

Pakistan Society of Human Resource Management (PSHRM)

**Manila/Philippines
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1. Current economic and political situation in the country

Economy and labour market situation

Pakistan's economy continues to maintain its growth momentum for the 3rd year in a row with real GDP growing at 4.71 percent in FY 2016 which is the highest in eight years. GDP posted a reasonable growth over last year. The stable PKR parity also helped in keeping the CPI inflation under control, and in lowering inflation expectations in the country. Inflation and the current account deficit were lower than expected, while foreign exchange reserves strengthened and the budget deficit shrank. There is a further projection for growth in FY2017.

Political situation

The present government when came into power sternly focused to resolve energy issues and followed a consistent reform agenda which remained crucial in achieving macroeconomic revival and stabilization. The infrastructure and power sector development programme under the China Pakistan Economic Corridor will further strengthen the economy. CPEC is an under-construction \$54 billion economic corridor in Pakistan that aims to connect Gwadar Port in south western Pakistan with Xinjiang in far-western China. The project is a collection of various infrastructure and energy projects, and includes the establishment of special economic zones.

Political tension is however still present with neighbouring countries Afghanistan and India.

2. HR challenges

The three main HR Challenges facing the HR profession in Pakistan at present are:

- **Changing Workforce Dynamics:**

As is the global phenomenon, generational differences and shifting workforce dynamics and expectations have companies working hard to keep up. Pakistan enjoys a moderately high growth in population with over 50% of more than 201 million people under the age of 24. The landscape of literacy and education is changing dramatically, with a variety of options for post-secondary education becoming available. In addition to this, it is becoming increasingly culturally acceptable for women to enter the workforce. More than ever, Pakistanis are technologically savvy- with more than 100 million Pakistani's using cellular

phones. In addition, positive economic growth means that more and more employment opportunities are available for the discerning talented employee.

The workforce dynamics and demographics are shifting dramatically, and HR must respond accordingly. Pakistanis entering the workplace have needs that are very different from previous cohorts, and organizations must equip managers with tools to manage this cohort and best utilize their strengths. This effects all HR functions- from Recruitment to Organizational Development to Compensation and Benefits. Companies need to have better focus on employer branding in order to attract talent and become employers of choice in this era of fast marketing and social media. Recruitment drives have to incorporate more technology than ever in order to ensure that the best talent is attracted from traditional and non-traditional sources. The Organizational Development function needs to ensure that interventions are designed for multi-generational employees; and systems such as those in Performance Management and Learning are designed with speed, flexibility and real-time communication in mind. Compensation and benefits are effected as the focus shifts from long term benefits to short term rewards, and there is a change in the need for varied benefits that appeal to the workforce of today- which may include remote-work facilities, increased technology, flexibility, child-care facilities, and recreational activities. The landscape of the workplace is changing and HR must provide the guidance to remain competitive.

- **Innovative HR solutions to meet challenges of today:**

Organizations are also currently facing challenges which include an ever increasing competition for talent and increasing manpower cost.

The 2016 financial year recorded a 4.71% overall increase in GDP which is the highest it has been in the last eight years. With more and more local organizations growing, expanding their operations and looking towards better practices in HR, the stakes are higher in the competition for talent. This ever increasing competition for talent, coupled with an overall cultural mindset change that finds shorter tenures with organizations are more acceptable, has HR scrambling to attract, engage and retain quality talent. HR must come up with creative solutions to do this. Organizational culture, Employee engagement and career development initiatives are at the forefront and have to be taken to the next level with each company developing a customized strategy around this to tackle their unique challenges.

Manpower cost is also increasing in an unprecedented manner. Increased competition for talent is driving compensation scales upwards. This is not all, the minimum wage is increasing annually across the nation- this has amounted to the minimum wage doubling in some provinces over a period of five years. Organizations need to be nimble-footed and vigilant, optimizing talent and resources in the best possible manner in order to counter this. This may require efforts in restructuring, simplification of processes, an increase in technology to automate processes, or outsourcing of some functions and/or tasks. HR

faces the challenge of providing timely and innovative HR solutions to these evolving challenges.

- **HR Standards**

With such evolving challenges, HR professionals need to be equipped with the knowledge, the tools, and access to good quality resources that will allow them to make the best decisions in these Volatile, Uncertain, Complex and Ambiguous times. They need to be well-versed in HR theory, but increasingly the need is for them to have thorough understanding of running the business i.e. core business functions. HR as a profession in Pakistan is still in its infancy and is still faced with the challenge of being regarded as a cost centre instead of a value adding function. This is at least partially due to the quality (or lack thereof) of solutions provided to the sort of issues that are described in detail above. PSHRM has put in a lot of effort into developing better baseline education for HR professionals. The HR Diploma Program that has been introduced in IBA (Pakistan's leading Business School) is a prime example of this. PSHRM is now also expanding its presence nationally and has established another chapter in Lahore in order to do so. With improved and widely implemented HR standards and a Code of Ethics, PSHRM aims to provide leadership in HR excellence and allow HR professionals to become better equipped to add the value that is required.

3. PSHRM projects and initiatives

Major areas of PSHRM activity include the following:

- **HR Leadership Journey**

In an ever-changing world where boundaries are becoming increasingly blurred and interconnectedness is increasing exposure and opportunities, HR Leaders must continue to evolve and rethink the way they attract, engage and manage people. It is increasingly crucial for HR to be at the core of the business, understanding key business challenges and developing innovative and workable solutions in real time with agility and speed. In order to do so, HR leaders must broaden their horizons and equip themselves with the necessary tools for change.

The PSHRM HR Leadership Journey is a program that brings together the greatest HR minds from Pakistan's leading companies in an international setting to explore holistic solutions to the challenges that the new world of work presents. With a blend of renowned international facilitators, peer-to-peer learning and community building, this program allows the participants to use mindfulness and introspection to access their internal strengths, leading towards greater fulfilment and productivity. Conducted in Thailand in 2012 and in Sri Lanka in 2016, the HR Leadership Journey has been a great success!

The HR Leadership Retreat held in Sri Lanka had participation from India and Sri Lanka.

Plan

The next HR Leadership Journey is scheduled to be held on October 18 – 22, 2017
Destination: Indonesia or Lebanon Cost: Approximately \$ 2500/- exclusive of travel

INVITATION TO ALL APFHRM MEMBER COUNTRIES TO ATTEND AT COST PRICE

▪ **HR Boot Camp**

The PSHRM HR Boot Camp is the result of a vision to create and build synergy amongst young, dynamic HR professionals. We achieve this by creating a vibrant culture of exchange and forging bonds which last a lifetime. Interactive events are selected by seasoned HR professionals to stretch participants mentally, physically, emotionally, and spiritually.

Conducted annually since 2012, the HR Boot Camp is PSHRM's signature program and has run 5 seasons to date. HR Boot Camp alumni are now about 150 individuals.

Plan

The next HR Boot Camp is scheduled to be held on August 24 – 27, 2017
Destination: Pakistan Cost: Approximately \$ 100/- exclusive of travel

INVITATION TO ALL APFHRM MEMBER COUNTRIES TO ATTEND AT COST PRICE

▪ **HR Diploma**

- PSHRM has worked with the Institute of Business Administration to outline the courses required for the HR Diploma, keeping the best combination of local scenarios and International best practices in mind. The HR Diploma has successfully been offered for 2 years.

▪ **Speaker Sessions**

Interactive HR Sessions are conducted by the Society every 6-8 weeks focusing on the new HR techniques and inviting specialists in the area of HR to discuss issues and problems. Free of cost for PSHRM members, these sessions are a welcome change for the HR fraternity where participants can network and engage with experts.

Recent speaker sessions were facilitated by Mr. Rahul Baswani, Managing Partner of Sierra Next on the topic of Hogan Assessments, Mr. Paul Keijzer, CEO of Engage Consulting to name a few.

▪ **HR Networking Breakfast**

A monthly gathering of the Human Resource Directors of the leading organizations in Karachi. There is an exchange of best practices, showcasing of innovative HR techniques and ideas.

4. Scheduled Conferences

- **HR & Learning Conference - Connex 2017**

Featuring leading Pakistani and international experts within the field of Learning & Development, the 5th Annual HR & Learning Conference will explore the changing and evolving face of HR in the modern workplace.

The program will incorporate a selection of key note and breakout sessions providing practical advice and information to assist professionals understand the implications for their business and equip them with the tools and knowledge needed to assist them in preparing and adapting to the ever changing landscape.

The approximately 250 delegates from across Pakistan will attend the prestigious conference, which will include all learning and development professionals such as chief learning officers, Directors, Vice Presidents, Team Leaders, Senior Managers and Senior Executives, Business Leaders, Innovators from corporate sectors and Entrepreneurs.

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