

COMPREHENSIVE STUDY ON EYE OF PAKISTAN'S ELECTRONIC WORLD PIONEER- A CASE OF PAK ELEKTRON LIMITED

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ABSTRACT: *Employees at all levels are the essence of an organization. Realization of this fact is increasing importance of Human Resource Department rapidly. The aim of this study is to explore the Human Resource Department of Pak Elektron Limited which is a pioneer in manufacturing electronic goods in Pakistan. The Human Resource Department of Pak Elektron Limited work as eyes, without it Pak Elektron Limited cannot visualize and explore the heights of success. Results of paper were generated by conducting in-depth structured interview. This study was outcome of valuable conversation held between the Group Members and the Team Leader of Pak Elektron Limited Human Resource Department along with five employees. The result indicates that Pak Elektron Limited has a strong Human Resource Department and is very conscious in appointing employees as crystal clear recruitment process plays a key role in the success of any organization and retaining customers in this era of global competition. This paper will help human resource managers of other firms to learn human resource practices followed by an organization under study and can become successful. Limitations are also discussed in this paper which will help in elaborating this study.*

Keywords: PEL, HRM Practices, Human resource department (HRD).

1-INTRODUCTION

Pak Elektron Limited (PEL) was constituted in 1956 with the technical cooperation of M/s AEG of Germany. In October 1978, Saigol Group of Companies took control of Pak Elektron Limited. Pak Elektron Limited is deep-rooted and strong company. It is well structured and is an experienced organization which prospers swiftly that's why study about this organization will appear to be very constructive. PEL has different departments which are working in coordination to make our lives more comfortable. The company is divided in two divisions.

- i. **Appliances Division:** It is producing home appliances like refrigerators, deep freezers and air conditioners. PEL deep freezers are ISO 9002 certified. Due to reliability and high quality, its deep freezers are the preferred choice of companies like Unilever & Engro Foods.
- ii. **Power Division:** It is manufacturing electrical equipment like energy meters, transformers, switchgears, compact stations, shunt capacitor banks etc. PEL is one of the leading electrical equipment provider to Water and Power Development Authority (WAPDA) and Karachi Electrical Supply Corporation (KESC), which are the largest power utilities in Pakistan. [1,2]

An important feature of PEL which allows it to increase its customer base is innovation. It has a formal and fully functional Human Resource Department. The Human Resource Department of Pak Elektron Limited work as eyes, without it Pak Elektron Limited cannot visualize and explore the heights of success. It is an important pillar of this organization and no single person is adding in the organization without the final approval of this department. It is giving golden employees to organization by heavily investing on them and thus PEL is producing hundreds of engineers, skilled workers and technicians. It focuses on following steps in order to refine the talent: job analysis, recruitment, selection, orientation, training & development and performance appraisal. Careful decisions are also made regarding incentive, benefits and salary scale of staff. These roles are discussed in detail in this paper. All of these roles are quite distinct from the HR department of other electronic

companies in Pakistan. The educated and skilled workers help PEL to stand in any problem faced by the organization.

2-DEFINITION OF TERMS:

Human Resource Management (HRM): According to Buchanan and Huczynski [3] "HRM is a managerial perspective which argues the need to establish an integrated series of personnel policies to support organizational strategy".

Job Analysis: Byars and Rue [4] define job analysis as "it involves determining the tasks that encompass the job and skills, knowledge, abilities and responsibilities required of the receptacle for successful job performance".

Recruitment: Erasmus, Van Wyk and Schenk [5] describe recruitment as "human resource management activities aimed at attracting potential job seekers to fill a specific vacant post."

Selection: According to Bratton and Gold [6] "selection is the process by which managers and others use specific instruments to choose from a pool of applicants a person or persons more likely to succeed in the job(s), given management goals and legal requirements".

Orientation and Placement: It is a planned introduction of employees to their jobs, their co-workers and the organization per se." [7]

Probationary Period: "A period of time to allow employees to settle into the organization, to learn the new job and to receive any required training, normally six months". [8]

Training and Development: Patrick [9] define training as "Training is the systematic development of the attitudes/knowledge/skill behavior patterns required by an individual in order to perform adequately a given task or job"

Development is defined as "Encouraging employees to acquire new or advanced skills, knowledge, and viewpoints, by providing learning and training facilities, and avenues where such new ideas can be applied". [10]

Incentive and Benefits: Burack and Smith [11] describe "An incentive scheme is a plan or programme to motivate individual or group performance. An incentive programme is

most frequently built on monetary rewards but may also include a variety of non-monetary rewards or prizes”

“Employee benefits are all forms of consideration given by an enterprise in exchange for service rendered by employees” [12].

Performance Appraisal: According to the Professor of Management, Sir Wayne Cascio

“Performance appraisal is the systematic description of an employee’s job relevant strengths and weaknesses” [13].

Equal Employment Opportunity: “Equal employment opportunity means giving people a fair chance to succeed without discrimination based on factors unrelated to job performance, such as age, race or national origin” [14].

3-HUMAN RESOURCE DEPARTMENT (HRD) OF PAK ELEKTRON LIMITED:

PEL HR is playing vital role in the company’s growth.

Job Analysis

The person who conducts job analysis is known as job analysts. Steps in job analysis are:

1. Preparation of job analysis.
2. Collection of job analysis.
3. Applications of job analysis.[15]

Head Of each department identifies the need of employees and provides complete details about responsibilities, duties, skills and working conditions of the required job. Information is collected by meeting of Head of Each Department with HR department. This method improves efficiency of PEL. In this organization redesigning techniques are less in use but they use job rotation as per need of organization, they move employees from one job to another to avoid boredom and to make them expert in various task.

Recruitment:

Internal recruitment:

Internal recruitment is the method in which openings are occupied by internal employees.

External recruitment:

When it is not possible to fill openings internally as the organizations have to look outside for applicants. This is known as external recruitment. [16]

PEL usually conduct recruitment through social network, referral and placement office of university. They do not hire any external source for recruiting. When there is lack of potential internal employees in organization then process of external hiring is adopted but preference is given to internal recruitment. In case someone leaves the organization then they promote subordinate whose promotion is due. PEL does not prefer using newspaper and websites such as rozee.pk instead of it they prefer to post vacancies on their official website, twitter and Facebook. Challenge which HRD faces during recruitment is scrutinizing of more than 150 resumes that they receive for a new opening and then choosing from these, a candidate who best fit in PEL.

Selection:

Selection criteria which is in use in PEL includes health (physical appearance of the candidates and their activeness is observed), communication skills (applicant way of talking,

convincing and ability to deliver idea is checked) and technical knowledge.

Firstly employees give an initial interview, those who clear interview appear for written test, after short listing employees passes through personality and subjective test then HOD view interview and after final interview applicant is selected. Here technical, medical and psychological test are in use for employee screening. Technical (knowledge) test include math and other technical based test. Medical test includes genetic screening, drug test and other fitness test. Along with these, personality and temperament test are also used for selection. For fresh candidates, company use structured interview (Predetermined checklist of questions, usually asked of all applicants), behavioral interview (Questions limited to hypothetical situations, use to judge nature of candidate) and assessment centre (A process in which multiple rates evaluate employee’ performance on a number of exercises.).They check the background from reference or with the help of previous employer. Once an employee is selected, they go through an orientation phase. It is an ongoing socialization process of employee in an organization. It helps to reduce anxiety levels of new employee and give him/her right direction from the first day thus employee remain happy and this reduces organization cost of recruiting new employees again and again [17]. New recruiters’ learn about the organizational structure, policies of organization, job related information, hierarchy of organization and about various departments of PEL during orientation. After having introduction with organization employee enter into probation period. This period is 6 months for fresh candidates and 3 months for experienced candidates. PEL’s working hours are almost same as in other organizations that is 9am to 5pm for manager and for other Staff 8:30am to 5pm. In this organization only 32 leaves are allowed per annum. Company takes all steps to retain existing employees and do not fire them; if they do so the only reason will be misconduct of organization policies or violation of code of conduct.

Training and Development:

Training is used for technical staff, lower and middle level managers, but in some cases it is also used for senior managers and professionals. Organization use two methods for analyzing training; organizational analysis (it find in which part of organization there is need for training) and individual analysis (here need of training is analyzed by observing difference between desired performance and employee’s actual performance). Training is conducted on regular basis through seminars, workshops, courses based on requirements along with internal as well as external training. Presentation techniques, simulation (this includes games used to improve decision making power of employees) and action learning are common methods in use. The duration of training for diploma holder is of 2 hour per session and for other purpose it is half or full day training. Online Training feedback forms are used to find out either training brings desired results or not and both the HR and the HOD evaluates the trainings.

For employee development, Head Of each Department (HOD) help HR department in order to decide how to

develop their employees. Technique of “mentoring” is used for employee development. Training methods also play important role in employee development at PEL.

Incentives and Benefits:

Monetary benefits which PEL is offering includes leave encashment, loan facility, provident fund and medical benefit. In PEL, there is one dispensary for employees. Nonmonetary benefits include titles like ‘employee of the month and employee of the year’. Other benefits are insurance benefits, security benefits (employees are provided with safety equipment like gloves, mask etc.), time off benefits and work scheduling benefits (after completing task worker can go at any time). Along with these benefits they are offering competitive salaries to their employees.

Performance Appraisal:

To make sure existence of only honest and industrious workers and to motivate them, PEL uses rating scale method. It is the oldest form of performance appraisal. In this process the rater gives subjective assessment of an employee’s performance, ranking him/her from low to high [18]. Following steps are followed for performance appraisal: First objectives are set at start of year then employees are informed how much to produce or sell and finally evaluation is made semiannually. For feedback, upward feedback method is used in which all decision about the performance of employee is made by immediate supervisor.

EEO (Equal Employment Opportunity):

HRD of PEL encourages equal employment opportunity. They make no difference between gender, cast and religion. All promotions are entirely made on merit. At PEL there is one employee union CBA (collective bargaining agent) for the welfare of employees but they keep their objectives in accordance with aim of the company, so positively contributing to the growth of the company and employees. At PEL employee motivation is given significant importance. To retain employees and their energies at workplace company organizes cricket galas, talent days, e-learning, kids gala, magazines and annual dinners.

4-METHODOLOGY:

The population of this study was PEL from which Human Resource Department of PEL was selected as sample. Study used comprehensive in-depth structured interview method. Team lead (learning and capacity building) of HRD was interviewed. Information was saved by writing down the answers given by representative. At start general information about organization was asked and then moving toward HRD questions interview ends with representative final words about their Human Resource Department.

5-RESULTS AND DISCUSSION:

This research was conducted to find out working of HRD of PEL. For this purpose we initially interviewed team lead (learning and capacity building) of HRD. From him we asked some general questions. When we asked him about company vision, he told us that company want to excel through continuous improvement. He informed us about organizational hierarchy which starts from chairman, then

move toward managing director, general manager, senior manager, manager and ends at staff. Informing us about number of employees, he replied that there are 18 managers, 68 executive staff members and 3500-4000 employees. Regarding branches of PEL he told us that two factories are running in Lahore. Head office is in Lahore within one of the factory. Company has its marketing departments in twenty nine different cities involving Karachi, Multan, Dera Ghazi Khan, Islamabad, Faisalabad, Sahiwal etc. After this general discussion he introduced us with employees. From those employees we selected five employees for interview. All of these five employees were from different departments. Two employees were female and three were male. We asked questions related to different sub areas of human resource management. Details are as follow:

Job analysis:

Three questions were asked. Employees were asked that how jobs are identified and how information about job is gathered in your organization. They informed that their heads do have meeting with head of HRD. In those meetings, heads provide detail regarding jobs and inform about posts which are empty. We also asked them about job redesign activities. Employees replied that such techniques are not much in use but two employees told us that their head use job rotation so that employees can have diversified skills.

Recruitment:

On asking about recruitment policy they informed that as company hire very talented applicants so company prefer internal recruitment but external recruitment is also used if need arises. One employee told that he apply for PEL by looking ad on Facebook while one female told that she was hired by PEL on basis of reference by one of her friend working in PEL. On the other hand, remaining employees were recruited through university placement office.

We asked them that what type of challenge you think is faced by HR head while recruiting. One employee from HRD told us that as PEL is very flourishing organization so lots of people apply for job. Thus choosing best candidates from many curriculum vitae is challenging for HRD.

Selection:

Regarding selection criteria employees said that organization can’t compromise on health, work related knowledge and communication skills.

On asking about selection process employee told us that there is a fixed procedure which starts from initial interview. Those who passes through interview phase give written test, personality test and finally HOD do take interview. One employee shared an experience that two of the very talented candidates were not selected because they were not physically fit. In answer to question regarding type of interview two of the candidates told us that they like structured interview style as it avoid discrimination. Employee from marketing department informed that during interview such questions were asked which determined his behavior. We questioned them that what they learned during orientation. One female employee from finance department, who was recently hired, expressed that during her orientation she learned about organization policies and her work. She also got introduction with all departments. She also told that

she came as a fresh candidate so her probation period was 6 months. While one experienced employee stated that his probation period was of 3 months. On asking about timings we were informed that PEL follow standard office timings. In answer to question regarding firing policy, all participants were happy that our heads avoid firing. They always give us one chance. One employee shared an experience that an employee was immediately fired as he did serious misbehave with HOD.

Training and development:

Our team asked employees six questions regarding training and development. When asked that how training need is analyzed one employee told us that HRD keep monitoring employees. It happens many times that he was not able to meet given tasks. When he continually showed bad performance, he was given training. Another employee informed us that organization also observe various organizational sectors to identify training need. In answer to question regarding training techniques we were informed that presentation techniques, simulation, workshops, seminar and action learning methods are in use.

We also get information about training duration which is of 2 hours per session for diploma holders. There is also training sessions of half or full day.

One employee told us that he have a mentor to help him in development. Some training methods are also used during his development.

Incentives and benefits:

When we started discussion regarding incentives we founded employees very happy from benefits provided in PEL. One of our team member questioned employees to enlist about monetary and nonmonetary benefits. Female employee told us that she easily got loan from organization. Another employee stated that she is suffering from backbone problem but PEL provides such a good medical package that she don't feel burden of medical expense. Moreover we were informed by an employee that he had received title of "employee of month" two times. An employee told us that his mother was admitted in hospital. He was allowed by organization to complete work early and can leave for hospital.

Performance appraisal:

Five questions were asked regarding performance appraisal. Employees were inquired about performance appraisal techniques. They informed us that in PEL rater do subjective evaluation of employee performance. Scale ranging from low to high is used for this purpose. Along with above questions some questions regarding equality, union and motivation were asked. There were about four questions. All of the five employees agreed that selection take place purely on merit and there is no biasness or discrimination. Every one of them was member of a union known as CBA. Moreover many events are arranged for motivating employees like kids gala, annual dinners etc.

6-CONCLUSION:

Pak Elektron Limited is a market leader in manufacturing of home appliances and electrical equipment. It is flourishing due to its intelligently designed strategies and policies. The

root of their prosperity is that they understand the importance which workforce has for an organization. HRD of PEL is adding to the success of company through its efficient recruitment, well organized training and developing techniques. PEL is making best use of social media for recruitment. During recruitment and promotion they make no discrimination between applicants and employees respectively. The company is giving various benefits to employees and best thing is that head of each department work with HRD which help in dealing with workers in a better way. PEL HRD is continuously playing its role in employee satisfaction, retention and motivation. A good characteristic of PEL HRD is that they hardly fire their employees. This thing eliminates fear of losing job among employees so they work with more dedication. Seniors provide feedback on regular basis to their subordinates. This help them to learn from their mistakes and improve them.

7-RECOMMENDATIONS:

Below are few recommendations after analyzing PEL HRD: Along with rating scale method, PEL should also use psychological appraisal and 360 degree feedback system for performance appraisal. Adoption of job enlargement, work team and other techniques will help PEL in better redesigning of job. In order to get more applicants they should use newspaper for advertisement.

8-LIMITATIONS AND FUTURE RESEARCH:

The various limitations of this study require discussion so that they can guide in future research. First, current study results were generated by visiting only one factory of Lahore so in future both factories in Lahore need to be visited for more understanding about working of PEL HRD. Second, this study was based on conversation with one representative of HRD. To explore more, panel interview can be conducted. Third, this research is confined to only HRD of PEL. Knowing about the success of PEL it is essential to study other departments of PEL. Moreover other electronic companies in Pakistan can be selected for further study.

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APPENDIX

INTERVIEW QUESTIONNAIRE

QUESTIONNAIRE FOR HR PROJECT

HRM DEPARTMENT

1. Company Vision and Policy?
2. Objectives of HR department?
3. Organizational Hierarchy?
4. Branches / Business of PEL?
5. HR department manager?
6. Total Number of Employees?

JOB ANALYSIS

- Q.1 How do you identify jobs in your organization?
- a) Payroll record b) organization chart c) discussion with worker and supervisor
 - d) Any other (_____)
- Q.2 Which method is used to gather information about job?
- a) Interview b) Panel of experts c) Mail questionnaire d) Observation
 - e) Other (_____)
- Q.3 Technique of job redesign for
- Under specialization (reengineering, work simplification)
- Over specialization (job rotation, job enlargement, job enrichment, work teams)

RECRUITMENT

- Q.1 Which policy is used for recruitment?
- a) Internal versus external recruiting b) Employment at will policy
 - c) Lead the market pay strategy d) Image advertising
- Q.2 Which type of challenge is considered biggest in recruitment procedure?
- a) Recruiter habits b) cost c) organizational policies d) human resource plan
 - e) EEO (equal employment opportunity) legislation f) other (_____)
- Q.3 Which channel is adopted for internal recruitment?
- a) job posting program b) departing employees
- Q.4 Which channel is adopted for external recruitment?
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- Q.5 What other sources are used for recruitment?
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SELECTION

- Q.1 Which things are considered during selection (selection criteria)?

Q.2 Explain your selection procedure?

Q.3 Which type of test is used for selection?

a) Psychological test b) knowledge test c) performance test d) attitude and honesty test d) Medical test

Q.4 Which type of interview is adopted by your selector?

a) Structured interview b) unstructured interview c) mixed interview d) behavioral interview e) Stress interview

Q.5 How do you do to check applicant background?

Q.6 Probation period

Q.7 Firing policy

Q.8 Working hours and leave policy

Q.9 Who have the final hiring authority?

ORIENTATION AND PLACEMENT

Q.1 Explain your orientation procedure?

TRAINING AND DEVELOPMENT

Q.1 How do you analyze that there is need of training?

a) Organizational analysis b) Operational analysis c) Individual analysis

Q.2 Which method is used to train your new employees?

a) Presentation technique : _____

b) Hands on technique : _____

c) Group building technique: _____

Q.3 Time period of training?

Q.4 Which method is used to evaluate training?

Q.5 Which approach is used for employee development?

a) Formal education b) Assessment c) Job experience d) Interpersonal relationship Q.6 What issues are faced in employee development?

a) Glass ceiling b) Succession planning c) Training methods

d) Other (_____)

INCENTIVES AND BENEFITS

Q.1 Monetary incentive?

a) Piece work b) production bonuses c) commissions d) other (_____)

Q.2 Nonmonetary incentive?

Q.3 PEL gives following benefits:

Insurance benefits _____

Security benefits _____

Time off benefits _____

Work scheduling benefits _____

SALARY SCALE

For new employee _____

Department wise pay scale _____

PERFORMANCE APPRAISAL

Q.1 Which method is used?

1. Past orientated appraisal method

- a) Rating scale b) Checklist c) Accomplishment records d) Behaviorally anchored rating scale
- e) Other (_____)

2. Future-oriented appraisals

- a) Self-appraisals b) Psychological appraisals c) Management by objectives d) Assessment centers Q.2 Upward feedback or 360 degree feedback system?

Q.3 Which approach is used to measure performance?

- a) Comparative b) Attributes c) Behavior d) Result e) Quality

Q.4 Source of getting information about employee’s performance:

_____ Q.5 Please explain more about performance appraisal?

OTHER QUESTIONS

Q.1 Employee unions exist in PEL?

Q2. Pay for performance is applicable?

Q3. Do you practice equal employment opportunity?

Q4. Techniques for motivating employee & effect of motivating employee

Q5. Obstacles in employee motivation

Q6. Which type of environment is provided to employee?

Q7. Span of management

GENERAL FEEDBACK

Give some general feedback regarding HRM?
