

THE BEST FIT PERSPECTIVE IN REWARD STRUCTURE: CASE STUDIES FROM PAKISTAN WITH THEOSOPHICAL ANALYSIS

Nazia Rafiq¹, Ambreen Sarwar², Syed Muhammad Imran Haider Naqvi³

¹Department of Management Sciences, Virtual University of Pakistan

²Department of Management Sciences, COMSATS Institute of Information Technology, Lahore, Pakistan

³Center of Islamic Finance, COMSATS Institute of Information Technology, Lahore, Pakistan

*Corresponding Author: madamnazia@gmail.com

ABSTRACT: *The best fit approach of strategic HRM focuses on the importance of aligning HR strategies with various policies of the entire organization, together with culture, operational processes as well as external environment. It assures that the reward systems, being part of the overall strategic HRM, be associated with the organizational business strategy in order to gain competitive advantage. This study attempts to identify the best fit reward perspectives in the context of Pakistan and Islamic guidelines. It is based on literature review and case study method was used to draw conclusions. Descor Engineering Ltd. and Comsats Institute of Information Technology (CIIT) was chosen as target organizations. Findings validate that best fit reward practices implemented in Pakistan are vindicated with the global HR standards and Islamic principles. Pakistan has effectively introduced and implemented strategic reward systems. The study will be beneficial for practitioners as well as future researchers.*

Keywords: Best fit, Strategic Reward System, HRM, Pakistan, Islam

INTRODUCTION

The ‘best fit’ perspective in Human Resource Management (HRM) is generally a topic of debate among HR academicians and practitioners as it is frequently compared and contrasted with the ‘best practice’ perspective, intended to demonstrate one of them superior to other [1,2,34].

Analogous is the case of both these perspectives in strategic reward systems [1,5,6]. Reward systems (RS) have emerged as an integral part of strategic HRM that contributes towards an organization’s competitive advantage. They are studied through various perspectives and several disciplines including psychology, sociology, anthropology, economics etc have added to RS literature [7].

Shaw and Gupta [8] argues that Reward systems are effective only when they are coupled with challenge, engagement, autonomy, mastery, combinations of intrinsic and extrinsic rewards, the best combinations of social and extrinsic rewards, the best combinations of intrinsic, social and extrinsic rewards, and so forth.

The two most dominant views of strategic RS are the ‘best fit’ and ‘best practices’ perspectives [4]. The ‘best fit’ point of view asserts that in order to attain competitive advantage, there should be alignment between an organization’s reward structure and its business strategy [5]. On the other hand the advocates of ‘best practice’ model maintain that a bunch of ‘best’ Human Resource (HR) policies, including the reward structure leads to well motivated and dedicated workforce, which is an essential element of an organization’s competitive advantage [5].

Such school of thought of ‘best practices’ has directed the HR scientists and practitioners to exaggerated claims on the universal validity of a bundle of best practices, entailing one recipe fit for all successful HR procedures [3]. One of the advocates of ‘best fit’ model concluded that contextual contingencies like national, sectoral and organizational factors play a vital role in shaping an organization’s HR strategies [4] and therefore a single recipe cannot fit successfully in every situation.

According to Vilet [3] “If something is a best practice, then every other practice is inferior. But if everyone is doing the

same best practice, it leads to conformity. Do you want to use the same practices as your competition? No --- you want to use practices that beat them”.

Yet there is an abundance of literature that defends both ‘best fit’ and ‘best practices’ model as being used and implemented successfully by corporate bodies around the world [1, 6,9,10].

Though both these models have been discussed in literature through the lens of HR systems and structure and in developed countries of the world; yet the researchers were unable to find any literature with respect to the applicability of such models in a developing nation like Pakistan, especially relating to reward systems and Islamic principles. Therefore the current paper attempts to fill this gap by introducing the influence of ‘best fit’ perspective of HR systems on reward structure in the context of Pakistan and Islamic principles; and provide evidence based examples of such approach.

PROBLEM STATEMENT

Pakistan is a developing country. Both best practices and best fit approaches are commonly being employed here. Yet there is a lack of a formal contribution in literature that illustrates evidence based cases from a developing nation like Pakistan especially to reward systems and Islamic perspective.

The young professionals in Pakistan continue to strive for establishing themselves in the corporate world. Their interest and preferences keep on shifting towards contract based jobs. Especially the concept of protean career orientation, lately attracting significant attention in Pakistan, has also contributed in young professionals choice of highly paid and skills enhancing jobs rather than going for long term employment contracts that prevail in traditional employment settings[11].

Keeping these trends in mind, the current study tries to make an important contribution by studying the best fit approach implemented by various Pakistani organizations and observe that what combination of ‘right’ best fit practices are they adopting that keep them successful in market place.

RATIONALE

The 'best fit' perspective of HRM is generally considered to be an intricate approach to pursue and implement, yet there are a number of organizations in Pakistan that are successfully executing it. The rationale behind this study is to look into the industry and come up with cases of best fit implementers in Pakistan from both the public as well as private sector and comprehensively highlight the achievements of organizations opting for such an approach. Additionally the implementation of Islamic guiding principles will also be discussed.

Wright [12] called for future research and said that 'reward effectiveness is a lot of work, but if people are organization's greatest asset then surely more solid evidence of what reward practices add value and what do not is vital management information'. A recent study conducted in public sector banks by [13] concluded that, HRM practices of training and development, motivation, performance appraisal, internal communication, and reward/remuneration together explained as much as 98% of the variance in employees' performance.

Keeping in view the importance of compensation and rewards, this paper tries to depict the accurate picture of best fit implementation with respect to reward system practices in Pakistan with the help of case studies and solid evidence; as such examples from Pakistan are missing in literature. Additionally Pakistani is an Islamic state and came into being in the name of Islam, it is therefore imperative to analyze such practices from the lens of Islam as well which is being done in this study.

The research paper will be beneficial for the HR practitioners. It will provide in-depth analysis of best fit factors of reward system approaches. Corporate sector and Policy makers can acquire helpful insights from it. It will be beneficial for both corporate and public sector.

RESEARCH OBJECTIVES

This paper attempts to review, analyze and establish that to what effect the best fit practices of reward systems are implemented in the public and private sector of Pakistan and study their impact on organization's success.

LITERATURE REVIEW

Compensation policies and reward structures are critical for improving employee as well as organizational performance. Various such structures exist in practice that contribute towards organizational success in their own capacities. For instance bonuses associated with individual and collective performance seem to represent an asset for organizations, when used effectively. Employees that benefit from individual incentives are shown to be more motivated to put forth an intense effort at work than those that are compensated based on seniority [14,15].

Similarly, compensation programs based on collective performance, such as gain sharing plans, encourage employees to work in teams and to be present at work, because maximizing their efforts has a positive effect on their income [16].

Guthrie [17] affirmed a significant negative association between the use of group pay plans and turnover rate. In addition, financial incentives can enhance employees'

discretionary efforts and loyalty by heightening the feeling of equity [18] and reinforcing the sense that the organization values the contributions of its employees as predicated by support theory. Other dimensions of compensation, such as the salary position compared with the market and the level of employee benefits can also exert a positive influence on discretionary efforts and retention of employees [19]. Holzer [20] found that companies that opt for a leadership pay position recruit a larger number of candidates of better quality, which simultaneously reduces the turnover rate [15]. Using a sample of New Zealand firms, a study [17] found a significant negative relationship between a leadership pay policy and turnover rate. A study by Watson Wyatt of 614 companies reports variance of nearly 10% in the return on shareholders' equity between companies that adopted a leadership policy and those that did not [21].

According to exchange theory [22] and efficiency wage theory [23], individuals in an advantageous situation compared to the market, respond with greater productivity and adopt behaviors that exceed prescribed roles [24]. The quality of employee benefits offered also plays a role in encouraging positive 'pro-social' behaviors. Lambert [25] concluded that these benefits affect employees' attitudes and behaviors, consistent with social exchange theory. She educated a positive relationship between the perception of the use of employee benefits programs related to work-family balance and the adoption of specific organizational citizenship behaviors (e.g. attendance at meetings, constructive suggestions and cooperation with other employees). Innovative and useful employee benefits programs would motivate individuals to feel obliged to their employer. They would thus be more likely to manifest behavior that is commensurate with the organizational support received [26].

Similar to empowerment strategies, compensation policies used in isolation do not exert an optimal influence on HR performance. There must also be synergy between the various compensation practices applied. It is difficult for competitors to emulate synergy within a compensation system, and this synergy allows the firm to gain a greater competitive advantage than had it put in place a series of incoherent policies [27]. The review of the literature [15] suggests that individual compensation practices have mitigated effects. The use of a complementary program portfolio could compensate for the inherent disadvantages of each practice. Areas of coherence have been described by Becker and Huselid [28], who noted that an increase in the standard deviation of the use of a coherent compensation system (e.g. leadership wage policy, individual and collective performance bonus, shareholding) can increase the market value of the firm by 21% or 26%, depending on the financial index. Regarding HR performance indices, Appelbaum *et al.* [29] maintain that the presence of bonus programs can have an impact on the discretionary efforts and loyalty of employees if they are supported by other practices that promote confidence and commitment, such as high base salaries and good employee benefits.

The two most dominant views of strategic RS are the 'best fit' and 'best practices' perspectives [4]. Best fit practices

play an important role in implementing strategies and objectives of organization [30]. The best fit approach, generally speaking, is a contingency approach, whereas the best practices are considered as a universal method. Contingency theory is a behavioral theory which recommends that there is no best way to organizing the business. One particular way may be suitable in one situation and total failure at another time [31].

The best fit is to choose those HR policies and practices which are suitable in accordance with the organizational environment. The factors on which it depends may be the contingent ones. It may include the organization size, use of technology, location, type of business. It also depends upon the sector of the industry, and economic conditions prevail in the country [32]. Contingency approach is the method of decision making which is implemented after aligning with HR strategies and organization objectives. It is not universal like HR best practices model. For best fit models, organizational strategy and objectives are the primary concern and all systems and practices follow them [31].

In best practices model the HR Manager plays an important role, finds best practice and provide it to HR after top management approval, he is the only seller and he makes the reward system supportive. In contrast, HR Manager in best for practices finds outside fitting associated with operation and marketing strategy. After identification, he tries to "fit in" with the HR reward system [33].

Both approaches found different ways to influence the pay and relate it to people performance. The best fit system focuses on pay as a motivator. It is based on expectancy theory which demonstrates that people will perform well if they are rewarded according to their efforts. Thus best fit approach emphasizes on financial rewards and recommends it as a driving force in corporate human resource. Best fit uses reward system as the stick and carrot. According to this approach pay and reward will vary from performance to performance of the individual [34]. Both methods of reward system either the best fit or best practices model reinforce the organization culture and structure. It is the matter of fact that both systems have different HRM policies and guidelines [30].

According to Morris and Maloney [5] because of the absence of a specific 'loyalty contract' between the firm and employee in case of best fit approach, the proponents of this approach argue that in order to retain and attract employees with hunger for personal skills enhancement, training and rewarding of such 'up-skilled' employees play an important role. This view is especially in line with the protean career orientation that is gaining popularity in youngsters of Pakistan [11].

Generally, the literature shows inconsistency in the reward structure by organizations using high performance work practices [35] or high commitment management [68]. The proponents of either approach have no consent regarding the impact of reward structures. Schuster and Zingheim [37] propose that employee rewards must constantly be attached to firm's performance. Best practices, though considered being as a universal approach; its proponents have not yet put forward an agreed bunch of HR policies. There

is also a prominent deficiency in universality with respect to reward systems.

This brief discussion of both perspectives shows that there is consensus between the two in at least one area that HR policies must be compatible. Being one of the important policy areas reward systems, should be integrated and harmonized other policy areas of employee recruitment and selection, training and performance evaluation.

That being said, on the other hand, there is also a primary disparity. The best fit approach is conditional and contingent. They are made and modified to maintain a 'line of sight' with strategy. This denotes the uniqueness of an organization's reward system (and other practices) that may possibly be amended with key modifications in organizational strategy. Best practice policies are universal. Even a major change in organizational strategy does not alter the bundle of HR/ reward policies. This implies that similar reward structures can exist across organizations and industries.

RESEARCH METHODOLOGY

This qualitative study is based on literature review and other secondary sources [38] like HR manuals of organizations. It employs a case study method [39] by studying the reward structure of two Pakistani organizations. Some informal interviews were conducted from higher officials and employees of both organizations to infer the results. Both public and private sectors were chosen in order to highlight the state of best fit reward practices in respective sectors. One organization belongs to education sector, while the other is an engineering multinational concern.

As it was difficult to clearly distinguish the best fit model from best practices reward structure because literature reported their overlapping, it was pertinent and imperative to set standard for their distinction. In this study the parameter for being best fit based reward system was the one that entertained mostly contractual employment setup with definite expiry as per projects time lines or other defined terms. We consider best fit that not only conforms to company's policy, business objectives and state laws, but further remains time bound, contractual or project specific.

In its operationalization the next important dimension is the conformance of reward system with Islamic teachings that demand win-win for both employer and employee. As laws in Pakistan are predominantly Islamic, their conformance in the time bound employment contracts is considered Islamic. Therefore the paper also provides an Islamic analysis of these practices being carried out by best fit approach.

CASE STUDIES

This section of the paper will discuss Descon Engineering Limited and Comsats Institute of Information Technology (CIIT) as examples of 'best fit' implementers in Pakistan. The discussion will primarily revolve around the contribution of embracing such a model in reward structure towards the national and international success stories.

DESCON ENGINEERING LIMITED

Introduction: Descon Engineering Limited is a well reputed organization, carrying out successful business in private sector of Pakistan [40]. It is registered under the Securities

and Exchange Commission of Pakistan [41]. It was established in 1977, in a small one room office in Lahore [42] and has quickly become one of the leading organizations in Pakistan and Middle East, employing over 25,000 people from over 20 nationalities [43]. It is Pakistan's largest engineering and manufacturing concern. Though it started Engineering as its core business, with Descon Engineering Limited as the flagship company, it has now lucratively diversified in power and chemical industries, with its presence in more than 7 countries across Asia[42].

The reward structure at Descon Ltd is considered to be one of the most competitive ones in Pakistan and professional affiliation with Descon is the dream of many young engineers and knowledge workers to give a power boost to their careers [44].

Salary structure: The salary structure at Descon is not according to the 'best practices' model as exercised in public sector organizations of Pakistan. Rather, salary is negotiated with each employee on account of nature of work, qualification, experience, skills, expertise and then a contract is signed between employee and company. Allah said "O you who believe fulfill your contract"[45]; Fulfill your agreement, surely, you will be questioned about it"[46].

Descon makes sure that high achieving and performing employees are satisfied with their reward package being equal to or exceeding what they might earn in the external market [47]. Prophet Mohammed (Peace be upon him)said:"Allah, the Exalted, says: 'I will contend on the Day of Resurrection against ... one who hires a workman and having taken full work from him, does not pay him his wages"[48].

It is made sure in Descon to pay the salary to employees on time. Prophet Mohammed (Peace be upon him) said:"Give the wages of employee before his sweat dry" [49]. Allah said: "Do not withhold from the people the things that are their due" [50].

The consensus among the 'best fit' advocates about the vitality of externally competitive reward packages and concentration on specific high achievers [5], makes Descon one of the practitioners of 'best fit' model in Pakistan.

Employee categories with respect to pay and rewards: Descon has categorized the employees in accordance with its business needs, demands and strategy as permanent (managerial and non-managerial), contract based and temporary [47]. Each one of these has different pay policies in accordance with the relevant grades, designations, nature of work, responsibility and contribution towards organizational objectives.

Islam emphasizes that all are not equal in capacities, capabilities and skills to each other and everyone will be provided burden according to his own capability[51]. Monthly cash salary may consist of basic salary, house rent, conveyance, COLA and some other allowances, but their allocation yet again depends upon employment category (permanent, contract based, temporary), grade, designation, skills and qualifications [47]. Pay is linked to performance criteria. Temporary employees, especially the onsite ones are further divided into the ones

paid on a monthly basis and those on daily wages [52]. Because Best fit focuses on categories of employees with high replacement costs [5], such employees are paid highly at Descon. On the other hand the temporary unskilled workers whose replacement costs are low are only offered according to market trends and what is sufficient.

Training: Descon provide extensive training to its employees who can positively contribute to organization's competitive advantage. It provides both domestic and international training, to managerial as well as non managerial staffs [53]. The acquisitions of resulted skills that add value to the organization are recognized in the reward structure. There were many important training sessions conducted in 2015. [53]. Prophet Mohammed (Peace be upon him) Said:"Seeking knowledge is obligatory for all Muslims" [54].

The employees who successfully complete the training programs and enhance and upgrade their skills accordingly are entitled to rewards, increase in pay or promotion subject to value addition to the organization. The supporters of best fit are devoted to training and suggest that the gaining of skills that add value to the business should be acknowledged via the payment system [5]. Due to a lack of a 'loyalty contract' best fit implementers have to train and reward employees enhanced skills for increasing organizational commitment. This also serves for the accomplishment of one of the reward system's objectives of attracting and retaining useful employees [55] who need to enhance their personal skill set [5].

Hazrat Omer (RA), second caliph, who was a great administrator highlighted the importance of behavior, attitude and performance potential of candidate as key indicators while hiring for a position. He reported that if a person hires someone on the basis of nepotism he cheats Allah, The Prophet and Public" [51].

Job evaluation: Job evaluation exercises are conducted frequently at Descon, for instance the Mercer job evaluation exercise was conducted recently in 2015 to determine the relative worth of key job positions, to make the salary and benefit packages more competitive externally and linked to relative contribution of employee to organization's success [53]. Incentives that embrace a greater proportion of base pay are believed to be a significantly effective way of motivating employees [5]. Best fit model proposes that high inputs be matched with high outcomes [55] and that's what Descon has been doing so effectively for the last 4 decades.

Long term and terminal benefits policy: Descon's long term and terminal benefits policy include gratuity and provident fund that vary depending on the category of employment, but pension is not offered to any employee [56,57].

Overtime and Medical assistance: The policies of entitlement for overtime compensation are different for management and non-management staff. Even the formula for calculating overtime is different for employees at project sites and employees in regional/ head offices, as well as for employees working on daily versus employees working on monthly based pays [58]. Medical assistance is offered to permanent employees only [59]. Best fit proponents are of

the idea that organizations can only attain return on investment if they entrust themselves to a long-term connection with their employees[5] and that's what Descon's gratuity and provident fund symbolize.

Descon has been able to successfully implement most aspects of 'best fit' model of strategic reward system. On the basis of above discussion, one can safely construe that "best fit" reward practices serves as one of the most fundamental factors behind Descon's tremendous growth and accomplishments in such a short span of time. In addition many of these practices are also in line with Islamic principles.

Recently in 2013, Descon was nominated in the very prestigious ENR's (Engineering News Record) listing of the world's top 250 construction companies. It has achieved 126th position out of 250 companies operating in the field and the only Pakistani company to have been included in the list since 2007 [43]. No doubt Descon's such achievements are making the Pakistani's proud around the world.

COMSATS INSTITUTE OF INFORMATION TECHNOLOGY (CIIT)

Introduction: At present, CIIT is one of the reputable institutes of Pakistan among 140 DAI and universities who maintained quality in education. Higher Education Commission has ranked CIIT at 2nd number in research category and at number one in information technology. CIIT has well developed linked to international universities of good repute. According to recent statistics it has 150 MOUs signed. It has such an international repute that it is conductively organizing Pak China Forum, Frontiers of Information Technology Conference and Vice Chancellors' Forum of the Islamic Countries [60].

Emphasis on research: CIIT is practicing best fit approach of reward system. This practice has enabled this institute to achieve international recognition. Apparently this practice looks difficult to practice, but it was only because of this approach that it has been able to achieve 3rd international ranking. Its reward system is linked to performance of the employees. Compensation is market competitive. It provided (contract based) project based targets to each employee. For Academic professionals, it's mandatory to produce 4 papers in a year for Professors, 3 for Associate Professor, 2 for Assistant Professor. This practice enabled the organization to achieve 1st ranking in research productivity[61].

Contracts/ TTS: Presently, six institutes out of 110 higher education institutes are having 61% tenure track faculty. Comsat is also one of those institutes who have appointed 19% tenure track faculty and it is increasing with 6% ratio in 2007 & 2008. It is following Tenure Track System (TTS) for teachers. All teachers are on contract basis. Rewards are linked to tough targets so it is a place for best performers. Whosoever achieved those targets stayed there and is best rewarded. Otherwise poor performers left the place soon. Here is survival of the fittest only. Best fit strategies are core point in CIIT success story[61].

As per Quran one of the two female quoted to their fathers that employ that person who is competent and trust worthy only. It means criteria for hiring must be competency and professionalism irrespective of racism [62].

Compensation and employee categories: Compensation at CIIT is quite attracting. It provided all additional benefits of GP Fund and Pension along with high salaries to employees. Rewards system is such a competitive that everyone wants to join it. It offers time bound contracts. Janitorial Staff is on Contract basis. Middle level employees are on 1 year contract and Top ranking professionals are on 3 years contract. So everyone imparts his/her best effort and performance in its success. Prophet Mohammed (Peace be upon him) said: "Muslim must abide by their agreement" [63]. CIIT has proved itself in the market that best fit strategy is suitable for education sector and it can be best approach to be market leader [61].

CONCLUSION

On the basis of these case studies, we conclude that organizations in both the public and private sector of Pakistan are successfully implementing best fit model that are also in compliance with the Islamic laws and principles.

Youngsters in Pakistan have a changed mindset and they opt for and prefer to have highly paid skills enhancing jobs instead of traditional long term commitment based jobs. The cases show that best fit practices in Pakistan meet global as well as Islamic standards. Pakistani Organizations have introduced and embraced many novel approaches of reward systems successfully. Best fit practices of reward structure being linked to performance has been able to extract better performance standards from employees and at the same time increased their satisfaction level. This in turn has been translated to the success of the discussed organizations at national and international level.

DISCUSSION AND IMPLICATIONS:

The best fit method emphasis that HR policies must be linked with culture and operational methods and it needs to be aligned with external factors and current situation of the organization. The study was intended to know the best fit reward perspective in Pakistan. Best fit approach emphasis on the alignment of HR policies with present organization circumstances along with its employees [64]. Therefore, many critics and observes are in view point that best fit approach is more vital than best practice method.

The best fit method claims that HR policies can enhance the performance of the employees and ultimately the firm if they are persistent. Both the rewards approach whether the best fit or best practice is based on the supposition that HR policies and strategies can strongly impact on the performance of employees. However, there is no consensus so far that which approach is more appropriate. Shah [65] in his study "Relationship between Rewards and Employee's Performance in Cement Industry in Pakistan" recommends that there is a direct relationship between rewards and employee performance. Current study attests and validated these findings that best fit reward practices can enhance the performance of the employees and therefore create competitive advantage.

Khalid and Ilyas [66] in a study named as "HRM Practices and Employee Performance in Public Sector Organizations in Pakistan: An Empirical study" found that integration and

synthesis of effective training policy, performance appraisal system, and viable compensation program constitute an effective set of HR practices can result in higher performance. Current study adds the contribution by particularly discussing the best fit perspective which is not earlier studied.

The strategic reward systems have also been discussed by Morris and Maloney [5] where they very skillfully presented an in depth analysis of reward systems with respect to best fit and best practices perspectives. Our study goes a couple of steps ahead by providing evidence based strategic reward systems in the form of case studies. Secondly, it adds an Islamic flavor by comparing the Pakistani firm's best fit practices to the Islamic guidelines.

Additionally all earlier studies [1,5,6] have been conducted in western scenario, to the researcher's best knowledge, this is the first attempt carried out in a developing nation like Pakistan and with Islamic analysis.

Based on the case studies, it may be suggested to organizations and government to take lesson from the leading organizations in Pakistan like Descon and CIIT, and try switching their reward system to the strategic fit approach.

While doing so implementation of compensation practices needs an all-inclusive review. There is requirement for job evaluation of all the posts and according to this evaluation such salary structure should be introduced through which employees can meet their basic needs. These salaries should be comparable to market rates that are relatively well paid [67] and those following best fit approach. Unless a reasonable compensation is not paid and not linked to the organizational strategy, the employee performance cannot be improved. Managers need to be concerned not only about the design of these policies, but also about the way in which they are implemented to meet the needs of different groups of employees [68].

This study has various implications for HR practitioners. Because of the scarcity of Pakistan based researches, policy makers here keep on carrying out a prefixed set of HR policies [67] e.g. the best practices approach. Strategic HR policies can help decision makers to change such trends in order to improve employee as well as organizational performance through strategic HR interventions. This paper has contributed theoretically by providing case studies from Pakistan with respect to reward structure and Islamic guidelines that was missing earlier. Additionally important policies and reward structures are highlighted from leading Pakistani organizations which can serve as a helping hand for policy makers and HR practitioners to improve the current state of their organization and employees.

LIMITATIONS AND FUTURE RESEARCH

The study is limited to two case studies only. It is a qualitative study and based on two sectors only which are education sector and corporate sector. In future quantitative study can be conducted and other sectors of Pakistan can be included and compared with each other. It will also be interesting to come up with cases of best practices implementers with respect to reward systems as well as

complete set of strategic HR policies in Pakistan's public and private sector and analyze the key factors behind their success or failure; and/ or compare them to best fit implementers.

REFERENCE

1. Croonen, E. P., Grünhagen, M., and Wollan, M. L., "Best fit, best practice, or stuck in the middle? The impact of unit ownership on unit HR performance in franchise systems". *International Entrepreneurship and Management Journal*: 1-15(2015).
2. Vilet J., (2014, June 1) "Best practice or best fit?". Retrieved March 30, 2016 from <http://www.compensationcafe.com/2014/01/best-practice-or-best-fit-1.html> (2016)
3. Purcell, J., "Best practice and best fit: chimera or cul-de-sac?", *Human resource management journal*, **9**(3):26-41(2006).
4. Boxall, P., and Purcell, J., "Strategic human resource management: where have we come from and where should we be going?" *International Journal of Management Reviews*, **2**(2): 183-203(2000).
5. Morris, D., and Maloney, M. "Strategic Reward Systems: Understanding the Difference between Best Fit 'and 'Best Practice' (2004).
6. Chenevert, D., and Tremblay, M., "Fits in strategic human resource management and methodological challenge: empirical evidence of influence of empowerment and compensation practices on human resource performance in Canadian firms". *The International Journal of Human Resource Management*, **20**(4): 738-770. (2009).
7. Lawler, E. E., and Jenkins, G. D., "Strategic reward systems". *Denette, MD, Handbook of Industrial and Organizational Psychology. Consulting Psychologists Press, Palo Alto, California*(1992).
8. Shaw, J. D., and Gupta, N., "Let the evidence speak again! Financial Incentives are more effective than we thought". *Human Resource Management Journal*, **25** (3): 281-293(2015).
9. Marchington, M., and Grugulis, I., "Best practice human resource management: perfect opportunity or dangerous illusion?" *International Journal of Human Resource Management*, **11**(6): 1104-1124(2000).
10. Boyd, B. K., and Salamin, A., "Strategic reward systems: A contingency model of pay system design". *Strategic Management Journal*, **22**(8): 777-792(2001).
11. Sarwar, A., "The contribution of Intelligence and protean career orientation towards career success: Evidence from Pakistan". *Unpublished master's thesis, Virtual University of Pakistan, Pakistan* (2014).
12. Wright, A.M., "How effective are flexible benefits?". *IDS Executive Compensation Review*, 308: 21-2 (2006)
13. Antwi, J. O., Opoku, A. C., Seth, A., and Margaret, O. B., "Assessing the human resource management practices in public sector banks from employee perspective: Case study of selected branches of Ghana Commercial Bank" *Global Journal of Human Resource Management*, **4**(1): 13-30(2016).

14. Schwab, D. P., and Olson, C. A., "Merit pay practices: Implications for pay-performance relationships". *Industrial & Labor Relations Review*, **43**(3): 237S-255(1990).
15. Gerhart, B., and Rynes, S., "Compensation: Theory, Evidence, and Strategic Implications: Theory, Evidence, and Strategic Implication" *SAGE publications* (2003).
16. Arthur, J. B., and Jelf, G. S., "The effects of Gain sharing on grievance rates and absenteeism over time". *Journal of labor Research*, **20**(1):133-145(1999).
17. Guthrie, J. P., "Alternative pay practices and employee turnover: An organization economics perspective". *Group & Organization Management*, **25**(4): 419-439(2000).
18. Adams, J. S., "Towards an understanding of inequity". *The Journal of Abnormal and Social Psychology*, **67**(5): 422(1963).
19. Tremblay, M., and Chênevert, D., "Influence of compensation strategies in Canadian technology-intensive firms on organizational and human resources performance". *Group & Organization Management* (2008).
20. Holzer, H.J., "Wages, Employer Costs, and Employee Performance in the Firm", *Industrial and Labor Relations Review*, **43**(3): 147-164(1990).
21. Hale, J., and Bailey, G., "Seven Dimensions of Success Reward Plans". *Compensation & Benefits Review*, **30**(4): 71-77(1998).
22. Blau, P. M., "Exchange and power in social life" *Transaction Publishers* (1964)
23. Fairris, D., and Alston, L. J., "Wages and the intensity of labor effort: efficiency wages versus compensating payments". *Southern Economic Journal*: 149-160(1994).
24. Organ, D. W., "The motivational basis of organizational citizenship behavior", *Research in organizational behavior*, **12**(1): 43-72(1990).
25. Lambert, S. J., "Added benefits: The link between work-life benefits and organizational citizenship behavior". *Academy of management Journal*, **43**(5):801-815(2000).
26. Wayne, S. J., Shore, L. M., and Liden, R. C., "Perceived organizational support and leader-member exchange: A social exchange perspective" *Academy of management Journal*, **40**(1):82-111(1997).
27. Gerhart, B., Trevor, C. O., and Graham, M. E., "New directions in compensation research: Synergies, risk and survival". Paper presented at the In GR Ferris (Ed.), *Research in personnel and human resource management*(1996).
28. Becker, B.E., and Huselid, M.A., "Managerial Compensation Systems and Firm Performance", *Paper presented at the 56th annual meeting of the Academy of Management Meetings*, 11-14 August, Cincinnati, Ohio (1996).
29. Appelbaum, E., Bailey, T., Berg, P., and Kalleberg, A. L., "Discretionary effort and the organization of work. *Manufacturing Advantage: Why High-Performance Work Systems Pay-Off*" 25-46 (2000).
30. Burke, R. J., and Ng, E., "The changing nature of work and organizations: Implications for human resource management", *Human Resource Management Review*, **16**(2): 86-94(2006).
31. Peters, L. H., Hartke, D. D., and Pohlmann, J. T., "Fiedler's Contingency Theory of Leadership: An application of the meta-analysis procedures of Schmidt and Hunter". *Psychological Bulletin*, **97**(2):274(1985).
32. Marchington, M., and Cox, A., "Employee involvement and participation: structures". *Human Resource Management: A Critical Text*, 177(2007).
33. Schuler, R. S., and Jackson, S. E., "Linking competitive strategies with human resource management practices". *The Academy of Management Executive* (**1987-1989**): 207-219(1987).
34. Arkadir, D., Morris, G., Vaadia, E., and Bergman, H., "Independent coding of movement direction and reward prediction by single pallidal neurons". *The Journal of neuroscience*, **24**(45): 10047-10056(2004).
35. Huselid, M., "The Impact of Human Resource Management Practices on Turnover, Productivity and Corporate Financial Performance". *Academy of Management Journal*, **38**(3):635-72(1995).
36. Wood, S., "High Commitment Management and Payment Systems", *Journal of Management Studies*, **33** (1): 53-77(1996).
37. Schuster, J. and Zingheim P., "New pay strategies that work". *Journal of Compensation & Benefits*, **8** (6):5-9(1993).
38. Cavana, R. Y., Delahaye, B. L., and Sekaran, U., "Applied Business Research: Qualitative and Quantitative Methods", *John Wiley & Sons Australia, Ltd.* (1st ed.). US and Australia, (2001).
39. Merriam, S. B., "Case study research in education: A qualitative approach". *Jossey-Bass*(1988).
40. Siddiq, S., and Javed, S. "Reengineering of Recruitment and Selection Process in Descon Engineering Ltd: A Case Study" **6**(20); 30-35 (2014).
41. SECP, The Company Law Division. (n.d.). Retrieved April 4, 2016, from http://www.secp.gov.pk/ns/company.asp?COMPANY_CO_DE=0007323&id= (2016)
42. Descon Engineering Limited. Our History The Journey. Retrieved April 01, 2016 from <http://www.descon.com> (2016)
43. Descon Engineering Limited (September 18, 2003f). Descon again wins Global recognition. Retrieved April 01, 2016 from <http://www.descon.com/engineering.php?id=178&newsid=40> (2016)
44. Descon Engineering Employees Reviews in Pakistan (2016) Retrieved April 4th, 2016 from <http://www.indeed.com.pk/cmp/Descon-Engineering/reviews?fcountry=PK> (2016)
45. "Al Quran Al Kareem", *Taj Company Ltd.*, (5:1) (2016).
46. "Al Quran Al Kareem", *Taj Company Ltd.*, (17:34) (2016).
47. Descon Engineering Ltd. Salary Administration. (HRD/POLICY04). Lahore, Pakistan. (2003)
48. "Sahih Bukhari", Sunnah.com, (18:77); Arabic/English (18:1587) (2016)
49. "SunanibnMajah", *Dar-us-Salam Publication*, **3**(16):2443(2016).
50. "Al Quran Al Kareem", *Taj Company Ltd.*, (7:85) (2016).
51. Syed, J., and Ali, A. J., "Principles of employment relations in Islam: a normative view". *Employee Relations*, **32**(5): 454-469(2010).
52. Descon Engineering Ltd .Overtime.(HRD/POLICY-05).Lahore, Pakistan (2003)

53. Descon Engineering Ltd.Descon News Engineering and Technology. Retrieved April 04, 2016 from www.descon.com (2015)
54. "Jami' At-Tirmidhi", *Dar-us-Salam Publishers and Distributors*, **74**(2007).
55. Lawler, E., "The Design of Effective Reward Systems. In Motivation and Leadership at Work", New York: *McGraw Hill International Press* **6**(1):27-550 (1996).
56. Descon Engineering Ltd. Gratuity Policy. Lahore, Pakistan. (2015)
57. Descon Engineering Ltd. Staff Provident Fund.(HRD/POLICY-06). Lahore, Pakistan. (2003)
58. Descon Engineering Ltd. Overtime. (HRD/POLICY-05). Lahore, Pakistan. (2003)
59. Descon Engineering Ltd .Medical Policy. Lahore, Pakistan. (2015)
60. HEC Recognized Universities and Degree Awarding Institutions. Retrieved April 4, 2016, from <http://www.hec.gov.pk/ourinstitutes/pages/HECRecognize dcampuses.aspx> (2016)
61. Comsats. Statutes Regulations Rules (2016)
62. "Al Quran Al Kareem", *Taj Company Ltd.*, (28:26) (2016).
63. Al-Jayyousi and O. R., "Islam and sustainable development: new worldviews", *Gower Publishing, Ltd.*, (2012).
64. Armstrong, M. and Baron, A., "Strategic HRM: the key to improved business performance .Developing practice". London: Chartered Institute of Personnel and Development, retrieved from [http://www .cipd.co.uk/bookstore](http://www.cipd.co.uk/bookstore) (2002)
65. Shah, I. A., "Relationship Between Rewards and Employee's Performance in Cement Industry in Pakistan". *Journal of international academic research*, **10**(2) (2010).
66. Khalid, M. M., Rehman, C. A., and Ilyas, D., "HRM Practices and Employee Performance in Public Sector Organizations in Pakistan: An Empirical study". *International Journal of Management Sciences and Business Research*, **3**(2) (2014).
67. Bashir, S., and Khattak, H. R., "Impact of selected HR practices on perceived employee performance, a study of Public Sector Employees in Pakistan", *European Journal of Social Sciences*, **5**(4): 243-252(2008).
68. Kinnie, N., Hutchinson, S., Purcell, J., Rayton, B., and Swart, J., "Satisfaction with HR practices and commitment to the organization: why one size does not fit all". *Human Resource Management Journal*, **15**(4):9-29 (2005).