



Ethical Climate And Employees' Competencies As Mediators In Connecting Hrm Practices And Organizational Performance

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ABSTRACT

The effective HRM practices have significant influence upon various organizational outcomes likewise performance, effectiveness and development. Similarly, ethical climate and employees' competencies are considered as significant facilitators in linking the HRM practices and organizational performance. The outcomes from current study are likely to be crucial for analyzing results and drawing conclusions. The outcomes of research are used to methodically convey all previously presented information before declaring conclusion. The relationships among variables have been hypothesized from the theoretical framework to find the answers and reaching anticipated conclusion. Through hypothesized relationship between research factors taken into consideration, current study was able to answer research questions that were expected. This study outcome provided adequate information to determine the nature of the interactions and come to the conclusion. The hypotheses were mostly connected to association, cause-and-effect and mediation. As a result, this part offers a succinct overview of the findings that may aid in drawing a judgement. In order to comprehend the goals of the study and eventual success of current investigation, the results of the hypotheses have been precisely stated in this connection whereas results provide significant outcomes in reaching conclusion, and offering recommendations to stakeholders and policy makers.

Keywords: HR Practices, Ethical Climate, Employee Competencies, organizational Performance, HEIs, KP

INTRODUCTION

The role of education is indispensable for the social and economic development of societies in specific and for the country in general. In this regard, education at higher level (higher education) is playing significant role by providing the diverse skilled, knowledgeable and competent workforces to diverse sector of economies. Many researchers and social, economic analysts agreed that education is backbone of every civilized society (Akca, 2021;

Albejaidi, 2021). In this linking, in building and producing these professional workforces, main role is always performed by teachers in higher educational institutions. These teachers, with their utmost dedication and commitment can pay way towards socio-academic and socio-economic development. Last but not least, these teachers are the only sustainable source for organizational/institutional performance. In this regard, the organizational performance is contingent upon many factors among which human resource management (HRM) practices are leading (Alzu'bi, 2021). In success of any organization, the fundamental mechanism is proper management of human resource practices as these practice bring diverse types of the individuals together to attain the shared objectives. Through HRM functions, organizations can manage the social skills and abilities to achieve shared and effective goal for concerned organization in diverse situations (Sriviboon, 2019; Kerdpitak & Jermisittiparsert, 2020).

Numerous researchers describe HRM practices as the set of interrelated but distinct activities, processes and functions that are engaged at inviting, emerging and retaining human resources in organizations. In this regard, HRM practices significantly contribute to attainment of the organizational objectives by creating and tallying the values of organizations (Pervaiz, Imran, Arshad, Haq, Mobeen & Khan, 2016). In same line, numerous studies revealed also the substantial impact of the information sharing on the organizational performance. Both, management and employees are required to share the information (two-way communication), with honesty and integrity thus by following rules and regulations of the organization (Pervaiz et al., 2016). The HR practices have significant impact upon the performance of the organizations in different situations and contexts. The human resources are indispensable for each and every organization including higher education institutions in the diverse situations. Similarly, the management of these human resources is also a challenging task for the institutions to achieve their competitive edge. The ethical climate and employees' competencies are significant predictors towards various desired outcomes that are further considered as building blocks for the organizational success and development in the diverse situations. Various researchers have ineffective to accurately examine mediating variables and some of them even did not practice accurate jargons and terminologies to test intermediaries.

Consequently, current study is an attempt to use certain methodologies and theories to test the mediators (ethical climate & employees' competencies) in relationships amid HRM practices (predicting variables) and organizational performance (dependent variable). The existing literature provide enough evidence regarding relationships among research variables under considerations in different contexts including the education sector (Ramos & Nacar, 2021; Sabiu, & Joarder, 2019; Shirazi & Mohammadi, 2021). The current study is an effort to examine and analyze these variables in the higher education context. The higher education institutions are grooming fields for students, employees and the other

stockholders, that's why, the researcher selected the specific and important area for current research study. In this study, to find the answers of research questions, different statistical tools have been applied to reach the conclusion in the comprehensive manner. For this purpose, current study is an attempt to explore the mediating role of ethical climate and employees' competencies in relationships between organizational performance and HRM practices. These concepts are vital for every organization including the higher education institutions in developing countries like Pakistan. For this purpose, researcher aims to explore and generalize these concepts in advanced way in context of higher institutions in Khyber Pakhtunkhwa, Pakistan.

Objectives & Hypotheses

1. To find out the association between predictors, mediators, and criterion variables in context of higher educational institutions.
2. To find out impact of predicting variables on criterion variable of the study in context of higher educational institutions.
3. To find out the mediating role of ethical climate and employees' competencies in linking HRM practices and organizational performance.

LITERATURE REVIEW

An increase in globalization has been evident recent years, when several nations' economies are linked to ease international commerce over technological advancements and connectivity (Carnevale & Hatak, 2020). This growth has powered growing opposition in international and domestic marketplaces, that have motivated businesses to hold and hire highly qualified individuals. In markets, for the competitive edge, various businesses rely upon workforces. Therefore, they are meticulously tangled to how well they use and manage their individuals' resources (Ren & Collins, 2021). Human resource management, Employee management, planned recruiting, staff training, development pay management, effectiveness, workplace designs, medical, job satisfaction and management of employee facilities are just few of duties that fall under the umbrella of HRM (human resource management). It includes procedures intended to upsurge employee engagement, organizational effectiveness, and job caliber (Khan & Abdullah, 2019). As per Sadikova, (2020), an institution's role towards the efficiency of the staff is not always amplified since the employees are not operating at their maximum potential (producing optimal yield). Similarly, the workplaces, perks for one's staff, and enable businesses to hire more people who have greater and suitable expertise, knowledge, capabilities, and capacities for employees in diverse situation and context (Yong et al. 2020).

According to Hameed and Anwar (2018), strategic HRM management duties are connected to the HRM activities that have an impact on the overall remuneration and recruitment procedure in addition to the HRM capabilities inside the business. Strategically, that shows

that practices for the human resources management cover dealing with issues that are crucial to these fundamental areas, like encouraging the employees' motivation, assessing performance, learning, and capacity building, training the employees, keeping them on staff, and managing practical matters (Singh et al., 2020). Anwar and Ghafoor (2017) study, which was found to be pertinent to this subject, also listed innovation, industries, technological flexibility, financial availability, and the presence of sizable scales as key characteristics for success in today fiercely competitive marketplaces. A company's total performance depends on its HR management and human resources, which are also one of prerequisites that enable it to reap a number of benefits. In this connection, though the biggest barrier to protracted economic profitability and growth for nations globally is incapability to comprehend abilities of their qualified manpower, on other side, development- oriented enterprises in a large number of nations are currently looking for most suitable HRM activities to successfully manage their workforces in institutions in order to attain the desired outcomes (Troth & Guest, 2020).

Human Resource Practices

The human resource management is considered as backbone for the success of organizations and allied practices helps the management of organizations to effectively utilize and manage human resources in organizations. These practices are the part conceptual integration, execution of HR strategy and provide way to undertake organizational activities. These practices are numerous and countless but in current study, the researcher selected the most important those which are considered by various academicians and researchers as most influential practices which help the organizations to achieve their competitive advantages (Ren & Collins, 2021). The organizational phenomenon showed that most effective tool for success of organizations is to manage human resource efficiently. Despite that employee harmony and organizational stability is indispensable towards global attitudes of human resource management (Ritonga, Ibrahim & Bahri, 2019). In this regard, indulgent with necessary drivers swaying ability of organizations to revolutionize effectively the new idea, practices and services which are considered as strategic task for the organizations to continue to exist in the competitive environment (Imran & Pervaiz, 2016). In this connection, the organizations want highly talented people who can work efficiently and effectively to improve them. Additionally, the information influences how well employees perform is vital for development.

The employee performance was termed by Anitha and Kumar (2016) as ability of workforces to manage their jobs competently and effectively so as to provide the maximum results. The workers will improve their execution in association when they are provided greatest preparation possible which will logically commit them to their movement. Understanding the relationship between employees' performance and commitment entails employee commitment three-component model (TCM). Each of three components of the commitment

can be experienced by individuals to varying degrees (Meyer & Allen, 1991). Thus, some researchers have also looked at the connection between employee dedication and performance (Mahfouz, Awang, Muda & Bahkia, 2020). Employee performance is partial by emotional commitment, as Ribeiro et al. (2020) showed. Other researchers also showed how much an employee's emotional commitment affects their achievement. The success of workers was shown to be unrelated to employees' continued commitment. In this connection, these are vital for determining human resource importance towards organizational effectiveness and success. Thus, there have not been many studies on normative commitment in meanwhile. Nevertheless, some investigations discovered that employee commitment affects employee performance, the degree of consistency, truancy, efficiency, and others in concerned organizations.

Training and Development

A part of job need analysis is carried out by successful organizations, and it involves looking at the job through job analysis. The information on activities to be completed, the abilities required to do tasks, and the acceptable standards are gathered. Each employee must determine discrepancies between their existing competencies and standards that have been designated as necessary or desirable (Rasool et al., 2019; Aslam, Rehman & Aslam, 2018). The employee training, according to researchers, increases the individual and organizational performances. Prabhu et al. (2019) decided that it has significant effect on how different activities are carried out in organizations. Cooke et al. (2020) and Wood and Bischoff (2020) backing these conclusions. This result supports Etaan and Jain's (2019) declaration that HRM practices specially, performance assessment, outsourcing work for the learning and development, and compensation system a promising impact upon employee productivity. Increases in general employee productivity may be one of these effects, or perhaps more of them, as the employees and employers are better equipped to put out greatest exertions by learning from and helping one another. Collins and McNulty (2020) off-the-job training upsurges efficiencies whereas, the on-the-job training does not enhance performance.

To increase the performance metrics of businesses and enable workers to demonstrate their efforts in completing organizational duties, the company must make the necessary investment in training (Boxall & Macky, 2014). For firms, the training and development are important for enhancing the stakeholder demands in most competitive scenarios (Nyberg, Reilly, Essman & Rodrigues, 2018). To meet demands of competitive markets and to enhance the aforementioned responsibilities for advancing the success of companies, wherever necessary talents are crucial in defining the development, organizations require the relevant knowledge and abilities of personnel. According to Dobija, Górska, Grossi, and Strzelczyk (2019), training and development have key role in deciding how higher education institutions manage their performance and establish high-performance work systems that are in line with accomplishments of the relevant organizations. Additionally, study

discovered that content and joyful workers performed their jobs better. As a result, HRM practices manage personnel effectively and efficiently to achieve the key objectives of the firm (Zafar et al., 2018). Universities and colleges depend on its staff members to have necessary knowledge and abilities to carry out organizational tasks, which would be impossible without the aid of efficient training and development initiatives. In order to create beneficial outcomes for companies, training is also essential in fostering innovation and creativity inside that firm (Amanat & Munir, 2021).

Employment Security

One of most important practices with respect to human resource management is employment security which is considered by various researchers as most effective tool toward the high performances of the employees and the organization as well. It is an accredited fact that when employees feel secured then they will show their wholehearted performance and thus the higher organizational performance will be only result (Shaw & Zhou, 2021). According to Libert et al. (2020), the self-assurance environment among workforces is connected to job security; higher confidence environment, more the job security, which develops further commitment of employees towards organizational workforce. The job security, in view of Prabhu et al. (2020), covers some reciprocity amount. It is asserted that an organization must first let workers know that their jobs are "secure," and then workforces must demonstrate their trust in security of their jobs. In this connection, in the end, this increases employees' dedication to delivering better work, which benefits the firm. Experimental research advises that job securities have significant valuable effect on organizational performance when firm offers it. After examining American banking industry, Yusoff et al. (2020) came to the conclusion that there is some evidence to support a beneficial connection between job security and organizational performance. In this linking, according to research on Albanian public administration job security and performance offer vital results and outcome (Vincent et al. 2020).

According to issue of job security, costs and benefits are both comparatively unknown. Many employees of company have benefited financially from their job stability. Because firing employees has involved more time, effort, and money, security of employment is thought to be more expensive for the company. It serves as defence against job loss. Job security has the propensity to encourage genuine professional commitment from employees, which is a major benefit of HRM policies for the businesses (Magrizos & Roumpi, 2020). The poor job security affects the employee performance in the workplace. Researchers have experimentally evaluated relationship amid job security and performance and found substantial relationship. Researchers (Khan, 2015; zyaman, 2007) looked into the issue and found that employees' performance agonizes as the result of their anxiety heightened produced by workstation stress, like job uncertainty. The study found that work insecurity causes perceptions of the poor job commitment and further leads to turnover intention,

which in turn affects the employee performance. Stress or the sense of job uncertainty shouldn't contaminate workplace because this has the negative effect on employees' performance, well-being and health. The employees' bad attitudes about their jobs have a detrimental impact on their performance (Glambek, Skogstad, & Einarsen, 2018). Thus, according to these potential patterns, the relationship between the job stability and performance might be viewed as negative as well as undesirable.

Information Sharing

The information sharing on the part of management and the employees is also considered as vital tool for organizational performance. Numerous studies revealed significant impact of information sharing on organizational performance. Both, management and employees are required to share information (2-way communication), with honesty and integrity by following rules and regulations of organization (Pervaiz et al., 2016). For businesses and employees to communicate their perspectives on potential issues and issues that may arise as a result of various activities related to the organization's survival and ultimate development in a competitive environment, knowledge sharing and information gathering are crucial. This will help businesses and employees stay competitive. Company must be able to decentralize in order to maintain the confidence and loyalty of the concerned workers, and human capital has been identified as key source for communicating credible information (Boxall, Guthrie & Paauwe, 2016). To maintain competitiveness between employees and organization, organization management must always provide the workers with reliable information in response to different organizational activities (Akhtar, Nawaz & Shahid, 2016). In this regard, a key factor in deciding an organizational longevity is thus the communication openness, which raises the correctness and dependability of the information exchange (Agarwal & Farndale, 2017).

In this regard, companies must effectively support employee communication of information in order to retain organizational position through the time and preserve the strong position of the organizations in competitive scenarios. Comprehensive and trustworthy sources are required for the knowledge sharing and successful communication inside heavy workloads systems in order to share needed information. For the desired information to be used for the benefit of the concerned business, there must be strong leadership and employee support (Nyberg, Reilly, Essman & Rodrigues, 2018). This is primary factor in why businesses require workers' steadfast assistance in knowledge sharing and in maintaining viability and efficacy of their operations (Ali, Saeed & Munir, 2018). Additionally, for management to keep and disseminate needed information for pursuing the organizational goals, organization smooth functioning depends on steadfast support (Melo & Figueiredo, 2020). Accurate information transfer is essential for fostering employee confidence and trust that are key factors in determining organization performance. The same is true for higher education institutions, where communication of information is done in best interests of institutions and where

accuracy of information is guaranteed prior to decisions being made regarding organizational performance and productivity in the competitive environment to support the employee performance.

Compensation and Benefits

The literature further revealed that compensation on the part of employee is externally competitive and internally equitable practice and philosophy. Compensation and other fringe benefits is about dealing with employee financial plan towards the expenses, performance standards setting, clear compensation policies settlement and presenting modest benefits for the employees (Frank & Kweku, 2019). Thus, the compensation is linked to inspiring an organization's workers to perform better, however selecting the right kind and combination of paying instruments can be difficult for certain businesses (Furtado, Aquino & Meira, 2019). In light of the fact that employee engagement in workplace is a key component of job performance, several studies have found that remuneration is one of the aspects that aims to raise it. However, depending upon organizational nature and context, kind and composition of its reward system may vary. In business and social sciences, the idea of the compensation is open to many different interpretations. Lin (2017), compensation is payment an employee receives from a company in the exchange for the labour he has performed or for services he has supplied in exchange. Muhammad et al. (2014), remuneration is a crucial component that has a beneficial influence on organizational work. Omotayo et al. (2014) discovered in their study that firms should have a dependable compensation system since it improves employee performance in order to make workforces more honest with their employment.

According to what the name of the practice implies, compensation management entails establishing a pay structure where employees who do better are compensated more than employees who perform on average (Hewitt, 2009). Since compensation is the primary driver of labour, Harrison and Liska (2008) argue that it should be focal point of the employment contract. All benefits, both intrinsic and extrinsic, gained as a result of working for the organization are included in this. Compensation plans are created with strategic objectives and corporate goals in mind. After reviewing duties and tasks of the profession, a compensation scheme is created based on a number of variables. The following list of elements makes up compensation system: Employees may receive direct compensation in the form of monetary rewards or indirect compensation in the form of extras like time off or perks that aren't directly monetary in nature. Compensation is not limited to income; rather, it is the total of all benefits and allowances given to employees in exchange for their services. The increased organizational efficiency is facilitated by carefully managing the remuneration package supplied. Direct compensation: It is the term used to describe financial rewards supplied and given to staff in exchange for work they render to company. Basic wage, housing allowance, transportation, holiday travel allowance, the hospital expenses, special

allowances, incentive, Pf/Gratuity, etc. are some of the financial perks. They are administered at set times, on a regular basis.

Organizational Performance

The related literature revealed that the performance of organizations should trended towards the goals and objectives of organizations. The organizational performance denotes to the manner that how well organization is performing its activities to reach its mission, vision and objectives. In this linking, assessing organizational performance is dynamic aspect of strategic management (Ghasempour et al., 2021). The organizations are required to adapt fair system of the performance appraisal to link actual performances with desired/standardized performances. In this regard, fair appraisal system depends upon organizational policies and strategies they adapt in organizations (Gull & Idrees, 2021). Due to multiple requirements that organizations essentially encounter, like profitability, sustainability, group approval, and willingness to adapt to environmental changing backgrounds, performance inside the organization can be hard. Still, it's believed usually that conceptualization upon paper rather than the actual execution is how financial needles are used to determine the organizational performances. The diversity, mixture, and non-output metrics are measured as having an impact on the results gained in many different ways (Anwar, 2017). Growth of higher education institutions depends on performance since it signals vital factors that are crucial in defining the institutions' overall status and ranking. In light of this, a variety of factors have a role in influencing individual and organizational performance at all levels, which is crucial for establishing success criteria for higher education institutions (Schleicher, Baumann & Sullivan, 2019).

In the modern competitive environment, where many institutions are functioning by providing same and cutting-edge services with substantial magnitudes, performance has been viewed as crucial aspect that is accountable for the success of institutions (Dziuba, Manuela & Marina, 2020). Since the success criteria of concerned companies serve as a driving force for development of the concerned organization in viable scenarios, organizations and workers are vulnerable more to learning about them (Chandra & Priyono, 2016). Thus, the employees are vulnerable because they actively and effectively participate in organizational activities, but organizations are more exposed because of their future operations and chances for legitimacy and success (Ahmed & Mostafa, 2017). In order to manage their goals for the growth and success of the company, both companies and personnel are successful. The employees are more overwhelmed by the growth of their professional abilities and efforts that result in high success levels, where their work counts as a foundation for the organization's survival and growth (Alzghoul et al., 2018). It denotes that both employees and the concerned organization are more concerned about future operations and prospects, which will result in better levels of organizational accomplishments. In higher education context, concept of performance as multidimensional

construct has received lot of attention because it directly correlates with higher institution success and credibility. The performance phenomenon identified institutional survival and spread imperatives (Alzghoul, Elrehail, Emeagwali & AlShboul, 2018).

Ethical Climate

The ethical climate limits wrong or right of what individuals shape and trust their ethical conduct and decision making. The organization set values (ethical) for their workforces together with offering the prospects to empower the environment that inspires capable leadership, ethical behavior, commitment, trust and makes employees worth to expand organizational performance (Sabiu, Mei & Joarder, 2016a). As stated by Victor and Cullen (1987), ECs are simply exchanging of perspectives on what constitutes ethically sound performance and how ethical difficulties should be fingered. ECs represent a company's approach to moral dilemmas. ECs are thought as establishing rightness or wrongness of what people believe, and they influence how they make and act in ethical decisions (Johnson, 2008). Studies from past, however, showed that there was an increasing worry about the prevalence of unethical behavior in public sector organizations. Educational institutions are fulfilling a key obligation in the prosperity and growth of any nation (Rehman et al, 2012). Thus, it is crucial that all of the available resources be investigated and used, especially those that are consistent with organization's goals. It was developed and has made many issues, such as the abuses, scandals, bad management, subpar service delivery and underperformance, and corruption, public. Moreover, modifying unethical employee behavior in an organization under influence of ECs may have a substantial effect on the OP and the overall system (Arulrajah, 2015).

Therefore, it is believed that organizational ethics are one of the most significant factors that affect an organization's existence and success (Bartels, Harrick, Martell, & Strickland, 1998; Buller & McEvoy, 2000). Indeed, it has been shown that the ethical climates have significant effect upon employee ethical behavior (Trevio et al., 1998; Fritzsche, 2000), the job insolences (job satisfaction; Deshpande, 1996; Schwepker, 2001; Ambrose et al., 2008), commitment to organization (Babin et al., 2000), proactive service customer performances (Wimbush and Shepard, 1994; Peterson, 2002). Notably, employee capabilities are inherited with all these traits and serve as the primary source of advantage competitive and primary drivers of increased organizational performances (Ciziuniene et al., 2016). Additionally, the availability of a highly qualified personnel in the higher education institutions is the most crucial element in the ongoing growth of the education. In the case of higher educational institutions, there is a clear correlation between educated people resources and national obligations in every area of life. The evolution of institutions of higher learning is evaluated in light of topic experts in the many spheres of development of nation. There is significant association between this phenomenon and the level of the devotion of organization's personnel (Bashir et al, 2011). Promotion of beneficial workplace behaviors and, on other

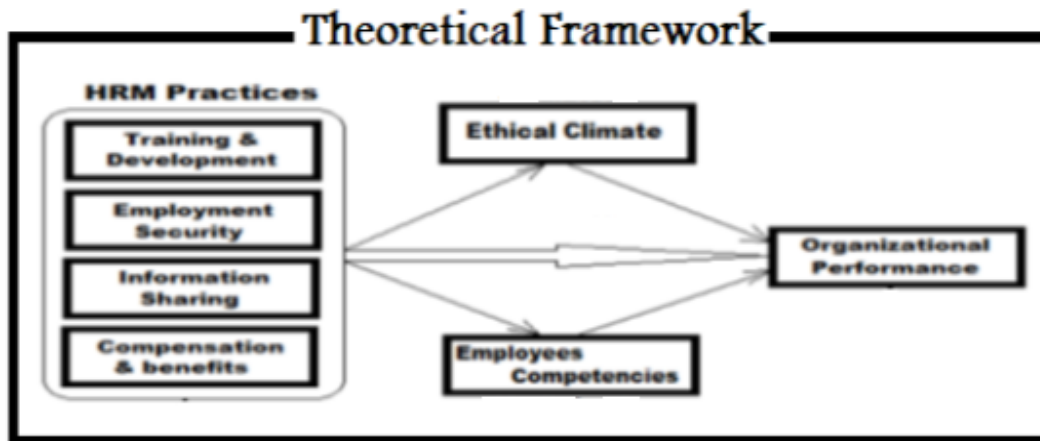
hand, avoidance of bad workplace behaviors are both influenced by ethical atmosphere (Newman et al., 2017).

Employees Competencies

The concept of employees' competencies is contradictory and sometimes becomes more complex as it is a mixture of different capabilities and skills and capabilities are vital in shaping employees' attitude and performance as per required standards which thus help the organization in attaining their objectives (Frank & Kweku, 2019). The competitiveness of banks is mainly based on the skills of workers and the amount to which sector can develop and foster such skills in today volatile, unpredictable, complicated, and confusing business environment. The employee skills can serve as the cornerstone for development of organizational abilities that, over time, may outcome in the developed performance. Thus, in order to perform and compete successfully, Indian banking sector requires new generation of workers who are focused on client, tech savvy, energetic, and above all, well-versed in all functional areas. The sector can guarantee the supply of superior services and products which are necessary for fostering consumer trust and affection as well as client satisfaction, boosting the image, and ultimately resulting in firm success (Nair, 2014). When a resource is priceless, uncommon, unique, and unreplaceable, it is said to as strategic. Osei and Ackah (2015) asserted in their studies of pharmaceutical industry that employees' competencies have important and favorable impact on the organizational performances and that these significantly aid in the accomplishment of the goals of the organization as well as its mission and goals of employees.

According to Puteh et al. (2016), staff competences are crucial for the business survival and customer happiness, but they also have a big impact on how well service-based companies function. The majority of the research reviewed above have examined how a group of the personnel abilities together affect organizational performance. However, no studies have directly addressed how different staff abilities affect organizational performance on an individual basis, especially in the banking firms. The employee competences have drawn a lot of courtesy from academics, practitioners, and academicians throughout the world in recent years since they are the primary determinant of employee performance as well as the performance of company (Elbaz et al., 2018; McClelland, 1973; Sanghi, 2016; Otoo, 2019; Otoo & Mishra, 2018; Potnuru & Sahoo, 2016). Literature showed that HRM practices augments organizational performances. Various studies showed that organizational performance is positively and significantly correlated with certain HRM practices like the training and development, recruitment and selection, the workforces planning, job design, job enlargement, job security, the work empowerment, job quality, the compensation system and the information sharing. Other studies showed that the HRM practices have significant impact on employee involvement and their engagement in decision making process (Salas-Vallina & Donate, 2021).

Figure 1 Theoretical Framework of Study



RESEARCH METHODOLOGY

The human resource management practices and their link with organizational performance are current truths that are intended to be thoroughly explored in a higher-education setting by using quantitative tests to provide new approaches, new findings, and additional knowledge (Hughes & Sharrock, 1997). The survey strategy was employed in this study since it is one of the most widely used data gathering techniques in social research. This study aimed to examine relationship amid variables like organization performance, HRM practices: training & development, employment security, information sharing and compensation & benefits, while two mediating variables: ethical climate & employees' competencies. Since there was a time constraint, the cross-sectional research was performed, however data were only collected from the Pakistani institutional workforce at the particular moment in time. The primary data were obtained using a modified questionnaire from past studies on topics under inquiry. The variables were measured through different items by using Likert scale like HR practices were measured through 31 items, ethical climate over 10 items, employees' competencies through 10 items and organizational performance through 10 items. The questionnaires were thus completed using the survey technique in Google Docs.

The social, physical and experimental context in which research is carried out is referred to as research setting. This context must be described correctly in research study since it may have significant impact on the results and how they are interpreted. The faculty members (target population) from the upper southern area educational institutions in KP, Pakistan, from which sample was drawn using statistical procedure for calculating sample sizes, will make up population of the current study. A sample (336) was selected from the entire population (2129) by using the statistical formula used for sample-size determination. Due to likelihood of sampling error and poor population representation, convenience sampling is not typically advised for research. However, depending on circumstance, it may be useful.

Sometimes, convenience sampling is the only solution that can be used. The statistical package for social sciences (SPSS) was used to first reduce data, and then statistical procedures were applied to identify the answers to the study questions (hypotheses), leading to the conclusion. In this regard, for correlation, HRM practices were used as predictors from the different dimensions like training and development, employment security, information sharing and compensation and benefits while for the regression and mediations, the HRM practices were thus used as global variable with the combination from different dimensions.

RESULTS & ANALYSIS

The current study's findings were derived using several statistical techniques connected to the analysis of correlation between research variables taken into account. Different hypotheses and assumptions that were taken from study's theoretical framework were used to assume these linkages. In similar manner, the results of current study have been discussed in discussion section by comparing them to results of prior studies while keeping in mind similarities and differences that exist in present study and previous research studies in order to clarify the position of the present study and to arrive at desired conclusion methodically.

Table 1 Descriptive Statistics and Alpha Reliabilities

Scales	Item	M	SD	a	Range		Skewness	Kurtosis
					Potential	Actual		
HR Practices	31	113.08	10.80	.86	1-5	5-155	-.83	.69
Ethical Climate	10	36.09	4.20	.69	1-5	5-50	-1.47	1.07
Competencies	10	36.59	4.92	.89	1-5	5-50	-.75	.45
Performance	10	36.37	4.57	.71	1-5	5-50	-1.23	1.08

The result validates that there are significantly high reliability alpha coefficients for HR practices .86, ethical climate .69, employee competency .89 as well as organizational performance is .71. Univariate analysis normality established that all scores were normally distributed i.e. value of kurtosis & skewness was less than 2. Using sample data that is available, hypothesis testing is the sort of inferential statistics that is used to test hypotheses and make generalizations about population. In this connection, statistical technique commonly known as the correlation analysis is used to determine whether or if there is link between two datasets or variables and how strong that relationships could be and thus from correlation move to the regression.

Table 2 Correlation Matrix for all Variables

Variables	1	2	3	4	5	6	7	8
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HR Practices	--	.90**	.33**	.73**	.88**	.57**	.84**	.79**
Training & Development		--	.31**	.55**	.93**	.50**	.64**	.82**
Employment Security			--	.26**	.03*	.85**	.17**	.67**
Information Sharing				--	.47**	.52**	.89**	.43**
Compensation & Benefits					--	.25**	.64**	.72**
Ethical Climate						--	.35**	.75**
Employees Competencies							--	.43**
Organizational Performance								--

Table 2 defines inter-correlations among subscales and scales. Results suggest that HR practices and its all subscales have positive significant correlation with the ethical climate, ($r = .57, p < .01$), employees' competencies ($r = .84, p < .01$) and organizational performance ($r = .79, p < .01$). The results from the correlation provide information significant about association among research variables of the present study. Likewise, regression is the statistical technique used in areas of accounting, investment, and some other fields that aims to find the strength and nature of the connection between the single dependent variable (often represented by Y) and the number of the predicting variables (known as independent variables).

Table 3 Regression Analysis for Predicting Organizational Performance

	Organizational Performance		
Variables	β	ΔR^2	F
HR Practices	.16***	.81	493.6***
Ethical Climate	.71***		
Employees Competencies	1.3***		

** $p < .01$. *** $p < .001$. * $p < .05$

The regression analysis is calculated with HR practices, ethical climate and employees' competencies as predictor variables and organizational performance as outcome variable. ΔR^2 value of .81 indicates that 81 % variance in the predicting variable can be accounted for, by the predictors with $F(3, 333) = 19.80, p < .001$. The findings indicate that HR practices ($\beta = .16, p > .001$), Ethical Climate ($\beta = .71, p < .001$) and Employees Competencies ($\beta = 1.3, p < .001$) have the positive significant effect upon the organizational performance among employees.

Table 4 Standardized Path Coefficients for Direct & Indirect Effects of Ethical climate

Paths	Predictor Variable	Outcome Variable	β	95% CI	
				LL	UL
A	HR practices	Ethical climate	.16***	.25	.30
B	Ethical climate	Organizational performance	.29***	.19	.25
C	HR practices	Organizational performance	.79***	.42	.50
D	HR practices	OP through Ethical climate	.71***	.11	.24

Note. OP = Organizational performance. ***p < .001.

Table 4 shows mediating effect of HR practices on organizational performance through Ethical climate. The R2 value of .62 indicates that HR practices explained 62 % variance in Organizational performance with F (3,333) =546.2, p < .001. The R2 value of .68 indicates that HR practices and Ethical climate explained 68 % variance in procrastination with F (3,333) =350.7, p < .001. The indirect effect and direction of lower and upper limit confirmed mediating effect of ethical climate between HR practices and organizational performance. A mediation model, known as third hypothetical variable or mediator variable, is statistical technique that aims to find and explain the process or mechanism that underpins an association observed between an independent variable and the criterion variable (also the mediating variable).

Table 5 Standardized Path Coefficients for Direct & Indirect Effects of Employee Competencies

Paths	Predictor Variable	Outcome Variable	β	95% CI	
				LL	UL
A	HR practices	Employee Competencies	.46***	.25	.30
B	Employee Competencies	Organizational performance	-.56**	.62	.48
C	HR practices	Organizational performance	.28***	.25	.30
D	HR practices	OP Over Employee Competencies	.71***	.11	.24

Note. OP = Organizational performance. ***p < .001.

Table 5 shows mediating effect of HR practices on the organizational performance through employee competencies. R2 value of .62 indicates that HR practices explained 62 % variance in organizational performance with F (3,333) =546.2, p < .001. R2 value of .68 indicates that

HR practices and employee competencies explained 68 % variance in procrastination with $F(3,333) = 350.7, p < .001$. The indirect effect and direction of lower and upper limit confirmed effect mediating of the employee competencies between HR practices and organizational performance and thus results provide significant information in obtaining the desired information about the relationships among the research variables that further help in reaching the desired conclusion.

DISCUSSION

Current study aimed to examine certain research phenomena and their interrelationships in context of higher educational institutions in developing countries like Pakistan and especially in southern region of Khyber Pakhtunkhwa. With a variety of results, these problems and difficulties have previously been studied in higher educational settings (Amjad, Sabri, Ilyas & Hameed, 2015; (Jawad, Malik, Pracha & Malik, 2017; Saboor, Malik, Pracha, Ahmed & Malik, 2018). Keeping in view trends in contemporary research, this study scans these research variables so as to produce new findings and new knowledge. Various research has already looked at these connections, with varying results (Bashir & Muhammad, 2016; Nadeem, Riaz & Danish, 2019). Background for this study's analysis of these linkages is higher education. The following results have been addressed in order to clarify the position of current study based on results that arose from statistical methods concerning the links between the research variables based on hypotheses. Role of education is indispensable for the economic and social development of the societies in specific and for the country in general. In this regard, education at higher level (higher education) is playing major role by providing diverse skilled, knowledgeable and competent workforces to diverse sector of economies. Many researchers and social, economic analysts agreed that education is backbone of every civilized society (Akca & Akca, 2021; Albejaidi, 2021). In building and producing these professional workforces, main role is always performed by the teachers in the higher educational institutions.

The teachers, with their utmost dedication and commitment can pay the way towards socio-academic and socio-economic development. Last but not least, these teachers are the only sustainable source for organizational/institutional performance. In this regard, the organizational performance is contingent upon many factors/sources among which human resource management (HRM) practices are foremost (Alzu'bi, 2021). In the success of any organization, underlying fact is proper HRM practices as these practice bring diverse types of individuals together to gain shared objectives. Through HRM functions, organization can manage social skills to attain shared goal for organization (Sriviboon, 2019; Kerdpitak & Jermittiparsert, 2020a, 2020b). Every organization requisite to perform obligatory activities where human resources have important roles to play, like, HRM guesses the future human-assets, operate the employee development and planning program based on need of organization success. Simply, without proper HRM practices, organization fail to succeed

organization as per company planning. Therefore, to attain high performances for organization and produce targeted outcomes, the best human resources practices is compulsory to conduct for the growing and successful organization (Anwar & Abdullah, 2021). Numerous researchers describe HRM practices as the set of interrelated but distinct activities, processes and functions that are engaged at inviting, emerging and retaining the human resources in the organizations.

In this regard, HRM practices significantly contribute to achievement of the organizational objectives by creating and tallying the values of organizations (Pervaiz, Imran, Arshad, Haq, Mobeen & Khan, 2016). One of the most comprehensive methods of managing diverse workforce is development and training (Boselie, Dietz, & Boon, 2005). The general objective of training and advancement inside a company is to improve the efficacy and efficiency of the company, the group, community, and each person (Kraiger & Ford, 2007). Likewise, development and training is a crucial component since most nations utilize it to enhance the skills and intelligence of their workforce in order to achieve the success (Jauhar & Islam, 2015). Numerous studies also revealed significant impact of the information sharing on organizational performance. Both, management and staffs are required to share information (2-way communication), with honesty and integrity thus by following the rules and regulations of organization (Pervaiz et al., 2016). The organization with effective compensation and benefits system determines its personnel costs and motivate them toward higher performances. The literature revealed that the compensations system of the organization should be matched and aligned with organizational performance (Gerhart & Fang, 2014). With the aid of EC, people of an organization may change their unethical conduct, which might have the significant influence upon the system as a whole and organizational performance (Arulrajah, 2015).

The likelihood that an organization may face real ethical problems is influenced by the ethical climate. The EC should be changed through recruitment and selection (Shen, Chanda, D'Netto, & Monga, 2009), training and development (Roberson, Kulik, & Pepper, 2003), performance appraisal (Brown & Stilwell, 2005; Winstanley & Hartog, 2002), compensation and reward system (James Jr, 2000; Rowan, 2000), and employee relations (James Jr, 2000; Rowan, 2000) with a specific goal of enhancing the (Erdlen, 1979). The competencies are required on larger scale to develop most recent and most relevant skills and knowledge of employees based upon their nature of work and the ultimate responsive environment (Hellriegel & Slocum, 2011). These skills and capabilities are vital in shaping employees' attitude and performance as per the required standards which thus help organization in attaining their objectives (Frank & Kweku, 2019). In this regard, diverse competitive capabilities are explored like diversified abilities, self-competency, across cultural ability, communication competency, change competency team competency those which are vital for the organizational performance. The HRM practices play active role towards organizational

performance. Hence, the addition of the employees' competencies is expected to strengthen the relationships between HRM practices and the organizational performance (Pervaiz et al., 2016). In same line, the literature further revealed that relationships between the HRM practices and performance is expected to be brace when ethical climate and employees' competencies play intermediary roles.

CONCLUSION

The current study is an effort to examine and analyze variables under study in the context of higher education institutions. The higher education institutions are grooming fields for the students, employees and other stockholders, that's why, the researcher selected specific and important area for the current research study. To find answers of research questions, different statistical tools were applied to reach the conclusion in a comprehensive manner. In this regard, management of the organization is required to be focused upon group diversity about individualities to pursue matters enthusiastically. Therefore, current study is an attempt to use certain most exact methodology and theory to test mediator (ethical climate & employees' competencies) in relationships between independent variables (HRM practices) and dependent variable as organizational performance. The current study was an effort to examine and analyze these variables in context of higher education institutions. The higher education institutions are the grooming fields for the students, employees and other stockholders, that's why, researcher selected specific and important area for the current research study. In this study, to find the answers of research questions, different statistical tools will be applied to reach the conclusion in a comprehensive manner. Current study is an attempt to explore mediating role of ethical climate and employees' competencies in the relationships between the HRM practices and organizational performance. These concepts are vital for every organization including higher education institutions. For this purpose, the researcher plan to explore and generalize these concepts in the context of higher educational institutions in Khyber Pakhtunkhwa, Pakistan.

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