leaving an organization as job insecurity rises.

De Cuyper and De White (2005) describes that job insecurity can be expressed as an aggressor which is often linked with powerlessness. In today's competitive scenario, an incredible stress is placed on organizations to increase performance of organizations and improve their competency in the constantly varying world of work (Ndlovu&Parumasur, 2005). The characteristics of altering world of work are lifetime education, risk captivating, swiftness and revolution, complexity and measuring productivity (Wentzel&Geldenhuis, 2005). Psychological Empowerment is a vital concept to think when handling alterations at work and upgrading performance. Psychological empowerment enhances employees' intellect of personal management and encourages them to employ in work, which in turn consequences in positive administrative and organizational outcome (Quinn & Spreitzer, 1997). Pervasive concern to psychological empowerment appeared at a point when disordered alteration and worldwide competition need worker initiative and novelty. If a company wants to get competitive edge over its competitors then it should have the skill to innovate, produce and employ the entrepreneurial potentials of its workers. These potentials will be grasped only if supervisor consider themselves psychologically empowered. Conger and Kanungo (1988) clearly identified a precursor role for different practices of organization in their description of psychological Empowerment as "a practice of increasing sense of self-efficacy amongst members of organization through the recognition of situations that promote powerlessness and by their elimination by both formal techniques and informal organizational practices furnishing efficacy information".

Meaning is actually the value that a person gives to his work task. Competence also termed as self-efficacy is the level to which a person thinks that they possess the capability to successfully play their

character. Impact can be stated as the degree to which a person recognizes that they have influence in their instant work atmosphere. Autonomy is actually the skill for self-direction. In this vision, Empowerment engages more than handing over of power but it entails perception of workers about their competence, autonomy, meaning, and impact. Workers who are encouraged to become empowered psychologically are more self-assured in their skills and capabilities. They can also manage their work in a better way. They consider that the requirements of their job are compatible with their morals and viewpoints and they also think that they influence organizational outcomes.

Laschinger, Finegan, Shamian and Wilk (2004) describes psychological empowerment as an instrument to persuade employees to consider for themselves regarding the necessities of their employment, build up meaning for given tasks and boost their proficiency levels. Spreitzer (1995) states that Psychological Empowerment is present when workers identify that they have some charge over their job lives. Psychological empowerment cannot be defined as a rigid personality trait. The cognitions of psychological empowerment are figured by the employment environment. He describes psychological empowerment as an inspirational construct marked in four cognitions which are meaning (importance), competence (proficiency), self-determination (Autonomy) and impact (Influence). Collectively these four cognitions depict an active orientation relatively than a passive direction to a job role. Active orientation means a direction in which a worker desires and considers able to figure his job role or circumstance. These four cognitions combine additively to generate a whole construct of psychological empowerment. Moreover, the deficiencies of any particular cognition will deflate, although not wholly remove, the general level of felt psychological empowerment. Hence the four cognitions indicate 'an almost complete or adequate set of dimensions' for recognizing psychological empowerment (Thomas and Velthouse, 1990).

Chisholm and Vansina (1993) describe that participation is a key element of empowerment. Wilkinson (1988) argues that power includes the concept of power sharing with subordinates. In short, the hub notion of empowerment engrosses upgraded individual inspiration at job through the entrustment of power to the most inferior rank in an institute where a proficient decision can be taken (Thomas & Velthouse, 1990). Thomas and Velthouse (1990) states that psychological empowerment performs an essential role in attitude and performance of workers. It is supposed that if the kind of task workers perform intrinsically owns certain

inherently motivating features, remarkably expertise diversity, task identity, task importance, independence, and response, workers inclined to experience three significant psychological conditions: meaningfulness, responsibility, and awareness of results (Hackman and Oldham 1976). According to Matt Vidal, enlarged employee involvement in industries is basics of lean production. Enhancing the duties and proficiencies of front-line employees has been marked under empowerment. Psychological Empowerment can also be defined as an insight that employees can help decide their own job roles, complete meaningful job, and impact key decisions. Empowerment has been analyzed from diverse viewpoints, including perceptions of workers, leadership conduct and management agendas.

A set of practices that emphasize on employment flexibility and workforce communication and paying attention on evading conventional obstacles that hinder novelty and constant development can be termed as human resource management (Shah and Ward, 2003). The goal of this new system is to motivate workers to boost their proficiency and knowledge and to assist to develop the manufacturing system. For this purpose, employees are trained in different tasks or skills. If an employee is absent from duty then cross trained worker can fill his position temporarily and he can perform his duties. Cross trained workers can also be transferred to other teams where their need arise to balance the line or stabilize the flow of work. These practices constitute a subsystem denoted as “respect for humanity” (Womack, Jones, and Roos 1990).

Slack et al (2007) describes lean philosophy in manufacturing and management level both. On the manufacturing level lean philosophy means performing the simple tasks in a good manner and steadily improving them and trying hard to eliminate ravage at each stage of value chain. When we apply this philosophy to managerial level then it means a set of procedures and skills termed as lean production bundles that both execute and hold the lean approach. Employees are an asset of an organization. They are vital for firm success. Investment in human capital increases firm performance and productivity. If a firm is extensively using high involvement work practices then it means that firm is investing in its human capital (Macduffie, 1995). Cummings & Anton (1990) argued that if a person looks back over his past behavior or foresee his future behavior then he can develop feelings of responsibility. Cummings and Anton (1990) portray these two viewpoints as ‘retrospective’ versus ‘prospective’ reflectivity. Culbert (1974) enlightens the dissimilarity between ‘after-the- fact accountability’ and ‘before-the-fact realization’.

Graham (1986) states that before-the-fact realization can be stated as

supposed liability and after-the-fact accountability can be illustrated as 'consigned responsibility.' The focal point of research work on after the fact responsibility is attribution process. It explains that employees hold responsible for their acts to themselves, others or their institute (e.g., Milgrim, 1974). When employees presume accountability, they are feeling themselves responsible for the liability assigned to them (Culbert, 1974). When employees presuppose liability, they think themselves liable for both existing and upcoming acts.

Therefore, supposed responsibility is considered planned and it does not only involve cooperation on the current job but also include proactive involvement of an employee in future achievement (Seiling, 2001). Job characteristic model (Hackman and Oldham,1975) denote that if an organization want to make jobs intrinsically motivating then it would have to give autonomy to their employees in jobs because it is the main factor for making jobs intrinsically motivating. Overall, the concept gives stress on the perception of individual about the security in the employment rather than real job security which can be practiced through a formal service agreement. Normally service agreement states the stability in service with no closing stage. Valuable employees are most valuable assets of an organization so retention of such employees is very crucial for employers and organizations (Chasserio and Legault2009). Companies who want to adopt lean practices, they should modify their traditional models of mass production into innovative forms and practices for organizing their job systems regularly termed as HPWS (Shih, Chiang, and Hsu 2006).

HPWS include a lot of practices such as job rotation, involvement and incentives, team work, training etc. Review of previous literature reveals that human resource systems have positive effects on organizational performance. Social exchange theory has been applied to support this argument in the previous literature. Piening, Baluch, and Salge (2013) stated that organizations apply a wide range of human resource practices. Implementation of these practices arouses feelings in individual that they are supported by the organization and also their organization has trust on them. In return, these employees become committed to their organization. They also accept complications which manifests that they are contented with their employment. Workers contented with their jobs often exhibit positive emotions and also work hard diligently. They are usually termed as the customers. It results in improvements in performance of firm. De Janasz et al., (2002) describes that there is high global competition and technological innovation and change in the external environment in which organizations are operating. Such setting has provoked a need for such employees who have the abilities of taking

initiative, embracing the risk, encouraging the innovation and coping with lofty ambiguity (Spreitzer, 1995).

No consensus has been reached concerning the definition of psychological empowerment despite the fact that it has been at the center of academic literature. The word of empowerment may be comparatively new but the conception of awarding job related decision making power to workers is not new in the management literature. Wide spread concern in psychological empowerment developed due to global competition. Global competition and change created the need of such employees which could take initiative and could bring innovation. Only the psychologically empowered employees can take initiative and can bring innovation (Drucker, 1988). Decision making power is granted to employees as a means of increasing performance.

Few keywords resembling to the terminology psychological empowerment have existed in literature. Following are described these key words. Burke (1986) did work on authority delegation. Hackman and Oldham (1980) studied motivation and job enrichment. Gist and Mitchell (1992) contributed their work for self-efficacy while Pierce *et al* (1991) for employee ownership. Autonomy and participative management was studied by Block (1987) and self-determination was studied by Deci *et al.* (1989). Mills (1983) contributed to self-management. Manz (1986) studied self-control and self-influence while Lawler and Mohrman (1989) studied high involvement. Manz and Sims (1991) contributed his work for self-leadership.

There has not been extensive research work on worker empowerment, its background and conclusions despite the fact that the journalists periodically describe the achievement and failure of empowerment programs. Thorlakson and Murray (1996) investigated the influence of empowerment endeavors. Most of the empowerment studies have discussed two approaches. First is the relational or structural approach. It defines empowerment as delegation of authority to all ranks of workers down the organization hierarchy within the organization. According to structural approach, empowerment combines management practices that grant employees supremacy, charge to give directions and influence (Conger and Kanungo 1988).

Second is the psychological empowerment approach. It focuses on experiences of employees. This approach states that empowerment only exists if employees of an organization have the perception of being empowered. Tymon (1988) classified academic literature on psychological empowerment into three broad categories e.g. the structural approach, the motivational approach, and the leadership approach. Mintzberg (1983) stated that power is the capability to

influence organizational outcomes. Delegating the decision making power far along the organizational ladder and awarding employees the capability to considerably affect outcomes of organizations will result in empowering employees. Kanter (1977) stated that decentralization leads to empowerment. In decentralization, there is more employee participation due to flattening of hierarchy. London (1993) has the viewpoint that if a worker has the power to perform his work after that there exists empowerment in the organization.

Conger and Kanungo (1988) described empowerment in such words “it is a procedure of developing sensations of self-efficacy amongst different members of organization through identifying the states that increase subjection and by the elimination of such conditions by formal organizational techniques as well as informal practices of furnishing efficacy knowledge. Thomas and velthouse considered power as vigor and to empower as to energize and so played their role to make this approach more broad.

These authors linked empowerment with alterations in cognitive variables which discover inspiration in employees. The model of Spreitzer (1995) was founded on Thomas and Velthouse approach. This model describes empowerment as raised intrinsic motivation evidenced in four dimensions which are meaning, competence, self-determination and impact. Meaning is actually the worth of work objective or purpose for an employee. Self-efficacy may be termed as competence. Autonomy or independence in launching and continuance of job behaviors is called self-determination. Influence or effect on work outcomes is termed as impact. In the leadership approach, leaders energize their followers and hence empower them to act. They empower them by providing a stimulating vision for the future. Hence leadership approach emphasizes on the energizing feature of the empowerment. Leaders motivate employees to take part in the course of renovating the firm (Yukl, 1989). Burke (1986) stated that leaders do not just show any direction to their followers but they provide them with clarity of direction and in this way they empower their followers. Leaders will give them such direction which has a great purpose, a valuable cause, a good idea. It will need an intensive and collective endeavor.

Empowerment can be described as a set of cognitions which are generally formed by a work environment. Empowerment is not a permanent personality attribute generalizable across circumstances (Thomas and Velthouse, 1990). According to Spreitzer (1996), psychological empowerment embodies an inspirational feature which has the power to boost positive individual as well as organizational results. It

is inherent drive observable in four cognitions and reflects an employee's inclination to his job role. The psychological nature of empowerment was first defined and explained by Thomas and Velthouse (1990). The researchers recognized four cognitions associated to this concept: meaning, competence, self-determination and impact. They defined meaning as purpose of a job's objective and competency as self-efficacy. Self-determination was described as independence to initiate or continue work and impact as influence of an individual at work. The job characteristics model is linked with the idea of job enrichment. It also focuses on the thought that habitual and excessively specialized jobs do not motivate employees for work. We should redesign work for making jobs intrinsically motivating. Then employees will manage tasks normally completed by supervisors. If employees are given opportunity to design their work week then it would be motivating for employees. Employees should be given opportunity to have input in their work schedule.

Empowerment does not only involve designation of power but it also entails insight of employees of competence, self-determination, meaning and impact. Workers who experience psychological empowerment have trust on their abilities, can manage work in a good manner, consider that the requirements of their job are in accordance with their morals and ideals, and feel that they have influence on results of organization (Thomas & Velthouse, 1990).

The proponents of structural approach propose that empowerment can be termed as a group of management practices and behaviors of managers that engage designation of responsibility and transfer of authority to subordinates. Basically, structural empowerment pays a peculiar attention on such work planning that change the function of exterior leadership and transfer duties to members of team (Mathieu et al. 2006). Worker empowerment can be termed as a means to triumphant lean production. Worker empowerment can be described as delegating employees more liability and giving them more power of production process (Boyer, 1996). The main reason is that only workers can recognize methods of making better the existing process of product (Forrester (1995).

Gary (2006) stated that when workers do scheduled, recurring manufacturing or service jobs then employment opportunities will be less. Such jobs which have complicated tasks and enriching job characteristics have more potentiality for significant work and autonomy in employments. Lawler (1986) stated that employee involvement programs push authority, facts, and comprehension downward to the inferior job ranks. These are considered as constituting important

resources. High emphasis and public speaking on open communication and employee empowerment also sometimes does not change their behavior. If employees are encouraged and motivated by the management to share their views and concerns then it is more likely that employees will take part in different decisions and convey their opinions to management. Communications practices like briefing groups, periodic meetings between administration and the employees and team working on an eternal or dilemma-solving type are typical forms of involvement (Bryson 2004). Some parts of such schemes involve teamwork and also increase worker's control over immediate working practices so such parts can be termed as empowering (Harley 2000).

The term empowerment arouses a lot of conceptions. Herrenkohl et al. (1999) studied and evaluated a number of the previous research studies. A relocation of supremacy and charge was the research work of Block (1993). Walton (1985) did work on boosting the worker involvement for the achievements of the organization and full contribution of employees in decision making. Senge (1990) did research work on communal vision between workers and administration. Tracey (1990) studied the self-motivation. Spreitzer (1996) proposed that sensations of psychological empowerment are developed in a participative environment. Participative climate always focuses on contribution of employees at individual level and employee initiative. She revealed that the recognition, formation and freedom of workers is appreciated in a participative climate.

The research work of Wallach and Mueller (2006) investigated that opportunities for participation of employees in decision making forecasted worker empowerment in a trial of 160 assistants of professionals. Empowerment entails workers being both capable and anticipated to take initial steps to a project and able to accept menace. If this initiative results in a mistake then they can perceive that they will not be terminated from employment by management or will not have to face such type of other sanctions for taking the first step towards a project in the first place (Appelbaum et al., 1999). Job characteristic model states that objective modifications to an employment would change according to the perception of the employee about his job along five core dimensions of job. It is assumed that the presence of these five core dimensions of job would reveal the extent to which employees will experience meaningfulness, liability and the information of outcomes of their work. Meaningfulness is originated by skill variety, task identity and task significance. Responsibility is originated by independence. Information of outcomes of work is originated by feedback. These three psychological conditions mediate the relationship between perception of employee of his employment characteristic and different measures of

conclusion e.g. inside inspiration, little absence and turnover, upgraded quality work performance and satisfaction (Hackman and Oldham, 1975, 1976).

Academics have been interested to study empowerment and it is also a well-liked idea for managers to put into practice. Basically, psychological empowerment is associated to cognitions about an individual's work (Spreitzer, 1995). Psychological empowerment explains the increase in task motivation through the impact of meaning, competence, impact and self-determination. These four dimensions indicate workers' orientation towards their employments and have been linked with positive outcomes (Spreitzer, 1995).

Job characteristics outline an employee's motivating potential score which forecasts three key psychological states. These three states are experienced meaningfulness of work, liability for end consequences and information of results (e.g., Hackman & Oldham, 1976). If there is high empowerment in a job then job itself will provide motivation to the employee thus the relationship of employee with his supervisor would be of less importance because the job itself will give the required motivation and it is linked to more positive results. On the contrary, when there is low empowerment in a job then they will not obtain motivation from empowerment and they have to think to other features of their work lives to get motivation (Kenneth, 2009). Lawler argued that empowerment is actually sharing of information of performance of organization with frontline employees, to give rewards on the basis of performance of organization, knowledge about contribution for performance of organization, and authority to make decisions which impact the trend and performance of the organization. Such allocation happens on three fundamental stages. The simplest stage entails awarding employees the authority to recommend and termed as suggestion empowerment.

A level higher is job involvement in which employees are provided with greater choice in initiation, continuation of their work and they can decide that how they have to do their work. Gernalis and Terziovski's (2003) conducted research on Banks of Australia. They disclosed that when empowerment practices are concurrently executed then the ultimate result will be greater employee welfare, production, performance and quality of service.

Ultimately, organizations spend money and invest other substantial resources in the development of employees and they give special consideration to training. The analogous costs which a firm has to bear due to employee turnover and consequent appointment of successor employees can be major regarding individual, work unit, and

readjustments at organizational level (Cascio,1991;Mobley,1982). Wall et al (2002) stated two extensive uses of term empowerment. Firstly, it has been employed to express a group of such management practices that causes increase in decision making power of employee (Labianca et al., 2000). Various titles have been used for it. Lawler (1986) used high involvement for it. Walton (1985) used high commitment management for it. A lot of variables may influence on the triumphant implementation of lean manufacturing, Alavi (2003), Boyer and Sovilla (2003) and Womack and Jones (1996) have the opinion that dedication of upper management is essential. Boyer and Sovilla (2003) stated that management does not succeed to hold the implementation of lean practices may disrupt the endeavor intentionally or unintentionally. Management at top level should express dedication and leadership. It should also pay attention to build curiosity in the application of lean practices and should correspond the modification to every person inside the organization (Boyer and Sovilla, 2003).

Less investment by top management in the implementation of lean production may also influence the success of application in less perceptible conducts. If workers think that their officers do not value their endeavors, disappointment may prevail and endeavors of lean production will be unsuccessful. Although it has been frequently desired to make alteration from lower level in factory, it is vital to drive a conversion to lean production by management team (Boyer and Sovilla, 2003). In an organization, all relations between customers and suppliers should have a straight link. There should be a comprehensible technique for communicating reactions to dilemmas (Spear and Bowen, 1999).

Managers have to avert resources and time from core goals of organization which influences the effectiveness and efficiency of public organizations. It is especially crucial in the present economic climate. In this scenario, switching off has created negative effects e.g. wastage of institutional memory, increase in work accumulation, and lack of ability to refill the vacant post in the organization (GAO, 2000). In addition, high rate of switching off of employees influences the spirits of the organization (Whitehead, 2006) so it should be handled. It is the responsibility of quality managers to set tasks and coordinate employees so quality managers impact turnover (Griffeth et al., 2000). Managers decide the extent of self-determination employees have. Managers can supervise employees or furnish them competency to perform their job. Ingersoll (2001) stated that the methods used by managers to guide employees are important. The ordering and harmonization of tasks influences the magnitude of work unit. Work unit can be defined as the size of employees' recent work community. This affects an employee's

choice of turnover (Brill and McCartney, 2008). The turnover costs have been calculated approximately at 50 to 100% of a worker's annual remuneration (Hom and Griffeth, 1995).

This expenditure would be greater if high value workers or high performers leave the job. The reason behind is that high performers are hard to replace. Few research studies have investigated the effect of human resource (HR) practices on workers' intention to turnover (Guchait and Cho, 2010). Most of studies have scrutinized the impact of individual HR practices on intention of workers to quit the job (e.g. Kuvaas and Dysvik, 2010). Recently, many researchers e.g. Kehoe and Wright (2013) have investigated the impact of a system of human resource practices on workers' intention to leave the job.

Furthermore, existing research work has demonstrated that organization level measures human resource management systems has positive link with performance of organization (Arthur, 1994). For the reason that 1st set of survey-based statistical research of HRM and firm performance became launched inside the Nineties, the escalate of human resource management studies has tried to demonstrate that a full set of well-defined, at the same time reinforcing human resource practices results in higher firm overall performance (Arthur, 1994). Specifically, they contend that so referred to as HPWS in strategic human resource management can increase performance via improving worker understanding, competence, abilities, commitment, skills and productivity (Guthrie, & Wright, 2005).

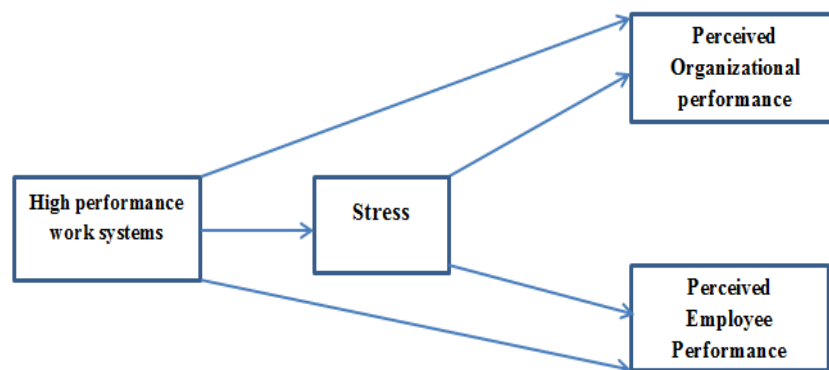
HPWS just as a set of distinct however interrelated, at the same time reinforcing human resource management rules and practices, in preference to outlying individual human resource management practices. These it's miles stated, intention to develop, choose, keep and encourage a body of workers to gain advanced intermediate indicators of firm overall performance (Huselid, 1995). For instance, it is hard to know when, or by way of whom, human resource management approaches are delivered (Guest, 2011). For instance, it is hard to know when, or by way of whom, human resource management approaches are launched (Guest, 2011). A few empirical studies have attempted to shed extra light on this issue, however till now it has imparted mixed results. As an instance, a few researches have reported a big simultaneous and longitudinal interrelationship among human resource management practices and overall performance signs (Sheehan, 2014;). Others research establish that at the beginning human resource management leads in higher firm performance but this hyperlink disappears once beyond performance is managed, suggesting that beyond performance is a mile powerful

predictor of present day overall performance and beat any effect of human resource management(Guest et al., 2003).

After reviewing sixty-eight empirical research, Wright, Gardner, Moynihan, and Allen (2005) compile four sorts of studies layout amongst empirical researches assessing the interrelationship among numerous human resource practices and overall performance: predictive, post-predictive, ‘retrospective’ and ‘contemporaneous’ research methods. The “post-predictive” research layout is through a way the maximum general layout within the Human resource management-overall performance area. On this detail, Human resource management practices are calculated after the firm performance cycle (see Black & Lynch, 2001). In “retrospective” studies, survey members are asked to take into account human resource practices that occurred previous to the performance cycle.

In “predictive” research, the term to which human resource management practices appraised at one factor in time can have an impact on firm performance at a later factor in time may be appraised. After three years (also see Youndt, Snell, Dean, & Lepak, 1996), study the same relationship between HPWS and firm performance. Certainly, scholars of different disciplines, along with management and firm behavior that can be apply meta-analysis as a mechanism to collect information and amalgam them into generalization (Hunter & Schmidt, 2004). A number of researchers, have followed meta-analyses to have a look at the connection among High performance work system and organizational overall performance (Lepak, Hu, & Bear, 2012;).

Conceptual Framework



Research hypotheis

H1: Stress mediates the relationship between job rotation paractices and perceived organizational performance.

H2: Stress mediates the relationship between job rotation practices and perceived employee performance.

H3: Stress mediates the relationship between selection practices and perceived organizational performance.

H4: Stress mediates the relationship between selection practices and perceived employee performance.

H5: Stress mediates the relationship between training practices and perceived organizational performance.

H6: Stress mediates the relationship between training practices and perceived employee performance.

H7: Stress mediates the relationship between performance appraisal practices and perceived organizational performance.

H8: Stress mediates the relationship between performance appraisal practices and perceived employee performance.

H9: Stress mediates the relationship between compensation practices and perceived organizational performance.

H10: Stress mediates the relationship between compensation practices and perceived employee performance.

H11: Stress mediates the relationship between job involvement practices and perceived organizational performance.

H12: Stress mediates the relationship between job involvement practices and perceived employee performance.

H13: Stress mediates the relationship between internal career opportunity and perceived organizational performance.

H14: Stress mediates the relationship between internal career opportunity and perceived employee performance.

H15: Stress mediates the relationship between internal employment security and perceived organizational performance.

H16: Stress mediates the relationship between internal employment security and perceived employee performance.

Material & Methods

Population and Sample

Data was collected from four different public sector organizations, of which, one was from Federal Govt. i.e NADRA, one from Provincial organization i.e e-khidmat Markaz Faisalabad and the other two were leading Public Limited banks Habbib Bank Limited and Bank AL-Habbib. Total 300 questionnaires were distributed; managers were requested to fill the questionnaire from the employees of their jurisdiction and 167 respondents provided their feedback. At average 75 questionnaires were distributed per organization. About 23 percent of the respondents are female and 77 percent are male. The education of 44 percent is a Master and about 30 percent is graduation and 26 percent

respondents are intermediate. About 80 percent respondents belong to Faisalabad city and 20 percent belongs to Jaranwala, ChakJhumra, Summandri and Faisalabad Sadar and other cities.

Measuring instrument

Five points (1-5) Likert scale (strongly disagree to strongly agree) was used to test the data in my model. Organization name, gender, age, marital status, working city, nature of appointment, qualification and length of work experience were asked from the respondent under demographic profile. High-performance work system practices were measured through a questionnaire developed by Takeuchi et al. (2009). Questions have been asked from the respondents regarding eight High-performance work practices, i.e Selection Practices, Training Practices, Performance Appraisal, Compensation Practices, Job Involvement in my organization, Internal Career Opportunity and Employment Security. Job stress was measured at the 9-item scale was used by Doreen Sams (2005). A questionnaire developed by John &Mark (1996) was used to assess the firm performance, 7items from this questionnaire adopted to measure the firm performance. Teseema&Soeters, (2006) scale containing 4 items was used to measure the perceived employee performance.

Collected data were analyzed by using descriptive and inferential statistic techniques. Cronbach's alpha (coefficients of reliability) against each variable (independent and dependent variable) was calculated and all the reliability values were within the acceptable range (>.60). Assurance was given to the Respondents that questionnaire did not require any name, so you can be sure of complete privacy of your response and provided data of all the respondents to be used for analysis to find out the relationship between Independent,

RESULTS AND DISCUSSION

Demographic Profile of the respondents

Description	Frequency	Percent
Gender		
Male	129	77%
Female	38	23%
Qualification		
Intermediate	27	38%
Graduation	67	46%
Master	63	16%
Age (years)		
Less Than 30	82	49%
31-35	48	29%
35-40	23	14%

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41-45	10	6%
46-50	2	1%
50 and Above	2	1%
Total Experience		
Less Than 3	23	14%
5-Mar	31	19%
10-Jun	58	35%
15-Nov	42	25%
16-20	7	4%
Above 20	6	4%
Nature of Appointment		
Regular	114	68%
Contract	53	32%
City of Residence		
Faisalabad	143	86%
Other city	24	14%
Marital Status		
Married	125	75%
Unmarried	42	25%

Education and Information Management (EIM 2017)

Correlation matrix

	Job Rotation Practices	Selection Practices	Training Practices	Performance Appraisal Practices	Compensation Practices	Job Involvement Practices	Internal Career Opportunity	Employment Security	Job Stress	Firm Performance	Perceived Employee Performance
Job Rotation Practices	1										
Selection Practices	.636**	1									
Training Practices	.488**	.609**	1								
Performance Appraisal Practices	.379**	.488**	.539**	1							
Compensation Practices	.383**	.498**	.621**	.686**	1						
Job Involvement Practices	.528**	.615**	.538**	.522**	.653**	1					
Internal Career Opportunity	.419**	.480**	.449**	.547**	.639**	.653**	1				
Employment Security	.465**	.498**	.425**	.384**	.520**	.524**	.573**	1			
Job Stress	.233**	.205**	.024	-.133	.012	.163*	.060	.052	1		
Firm Performance	.272**	.333**	.325**	.461**	.415**	.460**	.517**	.388**	.024	1	
Perceived Employee Performance	.158*	.231**	.261**	.039	.195*	.239**	.120	.171*	.319**	.215**	1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Education and Information Management (EIM 2017)

Predictors	Model 1		Model 2		Model 1		Model 2	
	Organizational performance				Employee performance			
	Beta	R ²	Beta	R ²	Beta	R ²	Beta	R ²
1 Job Rotation Practices	0.15 *	0.01	0.08	0.09	0.28 *	0.06	0.29*	0.06
1 Job Stress			0.32				-0.05	
2 Selection practices	0.35 *	0.10	0.36	0.11	0.22 *	0.05	0.16*	0.12
2 Job Stress			-0.05				0.31	
2 Training practices	0.28 *	0.10	0.28*	0.09	0.21*	0.06	0.20*	0.16
3 Job Stress			0.02				0.33*	
3 Performance Appraisal	0.37*	0.21	0.38*	0.21	0.03	0	0.06	0.1
4 Job Stress			0.10*				0.35*	
4 Compensation Practices	0.37*	0.17	0.37*	0.16	0.16*	0.03	0.15*	0.13
5 Job Stress			0.02				0.33*	
5 Job Involvement Practices	0.46*	0.21	0.47*	0.21	0.22*	0.05	0.17*	0.13
6 Job Stress			-0.06				0.30*	
6 Internal Career Opportunity	0.50*	0.26	0.50*	0.26	0.11	0.01	0.08	0.10
7 Job Stress			0.02				0.33*	
7 employment Security	0.35*	0.15	0.35*	0.14	0.14*	0.02	0.12*	0.11
8 Job Stress			0.01				0.32*	

Regression Analysis

Total 16 hypotheses were formulated and analyzed out of these 16 hypotheses 08 have been accepted and 08 have been rejected. Here relationship of job rotation practices, selection practices, training practices, performance appraisal, compensation practices, job involvement practices, internal career opportunity, employment security and perceived employee performance have been found significant. Additionally the mediating role of stress has not been proved in the relationship of HRM practices and organizational performance. Here the relationship of job rotation practices, selection practices, training practices, performance appraisal, compensation practices, job involvement practices, internal career opportunity, employment security and perceived firm performance have been found insignificant under the mediating role of stress.

Results of this study are very interesting in nature, some HR practices have been found positively correlated with stress and at the same time these practices were positively correlated with the perceived employee performance. However a very strong fact is also associated with this finding that the nature of correlation is very small and with few variables it is very minute which can be ignored.

Here performance appraisal practice was found negatively correlated with job stress but the significant level was not in acceptable range. Training, compensation, job involvement, internal career opportunity and employment security have been found in insignificant relationship with the job stress. Here job rotation practice found in positive relationship with stress implying that employees of public and private sectors might have resistance to get change their present jobs description. Similarly selection practices have also been found in positive

relationship with job stress. Reason might be there that the selection practices in public and private sectors of Pakistan might have under some sort of mild or strong political influence.

In addition to this it has been found that the relationship of performance appraisal with perceived organizational performance was significant but insignificant with the perceived employee service. On contrary to this internal career opportunity practices brings positive change in firm performance as well as in perceived employee performance but relationship with employee performance is insignificant.

The most interesting result of this study is that in the opinion of employees working in public and private sectors stress brings in them positive change in their performance. Here it might be argued that employees perceived the stress as challenging stressor and tend to perform better which results in significant performance. This study has attempted to explore the impact of High performance work System on employee perceived firm performance, perceived employee performance. Prime objective of this investigation was to test the possible tendencies of employees regarding perceived organization performance and perceived employee performance the perception of High performance work system working in the NADRA and banking sector of Pakistan. In order to achieve the objectives of study some research questions were formulated. Which are given

Conclusions

Keeping in view the above findings it is concluded that HR practices under the theme of high performance work systems brings positive change in the employee performance as well as organizational performance. However from the bunch of these HPWS practices the impact of internal career opportunity was strong as compared to other practices in relation to the organizational performance. However the stress created by HPWS practices brings more strong and positive change in the employee performance, the reason might be there that employees may have the tendency to take this stress as challenging stressors. These findings are in continuation to the previous literature that high-performance work practices improve employees' attitude at work and employees' outcomes, among them (Appelbaum et al. 2000; Batt and Valcour 2003; Yanadori and Van Jaarsveld 2014). Wood (1999) used universal and contingency approach to investigate the relationship of HRM practices and organizational performance and identified that HR practices enhance the firm's performance. Huselid (1995) argued that HR practices are said to be High Performance Work systems if such practices boost up organizational performance.

Additionally these findings are also in connection with the previous literature supported by Kroon, van de Voorde, and van Veldhoven, (2009) and Godard, (2004) that HPWS has negative consequences also; one out of such consequences is its relationship with perceived stress. Stress can be defined as “a particular relationship between the person and the environment that is appraised by the person as taxing or exceeding his or her resources and endangering his or her well-being” (Lazarus & Folkman, 1984). Stress at individual level is an important factor for organizations in the applicability of HPWS and same are the findings in this study as it has been found that stress is producing positive change in the employee performance as well as in organizational performance.

HPWS bring the harmony among workers and organize the work settings in such a way that it ensures benefits to the both employer and employees by enhancing the labor efficiency (Cappelli and Neumark 2001), also findings are in connection with the study of Youndt et al. (1996) that there is a positive impact of HRM on organizational performance on performance in firms. Research conducted by Black and Lynch (2001) supports the argument that HRM practices have a significant impact on firm performance. Based on signaling theory, employees' perceptions of HPWPs are positively related to their work-related attitudes (Kooij et al., 2009). Studies in the service industry, convincingly suggest that the presence of HPWPs are positioned as essential organizational strategies for organizations seeking for enhanced performance outcome and quality service delivery process.

Recommendations

Keeping in view above lines it can be safely recommend that organizations must have been vigilant to shape their best HR practices to extract their best from the workers. Job rotation practices, selection practices, training practices, performance appraisal, compensation practices, job involvement practices, internal career opportunity, employment security practices must be used to increase the employee as well as organizational performance. It must be kept in consideration that the nature of stress being created by HPWS must remain challenging and should not be converted into hindrance stressors in order to avoid negative consequences of the HPWS.

Limitations & Future Directions

This study has some general type of limitations and the first limitation of this study is cross sectional in nature, second the sample size is very small and data is collected only from few cities. In future other HR practices must be kept in consideration. Sample size may be enhanced to get deeper insights. Employees from the other sectors must also be considered and their opinion must be judged.

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