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# Between local and global approach: need for diffused model of HRM – case of Shifa International Hospital

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Shehbaz Ahmad[1] (36 years) had worked as a Senior Manager HR for the past three-and-half years in the most renowned hospital of Islamabad, Shifa International Hospital (SIH). He had achieved his MS degree in HRM from Sydney, Australia. After the completion of this degree, he started his first job with the firm. He was a very competent and had worked hard to develop a full-fledged HR department in the organization. The hospital HR manual was developed under his guidance and supervision. His diligent performance and down-to-earth attitude was greatly appreciated by seniors, colleagues and juniors. However, his personality was always criticised due to his inflexible attitude in executing impersonal HR practices.

He was liked and disliked by the senior management at the same time due to his passion for the implementation of best practices. On the one-hand they liked him for his hard work and positive initiatives to improve the system where as on the other they considered him a challenge to their authority and influence in the domains of employee selection, appraisal and promotion practices. Mr Ahmad had learnt human resource models from the foreign university and was eager to implement them in shape of diffused practicalities. He considered these concepts and practices as a real solution to organizational problems. In line with this perspective, he wanted to achieve them (concepts and practices) in the firm to effectively manage human resource for achieving organizational goals. He worked very hard to develop a competent HR team which, under his guidance, designed technical interview formats, written test formats, and appraisal formats. He was earnest in executing standardized human resource management practices and strongly curbed requests and efforts to influence impersonal HRM practices. His lack of flexibility sometimes created serious problems for senior management.

The chief executive officer liked him for his professional strength and wanted him to continue his career with the firm. In this regard, he arranged meetings with him in which he counseled him about the value of maintaining moderate and flexible attitudes in employee regulation practices. Shehbaz promised to reconsider the issue. Yet, in spite of all the efforts, the number of employee issue complaints from across the organization was increasing day-by-day. Employee training and workshops were consciously conducted at all levels to handle the rift and normalize the situation. However, the employee dropout rate increased to an alarming level.

When the new chief operating officer (COO) controlled the support wing in 2005, he took this issue as a challenge and after keen observation; recommended the hiring of a new HR manager. The other managers, who were facing employee problems in their department and had developed grievances against Shehbaz, supported this idea. His evaluation was delayed and the promotion process jammed. Everybody in the organization believed in his mastery and skill in the field of human resource management but at the same time everyone showed discontent about the HR practices and alarming turnover rate. Finally, Shehbaz presented his resignation to the COO which was accepted with little inhibition.

Disclaimer. This case is written solely for educational purposes and is not intended to represent successful or unsuccessful managerial decision making. The author/s may have disguised names; financial and other recognizable information to protect confidentiality.

## Overview of SIH, Islamabad

### *Background*

The inception of Shifa Hospital in the capital city was an idea of Pakistani entrepreneurs trained in the USA, who laid the basis of its management and organizational structures on the principles of a modern Western organization. SIH is one of the few organizations in Pakistan where a Department of Human Resource Management and Development was established on a diffused Western model where it is fairly functional to handle employee and other related social aspects of the corporation. The execution of a foreign human resource management model has set up a progressive impression in the labor market. SIH is famous for its non-traditional working style, organizational layout, and value of job experience in the national as well as international market. These organizational traits not only attract people from all regions of Pakistan but also draw employees from neighboring countries. Its diverse staff, organizational structure and working policies make it an ideal site to study the issue of a diffused human resource management model in a local setting.

### *Conceptualization and establishment*

The idea of developing an international standard medical facility in Pakistan was conceived in New York, USA in the middle of 1985. Dr Zaheer Ahmad (ex-CEO), who had just finished his internal medicine residency, initiated this idea. In this regard on the weekend of July 20-21, 1985, he called a meeting at his apartment in Brooklyn, New York. Five professionals who were also close friends attended this meeting and approved the idea after detailed discussions. All the participants were Pakistani nationals who had been working abroad for many years. Later for the conceptualization of SIH they moved to Pakistan.

This outstanding task of developing an international standard hospital privately was accomplished successfully with the help of a dedicated pioneer team of experts, managers, and workers. These professionals were gathered from within as well as from outside the country to develop a hardworking and loyal team to effectively achieve the target of running a private hospital in the capital city, where some good government hospitals were already extending medical services. Actually, Shifa Hospital is designed to target the elite class, of the capital city and the whole of Pakistan.

### *Infrastructure*

The first office of Shifa was established at the residence of Dr Zaheer Ahmad (Member of the Board of Directors and Leader of the Medical Wing) in sector F-8/3 of Islamabad. Later it was moved to a rental place in Blue Area (commercial buildings area in Islamabad), and finally the site office building was established in January 1988.

In 1987, 11 acres of land were acquired (at H-8 sector) in Islamabad for the purpose of building the hospital. For the construction of the hospital building, an American company in Princeton, New Jersey was hired to develop the plan and design of the hospital building. Mr William Parker, Chief Architect of CRI headed the team and visited the site in Islamabad besides visiting other hospitals across Pakistan. The construction activity to prepare the site for laying the foundation of the Hospital started at the beginning of 1988. The foundation laying ceremony took place on October 6, 1989 and was attended by parents, relatives, close friends, and well-wishers of the sponsors. The hospital sponsors kept expanding from all across the globe – interestingly all these sponsors were from the personal networks (relatives, friends, good colleagues, etc.) of the five founding members. They offered different amounts of financial resources depending upon the nature of their relationship and based on the model of “Neondra” (money offered as a gift on the occasion of marriage but actually reciprocal in nature). The close friends or relatives with “PakkiVartanbhanji” (strong obligations) granted more money as compared to distant relative and friends upholding “KatchiVartanbhanji” (feeble obligations). By the time of its opening on June 26, 1993, it had crossed 400 plus sponsors, with equity of five million. All financial and material resources were generated and mobilized on a personal level. Hence, a sound medical organization was initiated on social obligations maintained among friends and relatives. In other words it

can be said that Shifa was born with the basic element of reciprocal expectations maintained among its founders and sponsors.

Adequate financials (collected from a social network) enabled the management to establish Block-A of the hospital with a five-level structure, along with a deck slab area and a mosque. The building was fully equipped with modern equipment such as central air conditioning, central gas supply systems, fire-alarm system, 750 KVA standby generators and other required systems. The hospital which started with eight consultants in seven specialties has currently progressed to more than 120 highly qualified consultants in almost all specialties. "Shifa", which was the dream of a few foreign-based Pakistani (mainly belonging to the region of Punjab), was actualized in Islamabad, the capital city of Pakistan.

### **Human resource and work structure**

In the beginning, most of the professionals who joined Shifa were Pakistanis and they were from the personal social networks of the founding members. They were personally requested to join Shifa and helped them in initiating a public service project along with economic organization. There were some professionals who were settled abroad but joined Shifa because they were highly obliged and could not deny the request. In this way the founding members developed a trustworthy team of workers to run the business.

The formal logic of authority is that command starts from the top-down where reporting moves from the bottom-up which seems quite clear and simple; actually practising this logic is not very simple but quite complex. The influence of local traditions is fairly vivid; as reciprocal obligations (Vartanbhanji) and personal penetrations transform this one way bureaucratic system into a more dynamic, comprehensive and "holistic" approach. This allows management to see things in a broader perspective and addresses business issues in a more comprehensive manner.

Actually the hierarchal system with Vartanbhanji (reciprocal obligations) and personal penetrations is a flexible mechanism which can exhibit vibrant shades in accordance with the demands of a situation; it has a greater potential to incorporate both a vertical as well as a horizontal perspective of reality. By doing so hierarchal mechanism and Vartanbhanji (with personal penetration) works interdependently while regulating each other, it yields suitable solutions to quite difficult problems of contemporary organizations.

### **Workforce diversity**

The popularity of SIH has attracted workers from all regions of Pakistan as well as from other countries, for example the Philippines, Bengal, and the USA. In this way, SIH has a good number of diverse (in term of sex, age, caste, classes and ethnicity) employees who work together in various departments of Shifa. They help the management to achieve the organizational goals of profit maximization and market sustainability. The foreign workers are not hired to establish an international image of the organization and attract clients mainly belonging to the upper and upper-middle classes. A good number of foreigners were mainly working in the Department of Nursing. Shifa management has managed to retain both foreign and local employees because the collaboration of the two helps them to better achieve their targets of securing a larger market share (targeted clients), profit maximization and organizational sustainability. Besides, the national diversity there were other differences like age, sex, sects, castes, regions and ethnicities that classify more than 1,600 permanent employees into various informal categories and subcategories. These employees have developed various cohesive groups in the form of informal support systems to help one another. This phenomenon has created in-group and out-group identities and relationships among workers. One group and its members exhibit different modes of behavior to other individuals or groups on the basis of the reciprocal relationship (Vartanbhanji) they maintain with each other.

Vartanbhanji – the system of reciprocal obligations has given way to an interdependent work culture based on moral obligations. This social networking is of pivotal value for workers as

well as executives, since career growth of individuals and survival of the organization depends more on social and governmental relationship in Pakistani society rather than on any support from the country's official system. In spite of this social dependency, Shifa management would like to regulate personal penetration with the help of a diffused management model. This allows Shifa to minimize the negative aspect of an indigenous system and get benefit from the standardized rules of a Western management model.

### **Human resource training manager with foreign approach**

After the resignation of Mr Shahbaz there was a need for a competent HR manager who lead the department in a professional way and at the same time win the hearts of employees on the basis of personalized management skills.

Aysha Ahmad[1] (40 years) acquired an MS degree in Psychology from Sydney, Australia with an extensive background of working with an international non-government organization. She joined the firm in the first quarter of 2006. She was married with two children; and her husband worked in an international non-government organization, while she had 15 years of INGO experience. Aysha took control of the human resource training and development department. She initiated various improvement plans and conducted new training at all the levels. She developed the training with the motto of transformation from the traditional ways of performing and behaving to modern styles of working. She wanted to implement those concepts and techniques she had learnt in her MS in psychology from Sydney. The management offered her all kinds of help and support. She had designed a training program with the name of "equality and effective communication for managers" focusing on the issue of better communication among the professionals of both genders for effective team formation.

This training was conducted by the HRD department at all levels. The basic theme of this training was to promote close contact among male and female workers for effective communication and cohesive team formation. The basic idea of this training was not liked by most employees at all levels and negative feedback was continuously given to the administration. She was indirectly informed about this negative response but she took it as a response of untrained people who were refuting modern high quality ideas.

Actually, in her enthusiasm to practice foreign concepts she overlooked the value of the local workforce as the main resource to achieve organizational targets. Employees considered it to be different from their own ways for promotion of communication networks and formulation of cohesive teams. To them the gender egalitarianism-based techniques of communication and cohesive teams were immoral and less helpful in solving the employee issues, rather it may elevate the existing problems. The criticism and rejection from all over the organization was continuously coming to seniors as well as to her. Within six months (first four months develop training and only two months trainings were delivered) she resigned.

### **Practical wisdom of social networking**

After coping with two HR managers of different personalities Shifa top management was in dire need of a person who could carry on the motto of foreign practices but at the same time can run the organization with an element of flexibility and personalized attention towards employees' issues.

Abid Elahi[1] (28 years), was rehired as an Associate HR Manager on the resignation of Mr Shehbaz. He did his master's degree (16 years education) in communication from a local university. He had four years' previous work experience with the firm. His first hiring with this firm was as an administrative secretary in 2002. At the time of joining he had a bachelor's (14 years of education) degree. He worked very hard in this post for two years and with his respectful attitude and performance earned seniors' acknowledgement. During this period, he acquired a masters' degree (composite) in communication science. Considering his qualifications and good performance, he was transferred to the Department of Human Resource Management as a Junior Supervisor Human Resource.

Once again, he gained the attention of his immediate boss due to his work and soon attained the role of his assistant. He developed a working relationship with his immediate boss and senior manager. When Mr Shehbaz resigned from the post of Senior Manager and the HR department was in crisis, Mr Abid was asked to rejoin the firm as Associate Manager at the Department of Human Resource Management.

Mr Abid took over the department and in his first meeting with the staff he made promises to work for the betterment of the organization. He believed that the role of the HR department and its staff is to channel things and add efficiency to the processes rather than jamming the system. He was in favor of evolutionary change, especially if this change is introduced into a corporation where achieving the targets are more important than bringing changes which damage the system.

This he learnt from his practical experience with a commercial organization working in Pakistani market; he did not have a degree in HR but his approach proved to be more reasonable and results oriented. He knew the practical wisdom of social networking and reciprocal obligations to attain dedicated performance and organizational loyalty as he himself was an active member of this system. He was given a chance in the organization on the reference of Shah Sahib who simply said to him “do not let me down in front of management.” And he worked very hard to make his appointment justified and reciprocated the obligation. Consequently, he was always considered by the management and compensated accordingly. Later he also attended training and developed his HR skills but he always considered personalized attention towards employees and HR issues to be the priority. He did not know much about international HR practices but he knew the localized values and HR issues very well.

With this experience and approach, he guided his staff and gave them confidence to support everybody within the limits of the rules and regulations. In order to handle the issue of turnover, he and his team developed a revised salary package which was approved and launched by the management. These measures normalized the situation to some extent and senior management rightly compensated him on this. He worked in this post for two years and later joined a Chinese company after a friendly release from the firm.

**Keywords:**

Social networking,  
High performance work  
practices,  
HRM,  
Localization vs globalization,  
Shifa

**Notes**

1. Pseudonyms are used instead of real names.
2. The case is field work of first author, where author closely observed the practices of Shifa international hospitals with major focus on HR practices. Second author further investigated the case and refurbished it to current phase.

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