

# Human Resource Management Practices: Unlocking Innovation in Developing Countries

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## Abstract

This research aims to investigate the role of Human Resource Management (HRM) practices in enhancing innovation within the public sector of a developing nation. Adopting a qualitative research strategy, the study involved conducting semi-structured interviews with two groups of participants: senior executives and organizational leaders from both award-winning and non-award-winning public institutions. Thematic analysis was utilized to interpret the collected data and extract major insights. The study uncovers notable similarities and differences in how HRM practices drive innovation across various public organizations. It was found that initiatives like localized training, the provision of diverse reward systems, and structured performance evaluations geared toward innovation are common practices supporting innovative outcomes. The research was confined to a sample of ten public organizations in Pakistan. Future investigations could extend the sample size for broader generalization. Additionally, comparing HRM strategies between public and private organizations could shed more light on their respective impacts on organizational performance and innovation. Training, reward systems, and performance management emerge as critical HRM practices for fostering innovation and employee development. Leaders in the public sector are encouraged to embrace these practices to stimulate organizational innovation. To the best of the authors' knowledge, this study is the first to apply a qualitative methodology to explore the influence of HRM practices on innovation within the public sector of a developing country.

**Keywords:** Innovation, Developing Country, Human Resource Management, Public Sector

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## **INTRODUCTION**

Innovation is typically not associated with the public sector, as the focus of these organizations is to deliver services to the community and citizens rather than to generate profits. This difference in focus has contributed to the relatively limited attention given to innovation within public sector research, particularly regarding the role of Human Resource Management (HRM) practices. This research gap is especially pronounced in the background of developing countries. There remains a pressing need to explore how HRM strategies can nurture and promote innovation within the public sector. Recognizing that innovation is a key driver of national progress, this study is designed to examine how HRM practices contribute to fostering revolution in public service organizations operating in a developing country environment. Most prior research has primarily relied on quantitative methods to study HRM and innovation relationships. However, due to the complex and evolving nature of public sector innovation, a qualitative approach is more suitable for uncovering the deeper mechanisms and contextual factors at play. Hence, this research adopts a qualitative study design to fill the identified gap, providing fresh insights into how HRM practices can effectively encourage innovation in public sector organizations within developing economies.

## **LITERATURE REVIEW**

### **Innovation**

Innovation generally progresses through four important phases: generating ideas, selecting the best ideas, completing development, and implementing them. These stages are vital for any organization aiming to strengthen its growth and performance. In both the public and private sectors, effective innovation leads to improved efficiency, broader service delivery, and the attainment of sustainable competitive advantages. The Economic Cooperation and Development Organization (OECD) provides a framework for measuring innovation through the OSLO Manual (2005) by assessing innovation by assessing both direct performance results-which development of new products, growth in service quality and improvement in operational processes and broad impact, such as market expansion, productivity result, profitable improvement and environmental. When it comes to Pakistan, a developing nation, innovation activities have shown gradual reforms, but continue to face sufficient obstacles. According to Global Innovation Index (GII), Pakistan's ranking has improved from 105 in 2017 to 87 in 2017, 87 out of 132 economies in 2020 reflect positive progress, although it is still behind neighbouring countries such as India, which ranks 40 in 2022.

One of the most important obstacles to innovation in Pakistan is insufficient investment in research and development (R&D), usually below 1% of GDP. In the year 2020, R&D expenses were registered at about 0.29% of GDP, which was much lower than the regional scale. In contrast, countries like India and China have steadily increased their R&D investments, leading to higher rates of innovation and improved competitiveness on the global stage. Given these challenges, it becomes crucial to identify factors that can drive innovation within the Pakistani context. Numerous studies point to the significance of human capital in promoting innovation. Elements such as empowerment, employee training and development, supportive reward systems, and participative decision-making are particularly relevant. Fernandez and Pitts (2011) emphasized the role of high quality relationships between supervisor and employees in encouraging innovation.

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Because many of these innovation drivers are embedded in HRM practices, this study focuses on examining how HRM strategies can be leveraged to boost innovation in Pakistan's public sector organizations.

### **Public Sector**

Organizations are commonly categorized into public, private, and non-profit sectors. What distinctly sets public sector organizations apart is their bureaucratic structure and hierarchical management style. In Pakistan, public institutions are often characterized by centralized decisions, prohibited employee autonomy and strict compliance with the protocol issued by the Government. These institutions mainly work with a service-oriented assignment, play administrative and development roles, and usually face lower competition because of their unique regime responsibility and social work. Public agencies in Pakistan work in a very formal environment, where politics and procedures are closely regulated through government instructions. This rigid structure often opposes changing and limiting the agility required for innovation. As a result, it can prevent their ability to innovate. Nevertheless, a significant advantage of employment in the public sector in Pakistan is a high level of job security than the private sector, in addition to emphasizing Fernandez and Pitts (2011).

Like other developing countries, Pakistan's public sector is struggling with several administrative challenges, including political intervention, inadequate resources, old systems and absence of results-based incentives. Despite these challenges, interest from scholars and decision makers is constantly increasing in strengthening HRM practices for the public sector and improving innovation and service distribution. As a South Asian country with a complex governance structure, Pakistan acts as a relevant reference to studying how HRM practices can drive innovation in public institutions. Recent improvement work, such as promoting digitalisation, capacity program and modernization of civilian services, has outlined the immediate need to increase organizational efficiency. Therefore, it is important to understand how HRM strategies contribute to innovation under these circumstances, it is important to obtain performance in the public sector and improve civilian satisfaction.

### **HRM Practices and Innovation**

Human Resource Management (HRM) involves practices such as recruitment and selection, training and development of employees, reward system, result management, health and safety and compensation programs. This practice plays an important role in the design of the employee by increasing the knowledge, skills, abilities, values and attitudes - all of these are important to encourage creativity and workplace innovation. Through the nutrition of these skills, HRM helps create intellectual capital, which is an important resource for permanent competitive benefits. Recent studies emphasize the necessary role of HRM in promoting intellectual capital and promoting innovative behavior among employees. For example, Siddiqui et al. (2024) emphasized that HRM strategies focused on knowledge management and collaboration are particularly effective in stimulating innovation in organizations. Similarly, Trivedi and Srivastava (2024) found that HRM practices related to human and social capital, when an innovative-oriented organizational culture is in line, to provide knowledge management processes and innovation performance. These findings suggest how HRM practices are served as a basis for operating innovation and improving organizational results.

Modern research further emphasizes its increasing significance for promoting developed landscape and innovation of HRM. Contemporary studies have gone beyond traditional contours such as high-performance work systems (HPW), high generation work system (HIW) and high work management, search for areas such as AI-operated HR solutions, skill-based employment practices and personalization of employees' experiences. These new HRM approaches not only improve organizational results, but also promote the culture of continuous learning and adaptability, both of which are important for maintaining innovation in today's rapidly changing environment. In order to better understand their impact on organizational innovation (Easa & Orra, Waheed et al, 2024), scholars have also investigated different HRM frames, including universal perspective, high-performance work systems (HPW), high-interview work systems and high declaration control. These frameworks emphasize the integration of HR practices, especially HR practice such as Employee Empowerment, Targeted Training and Strong Performance Evaluation to create an innovative-assisted environment (Sage Perspective, 2024).

In addition, HPW's practice has been shown to influence the innovative behavior of employees by stimulating their internal motivation through mechanisms as harmonious passions, suggesting that some motivational factors encourage creativity, others cannot be properly controlled (Farooqui et al, 2025). Creating an auxiliary climate for employee development is important for linking HRM practices to innovative work behavior, and encouraging employees to learn and think favourably (Dutta et al., 2023). Finally, strategic HRM initiatives that prefer employee involvement, authority and learning opportunities are important to promote permanent innovation. Strategic HRM practice - especially those associated with recruitment, training, development and results management are greatly improved by innovation results. Trivedi and Srivastava (2024) said that this practice helps organizations develop specific competitive abilities required for innovation success.

Research on the High Performance Work Systems (HPWS) suggests that such systems positively affect innovation by creating an auxiliary environment that encourages staff participation and skills development. For example, Javed et al. (2023) demonstrated that HPW increases innovation ability by strengthening intellectual capital. Similarly, Arshad et al. (2023) found that employees experience with HPWs not only directly, but indirectly encourage innovation through the development of social capital and improve knowledge sharing practices. In addition, the use of a combination of HRM practices, rather than isolated initiative, provides better innovation results. Laursen and Foss (2003) emphasized that the integration of larger HRM practices increases the innovation benefit to a large extent. For example, although variable pay alone might contribute modestly to workplace innovation, when combined with autonomy-supportive training, it can have a much stronger positive impact (Walsworth & Verma, 2007). This highlights the importance of adopting integrated HRM strategies to foster a truly innovative organizational culture.

It is also important to note that joint HRM practices impact invention through various mediating factors (Donate, Peña, & de Pablo, 2010). These mediators include:

- Essential HR training that strengthens employee Innovative Work Behavior (IWB) (Hazur, Rahman, and Hussain, 2016), and
- HR practices that enhance employee enthusiasm through improved inner well-being (Khorawa and Vichelles, 2018).

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Innovative Work Behavior (IWB) refers to employees' proactive efforts to improve existing procedures, products, or services by introducing novel ideas and rejecting outdated approaches (Sanz-Valle & Jiménez-Jiménez, 2018). Several other factors mediate the relationship between HRM practices and innovation, including:

- Innovative Work Behavior (IWB) (Sanz-Valle & Jiménez-Jiménez, 2018),
- Creativity environment (Heffernan, Harney, Cafferkey, & Dundon, 2016),
- Team Member Exchange (TMX) (Fu et al., 2015),
- Work environment (Prieto & Pérez-Santana, 2014),
- Organizational learning (Sanz-Valle & Jiménez-Jiménez, 2018; Tabasi & Seyed Mehdi, 2014; Raj & Srivastava, 2013),
- SME learning capabilities (Lai & Kwang, 2014),
- Organizational Citizenship Behavior (OCB) (Saddam, 2017),
- Innovation capability (Aryantoa et al., 2015).

In their study, Zanko, Badham, Couchman, and Schubert (2008) conducted an intensive case analysis on EuroTech's failed attempt to implement simultaneous engineering as part of their product development process. They attributed the failure largely to the lack of effective HRM practices and the presence of organizational conflict. The impact of HRM practices on innovation appears to be much stronger in the production sector compared to the public sector. Furthermore, the existing shortage of qualitative studies exploring the relationship between HRM and innovation serves as a motivation for the present research.

Thus, this study centers on key HRM practices — including training and development, performance evaluation, reward systems, and promotion policies — to examine their role in fostering innovation within the public sector. Recognizing that employees with innovative potential are valuable assets, organizations must invest in their development, assess their performance fairly, reward them appropriately, and ensure timely promotion. Given the stronger documented relationship between HRM and innovation in production sectors and the lack of qualitative studies in public services, this research aims to bridge this critical gap.

### **Training and Development and Innovation**

Training, whether formal or informal, and whether conducted on-the-job or off-the-job, plays a crucial role in shaping employees' innovative capabilities. Proper training equips workers with the necessary skills and perspectives to engage in innovation processes. Dimensions of innovativeness influenced by training include idea prospecting, idea generation, refining ideas, and the practical implementation of innovative concepts. Abdullah, Lee, Wahab, and Shamsuddin (2014) found that training activities explained 28.8% of the variance observed in employee innovation levels. Previous research has consistently demonstrated a positive relationship between training initiatives and organizational innovation. For example, Tan and Nasurdin (2010) found that training

positively correlates with three dimensions of innovation: product innovation, process innovation, and administrative innovation. Similarly, Irfan Ullah and Hameed (2015) confirmed that training activities, alongside employee recognition, had a significant positive association with these three types of innovation. Dostie (2018) also reported that increased training opportunities led to higher levels of both product and process innovation within organizations.

Studies conducted by Boadu, Yu, and Duomo-Fokuo (2018), and Díaz, Mar Borthay, Álvaro, and Cabrales (2012) reinforced these findings, indicating that both on-the-job and off-the-job training significantly enhance a company's innovation performance. Burbur and Lekovic (2018) further explored the relationship between structured training activities and innovation, finding that initiatives like workplace projects, development centers, international assignments, and structured work-based learning positively correlate with innovation levels. However, they also noted that in some cases, no direct link between training and innovative performance could be confirmed. Given these mixed findings, it is essential for organizations to design mechanisms that maximize the innovative outcomes of training programs. Public and private organizations alike can create environments that encourage the application of newly acquired skills and knowledge. Fernandez and Pitts (2011) stressed that public sector organizations, in particular, must establish a culture that tolerates mistakes made by employees attempting to apply innovative practices derived from training. Such a supportive climate encourages risk-taking and the practical application of creative solutions. Ultimately, training and development programs, when properly designed and implemented, act as catalysts for building an innovation-supportive culture through HRM practices. Organizations that invest in consistent, relevant training are better positioned to cultivate employees who contribute meaningfully to continuous innovation.

### **Performance Management and Innovation**

Performance management is a fundamental activity within any organization. Without an effective system to evaluate and guide employee performance, organizations would struggle to achieve their strategic goals. Human resources are considered crucial assets, and it is through the management of these assets that organizations realize their objectives. Therefore, during the evaluation process, assessors must maintain objectivity and avoid bias. Employees who underperform should be provided with appropriate support and guidance to help them improve, as emphasized by Aminuddin (2018). In certain public sector organizations, structured systems are in place to monitor and evaluate employee performance based on established criteria. Employees who exhibit innovative behavior are particularly valued in these settings. Research consistently links individual innovation with effective employee performance management systems. Notably, the quality of the Leader-Member Exchange (LMX) relationship serves as a significant moderating factor in this connection. Audenaert, Decramer, George, Verschuere, and Van Waeyenberg (2016) found that continuous performance monitoring and feedback, integral parts of a robust performance management system, enhance the likelihood of individual innovation, especially within high-quality LMX relationships.

Additional studies support the notion that performance appraisals and career management initiatives are key drivers of innovation. Aman, Taiba, Khan, Ali, and Yasin (2018) demonstrated that systematic performance evaluation practices, when aligned with career development pathways, play a critical role in fostering organizational innovation. Similarly, Tan and Nasuridin (2010) reported that effective performance evaluation processes contribute positively to

administrative innovation. Mohammad Khalid (2012) further confirmed that in Malaysian Islamic banks, structured performance appraisals have a significant positive association with innovation outcomes. Likewise, research conducted by Irfan Ullah and Hameed (2015) showed that performance assessments substantially impact administrative innovation, reinforcing the idea that properly managed evaluation systems can drive creative organizational change.

In performance management, reflective practices have also been exposed as valuable tools to encourage innovation. Ukko, Hilden, Saunila, and Tikkamäki (2017) emphasized the importance of using reflective assessment methods to identify innovation and performance growth opportunities. His study suggested three important implications: First, organizations were to promote reflective thinking at all levels; Second, the performance matrix should be bound for innovation purposes; And thirdly, continuous learning and reaction mechanisms should be integrated into the performance management process. Overall, it is clear that strategic performance play an important role in making organizational culture favourable for the innovation a, including focus on regular feedback, fair assessment criteria and innovation-oriented results.

### **Rewards and Innovation**

Rewards in organizations can be broadly categorized into internal and external types. Internal rewards are non-monetary in nature and include forms of recognition such as praise, acknowledgment, and empowerment. In contrast, external rewards are financial and may include salaries, bonuses, incentives, and other monetary benefits. De Clercq, Thongpapanl, and Dimov (2015) found that reward interdependence positively correlates with product innovation, particularly when job rotation is at a high level. Hafiza, Shah, Jamshed, and Zaman (2011) also reported a strong positive association between financial rewards and employee motivation. However, they noted that non-financial rewards, such as recognition and empowerment, had a weaker influence on motivating employees compared to financial incentives.

Zhou, Zhang, and Montoro-Sánchez (2011) explored the relationship between external rewards and employees' innovative behavior and found it to follow an "inverted U" pattern. This suggests that offering external rewards initially boosts employees' innovation motivation, but as employees encounter challenges during the innovation process, the effectiveness of external rewards diminishes. To address this, organizations should supplement external rewards with internal rewards at critical stages to sustain innovation efforts. However, identifying the exact point at which this shift is necessary is complex and can only be understood through practical organizational experience. In the public sector, budgetary constraints often make it challenging to rely heavily on performance-based financial rewards to encourage innovation. Moreover, previous research indicates that variable pay schemes contribute only marginally to fostering innovation in the workplace (Walsworth & Verma, 2007). The relationship between performance-based pay systems and innovation is complex and nuanced (Vallo, Coke, & Nilson, 2016).

As a result, internal rewards may prove to be as effective, if not more, than financial incentives for motivating public sector employees toward innovation. Internal incentives such as job security, engaging and meaningful work assignments, performance recognition, and alignment with the public good can significantly boost employees' innovative efforts. Bos-Nehles, Renkema, and Janssen (2017) pointed out that employees often view Innovative Work Behavior (IWB) as an extra-role activity, which necessitates clear expectations and tangible rewards to encourage

participation. Hence, organizations aiming to promote innovation must develop appropriate compensation strategies (Panigrahi & Principal, 2015). Interestingly, there is an emerging argument that rewarding changes in processes may be more beneficial for sustaining innovation than focusing solely on rewarding final products or outcomes.

Ab Rahman and Ismail (2018) identified three main factors contributing to innovation management in the Malaysian public sector: leadership skills, an innovation -driven organizational culture and a strong reward system. Based on the interview, his findings indicated that leaders should demonstrate a strong commitment to promoting an innovative environment, to maintain effective communication with their teams, and provide attractive prizes to motivate innovation and to motivate for successful innovation management. On the other hand, Fernandez and Moldogaziyav (2011) challenged the notion that financial incentives alone are sufficient to promote innovation. He claimed that empowerment - giving employees the right to change and the right to change the work processes - had a major impact on motivating innovation. Empowerment enables employees to participate in constructive problems without the need to take constant approval from the elderly. However, in some contexts, empowerment can be very effective, the application of public sector organizations should be carefully controlled, as bureaucracy structures are often necessary to maintain accountability and order.

### **Promotion and Innovation**

Career development is considered an important aspect of development-oriented HRM practice, as the initiative for career development is mainly designed to support the achievement of both individual and organizational goals. According to Gupta and Shaw (2014), internal advertising workers play an important role in strengthening loyalty, dedication and innovation. When employees believe that their contributions can lead to career development, they are motivated to participate in innovative activities that benefit the organization.

Sipthahi and Bechter (2001) emphasized that HRM policy and practice, especially those who prefer internal promotions, are positively associated with high innovation levels in industries. Corresponding D. Sai-Pazares and Daz-Daz (2002) found that organizations using HRM systems that increase internal progress, more and more employees are promoting engagement, which in turn has a positive impact on organizational innovation. Other studies have identified several arbitration factors that affect the relationships between promotional practice and innovation results. For example, Rashid et al. (2017) said that the employee's voice acts as a broker, suggesting that promotional opportunities encourage employees to express their views, and when they feel that their input is valuable, it contributes creative. Fu et al. (2015) introduced Team Members Exchange (TMX) as another moderating factor, indicating that high quality interaction between team members increases the positive effects of promotion on innovation. In addition, Jiang, Lepak, Hu, and Baer (2012) reported that human capital, social capital, social and employee motivation take a great attention to the link between promotional practice and innovative performances.

Overall, not only rewards opportunities for career development personal performance, but also acts as a significant incentive that motivates employees to participate in innovative behavior. By establishing transparent and more -based promotional systems, the organization can cultivate an environment that encourages creativity, problem solving and continuous improvement. In the

public sector, where hierarchical structures are often rigid, there can be a powerful strategy for nurturing talents offered for innovative contributions and maintaining organizational development.

### **Theory**

Literature review states that HRM practices greatly affect innovation, especially through training and development, performance management, promotion and premium facilities. This trend provides a strong base for these selected variables to check deeper. However, existing conclusions show some deviations and proportional conclusions about the direct effects of HRM practices on innovation. Therefore, the purpose of this study is to find out the effect of premium practice on training and development, performance management, promotion and innovation using a qualitative research approach recommended by AB Rahman and Ismail (2018). In addition, findings vote to social exchange theory and equity theory. These principles suggest that when employers provide appropriate rewards and promotion opportunities for innovation, employees are likely to be perform with innovative behavior. In addition, social exchange and equity complements the theory of human capital theory, which emphasizes that employees' investments in training - through specific methods and delivery of appropriate equipment and resources improve the innovation. By integrating these theoretical approaches, the study wants to provide a deeper understanding of how HRM practices can promote innovation in organizations.

### **METHODOLOGY**

Due to the limited availability of qualitative research on the subject, the current study adopts a qualitative research design to meet their goals, according to AB Rahman and Ismail (2018) and Zanko et al. (2008). Given the dynamic nature of the government's political changes, a quantitative method was considered unsuitable, as it could not effectively capture developed practices and policy changes. Therefore, a qualitative case study approach was chosen for a deep discovery. This research uses several case study designs, which combine data collection techniques such as document analysis and semi-composed interviews. Interview issues were developed based on current studies, including Agola and Van Lill (2017) and others. To validate the clarity and relevance of the questions, the researchers conducted a pilot test with two public sector organizations aimed at both top management and the authorities. However, the data gathered from these two pilot organizations were excluded from the final analysis.

Initial pilot testing revealed several issues, with participants misinterpreting or misunderstanding some of the interview questions. Following extensive revisions and refinements based on the feedback, the final version of the interview guide was finalized for the main study. The focus of this research is on four specific HRM practices: training and development, performance evaluation, reward systems, and promotion. These practices were chosen due to their direct connection with innovation efforts in the public sector of Pakistan. Recruitment and selection practices were deliberately excluded from the study as these functions are centrally managed at the federal level, limiting the discretion of individual public organizations. Ten public sector organizations were selected for the study. Five of these organizations had received innovation awards, while the remaining five had not. The selection criteria for award-winning organizations included (1) the presence of innovation units and high involvement in innovation-related activities, (2) considerable experience in innovation management, and (3) receipt of either local or

international innovation awards. The non-award-winning organizations had no recognized innovation accolades.

The inclusion of both award-winning and non-award-winning organizations allowed for comparative analysis to identify key factors that either foster or hinder innovation. In total, twenty interviews were conducted, with an equal number of participants from each category of organizations, ensuring representation across different job statuses. Thematic analysis was used to interpret the interview data. This method involved identifying, analysing, and reporting patterns within the qualitative data collected through interviews. The purposive sample was used to select participants with relevant intensive knowledge for attention from the study. Semi-composed interviews provided the flexibility required to detect deep new subjects, according to a structured guideline. These interviews usually lasted for 90 minutes. All interviews were transmitted and carefully analysed to identify recurrent subjects, categories and patterns. In addition to thematic analysis, content analysis was done to examine documents, reports, book chapters and related material. This triangle process was important to ensure the validity and reliability of the conclusions. To rely on the interviews alone can introduce prejudice. Thus, the use of many data sources strengthened the reliability of research results. Comparative analysis was also performed between top management and other officials' reactions, and highlighted the difference in perceptions of HRM practice and innovation. In addition, the researchers compared the results between the award winners and non-reluctant winning organizations to draw a meaningful conclusion on the best practice to promote innovation in the public sector.

## RESULTS

### Interviewee Profile

The study included a total of 20 interviewees, who were classified into two groups based on recognition of their innovation organization. The "prize winner" group consisted of 10 people (A1 to A10) from public organizations, who were praised for their innovative practice, while the "Non-Award Winning" group included 8 people (N2 to N9), who did not receive such prizes. The remaining two participants were entitled to non-revised organizations. The top management group consisted of seven male and three female participants, including two board members, two vice - directors, three department heads and three senior manager registers (KPPS). Seven interviewees possessed a master's degree (MA), and three held a bachelor's degree. Most had over ten years of work experience. In contrast, the executive group consisted of two male and eight female participants, covering two vice directors, two senior assistant registrars (PPK), three officers, an administrative assistant, and a nurse. Most executive interviewees held a bachelor's degree, as shown in Table 1.

**Table 1**

Executives' Views on Innovation and Rewards

<b>Award-Winning</b>	<b>Non-Award-Winning</b>
Innovation Award	Innovation Award
APC	APC
Certificate, Acknowledgment	Certificate, Acknowledgment
Best Employee	Best Employee of the Month

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Compliment	Compliment
Best Employee Award	Best Employee of the Month
Lunch Treat	Autonomy

### Responses of Top Management

When asked about their understanding of HRM practices, the top management of award-winning public organizations mentioned: (1) training, (2) performance evaluation, (3) employee rewards such as "Best Employee of the Month" awards, (4) Employee Excellence Awards (APC), and (5) promotions. Conversely, top managers from non-award-winning organizations referred more specifically to structured training programs like integrated training schemes, with public employees attending three-day annual training programs. Reward mechanisms included salary increments and skill-based awards. Performance assessment revolved around KPIs (Key Performance Indicators) set at the beginning of the year and reviewed mid-year. Additionally, respondents from non-award-winning organizations mentioned recruitment, selection, career development practices, promotion policies, HR systems, job rotation, and informal HR activities like potluck gatherings and festival celebrations (Table 1).

**Table 2**

#### Top Management's View on HRM

<b>Award-Winning</b>	<b>Non-Award-Winning</b>
Reward (Best Employee of the Month, APC)	Salary Increment, APC
Training	Integrated Training Scheme (SLB), Roadmap Training
LNPT	SKT, LNPT, KPI
Promotion	Career Development, Promotion, Job Rotation, Selection, Potluck, HR Systems, Festive Visits

**Table 3**

#### Innovation Training Activities

<b>Award-Winning</b>	<b>Non-Award-Winning</b>
Innovation Workshop	Innovation Workshop
Brainstorming, Design Thinking	Brainstorming, Design Thinking
Strategic Thinking	Strategic Thinking
ISO	ISO
Creative Thinking	Maqasid Syariah Training
Critical Thinking	Introduction to Project Management Courses
How to Produce Good Technical Products	KIK Document Preparation
Problem Solving	Business Management Commercialization (BMC)
Corporate Culture	Communication Skills
Innovation and Creativity	Commercialization Techniques
Attracting People	Short Courses and Postgraduate Programs
Translation Skills	Project Defense Courses

Most interviewees agreed that innovation is incorporated into performance evaluation practices. Respondents from all award-winning public organizations confirmed this. However, within non-award-winning organizations, one respondent disagreed. Generally, across organizations,

innovation was reported as a performance evaluation criterion for public employees, particularly officers, general board members, and researchers. Public organizations also rewarded innovation among employees. Award-winning organizations provided various monetary and non-monetary incentives, including cash prizes, certificates, trophies, Best Employee (APC) Awards, Innovation Awards, Best Presentation and Best Slide recognitions, Best Team Awards, and compliments. Meanwhile, non-awarded organizations mainly offered cash, certificates, research royalty percentages, overseas meeting opportunities, and verbal praise to encourage innovation (Table 3).

**Table 4**

**Innovation and Rewards Systems**

<b>Award-Winning</b>	<b>Non-Award-Winning</b>
Innovation Award by Prime Minister	Cash and Royalty Grant
Cash and Certificate	Cash and Certificate
Best Employee Recognition	Researchers' Royalty Percentage
APC	APC
Compliments	Overseas Meetings
Trophy for Best Presenter	Compliments
Cash Award Using Own Money	
Best Team Recognition	
Best Slide Presentation Award	

Regarding promotion criteria, most interviewees from both award-winning and non-award-winning organizations agreed that innovation was considered. This suggests that promotional practices in public organizations align closely across different organizations. Overall, most interviewees believed that HRM practices within Pakistan's public sector significantly facilitated service innovation, whether in award-winning or non-award-winning organizations. This finding highlights the essential role of HRM practices in enhancing public service delivery to citizens.

**Executive Responses**

Among the executive-level participants, those from award-winning public organizations predominantly reported receiving innovation-focused training through local platforms. In contrast, executives from non-award-winning institutions rarely had access to international training opportunities. The majority of training sessions were either conducted within the country or organized internally at the organizational level. In some cases, learning was self-initiated. A consistent theme among responses was the emphasis on maintaining quality, with federal oversight bodies showing particular concern for ensuring the performance standards of quality control units. Executives from award-winning public organizations unanimously acknowledged that innovation played a measurable role in their performance appraisals, typically comprising 10% to 20% of the evaluation criteria. Similarly, executives from non-award-winning organizations also recognized the inclusion of innovation in their evaluations, with its contribution ranging from 2% to 25%. This illustrates that innovation is generally regarded as a significant factor in evaluating executive performance across both types of institutions, although the specific weight varies.

When it comes to rewards, those who work in award -winning organizations refer to recognized recognition through many mechanisms. These included Anugerah Perkhidmatan Cemerlang (APC), National or Ministerial-Level Innovation Award and a number of internal incentives. These

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internal rewards include employee's empowerment, formal recognition, qualifying certificate, financial bonus, best employee discrimination, oral praise and even informal gestures such as lunch. In non-clarified winning organizations, reactions reflected a similar pattern, although a unique response indicated delivery of autonomy as a non-physical form of reward. It reveals fine differences on how recognition and motivation are used in organizations. While both categories of organizations accepted the value of innovation in performance evaluation and premium facilities, award -winning institutions demonstrated more diverse and strong views to recognize innovation. In both groups, in both groups of innovation, individual weight emphasizes the need for clear, merit -based progress policy to fully support the innovation culture.

### **Discussion**

In search of the relationship between HRM practice and innovation in the public sector in Pakistan, data shows a shared understanding of HRM's centrality prize winner and non-protected winning organizations in the field of computer driving. Despite the organizational situation, both groups emphasized the importance of training and development, results evaluation, prizes and promotion, which is in the form of original HRM columns. This practice was continuously implemented, although the limit and methods of execution were different, especially in relation to depth and diversity. In search of the relationship between HRM practice and innovation in the public sector in Pakistan, data shows a shared understanding of HRM's centrality reward winner and non-reward winning organizations in the field of computer oriented. Despite the organizational situation, both groups emphasized the importance of training and development, performance evaluation, rewards and promotion, which is in the form of original HRM pillars. This practice was continuously implemented, although the limit and methods of execution were different, especially in relation to depth and diversity.

Award -winning organizations made more diverse and structured innovation training initiatives, reflecting a more active attitude towards capacity building. The presence of innovation-specific modules-which is a conscious adaptation of creative thinking, problem solving and strategic planning goals. Contrary to this, non-appointed winning organizations included extensive training activities, including short courses and administrative skills as well as religious or ideological modules such as the Maqasid Syariah, indicating a more generalized approach that was not always innovative. While the two groups offered uniform innovation workshops and design tank programs, award -winning agencies showed a more analogy and innovative course. This inequality points to an important area of improvement for non-utilized winning organizations, which can limit the training agendas to better match innovation results. Results on performance evaluation reveal an adjustment in identifying innovation as an average status criterion. Both management and performing respondents confirmed the inclusion, although there was some variation in waiting time (2% to 25% in non-utilized winning organizations, and award-winning persons from 10% to 20%). This suggests a general agreement on the importance of innovation, but also reflects separate institutional obligations for its measurement. The marginal resistance mentioned among some respondents of non-procurement-winning organizations further indicates a possible cultural or structural difference in valuing innovation as a formal assessment. Addressing this deviation through clear guidelines and strong advocacy can provide better adjustment and more and more employees.

The reward system presented the most obvious differences between the two organizational types. Award -winning agencies introduced a rich mix of both concrete and abstract rewards. These included national recognition, such as the Prime Minister's Innovation Award, lunch treat and the best slideshow awards with local recognition. On the other hand, non-appointed winning organizations, with less symbolic or team-oriented faith, set over monetary incentives and certificates. This variation can partly explain high innovation inspiration and rewards in premium -winning institutions, as research suggests that the combination of external and internal prices promotes strong and more durable innovation behaviour. Therefore, a recommendation for non-equal Pronounced agencies emerges to bring diversity to their reward structures and incorporate more personal or symbolic acceptance. The campaign field appeared as a nice matter. While most of the interviewers in both groups agreed that innovation was assessed during promotion decisions, especially the authorities had special views - this was done on the actual weight. Some said that innovation contributions to determine promotion in seniority and time service are often reduced. This reality presents a contradiction between policy and practice. For organizations aimed at cultivating the culture of innovation, it is important to ensure that the promotion criteria reward transparent and even innovative output. Thus, reforms in promotion policies that better reflect innovation achievements—supported by documentation and metrics—would strengthen employee motivation and trust in the system.

Overall, the findings of this study support theoretical frameworks including social exchange theory, which posits that employees respond positively to perceived organizational support, equity theory, which emphasizes fairness in rewards and recognition, and human capital theory, which highlights the importance of developing employee competencies. All three underpin the central argument that effective HRM practices are crucial to driving public sector innovation. The consistent emphasis across different organizational types on innovation-related training, evaluation, and rewards reaffirms that HRM acts as a strategic enabler of service enhancement and performance improvement.

## **CONCLUSION**

In conclusion, both award-winning and non-award-winning public organizations in Pakistan have acknowledged and operationalized HRM practices that support innovation to varying degrees. While award-winning organizations offer a more structured and expansive implementation, non-award-winning agencies are on a similar path and exhibit strong potential. It is vital that efforts to recognize and elevate non-awarded public organizations are not diminished. Instead, these organizations should be guided, supported, and benchmarked against award-winning counterparts. The study recommends that public sector entities further localize their innovation training programs to manage costs effectively while ensuring relevance. Moreover, a diversified reward strategy, coupled with a more transparent innovation-based promotion framework, can significantly enhance employee motivation and innovation performance. Ultimately, the findings underscore that the long-term success of public organizations in achieving innovative public service delivery lies in consistent, equitable, and strategically aligned HRM practices. By leveraging these practices, public organizations can build a workforce that is not only skilled but also inspired to meet the evolving needs of citizens.

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