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OBSTACLES TO IMPLEMENT HR PRACTICES IN PAKISTAN

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Abstract

The study evaluates the obstacles human resource practitioners face in Pakistan's businesses in this research paper. A total of hundred human resource practitioners from a hundred randomly selected firms and one hundred eighty others belonging to different occupations were contacted through a structured questionnaire, and their responses were taken. They responded to a Likert scale questionnaire measuring five major obstacles to implementing HRM practices. The purpose of the research is to know the thinking of the experts on the importance of issues they face while executing HRM practices such as recruitment and selection, training and development, performance appraisal, compensation and benefits, and first-line manager knowledge about HRM. Data has been compiled and tested on SPSS with Multiple Linear regression, showing that recruitment and selection, training, development, performance appraisals, and need assessments (IVs) impact HR Practices. (DV).

Keywords: Obstacles, HR Practices, Performance Appraisal, Assessment

Introduction

Today, human resources are a company's most precious asset and a way to acquire a competitive advantage. Managing human resources is far more difficult than managing cash or technology for best use. An organization needs an effective HRM system. Effective HRM procedures should support the HRM system. In human resource management (HRM), organizations manage the pool of available human resources and ensure that those resources are utilized to advance the organization's goals. The body of previous research on HRM practices has been reviewed in this essay. This essay aims to raise awareness of HRM practices and examine the unique HRM tactics employed by various firms. The main topic of this survey is the difficulties HR practitioners face while putting HR practices into practice. Human resource management refers to the policies and processes needed to carry out the management tasks connected to personnel. A dedicated HRM package includes training and development, hiring and selection, performance-based financial and non-financial rewards, employee involvement, and sustaining

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employees' well-being. If the manager effectively manages HR practices, mistakes like hiring the incorrect person, having a high employee turnover rate, and overlooking underperforming employees can all be avoided. Unhappy employees, ineffective time management methods. A lack of job-related training, special treatment, and discrimination at the expense of organizational effectiveness would soon erode the department's relevance. Human resources are the main focus of all economic activities now more than ever. Businesses that wish to be successful in the market must equip themselves with HR practices, make the necessary adjustments to their current methods of managing their human resources, and encourage their employees to collaborate with other resources. This study makes significant strides toward identifying some factors that hinder human resource practitioners from implementing HR policies or procedures that are adequate or adhere to the bare minimum standards set forth by the HRM principles.

This research aims to identify and determine the factors that hinder or negatively affect the implementing of Human Resource practices in Pakistan. In the modern age, human resource management has strategic importance. We can avoid mistakes that are harmful while implementing HR Practices. For example, to hire an incompetent person for a job, experience a high turnover rate, or have your people not put in their best efforts to achieve Organizational goals. Alternatively, have your company taken to the judiciary due to discriminatory actions (Dessley, 2007). Any firm’s innovation, productivity, and profitability depend upon managing human resources effectively. (Laursen, & Mahnke ,2000). Human Resources is any firm or company's soul and a potential base for innovation or profitability (Borges, 2009). Organizational goals and objectives can only be actualized by influencing and shaping employees' skills, attitudes, and behavior to do their work and achieve organizational HR Practices (Ojo, 2011). Human resource Practices are considered the primary means by which a company or firm can achieve goals. Fazlzadeh & Khoshhal (2010), Training and development have been considered indispensable in performing HR practices effectively in Islamic teaching as it has a good effect on the employee. (Azmi, 2010).

Rationale of the study

The implementation of HR practices in Pakistan can be obstructed by several factors, including:

- Lack of understanding of HR concepts and practices
- Resistance to change from employees and managers
- Insufficient budget and resources
- Limited HR expertise in the organization
- Inadequate infrastructure and technology
- Bureaucracy and red tape

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- Political interference
- Limited legal protection for HR practices
- Poor labor-management relations
- Cultural and traditional values that may conflict with HR practices.

Problem Statement

To study the problems that come to the Practitioners in implementing HR Practices. The research methodology used in this survey is based on a questionnaire and discussion with practitioners; no other source was used to collect data. Primary data is the data which was collected as the first-hand data. For primary data collection, the following sources were used: Questionnaire, Personal observation, and Discussion with practitioners.

Measurement and development

The instrument measured five major obstacles in the implementation of HRM practices. Firstly, line managers limited knowledge about HR contains (five questions); obstacles in recruitment and selection practices contained (five questions); obstacles in training and development (five questions); obstacles in performance appraisal (five questions); compensation and benefits (five questions), respectively. A points rating scale was used to measure the outcome. The scale ranged from one (strongly disagree) to five (strongly agree).

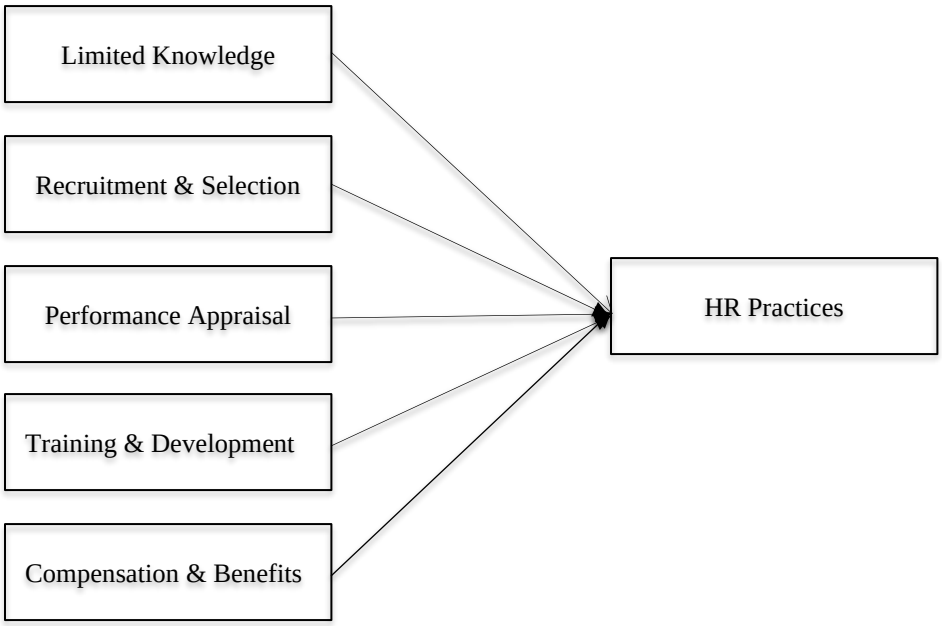
Objectives of Research

To study and investigate the problems Practitioners face in implementing HR practices in Pakistan.

Research Questions

1. Has the first-line managers' limited knowledge about HR negatively affected implementation HR Practices?
2. Has Wrong decision in Recruitment and selection Practices a negative effect on the implementation of HR Practices
3. Has Wrong need assessment in Training & Development Practices a negative effect on the implementation of HR Practices
4. Has Biasness in Performance Appraisal Practices a negative effect on the implementation of HR Practices
5. Has unfair Compensation & Benefits Practices a negative effect on the implementation of HR Practices

Research Model Framework



Research Hypotheses

Dependent Variable

It is the variable that changes with the change in the independent variable. In this case, HR Practices is the dependent variable.

Independent Variables

These are the variables which affect the dependent variable. An independent variable is a variable you have control over. The independent variable here is the obstacles and barriers in implementing HR practices. The independent variable may be something that we would like to evaluate concerning how it affects something else. Below is a list of obstacles we selected to see their impact on the dependent variable.

x_1 = First Line Manager's limited knowledge about HR

x_2 = Wrong decision in Recruitment & Selection Practices

x_3 = Wrong need assessment in Training & Development Practices

x_4 = Biasness in Performance Appraisal Practices

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x_5 = unfair Compensation & Benefits Practices

It has to determine that the correlation of the above-mentioned dependent variables affects the independent variable.

H_1: First, Line Managers limited knowledge about HR hurts implementing HR Practices.

H_2: Wrong decision in Recruitment and selection Practices hurts the implementation of HR Practices

H_3: Wrong need assessment in Training and development Practices has a negative effect on the implementation of HR Practices

H_4: Biasness in Performance Appraisal Practices hurts the implementation of HR Practices

H_5: Unfair Compensation & Benefits Practices Hurt the Implementing of HR Practices

Literature Review

Recognitions of the HR Practices internationally

Malaysia is an Islamic country with a Muslim population of 60 percent, where Islamic HR Practices are practiced. Though the ratio of implementation of the HR Practices remained normal, the result shows that the organizational performance increased, with a higher degree of employee job satisfaction. Though some Practitioners do not distinguish between Islamic and conventional HR Practices, it is more useful for organizations that use them to increase organizational performance. (Azmi,210). Again, knowledge is power, and the knowledge of Human Resource Practices is essential for better performance of the firms. HR Practices resolve complex social problems and improve innovative methods and techniques to achieve strategic objectives.(Laursen and Mahnke,2000).The decisions of Human Resource Management directly influence the performance of the organizations. Nowadays, everything has been changing, which has affected every organization and created various problems that pose a major threat to organizations. It now becomes imperative to organize Human Resource Management to come forward to solve these challenges (Becker, 1996).

Furthermore, the functions of HR must not be limited to large companies. It is equally important for small and medium-sized companies. Our research is the starting point internationally to explore the evolution of HR Practices in Europe and Asia (Scouarince, 2008).

It is observed that in high-reliability organizations, there is no room for error. These organizations include power plants for nuclear, nuclear aircraft, aviation authority, etc.. the organizations that practice human resource performance are exemplary for others. Moreover, it was observed that reliability organizations and reliability-seeking organizations have created such an environment and culture in their organization that is compatible with achieving organizational objectives by applying the right need assessment, the right mode of compensation, and the professional development and

growth of their employees .these and other hr practices for promoting organizational objectives they have got organizational fit management and their employees. It is why these organizations perform at a higher degree of accuracy and error-free in their operations and day-to-day activities, having done success and honor for themselves and the country. (vogus, Welbourne,2003)

HR competency model has been successful throughout the world. It helps in the selection and recruitment of the right candidate. It has a potential influence on business activities as it has become a strategic business partner of the organization. However, an in-depth study is required to determine the correlation between the competency model and HR strategic partnership. However, it is the output of our research that both antecedent variables influence the HR competency model and strategic partnership, yet further study will show the actual correlation between the variables and how much they influence each other (Caldwell,2010).

Organizing HR is a positive as well as a defensive act. It is positive. It has to solve the employees' problems and defensive because it has to cope with the external environment and criticism (Holley, 2009).

Strategic HR competency model

In the fifth round of the HR competency study, six HR competencies have been identified in which ten thousand HR practitioners participated. They identified These competencies: (i) Credible activist, (ii) Cultural change, (iii) Strategy Architect, (iii) Operational Executor, (iv) Business ally, (v) Talent manager and Organizational designer.

The six HR mentioned above competencies are necessary for successful HR operations and for achieving organizational objectives. (HRCS,2010).

To Plan the Workforce

Every organization's future depends on good succession planning and workforce training. Several experienced employees must leave the organization annually due to retirement or natural or accidental death. So, in this context, the organizations lose their human capital, which is a serious threat to the organization's future. So, training and development, recruitment and selection, compensation and benefit of employees reduce turnover rate, increase job satisfaction, and manage the gap of retired employees achieving organizational goals (Pynes,2004).

Human Resource Management a Global Champion in the Future

It is predicted that human resources will play a significant role as a champion of globalization. However, the practitioners have to keep under consideration certain facts. That is to develop a global mindset for HR organizations, understanding the new trends and changing competitive environment worldwide and its implications for management, people, and organizations. Secondly, compatible HR with the new requirements, keeping the local condition under consideration, and finally, Increasing HR global capabilities

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within HR functions. Human Resources would be more diverse than it is today. It would be fun to play with HR in those circumstances. (Pucik,1996)

Obstacles

Eight work design obstacles hinder the implementation of HR functions. Amongst them are the design job requirement, work diversity, job enrichment, and job enlargement, which are the main obstacles in handling the HR functions. (Michael. Caspian, Troy. Mumford, Fredrik. Morgeson, & Jenifer. Nahrgang,2005).

HR Transformation Potentials

Four HR organization's transformation potentials exist: (i) a Broader sense of HR practices necessary for the right recruitment and selection process. (ii) HR practitioners must perform daily activities while evolving the transformation process. (iii) Once the transformation is identified, it must be carried on until the targeted result is not achieved. (iv) should focus on the decisions decided to be carried out permanently unless transformation initiatives should be archived. (PWC Open University, 2009).

The Role of the Line Manager in SHRM

To successfully implement any HR policy, the line managers must have knowledge, skills, and abilities. Fleming (2000), so it is indispensable that line managers should be involved in the decision-making process. Moreover, several issues should be kept under consideration while formulating HR policies and strategies; for example, HR strategy should be formulated compatible with business strategy, and a delegated or decentralized system of authority should be adopted to decide on a time, the selection, and recruitment, deployment and training should be on right time and right place, the organization has to meet changes requirement. However it may or may not be against its culture. These critical issues demand a higher degree of involvement of line managers in strategic HR planning and implementation.

Challenges to HR

Every new day brings a change with it. So, the world is changing very rapidly due to the development of technology and the global competitive environment. Every business department has adapted to these changes and developed policies to respond to them. However, HR functions are facing these challenges. The most crucial challenges are mentioned here. (i) HR functions coordination in various locations; (ii) understanding the changing world and its requirements. (iii) Creating global understanding in every Human resource branch. (iv) Establishing multicultural Human Resources Teams, (v) HR role should be redefined, (vi) HR policies compatible with the organization's goal, (vii) Knowledge of local culture, (viii) Train HR professionals to work in diversity.

As mentioned, challenges must be met to execute HR global function responsibility correctly. (Sheila, Paul, Richard, 2000)

HR Practices

In a Brazilian case study, it was revealed that there are various obstacles to implementing HR Practices in Brazilian mining industries. They recommended that there should be a proper understanding of HR functions and proper implementation of these policies. It revealed that the recruitment and selection should be on merit and properly administered—moreover, the training and development process also contributes to the successful implementation of the policies.

Job appraisals, compensation, and benefits, the cornerstone of the HR function, must be carried out regularly because all employees perceive that they must not be neglected. Borges, (2009)

Research Methods

Methods of Data Collection

A questionnaire-based survey was developed to collect the primary data. The questionnaire was developed on a 5-point Likert scale, and the respondents had to show their degree of agreement/disagreement with the statements. The scale is given below:

I Strongly Disagree

I Disagree

I Neither agree nor disagree

I Agree

I Strongly Agree.

The primary data was mainly collected by personal approach and through email contact.

Sampling Technique

As described above, the respondents were selected from the most relevant group of professionals. The sampling technique could be described as stratified random sampling. The foremost task in conducting the research study was to select an appropriate sample size that effectively meets the requirements and objectives of the research.

Sample size

A sample size of 280 was estimated to be about the best that could be collected in Karachi due to the limited number of HR Practitioners in industries and different organizations.

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Instruments of data collection

As mentioned above, the data was collected through a structured questionnaire in the Appendix. The questionnaire shows that it was designed to allow testing of the hypothesis given in Chapter 1 above.

Research Model Developed

The research framework was established to study the impact of Recruitment and Selection, Training and development, performance appraisals, need assessment, Compensation, and Benefits; the model has two distinct sections.

Statistical Technique

Multiple Linear Regression is the most suitable for analyzing the collected data.

Results

The result shows that Independent Variables affect Dependent variables.

Regression

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.752a	0.566	0.558	0.489

a. Predictors: (Constant), Compensation_and_Benifits, Limited_Knowledge, Recruitment_Selection, Performance_apraisals, Training_and_Development

b. Dependent Variable: HR_Practices

Table 2: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	84.464	5	16.893	70.729	0.000a
Residual	64.726	271	0.239		
Total	149.190	276			

a. Predictors: (Constant), Compensation_and_Benifits, Limited_Knowledge, Recruitment_Selection, Performance_apraisals, Training_and_Development

b. Dependent Variable: HR_Practices

Table 3: Coefficientsa							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.103	0.215		0.481	0.631		
Limited_Knowledge	0.022	0.060	0.018	0.366	0.715	0.678	1.475
Recruitment_Selection	0.147	0.063	0.118	2.323	0.021	0.617	1.619
Training_and_Development	0.122	0.060	0.110	2.032	0.043	0.542	1.844
Performance_apraisals	0.180	0.051	0.176	3.517	0.001	0.642	1.558
Compensation_and_Benifits	0.543	0.059	0.491	9.212	0.000	0.563	1.776
a. Dependent Variable: HR_Practices							

Table 4: Tests of Normality						
	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Standardized Residual	0.049	277	0.200	0.995	277	0.427
a. Lilliefors Significance Correction						
*. This is a lower bound of the true significance.						

Hypotheses Assessment

The hypothesis proved to be true, and it became clear that independent variables such as Recruitment and selection, Training and development, performance appraisals, and need assessment affect the Dependent Variable, HR practices.

Discussions

The result shows that, across all organizations, HR will increase staff productivity and efficiency. A foundational experimental inquiry served as the basis for the analysis. The results demonstrate that the Practitioners' views on barriers are not entirely in agreement. The factor of desire is a barrier in the eyes of HR managers. The majority of line supervisors rarely gave conflicts with employees precedence. It contrasts with the HR managers' preference for the owners to give worries about people a higher priority than concerns about the business. Owners of businesses devote less effort to HR-related issues than HR managers would like. Business owners spend less time on hard HR responsibilities like administrative work and more on soft HR activities like managing their workforce and performance conversations with them. Most practitioners think line managers could be better suited to handle the HR tasks they must accomplish. The greatest obstacle, according to HR professionals, is desire. They link each barrier to the desired element. They argue that when line managers refuse to fulfill their HR responsibilities. They do not want to devote time to it, practice their HR skills, ask for help, or learn about

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HR practices and policies. To improve communication between the HR department and the workforce, organizations should create a shared knowledge and understanding of the importance of the HR position among all employees. According to practitioners, identifying and recruiting individuals requires a mediocre understanding of the position. In order to hire the right man for the right job, the line managers must provide as much of the information related to the opened position. In training development, (i) supervisor's involvement in identifying the training needs of their subordinates has been rated to a moderate extent, and (ii) Participants apply what they learned from the seminars or workshops in the workplace. The supervisors should be oriented on the training cycle to be more involved in facilitating the training programs. HR practitioners also feel that the knowledge gained in the different training programs may be enhanced if periodic monitoring of the application of what they have learned exists.

Conclusion

It is a common practice in institutions that follow-up sessions cannot be conducted after attending training programs. In performance appraisal, (i) Performance appraisals are not conducted on schedule and have been rated to a moderate extent; (ii) Lack of participation of employees in performance goal setting; (iii) Unavailability of clear-cut rewards system for high performers. Performance appraisal should be conducted as per schedule on a regular, so the employees should know that their performance will be evaluated at the end, which will motivate their work and performance. Employees should participate in goal setting. It should not be limited to the line managers; subordinates are also necessary for department goal setting. In the last chapter of compensation and benefits, (i) No monetary rewards, social recognition, and appreciation for employees have been rated by practitioners on high, moderate extent and then followed by (ii) Benchmarking of pay incentives with the industry or labor market. Practitioners believe that institutions with no monetary reward system or social recognition for their employees lose their best employees. Companies must have rewards or recognition to attract or retain them through monetary rewards or recognition as a promotion. The institutions should benchmark with others in terms of the compensation scheme, so the compensation and benefits of the employees should meet the current economic crises. Building a company has a lot to do with how people work together. Policies and practices can improve how employees interact while minimizing the personnel obstacles that often arise in today's workplaces. In conclusion, the practice of HRM needs to be integrated with the overall strategy to ensure the effective use of people and provide better returns to the organizations in terms of ROI (Return on Investment) for every rupee spent on them. Unless the HR practice is designed in this way, the firms stand to lose from not utilizing people fully. Moreover, this does not bode well for the success of the organization.

Future research

Future research should explore how these obstacles should be removed while implementing HR Practices in Pakistan. Pakistan, however, is a developing country, yet much more effort was put into bringing it with international standards in following globally acceptable HR functions.

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