

This study is conducted to evaluate the affects of employee selection and employee development on organizational performance. Both employee selection and employee development are important issues for organizations. These two variables have the potential to boost up the organizational performance. The Study shows that selection of right person is more critical than development of employee. A little mistake at the time of selection of employee will badly affect the organizational performance. Selections tools used in most of the organizations are out dated. Government organizations do not pay much attention on the development of employees.

The study is based on data collected through questionnaire survey from three government and three private organizations located in Islamabad and Rawalpindi. The results indicate that both these variables are positively correlated with organizational performance in government and private organizations but there intensities vary across organization. In government organizations employee selection is positively and significantly correlated with organizational performance, whereas employee development is weakly correlated but not statistically significant. In private organizations both employee selection and employee development are positively and significantly correlated to organizational performance. In government organizations, organizational performance is only 20.7% explained by these two variables while in private organizations it is 56.6%, so this difference clearly depicts that employee selection and employee development are main constituents of organizational performance