



One of the most critical determinants of an organization's success in global ventures is the effective management of its human resources. Everyone in business agrees: A company's people -- not its cash, buildings, or equipment -- are its greatest asset. But surprisingly, there has never been a reliable way to quantify the contributions of human capital to corporate profit.

Many managers and organizations recognize that a critical source of competitive advantage often comes not from having the most ingenious product design, the best marketing strategy or the most state of the art production technology, but rather from having an effective system for obtaining, mobilizing and managing the organization's human assets.

A number of recent developments, including demographic changes in the workforce, the rapid pace of technological change, increased global competition, experiments with new organizational arrangements and public policy attention to workforce issues, are making human resource management topics increasingly important for all managers in organizations. Although many organizations recognize the importance of managing the workforce effectively and even 'know' what approaches are effective, it is remarkable how often firms and managers fail to implement these approaches.

Any multinational company, in contrast, grows and defines its business on a worldwide basis, but continues to allocate its resources among national or regional areas so as to maximize the total.

Companies with multiple product lines often find it difficult to remain geographically organized for a variety of reasons, such as the need to have a common accounting system, common financial and management controls and interrelated marketing programs. As a result, such companies tend to evolve into multinational structures, with combinations of product-line and solid-line responsibilities.

Japan has taken several steps to enhance the quality of human relations and at the same time maximize the effectiveness of their human resources. This practice generates broad working networks and an appreciation for total business needs horizontally and vertically throughout the organization. Effective human resources management does not exist in a vacuum but must be related to the overall strategy of the organization. The human resources policies of the company and the HR function itself must relate to the goals of the organization.

The difference between failure and success depends on how well organizations select, train and manage their human resources. One of the distinguishing characteristics between international and domestic HRM is the complexity of the work force mix. The type of organization structure will directly impact the complexity of the mix of employees. A wholly owned subsidiary operation may employ only expatriate and host country personnel while a strategic alliance may have a far more complex workforce.

Human resource management in today's environment must respond to rapidly evolving business and operational objectives, allowing for organizations to fulfill their mandates and compete in a broader marketplace. Technology has increased our ability (and the expectations of others) to produce more with less in shorter timeframes. Careers are now made up of several phases of work experience within various parts of an organization or complete employer shifts. No longer do employees expect to remain in one job or a specific discipline for the duration of their career.

Jobs themselves are constantly evolving, as is how we get the job done. Fiscal restraint, organization evolution, changing marketplace demands and the question of relative job value demands that the workforce be flexible, fluid and responsive to future directions and challenges.

The high rate of failure of organizations in Pakistan is not surprising given that leading change is a challenging task. The way we manage change is pretty much the way we would manage anything else of a confused, disorganized, messy nature that is why we do not really manage it, we grapple with it. It is more a matter of leadership ability than management skill.

Change is possible; the need for change is increasing; the capability to change is necessary for the organizations that wish to succeed in the future. Human resource management is in the process of change with regard to the nature of the role performed.

In the past many functions were performed by HRM professionals themselves, the role they are taking on, is one of consultant to line management, where line managers perform many of the functions traditionally handled by HRM professionals. Similarly there is a trend in which businesses are shedding all functions that are not directly related to core business, and in the process many HRM functions are being out-sourced. Hence the change in the nature of services provided.

The activity of generating unit standards and designing qualifications can be used as an opportunity to catapult HRM practices into the future. To do this, those issues which are going to shape the future for HRM practices need to be identified and analysed, especially in relation to current roles that will still be required of HRM practitioners.

These issues are central to the activity of generating unit standards and their impact on HRM roles. In addition, supportive roles or functions required by HRM practitioners will also have to be identified in order to complete the HRM practitioners qualifications design package.

Human Resource management remains a key element as efforts are made to build capacities for effective governance. How employees are recruited, classified, compensated, trained and promoted affect the ability of governments to deliver service.

Unless government can deliver services effectively and efficiently, they will lose the confidence of their people. The human resource component is an important part of building the capacity for good governance that in many instances has been either overlooked or not managed particularly well.

Over the years, especially during the last decade, our Pakistani society has been undergoing dramatic changes. Mobility, in search of economic, social, educational and professional opportunities, is rising to its pinnacle.

In fact, today mobility has become synonymous with pursuit of the best opportunity and progress, while stability means stagnation. Stability is also seen as lack of interest in growth and sometimes even lack of capability to seek progress. It is not surprising, since more and more people experience mobility at a much younger age, whether in immigration abroad or in the process of education.

With the media explosion, there is a greater exposure to newer possibilities of lifestyle, social, economic opportunities and a major shift in value system. Availability of wide range of goods and services triggered by economic changes have both supported and reinforced new value system and lifestyle.

There may be extended debates in favor of or against the changing value system of the new generation, but these changes are influencing and will continue to influence work places in a major way. These changes will undoubtedly raise several new challenges for organizations to adopt newer and unconventional response patterns to deal with a workforce that is young, innovative, ambitious, independent and eager for results.

HR function can no longer act as an island, responsible only for administration and filing and not concerned with broader business concerns. In particular, we see this manifested in two different ways:

- (1) HR must help other managers achieve their business objectives through providing tools such as a Performance Management system;
- (2) It must also be able to prove its value to the business in business terms.

HR managers need to understand the business and competitive environment, the organization strategy and the critical issues driving the firm's profitability. They must proactively translate this understanding into programs, such as Performance Management and training programs, which contribute to the firm's success. Most importantly, they must ensure that the firm is hiring and developing the strengths which will contribute to long-term competitive success.

This understanding of business must become part of the way HR manages its own affairs. HR function will conduct cost-benefit analysis of its own programs, for example, considering automation of its record keeping or outsourcing of training programs. One of

the current 'Hot Topics' in the training business is calculating the ROI of training programs.

Keeping individuals informed about the change can reduce their anxieties as well as their resistance caused by lack of awareness. Furthermore, listening effectively, providing counseling and developing an understanding of emotional reactions to change are particularly helpful in situations where people are resisting because of adjustment problems and fear of the unknown.

Therefore, the initial step in self-assessment should provide trainees with relevant information about the purpose, value and benefits of their new assignments. We must provide information on the training they will receive, listening to their reactions and concerns, and responding to their individual needs. The objective of this step is to enhance trainees' motivation and readiness regarding cultural change.

Although a variety of techniques may be used to convey relevant information, the overall intent is to create an enlightening and supportive atmosphere at the onset, in which trainees not only approach subsequent sessions with a more positive attitude, but also develop greater confidence in and commitment to succeeding at their new assignment.

In Pakistan, it has been rare for HR managers to be required to understand broader business issues, but we believe this will change rapidly over the next few years. A similar trend has been transforming public sectors and non-profit organizations in many countries, but less so here.

About the Author

Syed Imtiaz Hussain is Head of HR & Administration in one of the leading multinational Company. As a member of top management team; he develops a highly professional A-Class HR environment in the organization by utilizing his vast practical and visionary experience of HRM and HRD.

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