

# Managing human resources for better organisations

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New Human Resource

**U**nderstanding of human resources-related issues can help the management to achieve dynamism that can guarantee positive work environment, result-orientation, client friendliness, strict enforcement of policy, fair play, high morale, professional outlook, right skills, abilities and attitudes, and a sound system of accountability.

The Government of Pakistan has set up a committee for rightsizing and restructuring of ministries and divisions to reassess their staff requirements to make them leaner and efficient. A special task force is engaged in similar exercise for the Central Board of Revenue. The committee seems to be opposed to forced retrenchment. However, it favours attrition i.e., automatic abolition of posts on stipulated dates of retirement of occupants. Furthermore, it recommends voluntary, early retirements with normal benefits. It is rather difficult and complicated task to decide on employee's efficiency and productivity, especially in the absence of any predetermined performance standards and objective criteria for valuation of performance and non-performance behaviours.

When it comes to adopting layoffs as a strategy, two most common criteria used are seniority and performance.

Layoffs have a powerful impact on the organisation. They can affect the morale of the organisation's remaining employees, who may fear losing their jobs in the future. In addition layoffs can affect a region's economic vitality,

characteristics namely, high or low (1) degree of uncertainty, (2) volatility, (3) magnitude of change, and (4) complexity.

Human resource strategies, HR tactics and choices must be well considered to fit the cultural elements of an organisation namely, behavioural regularities (e.g. planning and coordination vs. crisis management), Norms e.g. carefully laid out work objectives vs pushing your own agenda), dominant values, philosophy, rules of the game (e.g. specialise vs. be a generalist), and feelings or climate. Human resource policies and programmes to be effective and helpful to line managers must keep in view the organisational structure, organisational culture, processes for converting inputs into outputs, and the managerial philosophy.

Management skill development requires an understanding of the fit between HR planning and business planning, and that's how the selected HR strategies (i.e. work flows, staffing employee separations, performance appraisal, training and compensation etc) fit the two major types of business strategies (the "defender strategy" and "prospector strategy").

An example would perhaps make this point more understandable and clear. We may note that under the "defender strategy" the strategic HR area of employee separations, for example, is guided by the following four principle:

- (1) voluntary inducements to leave,
  - (2) hiring freeze,
  - (3) continued concern for terminated employee and
  - (4) preferential rehiring policy.
- Under the "prospector strategy" of business the following would be the four guiding principles: (1) Layoffs, (2) recruit as needed, (3) individual on his/her own, and (4) no preferential treatment for laid-off workers.

For the sake of organisations and what they are expected to achieve, managers and HR department, need

lenges. Furthermore, difficulties would be faced in undertaking HR activities related to staffing, employee development, compensation, and governance. If its image is negatively affected, an organisation may fail to attract the best candidates for filling new positions in the future. When government or a business organisation decides to downsize (a strategy to reduce the scale and scope of business in order to improve financial performance), it may choose, layoff as one of several ways of reducing costs.

In recent years many public and private organisations have done exactly this. But the experts on human resource management want to emphasize that organisations can take many other measures to increase profitability without resorting to layoffs.

In a downsizing operation the first task is to examine alternatives to layoffs such as early retirement, and to seek a more positive approach of building managerial skills. The Pakistan government looks forward to rightsizing as well as downsizing — that is the process of reorganising its employees to improve their efficiency and reducing the size and scope of its business in order to improve its financial performance, it sure needs to go for alternatives to layoffs. This include employment policies, changes in job design, pay and benefit policies, and training. Management can use these alternatives both to reduce labour costs and to protect the jobs of full-time employees.

This requires a pro-active human resource management approach for continuous improvement in organisations. Pro-active approach increases its contribution to the employees and the organisation by anticipating challenges before they arise. If the management's efforts are reactive only, problems may be compounded and opportunities may be missed.

According to H.R. perspective, human resource management is the responsibility of every manager. The H. R. department exists to serve managers and employees through its expertise. In the final analysis, the performance and well-being of each worker is the dual responsibility of that worker's immediate supervisor and the HR department. According to the system approach to HRM (approach to larger organisations) the HR effort must be evaluated in terms of contributions they make to the overall productivity.

In the context of the process of rightsizing, a human resource strategy is the grand plan or general approach an organisation adopts to ensure that it effectively uses its people to accomplish its mission. The options available to an organisation in designing its human resource system are dependent on organisation's environmental

standing and negative perceptions of the staff and the line managers about one another often create a communication gap and hinder the establishment of an effective partnership between the two groups. To develop a position of strength for the organisation, the staff (HR department people) and the line managers have to develop an understanding of each other's role, authority, and responsibility. And all that the HR department does must have the support of the top management. The top management can create the right environment for perfect understanding between the line and the staff.

It is the deliberate effort to make best use of human resource that results in efficient use of other resources and thus in the achievement of overall organisational objectives in most effective manner. Effective here means doing the right things (in terms of products and services) in the right ways (that is efficiently) so as to have competitive edge.

Managers take risks in most business situations. They are required to take such risks in relation to protecting employees (in situations of rapid change and difficulties). To what extent can managers go to protect employees is the question of ethics. Balance has to be maintained between individual needs, organisational requirements and the societal norms, values and needs.

All strategic HR areas are important but most important of these are recruitment, selection, and training. If recruitment and selection processes are not valid, reliable and objective, and training is not need based, we cannot hope human resource to come up to organisation's expectations of performance, both in quality and quantity. Careful, pro-active, preventive approach to recruitment, selections and training could save organisations of many problems including that of non-productive personnel, inefficiency, waste, corruption, and ultimate crisis.

Performance measurement and management is another vital area which confronts government and business organisations with situation of confusion and complete breakdown resulting in non-productive personnel who are a burden on the society.

Performance measurement/management has emerged as a hot topic over the last few years. More and more organisations are recognising the need to incorporate non-financial measures into their measurement framework, encouraged by such catalysts as the 'Balanced Scorecard' ISO 9000' and 'Malcolm Baldrige Award'.

Performance measurement systems should point out issues when the same arise and not when the issues have already become problems.

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