

2015-2016 HCMS Scholarship

Question:

Hong Kong's competitiveness hinges on its abilities to meet the demand for highly productive and creative human capital. It is believed that we have no shortage of diligent, productive and creative human capital to a great extent. How then our HR practitioners can help in managing our human capital to achieve their aspirations and unleash their full potentials so that they can further advance Hong Kong's competitiveness for the benefits of the corporation and community at large?

**2nd Runner Up
Ms Wong Sze Wing
Hong Kong Baptist University**

According to a recent survey by executive search firm, Heidrick & Struggles, Hong Kong and Singapore are in the top ranked territories in the world for employee talent. Hong Kong was ranked in 8th place while Singapore was ranked with 5th place.

(Hong Kong Institute of Human Resources Management, 2011) The fact that Hong Kong is one of the international business hubs in the world with worldwide talents is beyond doubt. However, with the aim to sustain its position in Asia as well as in the world, numerous measures in terms of human resources function, namely company culture, compensation and benefits, recruitment and selection, training and development and performance and appraisal, have to be implemented in order to catch up with the fast changing and dynamic business world.

With globalization takes place, multinational corporations from all over the world are struggling and competing with one another in order to fight for market share in Hong Kong. It is because Hong Kong is one of the impeccable places for investors to strive in as a stepping stone to open the potential China market in various sectors. However, survey suggested that the management of human resources tends to be a single biggest challenge for Western companies in China. Such situation links to the importance of culture to help in managing human capital despite the fact that Hong Kong has many culture facets that similar to Western counterparts. Slightly unlike the culture in China, namely, respect for age and hierarchy, “face” and harmony, group orientation and personal relationship (“guanxi”) (Bjorkman & Lu, 1999), Hong Kong highly relies on respect and diplomacy. With the evidence of differential culture, it is important for HR practitioners to realize the difference and to incorporate Hong Kong culture to the company as well as the whole organizational culture.

Besides, an alerting organizational culture of corporate social responsibility (CSR) should also be introduced to the organization for both local and multinational firms. Promotion of CSR is one of the ways to encourage Hong Kong people not only focus on the capitalistic side of business but also emphasize on the side of doing good to the community as a pay back to what the firm has been taken and used. Organizations with good image can help retain more employees and enhance competitiveness. Research found that, “For consumer industries, greater CSP (corporate social performance) is associated with better CFP (corporate financial performance) (Baron, Harjoto and Hoje, 2011). Therefore, incorporating CSR in an organizational culture can strive for benefit of the company as well as the community.

In addition, it is essential for HR practitioners to close the strategic gap between top management and other employees. HR professionals can help

increase the effectiveness and efficiency through establishing better coordination among management and employees. With the goal to help talent to achieve their aspirations and unleash their potentials, HR plays a vital role in the organization by recognizing the competencies of people needed in order to involve them in higher-level management and strategic role. Changing organizational culture by implementing an organizational strategy called Management Enlightenment, which defines as whether the organization has recognized the important role of the HR functions can play in formulating and implementing company strategies (Budhwar & Khatri, 2002). By introducing the Management Enlightenment organizational strategy, HR practitioners can educate top managers about the culture of competencies to search for talents. With the changing organizational strategy, better fit of talent acquisitions for positions are resulted.

In terms of recruitment and selection, appropriate selection method can help to unleash the potentials of people to their job scope. Stuart (2012) stated a case study about conversation between a recent CEO from a global telecom company and his management team regarding the reason that their projects were not being deliver on time, and the suboptimal cost and quality as expected. The reason is that both strong talent and weaker talent were attracted using the talent analysis. Some local and multinational firms in Hong Kong could not differentiate the strong from the weak talents. This alarming problem is certainly one of the issues that hinder talent to develop their own potentials regarding their job scope as they are not assigned in the right position, which they can do their best. Therefore, more analysis over the job responsibilities and recruitment methods should be conducted before hiring new talent in order to let people work in the right position and commit to the company in an ongoing process.

Training and development is one of the most important functions in HR especially when it comes to developing people's potential talent and retention of talent in a fast pace society like Hong Kong. Research suggests that Maslow Hierarchy of needs theory is one of the most commonly used model to analyze the needs of employee over job related issues like job satisfaction, which is one of the indicator and factor influencing people's commitment to an organization. Maslow Hierarchy of Needs theory suggested a pyramid shape needs with self-actualization need on the top of pyramid, followed by esteem need, love or belonging need, safety need and the largest and fundamental

need of Physiological need as the base (Maslow, 1943). It is suggested that higher level of need will be pursued only when lower level of need is fulfilled. Maslow's theory links back to the need of training and development of talent when they commit themselves to work. When an employee is on the middle level or high-level management, he or she will try to pursue esteem need as well as self-actualization need in order to strive for excellence since their physiological need, safety need and belonging need are satisfied. Organizations should show their support by offering training and developmental plan to them in order to retain the talent. Formulating well organized and detail personal developmental plans by HR practitioners to individual talent can motivate and retain talent on the one hand, and help them to sharpen their talent on the other hand. For instance, offering or subsidizing talent to pursue higher education like a master degree may be a good practice. Keeping abreast of current trends by offering professionals a chance to pursue higher education can help both the professionals and the organization to build up competitiveness.

As for performance and appraisal, feedback is highly recommended to be used in a more often manner in order to assist all employees in performing their jobs especially when they are learning new skills and practical knowledge. Feedback culture refers to the organization's support for feedback, including nonthreatening, behaviorally focused feedback, coaching to help interpret and use feedback, and a strong link between performance improvement and valued outcome (London & Smither, 2002). Feedback culture is vital to the enhancement of the improvement of employees in their area of expertise as people seldom know their mistakes and shortcomings unless they receive information or comments from others, especially for those who are significant to them such as spouse, supervisors, friends and parents. The main rationale of performance and appraisal is to evaluate each employee's performance in a fair and standardized way so as to offer them promotion as recognition. This helps improve employee performance in particular and effectiveness of organization in general. Therefore, it is suggested that HR practitioners should offer more useful and appropriate feedback in various evaluation platforms, namely, monthly small-scale evaluation or quarterly evaluation as well as the performance appraisal report at year-end.

Over the past years, HR has become an area of professionalism and requires certain specific knowledge and skills (Armstrong, 2014). Organizations have to

be aware of the role of HR practitioners so as to offer appropriate and suitable assistance to them. It is the job of HR practitioners in establishing policy and modifying the company culture in order to support employees to establish their own long lasting career and commitment to organization. Proper policies and measures can be used in terms of different aspects including company culture, compensation and benefits, recruitment and selection, training and development, and performance and appraisal. Organization with appropriate HR policies would certainly help to raise the competitiveness of Hong Kong as it will help to attract and retain possible potential and excellent talent in the field.

References

1. Armstrong, M. (2014). *Armstrong's Handbook of Human Resources Management Practice*. London: Kogan Page.
2. Baron, D., Harjoto, A., & Hoje, J. (2011). The Economics and Politics of Corporate Social Performance. *Business and Politics*, 13 (2), 1-48.
3. Bjorkman, I., & Lu, Y. (1999). The Management of Human Resources in Chinese-Western Joint Ventures. *Journal of World Business*, 34(3), 306-324.
4. Budhwar, P., & Khatri, N. (2002). A Study of Strategic HR Issues in Asian Context. *Personnel Review*, 31(2), 166-188.
5. Hedley, S. (2012). *How Talented is Your Talent?* Retrieved from <http://www.hkihrm.org/index.php/component/phocadownload/category/39-talent-management?download=179:2012-07-how-talented-is-your-talent>.
6. Hong Kong Institute of Human Resources Management. (2011). *International Talent Survey Finds Hong Kong and Singapore Lead Asia*. Retrieved from <http://www.hkihrm.org/index.php/zh/mb/members-area/hr-references/hr-strategies>
7. London M., & Smither J. (2002). Feedback Orientation, Feedback Culture, and the Longitudinal Performance Management Process. *Human Resources Management Review*, 12(1), 81-100.
8. Maslow, A. (1943). A Theory of Human Motivation. *Psychological Review*, 50 (4) 370-396.