CMER Working Paper Series

Impact of Management Practices on Employee Effectiveness in South Asia

By

Zafar Iqbal Qureshi

Professor, Lahore University of Management Sciences

March 1994

CENTRE FOR MANAGEMENT AND ECONOMIC RESEARCH
Lahore University of Management Sciences

INTRODUCTION

South Asian organizations in countries like Bangladesh, India, Pakistan, and Sri Lanka are trying to professionalize management practices in recent years. Inspite of such efforts, employees indiscipline, politicised labor unions, low individual productivity, and unsatisfactory enterprise performance are some of the commonly observed realities in most of the organizations. Because of the prevalent socio-economic conditions, these countries are placed at a competitive disadvantage even when they have huge reservoirs of technically competent human resources. Most professional managers in these countries express frustration over the situation but seem to suffer from a withdrawal syndrome symptomatic of inaction and helplessness.

Recently, several attempts have been made to explain the ineffective utilization of human resources in India (Kanungo & Misra, 1985), Bangladesh (Miyan, 1991), and Pakistan (Qureshi, 1986). These attempts provide different perspectives for our understanding, but argue for developing a systemic rather than piecemeal approach to the study of human resource management (HRM) practices. Taking a lead from such earlier attempts, the present paper explores the nature of HRM practices in South Asian organizations using a framework that relates such practices to employee effectiveness.

The findings reported in the paper are based on case studies, interviews and consultant observations about organizations in South Asia. The qualitative analysis of the data has generated a number of conclusions that need further validation in future research. The paper also offers some guidance to managers to formulate their future action plans to improve HRM practices.

A FRAMEWORK FOR STUDYING HRM PRACTICES

HRM had suffered a relative neglect in most of the South Asian countries. Largely, this had resulted from a past orientation of management in which HRM was primarily viewed as the regulation of labor or employees relations. However, in the early 1960s companies started to establish personnel departments to manage internal HRM issues. However, in these departments the main thrust continued to be the management of labor or employees relations. Presumably, this was in response to the external labor market conditions in which the labor unions had assumed a very powerful role, had also become highly politicised, and difficult to manage.

In recent years, many companies have started to reorganize their HRM function on traditional personnel administration lines. In several large size companies personnel departments are playing a more active role in areas such as recruitment, selection, training, administrative functions, welfare activities etc. Yet, their key responsibility remains to be formulating action plans to manage unions, and on how to control employees to minimize labor costs. Only in exceptional cases, some large business enterprises as well as MNCs have asked their personnel managers to take up the role of culture builders by bringing management and employees closer to each other for long-term performance gains.

Many organizations have started to realize that HR managers must take a proactive role consistent with two strands of thought in the current literature on HRM. The first emphasises the relationships between HRM practices and their short and long run impact on the employees motivation and performance, on the effectiveness of the firm, and also upon the society as a whole (Scarpello & Ledvinka, 1988). The second underscores the importance of linking HRM practices and the corporate

culture (Ulrich, 1990). The idea here is to use HRM practices to create a shared mindset that could be instrumental in building the competitive advantage. Ulrich (1990), has also suggested to relate HRM practices to organization structures with a view to sustaining the needed organizational capability in a competitive environment. In spite of such awareness of the objectives of HRM practices, most South Asian organization have done little to assess the effectiveness of their current practices or to modify them in the light of such assessment. Assessment efforts are lacking because management in these organizations have no overall scheme or framework in terms of which to evaluate HRM practices in the organization. Development of a framework is an essential precondition for systematic investigation and assessment of HRM practices.

The organizing framework we adopted for studying HRM practices in South Asian organizations has evolved from a number of case studies, consultant observations, and discussions with many knowledgeable practitioners and academicians in South Asia. Its conceptualization was also influenced by the existing HRM literature which suggests the importance of studying five key areas of HRM. Thus, the framework we used for our study led us to explore the prevailing HRM practices in the following five key areas: (1) organizational entry, (2) organizational socialization, (3) performance management, (4) reward systems, and (5) organization structures. The impact of these practices on employees effectiveness was also assessed. The Five Key Areas

Management practices related to organizational entry include the process of recruitment and selection of personnel adopted by an organization. This process occupies a pivotal position in HRM policies since it enables an organization to identify and attract the required human resources in order to generate capabilities to stay competitive (Ulrich, 1990).

Organizational socialization practices refer to the process of initial acculturation and adaptation of new employees to the organization. In this sense it involves learning new roles, norms, and organization culture on the part of new employees. This process is important because through it the new employees form 'first impressions' about the organization which may either facilitate or inhibit their adjustment in the organization. Also, the initial impressions of organizational norms and values as communicated by the management are quickly internalized by the employees and guide their future work-related behavior (Feldman, 1988). Though some writers (Wanous, 1992) make a distinction between socialization and orientation activities, for the purpose of our study orientation activities are considered a subset of organizational socialization.

Basically the performance management practices refer to the processes of setting and communicating performance targets, defining evaluative criteria to be employed at different levels of performance, monitoring performance, reviewing performance, providing feedback, and taking corrective measures to remove performance snags (Mendonca & Kanungo, 1990).

Management practices concerning reward systems relate to both the kind of rewards offered to employees for their services, and the manner in which such rewards are administered. For instance, rewards could be economic (e.g., wages, benefits) or non-economic (e.g., autonomy, achievement). These rewards could be administered in performance contingent or noncontingent manner (Kanungo & Mendonca, 1992). Management practices related to reward system are critical in determining the level of employee performance.

Practices related to organization structure refer to the pattern of formal relationships among parts of an organization. They include the ways in which

various task activities are assigned to different functional groups in the organization, the ways in which these separate task activities are coordinated, and the ways power, status, and hierarchical relationships operate within an organization. Formal structure is frequently described in terms of formalized policies, procedures, and controls that guide the activities and relationships of people in the organization (Kast and Rosenzweig, 1979). Because organization structure directly affects the commitment and morale of employees through authority patterns and leadership styles, they have implications for employees performance in an organization.

THE STUDY

The data on HRM practices were collected through case studies of 29 organizations in Pakistan. The case studies used consultant observations, document analysis and interviews within these organizations. In addition to these case studies, managers and academicians from four South Asian countries were interviewed to provide further information on HRM practices in their respective countries (see Tables 1 & 2).

Semi-structured interviews with management scholars and practising managers were conducted during two meetings of the Association of Management Development Institutions in South Asia, one in Hyderabad (India) in early 1990, and another one in Kathmandu (Nepal) in 1992. Similar interviews were conducted during a Workshop at the Lahore University of Management Sciences in the summer of 1990. Three basic questions were asked during the interviews. First, what managers thought constituted the key HRM policies? Second, do the management practices in the five HRM areas have any effects on employee motivations and capabilities to perform on the jobs? Third, how are employees' motivations and capabilities related to their effectiveness on the job?

Multiple sources of observations, cross-case analyses, pattern matching, and the use of case study protocol provided a fairly reasonable basis for drawing a set of qualitative inferences from the data. In what follows, we describe the management practices in the five key HRM areas and the effects they have on employee motivation and associated work related behavior. In the final section of the paper we draw some practical inferences for developing an Action Agenda HRM and training of HRM professionals.

THE RESULTS

Organizational Entry Practices

Management practices in the area of organizational entry were found to be diverse in South Asian organizations. However, three dominant themes in such practices could be discerned. One set of practices emphasized recruitment on the basis of merit alone. A second set of practices emphasized the use of personal and/or social clout of superiors while recruiting employees for various jobs. Finally, a third set of selection practices was based on a mix of merit-cum-personal clout considerations.

The merit-based recruitment practices were generally seen in organizations belonging to multinational corporations. The personal clout-based practices were prevalent mostly in local organizations. For instance, in most cases selection interviews were reported to be the breeding grounds for the use of influence. So most respondents were opposed to selection interviews and favored written tests. Even when the written tests were considered no guarantee to ensure selection on merit, these were favored over interviews. In some organizations where management was fully committed to adopting merit criterion in entry decisions, they used interviews to expose those who had tried to utilize superior influence for selection. But such cases were the exception rather than the rule.

Many organizations have adopted some form of a hybrid practice. For instance, in one organization it was reported that while there existed a battery of tests and examinations to assess the worth of an individual against the requirements of a job, these tests were manoeuvred in such a way that those with influence invariably cleared this initial barriers to entry regardless of their capability.   In another case involving a large public sector organization where the management was able to conduct fair entry tests, they were pressurized to reschedule the tests to accommodate certain individuals belonging to the constituency of an 'influential' politician.   When the management insisted on maintaining the integrity of their entry process, the 'influential' politician threatened to pull some powerful strings. The management tried to appease the 'influential' politician by saying that they would let him know in advance whether or not any one from his political constituency had cleared the test. Presumably, this would have allowed the politician to claim that he was instrumental in helping candidates from his constituency to qualify the written test.   In yet another case involving an institution of learning where the management had resisted all outside pressures in its recruitment efforts, it continued to receive covert threats from some important functionaries. Since the management of this organization was fully committed to maintaining the integrity of its entry practices, it had been able to withstand all forms of outside influences. Though the word was out, still many people found it hard to believe. What are the effects of such hybrid practices? Our analyses indicate that entry practices in organizations in South Asia have negative influences on employees. These influences manifest themselves in various ways. First, those who get into an organization on merit basis believe that their future rise in the career ladder would not occur purely on the basis of their performance because they find many other employees who entered the organization through the use of clout. Very often they see good performance remain unrewarded.   This perception adversely affects their

performance. Second, the entry practices based on grounds of personal influence also lead to perceptions of discriminatory management practices. Third, the entry practices also produce invisible cleavages and factions in the organization leading to covert accusations and counter-accusations. Typically, these accusations relate to 'whose favorite a particular employee was.' Unfortunately, the management on its part does not make any efforts to remove such perceptions.

All of the above adds up to creating roadblocks which prevent an organization from building capabilities and identifying role models of performance so essential for improving their competitive strengths. Therefore, we might conclude that if South Asian organizations wanted to compete effectively in the modern intensely competitive environment, the first thing they have to do is to streamline their organizational entry practices in a way that these would aid in generating the needed organizational capabilities.

Organizational Socialization Practices

In nearly all South Asian organizations no distinction is made between organizational socialization and orientation programs. Organizational socialization in South Asian organizations is carried through a variety of orientation programs for new employees. Broadly, these programs are of two types: the formal orientation program and 'free floatage.' Each of these may be divided into two sub categories. The formal orientations could either take the form of well-designed or ill-designed programs whereas 'free floatage' may either occur in the form of self-discovering or discovering through the expressed opinions of other members the dynamics and functioning of organizational reality.

In some organizations the initial socialization was taken quite seriously. Therefore it was conducted through well-conceived orientation programs. Thus, the first

impressions formed by the new employees about the organization were not only positive but also they served as impetus to better performance. High performance of employees was sustained by the first impressions created through the exposure to appropriate management practices in the areas of performance management and reward system.

In contrast to the above practice, there were many organizations in which socialization took place in the form of 'free floatage.* The employees were left to themselves to figure out what norms and values the management of the organization wanted them to conform to. In these cases, the requirements of the jobs were barely explained and the employees were left in a state of limbo. Evidently, this did not leave positive impressions on the new employees. Therefore, the first impressions formed by an employee in such a situation were twofold: functional confusion and operational disorganization. Functional confusion resulted when jobs were not clearly spelt out and operational disorganization was due to a lot of overlap and duplication of efforts.

In some other organizations it was noticed that the initial socialization took the form of ill-conceived orientation programs that had effects similar to those of 'free floatage'. Management in these organizations failed to give serious thought to the implications of poorly run orientation programs. For example, in one organization where the management felt that it had put in place a well designed orientation program, the new entrants felt it created negative feelings toward the organization. 'Free floatage' form of socialization pervaded most of the organizations in South Asia, and had its own consequences on employees perception of the organizational norms and values. For instance, in one organization where an entrant had attempted to discern the organizational reality through the opinions of others found that the organization was divided into camps. He was advised to exercise caution in deciding

which camp to join since a wrong decision at this stage could cost him his career. This individual had to spend a lot of time simply in trying to discover the 'right' camp. Thus, he wasted his energy in totally unproductive ways.

Organizational socialization practices directed at helping new entrants to understand and then conform to the norms and values of a high performing organization do not receive serious attention in most of the South Asian organizations. As a result employees in these organizations never become part of a culture that emphasizes performance.

Performance Management Practices

Analyses of performance management practices suggested that multinationals have a well developed and formalized performance management system. Some of them have adopted the MBO approach to performance management. These organizations have the practice of preparing detailed job descriptions because they assumed that without properly defining the jobs setting performance goals would be difficult. Furthermore in these organizations, the implementation of such a system was preceded by systematic training of managers who were to use this system. A formal feedback mechanism has also been made an integral part of appraisal process in the multinationals. The multinationals had also adopted well established methods to assess performance of their strategic business units as well as the entire organization. However, the groups and functional units per se were not subjected to any formal appraisal in these organizations.

In contrast to multinationals, most local organizations followed either a semi formal or an entirely informal system. Yet, in many organizations where the number of professional managers was increasing, the demand to adopt formal system of performance management was also rising. This transition however is not going to be

an easy task because of the prevailing managerial beliefs.

For instance, many line managers believed that the formal system was too cumbersome and Byzantine to implement. A manager in a local company said, " When I know the performance of my subordinates on day by day basis why adopt a formal system which turns out to be both extremely difficult and inflexible to implement." In the past this company had tried out a formal appraisal form only to discover that its line managers found it difficult to use. Consequently, the management decided to revert to its old informal appraisal policy. In another company a manager pointed out, " adopting a formal appraisal system is a far cry because we don't have any job descriptions which constitute the basis of a formal system."

In several other organizations the concept of feedback was alien to the managers. Even where awareness existed, it was used in a rather ineffective manner. So, in most organizations that had tried to use feedback, more negative feelings instead of positive motivation to overcome performance gaps were generated. According to one manager, "giving feedback in our organizations is the most difficult thing to do as our subordinates are emotionally not ready to accept any negative remarks." In the words of another manager, " the nature of my relationships with my juniors has grown to a point where it is very difficult for me to give face to face negative feedback to them. Even socially, it is considered a taboo to give adverse feedback to people who have worked with you for a long time." Fear of employees reaction to negative feedback inhibited most managers to give feedback on employee performance.

Such informal performance management practices in most organizations adversely affected the employee work related behavior and motivational patterns as would be indicated by the following typical statements by the employees. "I always keep my

boss happy as I know that my relationship rather than my performance would matter in my career progression." "I know that at the end of the day it is going to be the same reward for everyone so why sweat." "Since I never get any feedback on my performance, I have no motivation to do better." "Since I have no idea about the basis of my evaluation, I have no desire to excel in my job." 'The evaluation system in my company does not have any role models to follow so I stay at an average level of performance. Maybe this is what my organization wants - the rule of mediocrity." "Performance appraisal, boy, it is all based on personal likes and dislikes and attempts to promote the blue eyed boys of management."

While there was nothing inherently good or bad about either the formal or the informal performance management systems, they had differing degrees of legitimacy with the employees. For instance, it was generally believed that a formal system was more objective, purposeful, and results oriented as compared to an informal system. Moreover, the formal system was believed to be more reliable, valid, and credible. Since the informal system was more personalised, it was felt by the employees that it allowed personal likes and dislikes superiors to influence the eventual performance assessment.

Performance management practices in setting appropriate performance targets and providing feedback for performance improvement were not effectively used in most local South Asian organizations.

Reward Systems Practices

At a theoretical level a reward system could be evaluated by focusing upon its philosophy, goals, and actual compensation practices. The most basic philosophical underpinning of a reward system is stated to be the element of equity, both internal as well as external. Internal equity is assessed by applying job evaluation methods

whereas external equity is evaluated by prevalent labor market conditions. Generally, by maintaining equity, management tries to achieve four goals from their reward systems. These are to (a) attract needed human resources, (b) retain those with acceptable levels of performance, (c) motivate employees to improve performance, and (d) fufil legal obligations set by the government. Our study assessed compensation practices and their effects on the perceived equity and motivation of employees to stay and perform on the job.

Excepting the multinationals, in most local organizations the rewards were perceived neither equitable nor contingent upon performance. For instance, in quite a few organizations an oft-repeated comment was "our salary system is bureaucratic. We follow annual increments like a government agency. It has not kept pace with the market conditions." Another comment in these organizations was that since every body gets the same annual increase, there is no motivation to do a better job. In several other organizations the salary was perceived to be both exploitative and contingent upon personal relationships rather than performance. Comments like " I don't know the basis on which my salary was decided. My company has had no revision of salaries since long" were quite common.

Our observations further showed that in most local organizations the non-economic rewards were erratically administered. To illustrate, promotion decisions mostly lacked objective criteria. No formal assessment of employee potential for higher level job was done before taking promotion decisions. In most local organizations even a verbal appreciation for good work was very rare. Lack of objectivity in designing reward systems and failure to use them to motivate performance were stated to be two common issues. Absence of market data also confounded the problem for many start up companies in the designing of their reward systems.

Three other points are worth mentioning. First, employees generally focused upon their cash compensation when comparing their salary packages. In contrast, managements in most companies focused on total cost figures (that included benefits offered) in calculating the compensation package of an employee. Thus, a perceptual gap existed between what was being given by the company and what was being received by the employees. Management in most companies made no efforts to correct the discrepant perceptions regarding the reward system. Second, the goals for which rewards were administered were not clearly spelled out in most companies. Therefore, management was mostly unaware whether or not their reward practices were helping to achieve the intended goals. Third, in most companies no direct linkage was observed between performance and allocation of annual rewards such as bonus or recognition. The problem became more excruciating for employees in the absence of a credible appraisal system. These results suggest that in most South Asian organizations employees felt a sense of inequity and failed to see the relationship between an individual's efforts on the job and the rewards both economic as well as non economic contingent upon that effort. Hence, in these organizations rewards were not serving as motivators for performance enhancement.

Organization Structures Practices

Most organizations were structured on the principle of input orientation in which resource intake and standard operating procedures were emphasized. Output orientation or performance results hardly matter. Bureaucracy thrived with varying degrees of specialization of tasks, and a large number of managerial layers. The tall structure was justified to provide promotional opportunities. Often additional managerial layers were created without any regard for the size of the company. This practice of 'overlayering' had a number of effects. First, too many layers had resulted in excessive length of the vertical chain that caused delays in decision

making. Second, with most of the organizations suffering from excessive centralization, decisions pile up at the top since most of the problems and decisions were being referred up the hierarchy.

Many managers across different functional units in different organizations expressed a common complaint: little lateral cooperation between functions units. For instance, whenever cooperation was needed across functions, employees often say "it is not my job." Functional units in most organizations have turned to watertight compartments ignoring their role and the interdependencies that are expected for the interest of the whole organization.

Across all organizations there was excessive reliance on command and control for corporate governance. In quite a few organizations a general resentment was noticed for the non-participative nature of management. The senior management justified the use of their reliance on control principles to manage employees indiscipline, and to maintain acceptable performance level. Yet, management faced considerably difficulty in exercising effective control because of the lack of adequate performance management system.

Middle and lower level managers were quite vocal regarding concentration of power at the top management level. Many managers complained that they were not even informed of some very important decisions, and that they came to know of these only through the grapevine. There was not much info sharing between the senior and lower levels of management. This had obviously produced a feeling of being left out'. This feeling had led to negative motivational impact that had direct bearing on the performance of the employees.

A condition of structural dualism was noticed in most organizations. This pertained to the coexistence of diametrically opposed structures within many companies. While

at the top management levels the structural pattern was best characterised as informal, and participatory, at the lower management levels the structure was formal, command based, and hierarchical. On the positive side, the above structural dichotomy had made the senior management teams much more cohesive group compared to the other levels. However, these had also created long power distances between the higher and lower levels of management. The impact of this power distance was most visible in the lower level employees feeling of alienation from the organizational decision making and info sharing. In cases where decentralization of power had been implemented initially, it was later withdrawn due to coordination problems across various functions. A manager's commented: "The growth of the company had led us to adopt the principle of decentralization of administration and centralized policy and control. However, soon we realized that this decentralization had created several problems of coordination, and we were forced to recentralize." In some cases where business expansion necessitated some structural changes, these were resented by many managers because the changes distanced them from the chief executives. Distance from chief executives was construed not only psychologically disturbing but also as a loss of personal power.

Some multinationals have adopted matrix structures. Since a matrix structure required a collaborative culture, the managers in these companies had to be trained before matrix structure could be adopted. The issue of duality of reporting relationship in these structures could not be resolved without creating an attitudinal change among managers. This attitudinal change was not possible without organizing formal training programs in these companies. Despite this preparation to adapt to the matrix culture, initially the managers in these companies felt quite strained because the concept of working under the two bosses, was alien to them. After initial confusion of dual reporting relationship, however, these organizations

were reported to be working fairly well.

Surprisingly, in large number of organizations, management relied a lot on their supervisors. and yet they were given very little importance in the hierarchy. No systematic and need-based efforts were made to train them for improving their supervisory effectiveness. Most of the supervisors lacked interpersonal skills and were unable to develop cordial working relationships with their workers. Overall, the analyses of the organizational structures in South Asia suggests that the prevalence of bureaucratic and mechanistic structure makes the local organizations slow to respond to environmental demands. In additional, reliance on standard operating procedures, formal authority, and vertical chain of command for control of employee performance provide a relatively low degree of autonomy and freedom to employees in their jobs. In addition, team spirit, the hallmark of South Asian culture, was rather low within the corporate culture.

THREE EMERGING PATTERNS

When the HRM practices in the five key areas as described above were put together, three patterns emerged. Based on these patterns, it became evident that in South Asia three types of organizations were operating concurrently. These could be characterized as the professional, the prismatic, and the traditional types (see Table 1). The professional organization predominantly followed individual merit as the basis of their organizational entry decisions, organizational socialization on a well-conceived orientation program, performance management based on reliable and valid appraisal process, equitable reward system contingent upon performance, and organization structure which enhances employees participation. Traditional organizations, on the other hand, had predominantly adopted social and political influence as the ground for their entry decisions, socialization based on free floatage,

performance management done through informal subjective appraisal, a reward system perceived to be exploitative and arbitrary, and organizational structure based on centralized authority and personalized control systems. The prismatic type organizations were in the process of transition from traditional to professional type. Thus, most of the key HRM practices in these organizations were a hybridization of the practices adopted by the professional and the traditional organizations.

EFFECTS ON EMPLOYEE EFFECTIVENESS

The three patterns of HRM practices influenced the job performance of the employees in two major ways. First, the HRM practices in the areas of recruitment and selection resulted in having employees with having ability or lacking ability to perform. Second, management practices in the areas of organizational socialization, performance management, reward systems and organization structures influenced the level of employee motivation to perform. The HRM practices in these four areas resulted in having employees with high (enthusiast) or low (inert) task motivation. Combing the ability and motivation descriptors of employees, one can find the following four employee types in South Asian organization.

1) An employee who has ability (the knowledge and skill based on past training and experience) and is an enthusiast [HA-E].

2) An employee who has ability but is an inert [HA-I].

3) An employee who lacks ability and is an inert [LA-IJ.

4) An employee who lacks ability and is an enthusiast [LA-E].

Analysis of employee profiles based on the reports of the managers revealed a distribution pattern consistent with one's expectation. In professional organizations, most employees belonged to HA-E and very few belonged to LA-E types. In traditional organizations most employees belonged to LA-I and very few belonged to

HA-E types. In prismatic organizations, most employees belonged to HA-I and very few belonged to LA-E type.

What is the significance of identifying the above employee types for management? We believe that the typology has operational significance for management because it is indicative of specific behaviors of employees within the organizations. For instance, most HA-I, LA-I, and LA-E types of employees displayed certain dominant behavioral patterns like late coming, indiscipline, time watching, doing the minimum while looking busy, problem cribbing, non reflection, couldn't care less attitude about mistakes and defects. Simultaneously, the LA-I and LA-E types epitomized an obedience pattern so characteristic of skillful PR people. In behavioral terms this meant that these types were adept at gladly doing any personal errands for their seniors since they lacked the ability to discharge their organizational obligations. Also, in the case of these types, loyalty orientations were more personalized. Social networks based on personalised obedience and loyalty were much more visible in them. At times, their social networks worked at cross-purposes with the required functional role networks.

At this point one might add that the behavior of employees can change in response to management practices in the five HRM areas as was evidenced in the study. This conclusion is contrary to current management thinking in South Asia that employees are unchangeable. For instance, in one of the organization an employee stated, "I was selected to an entry level management job on merit. Later on I discovered that some of my batch mates had been selected on the basis of their influence and that their performance was far from satisfactory. Yet, they were getting the same treatment as myself even when I was doing my best at the job. A few years down the road I find that although I started my work as an enthusiast bubbling with a lot of energy, my enthusiasm now had dissipated." This showed that even an HA-E type could change

for worse to be HA-I. Comments like these were heard at many prismatic organizations.

SUMMARY AND CONCLUSIONS OF THE STUDY

The qualitative analysis of the data from the study reported in the previous sections point in two directions. First, the conclusions of the study need further empirical validation, and second they provide a future agenda for managerial action. On the basis of our analyses of South Asian organizations, we would like to offer the following proposition for verification in future research.

1.   That on the basis of managerial practices in the five HRM areas, organizations could be classified into professional, prismatic, and traditional types. And, that in South Asia most organizations were of prismatic and traditional types.

2.   That employees in prismatic and traditional organizations would lack the capability and motivation which would have serious performance consequences at the individual, functional unit, and enterprise levels.

3.   That hybrid organizational entry practices can turn employees from initial enthusiasts to subsequent inerts.

4.   That organizational socialization is ignored in most local organizations. Nevertheless, the formation of 'first impressions' about an organization can affect the work motivation of employees.

5.   That informal appraisals due to their low credibility demotivate good performers and that formal appraisals without training line mangers would be hard to implement in most local organizations.

6.   That in the absence of equity in the reward systems and also due to the

performance - reward noncontingency, many organizations fail to obtain better performance from their employees. Such reward practices turn enthusiastic employees into inerts.

7. That those organization structures which rely excessively on command and control produce 'feudal mentality.' As a consequence most organizations have more commanders than managers. And, that under such arrangements even those being commanded would also like to command than do the work.

FUTURE AGENDA FOR MANAGEMENT AND MANAGEMENT TRAINING

In some sense we have already spelled out certain future courses that managements in the South Asian organizations might consider to overcome the problems mentioned at the start of this paper. Yet, to reiterate our point we would state that management in these countries must systematically assess their management practices. Without this a tendency of hopelessness and blaming others would persist, leading to an action strategy of 'do nothing' or 'cover up*. Both of these actions can create consequences of two-orders. The first-order consequences would imply an increase in resentment on the part of good performers, protection of mediocrity, and further decline in the enterprise performance. If still no action is taken, the second order consequences would follow which might produce conditions of more mistrust, withdrawal on the part of good performers, and most of all acceptance of mediocre performance as a natural feature of organizations in South Asia. As a start, we recommend that first of all senior management in prismatic and traditional organizations should recruit competent managers in the HRM area. As this area has been neglected in the past, finding competent HR managers is not going to be an easy task. Therefore, a plan of action is needed to either find the right man for the HRM job or to train someone to acquire the knowledge and skill competencies in the

Five Key Areas. In addition, this person ought to have the capability to help the management build a culture of high involvement of employees in organizational processes.

Second, we suggest that the function of HRM in these organizations should be redefined. It seemed to us that until today HR function had been a backyard activity in most organization dealing primarily with labour union problems. Mostly, it had been a reactive role. Senior managements would be well advised to reexamine this approach. The desire to solve the current organizational malaise demand that this function must be given a strategic importance. This would require a closer alliance between the HR function and senior management's strategic function.

Third, in our case studies we found that those professional organizations where HR experts and line managers were collaborating in the design and implementation of HRM practices, they had more HA-E type employees and better enterprise performance. Thus, we recommend that an alliance between HR and line managers for the design and implementation of management policies would be in the interest of all stakeholder.

Fourth, assessment of employee types in prismatic and traditional organizations could prove helpful to identify motivational and developmental needs of various employees. This information could then be employed to design training programs and concurrently, putting in place policies and practices that would make these employees productive members of their organizations.

Fifth, managements in South Asia must begin to believe that their competitive strengths lay in their people first than anything else. Therefore, managements in these countries would be well advised to invest in their employees to make them more productive.

Finally, there are some potent lessons for the management training in the South Asian region. The curricula of the management schools need to be revised especially in the area of HRM. We feel there is a pressing need to place greater emphasis upon the development of knowledge and skill-based competencies among managers in the areas of organizational entry and development, organizational socialization, performance management, reward systems, and organization structure and change. Addressing the issue of the training in HRM technology for South Asian managers, Kanungo (1991) suggests the need for training in three broad areas: personnel management, organization development, and industrial labor relations. HRM technology in the area of personnel management can be provided by instituting courses on manpower planning, recruitment and selection, organizational socialization, performance and compensation management. Beyond this type of training, managers also need training in the areas of organizational learning and management of change. The training in organization development would help managers design creative and adaptive organizations to meet the challenges of the competitive environment. The training of managers in the industrial relations functions need to go beyond providing managers with historical and legal frameworks. Training in developing interpersonal and intergroup skills for bargaining and negotiations is essential if one wants to improve the status of the union-management relations in South Asian organizations.

REFERENCES

Feldman Daniel C. 1988 <u>Managing Careers in Organizations</u>. Glenview, 111.: Scott, Foresman & Co.

Kanungo, R.N., & Mendonca, M. 1992 <u>Compensation: Effective Reward Management</u>. Toronto: Butterworths.

Kanungo, R.N., & Misra, S. 1985 Developing Work Motivation in India. <u>Indian Management Journal</u>. All Indian Management Association, May 1985, 6-14.

Kanungo, R.N., 1991 Training Needs for Human Resource Management in India. <u>Indian Journal of Social Work</u>, Vol. LII, No.4, 475-483.

Kast, F.E., & Rosenzweig, J.E. 1979 <u>Organization and Management: A system and contingency Approach</u>. New York: McGraw-Hill,

Mendonca, Manuel, & Kanungo, R.N. 1990 Work Culture in Developing Countries: Implications for Performance Management. <u>Psychology and Developing Societies.</u> Vol. 2, No 2., 137-164.

Miyan, M. Alimullah. 1985 HRM in Bangladesh. <u>Indian Journal of Social Work</u>, Vol. LII, No. 4,533-552.

Qureshi, Z.I. 1986 Management in Pakistan: Motivation and Leadership Styles. <u>Pakistan Administration</u>, Vol. 23, No. 1,15 - 28

Scarpello, V. G. & Ledvinka, J. (1988) Personnel/Human Resource Management. Boston, Mass: PWS-Kent.

Ulrich, D. 1990 Organizational Capability; Competing from the inside out. New York: John Wiley.

Wanous, J.P. 1992 (2nd ed.) Organizational Entry: Recruitment. Selection, Orientation and Socialization of Newcomers. Reading, Mass: Addison-Wesley Publishing Company.

Table 1
Number of Organization Types

SECTORS	ORGANIZATION TYPES		
	Professional	Prismatic	Traditional
MNCs	4	1	0
Manufacturing	1	5	6
Banking and Finance	1	3	3
Trading	0	1	2
NGOs	0	2	0
TOTAL	6	12	11

Table 2
Number of Individuals interviewed

Interviewees	Name of countries			
	India	Bangladesh	Pakistan	Sri Lanka
Academics	27	11	-	7
Managers	19	13	49	8
Personnel managers	13	6	52	5