HRM in Public Enterprises in Pakistan


Shabana Naveed, Dr. Muhammad Zafar Iqbal Jadoon
Institute of Administrative Sciences
University of the Punjab, Lahore
Incorporating the universal new public management (NPM) trend, the government of Pakistan is emphasizing public enterprises to emulate corporate management techniques to improve performance. This implies replacement of traditional personnel administration with private-sector human resource management practices. Adoptability of NPM-based HRM reforms has an inherent challenge of policy transfer from developed to developing countries. Moreover, public enterprises enjoy less flexibility and autonomy in management of human resources than the private sector due to centralizing tendency in public sector particularly in Pakistan. Therefore, the study argue that rhetorically introduced HRM practices may not be actually implemented in public enterprises. The study attempts to evaluate adoptability of private-sector HRM practices in public enterprises in Pakistan through a case study analysis of Sui Northern Gas Pipelines Limited. Seventeen in-depth interviews are conducted both insides and outside HR department. Besides this, several policy documents are analyzed. Utilizing the techniques of triangulation of perspectives and triangulation of data, HR rhetoric and reality is explored. The study has found inconsistencies between intended and implemented HRM practices and identifies gaps between the both. Theoretical explanation of adoptability of HRM practices in public enterprises in Pakistan is also provided in the light of institutional isomorphism and path-dependency perspective.

Key words: HRM, NPM, Public enterprises, Pakistan.
Introduction

Despite tremendous worldwide efforts towards privatization, public enterprise sector still enjoy significant presence being a major contributor in economies of both developed and developing countries (Jadoon, 1994; Khan, 2008; Trivedi, 2008) which is true in case of Pakistan. Therefore, performance of public enterprises has remained an important policy concern for the government of Pakistan. In order to increase efficiency and effectiveness of public organizations New Public Management (NPM) reformers have emphasized to inculcate performance-based and result-oriented corporate management culture in public sector (Hood, 1991; Osborne and Gaebler, 1992; Politt, 1993). Under this universal NPM trend the governments, both in developed and developing countries, are emphasizing public organizations to emulate private sector management techniques in order to become dynamic, efficient and productive. In the efforts of emulating best corporate practices, public organization are introducing private sector human resource management practices in place of traditional personnel administration in order to manage human resources in an efficient, goal-oriented and flexible way (McCourt & Minogue, 2001).

Adoptability of private sector HRM practices in public sector, in general, is a major challenge (Tompson, 2002; Stephen, 2007). The management of human resources requires autonomy and flexibility in decision making which is a rare phenomenon in public organizations because of the centralizing tendency in the public sector particularly in Pakistan. However, public enterprises, being statutory bodies, should ideally have managerial autonomy required for practicing HRM activities in managing their human resources. On the other hand, it is also true that state controls and political interferences are inevitable in public enterprises working under larger systems of
authority (Garner, 1983; Aharoni, 1986; Lioukas et al, 1993; Rondenili, 2008). In this scenario, public enterprises may face challenges and issues that can hinder the adoptability of private-sector HRM practices in their unique context. Hence, the study argue that it is possible that rhetorically introduced HRM practices may not be successfully implemented in public enterprises. Gap between rhetoric and reality of HRM is highlighted in HR literature (Legge, 1995; Khilji & Wang, 2006; Lengnick-Hall et al, 2009). Khilji & Wang (2006) argue that ‘intended HRM’ being formulated in policies may be substantially different from ‘implemented HRM’ and that mere mimicry of HR practices cannot produce the desired results until these are actually implemented in the organization. In this context, the present study attempts to evaluate adoptability of private-sector HRM practices and explore gaps between HR rhetoric and reality in public enterprises in Pakistan through a case study analysis of Sui Northern Gas Pipelines Limited (SNGPL). It is a qualitative research and mode of data collection is in-depth interviews which are conducted not only in HR department but also with managers outside HR department. Besides this, HR policy documents are analyzed.

The paper consists of five sections. The first section explains public sector HR reforms in the context of NPM approach and a shift from traditional personnel administration towards HRM practices. Second section provides a theoretical premise for adoptability of private-sector HRM practices in public enterprises of Pakistan. In third section, findings of the study are provided and gaps identified between formulated and operationalized HR practices. Theoretical explanation of the findings is provided in forth section followed by last section which gives conclusions of the study and directions for future research.
SECTION I

Institutional And Policy Context

Public enterprise sector and NPM reforms

Public enterprise (PE) operates as dual personality being a public agency as well as distinct business entity and hence faced with the challenge of applying corporate management practices for efficient operations while coping with all political pressures and government controls (Jadoon, 1994). Having separate legal status they can take management decisions independent of government (Rondinelli, 2008) and hence enjoy autonomy in many responsibilities of hiring, rewarding, managing performance and firing of employees. However, State controls and political influences are inevitable in the decision making process since government is the sole or major owner of public enterprise and possesses formal as well as informal controls over its affairs (Lioukas et al.,1993).

In Pakistan, public enterprise sector enjoys a critical strategic position in the economy and provides a significant economic contribution since privatization process has not remained much successful (Bokhari,1998). Therefore, enhancing efficiency and performance of public enterprises has remained an important policy concern for the government. For efficient management and governance of public enterprises, the government is introducing reinvention reforms in PE sector under the umbrella of New Public Management reforms. In most developing countries, NPM trend is passed by through international donor agencies (Tambulasi, 2010). The basic idea of NPM reformers is to expose public sector to corporate management culture to deal with its inefficiencies (McCourt and Minogue, 2001). For reinvention of PEs, specific mechanisms prescribed by NPM reforms include restructuring of board of governance, managerial autonomy, performance contract, implanting private sector management techniques
and instilling latest skills and technologies in PEs (Osborne and Gaebler 1992; Larbi 1999; Trivedi, 2008). Reinvention of PEs through incorporating private sector management culture is greatly influencing and modernizing employment practices in public enterprises. In the efforts of emulating best corporate practices, public enterprises are adopting private-sector human resource management practices in place of traditional personnel administration practices.

HRM reforms in public sector

With the realization that human resource plays an important role in achieving the desired results, public sector reforms are targeting the quality of government employees (OECD, 2005; CAPAM, 2005). Measures provided by in the World Public Sector Report (UN/DESA, 2005) for reforming HRM in public sector include merit-based appointment, competence-based human resource development, performance-based appraisal and compensation and effective labor management. The report suggests impartiality, professionalism and responsiveness as principles of HRM synthesis in public sector (UN/DESA, 2005). Polliit & Bouckaert (2004) pointed out that the trajectories of public sector HR reforms include three characteristics that differentiate traditional personnel management from HRM being practiced in private sector: tenured career appointment, promotion on the basis of seniority and part of unified civil service. They argue that reformers have targeted all these three aspects for HRM reforms As a result contractual appointment are replacing life-time jobs, promotion is linked with performance instead of seniority and break-up of national pay scales are initially introduced in developed countries and then in developing countries.

McCourt and Minogue (2001:177) have identified elements of HRM agenda providing base for NPM reforms which include involvement of line managers in HRM, HR mangers playing role of journalist, use of performance contracts to maximize employee performance, the end of job-for-
life mentality, the application of performance-related pay and individualization and incentivization in employment relationships in public organizations. From empirical research Ciarniene et al. (2007) identified changing trends in HR system management influenced by NPM which include expansion of employee development possibilities, emphasis on competitiveness, collaboration, communication and information exchange and participating management style. Pollitt and Bouckaert (2004) state that although the reforms vary in different countries, the most common reforms include changes in the recruitment system, use performance-related pay (PRP), individualization of employment contract/ performance contracts, and promotion based on merit. Various HR reforms introduced in Pakistan, under Civil Service Reforms 2002, include merit-based and transparent appointments, job specific performance evaluation against predetermined tasks, transparency in promotion and professional development and training of employees. NPM is changing traditional personnel practices in public sector in Pakistan for instance from permanent hiring to seniority based promotion to performance based promotion in Pakistan (Siddiqi, 2005).

SECTION II
Theoretical Premise For Adoptability Of HRM Practices In Public Sector
Public enterprises in Pakistan are modernizing HR management practices under the influence of NPM trend passed to Pakistan by international donor agencies. The adoptability of private-sector HRM practices is challenge for PEs of Pakistan in two respects. First, ‘context’ of application of NPM reforms which involve inherent challenge of policy transfer from developed to developing countries. Second, application of ‘content’ of NPM reforms which present challenge of coping with public-private differences. Hence, the study argues that gaps can exist between grounded reality of HR and rhetorically introduced reforms.
For analyzing adoptability of NPM-based reforms in developing countries, New-Institutionalism can provide essential theoretical basis. Within New-Institutionalism, sociological and historical perspectives can provide a possible framework for analyzing adoptability of NPM-based human resource reforms in public enterprises in Pakistan. Sociological Institutionalism can be used to analyze and understand the mechanisms and forces that trigger public enterprises to adopt HR reforms. In particular the Institutional Isomorphism can be used to analyze the mechanisms that trigger public sector reforms. Institutional isomorphism include “coercive”, “mimetic” and “normative” pressures (DiMaggio and Powell, 1991:67). Coercive isomorphism pressures are caused by both “formal and informal pressures exerted on organizations by other organizations upon which they are dependent” (DiMaggio and Powell, 1991:67). In this context, many countries have introduced reforms under pressures of donor agencies as noted by Larbi (2006:31) that in developing countries, NPM tools have “tended to be applied through powerful international donor agencies and financial institutions”. Donors have imposed NPM reforms in a “one-size fits all fashion” without looking into specific social, political, cultural and institutional setting in which reforms are to be implemented (Tambulasi, 2010). Reforms introduced under coercive pressures may not be fully implemented and get diffused according to the cultural and institutional context of reforming country. The very result is the poor performance of reforms and hence gap between rhetoric and reality is not surprising. This is true in case of Pakistan where donor agencies have remained integrated part of policy making and reform prescriptions (Rizwan and Jadoon, 2001). Use of financial conditionalities is clearly a coercive isomorphism pressure behind various NPM-based reforms that are introduced in Pakistan through structural adjustment programs of IMF and World Bank in which public enterprises have gained special attention due to their crucial role in generating revenues for government.
Second type of mechanism that can trigger organizations to introduce change is Mimetic isomorphism that results from imitation due to uncertainty (DiMaggio and Powell, 1991:69). Through this mechanism, owing to uncertainty in environment, countries tend to model their reforms on those countries that are seen to be more successful or legitimate in achieving policy objectives (Tambulasi, 2010). Motive behind is simply to copy the international trends. Under this theme, public enterprises may modernize their HR practices just to look modern incorporating best corporate management tools. Reforms introduced under mimetic motives may remain mere rhetoric and lack sincere efforts for the implementation. Legitimated ideas are thus edited by the reforming countries as part of imitative process and results in the diffusion of reforms (Sahlin-Andersson, 2002). Under normative pressures, reforms are introduced as a result of consensus among policy networks and epistemic community on the appropriateness of particular ways of work (Tambulasi, 2010). Such reforms are based on conscious decision making process in order to introduce change that suits to the requirements and conditions of reforming country. The very result is that sincere efforts are present for the implementation of desired reforms.

Along with sociological institutionalism, historical institutionalism can be used in the analysis of applicability of HR reforms in public enterprises. Path-dependency perspective in historical institutionalism (Thoenig, 2008), argues that past has an important influence on present policies being introduced in an institution. Therefore, the system of public organizations can be viewed as path dependent. In this respect, organization practices can be institutionalized through an imprinting process whereby the practices adopted at the beginning of the organization's history remain embedded in the organization (Wright and McMahan, 1992) and resist changes. Thus,
rhetorically introduced reforms get diffused in the historical path already prevailing in the institution.

A part from context of application, issues related to the application of contents of NPM attributes in public organization are also crucial (Tambulasi, 2010). Kickert (1997:183) noted that it is “doubtful whether these private sector management concepts can easily be transposed” into the public sector. The adoptability of private sector HR practices is a challenge for public enterprises due to the difference between rational and political norms. Two perspectives in HR debate can provide essential guidance in this matter. First, Universalistic perspective, commonly referred as best-practice approach, argues that some HR practices are always better than others and that all organizations should adopt these best practices (Delaney, Lewin, & Ichniowski, 1989; Huselid, 1995; Osterman, 1994; Arther, 1994; Pfeffer & Veiga, 1999). Various authors have presented sets of best HR practices which can bring competitive advantage to organization. These sets of practices are commonly referred to as high performance work systems (HPWS) and are famous as universally acceptable and successful. It suggests that the best HR practices are workable in both private and public organizations and hence NPM reformers are emphasizing that public organizations should emulate private sector HR practices in order to handle their human resource more efficiently. Secondly, Contingency perspective – also referred as best-fit approach- argues that HR will be more effective when it is appropriately integrated with its specific organizational context and external environment (Fombrum, 1984; Golden & Ramanujam, 1985; Lengnick-Hall & Lengnick-Hall, 1998). With this view, HR practices should be adopted according to the unique cultural and environmental demands of the organization and. Under this perspective, HR practices cannot be simply transferred from private to public sector until they are tailored to the unique environment of public organizations.
Considering the unique institutional values and path-dependent character of public enterprises, the present study argue that adoptability of private-sector HR practices is a challenge for public enterprises. Therefore it is expected that reality may be different from rhetorically introduced HRM practices. With these arguments the study aims at following objectives:

- Describe the formulated HR management practices (formulated in policies and initiated by HR department) in public enterprises in Pakistan.
- Describe the HRM practice actually operationalized in the public enterprises.
- Identify gaps between intended and operationalized HR practices.
- Theoretically explain the adoptability of HRM practices in public enterprises in Pakistan.

**Methodology**

Identifying gaps between formally introduced HR practices and operationalized HR practices is quite complicated and require an in-depth analysis while remaining in real life context for which case study analysis is most suitable. SNGPL is taken as unit of study because this enterprise is operating in the commercial environment and since it has separate legal status, ideally it should enjoy autonomy to take HR decisions independent of the government. It is a qualitative research and mode of data collection is in-depth interviews. ‘Formulated HRM’ refers to HR practices formulated in policies and introduced by HR department also referred as intended HRM (Khilji and Wang, 2006). Formulated HR practices are revealed through analyzing the data collected through interviews with respondents in HR department as well as senior management positions and analyzing HR policy documents. Here technique of triangulation of data is used. ‘Operationalized HRM’ refers to HR practices actually implemented in organization and experienced by employees (Khilji and Wang, 2006). Real picture of HR practices is captured
from the discussions with managers outside HR department. Moreover, perspective of employees is also captured as they are the major stake holder in implementation of HRM. After explaining both (formulated and operationalized) HR practices, gaps are identified utilizing the technique of triangulation of perspectives.

SECTION III

HRM Practices In Public Enterprises (Formulated And Operationalized)

Findings of study are interpreted in terms of both formally introduced and actually operationalized HR practices in public enterprises taking SNGPL as unit of study. Before presenting HR practices in details, it should be noted that SNGPL has its in-house cadre system which comprises of two separate cadres for executives and subordinates. Employees are hired on grade/pay scale I-IX in both cadres. Different HR practices are being followed in both cadres.

Recruitment and selection

The HR department considers recruitment as a critical task. ‘We follow a transparent process to ensure merit based recruitment… and recruit the person that best suits to the position’, said a manager in HR department. A transparent and merit-based recruitment policy is followed with an aim to attract and retain capable and qualified employees. Employees are grouped into different job families including engineering, service, finance, accounts, audit and IT personnel. Employment prerequisites are spelled out separately in each job family for all different grades. The purpose of this categorization is to ensure that the persons hired, best suit to the jobs. Hiring modes include permanent basis, contract basis and casual basis. An extensive process is followed for the hiring and selection of permanent and contractual employees. Positions are opened to both internal and external candidates. Techniques like advertisement, on-line test, and interview from selection committee and approvals from DMD/MD/Board are followed. Selection
committee consists of immediate managers, head of the department and HR manager in order to select the best candidate. However, in case of casual hiring, the process is less sophisticated and less procedural (no ad, test or interview from selection committee is required). Head of the department can hire casual employees according to their requirements. ‘Casual hiring needs less time and allow managers to respond more quickly to the changing requirements’, said a respondent in HR department.

Discussions with employees revealed evidences of use of reference, contacts and influences in hiring decisions. Being a public company, the presence of influences and references from political and influential personalities in selection decisions is also accepted by the line managers which shows inconsistency between formulated hiring policies and operationalized hiring practices. Rhetorically, HR department follows merit based and transparent hiring process but in reality, use of references and influences is present in selection decisions.

Training And Development

Training and development of employees is a preferred and valued practice. “We are very concerned for the professional development of employees. Our company has its own institute fully devoted for this purpose, where different employees get trainings according to their professional development needs”, explained a respondent in HR department. The company has created its own training campus- Sui Northern Gas Training Institute (SNGTI) - for conducting in house trainings. In addition to conducting in-house training programs, different training workshops are outsourced to relevant institutes as required. A process of training need analysis and accordingly provision of trainings has also initiated. Training need analysis is done by HR department on the basis of training needs identified in employee evaluation reports. Accordingly,
SNGTI prepares training schedule quarterly and display it on the official website of the company. Relevant departments can get information from there regarding upcoming trainings. However, sophisticated techniques for assessing employees and determining training needs accordingly are not developed in the company. The evaluation of effectiveness of training courses and analysis of improvement in employee productivity and/or behavior is not measured. There is no formal concept to evaluate training courses through eliciting feedback from the trainee and line manager/HOD. On the other hand improvement in performance of employee is also not reported. Due to the non presence of this evaluation phase, the efforts made on training and development of the employees cannot be linked with the objectives to be achieved. Furthermore, employees reported unfairness in provision of training. Provision of training to non performers or to the people having close relations with HOD, is reported by employees. ‘In previous two years, several training workshops were relevant with my professional grooming but my boss did not recommend me. His point is that the work suffers in my absence’, replied an employee.

Formal policy is found regarding development of employees and succession planning. HR department is performing the succession planning for executive in Grade VII and above which is a good practice however for employees in grade VI and below formal career development and succession planning is not being practiced.

*Performance Evaluation*

Performance evaluation practices differ in case of executive and subordinate cadre. The performance of executives is evaluated through performance management system (PMS) whereas in subordinate cadre, annual confidential report (ACR) is filled to evaluate the performance. Under performance management system in executive cadre, SMART (Specific,
Measurable, Agreed, Realistic, Time-bound) targets/objectives in form of key performance indicators (KPIs) are set for each employee. These are set through mutual discussion among management and employee. On the basis of these targets, performance of employee is evaluated by the immediate manager through open discussion and agreement with the employee. Thus, MBO approach is intended practice. Technical competencies and soft skills both have weightage in KPIs. According to the HR department, through this system performance is objectively measured. In subordinate cadre, ACR system, instead of PMS, is being followed for the evaluation of employee ACR is a confidential report which is filled by the supervisor. While filling this report no open discussion is held between management and employee regarding strengths and weaknesses of employee.

On the other hand, the line managers expressed their extreme dissatisfaction and no improvement in the system. ‘It is as ineffective as the ACR system is’, commented a manager outside HR department. Line managers reported that job descriptions are not defined by professionals and based on the vague job descriptions, KPIs are also not defined objectively. Employees have also reported that targets are not objective and achievable. Line managers need training in objectively measuring employee performance against KPIs because it is a new system and line managers are not much competent in this practice. On the other hand officers and managers in HR department are also incompetent to act as advisor with line managers or to train them for the new system. It is a clear indication of the gap between the intended evaluation system and real practices being followed.

Compensation

As per intended compensation practices variable pay depending upon employee performance is used in executive cadre. Salaries are normally reviewed once a year following the performance
appraisal process. All increments are awarded on the basis of merit and performance rating achieved in annual performance review report.

Although the practice of variable pay, in executive cadre, is reported by line managers and pay is linked with rating in performance evaluation. But evidence is found regarding a weak link between rating and performance. According to the perspective of employees, it depends upon knowing the right person, building relations with HOD, and using references and influences. Moreover, line managers have reported that HOD rationalizes the salary raises according to bell shape curve which is not an efficient method for salary raises. From the above arguments, it is evident that compensation practices being followed are different from the intended practices reported by HR department.

In subordinate cadre, since performance management system is not applied, employees are not rewarded according to performance. Salaries, allowances and benefits are fixed for each level. There is no concept of variable pay for the recognition of hard work. As far as subordinate cadre is concerned, line manager’s comments were consistent with the HR managers that compensation is same on a particular pay-scale and increments are seniority based as well as through collective bargaining between workers’ union and management.

promotion

In executive cadre both performance and experience are considered for promotion. A Promotion Committee is formed which considers both seniority and performance rating of employee. The promotion criteria include length of service (seniority), education, professional qualification, performance rating in annual appraisal reports and suitability. For senior grades Promotion Committee takes interview. In addition to adequate performance evaluation scores, interview scores and experience are considered by the Promotion Committee. Promotion in subordinate
cadre is purely on seniority bases, however record in ACRs is also considered. When employee completes required service experience, he/she is promoted to the next pay scale within subordinate cadre. Employees in subordinate cadre are also promoted to executive cadre for which the prerequisites are agreed with CBA and approved by BOD for two years in charter of demand.

In the light of above discussion, it is evident that promotion is based on merit but on the other hand, developing contacts, use of reference and close relations with boss are reported by employees as important factors to get promoted which is again a proof of gap between formulated and operationalized practices. The findings of the study indicate that inconsistency/gap is present in what HR rhetorically believes and what practices are actually operationalized in the company. Gap analysis of formulated and operationalized HR practices is presented in Table-1.

**Gap analysis of formulated and operationalized HR Practices in SNGPL**

<table>
<thead>
<tr>
<th>HR Practice</th>
<th>Formal/Intended HR practices (perspective of HR managers)</th>
<th>Operationalized HR practices (perspective of managers outside HR department and employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recruitment</strong></td>
<td>Merit-based hiring; Transparent process- use of ads, on-line test &amp; interviews from selection committee.</td>
<td>Use of contacts, references and influences to get job.</td>
</tr>
<tr>
<td><strong>Training and Development</strong></td>
<td>Training need analysis; training schedule maintained and published on website of</td>
<td>Identification of training needs and provision of trainings are not correlated; training is offered to those close to</td>
</tr>
<tr>
<td>Company</td>
<td>HOD can view the schedule and nominate relevant persons; Employee career development and succession planning considered as important.</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Managers/ non-performers to keep them busy; Effectiveness of training course, its ROI, improvement in employee productivity is not measured; No formal policy for career development and succession planning.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance evaluation</th>
<th>Performance is evaluated based on KPIs; MBO approach; Open discussion of employee and management in setting KPIs and performance evaluation; Coaching and monitoring to increase commitment towards goals.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance evaluation is to complete formalities/ record keeping exercise; KPIs are not objectively defined in all cases; Coaching and monitoring phase is missing; PMS is applied only in executive cadre which is only 20% of total employees. In Subordinate cadre, ACR system is applied.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Compensation</th>
<th>Variable Pay linked with performance and based on performance rating achieved in evaluation form.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable pay only in executive cadre; Increment not necessarily linked with performance; Use of reference and relation building with HOD for salary raise.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Promotion</th>
<th>Based on seniority and rating in performance evaluation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference, influence and contacts count a lot.</td>
<td></td>
</tr>
</tbody>
</table>
SECTION IV

Discussion and theoretical explanation

The study argued that adoptability of business HRM practices is a challenge for public organizations due to differences in rational and political norms. Moreover, these HRM practices are introduced under NPM-based HR reforms which involve an inherent challenge of policy transfer from advanced countries. Hence, the study expected that rhetorically introduced HRM practices may not be successfully operationalized in the unique context of public enterprises. Therefore, the study examined formulated and operationalized HR practices separately. The study revealed inconsistencies between formulated and implemented HR practices indicating gap between HR rhetoric and reality in public enterprises. The findings thus support the literature which has also reported inconsistencies between rhetoric and reality in HRM management (Gratton and Truss, 2003; Khilji and Wang, 2006; Legge, 1995). The three dimensional strategy of Gratton and Truss (2003) accentuated that without action or implementation, HR management will remain mere rhetoric. Khilji and Wang (2006) suggest bridging the gap between ‘intended’ and ‘implemented’ HR practices for employee satisfaction and organization performance.

The contingency perspective (Butler et al., 1991; Fombrum, 1984; Lengnick-Hall and Lengnick-Hall, 1998) in HRM literature gives some important insight for successful implementation of human resource management practices. Taking steps towards HRM, SNGPL has initiated best HR practices including extensive hiring and selection, need based training and development, performance based appraisal and compensation and merit based promotion. Universalistic perspective support the implementation of internationally accepted best practices with the assumption that these are successful in any organization (Pfeffer & Veiga, 1999; Huselid, 1995). Therefore, best practices of private sector are suitable for public sector as well. But the issues...
found in the implementation of best practice in SNGPL show that the argument of universalistic perspective does not seem to be true as the successful application of best practices vary in different organizations. In Public enterprises, political environment, government interference and union pressures can be major reasons that hinders the application of corporate management practices. Therefore, contingency perspective seems to be relevant in the context of public enterprises. The argument of best fit under contingency perspective necessitates the fit of HR practices with the specific organization strategy and environment. Thus best fit rather than best practices approach seems to be appropriate for the application of private sector HRM practices in the unique setting of public enterprises.

Theoretically, path dependency perspective under historical institutionalism (Thoenig, 2008), provides important explanation for inconsistency found between HR rhetoric and reality. Most of the public enterprises, operating as bureaucracies, are habitual of working with rule, regulations and long procedures of managing personnel in hierarchical relationships that have continued along a historical path. The radical change of introducing private sector human resource management practices are in sharp contrast with the process oriented bureaucratic norms prevailing in public enterprises. In case of SNGPL, it is found to be true where HRM practices are not implemented successfully although formally introduced. It appears that under the wave of public sector reforms, personnel administration approach in public enterprises is reinvented by introducing human resource management but the rigid bureaucratic norms already prevailing there are resisting the private-sector HR practices introduced.

For analyzing the mechanism that induce public enterprises to adopt HRM practices, the mimetic perspective of institutional isomorphism (DiMaggio and Powell, 1991) appears to be more appropriate. The mimic isomorphism has been reported in HRM literature whereby
‘organizations intentionally copy and imitate each other’s HR practices to increase their chances of success’ (Khilji and Wang, 2006:1185). This seems to be true in the case of public enterprises introducing business-like internationally recognized HRM practices in order to look modern or professional. The inconsistencies found between formulated and operationalized human resource management indicate that public enterprises are imitating private sector HR practices in their effort to emulate best corporate management practices under the influence of NPM trend but mere mimicry of HRM practices cannot help in increasing efficiency and performance until they are actually implemented.
SECTION V

Conclusions

The study has evaluated adoptability of private sector human recourse management practices in public enterprises in Pakistan which have been introduced in public sector under NPM reforms trend. Sui Northern Gas Pipelines limited is taken as unit of study. Seventeen in-depth interviews are conducted covering multiple sides including managers in HR department; managers outside HR department and employees. Secondary data in form of HR policy documents is also analyzed. Using the technique of triangulation of perspectives and triangulation of data, rhetoric and reality of HRM practices in public enterprises is explored.

The research study explores the introduction of private sector human resource management in public enterprises in Pakistan. A change from traditional personnel management practices to human resource management practices is observed such as variable pay, objective performance evaluation, performance-based incentives, performance-based promotion instead of tradition practices of equal pay and allowances for equal grade, experience based increments and seniority-based promotion. Although private sector HRM practices are introduced but the study has revealed inconsistencies/ gaps between formulated and operationalized HR practices indicating that the formulated HR practices as rhetorically believed by HR managers are not yet implemented. The study revealed presence of mimic isomorphism of modern HRM practices in public enterprises. It implies that mere mimicry of modern HR practices cannot help in improving performance of public enterprises until the reforms become reality in public sector.

The study provides important contributions in literature. First, by targeting public enterprises it attempts to develop a broader understanding of HRM application and its relevance in the context of public sector organizations. Second, by conducting in-depth interviews (instead of relying of
yes/no questionnaire data) the study has revealed reality of HR instead of just identifying formally introduced HR practices. Third, the study attempts to provide theoretical explanation for the adoptability of NPM-based reforms in the context of Pakistan. Forth, case study design is utilized which is most suitable for in-depth analysis of an issue while remaining in real life context (Yin, 2003). However, due to limitation of time and resources, a single case study design has been selected which has limitations of generalizability of results. The problem of generalizability can be solved by using multiple case study design in future studies. Comparative analysis of private and public enterprises can also be good extension of present work.
References


Tambulasi, R. (2010). Reforming the Malawian public sector: retrospectives and prospective. CODESRIA.


