

# Human Resource Management of Cellular Company in Pakistan, Finding the Balance in Standardization of Human Resource Policies and Practices

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## ABSTRACT

*This research examines standardized human resource management practices in a major cellular company and the gap between the best HR practices and the HR practices of the said company in Pakistan. The study reveals that the cellular company has good HR system in place. Majority of employees responded that the company has properly managed, evaluated (71%); rewarded and appraised performance management (63%); majority of employees have been properly trained, with appropriate formal training need assessment (79%) and regular calendar wise schedule for training (52%). Fifty percent of employees have the view that organization has merit based recruitment and selection system along with internal and external recruitment. It is observed that more than 52% employees are satisfied from the HR strategies and policies, and HR audit and planning is made for the purpose of effective utilization of human resources. It is concluded that the company in Pakistan has good HR system but there are certain gaps which need to be filled for an effective and optimum utilization like better training opportunities and an improved performance management system.*

**Key Words:** HR practices, Selection, Recruitment, Training, HR System

## INTRODUCTION

Nijhof, Jong, Beukhof, (1998) say that Human resource Management advocates such practices and policies which enhance organizational effectiveness and optimum human resource utilization. He identifies the following activities Human Resource Planning

- \_ Selection and Recruitment Process
- \_ Orientation and Training
- \_ Employees' Performance Management
- \_ Compensation and Benefits for employees.
- \_ Job analysis

In support of them, Jackson (2004) states that Human Resource Management is very necessary for an organization to achieve both its short and long term objectives. It plays a role like blood in the success of an organization. Without human resource management department an organization may not be very effective and efficient in term of achieving its goals and objectives, while Foote, Seipel, Johnson and Duffy (2005) declare HRM as more systematic and strategic process of managing the employees of an organization, who alone or in group play a vital role in achieving an organization's objectives and

goals. Alatrasta and Arrowsmith (2004) indicate that HRM has changed the concept of personnel management. Human Resource means hiring individuals, enhancing their skills through training, developing, polishing and rewarding their services in such a way that fulfill the needs of organization as well as that of the employee.

Koh and Boo, (2004) also stresses significance of HRM in organization. According to him those who practice HRM believe that Human Resource Management is more innovative process of workforce management than classical view. Its tools and procedures stress on the HR Managers to get internalize organizational goals to employees hence empowering them to achieve those goals. Coyle-Shapiro, Jacqueline A-M. and Morrow, P. C. (2005) states that appropriate Human Resource Management practices reduce enterprise risks. HRM goals play a significant role in meeting and accomplishing organization strategic goals by hiring and sustaining workforce and managing them.

Qureshi, Ishaq, and Rahman, (2007) signifies HR practices in cellular Companies in Pakistan. He says that HR practices play a key role in the cellular companies' success due to organizations' frequent customers' interaction. Therefore, it is important for it to follow best HR practices to provide best services to company's valuable customers. Telecom is the fastest multi-billion dollar growing industry in Pakistan which is becoming the promising employer in the country. Cellular companies are good in service provision compare to its land line telecom company.

### **Research Questions:**

This research addresses the following questions.

- Does Cellular Company follow the standardized HRM practices or not?
- Does Cellular Company give fair compensation and benefits to its employees?
- Does Cellular Company evaluate the performances of employees?
- Does it make job description and job specification?
- Does it give training to its employees?

### **RESEARCH OBJECTIVES**

The key objective of this research work is to provide an understanding to the readers that how different HR activities are conducted in the cellular company Cellular Company. The detailed objectives are as follow.

- To study the HR practices in the Cellular Company
- To identify gap between the best HR practices and the HR practices followed by the Cellular Company.
- To analyze the different practices in recruitment and selection procedure
- To study the practices in training and development.
- To know whether appropriate performance management is carried out in Cellular Company.
- To see whether job analysis is properly performed

## LITERATURE REVIEW

### **Human Resource Management practices:**

In the era of cut-throat competition among companies, Cellular companies are trying to get competitive advantages and are moving to more innovative and unique sources in the course especially in HRM practices (Jun, J., Huang, Xu 2007). HRM practices are defined differently, however; Schuler and Jackson (1987) define HRM as a system which is useful in attracting, developing, motivating, and retaining workforce to make sure the efficient accomplishment and endurance of organization and its staff members. In addition, it is also defined as a set of inside steady policies and practices planned and employed to make sure that a firm's human capital adds to the accomplishment of its business objectives (Delery & Doty, 1996). Minbaeva (2005) calls HRM as a set of practices used by organization to utilize human resource in assisting the development of competencies that are hard, particular, and useful for generating competitive advantages and retaining them. In the light of above, HRM practices refer to particular practices, policies, philosophies that are planned to draw, develop, inspire, and sustain human resources, who make sure successful operations and continued existence of organization. Storey (1995) supports HRM as a distinctive approach to employment management which seeks to obtain competitive advantages.

Huselid (1995) says that people are one of the key factors which give flexibility and adaptability to Organization. Rundle (1997) states that human resource is an important weapon of organization which determines how an organization will respond to stressful environment to achieve competitive advantages. Many scholars have noted that personnel management is a harder task than technology or capital management (Guy Paré, GReSI., Tremblay, & Lalonde 2000). Though those firms that have better human resource management system would have shown superior results in the long run as healthy utilization of HR is an arduous and time consuming task (Guest, 2002).

Effective HR management needs adequate HRM system.

A suitable HRM system assists companies to develop organizational behavior in those areas for example employees' loyalty, flexibility and competency, which lead to improve employees' performance (Koch and McGrath, 1996). So for a good HRM system the organization must have effective human resource management practices.

### **HRM Practices: Best HR Practices:**

HRM practices are expressed differently, for example, Singh (2004) has identified it as 'best practices', 'High performance practices', 'formal HRM practices', and 'sophisticated HR practices'. Huselid (1995) says that the most appropriate and common expression is 'best HR practices'.

In another study, Redman and Mathews (1998) identify 'HRM bundle' of key practices which maintain service organization quality strategies, these are as under:

“Careful recruitment and selection, for example, 'total quality recruitment', 'zero defects recruitment', 'right first time recruitment'; Extensive remuneration systems, for

example, bonuses available for staff willing to be multi-skilled; Team working and flexible job design, e.g. encouraging a sense of cohesiveness and designing empowered jobs; Training and learning, for example, front line staff having enhanced interpersonal and social skills; Employee involvement, for example, keeping employees informed of key changes in the organization; Performance appraisals with links to contingent reward systems, for example, gathering customer feedback to recognize the work by employees over and above their expected duties, which in turn is likely to lead to a bonus for staff.”

### **Recruitment and selection:**

Roos (2006) defines R&S as a process of identifying someone who will be employed by the organization meeting the requirements of the empty position. On the other hand, the only term selection means processes that are involved in choosing from applicants, that applicant who is suitable for the position. Recruitment consists of two types such as internal recruitment inside the firm and external recruitment outside the firm.

### **Compensation and benefits:**

Alatrasta, and Arrowsmith, (2004) define compensation and benefits as compensation means wages, salaries, while benefits mean job extras that are given by the employer to employees which includes health care packages, life insurance, paid off. High level of compensation and good benefits attract employees to companies and empty positions. Some compensation depends upon the employee performances while some portion is obligatory under state law.

### **HR Planning:**

Black and Mendenhall (2006) says that HR planning is the strategy that the HR department uses while hiring. It shows that how many employees are needed, what skills and knowledge, they must have. What areas they must specialize in, what kind of trainings they will need. Without HR planning, companies would effort to meet demands of their position with sufficient workforce, and knowledge would not be spread across the organization.

### **Job analysis:**

Michael (2003) defines Job analysis as a formal process of recognizing job content, and the activities required to perform the work and know major job requirements. Job analysis was conceptualized by the founders of industrial/ organizational psychology in the early 20th century. Job analysis gives information to organization which helps to decide which kind of employees are best fit for specific jobs. One of the main purposes of conducting job analysis is preparing job description and job specification, which helps to hire the right quality of employees for organization. The common purpose of job analysis is to write down the requirements of a job and the work performed. Job and task analysis are performed as a basis for later improvements.

**HRM and Organization Behavior:**

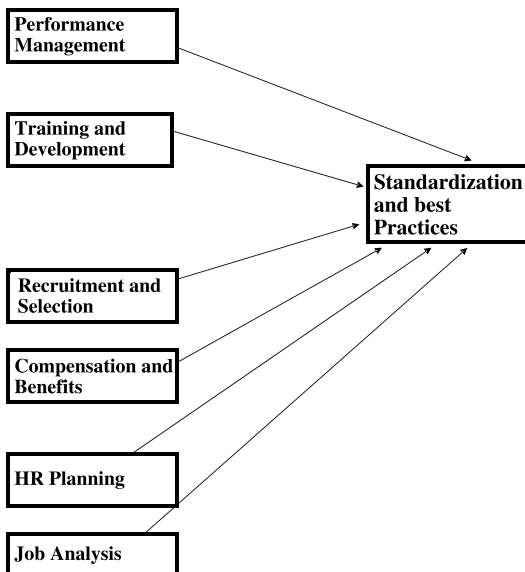
Organizations have to stimulate intelligent workers to understand organizational competitive environment, in that context, one key aspect in employee inspiration and preservation is the prospect workers desire to carry on to develop meaningful and motivating jobs. Indeed, this prospect to go on to raise and enlarge all the way through training and development which is stated to be one of the main and significant factors in employee motivation. These thoughts stress what workers want in training and development opportunity. They also communicative your prospect to make loyal, developing workers who will help both in your business and themselves all the way through your training and development prospects.

It is also important to avoid favoritism in selection and recruitment process. According to Singh, K. (2004) Staffing is the procedure of recognizing plus drawing talented applicants from organization or from outside of the organization to appraise them for future recruitment. Once applicants are known, an organization becomes capable to start the selection procedure. It includes collecting, determining, and evaluating information about applicants' education for particular locations. Organizations employ these courses to enlarge the possibility of employing individuals who hold the right skills and capacity to be successful at their job.

**Conceptual Frame work:**

In the light of above present review the following conceptual frame work has been developed. The overall conceptual frame work evolves by combining the given key HR functions.

Figure 1. Conceptual Framework



## **RESEARCH METHODOLOGY**

Data was collected for the research from primary sources. Primary data was collected with the help of below-mentioned method.

### **Data collection procedure:**

The primary data for this research work is collected through questionnaire. The questionnaire was designed in an understandable and easily known language consist of close-ended multiple choice questions. This questionnaire was distributed in the cellular company at all level employees working in district Peshawar. The questionnaire was designed with great care in order to avoid misunderstanding and biasness, make it easy and interesting for the respondent to willingly fill it out. It was not possible for the researcher to collect data from all individual employees of cellular company because of having large population size of the target area, so the researcher collected data from 75 different level employees of cellular company working in different places in Peshawar.

### **Results:**

After the data analysis, the researcher has evaluated the tables and graphs on the basis of following key HR factors mentioned in questionnaire given below.

- Performance management
- Training and development
- Recruitment and Selection
- Compensation and Benefits
- HR Planning
- Job Analysis

The researcher has found the following findings regarding each key factor of HR based upon the questions given in the questionnaire under each factor about the HR practices of cellular company in Pakistan.

### **Performance management:**

The data indicates that majority of employees are known with their periodic performance evaluation. They also show that performance evaluation also affect their salary decisions. Employees also can their evaluation as fair and 77.3% support it. In conclusion they say that employees' performances are properly managed, evaluated, rewarded and appraised to identify their strengths and weaknesses in the cellular company in Pakistan. The employees also agree that there is punishment in place for wrongdoers. Few employees were satisfied with performance appraisal although some were not satisfied. Although, they agree with its relationship with employees' motivation and job satisfaction. Employees also concur with that organization has performance standard for employees to follow.

### **Training and Development:**

The information gathered from employees regarding their training they consider the present training as insufficient as only 22.7% employees consider it as adequate. While training is otherwise provided in all ranks in the hierarchy i.e. 38% and 26% agree and strongly agreed with it. Regarding to the question whether they are satisfied with their present training methods, 50% consider it appropriate while 45% consider it as insufficient. 79% of employees consider training as an important tool to manage difficult task in better way. Besides, samples agree with inappropriate facilities for temporary employees.

### **Recruitment and Selection:**

Majority of employees were satisfied with company recruitment and selection system, and considered it based on merit both for external and internal recruitment. Jobs are properly advertised in newspaper and also on internet, position's objectives, requirements are defined, different tools are used by the organization for recruitment and selection.

### **Compensation and benefits:**

There is half consensus on reward policy among employees i.e. 50% of employees considered reward policy as appropriate whereas employees are fairly rewarded, and are happy with their salary and wage rate. Organization has both monetary and non monetary reward system, all employees are eligible for reward. Employees are rewarded for increasing productivity, customer satisfaction and creativity. 57% employees were satisfied with salary and wages. Majority of the employees were of the view that reward system were properly communicated to the employees and it has an effect on organizational performance.

### **HR planning:**

After inspection of tables and graphs, it can be seen that more than 53% employees are satisfied from HR strategies and policies. 76% employees agree that an appropriate HR planning process is in place in the organization which is according to the skills, knowledge, and education of existing employees. 62% consider the HR planning as a factor in the equal distribution of workload among employees. While 88% employees consider the HR audit and planning in the organization helps it to analyze effective utilization of human resources.

### **Job Analysis:**

The statistical analysis of the data depicts that 80% employees are agreed that organization has suitable job description and specification for empty positions. 76% employees say that they are aware of their duties and responsibilities, while 56% employees consider their selves as empowered for performing their jobs and 45%

consider their rate and salary compatible to their job description.

### **CONCLUSION**

It is concluded that the organization under study has good HR system but there is still gap in best HR practices and the HR practices practically followed by organization. Majority of the employees were of the opinion that performances are properly managed, evaluated, rewarded, appraised for the purpose of identifying the strengths and weaknesses of employees. There are also evidences that employees consider that the organization has merit based recruitment and selection system from both internal and external recruitment. Jobs are properly advertised in newspapers and also on internet; positions objectives, requirements are defined; different tools are used by the organization for recruitment and selection. Besides it, employees state that organization has proper reward policy; employees are fairly rewarded; employees are satisfied with salary and wage rate. It also indicates that the organization has both monetary and nonmonetary rewards system. All employees are eligible for reward and are rewarded for increasing productivity, customer satisfaction and creativity. In addition, it is observed that mostly employees are satisfied from HR strategies and policies, and HR audit and planning is performed for effective utilization of human resources. The researchers observed that somehow the organization under study in Pakistan has good HR system but still improvement is needed in order to make it more effective.

### **RECOMMENDATIONS**

Cellular Company has good HR system but this research proposed some recommendations to make the HR system as good that can be compared with the best practices in the world.

- HR department is not entirely empowered to take all decisions. However HR department claims it, but in reality it is opposite to it; many HR decisions are taken by other departments ignoring the role of HR department. It needs a clear distribution of power and authority.
- There is a need of perfect knowledge to staff about the awareness of policies. Therefore, staff must be involved in policy making process.
- There is also need of improvement in recruitment and selection process of the company.
- All business decisions are made by the executives. Recruitment and selection, hiring of employees and firing of employees is in the control of senior employees. This practice can become the reason of discord among workforce and senior management for power.
- The company follows zero-tolerance policy for corrective actions. It is good but not in all cases. It must see its discipline polices but requiring some flexibility as well.



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