

# State of Human Resource Development (HRD) in Pakistan

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**Abstract:** *Trends and perspectives in Human Resource Development (HRD) are changing due to globalization and advancements in information technology. The changing working environment and requirements have impacted the labour market and its requirement for the human resource. Traditionally, training and development and organizational development are considered as the major component of workforce development. This paper reviews the literature on state of human resource development, its emerging trends and perspectives in HRD in Pakistan and contribution in the existing but limited knowledge on HRD.*

**Keywords:** Human Resource Development, Sustainable Development, Human Development Index, Workforce, Training & Development.

## 1. Introduction

Pakistan has the ninth-largest labour force in the world. Of an estimated total of 61 million workers, 94.1 percent are employed and 5.9 per cent unemployed, with young women comprising most of the unemployed (ILO, 2016). Pakistan Labour Force Survey of 2014 has noted that the employment in Pakistani labour market is concentrated in the agriculture and services sectors 43.5 per cent and 34 per cent respectively. Industry is employing only 22.5 per cent of the total labour (PBS, 2013-2014). This huge labour force could be made beneficial with proper investment in the Human Resource Development and paying attention on the emerging trends in the labour markets.

The undertakings of both the private and public sector organizations in Pakistan are increasingly becoming complex day by day in wake of frequent changes in the world economy, information technology, and socio-political milieu. Since the world has become a global village and as such there are certain challenges to run the organizations on international standards and the better HRD is the only solution to overcome those menace /challenges. The HRD should be properly taken into consideration at all levels of both the private and public sector organizations/departments. Therefore, this article reviews the state of human resource development in Pakistan and discusses the new trends in the human resource development. Pakistan has increasingly young population which is one of the biggest resource available. A strategically developed human resource in Pakistan could support country's development.

Therefore, it is vital for the development to review and understand emerging trends in the field of Human Resource and plan its development accordingly. Therefore, the main purpose of this article is to gather evidence on the state of the Human Resource Development, new trends and recommend strategies to address needs of Pakistani society. Another aim of this article is to raise awareness regarding the need to promote HRD. In the end, some recommendation(s) for human resource development for Pakistan Labour Market are also presented in the article. This article is useful for professionals, organizations and individuals working in the field of Human Resource

Development. The analysis of HRD regarding Pakistan is significant because, it contributes in the limited resources available on this subject.

## 2. Limitation

There are several limitations to this article. First, the author has focused mainly on HRD resources that were accessible electronically. Second, there are limited published resources available related to human resource development in Pakistan and the data in this article is collected from secondary resource. Third, it is assumed that larger organizations and bigger cities have more and better organized resources and systems available for the HRD, in comparison to smaller towns and organizations.

## 3. Literature Review

The human Resource Development (HRD) is a growth engine for economics. However, Pakistan is a development country and its Human Development Index (HDI) presents a sad state. As per United Nations the HDI of Pakistan is 0.5 and it ranks 147 out of 188 countries (UNDP, 2016). The link of HRD with sustainable development was recognized in the conference of the Academy of HRD in Asia in 2008. Currently, the United Nations Sustainable Development Goal adopted in 2015 also addresses the need of HRD for sustainable development especially in Goal 4 Quality Education; Goal 8 Decent Work and Economic Growth; Goal 9 Industry, innovation and infrastructure; Goal 12 Responsible Consumption.

Pakistan's poor performance in Human Development affects the state of Human Resource Development (HRD), which is considered as the major key discipline to be focused in recent times because organizational development synergistically depends on the HRD and it translates into better businesses and better societies, changes in the workplace paradigm with globalization, emerges the value of evolutionary knowledge and skills of the individual and society.

The HRD has been derived and connected with training and development, performance management, organizational

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change and organizational learning (Evarts, 1998). In literature mostly used definition is proposed by McLean (2001, pp. 313-326) as "human resource development is any process or activity that, either initially or over the long term, has the potential to develop adult's work-based knowledge, expertise, productivity and satisfaction, whether for personal or group, team gains, or for the benefit of an organization, community, nation, or ultimately, the whole of humanity."

However, there is a huge gap in theory and practice in Human Resource Development. Many researchers emphasize to bridge the gap between theory and practices. Ruona, Lynham & Chermack (2003) claimed that HRD is complex, broad and diverse and real purpose and functions of HRD need to be explored. However, McLean (2001) asserted that HRD contextualization vary among types of organizations and even among countries. Swanson & Holton (2001) connected HRD with training, training and development, employees development, technical training, leadership and management development, organizational learning and human performance technology. Despite of challenges and resistance concur the survival of organization in this era is inevitable by acknowledging the emerging trends and perspectives (Werner & DeSimone, 2011; Yorks, 2005).

Mostly organizations dedicate their financial, non-financial resources and time for the development of their human resource (Casio, 2000). The investment in HRD results in the building and accumulation of human capital which is also known as workforce (Garavan, 2001). The skills of the workforce are also recognized as the engine for growth by several economists. It is also vital for the economic growth. Even though, the most widely recognized indicator of human capital is measured in the terms of formal education and training.

Training, formal or informal is an important tool for improving skills of employees. It is also a prerequisite for a well-functioning organization involving its workforce and improving its income and environment. Due to this fact, many organizations are significantly advancing and investing in the staff training and it is important part organizational development and success especially in the private organizations (G. S. Becker, 1993).

Training is also an instrument joining the gap between prevailing and desired understanding, abilities, competencies and behavior. Nowadays, it has been generally acknowledged that to survive among competing economics, training for the human resources an indispensable benchmark. At work training is additionally essential in deciding efficiency. Likewise, it is critical to consider that most lines of business require abilities which can't be given by commonly useful training in the formal tutoring (UNDP, 2015).

In Pakistan it has been evaluated that keeping trained workers increments in the association profitability, work fulfillment enhances and overall it diminished the turnover (Atif, 2010; Hamid, 2011). Despite, of the expanding acknowledgment of suitable training of workers in various

fields in Pakistan, the educational institutes are denied of appropriate / professional training programs.

#### **4. State of HRD in Pakistan**

Human Resource Development is the strength of the economy and individuals can realize their dreams into reality if their abilities are created and their inspiration level is raised. However, the aptitude advancement has been the most ignored area in Pakistan where professional and occupational abilities are enhanced at a moderate pace while innovative, psychological and individual and social abilities are not given any consideration (Jamil, Hunjra I, & Khalid, 2013).

Majority of the population is illiterate and works as informal sector in Pakistan (PBS, 2013-2014), even then, skills development for the informal workers is completely lacking. There is a need to focus on training and skills development of informal sector manpower in their existing and applicable skills in a more organized and logical basis (Jamil, Hunjra I, & Khalid, 2013). It is also hard fact of this society that the HRD for the daily-wage earners in the industry and manufacturing sector and in the agricultural sectors is ignored.

HRD in Pakistan is addressed by both public and private (Corporate) sectors. In the public sector, after the 18<sup>th</sup> Constitutional amendment HRD is dealt at both federal and provincial level by the (1) planning and development division at federal level and planning and development department at provincial level; (2) ministry of labor, manpower, and overseas Pakistanis at Federal level; (3) Labour and Human Resource Development Departments at provincial level, and other departments working on HRD are (4 ) the National Commission for Human Development (NCHD) and; (5) National Vocational & Technical Education Commission (NAVTEC); (6) Technical Education and Vocational Training Authorities (TEVTA) at provincial level; and (7) Higher Education Commission.

Although, recognizing the importance of human resource development, the Government of Pakistan is addressing human resource development under the Ministry of Overseas Pakistani and Human Resource Development at Federal level and at the provincial level labour and human resource Development departments are addressing the issue of human resource development. A Decent Work Country Plan with the help of International Labour Organization (ILO) is also formed to address the need for human resource development in 2016-17.

However, in Pakistan, HRD is more focused on training and development and it is not treated in a holistic manner for the development of human capital. The formal education system also lacks linking the students with world of work and does not invest in creating human capital. It is noted that the field of HRD is impacted by absence of assets and qualified HRD staff (Jamil, Hunjra I, & Khalid, 2013). In Pakistan, only 2 % of the budget is invested in education and vocational training sector and out of this budget a very negligible budget is allocated for the HRD activities (Aftab 2007). On the other hand, the nonprofit sector, public-private

partnership sector, are more organized and active in the HRD. It is also observed that, there has been a substantial growth in the implementation of HRD at the community and regional levels (McLean et al. 2006) especially by the development sector. As noted by the OECD 2016 official development assistance report Pakistan ranks 4<sup>th</sup> on the 5<sup>th</sup> largest ODA recipient countries and a large part of the official development assistance and foreign funding in Pakistan is invested in the education 24 % and economics 51% areas (OECD, 2016), which directly and indirectly contribute in human resource development and organizational strengthening.

## 5. Emerging Trends and Perspectives

Sustainability of organization depends on the retention and continuous human resource development. Here some trends and their HRD perspectives cumulatively discussed.

### a) Demographic Trends

Demographic trend defined in literature as the term used for variation in population with respect to gender ratio, age distribution, immigrants and emigrants. Demographic changes influenced on the overall economic growth and development of a country (Kelley & Schmidt, 1999). Therefore, organizations consider demographic transition as the major trend in human resource development. Innovation in organizations and turnover rates deemed upon age, workforce diversity and population distribution. Employees entered at same time in the organization have the potential in shaping organizational variability in terms of conflicts and power distribution (Pfeffer, 1985). Hence, top management pivotally understands the organizational demography for smooth growth and functioning of the organization to achieve goals. Pakistan is continually on the sixth position as most populated country in the world. It is also at the experiencing demographic transition; its population is estimated at 195.4 million and approximately 60% is between the ages of 15 to 64 years (Ministry of Finance, 2017).

Rocco, Stein & Lee (2003) extensively worked on age and its perspective in HRD. Apart from training and development, career development and organizational development the three working patterns also studied "remaining, returning and retiring". In the HRD field, working on the older age workforce as the asset of an organization with actively involve them in the development programs beyond their age of retirement. Baby boomers reaching 55-60 years of age in today's era equipped with emerging economic, technological and organizational trends. Glendenning (2000) claimed that previously pre-retirement and retirement issues were focused, however, there is emerging trend for retaining older workers and flex the organizational policies, attitudes and training matters. Definition of older worker has been shifted from chronological age towards more subjective phenomenon based on employee competencies, capabilities and organizational demand (Ekerdt, 2000; Forte, 1999). In the literature it was evident that HRD managers resist to invest in older workers, conversely Allen & Hart; Poulos & Nightingale and Eastman (1998; 1993; 1997) advocated for updating training program and workshops, flexible work

schedules, inventive to retain for remaining and returning workers. According to emerging perspective the environment should be conducive in determining their own work based on their capacity. Age-diverse workforce distributed at all levels and training and advancement based on experience, performance and need of organizations. Later, older workers become business entrepreneurs and mentors. Intergenerational work teams would be developed by HRD managers to increase overall productivity and purge the myths about aged workers productivity.

### b) Gender Diversity

When age is combined with gender, the impact of this intersection is rarely seen. Instead, the organizational culture and norms determine whether the worker is valued or devalued based on one predominant characteristic. There is lack of literature focusing in work strategies and reentry of women employees. However, some literature does address the difficulties women face in receiving job training and placement. Previously, policies and training programs that take into account life circumstances encountered by women and minorities are not present, nevertheless due to divergence and emerging of women entrepreneurs and business icons in recent times, many researchers, HRD managers and organizations highlighting this trend (Brush, 1992). Midlife defined age as 35-54 and older women employees faced problems in job assistance and assigning in training and development programs in certain organizations (Chalfie, 1996). Organizational culture and climate, balance in work and family life and mentoring effect the women employees. Trauth (2009) claimed that individual abilities and influences vary with in gender. Work environment built by HRD, considers on the abilities and professional characteristics to retain them in the organization.

### c) International Workforce

Globalization and urbanization sway international workforce in a country accompanied with inequalities in income, technology and capital trade (Low, 1995). Traditionally, it was viewed threatening and disruptive of the exporter and importer of the workforce. However, today it is considered as the economic growth and development. HRD upgraded the skills and knowledge of the foreign employees that enhance transfer of learning. Cross-cultural diversity evidently has positive impact on profitability of the organizations (Wang & McLean, 2007).

### d) Economic Trends

Individual and organizational development associated with HRD; however, elaborating the paradigm includes economical development at the societal level pierce through contemporary perspectives of HRD. Zidan (2001) implied that human capital and investment in educating and giving training is major factor in economic development. HRD managers and organization supervisors utilize human capabilities in emerging economic trends that are facing ups and downs globally. However, Kelley and Schmidt (1999) asserted that economic growth effected by the population growth and youth dependent population increase. Thus, it is inevitable to retain and develop existing employees to conserve the other resources (Zidan, 2001). Therefore, as

discussed earlier, HRD incorporate older worker and gender diversity with the emerging economic sustainability trends.

### e) Organizational Trends

Organizational trends have been drastically changed for last 2 decades. Organizational behavior, organizational learning and performance, organization culture and climate swamped away the traditional organizational trend. Organizational Development includes policy issues, behavioral deviations, cultural diversity, creative and flexible work timings (Rocco, et al., 2003). Moreover, technological advancements enhance the learning of the employees. HRD simultaneously worked on traditional training and development with blended learning. Instructional strategies anticipated to be employed during the next few years included authentic cases, virtual teaming, problem-based learning and coaching. The technologies deemed useful were knowledge management technologies, cell phones and electronic books (Teng, Bonk, & Kim, 2009). Organizational success depends on HRD, Subedi (2004) claimed that transfer of training ultimately proved to be essential aspect in cultivate in the emerging trends globally.

## 6. Recommendations for HRD in Pakistan

Based on the review of literature on HRD in Pakistan following are the recommendations:

- There is need to address and implement the HRD in all segments of labour market(s) of Pakistan and special consideration should be given to this.
- HRD should be equally available to permanent and contract employees in all sectors /organization(s).
- HRD should be included in the labour policies and legislations to develop human capital in Pakistan.
- The government should fasten the management of both sectors to invest on HRD on regular basis with proper check and balances.
- Increase in the literacy rate and raising standard of education is vital for the human resource development in Pakistan.
- Investing in gender diversity and increasing women's labour force participation is also essential for the HRD in Pakistan.

## 7. Conclusion

The Sustainability of the organizations depends on the HRD consistent with demographic, economic and organizational emerging trends. These trends now implicate positive impacts on the individuals, society and country. Pakistan has abundant human capital but currently, the plentiful human capital is being unexploited because of the lack of proper attention, planning, development, training and its utilization. It is generally observed that even most of both public and private sector organizations still do not pay proper heed to the HRD and resultantly they fail to deliver the services and businesses. Except some large scale organization in both sectors, the lowest incidence of HRD is shown.

The Human Resource Development in Pakistan can assume imperative part in peace, advancement and success of the nation. It can possibly lead the nation to monetary

improvement and additionally to confront the quantity of different difficulties and issues. Human resource development conveys imperative significance for advancement of the nation, however, the bounteous human capital is being squandered and creating numerous different issues because of absence of legitimate consideration, arranging; improvement, preparing and its use.

Further studies of these trends and their short term and long term impacts in various types of organizations are recommended.

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