Problems and Challenges in Human Resource Management:

A Case of Large Organization in Pakistan

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Abstract

This paper critically analyzes the work culture for a mainstream financial organization operating within Pakistan, while drawing a specific example to elucidate certain dilemmas that impede the potential growth for the financial sector and its constituent workforce, besides hampering the performance of the organizations. The case study is related to an organization in financial sector which conducts a Management Trainee Program with the purpose to select, train and develop a high-potential pool of talent into future leaders and fore-runners of the organization. This paper critically analyzes several inherent problems that face the successful implementation of the trainee program under the frameworks of various theories of organizational management. To solve these problems, this article presents a detailed diagnosis of the management shortcomings to improve the firm's corporate culture, work ethics and employee handling strategy and mechanism. Recommendations are also made to minimize the problems and maximize the success of the Management Trainee Program in the case study organization.

Keywords: Human resource management, management trainee program, problems, challenges, motivation.

1. Introduction

There is growing evidence that human resources are crucial to organizational success, and may offer the best return on investment for sustainable competitive advantage (Luthans and Yousef, 2004). Therefore, in this paper, the authors argue that the organizations in financial sector should adopt human resource management (HRM) at strategic level and benefit from emergent approaches of HRM to attract, retain, develop, and motivate the talent. Significant research in domain of human resource management focuses on attracting, motivating, and retaining the knowledge worker (see: Horwitz et al., 2003; Horwitz et al., 2006; Baron et al., 2001; Evans et al., 2002). So-called best practices of attractive job design, high pay-offs, paid holidays, skill enhancement programs, increased autonomy, and flexible work hours are used by the employers to attract the experienced as well as young professionals to work for them (Olson, 2003; Stovel and Bontis, 2002). Every firm wants the best people to work for it and makes every effort to maximize their performance. To get the best people, organizations often pull staff from their competitors by offering them better monetary packages. These factors have resulted in unprecedented job uncertainty. Necessary lay-offs have exacerbated the situation by reducing the organizational loyalty to new lows. Several scholars describe this situation as "war-for-talent" (Hargie, 2004; Michaels et al., 2001).

A study of McKinsey & Company consultants exposed the "war for talent" as a strategic business challenge and a critical driver of corporate performance (see Michaels et al., 2001). They found that secret of high-performing companies, as compared the average-performers, was a pervasive talent mindset. They believed in superior talent and its management as their competitive advantage. This is what most average- and low-performing companies struggle with. They are either incapable of attracting the right talent or fail to cherish and leverage it when they incidentally get it. War-for-talent has not only emerged as one of the biggest challenges of contemporary business world, but fighting and winning over talent to enhance organizational competitive advantage has emerged as core strategy of several fast growing organizations.

Winning the fierce competition businesses is rather easier through organizational capabilities such as speed, responsiveness, agility, learning capacity, and employee competence. Boudreau and Ramstad (2005) argue that as organizations increasingly compete through talent, their investments in human capital will determine their competitive positions. In the war-for-talent, successful organizations will be those that are able to quickly turn strategy into action; to manage processes intelligently and efficiently; to maximize employee contribution and commitment; and to create the conditions for seamless change. However, organizations who have not responded to the emerging talent crisis are already suffering from what many scholars now call an impending "leadership crisis" (see: George, 2003; Toor et al., 2006;). Describing the so called leadership crisis, many scholars as well as practitioners have lamented asking "where have all leaders gone?" (Bennis, 2005; George and Sims, 2007). Rock (2006) argues that many business organizations lack the right people and adequate talent to take up the leadership positions.

This paper presents a case study of an organization that has been unable to manage its human resources and hence faces many related problems. It critically analyzes how and why the case study organization failed to integrate their HR policies within their strategic agenda which eventually led to several HR related problems such as inability to attract, develop, and effectively utilize the talent. Along with the analysis, recommendations are made as to how organizations can better integrate their HR policies as a part of their organizational vision to achieve their objectives.

2. Study Objectives

This study has the following objectives:

1. To critically analyzes the work-place culture of an organization in the financial sector
2. To study the problems related to HRM in depth from a specific perspective of   management trainee program
3. To analyze the factors leading these problems
4. To suggest detailed recommendations to overcome the HRM-related problems

3. Methodology

To address the above objectives, in-depth case study method was adopted. For this purpose, interviews were conducted with 45 management trainees who were recruited under the management trainee program in the case study organization. Interviews were conducted over one year time during May 2005 to May 2006. These interviews were usually informal to ensure that the trainees were at ease to answer the questions and elaborate the real-life situation and problems in openness. Interviews were also conducted in informal settings during coffee breaks, lunch times, and walk-in appointment with the trainees. A typical interview lasted 15-20 minutes. Notes were taken during the interviews and anonymity was ensured to the interviewees. Interview questions mostly focused on: effectiveness of the management trainee program; problems that the trainees were facing during the appointment; work-place culture of the organization; potential of the program in terms of intellectual development of the trainees; adequacy of employee-reward system; fulfillment of personal needs; work-life balance; and fulfillment of contractual obligations from the perspective of the organization.

In addition to the interviews, secondary data was collected from the documents available within the Organization's database. These documents generally included history of the organization, annual financial reports, monthly news letters and periodicals, reports on management trainee program, values and ethics code, employee handbook, database of employee feedback surveys, performance appraisal matrices and related documents.

Details from the secondary documents were then integrated to formulate the case study background which was helpful during the case-analysis stage. The case analysis was performed by a team of researchers comprising 4 members. Details of the analysis were discussed in several meetings to ensure that each interview was discussed in sufficient detail and all secondary documents were adequately analyzed. The context of the interviews was also taken into account to refrain from environmental and personal biases of both interviewee and interviewers. During the case analysis stage, notes were regularly taken to ensure the listing of all emerging problems, environmental and other factors leading to the emerging problems, and recommendations were well listed that were being highlighted during the analysis. In addition to this, issues that needed further data collection from the trainees were noted down. Some of the previously interviewed trainees were contacted again to discuss such issues to elicit their response on the relevant matters.

4. Background of Case Study Organization

The case is related to a large organization providing consumer, commercial and corporate financial services. It is one of the leading organizations in the sector, following a path of aggressive growth to increase its deposit base, branch network and services to the customers. Having inherited some of the very renowned professionals from a globally acclaimed organizations, the management of the organization is known for its visionary capabilities. The organization started off with the strategy to carve a distinct position in the market place for itself by providing quality services to its customers through increased presence. Inline with this strategy, the organization started off with its Management Trainee Program to support increased operations in the times ahead.

Although the organization was actively hiring experienced professionals from the market and fresh graduates from different universities through its other professional development programs, the purpose of starting over the Management Trainee Program was to hire and train workforce that will eventually take the responsibility of future management of the organization. For this purpose, the best graduates from top national and international universities were recruited, provided 3 months theoretical training and 6 to 12 months on-job training followed by active rotation in all the departments of the organization. Eventually, after two to three years, the Management Trainee Officers (MTO) were typically promoted as managers of a particular departments within a particular Branches.

Since the training of these MTOs involved immense capital and resource investment, the organization wanted to ensure that these officers do not leave the organization immediately after acquiring the training without paying it off through their services. For this reason, it bound the officers through a minimum service bond which required these officers to serve at the organization for at least two years or else pay a penalty for leaving earlier. However, the condition of minimum service was not taken as something skeptical by the initial batches of these MTOs because of the promising career prospects offered to them by the organization.

Although the organization never fell short of the expectation from the Management Trainee Program and MTOs were offered proper training and lucrative growth prospects that matched any other program being conducted at other financial organizations, rapid expansion started taking its toll after a couple of years of the introduction of this program. The organization expanded to a stage where it became difficult for the senior management to monitor all the operations very closely. Lots of responsibilities were delegated to the middle management. Structure of the organization was changed from two-tiered (wherein the branches were controlled by the head office) to a three-tiered one, with the introduction of areas offices between branches and head office. In short, branches were reporting to the area offices and they in turn were reporting to the head office.

Although the above-mentioned restructuring was much required to support the organization's expansion, it did not prove to very beneficial for the culture and vision of the organization. The middle management did not share the vision of the senior management. Since they were delegated with increased responsibilities, they overlooked the importance of training of the MTOs. The officers were not provided with proper on-job training which required rotation in all the departments of the organization. Instead, they were assigned permanent assignments just like the regular officers. Departments were assigned based on the whims of Branch Managers rather than the skill set or aptitude of the officers. This resulted in assignment of trivial responsibilities to most of these officers. When the officers raised their concern of job rotation in front of the Branch Managers and the Area Managers, they were apprised that the issue will be resolved soon. However, what used to happen was otherwise. The branches and areas offices were busy achieving their business targets and were least concerned about deploying resources for training of these officers, oblivious of the intent behind such training. In fact, most of the Branch Managers had quite a negative opinion of these supposedly pampered officers based on their prior sour experiences with some of the seniors MTOs.

Since the middle management could not deliver on its promises, the officers approached Human Resource department for resolution of this issue but were given a deaf ear. The senior management, which initiated the whole Management Trainee Program, was busy handling the sponsor's ventures into other sectors and hence was not able to attend to the burgeoning problem. This was the time when the officers found themselves left at the mercy of the middle management.

The officers were anything but satisfied with the way the organization was treating them. Every coming day witnessed the violation of claims it made to these officers. They were offered no job-rotation. The responsibilities which were assigned to them were trivial at best in most cases. Their managers were not willing to listen to them.

Since the organization was undergoing rapid expansion, there was employee shortage in almost all the branches. To cover this gap, most of the MTOs were used as fillers to do tedious assignments for long hours. Working till 7 to 8 pm in the evening and confronting their managers every now and then for trivial assignments, which added no value to their career development, became a routine for the officers.

On the other hand, the financial sector of the country was thriving at that time. The demand of finance professionals increased in the sector, increasing the pay scales. Where the management of the case study organization was reluctant in giving increments to its employees, most of the other organizations were offering attractive packages in addition to better working environment. However, since the MTOs were serving there minimum service bond, they could not consider the option of quitting the organization for something better. Furthermore, they could feel the middle management exploiting them on the basis of this minimum service bond and that they were being taken for granted.

At the time of annual appraisal, most of the MTOs were not consulted while being evaluated and appraised on basis which reflected little procedural justice. Even those who were evaluated justifiably also did not get the reward they expected. All these conditions left the officers disheartened and forced them to consider the option of leaving the organization as soon as their minimum service time period ends. While they found no out-let to their grievances, they started sharing their concerns with each other.

As fate could not help to test these officers one last time, the senior management was presented this dissatisfaction of the MTOs as a conspiring mutiny. Senior management, unaware of the treatment provided by the middle management to these officers and oblivious of their own responsibilities, perceived that the officers are instigating a rise up within the organization by convincing others to leave the organization. Instead of inquiring about the reasons which led to this situation, the senior management blatantly convicted the officers for being the cause of the problem. Consequently, all the officers involved in the episode were reprimanded and their annual increments were cancelled. All these not only led to increased turnover of these officers after the end of their service bond but also gave other employees of the organization a warning signal to reconsider the option of staying with the organization.

5. Case Analysis

The above case is analyzed under the existing frameworks of the following five theories of motivation:

1. Equity theory
2. Herzberg's theory
3. Maslow's hierarchy of needs theory
4. Expectancy theory
5. Theory X and Theory Y

5.1. Equity Theory

Every organization wishes to inculcate healthy competition within its workforce. This competition and the lure of incentives helps one to achieve one's fullest potential. Needless to say this forms the bedrock of highly profitable and sterling organizations. Just imagine a situation where everyone was shed with same rewards oblivious of the dedication and justice done to the job. This will de-motivate high esteem and hardworking knowledge workers who will be ranked at par with less competitive peers, hence having negative consequences on the performance of the workforce. We need to motivate the workforce by enticing them to the prospect of greener pastures for putting in the commensurate amount of effort.

This rewards system will become a double edged sword if it is not implemented intelligently by the top echelons in the organization. Perception is everything and the management needs to ensure that the workforce view its pay and reward structure as free from any biases.

Employees will tend to compare their rewards vis-à-vis the effort put in with those of several other referents. This is the Output/ Input (O/I) ratio and will determine the attractiveness of the incentive structure.

Three situations can arise in the given circumstances:

$O/I_A < O/I_B$ (Where A is the individual and B is the referent)**:** Employee perceives this as Injustice since he feels that he is undervalued as compared to the referent. He may attribute this to factors like subjective bias and nepotism. This may de-motivate him from performing at his optimal level.

$O/I_A = O/I_B$: Peace and harmony prevails. The employee feels justified that he has been awarded fairly.

$O/I_A > O/I_B$: Inequity due to being over rewarded. Creates guilt and may make him complacent to future challenges.

In the current case there is a prevalence of first situation where the employee feels that he is cheated after comparing his peers in rival organizations. The referent here is his peers from the rival organizations. The MTO is using self-outside and other-outside according to the equity theory. This has led to decreased job satisfaction and a grudge against management for not rewarding them based on the prevalent market rates. These dissenting voices have spread quickly within the organization leading to a decreased morale among the cadre, consequently taking its toll on the productivity and the output of the workforce. They are not even able to switch loyalties as they are tied to the present employer through the minimum service bond.

Hence, according to the equity theory MTOs are changing their inputs. The theory also establishes that given payment by time, under rewarded employees will produce less or poorer quality of output. Effort will be decreased, which will bring about lower productivity or poorer quality output than equitable paid subjects. This reflects what is happening in the organization. The management of current organization should consider sharing the information openly on how allocation decisions are made, following consistent and unbiased procedures, and engaging in similar practices to increase the perception of procedural justice. By having an increased perception of procedural fairness, employees are likely to view their bosses and organization positively even if they are dissatisfied with the salary, promotions, and other personal outcomes.

5.2. Herzberg or Motivation Hygeine Theory

Herzberg proposed that the spectrum of emotional states extend beyond the satisfaction and dissatisfaction level. This means that the opposite of dissatisfaction is not satisfaction and vice versa. There are some factors like company policy, salary structure, work conditions which if adequate will lead to no dissatisfaction, if not enhance satisfaction. Substandard hygiene factors will lead to dissatisfaction which will be detrimental to the organizational environment.

In the current case, as it has been mentioned above, the senior management was oblivious of the fact that there was a lacuna in the expected hygiene factors at the lower levels. The salary structure was out of sync with the compensation package at the rival organizations. Although case study organization employees put in the same effort but they were awarded with lower salaries leading to a lower Output/Input ratio. This callous attitude on the part of the management pestered the workforce that was no less in competency when compared to its counterpart at other rival firms. This led to a sinking feeling in the camp with everyone trying to jump off the board as soon as possible. Even the work conditions were not up to the expected level. The officers were made to stay late and the middle management treated them inappropriately. The senior management did nothing to placate the condition, thus leading to a lack of serene environment at the workplace.

All these ensuing factors contributed towards higher dissatisfaction within the workforce. They found themselves in a precarious situation with no reprieve in foresight, leading to increased frustration levels. If the organization wants to motivate its MTOs, it will need to improve its hygiene factors while emphasizing intrinsic rewards associated with the work. Such rewards can include: promotional opportunities, opportunities for personal growth, recognition of work, better job design and increased job responsibility.

5.3. Maslow's Hierarchy of Needs Theory

Maslow's hierarchy of needs identifies five distinct levels of needs: physiological, safety, social, esteem, and self-actualization. A hierarchy of these five needs exists such that as each need is substantially satisfied, the next becomes dominant. Elaborating further on what each need entails, following is a brief description:

1. Physiological needs include hunger, thirst, shelter, sex and other bodily needs.

2. Safety needs includes personal security from crime, job security, health and well being and safety from other physical and emotional harm.

3. Social needs include affection, acceptance, belongingness and friendship.

4. Internal esteem includes self-respect, autonomy and achievement, while external esteem includes status, recognition and attention.

5. Self-actualization includes the drive to become what one is capable of becoming.

Maslow has also separated these five needs into higher and lower order. While physiological and safety needs are included in the lower order needs, the latter three are regarded as higher order.

Analyzing the case in terms of the Maslow's theory, the authors realize that dominant need for the MTOs was supposed to be self-actualization. This is also justifiable as all the MTOs were highly qualified and needed the highest level of motivation to be driven for work. They should have been provided job security, financial satisfaction, recognition, respect and attention by the organization to set a base for the MTOs, from where they can prioritize their self-actualization needs and focus on career progression and high productivity by achieving their potential. However, the case witnesses an exploitation of the lower needs by the organization where appropriate respect to the MTOs was not given by the middle management, senior management was not attending to their issues, financial security was lacking with low comparative salaries and job security was questioned when several MTOs were forced to resign.

All these abuses lead to a situation where the officers were not anymore prioritizing their self-actualization needs. They were not focusing on improving productivity and performing better to bag promotions as most of the time was spent working and struggling on the lower order needs. The change in needs itself was having a negative impact on the organization's business as proactive improvements measure were replaced by increased time spent on grievances and considering options to quit the organization. In order to rectify the situation, the HR department of the organization needs to take strategic measures to ensure that all knowledge workers achieve their desired level of motivation in order to remain driven in their work.

5.4. Expectancy Theory

Expectancy theory argues that the strength of a tendency to act depends on the attractiveness of the outcome and the strength of the expectation that the act will lead to that outcome. The theory discusses the following three relationships:

1. Effort-performance relationship. This relates to the perceived probability by an individual that a specific amount of effort will lead to a specific level of performance.

2. Performance-reward relationship. This point to the perceived chances of a given level of performance leading to a given reward.

3. Reward-personal goals relationship. This talk about the level of satisfaction of an individual from the reward system.

The organization appeared to miss out on all the three relationships. The rewards that were given to the MTOs were not coherent with their expectations and personal goals. Similarly, the offered incentives were also not inline with market benchmarks. Because of lack of procedural justice, the mapping of performance with reward was not clear. Officers were not sure as to what level of performance would ensure them a specific increment or bonus. Absence of explicitly chalked-out service level agreements and job descriptions made it difficult for the management to gauge the performance of the officers. On the other hand, officers were also not sure how much effort would lead them to a specific level of performance. All this decreased the motivation for the officers to work hard and put in effort, as they expected that this will not generate the expected results. In order to motivate the MTOs, as it is apparent from the above analysis, the organization needs to adopt the HR measures which can successfully result in coherence of efforts, performance, and reward relationships.

5.5. Theory X and Theory Y

Douglas McGregor introduced two distinct human being views in the form of Theory X and Theory Y. Theory X, the negative view, assumes that:

1. Employees dislike work and if given a chance, will tend to avoid it.

2. They simply want job security and have little ambition.

3. They will tend to avoid responsibilities.

4. They must be controlled and coerced to deliver results.

Theory Y, the positive view, assumes that:

1. Employees are generally ambitious.
2. People have a natural tendency to take responsibilities.
3. People will exercise self-control and self-direction.
4. Innovative decisions can come from across the hierarchy of the organization instead of just the top echelons.

The feedback from a majority of officers reflected that the middle management at the organization had adopted theory X in case of the MTOs. Newly recruited MTOs, rather than being provided with appropriate on-job rotations during their initial time period, were tested for their patience. They were delegated tedious yet cumbersome assignments. Part of the justification for such treatment is provided by the middle management on a number of occasions where they express their perception of MTOs as high pampered officers, who do not want to get their hands dirty with routine assignments and who have to be forced for every assignment. Instead of understanding the potential and capabilities of the officers and assigning them work accordingly, the middle management was operating more on its negative preconceived notions, which it is not willing to change, despite strong performance by several MTOs. This approach itself was taking a toll on officer's performance.

6. Summary of Problems

From the above analysis of individual motivation theories, following major problems were shortlisted:

1. Strict joining terms for the Management Trainee batch with a minimum service bond.
2. Exploitation of employees by the management on the back of minimum service agreement, which included smaller increments, no job rotation and late working hours.
3. Low job satisfaction of the employees because of lack of tangible (Salary and Benefits) and non-tangible (Good treatment from the supervisors) extrinsic job satisfaction factors.
4. Low job involvement for employees with superior academic background.
5. Human Resource department did not work proactively to resolve the resentments of the employees.
6. There was no procedural justice system in the organization. Since a lot of the information was not conveyed to the employees, communication gap existed therein as well.
7. Organizational commitment diminished because of lack of incentives and exploitation of employees' conditions.
8. Voicing of dissatisfaction by the employees.

6.1 Factors Causing the Problems

Some of the factors leading to the above problems include:

1. Fast business growth that was not coupled with proper workforce expansion. Increased work for the same number of people meant more hours at work.
2. Increasing firm's size compelled the change in organizational structure from a two-tiered to a three-tried one, with increased delegation of discretionary powers to the middle management at the Area Office level.
3. Inappropriate inculcation of firm's vision from the senior to the middle management.
4. Conflict of interest in training new MTOs and achieving their business targets.
5. Low accountability and monitoring of middle management actions.
6. Less attention by the senior management to the management trainee program.

6.2 Recommendations for Problems Related to HRM

Management needs to take control of this sinking ship if it wants to be in the business. Employees are one of the key stakeholders and unsatisfied employees will depreciate the customer satisfaction, lowering the company turnover in the process.

6.2.1. Revision of salary and incentive structure

One of the foremost concerns is the employee's perception of inequitable compensation structure. Management needs to rectify this and propose incremental incentives based on both the Employee as well as the Organizational performance.

There are various variable pay schemes which will propel employees to achieve more in anticipation of higher returns. These include:

1. Merit based pay plans
2. Bonuses
3. Profit-sharing
4. Gain sharing
5. Employee stock ownership plans.

This will recognize employees and galvanize them in sync with the organizational goals.

6.2.2. Develop procedural justice and accountability mechanism

The management badly faltered on the procedural justice front. No feedback was taken while appraising the employees by the senior management. Many MTO were perplexed on receiving their appraisals without any feedback taken from their end. Management defended itself against the rebuttals by citing paucity of time as the main culprit. This blatant use of authority should be avoided. Management needs to heed to the advise of the MTO and base their appraisal and incentives by listening to their concerns. This will in turn increase faith in the management and will propel the Output/ Input ratio (Equity Theory) close to near perfection.

All the three relationships in the Expectancy Theory should be clearly defined by the organization to build a transparent and robust mechanism where employees have all the reasons to put in effort and perform. Some of the steps required for the implementation of procedural justice and accountability mechanism would include:\

Developing appropriate service level agreements (SLA), service level specifications (SLS) and service level objectives (SLO).

1. Clearly defined services performance metrics should be developed within service level agreements.
2. Clear outlining of methodology involved in conducting employee appraisals should be ensured.
3. Rebuttal of employees, reflecting their satisfaction on the conducted appraisals, should also accompany the appraisal documents, validating the sanctity of the process.
4. Manager feedback should also be taken where the subordinates provide feedback on their managers. Anonymity should be maintained for such feedback to avoid any confrontation between the managers and their subordinates. To assign importance to such a system, middle management reward evaluation metrics should count in this factor as one of the important aspects in determining manager salary structure and growth prospects. This would help in rooting out the manipulation that was widely witnessed in most of the interviews, primarily since the middle management was not accountable for their treatment of their subordinates.

6.2.3. Greater autonomy across the organizational hierarchy

The Organization also needs to provide more autonomy in decision making so that an employee doesn't feel secluded from the organization. Management should adopt a participative approach which will allow employees to participate in the decisions that affect them. When the employees realize that their reward and compensation is dependent on exogenous factors, which they have no control on, self-efficacy would decrease, resulting in diminishing productivity. Developing procedural justice, increasing transparency and providing greater autonomy, all would help in restoration of self-efficacy amongst the employees, although the process is expected to take time.

6.2.4. Management by Objective

It was observed that there was a conflict of interest between the top and middle management of the organization. While the top management emphasized more on job rotation of the MTOs, increased autonomy and participative management, the middle management was totally averse to the given idea. They forced the MTO to do mundane routine work in order to meet their own targets. This is the clear case where the top echelons of the company need to

monitor the middle management and ensure the implementation of Management by Objective theory within the organization. This will help to remove all the conflict of interest that existed therein.

7. General Discussion

HRM involves development and implementation of strategies that are internally consistent organizational objectives and ensure the contribution of human capital of towards the achievement of those strategic objectives (Baird and Meshoulam, 1988; Huselid et al., 1997). Firms, who learn to manage their human resources as a part of their organizational strategy, enjoy a long time to come because acquiring and deploying human resources effectively is cumbersome and takes much longer (Wright et al., 1994). Studies have also shown strong positive relationship between strategic HRM with reduced employee turnover, higher productivity, greater cost effectiveness, and greater overall efficiency organizational performance (Arthur 1994; Ferris et al., 1990). Studies have also shown that innovation largely depends on attracting, building and nurturing key capabilities (Pavitt, 1991) and innovation attitude of employees is related to the employment conditions (Storey et al., 2002).

However, to effectively integrate the HRM with strategy, it is important to comprehend the internal and external factors that may influence the effectiveness of strategic HR. Khatri (1999) notes that the link between HRM and strategy depends on the type of strategy pursued by the organization, organizational culture; the competencies of HR managers, and vertical and horizontal fits of HR function with the strategy. Other factors that influence the adoption of strategic HRM include: firm's market orientation, HRM importance and, HRM competency, ownership types (local or foreign owned, firm size, nature of business, and various socio-cultural dimensions (Horwitz et al., 2006).

Now the question is which HR strategies possess a great deal of potential for gaining and sustaining competitive advantage. Schuler (1988) notes that most organizations generally determine their human resource practices based on six different aspects of human resource management: planning, staffing, appraising, compensating, training and development and labor–management relations. Studies have shown significant relationship between these organizational function with organizational performance. Although financial rewards and remunerations are mostly often used to attract and retain talent, they do not commensurate with personal satisfaction and job motivation. Horwitz et al. (2006) argue that many firms strive to be an 'employer of choice' by establishing an impression of high performance, a reputation for advancement opportunities, challenging work environment, and better work–lifestyle benefits. Establishment this kind of firm-character is known as branding (Capelli, 2001) and is used by many firms as strategic HR policy.

Some of the new and innovative HR strategies to motivate and retain the talent include: offering challenging projects and work assignments, giving freedom to plan and work independently, providing performance feedback, using incentive bonuses, ensuring a regular contact with senior executives, giving opportunities for development in specialist fields, providing attractive pay packages (Horwitz et al., 2006). Some other innovative HR strategies include: evaluation of the contributions and utilization of knowledge assets, knowledge sharing and help given to others and opportunities and access to leading edge technology (Hansen et al., 1999; Kinnear and Sutherland, 2000). All these strategies are attractive and workable given the context is favorable.

Case study in the current paper shows that there are many take-aways for organizations in terms of how they manage their human resources. Analysis and subsequent discussion shows that higher salary and fringe benefits are not sufficient to attract and retain talent within an organization. There are many innovative ways that HR managers can use to effectively manage the human resources within their organizations. The most important lesson to take away is collecting feedback from the employees. In most cases, employees know very well what motivates them. Therefore, regular feedback from employees can provide HR managers a comprehensive game plan which they can use to retain and develop the existing talent. They will see that these policies will also help them in attracting more talent.

8. Conclusions

This research presents a case study of an organization that has been relatively unsuccessful in adequately conducting the management trainee program. Analysis of the case shows that many underlying factors actually led to several problems that resulted in low motivation, high rate of turn-over, decreased productivity, and deterioraation of work culture, and lack of trust in the organization. Analysis of different theories of motivation also shows that adequate measures can be taken to improve the management trainee program. Given the shortage of human resources in Pakistan, this study carries important lessons for organizations. If they need to attract, retain, develop, and capitalize their human resources, they will need to adopt strategic HR measures rather than just relying upon the emergent HR practices. Future studies can expand the research scope to study the motivational level of regular employees at

different levels of the organizations. Such studies can provide comprehensive understanding of the existing situation regarding the subject and hence will better enable the organizations to devise measures to improve their HRM.

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