

## Human Resources Management in Nepalese Context

✍ Basu Dev Sharma Poudel \*

Human resources are the most potential resources for the overall development of a state. A country is able to flourish its socio economic development path only through the skilled, qualified, capable, competent, and committed manpower. No other capital other than the human capital can bring miracles in the society. All people possess energy and physical strength; however people become human resource when they combine energy and physical strength with competencies. Competencies consist of knowledge, skill, attitude and potential for growth. Various factor of production remain idle and neutral unless and until they are wisely mobilized by qualitative human resources. Human being is the only one factor that can convert desert in to a fertile land. It is the only one key to produce unprecedented result and outcome from the given resources. It is human who devise the methods by which other resources can be converted in to usable forms. Large amounts of natural resources are not by themselves sufficient to guarantee economic growth. In order for natural resources to have an effect on economic growth human must be included. Human resource development (HRD) thus is the process of value adding through people. Human resource management (HRM) is the mutuality between employer and employees mutual goals, mutual influence, mutual respect, mutual rewards, and mutual responsibility. The theory is that policy of mutuality will elicit commitment, which, in turn, will yield both better economic performance and greater human development.

People are the focuses of HRM. Organizations need people and people need organizations. HRM is concerned with the people dimension in organization. It is an essential function of management. It is every manager's job. Human resources are people who are ready, willing and able to contribute to organizational objectives. It is human who devise the methods by which other resources can be converted in to usable forms. In order for natural resources to have an effect on economic growth, human must be included. Human resource can be a significant source of competitive advantages both in a national perspective and organizational perspective.

**“Our people are our most important assets”**. In the organization only profit generating assets contribute for efficiency and effectiveness. It is the HRM that produces profitable result. Because organization's human resource is a significant source of competitive advantage. HRM is an important strategic tool to establish sustainable competitive advantage. HRM refers to those activities which are necessary for staffing the organization and sustaining high employee performance. Achieving competitive success through people requires a fundamental change in how manager think about their employees and how they view the work relationship. It involves working with and through people and seeing them as partners, not just as cost to minimized or avoided. That's what organization such as standard chartered bank, Buddha Airlines and kantipur publication are doing. In addition to their potential importance as part of organizational strategy and contribution to competitive advantage an organization's HRM practice have been found to have a significant impact on organizational performance.

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\* Under secretary, Financial Comptroller General Office.

HRM is a “geocentric attitude” A world –oriented view that focuses on using the best approaches and people from around the globe. It realizes that “**Better people achieve better result**”. Human being or employees are the giver not the taker of the organization. Their best contribution changes the situation and provide distinct image in the crises. Therefore a rational organization cannot minimize the role, scope and importance of human resources. Something happens in any organization to achieve high performance that lead to objective accomplishment. Human resource is a pivotal resource, which only can mobilize other resources to achieve desired ends. That’s why developing and managing human resource is crucial.

### **Why HRM is important**

HRM is concerned with management of human energies and competencies for achieving organizational objective through acquisition, development, utilization, and maintenance of a competent and committed work force in a changing environment. It develops and utilizes human potential. It creates harmony between the objectives of organization and the objective of the individuals. It views human being as resources to be developed rather than as costs. It adopts to the changing political-legal, economic, socio-cultural and technological forces. Consider these questions: Why the nation is backward though it has sufficient quantities of natural resources? Why the nation is highly developed who has not required natural resources base? It is only through the good quality and fully devoted and committed people who made this possible. So it is clear that Human resource is a pivotal resource which only can mobilize other resources to achieve desired ends. That’s why developing and managing human resource is crucial.

HRM operates in a rapidly changing environment. It helps manage change in organization. It maintain high moral of employee. It is an important strategic tool for achieving different types of goals. HRM is a significant source of competitive advantage.

HRM process consist of various activities from starting to work performance and getting competent employees and keeping them are critic to the success of organization.

High performance work practice is an end result which can only be obtained by HRM process. HRM improves quality of relationship between employees and the total working environment. HRM ensures cost effective utilization of human resources. HRM continuously develop employees. Better quality human resources improve productivity.

### **Some Issues on human resources management**

21<sup>st</sup> century showing tremendous opportunity and expectation in the world besides it’s a lot off challenges and risk. The last decade of 20<sup>th</sup> century brought a revolutionary change in management practices. Changes are occurring rapidly across a wide range of issues. The recent scenario of economic liberalization and process of globalization increased the importance of HRM by manifold. Modern organizations are increasing in size. With the increase in size, complexities of managing them are also increasing. Technological changes have led to rapidly changing jobs and skills required to perform them. This poses challenge for HRM to avoid skill deficiencies. HRM concerns are increasing for the management for work teams, virtual teams, reengineering and total quality management. Human resources outsourcing is increasing. Social responsibility has become important. The nature of industrial relation is changing. Interest of weaker section of the society, especially dalit, peoples of indigenou group, women and peoples of backward society is important. Such concerns pose challenge to HRM.

Boundary less organization, Global thinking, multinationals, Free movement of product service and knowledge creating world wise competition. Economic and commercial relations among the

states is replacing by the political and cultural relationship. People are becoming more and more laborious, selfish, career oriented, self centered, luxurious and culture oriented. Various questions are arising in the society concerning the HRM and development. When we talk about human resource we think it has two aspects. One is development and other one is management. Development of human resource includes value adding process. Value adding activity can be done through the education, Imparting knowledge and skill, Formal and informal schooling and training. Development of human resource in particular countries largely depends on how well the human resource planning architecture has been traced and implemented. Every organization and its management

### **Critical issues**

HRD is concerned with developing competencies of people in organizational setting. It is related with preparing employees to work effectively and efficiently in the organization. As we know that human resource are the most valuable assets of any organization. It is needed for environmental adaptation, Managerial succession, Future growth and change and manages change and conflict? But different issues are their regarding the HRM in the organizational and national context still remains to be solved. Which are as follows?

- Positive attitude, morale, confidence and risk bearing ability.
- Issues on institutional norms, believes, values, culture and experience sharing.
- Issues on relatively permanent change in behavior through experience (Learning problems).
- Getting /developing and retaining competent people.
- Serious responsibility taking on HRM otherwise work performance and goal accomplishment may suffer.
- Encouragements to non performer worker for leave.
- Issues on skill concerning Technical, Interpersonal, and problem solving
- Issues on high performance work practice.
- Maintain human resource inventory data base of overall information of employees.
- Honoring and awarding performance for motivation.
- Sexual Harassment (Absenteeism & low productivity-low turnover) Managing workforce diversity - (recruitment, selection, orientation and training).
- Work life balance (Personal life, Feelings, Problems and family commitments).
- Boundary less career, Dual career couples. Family –friendly benefits.

Currently HRM is facing seriously on the issues of Empowerment, Capacity development, People centric development, Knowledge, skill and income enhancement. Human development related index and other socio economic, gender and inclusive issues. Getting and keeping quality employees is critical because the quality of an organization's human resources directly influence how well the organization performs. Therefore executive at all organizational levels must take their HRM responsibilities seriously.

### **HRM process and their drawbacks**

HRM process plays a key role on the overall development of human resource policy, HRD and its mobilization according to the requirement of the state. These activities are necessary for staffing the organization and sustaining high employee performance. The problem of brain drain, unemployment, underutilization of the human capacity and other manpower related problems

along with future human assets data base. All these rest upon sound HRM process and its design and structure. HRM process consist the following activities.

**\*Human resource planning:**

The process of predetermining future human resource needs and choosing courses of actions needed to satisfy those needs. It ensures right no of human assets of right kind in right place at suitable time. It makes the real assessment of existing human capital and determines the exact requirement. It facilitate for competent, zealous and devoted human force in the institution.

**\*Recruitment/ Decruitment:**

Recruitment is the act of finding right people for right position at the right time. It is the process of locating, identifying and attracting capable applicants. Decruitment is the techniques for reducing the labor supply with in an organization. If human resource planning shows a surplus of employees, management may want to reduce the organization's workforce through decruitment. Recruitment and decruitment both are equally important for HRM.

**\*Selection:**

Selection is the process of screening job applicants to ensure that the most appropriate candidates are hired. Selection is an exercise in prediction. It seeks to predict which applicants will be successful if hired. Successful in this case means performing well on the criteria the organization uses to evaluate employees. It is an act of identification and selection of competent employees.

**\*Placement:**

Placement is concerned with providing "right man in right job". After the final selection the employees will be placed according to his owned qualification skills interest and experienced area for the purpose of supplying manpower according to the principle of personality job fit theory.

**\*Orientation:**

Orientation is concerned with making familiar with the organization and employees. It is the process of sharing views among organizational overall values system. Employees are formally got such orientation class at the initial stage of their entrance in the organization. Orientation is a kind of socialization process which gives a kind of introduction for the employees as well as for the organization.

**\* Training and Development:**

It is another component of HRM process. To fulfill the gap between organizational requirements and persons availability of knowledge skill and attitude training is given according to requirement. For the purpose of initiating change in the organization training is given. Usually development is related with managerial capacity enhancement but it covers overall development of employees in their career and profession.

**\*Transfer promotion/demotion, retirement:**

Another important but very sensitive component of HRM is transfer of employees in a suitable place. Undesirable and disinterested transfer system produce frustration on employees and positive transfer give advantages for both individual and organization. Demotion is a kind of punishment and retirement is a regular policy and organizational requirement. All these subjects directly affect the HRM process.

**\* Motivation, Performance appraisal, and Reward management:**

An important factor that, affect the whole process of HRM is reward and its connection with motivation and appraisal. A good reward for bad performance is a poison for motivation. A 160

degree appraisal of an employee is appropriate tools for measuring overall performance of employee. Motivation is a result of willingness and ability to work. Which is again affected from knowledge, skill, attitude, resources, opportunity and job satisfaction?

**\*Compensation management, Grievances handling and Employee discipline.**

Employee compensation refers to all forms of financial returns and tangible benefits that employees receive as part of an employment relationship. Grievance is a sign of employee's discontent with job and its nature. It is a written complaint filed by an employee and claiming unfair treatment. Discipline means following of rules and regulations. It means orderly conduct of affairs by the employees of the organization. These issues are very important for human resources development.

HRM in Nepal is mainly concerned with utilizing human energies. It is least concerned with developing human competencies and potential of employees. Its focus is on achieving organizational goals without much regard to personal goals of employees. People are not considered as important assets.

We have poor tradition of human resource planning. The education system is not friendly to the needs of labor market and still we are not making comprehensive human resource surveys. Nepalese organization lack right number and kind of people at the right places and at the right time. Overstaffing is common and most organization lack human resource planning. In the Nepalese context matching of demand and supply regarding the human resource is never considered. The human resource planning function in Nepalese organization needs strengthening. The tendency of dumping "unwanted employees" in the additional group was common in previous days. Now the employees are discriminated on the basis of political parties and their vested interest. A lot of challenges are there regarding career development, competency development, and people oriented changed attitude. Employee moral and motivation both are decreasing in the public sector. The tendency of buck-passing, resisting change and ruler oriented behavior is still working. The model practiced in Nepal is largely personal management oriented. The attitudes of top management are not favorable toward HRM. Top level manager always wants to maintain their position. They avoid risk towards their subordinates and want to get only their personal benefit. From recruitment to retirement only regular types of work are running. A distinct, clear, vision oriented and objectivity oriented strategy and action are still lacking.

**Problems and challenge**

Nepal is facing serious problems on the way of socio economic development process of Nation. A long and deeply rooted conflict and historic achievement still in transition phase. Nepal and Nepalese both are going to rethink about its socio economic structure for the betterment of future. Still we have knowledge but not wisdom. So it is the biggest concern regarding the HRD at present context as well as for future. We are facing these problems only because of lack of full development potentiality of each and every Nepalese. Therefore in coming days HRD will face maximum challenge and threaten for better use of Nepalese human capital and assets.

HRD has remained an area of low priority in Nepal. Right man in right place principle is only in words. Competency development, professionalism, business skill development strategies are only in paper. A small portion of resources is allocating institutionally but a long term human capacity development and potentiality and opportunity enhancement vision is not in initiation. Every organization are searching only foreign tour and training for HRD. Over staffing, low capacity utilization, frustration and negative aptitude on unproductive work are not considering seriously. Only economic planning are discussed and realized but HRD planning are not becoming a

national agenda. In the present context following problems and challenge are their in the Nepalese HRD process.

- Lack of clear destination regarding the use of human potential nationally as well as internationally.
- Lack of Skill and entrepreneurship oriented formal and informal education system.
- Problems of basic needs, infrastructure and insurgency.
- Low skilled human resource even drained to abroad.
- Substantial spending on education but result seems not productive.
- Personal Administration is not well equipped with specialized human resource.
- Very weak and poor human resource planning.
- HRD is given lip service but return is negligible.
- Debates are arising in the recruiting and selection system of public service commission.
- Transfer on so called lucrative place and charming post are made on the basis of political sharing.
- Foreign training and others non fringe benefit are allocating either on the basis of “Aafno Manchay” principle or through “koshali” principle.
- Leadership is possible only from the support of political party not from the competency and performance.
- Production has no sequence to its utilization.
- Promotion has been a debatable issue in course of amending civil service act.
- Incentive structure has not been impartially applied and needs to be thoroughly revised.

Besides these problems and challenges various other human development issues also creating problems to develop competent and dynamic human assets in our context. Conflict, violence, war and HIV/AIDS etc. creating a serious problem for developing human resources. Socio economic exclusion, Low investment in education and health Disparity on the basis of income, employment and participation are other issues to create good HRM system. Millennium development goals are the international aspect of HRD . We are not able to meet MDG through this scenario. HRD programs have remained ineffective in Nepalese organization. They lack clear-cut responsibility, inadequate budget allocation, and poor monitoring and control of HRD programs. Hence, human resources in Nepalese organizations have remained grossly underutilized.

### **Suggestion for improvement**

Human resource means the human energy and capability possessed by employees of an organization. By human energy and capability we mean the knowledge, skill, attitudes, experiences, motivation, physical and intellectual strength, potential for growth, and the like. Human resource is a source of competitive advantage when their talents can be combined together and used for organizational work. Human resource is the most important assets in organization. They need to be developed continuously. All institutions are responsible for developing human resources in organization. We must become proactive to HRD needs for sustaining competitive advantage in a dynamic environment. Following are the suggestion for the better mobilization of human assets in the present situation.

Proper planning between demand and supply of human resources is pre-requisite for sound and conducive functioning of an organization and nation. Such balance can only be achieved through action strategies like.

### **Production strategy**

Strategy of: creating and building right number of people in right size and quality according to exact requirement of the nation. Various technical and non technical school, formal and informal school, college, and university, training and HRD center most think seriously to produce skill and business oriented human assets for the present as well as future need of the society. The HRD institutions have to follow inventing and reinventing strategy, reengineering and multicultural strategy to cope with the change and revolution. We must produce efficient, capable, skill oriented, innovated and entrepreneur people to meet the various requirement of the nation concerning the human capital issues.

### **Attraction strategy**

Strategy of: attracting young and fresh blood in the institution. Choice of toppers/ or keen interest of talent for entering in the organization. Making attracting job profile and position so that markets best resource will be attracted. High morale and motivation with full of job satisfaction, that's why expert will favor the organization climate. Attraction strategy is the only one solution to solve the problems of brain drain. Public as well as private and non government sectors joint initiation is needed to attract the national expert with in the Nation. Various short term and long term package are needed for fringe and non fringe benefit of the employees. Organizational exposure good career system and advancement opportunity are needed for better attraction of the employees.

### **Development strategy**

Strategy of: increasing the knowledge, skills, attitudes, and capabilities of people in organization. It is related with developing competencies of people in organizational setting. It is a process for developing human competencies through time bound organized learning experiences to improve productive contribution of people for achieving organizational goals efficiently and effectively. We can introduce a clear and farsighted policy of HRD after setting a clear objective and scope of HRD mechanism according to the needs of the employees. Learning principle, participation, opportunity for practice is required to develop human resources. HRD results cannot be achieved overnight. One has to work systematically and wait patiently for years to see results.

### **Maintenance Strategy**

This ensures retention of competent employees in the organization. The activities consist of compensation management, labour relation, career planning and development, Employee welfare and quality of work life etc. With out maintaining it is very difficult to supply expert manpower continuously in the organization. Incoming and outgoing flow extremely increases if good maintenance policy is not initiated in the organization. Frustration and negative attitude lead the organizational climate. Maintenance of competent personal is essential for the betterment of the employees and organization.

### **Utilization strategy**

Right man in right place is the basic principle of utilization strategy. Human being's capacity and capability must be utilized in full of extent. If human beings are not used on full capacity they will be idle. Unemployment, underemployment and full employment are the problems of human resource utilization strategy. Opportunity must be given to employees for their better performance. Employee's empowerment, capacity development and best use of their potentiality are the prerequisite for human resource utilization strategy. Use of best talent's, creativity and

innovation are required for better utilization of our resources. Besides these strategy we can use following other technique and tools for the betterment of human resources management and development.

### **Injection of human qualities**

The basic quality that is essential for Nepalese human capital or intellectual capital is human quality. It is a component of strategic value of human skill and knowledge. The employees working in an organization are the owners and users of these resources. As we know that HRM is the process of accomplishing organization's objective by acquiring, retaining, developing, and properly using the human resources in an organization. That's why injection of human skill, physical and mental ability, capability, competencies, commitment and quality is essential. Positive attitude, positive thinking and positive change are very essential to inject new quality and changed values and culture into the human being. A Good quality human being is always required for the overall success of the organization.

### **Establishment of performance oriented culture**

Human capital can grow and develop only in the performance oriented system. Performance oriented culture build the performance oriented system in the organization. Performance system demand improvement on overall aspect but not on single part of the institution. Overall tune and rhythm must be favorable to enhance better quality of working environment and high morale. Encouragement for best performance and comment and suggestion for lower performance are the basic pre requisite for performance system. Every human being needs concentration towards best performance. Their best effort towards Nation building only provides resource oriented result to the Nation.

### **Talk averter but action seeker behavior**

We are in the process of making New Nepal in this context if insist is given only in slogan and lecture the behavior remaining the same. For transformation we need development oriented values norms and standard. Action oriented feelings and positive attitude are needed to bring change and initiate new concept in the development field. Just talking itself is a big barrier for developing process. Whatever may be the implication or result if honest and neutral actions are taken in favor of nation that should be supported from every where. Political conflict interest and issues in every development oriented activities brings big hurdles in action seeking behavior.

### **Committed Accountable and Responsible values**

Commitment is the first stage for human capital formation. Higher level management support accountability and responsibility is needed for the development of human property. Compromise should not be tolerable in developing human assets. Various technical and non formal schools as well as formal schooling most facilitate HRD policy for better use of human resource. The commitment of the state and accountable and responsible behavior of the concerned institution can only inaugurate the long way of human development.

### **Implementation of mentioned declaration**

Only from the implementation it became clear whether organization are talking or doing. Unless and until the process of implementation dose not takes speed the process of human development remains only in paper document. We need implementation rather than planning.



### **Commitment and concentration**

A Strong commitment, positive outlook, and concentration of policy maker toward HRD only can bring change on HRM concept and practice. Honesty sincerity and positive thinking on HRD strategy from the implementation level is essential for its sustainable growth and development.

### **Conclusion**

Whatever we do in the development of human being in the past does not matter. What we do in present to make our human resource knowledgeable, capable, competitive, and situation oriented that is important. A poor, incapable and unskilled manpower can not win the race of 21<sup>st</sup> century. Technology and development speed is going tremendously on increasing trend. Therefore it is becoming very complicated to forecast and estimate about future. What kind of human skill we need in future? What types of people we need? Exactly what quantity and quality of knowledge we need? These are the serious question. An organization can survive only with the consultation of these issues and making feasible solution with these queries according to requirement of the institution. Right decision on human quality and sprite is needed to bring change on mind and body of our people. We are looking for better Nepal, developed Nepal, and stable Nepal. It is possible only from our country man. From our quality Nepalese People not from quantity. **“Nepal does as Nepalese do”** Therefore it is our duty to build Nepalese human resource more qualitative and excellent to solve any challenges raised nationally as well as internationally.

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