

**Fiji Human Resources Institute
Fourth National Convention¹
Presentation Summaries**

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The Mission of the FHRI is “Developing the Nation” through HR strategies designed to create successful public and private sector organizations leading towards excellence in the provision of service to the public and positive national socio-economic growth. In the attempt of this Institute to promote and broadcast its mission to the nation, it has loaded this fourth Annual Conference, the theme for which is *Linking Business to People*, with a wide range of presentations by HR protagonists who include practically oriented academics, governance referees, business champions, and international advisors, to ensure that the nation as a whole and those in authority become aware of, and are actively supportive of HR development initiatives for national socio-economic growth.

In his keynote address Dr. Ganesh Chand, Vice Chancellor of the Fiji National University attempted to first explore the relevance of the theme of this conference “Linking Business to People”. After first clarifying that in the context of an organization Human Resources refer to the people who operate an organization, he proceeded to define Human Resources in terms of the theme of this conference as the vast pool of people to include children, adolescent, young and old on which a country and the Region can draw on for the development of its natural and creative products by harnessing their individual and collective skills and talents.

To satisfy the demands of a globalized economy, however, we as a nation will require competent human skills to run successful businesses. Because sustained economic growth will require the in-

put of adequately developed and skilled human capital, developing economies such as ours have a key collaborative role in the education and skills development of the work force.

Dr. Chand went on to explore some of the issues that impacted on human resource development. He mentioned that history indicates that during an economic crisis there is a tendency for investments in education and training of the work force to decline. That is, as part of the series of cost savings measures, the HRD budget is the first to go. Increasing numbers of studies undertaken in various countries, however, reaffirm that investments in HRD in the workforce actually increases future productivity and therefore profits for the businesses. Dr. Chand further indicated that with the modernization of business, routine tasks have been automated, thus increasing the demand for knowledge workers capable of dealing with complex issues to reconcile multiple objectives in a challenging work environment.

On the issue of challenges to the development of human resources necessary for the development of businesses in our nation Dr. Chand browsed through a whole range of negative issues such as incompetencies, attitude problems, absenteeism, resistance to change, poor commitment, as some of the challenges that needed immediate attention. In addition he mentioned issues of major concern such as the brain drain, the cost of training and retaining staff, the basic administration functions performed by HR Managers, the absence of or poorly managed Performance Management Systems, over-staffing, and the competition for skilled workers in an increasingly tight labour market, as requiring immediate attention by organizations such as the FHRI. To offset the effects of these challenges to the availability of skilled and competent workers for businesses, Dr. Chand then browsed through a range of positive measures including:-

- HRD as the centre of policies for long term growth and sustainability;
- increased collaboration on education and skills development to support economic growth by policy makers, business enterprises and workers;
- improved access to relevant skills training;
- policy measures and social protection measures to soften the effects of recession, and accelerate move towards sustainable growth;

¹ Warwick Resort And Spa Hotel, 22-23 October 2010

- training providers to anticipate future skills needs;
- continuous training of the work force;
- social partners to boost human capital and labour productivity;
- HR professionals to take active role in HR development and not in administration;
- Promotion of schemes such as job rotation, enlargement, enrichment and succession planning;
- Review recruitment policies; and
- Extensive development of human resources at all levels of public and private sector organizations

Dr. Chand concluded by saying that because economic value in to-days world is increasingly becoming the function of intellectual capital, the development of human resources must take precedence over other issues to enhance the link between people and business. HR is the fountain of productivity and must be given emphasis in all business development. The question is to what extent is the FHRI geared up to promote this major socio-economic requirement?

With the depth of her knowledge and the width of her experience in the legal profession, former High Court Judge Ms. Nazhat Shameem demonstrated quite clearly through a summary of examples that had been the subject of cases in our courts, that without adherence to the CMDA principles which emphasize control, monitoring surveillance, and accountability, supposedly well-run corporate organizations will experience problems detrimental to the shareholders and to the objectives of the organization. Because shareholders in corporate organizations often lack the expertise to manage them, the best solution to such a situation is to employ managers who will act in the best interest of the organization by operating under adequate rules of control, surveillance and monitoring.

Ms Shameem then proceeded to expand on what she referred to as the 10 principles of good corporate governance in Fiji as follows:

1. Establishing clear responsibilities for Board supervision by ensuring that systems of oversight such as Performance Management Systems (PMS), discipline, and financial control and audits are in place;
2. Constituting an effective Board is ensuring that the boards are diverse including directors who are experts or experienced in the core business of the organization, have a

- good mixture of accountants, lawyers, business executives, a fair gender mixture, and who are willing to challenge management in the interest of the shareholders.
3. Appointment of a CEO with clear and transparent performance objectives and fully accountable to the Board.
 4. Ensuring that the Company Secretary is accountable and operates on the basis of clear lines of communication between the Board and management.
 5. Ensuring the regular and timely disclosure of company accounts (profits and losses, of share and stock values), for the benefit of the shareholders and other prospective stakeholders as an essential corporate governance principle.
 6. Ensuring that disclosures are ethical and balanced to make the public and possible stakeholders aware of the true value of the organization e.g. Flour Mills case.
 7. Ensuring that there is no conflict of interest in the operation of the corporate body, requiring therefore the registration of interest by Directors in all relevant business deals
 8. Respecting the rights of shareholders is a requirement since as owners of the capital it is in their interest to ensure the best investment.
 9. Appropriate accountability and audit procedures enable good Boards to evaluate their own performance every year.
 10. The recognition and management of risk must be a characteristic of good corporate governance, eg. Housing Authority criminal case, emphasizing the fact that of major importance is the need to comply with the law as illustrated by the 2009 Crime Decree.

Ms Shameem concluded her presentation by emphasizing that good corporate governance is about trust, honesty, accountability, institutional relationships, and about treating other people's assets with responsibility and care. It is about treating other people how we would like them to treat us. We could have avoided the National Bank crisis, the Agricultural Scam and Housing Authority Fraud.

The Senior HR Consultant for Price Waterhouse Ms Krystal Smith presented the general findings and trends in corporate remuneration based on the PWC 2010 Fiji Remuneration Survey. Topics

covered in the survey included an overview of market movements, industry comparisons, remuneration policy and practice, skills scarcity and job function analysis. The remuneration survey covered 103 participants from both private and public sector organizations and over 5,000 positions.

The 2010 increases in median base salary for matched participants revealed by the survey appears to be a rebound possibly resulting from better financial performance and mounting pressure to provide salary increases, and the situation is the same for total remuneration.

The survey revealed more substantial increases at other market levels such as the upper quartile and decile. As a result base salary increases anticipated in the next 12 months are:-

CEO – 4.5 %

Senior Executives – 4.3 %

Other staff – 4.3%

With a total average of 4.4%.

The survey further revealed that a comparison of the HR job function with the Fiji Market Median since 2001 shows that the HR function has been paid below the Fiji Market Median.

In addition, the finance and accounting line has dipped below the Fiji market line for the first time since 2001. This can be the result of the exodus of many finance and accounting professionals and the flooding of the labour market with raw finance and accounting graduates, and graduates in other fields.

Miss Lyn Goodyear Deputy CEO for the AHRI centred her presentation around the question “What Business Wants from Today’s HR Professionals” and further raised the issue of the core competencies required of HR professionals, and further specified that as a core requirement HR professionals should be life long learners to keep abreast of time and all changes in HR development as they occur. Of initial importance is the challenge in the leadership type required to effectively manage critical issues such as

- Managing talent
- Improving leadership
- Employee engagements
- Strategic workforce planning

She went on to summarize the forces responsible for shaping the future workplace as follows:-

- Global competitiveness
- Technical advances
- Demand for personal flexibility
- Skills convergence
- Macroeconomics and demographic changes
- Global best practices
- Changing business ethical leadership and standards
- Government position of regulations

With those forces in place, further challenges therefore would be determining the role of HR for the future and concluded that HR specialists would need to be:-

- Workplace transformers
- Balanced work-life integrators
- Next generation talent managers
- Performance rewarders
- Builders of new learning places
- Emerging communicators
- Diversity champions
- Regulatory wizards

HR people today should therefore know how to contribute to the bottom line and have the ability to use what they know. They should therefore have a very strong foundation of key competencies if they are going to deliver what business wants.

HR specialists must become strategic partners of business units in adding value to the company. They must therefore:

- be business driven
- align people management strategies with business objectives and the environment
- be a strategic architect by understanding and addressing values to the vision
- sets and drives the HR vision for the organization
- be a stakeholder manager
- be a workforce designer
- builds organizational capability through high performing people
- credible activist
- expert practitioner
- applies expert HR knowledge to deliver value to business
- culture and change agent

- facilitates change and response to internal and external operating environments

So after all that: What does business want from HR professionals both today and in the future? The answer is: That HR professionals invest in the development of essential core competencies, capable of supporting businesses both today and in the future.

As a sequel to his presentation at the 3rd convention of the FHRI held at this venue in 2009 Mr. Krishnan, General Manager of LIC, spoke on the topic titled 'Mastering Challenges of the 21st Century Leadership'. He began by explaining that some leaders are born into leadership positions, some *achieve* leadership through the course of time by hard work, learning, being an understudy, training etc, and some have leadership thrust upon them.

Leaders who "achieve" leadership do so across a wide range of categories of employment of social situations, through focused effort, coaching, training, understudy and experience. Most of today's business leaders are highly qualified with a wide range of experiences.

Some of the leadership challenges that exist today refer to issues of:-

- Generational leadership
- Sustainability
- Virtual leadership
- Diversity
- Globalization
- Crisis situations

Of these challenges Mr Krishnan maintains that the greatest challenge is leadership in a crisis situation. Managing or overcoming a crisis situation is becoming increasingly predominant, so much so that new skills are required as a matter of urgency. Because of the increasing growth of crisis situations in business, survival of the most adaptable rather than of the fittest has become the watchword for leaders in today's environment.

Of critical importance also is the issue of value propositions. Value creation, value articulation, and value constancy are seen as essential strategies for leaders to apply to combat the challenges of today's environment. For the leader to succeed overall challenges he/she must therefore learn from the past, understand the present, and plan for the future, and create value for all stakeholders continuously and keep the business socially relevant. This may not be a formula for success but it is definitely insurance against failure.

In his presentation on the "Dynamics of Employment Relations Promulgation and Mediation" Mr Vimlesh Prasad the highly competent and experienced Chief Mediator of the Ministry of Labour gave a detailed account of the principles embraced by the new ERP Promulgation and mediation process. He indicated that the dynamics of the process was based on:

- Good faith in the bargaining process
- Is conducive for business and national development productivity development
- Encourages co-operation and good governance
- Maintains flexibility in wage settings
- Improves labour standards
- Promotes inclusiveness
- Establishes rights and obligations of workers and employers
- Specifies that the setting of the retirement age is discriminatory unless it is in the employment contract
- Creates a controlled and orderly bargaining process between employers and employees
- Is compliant with international best practice
- Establishes a speedy dispute resolution process
- Allows for a ballot as a pre-requisite for a strike or lockout
- And specifies the necessity for employment contracts either as a collective agreement, or individual contracts, both in writing.

He further briefed the Conference on new grievance procedures relating to:

- Dismissal
- Duress
- Sexual harassment
- Disadvantages
- Discrimination

and illustrated in a clear diagram the passage of a dispute from lodgement through mediation then right to the High Court. Mr Maharaj then proceeded and concluded with an illustration of the mediation process using the interest based model of conflict resolution specifying the seven different stages in the mediation framework, and the code of ethics designed to guide the behaviour of mediators.

Ms Laile Harre, the Country Head of the ILO spoke on the topic "HR Professionals and the Challenge of Decent Work". Ms Harre introduced her subject with references to the effects of the

global economic crisis, investment opportunities, challenging market conditions, unemployment, suspension of international aid, migration of skills, low performance votes and poor productivity, as a major challenge to the HRD process in Fiji.

In terms of the ILO programme of descent work she explained that descent work is integral to a descent society and descent workplaces are integral to descent work. If work places modelled the values and behaviours we would like to see in all our institutions, then we would be a long way along the road to the creation of a descent society.

With such an objective she said that HR professionals play a very important role in encouraging the businesses leadership to drive the culture of organizations in an active way. The organizational culture you promote will not only impact on the performance of your own businesses, but will have an influence – for better or worse depending on the positivity of your drive – in the households and communities your employees clock into when they clock out of their place of work each day.

She went on to surmise that these days many organizations are currently considering their obligations and opportunities for Corporate Social Responsibility (CSR) which is not just about sponsorship or good works in the community but about the values by which business operates every day. Genuine CSR recognizes that the two greatest sources of impact you have in the community case are first, through the products and services you sell, and second through the well being of the workforce you send home at the end of every shift.

Ms Harre indicated that the ILO maintains that if the workplace is the sharp end of the decent work agenda, then the workers and employers must be equipped for the task – your job and your scope will include:

- Industrial relations
- Health and safety
- Learning and development
- Organization and leadership development
- Performance management and
- The work of HR administration

To this end HR practitioners have a critical role. Working with you and facilitating your efforts to share knowledge and practice with others in your field has the potential to assist the ILO in implementing many aspects of the ILO Decent Work Country Programme. The fact that at the national level there is concern about in-

stitutional reform and how institutions work and account for their actions, is an excellent platform for ILO activity on descent work and the ILO is already working with the Fiji Employers Federation, the Fiji Government and Unions to achieve the goals of descent work in Fiji.

Dr Jagdishwar Singh of Melbourne, Australia, General Manager of Post – Graduate Medical Education Councils Prevocational, Medical Education and Training, Australia and New Zealand, on the topic “Developing Leadership and its Importance for Business Success” spoke of the importance of effective leadership as a prime driver of business success. He stated that leadership is an influence process that enhanced the productive capacity of individuals to make meaningful contributions to their organizations.

He observed that organizations serious about developing their leadership capabilities had in place a framework of the development of leaders from the front line to the senior most executive levels.

These organizations also have in place a process for the identification and development of their high potential employees. The leadership development was not just merely running workshops but also included challenging assignments, leading a project and other similar activities.

Dr Singh noted that leadership is situated within the context of a group and its collective purposes. The twin side of leadership is “followership”.

As change agents Dr Singh noted that effective leaders were change agents who were able to build a compelling case, develop vision and strategy, procure resources, train the staff in the requisite competencies, and keep them informed about progress.

Dr Singh also highlighted the emotional elements of leadership development noting, that effective leaders create a resonant, harmonious environment.

He noted that business leaders faced different challenges. Some had to fix an organization or unit in decline, others had to start something from scratch, still others had to make incremental changes and a fourth category is maintaining and improving a work setting that is already doing well. Each challenge required emphasis on different sets of leadership competencies.

Mr Ashok Nath a Flour Mills of Fiji Manager spoke on the business concepts of the OHS legislation which was developed to

improve productivity. OHS means physical, biological and natural health of the worker; care obligations; and business excellence and descent work for all. OHS encompasses Duty and Care. Those who create risks must be responsible for fixing the risks. The primary responsibility lies with the employer.

Accidents are in fact caused by negligence and carelessness – they just do not happen without cause. There are two types of laws that govern OHS: common law and statutory law. OHS therefore has a mandatory function. The OHS Work Act of 1996 for Fiji prescribes the duties of care and of obligations. The duty of the employer is to create a safe work place. The duties of workers are to comply with workplace safety health measures. In this regard the Health and Safety Committees play a critical role in the good operation of the organization. OHS risk management is equally the responsibility of employers and employees and this role of HR persons in the organization are critical in training in OHS risk management strategies.

Mr Ashok Nath further demonstrated the smart model for risk management and concluded that there is nothing in an organization that cannot be risk managed.

Mr Jurgen Oschadleus, Trainer and Consultant for the Universities of Sydney and New South Wales spoke on “How Real Leaders Develop Influence Equity and Organizational Success”. He began by saying that successful leaders use influence to develop people, build teams and deliver outcomes. As with financial equity, the more influence leaders have, the greater their ability to achieve their objectives and potential. But influence is fragile, it cannot be forced and it can easily dissipate. He went on to explain the three aspects that real leaders build to influence equity and organizational success:

- Ethos - translated literally from the Greek as “character”, or who we really are; our credibility or perceived competence determines the degree of trust people will place in us;
- Pathos – how we make people feel; this is determined by the relationship we have with them, which is established through our ability to communicate in a way that builds self-worth and promotes shared understanding;
- Logos – the logic or reasoning we use; the Greek word re-

fers to action-oriented words, hence the outcomes we achieve.

It is when these three aspects overlap that we have the ability to influence others. The greater the degree of overlap, the larger our Influence Equity with that person.

His presentation illustrated how easily we can make poor decisions because of pattern recognition and emotional tagging. Pattern recognition is the brain’s way of reducing the energy required by the conscious mind, by creating subconscious patterns and behaviours. Faced with a new situation, we make assumptions based on prior experiences and judgments. We then attach emotional information to the thoughts and experiences stored in our memories.

Both processes are essential to learning and growth, but both can mislead us when we fail to take note of alternative perspectives. Flawed decisions start with errors of judgment made by influential individuals.

To be influential, we need to continually validate our assumptions, and teach those around us to do the same. We need to stimulate in ourselves and others a curiosity to learn and improve, and to develop the people we engage with. And it starts with developing our own character, our relationships and our ability to think.

Dr. Anand Chand Senior Lecturer at the USP spoke on “HR and Employment Environment – is it good or bad in SMEs?” He introduced his topic by saying that SMEs are in effect the engines of growth in Fiji’s socio-economic situation and therefore needed to be examined in the employment environment in which they operated and the range of human resources available to them.

In relation to employment in SMEs workers are:

- mainly recruited through family contacts or friends;
- those occupying core positions are usually very small in numbers
- mainly casual and part-time workers

In terms of HR requirements:-

- the lack of emphasis on HR is a major reason for business failures in SMEs
- SMEs do not have strategic plans
- SMEs do not have the finance for a HR department
- SMEs are managed by owner managers and the concept of people management is usually of no concern.

The primary activities of SMEs focus on day to day business activities; liaising with customers and finding new customers; purchasing and management of stock; looking after daily sales and financing issues, and survival, growth and sustainability.

In the debate on whether or not “small is beautiful” there is a need to examine HR relationships within the organization. If there is harmonious industrial relations, good employment relations, a stable work environment and a paternalistic leadership style then small is indeed beautiful. Dr. Chand however indicated that studies on the issue conclude that harmonious employment relations in SMEs is a myth and do not usually exist. He further indicated that although there appears to be less industrial disturbances in SMEs, underlying worker dissatisfaction exists and conflicts could be expressed by covert action of individuals such as slowing down production, sabotage and absenteeism. Worker collusion is slowing down business processes is a familiar mode of action in smaller SMEs.

A particular characteristic of employment relations in SMEs is that both employers and employees are not aware of the ERP requirement for written contracts, but prefer not to have written contracts anyway. Employers do not often want to commit themselves for long term employment and workers prefer to keep this employment, option open and to be able to bargain for better wages.

Dr Chand concluded by saying that in addition to the need for owner-managers to be familiar with the main features of the ERP (2007), there is an urgent need for more empirical research to be undertaken on SMEs for a better understanding of the dynamics of HRM/ER and IR in SMEs.

On the basis of current information on SMEs therefore, small is far from beautiful.

Mr Ram Bejalkal Group CEO for Flour Mills of Fiji spoke on “Strategic HR Management – Strategies vs. Operational HR”. He began by saying that in order to determine the extent of the influence that HR has on business success there is a need to obtain answers to the following introspective questions:

- How much profit do HR Managers make for the company?
- Do HR managers get to focus on activities impacting the entire business or do they find themselves confined to internal operations?

- How much time does the CEO spend with HR managers and what do they discuss when they do meet?
- Are the HR team’s arguments for or against a business strategy credible to other department heads at the decision making table?
- What value does the HR department generate for the customer in the end user of the company’s product or service?
- What kind of value does HR bring to the decision table?

On the basis of these questions Mr Ram Bajekal indicated that HR managers need to be in a position to be able to measure the effects of HR and to have statistics to indicate that HRM is vital to business success. To determine therefore how HRM contributes to business success it is necessary to measure outcomes and not processes i.e. the contribution of the non-financial factors, and in this regard he quoted N P Murthy, Founder Chairman of Infosys as saying: “Our assets walk out of the door each evening – we have to make sure they come back the next morning”. He went on to diagrammatically illustrate how efficient HRM processes designed to produce effective HRM programs link in to the strategic goals of the organization. Thus when turbulence occurs in the organization the role of HRM is to combat such turbulence. Mr Ram further indicated that an HRM function of major importance is developing the culture to achieve competitive advantage. Cultural pillars of associated behaviours therefore need to be developed and operationalized. Improvement and changes in HR practices will thus lead to competitive advantage and business success.

On the subject of ‘Helping Employers Have a Better Work life Balance’, Mr Paul Loganikoro Staff and Student Counsellor at the FNU’s School of Medicine, and a regular speaker at FHRI conferences held so far began by referring to human capital strategy which leads to superior financial results in business. He emphasized the fact that such success in business can only be achieved if HR management included programs on work-life balance. In today’s work environment a balance between work and the necessities of a good life is necessary i.e. job satisfaction and good health must be balanced.

Work-life balance means achievement with enjoyment and this also benefits the families and friends of the workers. No balance in

work-life can lead to stress which can lead to ill health, and other discernible physical, emotional, and intellectual symptoms of a “breakdown”.

The impact of stress on workers can in effect be expensive as Mr Loganikoro quoted the costs incurred in the U.S.A. and United Kingdom as \$600 billion and £9 billion respectively in recent years. Because of the drastic problems to the health of workers and the success of businesses that can be caused by stress, Mr Loganikoro advised wisely that all business organizations should invest in care, empathy and warmth for their workers.

Conventions such as the one we have all just attended over the two days scheduled for this Convention are intended to be learning experiences, not only for the participants but also for the organizations to which the participants report the lessons learnt from the convention. Because speakers who are experts in the subject and object of the convention quite often disappear after their presentations leaving behind a vacuum in the minds of the participants who would have benefited from further clarifications of some issues raised during presentations, a set of four discussions panels were organized, one for each set of three speakers for further discussions on issues that required further clarification by participants, and these panels were fully utilized.

The presentations and intervening panel discussions over the two days of the Convention has clearly indicated how well and how fast invisible assets such as knowledge, ideas, skills, and organizational capacity can be developed to reduce cost, increase quality, satisfy diversifying customer needs quickly and accurately and be profitable. The presentations also indicated that resources and strategies such as leadership, creativity, innovation, empowerment, team building, customer relations, focus and planning, amalgamated in variously configured proportions depending on the objective of the organization, clearly demonstrate that business and organizational success is mainly dependent on the application of the appropriate combinations of HR development strategies. In the creation of a successful organization therefore there is no such thing as a “one size fits all”.

This fourth Annual Convention of the FHRI, attracted a greater number of participants who again had to be lodged in three different hotels, and the largest number of business consultants including several with international consulting experiences. The fact that the

core and development of the human resources within a business organization is in effect the key to successful businesses was emphasized throughout the Convention and therefore calls for greater support of the FHRI in the same way as the Australian Human Resources Institute (AHRI) is supported by the business and state systems Australia. The link which has now been forged between the FHRI and the AHRI should then be a basis for FHRI to seek closer association with business organizations such as the Fiji Employers Federation, Fiji Chamber of Commerce, Fiji Retailers Association, Fiji Islands Hotel and Tourism Association etc., etc., the universities in Fiji, Government, and the Higher Education Commission to ensure that all future FHRI Conventions have the support of a wide range of Fiji’s Business Community, and that of the state. A series of promotional efforts in this regard, should be planned by the FHRI in the period leading up to the next FHRI Annual Convention. The mere attendance of these organizations at an FHRI Convention would definitely promote the potential of the FHRI to develop successful business organizations and thus attract their support.

While this Convention has been about “Linking Business to People,” it is essential at this time in a globalized socio-economic environment for the wider national communities to comprehend the underlying and comprehensive role of business in national socio-economic development. This role is adequately covered by a comment from Mr Rinaldo Brutoco, the founder of the World Academy of Business as follows:-

The challenges and rewards of business have attracted some of the most competent and innovative people whose success in business is dependent upon the effective use of resources for the benefit of the societies they serve in order for those societies to flourish and utilize the goods and services business has to offer. The phrase “the business of business is business” is no longer true in the global sense. The World Business Academy believes that the business of business is to be responsible for the well-being of the nation and its people, and to assure the safe transition of our people today to the next stage of history.

The FHRI has the potential and is geared towards lifting and transferring Fiji towards a better socio-economic future and needs to be strongly supported to achieve this futuristic goal.