Strategic HRM Levers And Employee Performance: An Empirical Assessment of CSPGCL

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Abstract

SHRM has come into light as a perilous tool of employee performance improvement especially within organizations that operate in the public sectors where organizations are under mounting pressure to operate and also accountable. This research highlights the impact of critical strategic HRM practices on employee performance in Chhattisgarh State Power Generation Company Limited (CSPGCL). The research relies on existing theoretical frameworks, such as the Ability-Motivation-Opportunity framework and social exchange, and employs a quantitative survey research design based on data obtained by the researcher among 200 employees. The paper examines the impact of selection process, performance appraisal, training and development, compensation and rewards, career development and promotion, work climate, employee relations and job engagement on employee performance. All the empirical results prove the fact that the impact of all studied HRM practices on employees performance is strong and positive, and the systems of HR are to be coherent and well-interrelated. The findings highlight the applicability of strategic HRM within the context of the public sector utilities and gives a leadership insight to HR policy makers in their efforts to enhance workforce performance. Comprehensively, the research adds to the empirical evidence on SHRM-performance associations in the settings of conditional emergent economies.

Keywords: Strategic human resource management; Employee performance; Public sector organization; Work climate; Job engagement; India

Introduction

Strategic Human Resource Management (SHRM) has become one of the main pillars of organizational success and human resources are no longer seen as merely an administrative task but as a strategic contributor to the long-term organizational success. The modern SHRM literature focuses on the conscious movement of the human resource practices towards the organizational strategy as a way of maximizing the capabilities of the employees, their motivation, and potential contribution to the overall performance. This type strategic orientation identifies employees as the assets and resources whose knowledge, skills, and commitment will provide the long-term competitive advantage when operated based on mutually reinforcing and coherent HR systems. The experience of empirical studies in industries evidences that companies that embrace HR practices with a strategic characterization outsmart organizations with fragmented or reactionary HR practices (Pahos and Galanaki, 2022; Jiang et al., 2023).

The Ability-Motivation-Opportunity (AMO) model is one of the most popular frameworks used in the research on SHRM and it is based on the assumption that performance of employees can be improved when their abilities are improved by HR practices through the selection and training, when employees are motivated through appraisal and remuneration and when employees have the opportunity to participate in the work process through engagement, work climate, and employee relations. High-Performance Work Systems (HPWS), also known as bundled HR practices, have been seen to generate a greater and more cohesive impact on staff attitudes and performance that the

discrete practices applied individually (Hauff et al., 2017). The similarity in results between meta-analytic findings to the argument is that synergistic HR systems have positive effects on individual performance, organizational commitment, and discretionary behaviors in various contexts of organizations (Hansen et al., 2025). In spite of this body of evidence, academics are still arguing about the processes by which SHRM activities are converted into enhanced employee performance, which is popularly known as the black box problem. Recent research indicates that employee perceptions including perceived fairness, organizational support and engagement are extremely critical as mediators in the relationship between HR practices and performance outcomes. Based on the social exchange theory, more workers will tend to pay back any organizational investment using fair selection, development opportunities, and covert working conditions to a higher degree through hard work, commitment, and performance (Ouabi et al., 2024). These findings underscore the need to look beyond mere existence of HR practices and determine their perceived effectiveness with reference to the employees.

Structural Equation Modeling (SEM), and in particular the Partial Least Squares SEM (PLS-SEM), has assumed a leading role in SHRM studies because of its capacity to be used to test multifaceted models with multiple constructs and latent relationships running in parallel. Empirical studies that utilize PLS-SEM recently have given solid proofs on the direct and indirect impacts of HR practices on employee performance in both the private and the public sector organizations (Fragoso et al., 2021; Ouabi et al., 2024). This approach is especially appropriate in organizational cases, whereby, the sample sizes are moderate and the research problem is prediction and theory expansion instead of rigid theory validation. PLS-SEM has therefore gained a lot of popularity with regards to the study of SHRM-performance linkages within emerging economies.

Contextual factors are crucial in determining quality of SHRM practices. Most of the available empirical studies are based on organizations in the private sector of developed economies, which promotes doubt of the applicability of such results to organizations in the public sector and in utility-driven organizations in third world countries. The public sector institutions and companies tend to be characterized by strict regulation systems, pay systems, and a lot of managerial discretion, unions, all of which are likely to impact the way an HR practice can contribute to employee behavior and performance (Pahos and Galanaki, 2022). There is therefore an increasing literature demand to conduct context-specific SHRM research to consider organizational and sector-level attributes.

Indian power generation sector could serve as an especially plausible setting towards the analysis of the relationships of SHRM-performance. Being a capital intensive and safety demanding sector; power generation is dependent on highly skilled personnel, strict operational conduct and execution of high-level safety and maintenance measures. The issues that face power utilities in the public sector of India include aging workforce, skills mismatch, technological change and greater performance demands due to policy and regulatory demands. According to previous research in Indian state sector enterprises, HR practices, namely training, clear system appraisal, and career advancement opportunities, play a key role in maintaining employee performance and reliability of organizations, but there are limited and fragmented studies at the organizational level (Jiang et al., 2023).

Chhattisgarh State Power Generation Company Limited (CSPGCL) is a state-owned company that handles the production of electricity in Chhattisgarh and is situated in such a challenging environment. Throughout the thermal and hydro power plants, the organization relies heavily on the performance of its employees working in generation, maintenance, and the support functions to determine the effectiveness of operations of the organization. In the case of CSPGCL, the performance of its employees is not just an efficiency tool, but the condition of the constant power supply, the delivery

of service to people, and the economic growth of the region. The effects of strategic HRM levers in employee performance in this organizational context are hence both academically and practically important.

Although previous researches argue this positive contribution of integrated HR practices, little empirical studies disaggregate the contribution of particular HRM dimensions, including selection, performance appraisal, training, compensation, career development and promotion, work climate, employee engagement, and employee relations on employee performance in Indian public utilities. Disaggregated analysis is especially useful among managers of the public sector, because the resource constraints and policy limitations introduce the necessity to prioritize HR initiatives with the biggest payoff in terms of performance. Recent reports emphasize that there can be different magnitudes of the impact of various HR practices on an organizational situation, employee anticipations, and institutional typologies (Fragoso et al., 2021; Ouabi et al., 2024). It is against this background that the current study aims at empirically investigating the effects of some of the strategies important HRM practices on staff performance in CSPGCL through the application of PLS-SEM. The hypotheses involving the direct impact of eight HRM levers, including selection, performance appraisal, training, compensation practices, career development and promotion, work climate, organizational and job engagement, and employee relations, are tested in the study in connection with measuring the direct effect of HRM practices on employee performance. This study can also be considered a valuable contribution to the body of SHRM literature because the company's methods are based on the state-owned power generation firm, which has not been studied in detail so far, yet offers a strategic perspective to take into consideration in the study on the strategic importance of human resources in the public sector. Practically speaking, the findings should offer evidence based information to the CSPGCL management and policymakers to improve HR policies that contribute to improvement of employee performance, operations reliability, and long term sustainability of the organization.

Literature Review

(a) Strategic Human Resource Management and Employee Performance

Strategic Human Resource Management (SHRM) is aimed at formulating and execution of human resource practices in relation to organizational objectives and long-term plans. In comparison with the traditional personnel management, SHRM focuses on harmonizing and unifying the HR practices to contribute to the effectiveness of the organization by people. It is established in the previous studies that strategically aligned HR practices are relevant to the performance and organizational performance of employees (Becker and Huselid, 1998; Boxall et al, 2016, Han et al, 2021). The theoretical perspective prevailing in this relationship is the Ability-Motivation-Opportunity (AMO) model which indicates that the degree of employee performance increases once HR practices increase the ability of the employee, motivates the employee to work hard, and the availability to become an effective worker (Appelbaum et al., 2000). Therefore, personal HR practices are strategic levers that can impact the employee behavior and performance.

(b) Selection Practices and Employee Performance

Selection practices seek to influence the promotion or hire of individuals whose skills, knowledge, and attitudes are in line with the job requirements and organizational principles. The strategic selection systems are beneficial in improving the quality of the workforce and decreasing the chances of a bad job fit that ultimately leads to an increase in productivity and operational efficiency. Empirical research proves the close interrelation between rigorous selection practices and personal job performance, especially in skill-based and safety-sensitive ones (Ployhart and Moliterno, 2011; Jiang et al., 2012). However, the apparent effect of selection practices on performance may be attenuated

by standardized recruitment practices and employment protection in organizations in the public sector. With such contextualism, the hypothesis to be proposed is as follows:

H01: Employee selection practices have no statistically significant impact on employee performance in CSPGCL.

(c) Performance Appraisal and Employee Performance

Performance appraisal systems are meant to assess the input of the employees, give them developmental feedbacks and make sure that what the individual wants to achieve is in line with the aim of the organization. It is argued that perceived fair, accurate, and participative appraisal systems have a positive effect on motivation and performance of employees (DeNisi and Murphy, 2017). But the appraisal system can cause the opposite when appraisal is perceived to be ritualistic or biased where they do not generate performance gains and potentially deter in the employees (Kuvaas, 2006). In most organizations that operate in the public sector, such as utilities, the results of the appraisal are hardly associated with rewards or career promotion, which can limit the effects of this method on performance. Thus, the hypothesis that is developed in this work is as follows:

H02: Performance appraisal practices have no statistically significant impact on employee performance in CSPGCL.

(d) Training and Development and Employee Performance

The training and development are major investments in employee human capital. The human capital theory states that training improves performance in job by increasing the skills and the productivity of the employees (Becker, 1964). A mass of empirical research proves that properly developed training interventions enhance performance on tasks, technical skills, and flexibility (Tharenou et al., 2007; Saks and Burke-Smalley, 2014). Training is essential in the organizations of the public sector and infrastructure because of safety needs and technological advancement. Nevertheless, compliance or routine training programs might not result into actual performance enhancement particularly where the learning transfer is low. Therefore, the hypothesis is the following one:

H03: Training and development practices have no statistically significant impact on employee performance in CSPGCL.

(e) Compensation Practices and Employee Performance

Pay systems are supposed to be used to reward employees by compensating people to do what they prefer and achieve. A valid theory is the expectancy theory, according to which, workers will work harder when they are assured of rewards based on their performance (Gerhart and Fang, 2015). Although the general empirical evidence is on the positive role of performance-based pay in employee performance, the relationship is usually smaller in organizations in the public sector where employee performance is based on standardized pay schemes and seniority-based schemes (Perry et al., 2010). In these situations, pay can be used as a primary motivator of satisfaction and not as one of the motivators of high performance. The result of this ambiguity is the following hypothesis:

H04: Compensation and reward practices have no statistically significant impact on employee performance in CSPGCL.

(f) Career Development and Promotion and Employee Performance

Career growth and advancement points give indications of the organizational devotion in relation to employee growth and long-term working associations. Previously conducted research indicates that

perceived career growth opportunities increase engagement, skill and long-term job performance of employees (Weng et al., 2010; Kraimer et al., 2011). Literature on strategic HRM indicates that internal career systems are critical towards talent retention and high-performance motivation. However, in organizations in the public sector, promotion in most cases is regulated by seniority and formal regulation, this reduces the motivational impacts of promotion. As a result, the hypothesis below is obtained:

H05: Career development and promotion practices have no statistically significant impact on employee performance in CSPGCL.

(g) Work Climate and Employee Performance

Work climate is a manifestation of group opinion among the employees in terms of their perception towards organizational policies, practice and interpersonal relationship. Favorable work environment with the presence of trust, support, and psychological security promotes the effectiveness of performance and discretionary behaviors among employees (Schneider et al., 2017). Most of the studies have shown that positive work environments have been linked to more job performance and less counterproductive behaviour (Parker et al., 2003). Nevertheless, rule based organization with strict hierarchical chains of command can inhibit employee responsiveness to the climate signals especially in government utilities. Thus the hypothesis is advanced as below:

H06: Work climate has no statistically significant impact on employee performance in CSPGCL.

(h) Organizational and Job Engagement and Employee Performance

Employee engagement is a positive, satisfying mental equilibrium described by energy, commitment and intense concentration in the occupational functions. Meta-analytical data have shown a high performance of employees in terms of task performance, organizational citizenship behavior and safety compliance when engaged (Christian et al., 2011). The use of SHRM practices that contribute to engagement is therefore likely to promote employee performance. However, in the context of the public sector where job security is the order of the day, engagement might fail to bear returns of increased performance results. Based on this, the hypothesis below is established:

H07: Organizational and job engagement have no statistically significant impact on employee performance in CSPGCL.
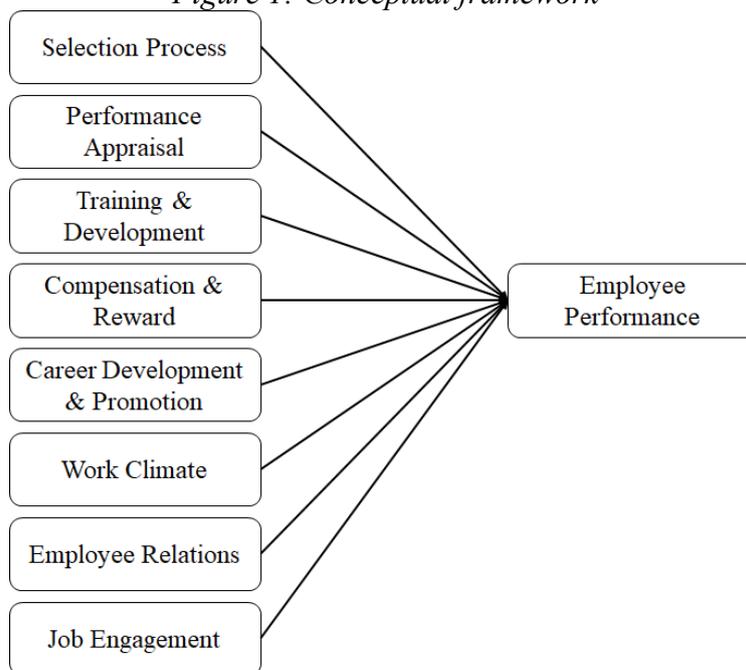
(i) Employee Relations and Employee Performance

Employee relations include the quality of communication, management of grievances, trust, and relations between unions and management. Strong employee relations not only lead to cooperation but also conflict minimization and a good working environment that favor performance (Boxall and Macky, 2009; Gittell et al., 2010). Systematic employee relations in the utilities in public sector may restrict flexibility and responsiveness and make them less effective at influencing the performance of individuals. So, the last hypothesis is proposed:

H08: Employee relations have no statistically significant impact on employee performance in CSPGCL.

Based on the discussion presented above and framed hypothesis, following conceptual framework has been developed:

Figure 1: Conceptual framework

Research Methodology

This paper has used a quantitative cross-sectional survey research design to assess how strategic human resource management practices can influence employee performance in Chhattisgarh State Power Generation Company Limited (CSPGCL). A structured questionnaire was used to inquire primary data among employees in various functional unit and hierarchy levels of the organization. Two hundred respondents were selected using a non-probability convenience sampling technique, which is the most common technique employed in organizational research when a limitation to access exists. The entire measurement items were modified into an established and a validated scale to make sure that it is content valid and reliable. In determining the selection process, a five-item scale designed by Gamage (2014) was used, performance appraisal with a five-item scale which was developed by Kuvaas (2006), training, and development with a five-item scale adapted from Al-Khayyat and Elgamal (1997). A five-item scale by Heneman and Schwab (1985) was used to assess the compensation and rewards, whereas a five-item scale by Weng and Hu (2009) was used to assess the career development and promotion. A five-item scale based on the scale by Baard et al. (2004) was used in capturing the work climate, a five-item scale used by Rhoades and Eisenberger (2002) measured perceived organizational support, and a five-item scale by Schaufeli et al. (2006) measured job engagement. Koopmans et al. (2014) created a seven-item scale that was used to measure the dependent variable performance of the employees. Everything was rated according to a five-point Likert scale between strongly disagree (1) and strongly agree (5). Before an analysis, the information underwent screening regarding the missing data, the normality, and common method bias. Internal consistency measures were taken to evaluate the reliability and validity of the measurement scales, the test of construct validity and empirical test to evaluate the hypothesized relationships between the variables in the study were done through the use of structural equation modeling that was used in theory tests and prediction.

Data Analysis and Interpretation

Based on the demographics profile (table 1), males constitute the largest segment of the workforce (80.5%), followed by females (19.5%), which is typical of power generating companies in terms of gender representation. The age quantum shows that there is a young and mid-career workforce, with

most of the employees aged 31-40 (38.5%) and 21-30 (35.5%) years. Most respondents are technically qualified with 44.5% of them having diplomas and 17.0% attaining 12th /ITI level, 38.5% are graduates/ postgraduates and the remaining 38.5% are of mixed skills. Regarding marital status, 56.5 of respondents are married and 39.5% are single indicating a stable and experienced employee base with a majority. On the whole, the sample is a technically-oriented and working-age workforce that suits the analysis of strategic HRM practices and employee performance at CSPGCL.

Table 1: Demographic details of the respondents

Particulars	Frequency	Percent	Mean	SD
Gender				
Male	161	80.5	1.1917	0.39394
Female	39	19.5		
Age-group				
21-30 Yr	71	35.5		
31-40 Yr	77	38.5	2.0067	0.9582
41-50 Yr	31	15.5		
Above 50 Yr	21	10.5		
Education				
Up to 12th/ITI	34	17.0		
Diploma	89	44.5	2.5217	1.09309
Graduate	17	8.5		
PG & Above	60	30.0		
Marital Status				
Married	113	56.5		
Single	79	39.5	1.4733	0.57432
Others	8	4.0		

(j)   Measurement Model Evaluation

The PLS-SEM method with 5,000 bootstrap subsamples was used to estimate both the measurement and structural model by using SmartPLS. Model adequacy and data suitability were determined before hypothesis test was done. Both the saturated model (SRMR 0.031) and the estimated model (SRMR 0.031) had values that were sufficiently low when compared to the recommended 0.08, and the two overall indicate a great fit of the model (Hair et al., 2021). Furthermore, the Normed Fit Index (NFI) of 0.904 is not less than the acceptable value of 0.90 which also serves as the strong evidence of the model.

(a)   Construct Reliability and Validity

Cronbachs alpha, composite reliability (ρa and ρc) and average variance extracted (AVE) were used to determine construct reliability and convergent validity. According to Table 2, Cronbach alpha values of all the constructs measured between 0.961 to 0.975 which is way above the required minimum of 0.70 (Nunnally and Bernstein, 1994) which proved that the internal consistency was highly satisfactory. There were high construct reliability values of 0.970-0.979 with composite reliability scores (ρc) (Hair et al., 2021). In addition, the AVE value of all constructs were in 0.865 to 0.896 which is way above the rating of 0.50 recommended cutoff of AVE (Fornell and Larcker, 1981) indicating the high degree of convergence. All these findings point to it being the case that the measurement items provide a reliable measurement of their respective latent constructs.

Table 2: Construct Reliability and Convergent Validity

Construct	Cronbach's Alpha	Composite Reliability (ρa)	Composite Reliability (ρc)	AVE
Career Development & Promotion	0.961	0.963	0.97	0.865
Compensation & Reward	0.965	0.967	0.973	0.877
Employee Performance	0.975	0.975	0.979	0.870
Employee Relation	0.967	0.974	0.974	0.884
Job Engagement	0.964	0.988	0.972	0.874
Performance Appraisal	0.962	0.964	0.971	0.869
Selection Process	0.971	0.974	0.977	0.896
Training & Development	0.969	0.976	0.976	0.889
Work Climate	0.962	0.966	0.971	0.869

(b) Indicator Reliability

Measurement items were assessed using outer loadings of indicators in order to determine the reliability of the indicator. The loadings of all indicators were very high (between 0.915 and 0.952) and are far above the recommended minimum level of 0.70 (Chin, 1998). The outer loadings were found to be significantly different ($p < 0.001$) pointing out that all the indicators play a strong role in their contributing construct. Due to the high loadings that were constantly maintained, no items were dropped out of the model (Table 3).

Table 3: Outer Loadings

Construct	Item Range	Loading Range
Career Development & Promotion	CDP1–CDP5	0.924 – 0.937
Compensation & Reward	CR1–CR5	0.927 – 0.945
Employee Performance	EP1–EP7	0.925 – 0.945
Employee Relation	ER1–ER5	0.936 – 0.946
Job Engagement	JE1–JE5	0.915 – 0.946
Performance Appraisal	PA1–PA5	0.926 – 0.940
Selection Process	S1–S5	0.942 – 0.952
Training & Development	TD1–TD5	0.928 – 0.950
Work Climate	WC1–WC5	0.920 – 0.942

(c) Discriminant Validity

The Fornell-Larcker criterion was used to check the discriminant validity. The square roots of the AVE of each construct (diagonal values) were high as compared to the inter-construct correlations as indicated in Table 4, which fulfilled the Fornell-Larker condition (Fornell and Larcker, 1981). This ascertains that all constructs are empirically different and assess different conceptual domains in the model.

Table 4: Discriminant Validity – Fornell-Larcker Criterion

Construct	CDP	CR	EP	ER	JE	PA	SP	TD	WC
Career Development & Promotion	**0.93**								

Compensation & Reward	0.042	**0.937**							
Employee Performance	0.402	0.308	**0.933**						
Employee Relation	−0.036	−0.053	0.199	**0.94**					
Job Engagement	0.115	0.03	0.157	−0.072	**0.935**				
Performance Appraisal	0.011	0.105	0.356	−0.022	−0.026	**0.932**			
Selection Process	−0.045	−0.047	0.327	0.019	−0.158	0.035	**0.947**		
Training & Development	−0.080	−0.002	0.305	0.054	0.012	0.027	0.165	**0.943**	
Work Climate	0.034	0.016	0.211	−0.037	−0.176	0.028	0.040	−0.057	**0.932**

(d)   Model Fit

All model fit indices reflect high overall adequacy (table 5). The NFI of 0.904 is associated with good incremental fit, in addition to low SRMR values (0.031). The fit indices such as d_ULS (1.083), d_G, and chi-square (1237.459) were the same when comparing the saturated and estimated model, indicating that there was consistency and measurement strength in the structures. On the whole, the model is well fitting and it can be subjected to a structural analysis.

Table 5: Model Fit

Fit Index	Saturated Model	Estimated Model
SRMR	0.031	0.031
d_ULS	1.083	1.083
d_G	1.109	1.109
Chi-square	1237.459	1237.459
NFI	0.904	0.904

(ii) Structural Model Evaluation
(a)   Path Coefficients and Hypothesis Testing

The bootstrapping approach with 5,000 resamples was used to test the structural relationships. Table 3 indicates the standardized path coefficients, t-values and p-values of the hypothesized all the relationships. The findings show that there is a positive and statistically significant effect of all strategic HRM practices on employee performance ($p < 0.001$), which is good empirical evidence to support the idea of the conceptual framework. The greatest predictor of employee performance was the Career Development and Promotion ($\beta = 0.398$, $t = 9.557$) then Selection Process ($\beta = 0.323$, $t = 6.612$) and Performance Appraisal ($\beta = 0.307$, $t = 6.447$). Other significant contributors with positive effects on employee performance include Compensation and Rewards ($\beta = 0.278$, $t = 5.988$), Training and Development ($\beta = 0.274$, $t = 6.793$), Employee Relations ($\beta = 0.238$, $t = 5.546$), Work Climate ($\beta = 0.234$, $t = 4.925$), and Job Engagement ($\beta = 0.217$, $t = 4.931$).

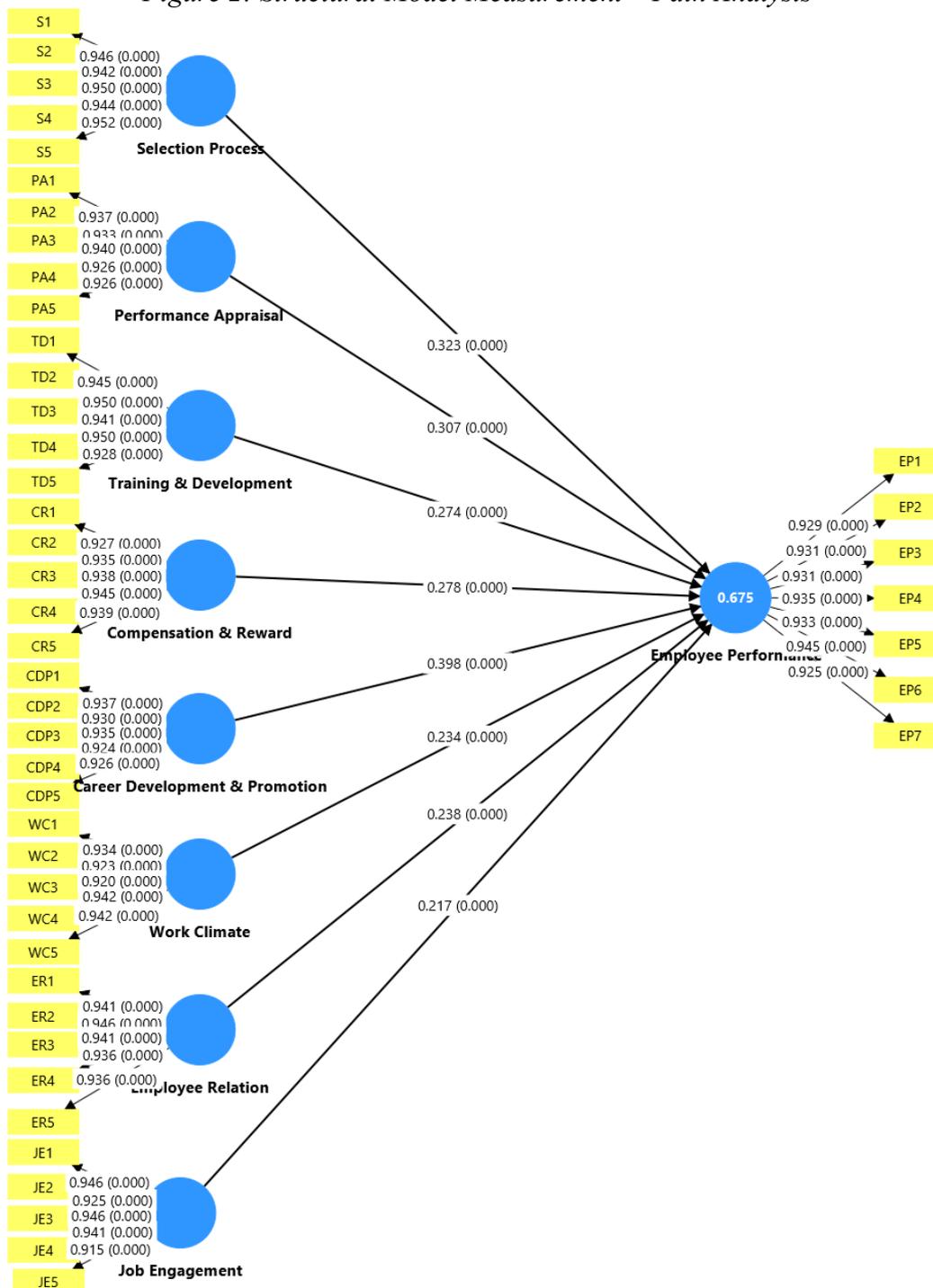*Figure 2: Structural Model Measurement – Path Analysis*

Table 7: Path Coefficients and Hypothesis Testing

Path	β	t-value	p-value	Result
Career Development & Promotion → Employee Performance	0.398	9.557	0.000	Supported
Compensation & Reward → Employee Performance	0.278	5.988	0.000	Supported

Employee Relation → Employee Performance	0.238	5.546	0.000	Supported
Job Engagement → Employee Performance	0.217	4.931	0.000	Supported
Performance Appraisal → Employee Performance	0.307	6.447	0.000	Supported
Selection Process → Employee Performance	0.323	6.612	0.000	Supported
Training & Development → Employee Performance	0.274	6.793	0.000	Supported
Work Climate → Employee Performance	0.234	4.925	0.000	Supported

These results show that strategic HRM levers together and separately improve employee performance in CSPGCL. This results in the rejection of the null hypotheses (H01-H08) and by default support the alternative hypotheses.

(b)   *Coefficient of Determination (R²)*
Coefficient of determination (R2) was used to measure the explanatory power of the model. Employee Performance had an R 2 of 0.675 and adjusted R 2 of 0.661 which shows that about 67.5 percent of the variance in employee performance can be attributed to the strategic HRM practices used in developing the model. Chin (1998) indicates that a R2 that is greater than 0.67 indicates high explanatory ability thus showing that the model is highly relevant when it comes to prediction.

Generally, the findings validate the assumptions that the strategic HRM practices, especially the career development, selection, and performance appraisal are vital in improving the performance of employees at CSPGCL. The high level of reliability and validity, significant path relations, the high level of explained variance all confirm the theoretical framework and represent the strategic significance of HRM systems to performance-oriented organizations in the public sector.

Discussion
The results of this research offer sound theoretical and contextual explanations of the role strategic human resource management (SHRM) practices play in employee performance in a large government-owned power utility. The findings instead of considering HR practices as isolated administrative services support the idea that employee performance is constructed by the synergistic system of HR practices that emaculate together to increase capabilities, motivation, and ability of the employees to perform. This is much closer to what the Ability-Motivation-Opportunity (AMO) school of thought demonstrates: that when HR systems combine the development of competencies, the encouragement of effort and attractive work engagement, performance can be achieved (Appelbaum et al., 2000).

One of the most relevant causes of employee performance was career development and promotion which emphasized on the significance of long-term employment relations within the public sector. According to the previous literature, apparent internal career ladders improve perception of equity and prospects of future safety, which subsequently exhibit discretionary work effort and job enlargement (De Vos et al., 2011). It has also been observed that career development in technically intensive organizations like the power utilities is an indicator of the organizational commitment to the accumulation of skills, which in turn enhances the psychological attachment and persistence of performance. The method of selection was strongly linked to the performance of the staff; this was in line with the resource-based perspective that the quality of human resources is central to organizational performance. Hiring in a strategic manner allows companies to match job needs to technical skills as well as attitudinal fit, and it is quite crucial in infrastructure-based sectors where any errors may have serious operational implications (Ployhart and Moliterno, 2011). Based on the

findings, merit-based and competency-oriented recruitment systems can be considered one of the pillars of maintaining performance in the enterprises in the public sector. The favorable impact of performance appraisal implies the element of performance appraisal being a signaling mechanism but not just an evaluative tool. Perceived as clear and focused on development, appraisal systems prevent the role ambiguity, clarification of expectations and guiding behavior towards the organizational objectives (Kuvaas et al., 2012). This is in support of social information processing theory in which employees perceive organizational behaviors to be an expression of organizational priorities and values, which would influence future attitudes and behaviors of the employee (Bowen and Ostroff, 2004).

Other important determinant of employee performance was also found to be training and development, which supports the learning-based view of SHRM. Constant education provides renewal of skills and adjustment ability, especially in areas that are under either technological or regulatory transformation. According to the previous research, performance increases are the results of training when employees find them relevant, future-oriented, and backed by the management (Noe et al., 2014). Structured training can also be used to lessen resistance to change in the context of public utilities and increase operational resiliency. The relevance of the equity theory in the long-term in the performance behaviors can be seen in the great role of the compensation and rewards. Employees will also be more willing to give in return by enhancing performance and being loyal to the organization when they think that the compensation systems are fair and proportional to the efforts and amount of responsibility (Gerhart and Fang, 2014). Notably, perceived fairness is greater in a context of the public sector where extrinsic rewards are frequently standardized. Employee relations and work climate were also a further contributor to performance of employees and this shows that effective HR systems are based on social and relational principles. A favorable atmosphere leads to the establishment of psychological safety which allows employees to express grievances, exchange knowledge and proactively approach work related demands (Edmondson and Lei, 2014). On the same note, positive employee relations indicate high-quality social exchange relationships which motivate employees to go beyond their formal job demands and keep working in the long run (Shore et al., 2006).

Lastly the impact of job engagement is a supportive argument to the current ideas that performance lies within the cognitive and emotional attachment of the relationship between employees and the work performed by them. Employees that are engaged are more keen, tenacious and active and they convert organizational resources to actual performance outputs (Bakker and Albrecht, 2018). This observation suggests the relevance of the formulation of HR systems that motivate employees at the psychological level and not just control behavior.

Conclusion

This study adds to the existing strategic HRM literature by providing empirical evidence on the benefits of a bundle of HR practices as a coherent set of practice in increasing employee performance in a government-owned power organization. Combining staffing, development, appraisal, reward, work climate, and relational mechanisms, the research justifies a position that it employed both economic and social exchange processes to result in employee performance as a multidimensional outcome. The results are positive indications that strategic HRM is quite pertinent to be considered in the situation in a public sector, when bureaucratic forms can be observed simultaneously with rising standards of performance.

Practically, the research proposes that CSPGCL and other organizations of this type must cease their fragmented HR interventions and shift to a system-level perspective. By focusing on career

development, open appraisal system, equitable payment, and conducive working environments, employee performance, and organizational sustainability may be enhanced. Notably, the findings show that the relational and psychological components of HRM are equally important compared to structural policies in influencing the performance of the employees.

Limitations and Future Research Directions

This study has some limitations in spite of its contributions. To start with, cross-sectional research design limits causal inferences because the perceptions and performance outcomes of the employees were only obtained at one time. Longitudinal research would be in a better position to lay more details on the impact of HR practices on performance trends across time. Second, self-reported data could lead to common method bias whereas this is a popular and familiar methodology in organizational studies. Third, the research is based on one public sector organisation and this might not be enough to generalize the results. To discuss the contextual contingencies, future research could assume comparative designs in several public and private sector organizations. Also, it can be possible that in future researches mediating factors including organizational commitment, trust, or psychological empowerment and moderating factors including leadership style or technological change can be investigated. Lastly, this may be enhanced with qualitative methods that may possibly supplement the survey-based results by providing employee stories of HR practices, hence, enriching the insight into how the SHRM systems are felt and implemented in practice. Such mixed methods would build on theory and practical (even more) excellence.

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