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INTRODUCTION

Modern organizational setting is characterized by constant changing relation to environmental factors and human resources. As regard to the environmental factors, we find changes in the operating organizational structure, the network of the working procedures, customs on norms and the economic, political and the social patterns in which organizations exist. Moreover, there is a constant change in human resources; the individuals are employed daily with new creativity, ideas and experiences, while the existing workforce is also continuously changing their ideas, attitudes and even values. These two dimensions reveal the following trends.

- Increased complexity of the organizations, employment and a clear hierarchy of owners, managers and workers.
- Increased the number of employers, self-employed and enlarged size of workforce.
- Enhance the need of training in view of increased requirements of specialized skills.
- Public interventions and legal complications in employee and employer relationships.
- Enhanced training and development of managers and professionalization of management education.
- Possibility of employment explosion in view of ever increasing size of workforce.
- Rising the formal level of education of rank and file employees who becoming increasingly critical of management malpractice and errors.
- Rank and file employees rapidly growing demands in different employment situations.
- Recognizing of close relationships between profits and earnings and ability to manage human resources.

Indeed these trends manifest themselves in problem areas as identified by the managers in organizational settings. Although the change may provide solutions to some problems, it may create several new ones. There is an urgent need to understand these problems, anticipate them and to find solution to them. The responsibility to find out the solutions to these problems lies with every manager who has prepared to deal with different change effectively through educational and developmental programs. Obviously, every manager is responsible for management of human resources of course with the advice and help of personnel department. Management of human resources is the essence of being manager who has to get things done through the people without whom he can be a technician but not a manager. Thus, every manager has to develop and maintain his competency in managing human resources, which have assumed utmost significance in modern organizations.

CHANGE MANAGEMENT

The times have changed and the role of human resources within the organization needs to change. We can no longer be keepers of the records; we must become keepers of the flame. It is human resource's responsibility to lead the organization in tapping the one remaining resource it has people. In today's global economy, everyone can have the latest computers and software. They can have identical products. What they cannot have are the same people. Each organization is made up of a unique group of people. It becomes the responsibility of human resources to mesh the people with varying backgrounds with its vision and goals to create a merger that will accomplish the objectives of both the organization and the individual. Management needs to realize that in the future, raw materials, finished products and money will not be the keys to organizational success. People will be that key.

Future success will depend on how we use the things that do not appear on a balance sheet or a Profit and Loss Statement, the intellectual capital of the organization, the knowledge its people possess. A recent study of U.S. businesses showed that the best way to improve goods and services and become more competitive.

There has been considerable research on the issues of board level representation by personnel/HR directors and senior HR managers' involvement in strategic decision making. Since the early 1990s there has been a growing interest in international HRM, reflecting the growing recognition that the effective management of human resources internationally is a major determinant of success or failure in international business. There is also evidence that HR constraints often limit the effective implementation of international business strategies. More recently, it has been argued that the more rapid pace of internationalization and globalization leads to a more strategic role for HRM as well as changes in the content of HRM. Yet, while there have been some attempts to integrate international corporate strategy and human resource strategy, surprisingly, the role of the corporate human resources function has been neglected, particularly in the context of the international firm. This seeks to redress the balance. The question addressed is, what is the role of the corporate HR function in the international firm? We found an emerging agenda for corporate HR in international firms which focuses on senior management development, succession planning and developing a cadre of international managers. We conceptualize this as a strategic concern with developing the core management competences of the organization, and argue that it can be usefully analyzed from the perspective of the learning organization.

"The point is the difference in attention to each person can maximize his or her potential, so that organizations can maximize their effectiveness and so that the society as a whole can make the wisest use of its human resources" (Cascio). The challenges of HR managers today is to recognize talent and nurture the same carefully and achieve significant productivity gains over period of time. The organization is nothing but people. Technological advances globalize competition, demographic changes, the information revolution and trends towards service society have changed the rules of the game significantly. "In this scenario, organizations with similar set of resources gain competitive advantage only through effective and efficient management of human resources" (Dessler). The role of HR manager is shifting from a protector and screener to the planner and change agent. In present day competitive world, highly trained and committed employees are often a firm's best bet. HR managers play an important role in planning and implementing downsizing, restructuring and other cost cutting activities. They make the organization into more responsive to innovations and technological changes. Employees are the assets of corporate success. HR professionals can help the organization in selecting and train the employees for any emerging situations and promote commitments of all employees at various levels. In this case the employees can work willingly and enthusiastically and thus a competitive advantage to the organization. Now, employees are seen as the sources of competitive advantages.

A company's human resources represents one of the most potent and valuable resources. Consequently, the extent to which a workforce is managed effectively is a critical element in improving and sustaining organizational performance. Managing people is one of the most difficult aspects of organizational management; it means dealing with people who differ physically and psychologically. Human Resources Management emerged as a practiced personnel function, promising flexibility, and responsiveness and marked increased in the value of the employee. The organizational context in which the human resources management finds itself currently is one of the rapid change and considerable uncertainty. Human resources management is also in the process of change with regard to the nature of the role performed. In the past, human resources management professionals performed many functions themselves. The role they are taking on now is one of consultant to line man

agers, where line managers perform many functions traditionally handled by human resources management professionals. Similarly, the trend is for business to shed all functions not directly related to core business.

The changes surrounding us are not mere trends but the working of large, unruly forces, globalization, which has opened enormous new markets and a necessary corollary, enormous numbers of new competitors; the spread of information technology and the growth of networks; the dismantling of the corporate hierarchy and the politically charged downsizing and job disruption that accompany it.

The new economy is moving away from being asset intensive towards becoming more knowledge intensive. The focus is thus moving from providing product to providing services. As most organizations have access to the Internet and the latest technology, the people within the organization provide the competitive advantage, not the product or the technology. In the new economy, people are an organization's greatest asset. It is the role of human resource management and the human resource professional to nurture this asset. The new sources of sustainable competitive advantage in the new economy have the people at the center creativity and talent, their aspirations and hopes, their dreams and excitement. The companies that flourish in this decade will do so because they are able to provide meaning and purpose, a context and frame that encourage individual potential to flourish and grow. Thus human resources management has an important and essential role to play in organizations in the new economy. To fulfill this role, organizations will need to evaluate their existing human resources functions and adapt them to suit the needs of the new economy and individuals working in organizations in the new economy.

STAFFING: RECRUITMENT AND AVAILABILITY OF SKILLED LOCAL LABOUR

Once the required number and kind of human resources are determined, the management has to find the places where required human resources are or will be available and also find the means of attracting them towards the organization before selecting suitable candidates for jobs. All this process is generally known as recruitment. Some people use the term 'recruitment' for employment. Recruitment is only one of the steps in the entire employment process. Some others use the term recruitment for selection. These two terms are not one and the same either. Technically speaking the function of recruitment precedes the selection function and it includes only finding, developing the sources of prospective employees and attracting them to apply for jobs in an organization, whereas the selection is the process of finding out the most suitable candidate to the job out of the candidates attracted. Formal definition of recruitment would give clear cut idea about the function of recruitment. Recruitment is defined as, "a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient workforce." Edwin B. Flippo defined recruitment as "process of searching for prospective employees and stimulating them to apply for jobs in the organization."

Those definitions can be analyzed by discussing the processes of recruitment through systems approach.

Objectives of Recruitment

1. To attract people with multi dimensional skills and experiences that suits the present and future organizational strategies.
2. To induct outsiders with a new perspective to lead the company.
3. To infuse fresh blood at all levels of the organization.

4. To develop an organizational culture that attracts competent people to the company.
5. To search or head hunt people whose skills fit the company's values.
6. To devise methodologies for assessing psychological traits.
7. To seek out non-conventional development grounds of talent.
8. To search for talent globally and not just within the company.
9. To design entry salary that competes on quality but not on quantum.
10. To anticipate and find people for positions that does not exist yet.

Sub-systems of Recruitment

The recruitment consists of the following sub-functions:

1. Finding out and developing the sources where the required number and kind of employees will be available.
2. Developing suitable techniques to attract the desirable candidates.
3. Employing the techniques to attract candidates.
4. Stimulating as many candidates as possible and asking them to apply for jobs irrespective of number of candidates required.

Management has to attract more candidates in order to increase selection ratio (i.e., number of applications per one job vacancy) in order to select the most suitable candidates out of the total candidates. Recruitment is positive as it aims at increasing the number of applicants and selection is somewhat negative as it selects the suitable candidates in which process the unsuitable are automatically eliminated. Though, the function of recruitment seems to be easy, a number of factors make performance of recruitment a complex one.

COMPENSATION

An organization's total compensation philosophy includes both compensation and benefits values and is the driver for leading edge compensation strategies that align with the overall strategic direction of the company. In today's environment of ever rising benefit costs, it is imperative for organizations to communicate the value of a total compensation program approach to employees. We begin with the articulation of a clearly stated compensation strategy to ensure that compensation programs meet the organization's business and cultural needs through a clear process we:

- Identify project deliverables and success measures.
- Review organizational, human capital, and business information.
- Gather input from executives, managers, and employees.
- Test the market competitiveness of pay.
- Develop a total compensation strategy and a design "blueprint".

From this foundation, we design all aspects of employee pay programs, including:

- Systems that cover all elements of total direct compensation such as base, short term incentives or bonuses, and long-term equity through stock or other accumulation plans.
- Job/role analysis.
- Market analysis.
- Job worth determination and evaluation.
- Performance/success-based pay systems.
- Job, incumbent, and team reward programs.

As part of the effort to develop and maintain a quality workforce, public sector organizations must position themselves as “employers of choice” and recognize the value of their human capital. The methods, by which employees are recruited, trained, retained, measured, and compensated are under scrutiny to ensure that goals can be accomplished and that future needs can be met. It is not enough to develop and implement programs to recruit, train, retain, measure and compensate in the face of global competition, organizations must develop strategies to manage these important human resource functions. In today’s market a number of organizations are continuously seeking new strategies to meet both organizational and employee needs. From a global perspective there are still substantial differences in the way people get paid. However, organizations are finding that their human resource strategy can be structured using similar philosophies to reward people regardless of where they are located. The logic of market based economies suggests that the differences are narrowing as employers worldwide cope with similar pressures. All are affected by intense competition for critical skills; or are influenced by global financial markets. Public sector organizations need to develop aggressive pay policies to compete successfully for well qualified employees. Compensation levels must be high enough to attract a strong applicant pool and retain the best among current employees. Morale is enhanced if employees know they are being paid at least as much as comparable employees are being paid by other employers. Classification and compensation systems should therefore not only classify positions on the basis of uniform criteria, but also allocate positions to salary grades that reflect their relative worth and market value. An increasing number of organizations are trying to link pay to performance, through programs such as variable or incentive pay, where a percentage increase in pay depends on the employee’s achievement of predetermined measurable goals; skill based pay, where employees are paid for the number of skills they possess; and most recently, competency based pay, in which an employee is paid for the range, depth and types of skills and knowledge he/she is capable of using in the job rather than for the position they hold. Strategies that are linked to organizational goals, as well as examine various pay systems and structures. Compensation and reward systems can become an important signal of an organization’s culture and values. When considered from a strategic perspective, organizations could customize classification and compensation systems to help create a culture and attract a workforce that possesses the values, knowledge, skills, and abilities that support the organization’s strategic goals and objectives. The guiding principles for a successful classification and compensation program should ensure that:

- Employees doing similar work should receive comparable wages.
- Variations in pay must be based on significant differences in responsibilities and required knowledge, skills, and abilities (KSAs) on salaries paid by other employers in the marketplace.
- The process for classifying and evaluating the relative worth of positions must be fair.
- In addition, a classification and compensation plan that is continuously maintained results in:
 - Fewer requests for reclassifications,
 - Fewer grievances arising out of disputed job requirements,
 - Fewer pay inequities and morale problems, and
 - A solid basis for evaluating work performance.

One of the most fundamental and difficult tasks in the management of any personnel system is determining the comparative worth of each position. Employees are acutely aware of what they are paid, how much responsibility they are assigned, and the “status” of their positions in relation to other positions. Perceived inequities in pay or status can be a source of intense dissatisfaction, which translates into declining morale, lost productivity, absenteeism, grievances, and chronic bickering. It is impossible to eliminate all feelings among employees that inequalities exist in the pay system, but every effort can be made to achieve fair job groupings and an equitable pay level for all positions in the workforce. In recent years, organizations have responded to changes in the economy and shortages of employees with specific skills by taking a short term approach that addresses the immediate need. Changes made to increase

the flexibility of current classification and pay systems have allowed organizations to be more responsive to the changes in the external climate and internal needs. The broadening of job classes, allowing for higher pay maximums, is just one way that flexibilities have been introduced. Those types of initiatives have been generally successful in the public. The long term pay strategies recognize the important role that compensation can play in achieving business objectives. Pay strategy looks at using pay to motivate employee behavior towards the achievement of employer goals, and bases salary levels and salary increases on the value employees bring to their work.

There are five important elements that make up the foundation for pay strategy:

Pay Philosophy: The organization's concept of how employees will be compensated. It communicates the employer's direction and intent about Employee's salaries. An organization's pay philosophy must be simply stated, practical in its approach and application, and clearly communicated. It is a vitally important component in preparing management to understand and apply employee salaries and salary changes in ways and circumstances that consistently support the employer's strategic goals. Pay philosophy is the core element in developing a successful pay strategy.

Pay Competitiveness: Easy to understand but difficult to achieve and communicate. The main reason, for most public sector employers, is the general unpredictability of operating budgets, which often negatively impact the organization's ability to fund employee salary increases. Most employers address pay competitiveness issues from only a tactical perspective, focusing on the individual situation as the issue presents itself. However, most public sector employers will never achieve total salary competitiveness if they continue with a short term approach. Employers focused on pay strategy, however, have a much better chance to succeed by managing and defining it on their terms. Competitiveness from the perspective of a pay strategy suggests that the organization prioritize based on both the position and the person. Salary us are directed to those positions most critical to the employer's operating mission(s) while also addressing retention of critically skilled employees and those employees performing at high levels. This approach to pay competitiveness, while unlike the approach typically taken in the public sector, can be very effective in achieving business results. Paying competitively also does not necessarily mean paying the market average. Pay strategy focuses on total compensation (salaries and benefits) and ranges of pay as opposed to specific pay levels to attract and retain employees.

Pay Delivery in the public sector has traditionally been through rigid and inflexible systems. Traditional pay structures with pre determined pay steps and timing intervals are still common in many jurisdictions, and are the most frequently used structure for delivering base salary and salary increases to employees. High performing organizations are often those that recognize and reward achievement in as many ways and circumstances as possible. Allowing managers greater discretion in pay structure can be very beneficial in positioning the organization as an "employer of choice." Public sector employers who are able to use compensation to attract and retain high performers will experience the most success in the accomplishment of their business mission.

Pay Practices are the systems an organization uses to deliver pay and pay increases. Pay practices play an important role in the application of pay strategies in the public sector; from the way a pay increase is granted (i.e., base pay or lump sum) to increases for special skills, job hazards or geographic work location. Public jurisdictions can maximize long term pay strategies by adopting flexible and innovative pay structures and systems that integrate well with each other and accomplish their purpose.

Communication is an important, but often worst applied component of personnel system change. Typically, information is shared with employees on a "just in time" basis, and oftentimes knowledge is typically uneven throughout the management structure and messages and timing usually are out of synchronization. Developing a strategic approach to communicating your pay strategy helps assure that the rig

ht messages are delivered and received in the right time and in the right manner. A well developed communications plan will support an important strategic objective of achieving employee understanding of the organization's compensation plan.

CONCLUSION

In exchange for job performance and commitment, an employer offers rewards to employees. Adequate rewards and compensations potentially attract a quality work force, maintain the satisfaction of existing employees, keep quality employees from leaving, and motivate them in the workplace. A proper design of reward and compensation systems requires careful review of the labour market, thorough analysis of jobs, and a systematic study of pay structures.

There are a number of ways of classifying rewards. A commonly discussed dichotomy is intrinsic versus extrinsic rewards. Intrinsic rewards are satisfactions one gets from the job itself, such as a feeling of achievement, responsibility, or autonomy. Extrinsic rewards include monetary compensation, promotion, and tangible benefits.

Compensation frequently refers to extrinsic, monetary rewards that employees receive in exchange for their work. Usually, compensation is composed of the base wage or salary, any incentives or bonuses, and other benefits. Base wage or salary is the hourly, weekly, or monthly pay that employees receive. Incentives or bonuses are rewards offered in addition to the base wage when employees achieve a high level of performance. Benefits are rewards offered for being a member of the company and can include paid vacation, health and life insurance, and retirement pension.

A company's compensation system must include policies, procedures, and rules that provide clear and unambiguous determination and administration of employee compensation. Otherwise, there can be confusion, diminished employee satisfaction, and potentially costly litigation. In fast paced, continuously changing, high performance organizations, the emphasis must be on finding the people who not only bring relevant skills, competencies, and experience but who are also willing and able to apply them in a variety of situations and projects. Here, flexibility and adaptability are essential, and people are viewed as resources whose abilities contribute to the core capabilities and overall performance of the organization. To develop a loyal and motivated workforce, companies of all sizes must create competitive compensation and benefits packages. This is particularly important when starting a shared service centre from scratch. In recent years, rising healthcare costs, proposed rulings concerning the expensing of stock options, pension schemes and shifting employee values have prompted many businesses to reexamine their compensation programmes and make adjustments designed to maximize their value while minimizing their costs. By monitoring emerging developments affecting pay and incentive programmes and responding accordingly, these firms have increased their ability to recruit and retain the most talented professionals. As the economy gains momentum and many organizations begin augmenting their staffing levels, this is an opportune time for companies to reevaluate the effectiveness of their compensation and benefits programmes. The quality of a company's people is the greatest single factor determining its future. A competitive compensation and benefits package is key to a company's ability to attract and retain top talent. As the economy shows increasing signs of improvement, employees at all levels are likely to have more career choices with fair compensation packages.

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