

## Impact of HRM Practices on the Perceived Financial Performance of SMEs in Karachi

M. Usman Aleem<sup>1</sup> and Mustaghis Ur Rahman<sup>2</sup>

### Abstract

SMEs are the basis of Pakistan's monetary and economic system with an understanding of importance of such kind of enterprise. Nevertheless, SMEs are challenged in their development with respect to human resource productivity. This study explores the practices of HRM and impact on SMEs Perceived Financial Performance in Karachi, as SMEs too require HR practices to remain dynamic and sustain a practical competitive edge with a specific end goal to get improved firm performance. This paper has modified the existing conceptual model with respect to the study objectives and took HR practices like hiring, training, performance feedback and compensation. The model was changed according to the need of the SMEs' execution. Sample size for this quantitative research is 443 owners or managers of registered SME's of service and manufacturing firms located in four industrial zones of Karachi... Analysis of data was completed through SPSS for Confirmatory Factor Analysis and Multiple Linear Regression examination. The blend of variables largely foreseen financial perceived performance of SME's,  $F = 64.793$ ,  $p < .005$ , with altogether four variables adding significantly to the prediction. The adjusted R squared value was 0.377. This clarifies that 37.7% of the variation in financial perceived performance of SME's was clarified through the model. The results of regression exhibited positive relationship, additionally hiring, learning or training, performance appraisal and compensation does influence or impact financial perceived performance of SMEs.

**Keywords:** SME's Perceived Financial Performance, Reward systems, HR Practices

### 1. Introduction

Small and Medium Enterprises (SMEs) are perceived and recognized as single advancement engines in many states and countries, therefore, these ventures now include 90%, and much more, of all organizations. For instance in the USA, 99.7 % (Heneman, Tansky, & Camp, 2000), in China 99 %, (Cunningham & Rowley, 2008), 99% in Europe (Rauch, Frese, & Sonnentag, 2000), 95% in Holland, 95% in Philippines, 96.5% and in Pakistan 90% (Bhatti, Syed, Shah, & Shaikh, 2012) of all business are SMEs. SMEs in developed nations are accepted to be the huge firms giving work to workers (Lai, Saridkis & Johnstone, 2016). As indicated by Cappelli and Neumark (2001) if firms need to advance easily and enhance their performance, they ought to build up a procedure for running HRM practices and focus on developing these practices for them. As per Qureshi, Tahir, Ramey and Mohammad (2007), practices of HR are getting to be noticeably significant and vital in the core areas of SME performance and management. The effect of SMEs as significant players in financial development will just enhance as most of the countries are becoming crucial for globalization of their economies. The worldwide condition of business is shifting with the pressure of liberalization from monetary related calamities. On the other bright side, these difficulties open new doors of chance and prospects for SME's in Pakistan. 90% of the utilized power i.e. labor in Pakistan is working in SME's, which gives them critical and vital role to play out a basic part in creating Pakistan or some other country's economy under the flag of NEM (new financial model). In such manner, the Pakistan Government initiatives like SMEDA, will help inspire innovation, advancement, and improvement in new fields. Besides, practices of HR can be of vital importance for SMEs in light of their development and diversity of SMEs (Zakaria et al., 2011).

A notable sum of investigators has been involved in creating associations among organizational or firm performance and HRM (human resource management) practices. Mostly researches focused mainly on large firms, creating a huge gap for exploring and this part of understanding and knowledge of SMEs. The relationship between organization performance and HRM is evident from various empirical studies, but these investigations either used one or more practices but not studied the registered SME's operating in four zones of Karachi (e.g. Khatri, 2000; Huselid, 1995; Delaney & Huselid, 1996; Zakaria et al., 2011;

<sup>1</sup> Assistant Professor, PAF-KIET, Karachi, musmanaleem@live.com

<sup>2</sup> Professor, Management Science Department, Bahria University Karachi Campus. mnb2k3@hotmail.com

Katou, 2012; Khan & Khan, 2012) for supporting and assisting the process that are currently, successively running and forming Karachi SMEs. In a study conducted by various researchers including Moncarz, Zhao, and Kay were of the view point that practices of HRM were not found in Small firms as compare to larger firms (Moncarz, Zhao, & Kay, 2009). Thus, SMEs will not be implementing these HR practices and policies that will have a negative impact on the economy as well as the performance of employee and the SME's. Hence, there is a gap which exists among the SME's and the HR practices, so it can be concise as the problem of the study for this paper. In spite of the fact that SMEs are essential to Pakistan's economic development, it is crucial to discover the impact of the research inquiry: What is the effect of HR practices (hiring, learning, performance evaluation and remuneration) on the financial perceived performance of SMEs? The response to this inquiry looked for with an objective to discover the effect of HR practices which are used and their effects on SMEs financial performance. If investigated information is not produced on the problems associated to the HR implementation towards SMEs, a likelihood that SME's executives would not be well-versed of the effects of the knowledge breaches in this area. Aside from substantiating itself as favorable position for SME firms, HRM current part right now is to recognize and differentiate from it's a competitors and adversaries (Zakaria, Zainal & Nasurdin, 2011).

In the provided background, 4 hypotheses were developed using 4 variables to discover the responses and replies of the research questions with the help of following hypotheses.

- H1: Hiring impacts SMEs financial performance significantly and positively.
- H2: Training impacts SMEs financial performance significantly and positively.
- H3: Performance appraisal impacts SMEs financial performance significantly and positively.
- H4: Compensation impacts SMEs financial performance significantly and positively.

The current research is empirical research and deductive in nature. While data was collected using self-administered survey method by applying five point likert scale. The targeted population of SME's was 1328. While the total number of registered SME's were 2016 in four zones or associations in Karachi. The study took a sample size of 443 and was considered suitable as per 20:1 (STV) subjects to variable ratio (Hair, Anderson, Tatham and Black (1995) in Hogarty, Hines, Kromrey, Ferron & Mumford, 2005)". Sampling type used was random as four industrial associations provided the sampling frame. While the data collection was done through questionnaire and was derived from literature review. Whereas the questionnaire was adapted from previous studies as well as researches.

## 2. Literature Review

The achievement of SMEs` relies on the firm and enterprise performance (Katou, 2012). The firm performance can be assessed in a wide range of behaviors and manners. For instance, the firm performance can be assessed through fulfillment of laborers and in addition by means of profitability, it can likewise be assessed through financial/monetary factors like market share, firm image, and top quality products (Revenio, 2016).

The HRM is of vital importance for the accomplishment of any firm as the laborers have some unique qualities which mark them important. A firm can succeed just in the event that it can keep up and maintain the competitive edge. In this manner, one might say that organizations require not only some sort of workforce, rather the kind of power which can give such competitive edge and preferred standpoint. The employees or representatives are, in this manner, considered as a key and essential for organization`s achievement and development (Nongmaithem & Kassa, 2016). As per Boselie, Paauwe, and Jansen (2001). A well thought human resource practices are probably going to have devoted, conferred and faithful individual from staffs or HR.

A research work found that for achieving better performance scientific application of HR practices is a must (Khan & Khan, 2012). Though HR are considered to be the source that gives the competitive edge (Ibrahim & Zulkafli, 2016). The methods for SME to remain alive in the present worldwide condition, one ought to oversee HR legitimately and properly.

Nevertheless, the purpose achievement of SME`s rely on the level of the firm performance (Katou, 2012). While Pfeffer (1994) was of the belief that firm with great quality and additionally successful HRM is

foreseen to be loyal, committed workers get energized for accomplishing firm's objectives. As indicated by Zakaria et al. (2011), practices of HR are i.e. learning/training and recompense influences SME's performance extensively. The theory of resource-based talked about the relationship among HR/workforce otherwise called human asset is spotted as key firm asset, through value of HRM they are being foster, because of which they result in far over the ground execution of the firm's objectives. The asset is vital resources and additionally it's extremely hard to intimate. This gives a competitive edge to a firm (Pingping, 2016).

## 2.1 Conceptual Framework

The model for this study was adapted from a study done on Indian software companies by Paul and Anantharaman (2003). The researchers were of the view point that the relationship between HR practices and financial performance of the firm. This paper modified the conceptual model with respect to the study objectives and took HR practices like hiring, training, performance feedback and compensation. The model was changed according to the need of the SMEs' execution. Moreover, further modification was done with respect to the need of the performance of SMEs'

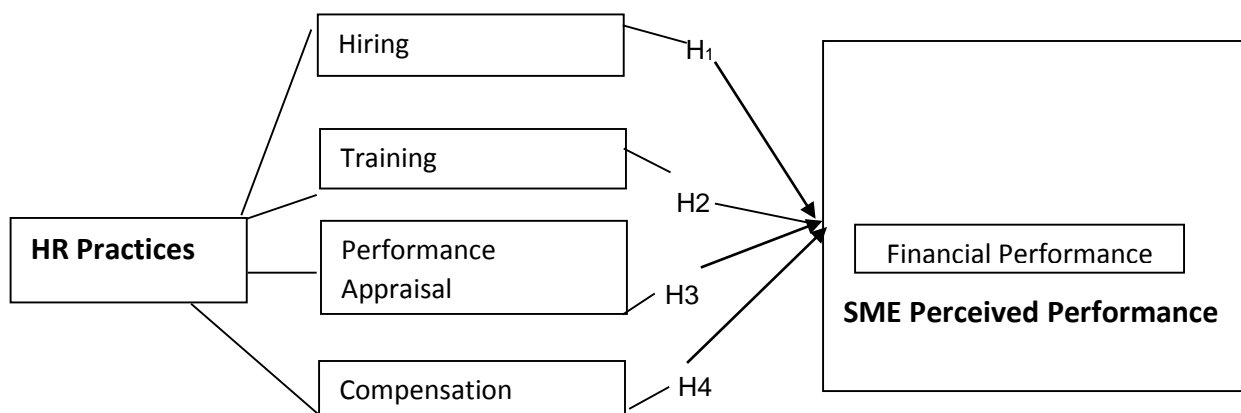


Figure No.1. Conceptual Frame Work

## 2.2 Hypotheses

In the given background, four hypotheses were formulated using four variables to find the responses and answers of the research questions.

Now a days the competition in modern era is at its peak, as a good number of SME's are wanted to develop their practices of HRM in way that their employees productivity and organizational performance enhances. As the effective hiring leads to job satisfaction (Jamsari, Nik, & Santhi, 2017). Gamage (2014) and Caliskan (2010) were of the opinion that those organizations who are involved in HR practices, are having competitive advantage and edge over their competitors. With regards to above discussion, the first hypothesis was formulated as:

H1: Hiring impacts SMEs financial performance significantly and positively.

Learning or training and development is a very important and vital element for developing workers knowledge or skills and intellectual capabilities for improving the performance of the firm (Jauhar, Abdul Ghani, Joarder, Subhan, & Islam, 2015). A research on satisfaction was carried out by Saks (1995). The study result revealed that employees who were involved in this program have increased level of satisfaction, which had a positive effect on organizational performance. Employees' training is another very important requirement for the performance of the organizations to have a competitive edge (Sajjad, 2016). With regards to above discussion, the second hypothesis was formulated as:

H2: Training impacts SMEs financial performance significantly and positively.

Therefore, a fair appraisal helps in extracting the best from workers. An unfair appraisal system can result in unrest and dissatisfaction amongst employees (Sajjad, 2016). In a study conducted by Halachmi (2005), revealed that performance evaluation is essential practice for evaluating from appraiser's

or appraises point of view. It is given in a specified time slot and results are with the organization, which in turn satisfy the employees. Another research work carried out by Teclmichael and Soeter (2006), revealed that performance evaluation has a positive and significant relationship with perceived employee performance. With regards to above literature discussed, the third hypothesis was formulated as:  
H3: Performance appraisal impacts SMEs financial performance significantly and positively.

The compensation is kind of a method for providing financial benefits to workers in return of their job or work which they had performed. It can also be used for hiring skilled workers or employees, for giving them rewards for their performance, as well as support and push firm`s loyalty through reduction in turnover (Saira, 2016). A study was conducted by Singh (2004) on Indian firm`s performance with respect to compensation and its processes and how they are influencing. He found that the performance of organizations got improved. While in another study conducted by Teclmichael and Soeters (2006), it was found that firms got profitable when they paid attention to pay, than those which didn`t pay attention to pay. They found a positive relationship. With regards to above discussion, the fourth hypothesis was formulated as:

H4: Compensation impacts SMEs financial performance significantly and positively.

**3. Methodology**

The current research is empirical research and deductive in nature. While data was collected using self-administered survey method by applying five point likert scale. The targeted population of SME`s was 1328

While the total number of registered SME`s were 2016 in four zones or associations in Karachi. The study took a sample size of 443 and was considered suitable as per 20:1 (STV) subjects to variable ratio ratio (Hair, Anderson, Tatham and Black (1995) in Hogarty, Hines, Kromrey, Ferron & Mumford, 2005)".

Sampling type used was random as four industrial associations provided the sampling frame. While the data collection was done through questionnaire and was derived from literature review. Whereas the questionnaire was adapted from previous studies as well as researches. The questionnaire consists of three sections: demographics, practices of HRM and financial perceived performance of SME`s. It contains four independent variables , hiring have six constructs, training have four constructs, performance feedback have 5 constructs and compensation have 4 constructs, while dependent variable, financial perceived performance of SME`s have 5 constructs.

**4. Results and Findings**

While proceeding to the testing of four developed hypotheses, variables reliability was checked and resulting hypotheses were tested through multiple linear regression.

**4.1 The Constructs Reliability**

For this study, the reliability was measured for overall constructs and for each construct as well. According to Nunnally (1978) as well as Nunnally and Bernstein (1994), they advises reliabilities of 0.70. The reliability measured for this study was 0.768 as shown in Table 1, for all constructs and for each construct i.e. for hiring its 0.742, for training its 0.722, for performance appraisal its 0.835, for compensation its 0.745, and for financial performance it`s 0.762, as shown in Table 2, which was an excellent confirmation of dependable tool.

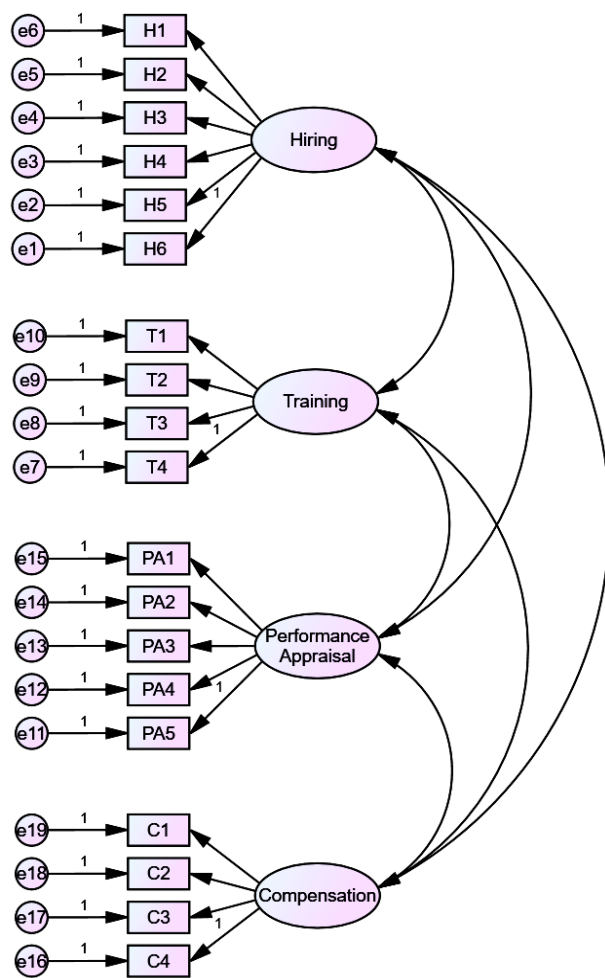
**Table No. 1: Individual Variables Reliability Statistics**

<b>Variables Reliability Statistics</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
Hiring	6	0.742
Training	4	0.722
Performance	5	0.835
Compensation	4	0.745
Financial Performance	5	0.762

### 4.2 Confirmatory Factor Analysis (CFA) Results

Confirmatory factor analysis (CFA) is used for the purposes of measuring items and constructs. CFA is considered to be a legitimate schema associated with hypothesis testing approach to the conceptual validation of data (Brown, 2014). To simply put it, a model is created and then tested for its validity with the help of data sample. The factorial structure validity testing entails analyzing validity of the extent of items designed to measure a particular variable or a latent factor. Factors are considered and represented in terms of their subscales in a measuring instrument and all items of a subscale are loaded to factor related to them (Byrne, 2016). The measuring instrument undertaken for CFA analysis contains 19 items in total. The subscale of hiring has 6 items, subscale training contains 4 items, subscale performance appraisal has 5 items, and compensation subscale is composed of 4 items.

BEST HR PRACTICES Measurement Model for Factorial Validity



**Figure No.2: Hypothesized Model for CFA Factorial Validity Analysis**

The hypothesized model is depicted in Figure 1. The model is hypothesized a priori that Best HR Practices contain four factor factors viz. Hiring, Training, Performance Appraisal, and Compensation and each of their respective items has a non-zero loading on the factor and simultaneously these items have zero loadings on other factors of the construct under discussion. Moreover, the four factors are correlated and the error terms associated with these 19 items are uncorrelated.

With the above a priori hypothesized model CFA analysis was run in AMOS version 23 with a plugin “Master Validity Tool” developed for construct validity testing by James Gaskin and John Lim (2016). The

plugin adopted the seminal study's threshold values (Hu & Bentler, 1999) for testing the construct validity, viz. convergent validity and Discriminant validity. The plugin produced the following table highlighting the result as no validity concerns were found in the model. However, the respective values for CR, AVE, MSV, and MaxR(H) are presented in the table. MaxR(H) is another term for CR with inherent calculations for improved CR (McDonald, 1981). All of values CR is greater than AVE and MSV is less than AVE. The square-root of AVE is presented in the diagonal and in bold letters. The inter-construct correlation is also presented in the table below. There were no construct validity departures from the standardized threshold values were found.

**Table No. 2 CFA Results**

	CR	AVE	MSV	MaxR (H)	Hiring	Training	Performance Appraisal	Compensation
Hiring	0.754	.581	0.127	0.763	<b>0.764</b>			
Training	0.748	.562	0.487	0.752	0.443	<b>.749</b>		
Performance Appraisal	0.821	.679	0.482	0.835	0.427	0.556	<b>.823</b>	
Compensation	0.760	.578	0.114	0.768	0.363	0.484	0.507	<b>0.761</b>

### 4.3 Hypothesis Testing

According to Saunders et al. (2011) arithmetical manners take part in an essential function in data collection. Multiple Linear Regression were used for testing the four hypotheses.

### 4.4 Hypothesis Testing For SME's Financial Performance

The hypotheses 1,2,3,4 were examined by multiple linear regression to discover the influence of hiring, training, performance assessment and recompense with financial performance of SME's significantly and positively.

To determine the furthestmost outstanding linear blend of HRM practices (i.e., hiring, training, performance assessment and recompense) for foreseeing financial performance of SME's, Multiple regression was used. The means, standard deviations, and Intercorrelations are set up in Table 1. The blend of variables largely foreseen financial perceived performance of SME's,  $F = 64.793, p < .005$ , with altogether four variables adding significantly to the prediction.

The beta weights, exhibited in Table 1.1, recommend that superior practices of HRM provide an incomparable numeral toward predicting financial performance of SME's. The adjusted  $R$  squared value was 0.377. This clarifies 37.7% of the variation in financial perceived performance of SME's was clarified through the model. Cohen (1988 pp. 21-23), expressed that it is a gigantic impact. We can say, the results of regression exhibited positive relationship, additionally hiring, learning or training, performance appraisal and compensation does influence or impact financial perceived performance of SMEs.

**Table No. 3. Means, Standard Deviations, and Intercorrelations Financial Performance of SME's and Predictor Variables**

Variables	M	SD	1	2	3	4
Financial performance of SME	3.839	.53370	.421**	.413**	.447**	.285**
1. Hiring	3.79	0.814	-	.447	.427	.365
2. Training	3.84	0.793	.448	-	.556	.486
3. Performance Appraisal	3.82	0.812	.427	.558	-	.509
4. Compensation	3.68	0.927	.366	.486	.509	-
* $p < .05$ , ** $p < 0.01$						

**Table No. 4 Simultaneous Multiple Regression Analysis Summary**

Variables	B	SEB	Beta
Hiring	0.214	0.042	0.226
Training	0.180	0.044	0.208
Performance Appraisal	0.208	0.043	0.237
Compensation	0.094	0.035	0.131
Constant	1.264	0.168	
Note. $R^2 = 0.391$ ; $F(4,421) = 64.793$ , $p < .005$			

#### 4.5 Multiple Regression Equation for Financial Performance of SME's

$$Y = C + \beta X_1 + \beta X_2 + \beta X_3 + \dots + \beta X_n$$

Y= Dependent Variable: Financial Performance.

C= Constant value.

$\beta$ = Unstandardized coefficient.

X= Measurement of predictor variable (hiring =X1, training=X2, performance assessment= X3 and recompense= X4).

The above chart/table, derived following equation:

$$Y = C + \beta X_1 + \beta X_2 + \beta X_3 + \dots + \beta X_n$$

$$Y = 1.264 + (0.214X_1) + 0.180X_2 + 0.208X_3 + 0.094X_4$$

The above equation model can be inferred as increase of single units of hiring ( $X_1 = 0.214$ ) will add 0.214 units of financial/monetary performance (Y), for training ( $X_2 = 0.180$ ), for performance appraisal ( $X_3 = 0.208$ ), and for compensation ( $X_4 = 0.094$ ), increase of every one unit will raise (0.214, 0.180, 0.208, 0.094) units of dependent variable i.e. monetary/financial performance.

#### 5. Conclusion

Still, the study start on as of fundamental perceptions applicable to the research for instance kinds and importance of SME's and HRM. Present study checked practices of HRM namely training, hiring, compensation plus performance evaluation and its influence over SME's perceived financial performance. The investigation is worthy and significance, as it is first kind of research occurring on SME's concerning size, area/sector and type in Karachi. This research considerably tested the influence of HR practices on SME's perceived financial performance on listed SME's working within Karachi. The study examination begin on as of basic observations pertinent to the exploration for example kinds and significance of SME's and HRM practices. This work checked HRM practices in particular hiring, training, compensation, performance feedback and its impact over SME's perceived financial performance.

A positive and durable association is found between the practices of HRM and SME's perceived financial performance. The result also reveals that training and performance appraisal got positive plus most noteworthy association among performance of SMEs.

The outcomes are aligned through earlier studies findings and supports the studies conducted by many researchers like (e.g., Jamsari et al. 2017; Nongmaithe et al. 2016; Ugheoke, Isa, & Noor, 2015; Amin et al. 2014; Zhai, Liu & Fellows, 2013; Zakaria et al. 2011; Khan & Khan, 2012; Paul & Anantharam, 2003; Delaney & Huselid, 1996). They were of the opinion that when employees get a fair performance feedback and organizations invest in training, both result in better and increased organizational performance. The drawbacks ought to be kept in mind that registered SMEs were aimed for this study.

#### 6. Recommendations

1. HRM in SME's should offer some impetus, for example, training, compensation, recognition, freedom, appreciations, promotion, acknowledgment, flexibility, thanks, advancement, and job security keeping in mind the end goal to persuade and satisfy workers for enhancing firm performance.
2. All departmental heads should meet with the HR managers or proprietors or owners on a quarterly basis to acknowledge, appreciate, recognize, and compliment employees for their worthy performance or target

accomplishment. This will not only rouse them but also motivate them too. While accomplishments by laborers ought to be examined and their names ought to be shown on the walls of the department.

3. The policy makers, stakeholders and SMEDA ought to guarantee that SME`s HR should develop a fruitful venture by frequently arranging alongside assessing their reward and in addition arrangement of evaluation feedback.

## References

- Amin, M., Khairuzzaman Wan Ismail, W., Zaleha Abdul Rasid, S., & Daverson Andrew Selemani, R. (2014). The impact of human resource management practices on performance: Evidence from a Public University. *The TQM Journal*, 26(2), 125-142.
- Bhatti, N., Syed, A. A. S. G., Shah, S. M., & Shaikh, F. M. (2012). Human Resource Management and SMEs Business Growth in Pakistan. *Asian Social Science*, 8(6), p136.
- Boselie, P., Paauwe, J., & Jansen, P. (2001). Human resource management and performance: lessons from the Netherlands. *International Journal of Human Resource Management*, 12(7), 1107-1125.
- Brown, T. A. (2014). *Confirmatory factor analysis for applied research*. Guilford Publications.
- Burke, R. J., & El-Kot, G. (2014). Human Resource Management Practices in Small-and Medium-Sized Enterprises in Egypt. *Journal of Transnational Management*, 19(3), 211-226.
- Byrne, B. M. (2016). *Structural equation modeling with AMOS: Basic concepts, applications, and programming*. Routledge.
- Çalışkan, E. N. (2010). The impact of strategic human resource management on organizational performance. *Journal of Naval science and engineering*, 6(2), 100-116.
- Cappelli, P., & Neumark, D. (2001). Do "high-performance" work practices improve establishment-level outcomes?. *Industrial & Labor Relations Review*, 54(4), 737-775.
- Cohen, J. (1988). *Statistical power analysis for the behavioral sciences* (2nd ed.). Hillsdale, NJ: Lawrence Earlbaum Associates.
- Cunningham, L. X., & Rowley, C. (2008). The development of Chinese small and medium enterprises and human resource management: A review. *Asia Pacific Journal of Human Resources*, 46(3), 353-379.
- Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. *Academy of Management journal*, 39(4), 949-969.
- Drost, E. A., Frayne, C. A., Lowe, K. B., & Geringer, J. M. (2002). Benchmarking training and development practices: a multi-country comparative analysis. *Human Resource Management*, 41(1), 67-86.
- Gamage, A. S. (2014). Recruitment and Selection Practices in Manufacturing SMEs in Japan: An analysis of the link with business performance. *Ruhuna Journal of Management and Finance*, 1(1), 37-52.
- Gaskin, J., & Lim, J. (2016). Master validity tool: AMOS plugin. Gaskination's StatWiki.
- Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1995). *Multivariate data analysis* (4th ed.). Saddle River, NJ: Prentice Hall. Google Scholar.
- Halachmi, A. (2005). Performance measurement is only one way of managing performance. *International Journal of Productivity and Performance Management*, 54(7), 502-516.
- Heneman, R. L., Tansky, J. W., & Camp, S. M. (2000). Human resource management practices in small and medium-sized enterprises: Unanswered questions and future research perspectives. *Entrepreneurship theory and practice*, 25(1), 11-26.
- Hu, L. T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural equation modeling: a multidisciplinary journal*, 6(1), 1-55.
- Hogarty, K. Y., Hines, C. V., Kromrey, J. D., Ferron, J. M., & Mumford K. R.: The quality of factor solutions in exploratory factor analysis: The influence of sample size, communality, and over determination. *Educational and Psychological Measurement*, 65, 202-226, 2005.
- Ibrahim, H., & Zulkafli, A. (2016). Corporate governance, HRM practices and organizational performance. *Socio-Economic Problems and the State*. 14 (1), 30- 40.
- Jamsari Bin Atan, Nik Hasnaa Nik Mahmood, Santhi Raghavan. (2017). The determinant of Employee Job Performance: Incorporating Malaysian SME`s Experience on Recruitment. *Medwell Journals, The Social Sciences*. 12 (1), 39-42.
- Jauhar, J., Abdul Ghani, A. B., Joarder, M. H. R., Subhan, M., & Islam, R. (2015). Brain Drain to Singapore: A Conceptual Framework of Malaysians' Diaspora. *The Social Sciences*, 10: 702-711.
- Katou, A. A. (2012). Investigating reverse causality between human resource management policies and organizational performance in small firms. *Management Research Review*, 35(2), 134-156.
- Khan, N. R., & Khan, M. R. (2012). Human Resource Practices in SME Sector: An Exploratory Case Study of Pakistan. *EuroEconomica*, 3(31), 7-19
- Lai Y, Saridakis G, Johnstone S. (2016). Human resource practices, employee attitudes and small firm performance. *International Small Business Journal*, 4(5), 55-60.
- Levy, B(February 1994). *Successful Small and Medium Enterprises and their Support Systems*, Paper presented to World Bank Conference, Washington DC.



- McDonald, R. P. (1981). The dimensionality of tests and items. *British Journal of mathematical and statistical Psychology*, 34(1), 100-117.
- Moncarz E, Zhao J, Kay C. (2009). An exploratory study of US lodging properties' organizational practices on employee turnover and retention, *International Journal of Continuing Hospital Management*, 21(4), 437-458.
- Mustaghis-ur-Rahman (2011). Small and Medium Enterprise, Support systems, and their effectiveness, A survey in Pakistan' Unpublished thesis for post doc research, at George Mason University, USA.
- Nongmaithem Robindro Singh & Biniam Kassa. (2016). The Impact of Human Resource Management Practice on Organizational Performance - A Study on Debre Brehan University. *International Journal of Recent Advances in Organizational Behavior and Decision Sciences (IJRAOB)*. An Online International Research Journal (ISSN: 2311-3197). 1(1).
- Nunnally, J. C. (1978). *Psychometric theory* (2nd ed.). New York, NY: McGraw-Hill.
- Nunnally, J. C., & Bernstein, I. H. (1994). The assessment of reliability. *Psychometric theory*, 3, 248-292.
- Paul, A. K., & Anantharaman, R. N. (2003). Impact of people management practices on organizational performance: analysis of a causal model. *International Journal of Human Resource Management*, 14(7), 1246-1266.
- Pfeffer, J. (2005). Producing sustainable competitive advantage through the effective management of people, *The Academy of Management Executive*, 19(4), 95-106.
- Pfeffer, J. (1994). Competitive advantage through people. *California management review*, 36(2), 9-28.
- Pingping, Liu. (2016). Research on the Relationship Between Strategic Human Resource Management and Organizational Performance Based on Contingency Mode. *Journal of Human Resource Management*. 4(5), 55-60.
- Qureshi M, Tahir Hijazi T, Syed Ramey I, Mohammad (2007). Impact of Human Resource Management Practices on Pakistani organizations, *Journal of Business and Policy Research*, 3(2), 128-138.
- Rauch, A., Frese, M., & Sonnentag, S. (2000). Cultural differences in planning-success relationships: A comparison of small enterprises in Ireland, West Germany, and East Germany. *Journal of Small Business Management*, 38(4), 28-41.
- Revenio C. Jalagat. (2016). A Critical review of Strategic Human Resource Management and Organizational Performance. *Global Journal of Advance Research*.3(10), 953-958.
- Saunders, M. N., Saunders, M., Lewis, P., & Thornhill, A. (2011). *Research methods for business students*, 5/e. (pp. 100-149). Pearson Education India.
- Saks, A.M. (1995). Longitudinal field investigation of the moderating and mediating effects of self-efficacy on the relationship between training and newcomer adjustment, *Journal of Applied Psychology*, 80(2), 211-25.
- Saira Hassan. (2016). Impact of HRM Practices on Employee's Performance. *International Journal of Academic Research in Accounting, Finance and Management Sciences*. 6 (1), 15-22.
- Sajjad Hosain. (2016). Impact of Best HRM Practices on Retaining the Best Employees: A Study on Selected Bangladeshi Firms. *Asian Journal of Social Sciences and Management Studies*. 3 (2), 108-114.
- Singh, K. (2004). Impact of HR practices on perceived firm performance in India. *Asia Pacific Journal of Human Resources*, 42(3), 301-317.
- Teclemichael Tessema, M., & Soeters, J. L. (2006). Challenges and prospects of HRM in developing countries: testing the HRM-performance link in the Eritrean civil service. *The international journal of human resource management*, 17(1), 86-105.
- Ugheoke, S. O., Isa, M. F. M., & Noor, W. S. W. M. (2015). Antecedents of Strategic Human Resource Management Practices on Intangible Firm Performance: Analytical Investigation of SMEs. *Asian Social Science*, 11(13), 33.
- Zakaria, N., Zainal, S. R. M., & Nasurdin, A. M. (2011). Investigating the role of human resource management practices on the performance of SME: A conceptual framework. *Journal of Global Management*, 3(1), 74-92.