International Human Resource Management: A Review from Pakistani Perspective

Shah, Syed Tanveer Hussain and Jamil, Raja Ahmed and Shah, Tazeem Ali and Kazmi, Zain

University of Haripur, Pakistan.

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Syed Tanveer Hussain Shah[1], Raja Ahmed Jamil*[1], Tazeem Ali Shah[1], Zain Kazmi[1].

[1]Department of Management Sciences, University of Haripur.

*All the correspondence should be made with Raja Ahmed Jamil. Email:
raja.ahmed@uoh.edu.pk

ABSTRACT

This article provides information about the International Human Resource Management and discusses HRM according to the international prospective in Pakistan. In this article it is discussed that how environmental and cultural factors affect the recruitment, selection and industry/employee relation in Pakistan. In the end some conclusions are made in reference to the context.

KEYWORDS

Human Resource Management, IHRM, Recruitment, Selection, Culture, Pakistan.

INTRODUCTION

Human Resource Management is the way an organization manages its staff and helps them develop to achieve its objective effectively *(McCourt and Eldridge, 2003).*Unlike other resources it is not an easy task to manage human resources, because people have emotions, feelings and different values.

As more market internationalize, more nations become integrated into the international world economy and more business choose to expand their business across national borders, issues around the people management and career development of both international managers and those they manage in international operations became more critical to the strategic planning and operations of the firm *(De Cieri et al, 2005)* .

Therefore the already difficult task of managing people became more difficult. In order to manage people of a different country it is necessary to understand them. To understand people the starting point might be to understand their culture. Each country has a unique culture having some unique characteristics and if we ignore them in managing people of that culture, there are

greater chances that it will result in business failure *(Gerhart and Fang, 2005).*Culture is the drawing force behind the behavior, attitude and beliefs of people (*Warner and joint, 2002).*

In broader sense one might define culture as "the result of human action", *(Berthon 1993, in Warner and Joint, 2004).* Actions of people are influenced by various factors, including their background, the environment in which they are grown up, their family system etc. All these factors when combined make the culture.

Culture of Pakistan

Religion

Khilji (2002) described Pakistani culture as an amalgam of Islam religion, Indian origins, British inheritance and American influence. Religion plays a dominant role in Pakistani culture and 96% of the total population is Muslim. Religion has influence on society and daily life *(Khilji, 2001).* Pakistan used to be the part of Indian sub-continent before independence; a large number of traditions fundamental to society are similar to Indian society. Islam has brought about some changes in those traditions (Khilji, 2003).

British, who maintained a colony on Indian sub-continent for almost a century, also has influenced Pakistani culture, *(Khilji, 2003).* Other strong influence on Pakistani culture is that of United States (USA) *(Khilji, 2001). Khilji (2004)* argues that since its independence, America has been the key player in the political and other issues of Pakistan. American syllabus is taught in most of the leading Institutes of the country and the graduates of these Institutes has a tendency towards modern American work related values.

We now turn our discussion from general culture to the work related (organizational) culture and values of Pakistani employees. The reason for studying the national culture first is that, the work related values are significantly influenced by the national culture *(Khilji, 2003).*

CULTURE DIMENSIONS BY DIFFERENT RESEARCHERS

Tayeb (2001) stated that many researchers have tried to measure culture on the basis of cultural dimensions. *Hofsted*e proposed four cultural dimensions to understand a culture. Fiske identified four universal patterns of culture. *Trompenaar's* cultural model consists of seven dimensions and many others researchers have done work in this field. Among the models, *Hofstede's* cultural dimensions are mostly used by researchers while analyzing the national culture.

Hofstede's Cultural Dimension

Hofstede performed a cultural-level analysis with data from individuals of fifty nations and came up with four cultural dimensions, namely power distance, individualism, masculinity and uncertainty avoidance. He calculated scores for each factor and ranked nations along the cultural dimensions *(Au, 1997).* However some researchers have criticized Hofstede's cultural dimensions.

Tayeb's Cultural Dimension

Tayeb's (2001) study of the different models used for measuring culture stated that relying solely on these dimensions will be a mistake in order to understand any culture. Tayeb (2001) argued that national culture cannot really be simplified and reduced to a handful of boxes into which some nations are placed and from which others are excluded. Within a given culture there are sub-cultures and different groups of people. If we consider this statement for Pakistan it is true as there are many different ethnic groups and having different cultures.

Fang's Cultural Dimension

Fang (2003) analyzed the fifth dimension proposed by Hofstede later on, which he termed as "confusion dynamism" on the basis of Chinese culture and was questioned. Fang (2003) argued that the values used for this study were mostly interrelated but were divided into two opposing poles for analysis which was a drawback of the study. Moreover the sample used for this fifth dimension was different from that used for the first four dimensions. It is also a noting factor that most if not all researchers only use the four dimensions and ignores the fifth one (Fang, 2003).

Gerhart and Fang (2005) in their study of reanalysis of Hofstede's data, stated that the conclusion made by Hofstede i.e. the national differences in culture are larger than the organization differences is called in to question and the reanalysis of Hofstede's original data suggested the other way round. All these studies suggest that although Hofstede's cultural dimensions are mostly used by researcher to analyze different cultures, there are some criticisms about it and one must be very cautious about using these dimensions (Tayeb, 2001).One might argue that all this work is useful to understand some aspects of culture but it might not be a considered a sole determinant to understand a culture. Beside these criticisms, Hofstede's cultural dimensions are mostly used by researchers in their analysis of national and organizational cultures; therefore, we use these dimensions in analyzing the Pakistani culture in this essay.

Pakistani Culture on Basis of Hofstede's Cultural Dimension

If we try to analyze Pakistani culture on the basis of Hofstede's cultural dimensions, Pakistani culture could be regarded as collectivist, high power distance, high on uncertainty avoidance and in the middle of masculinity and femininity index, (Khilji, 2001).this means that there is general unquestioning respect of the authority, people are integrated as cohesive groups and they are emotional (Khilji,2001).there is a collectivist culture in Pakistan because, people live in a family system and are bound to it (Khilji, 2003).Hierarchal differences are learned early in the life as a child is taught to be respectful in relationships and is discouraged from questioning authority (Khilji,2003). The society is divided into elite and non-elite class, a contributing factor to the high power distance in Pakistani society.

After analyzing the Pakistani culture we will now discuss how recruitment and selection and employee relations are shaped by the environmental and cultural context of Pakistan.

RECRUITMENT & SELECTION IN PAKISTAN

Recruitment and selection is one of the most important functions of Human Resource Management and, must therefore be fair and unbiased, (Benfield and Kay, 2008). McCourt and Eldridge (2003) suggested three areas that could alter fairness in recruitment and selection. Those areas are Nepotism, Corruption and Discrimination and argued that the extent of these factors will vary from country to country.

In Pakistan the process of recruitment and selection is altered by these factor as well as some other factors. Syed (2003) argued that political intervention, bureaucracy, corruption, elite class domination, weak judicial system, discrimination, quota system are influencing the recruitment and selection in Pakistan.

Government influenced Recruitment & selection

Syed (2003) stated that in Pakistan successive governments have been acting as employment exchanges to provide jobs to their political activists and supporters. A huge work force has been recruited on political basis in violation of merit.

Bureaucracy Affect Recruitment & selection

Bureaucracy also influences the process of recruitment and selection in Pakistan. As argued by Halim (2008) bureaucratic corruption is more in developing and less developed countries. This argument is true while considering the role of bureaucracy in the recruitment and selection in Pakistan. Hussain (1999) stated that Pakistani institutions are dominated by bureaucrats and due

to this dominance corruption has increased in Pakistan. This corruption has a significant influence on the recruitment process. This is especially true in the case of public sector organizations like WAPDA, PIA, and Railways etc. In these organizations selection is made on the basis of personal connections even through paying money to get the job. Private sector has also been influenced by the bureaucratic corruption, but to a lesser extent as compared to public sector (Hussain, 1999).

Quota System Affect Recruitment & Selection

Quota system is used in Pakistan to allocate some seats in employment as well as in educational institutes for people with particular characteristics i.e. disabled, foreign seats etc. (Syed, 2003).Quota system is also subject to discrimination in Pakistan (Syed 2003).As Khilji (2002) stated that the elite class uses its power to gain benefits, in the case of quota system it is true, the quota specified for a particular group is filled by the elite group for its own candidates through personal connection rather than, to be filled on merit basis (Syed,2003).

Discrimination in Pakistan

Discrimination is also a very key issue in recruitment and selection in Pakistan. Most significant of those is the gender discrimination. Alam (2009) argued that the number of women managers in insufficient in Pakistan. This is true not only in the case of women managers but also in other professional levels. This is due to the low literacy rate of female in the country and also the male domination in the society. If we compare the fairness in recruitment and selection in UK and Pakistan, it could be argued that like UK there is complete legislation to prevent discrimination in recruitment and selection in Pakistan (Hussain, 1999). But the problem is that unlike UK the judicial system in Pakistan is so weak, political intervened and elite dominated, that these laws are not implemented in time and properly (Khilji 2003).All these practices are embedded in the culture and, due to the elite domination and lack of awareness of basic rights of people (Hussain, 1999). Khilji (2003) states that the Pakistani Government discourages the recruitment of expatriates in local subsidiaries, due to the presence of large, educated and qualified workforce. But beside this there are a large number of expatriates working the country.

RELATIONSHIP BETWEEN EMPLOYER & EMPLOYEE

The relationship between an employer and employee lies at the heart of what make an organization effective (Banfield and Kay, 2008).trade union collectively or individually represents the interests of its members predominantly in the context of employment. The trade

union is therefore concerned with the relationship of the employer with their employees (Banfield and Kay 2008). Katz and Alsea (1997) stated that industrial relations vary from country to country and are influenced by various local factors; strategies that motivate workers in one country are sometimes ineffective or irrelevant in another country.

FACTORS AFFECTING EMPLOYER & EMPLOYEE RELATIONS

Government Legislation

Government legislation plays an important role in shaping and regulating the industrial relations within a particular country. In Pakistan industrial Relations Ordinance IRO (2002) is the most important legislation for regulating the employer and employees relations (Baig, 2005).

Political System

The political system of Pakistan is not stable and there is a history of changes in the government and political instability (Khilji, 2004).

Military Generals

The constitution of the country has been dismissed on various occasions by military Generals taking over the government from democratic governments. Due to the dismissal of constitution people even lose their basic right.

Trade unions

There has been inconsistency of government policies regarding trade unions (Baig, 2005). Elites often use trade unions for their own political purpose and not for the good of the working class.

High Power Distance in Society

And as there is high power distance in the Pakistani society people of lower working class usually accepts this (Khilji, 2003). Due to this high power distance and acceptance of hierarchy employees are kept separated from management and top down approach is practiced in most organizations.

High Unemployment:

High unemployment also contributes to the imbalance of power between the employer and employee, due to the fear of losing the job employees usually have an unquestioning attitude towards the management policies (Saddique, et al, 2006).Due to this reason employees and their trade union are not in a strong position to force the management to negotiate with them.

Industrial Tribunals

Moreover as Baig (2005) stated that, although there is provision for industrial tribunals in the IRO (2002) to settle the industrial deputes, the processing time is too long and politically driven that it is very difficult and time consuming for both employer and employee to lodge a case to be settled in the tribunal. This affects both employer and employees.

Unclear Contract of Employment

The main reason for industrial disputes are unclear contract of employment (Baig, 2005), and the lack of employee involvement and participation in management and decision making of the organization (Khilji, 2003).The terms of contract are not clear and often employees do not know about their rights.

Employees are not involved in Decision Making

Due to large power distance and hierarchal structure of the organization employees are kept away from decision making (Khilji, 2003).it could now be stated that, in Pakistan trade unions causes problems both for organizational and individual effectiveness and there is a lack of coordination between management and unions.

Management and Employee Performance

Baycon and Blyton (1999) after their study of UK steel industry worker concluded that there is a direct relation between Management and Union cooperation and employee performance and satisfaction. There is also lack of participatory management in Pakistani organizations. Wu and Lee (2001) study suggested that there is a direct relation between participation of employees in the management and decision making and employee relations. The more the employees are given participation in management the positive will be the effect on employee relations. Employees should be managed directly and given participation in management; this will improve their own performance as well as the organizational performance in operational and financial terms and reduce the need for the unionism (Morgan and Zeffane, 2003).

CONCLUSION

From above discussion it might be concluded that although there are significant cultural and political effects on the HR practices of recruitment and selection and employee relations in Pakistan, it is not impossible to adopt the fair way of performing these functions. By complying with the fair and unbiased process of recruitment and selection, not only an efficient and effective work force could be achieved but, by introducing cooperation with trade unions,

involving employees in management and decision making, Pakistani employees could be managed and motivated in an effective way. Good employee's relation policy will help the International HR manger to retain an effective work force. By applying these fair practices, beside the improvement in performance of the organization, the cost associated with not complying with them could also be eliminated or reduced. These costs might be poor performance of the employees, time and cost associated with settlement of industrial disputes and above all, selecting new effective work force.

Although cultural view might suggest that Pakistani employee will not participate in management and would avoid responsibility. Khilji (2004) in her study found that Pakistani employees are willing to do so by possessing modern work related values. They are aware of the modern management techniques and have the ability to deliver results, if given the opportunity. Those organizations that involve employees in management and decision making are performing better than others. The employees at that organization are also very satisfied with their performance and their management (Khilji, 2004). This suggests that involving employee in management and decision making might be a good way of managing employees in Pakistan.

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