"THEORY VS PRACTICE": HUMAN RESOURCE MANAGEMENT FUNCTIONS IN MARKETING DEPARTMENT OF ORGANIZATIONS IN PAKISTAN

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Abstract- Human resource management deals with all those activities which are related to managing the employees, selection, training and retention of employees, and to make good relation between firm and employees. This research was conducted to provide an idea about implementation of HRM functions, gaps in theory and practice of HRM functions and areas for improvement. Some specific HRM functions were selected to conduct the study e.g. R&S (recruitment and selection), T&D (training and development), PA (performance appraisal), CP (compensation plan) and CD (career development). This research study proposed a customized model with its roots derived from Balatbat (2010) HRM model, consisting of strengths & weaknesses in implementing HRM functions and reforms to address those issues. The unit of analysis was employees of marketing department of domestic & international firms working in Lahore, Pakistan. Interviews were conducted from marketing managers to know the in depth views of the interviewees. Fourteen questions were asked from all 16 managers and analysis was done by thematic interpretive analysis. Overall employees were satisfied with the practices of HRM functions and have great level of satisfaction, also highlighted few issues in HRM functions that have room to be improved and the constructive recommendations for the organizations to execute HRM functions in an effective manner at the individual and organizational level.

Keywords- HRM functions, R&S, T&D, PA, CP.

I. INTRODUCTION

According to Gardner and Palmer (1997) for the accomplishment of mission and vision of organizations, all organizations should have a strong foundation of human resources. Human resource management (HRM) plays an important role in selecting and retaining people, in all type of organizations including commercial, public or non-governmental organization. Schuler & Macmillan (1984) conducted research and found that recruitment& selection are considered as a backbone in human resource practices, because the recruitment process deals with the hiring of skilled people and it should be expertly done. Once an individual is hired, they should be trained well so that employee can work according to the culture of organization.

It's a challenge for a firm to select, train, compensate and retain employees. It's a tough task for organization to handle all employees having different backgrounds, styles and opinions. As global trends are changing competition among organizations is also increasing day by day, and more researchers are showing interest in investigating that how human resource (HRM) practices can be adopted in countries having people of different cultural backgrounds and which HRM practice is more relevant in attaining the required aim and objective of the firm (Begin, 1992). The research done by Huselid, Jackson and Schuler (1997), resulted in two conclusions, firstly "positive relationship has been found between effective strategic HRM and employee's performance", and secondly "the traditional personnel management is not linked to performance of employees". The result of this study is that effective HRM practices lead to good performance in organization and traditional personnel management has been unable to help employees in improving their performance. Rosenbloom and Kravehuk (2005) stated that HRM is an important aspect of any organization because it ensures that all employees should be placed at the same impartial and fair level. Jobs must be properly defined; there is a factor of diversity among employees because employees prefer job related to their personality. Organization should place right person on the right job, so that every person should get a chance to get promotion in his/her career. According to Barret and Ingraham (2007), quality of services highly depends on abilities, skills, and performance of every individual employee. HRM practices have large impact and a critical role on employee that starts from the recruitment of an employee, training as well as developing of an employee, fair performance appraisal system, motivational compensation plan and to the stage of career development. If an organization wants to have a good performance level then they should try to have an effective HRM practices in its organization.

1.1 Problem Statement

Pakistan is in developing stage and its institutions including international firms are in struggle to implement the best HRM practices in their organizational premises. People are assets for any organization so it is important to make an effective use of people to achieve organizational and individual goals. Lots of research has been done regarding HRM practices as highlighted in literature review but very few numbers of studies has been conducted in Asian countries especially in Pakistan related to the implementation of HRM practices in organizations.

So this study is initiated with an objective to provide an idea about implementation of HRM functions, gaps in theory & practice and areas for improvement.

1.2 Significance

Keeping in view the problem statement, this study will help individual employees and organizations to understand the importance of HRM functions in growth and development of employees, which will ultimately result in the growth and development of organization. Other researchers will be able to get knowledge from this research, as a secondary source of data.

II. REVIEW OF LITERATURE

Human resource management is a process of staffing and maintaining employees so that employees can bring improvement in overall organizational performance. This process includes HR planning, recruitment and selection of right person for the right job, training and development of that hired employee according the job, compensation plan to motivate them and performance evaluation (Decenzo and Robbins, 1992). Human resource management deals with all those activities which are related to the management of employees, selection of employees, training of employees, retention of employeesand to make good relation between the firm and employees (Bach, 2005).

Bach (2005) conducted a research and found that organization should hire a competent and talented employee, because good recruitment and selection leads to good organizational performance. If recruitment and selection is not properly done then this will lead to several losses like advertising cost, training cost and the potential loss of client due to lower productivity. According to Dessler (2007) organizational success is mainly based upon the quality of employees that an organization hires, because employees have a greater effect on the values and culture of organization. Recruitment and selection are very costly functions for any organization because it requires huge investment on advertisement and job promotional activities.

After recruitment and selection training is an important aspect and well trained employees are always needed in the organization. Challenges related to training and development of working individuals is increasing day by day as lots of skills, capabilities and expertise are required to compete in the international world of huge standards. Now training and development is considered to be an essential part in policy making of organizations. Need of training and development increases as organization grows. As Erven (2000) mentioned that training and development helps organization to develop employees, so that they can better contribute in attaining the organization's over all goals and objectives.Training facilitates an organization to have a bundle of skilled individuals that can perform tasks expertly and can help in achieving the organizational goal. Multinational firms now have an increasing trend of in-house facility of training to train their employees (Dowling and Welch, 2007).

When a competent employee is selected and after successful training he/she starts working in the organization, then the performance is managed with the help of performance management system. Performance management system helps organizations to identify what to achieve, how to achieve a particular goal and measuring the task that is done efficiently and effectively. When operational goals of organization and work done by the employees are compared continuously with the organization's overall goal, this comparison will ultimately results in aligning of employee performance and achievement of organization's overall goal (Dessler, 2007). Balatbat (2010) mentioned that Performance appraisal system of an organization strengthen and support the organization for achieving the ultimate objective. Organization's success or failure is determined by the performance of every employee. Employee's efforts are then directed towards organization's success and employees are then given feedback about their performance along keeping in mind their actual performance and the motivations given to improve employee performance.

Harvey and Bowin (1996) mentioned that compensation management is an important element of HRM that is designed to motivate employees and then in this way their performance is enhanced. Armstrong (2010) mentioned that the purpose of rewards is to motivate the employees and these rewards can be financial as well as non-financial. Heneman and Gresham (1998) reported that incentive in the form of pay is fruitful in enhancing employee performance not only at individual level but also in group and at entire organizational level.

McCourt (2001) mentioned that career development is an ongoing process in which the career of an individual is established. Career development means giving good opportunity to employees in form of promotions by having: further education, different training sessions and improved skills. According to Dessler (2007) organizations should do career management for employees, so that employees can understand and develop their career according to their interest, knowledge, motivation and abilities. The firm focusing on career development will deal their employees in an extraordinary manner, like in human resource planning firms without focusing on career development will analyze the jobs on the basis of skills and tasks required to perform a job by using statistical instruments. But the firm focusing on career development will add information related to the interest and preferences of an individual.

III. RESEARCH DESIGN

Exploratory and descriptive research was used to describe and assess the current status of HRM

functions. Exploratory research is considered as a beginner research which helps in gaining insights and ideas about the research problem and to remove bugs in our research, it is also known as "pilot study". Descriptive research helped in describing the events, reasons or situation for what has happened and what is happening (Rosenthal and Rosnow, 1991). The unit of analysis are Reckitt Benckiser and Engro Foods working in Lahore, Pakistan. Convenience sampling was used because of easy accessibility, expert knowledge and key positions of employees in their respective departments. Interview guide was developed for conducting semi structured interviews. Interview questions were open ended and flexible so that interviewees can easily share their ideas. Sixteen interviews were conducted in the natural environment. This research was a cross-sectional study, because the data was gathered at one point of time. Because this type of study (cross-sectional) will help in describing the characteristics, that exists in the population at the time of doing research.

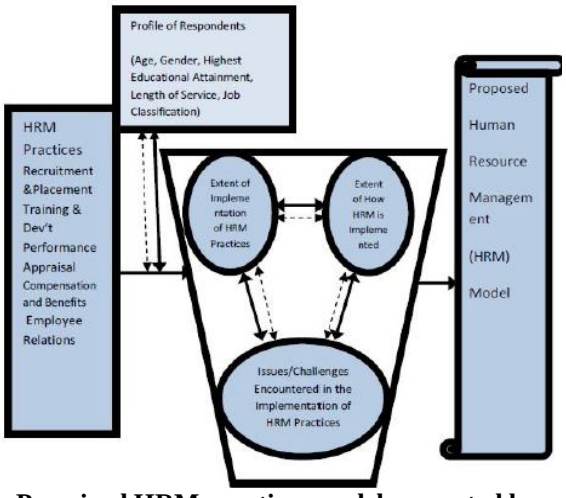
3.1 Research Questions

The below given questions will help to fulfill the purpose inherent to the study:

- According to the employees to what extent HRM functions are effective in marketing department of organizations in Pakistan?
- What are the gaps in theory and practical HRM functions?
- What are the areas of HRM functions which require improvements?

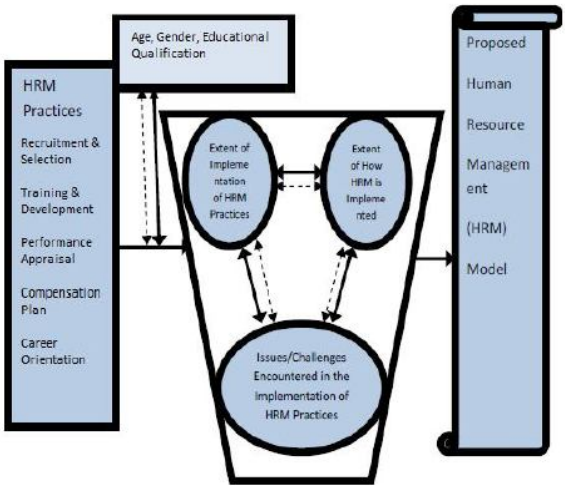
3.2 Theoretical Framework

Theoretical framework has been presented to observe the Human Resource functions according to the employees in marketing department of organizations in Pakistan. Balatbat (2010) has developed a model about human resource practices in higher education institution of Philippine based on her research. That table is given below:



Perceived HRM practices model presented by Balatabat.

For the given study the researcher has been adapted this model to generalize in Pakistan according to the situations prevailing over here. The independent variables and moderators are being changed for this study. In Balatabat's model independent variables were R&S, T&D, PA, C&B and ER whereas moderators were age, gender, highest educational attainment, length of service and job classification. In the given study the independent variables are R&S, T&D, PA, CP and CD whereas moderators are age, gender and educational qualification. The mediators are the same and their relationship is shown with the double headed arrows. Double arrow headed line shows the relationship and dotted line shows no relation. It has become necessary to keep check and balance on the implementation of HRM practices in order to uncover the degree and extent of the role of HRM playing in the retention and motivation and development of employees in an organization (Mello, 2006).



Theoretical model on the perceived effectiveness of HRM practices

In the above given model the researcher wants to know the relationship of gender, age and qualification to all of them: R&S, T&D, PA, CP and CD.

3.3 Thematic analysis of qualitative data

Analysis has been done based on broad themes and views of the interviewees. Initially interviews were recorded, transcribed in verbatim and afterwards careful analysis and study of them led to the thematic analysis. The common and agreed sharing of views and responses of interviewee led to the development of a single broad theme. Broadly themes have been identified under the headings of strengths, weaknesses and reforms in HRM functions.

Strengths of HRM functions:

R&S, T&D and CP are major strength of HRM functions, it is purely based on merit because competent individuals are preferred on the basis of their education level, experience and knowledge. Proper training of all employees is encouraged along

with the competitive compensation plan. Overall HRM functions are properly implementing in all organizations, and employees are highly satisfied with the policies.

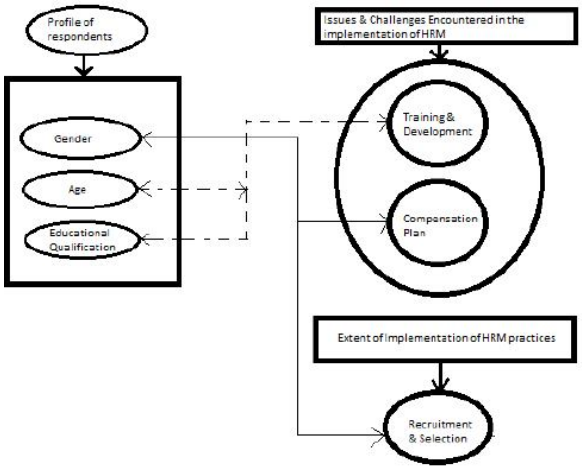
Weaknesses of HRM functions:

Weaknesses in HRM functions are not very noticeable but employees are demanding the International travelling opportunities or family holidays on the behalf of organizations.

Reforms in HRM functions:

Retention policies are needed to apply especially in marketing department because of high turnover rate.

3.4 Discussion about theoretical framework:



Proposed theoretical model.

Figure shows proposed model after the conduct of this study. On the whole theoretical framework proposed seems near relevant with the findings and analysis of the present research. From the demographic variables only gender has a significant relationship with compensation plan and recruitment & selection, while the others have no relationship with all of them.

IV. LIMITATIONS OF THE STUDY:

The several limitations must need to be mentioned during the result of the study:

- Human Resource Management is a wide phenomenon; we cannot restrict it to some factors like R&S, T&D, CP, PA and CO. The other factors has the same importance as well, so we have to keep in account the other factors like Job Analysis, Health and Safety Administration, Labor Relations, Leadership, Grievance Handling etc.
- Due to social desirability factors the questions may restrict the respondent to answer accurately.

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