

UNIVERSITY OF MANAGEMENT AND TECHNOLOGY
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**TOWARDS AN INDIGENOUS PERSPECTIVE ON HRM: A STUDY OF TEXTILE
INDUSTRY OF PAKISTAN**

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QAMAR ALI - 070492002

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ABSTRACT

The purpose of this study was to identify external and internal forces shaping HRM practices in textile industry of Pakistan. The study aimed to describe the context specific HRM practices in textile industry. Interviews were used as a source of primary data collection. Taking Faisalabad city as a case, top HRM officials from ten respondent organizations in textile industry were interviewed. An interpretive approach to research design was adopted using 'human as an instrument' for data analysis.

Findings of this study illustrate that due to extensive competition in last few years HR planning has received serious attention in textile industry. Recruitment is challenging in case of hiring of skilled workers, because skilled labor is not abundantly available in labor market. Selection is centralized as far as mainstream hiring is concerned. Mostly candidates are selected on reference basis, because of the political backgrounds of most of the textile owners. Industry is male dominated which is mainly because women are reluctant to work in a highly male dominated work settings where language and behavior of seniors do not suit to females. Training is found dormant in current circumstances, due to financial setback in industry. Energy crisis has struck badly to the industry and organizations are not in a position to invest in activities like training and development. Moreover, raises in salary are not given on regular basis and performance appraisals are mostly kept confidential which create a feeling of stress and disharmony among workers.

Textile industry is largely affected by its customers who are its leading stakeholder. Compliance to minimum wage rate, child labor regulations, overtime of workers, and quality standards etc. are some of the areas where customers demand their expectations to be met by organizations. Moreover, customers are expecting the organizations to establish backup units overseas to reduce the risk of delayed and/or poor quality supplies. Countries like China, India, and Bangladesh are posing huge threats to the industry.

The industry is at best dominated by family owned businesses and now the young generation, after education from abroad, is taking charge of their parents. Assumptions about workers are getting transformed. Fresh leaders are thinking different from their predecessors. However, there is a state of inertia in textile industry where young leaders have an uphill task ahead to remove the obstacles in the course of change.

This study suggests that organizations should acquire as well as develop international level workforce as they are moving overseas. Employees should be considered as a critical asset in this competitive global environment. Young leaders, with positive assumptions about workers, should transform their organizations from typical seith-type cultures towards decentralization, autonomy, mutual trust, and respect.

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CHAPTER 1: INTRODUCTION

1.1 RATIONALE OF THE STUDY

Researchers in the field of human resource management have most recently argued that theories of HRM developed in the US do not essentially generalize to other regions. For example, Brewster (2007) questioned the universal application of American model of human resource management and argued for European model of human resource management. Budhwar and Debrah (2009) have stressed the need to perform local studies in Asian countries so as to draw attention to the context-specific character of personnel functions and HRM systems for different Asian countries. The significance of context in theorizing about human resource management has received so much attention in recent years that human resource system and practices are being studied at various levels of analysis including region, country, industry, sector, and organization (Budhwar and Sparrow 2001; Khilji 2001; Brewster 2007). The effect of economic, political, legal, social conditions on HRM both at regional and country level in Asia has been observed in recent years in most Asian nations (Budhwar and Mellahi 2006; Budhwar and Debrah 2009). Pakistan is, however, not included in most of these studies.

In spite of its multi-cultural and multi-ethnic set-up, among world's greatest populations in numbers, nuclear power, and strategic geographical location (gateway to Central Asian Republics), Pakistan has received little attention in management research in general and HRM research in particular. Few researchers have talked about the dynamics of HRM in the Pakistani context (Khilji 2001; Khilji 2003; Yasmin 2008) . Mostly these studies have been done in banking sector. Thus, there is

need for conducting studies in other important sectors of Pakistan economy such as textile sector.

1.2 MOTIVES AND GOALS

The major motivation was to extend the understanding of environmental and organizational factors affecting HRM practices in the textile industry in Faisalabad. The main reason to select Faisalabad for this study is the substantial contribution of Faisalabad in overall textile production of Pakistan. While the impact of external and internal factors on the choice of HRM practices is widely recognized across the nations, it seemed to be possible to know exactly about what were the prominent variables in the context of Pakistan. Since, certain external and internal variables and key HRM practices and outcomes are found as a result of this study, so it will be quite useful to develop a theoretical model of HRM in Pakistani context which can be used for future research and practice in this field.

1.3 RESEARCH QUESTIONS AND OBJECTIVES

The basic objective of this study was to examine the impact of internal and external contextual factors on HRM practices in the textile industry in Faisalabad. Following were the central research questions to guide the proceedings in this study

1. What are typical HRM practices in the textile industry in Faisalabad?
2. What are major external factors which affect HRM practices in the textile industry in Faisalabad?
3. What are major internal organizational characteristics which affect HRM practices in the textile industry in Faisalabad?

1.4 RESEARCH STRATEGY