

Organizational Sustainability Through the Application of Holistic Human Resources Development Model (HHRDM) in Multi-National Companies of Penang, Malaysia

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***Abstract---** The purpose of this research is to explore the effective training programs for organizational Sustainability through the application of holistic human resource development model of multi-national Company in Penang, Malaysia. This study highlights the significance of spiritual quotient (SQ) programmes in the formation process of human resource development (HRD). There were In-depth interview conducted from HR managers of 3 multinational companies in Penang to achieve the research objectives of this research. The findings divulged manifold problems that organisations lack understanding of the importance of SQ. It shows that SQ is the missing part of the process of employees' development and should be considered an important factor to be developed. Moreover, the interest of SQ assures that SQ is embedded in the fabric of organisational behaviour and psychology. The study emphasises the vital influence of SQ on the bottom line of the organisation, whereby human resources can meaningfully contribute towards organisational sustainability. Further, this study indicates that without considering the spiritual development of employees, logic (IQ) and emotions (EQ) are not the only sources for human beings to perform utmost standard performances. Therefore, the emerging notion of human SQ and its multiple dimensions must be included in HRD initiatives in order to achieve a holistic mechanism. Based on these findings, this study proposed a holistic human resource development model for organisational effectiveness which will help to fulfil the rational, emotional and spiritual aspects of the employees.*

Keywords: Organizational Sustainability, Holistic Human Resource Development, Spiritual Quotient.

I. INTRODUCTION

Organizational sustainability issue has emerged as a discipline and debate on its indicators and measures has attracted attention of researchers in literature (Özlem & Besler, 2014). To date, many organizations have been facing new changes and challenges with respect to their sustainability within organizations (Adams & Frost, 2008). Organizational sustainability is considered as a three-dimensional concept that focuses on environmental, economic, and social issues in the organization (Adams & Frost, 2008; Hillary, Gao, & Zhang, 2006).

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The increasing importance of organizational sustainability can result from the fact that social, environmental and economic issues in an organization are a growing reason for the employees' unethical practices (Schwartz, 2013b; Willard, 2012). Many organisations regard organisational sustainability as being limited to purely "economic" indicators, social issues and the internal environment (Petrini & Pozzebbon, 2009). However, the question arises that how these three dimensions can be sustained.

In the present situation, the existence of knowledgeable employees in the multi-national companies was found overloaded. Employees are getting better in handling their emotion while facing a chaotic situation, stressful working environment and over demanding tasks. However, there are still organizations suffering of unethical act or behaviour of their employees, irresponsible decisions making and serious misconduct of their employees which contributed to a great lost of the organizations' income. These problems strongly related to the issues of employee's SQ disparity (Zohar, 2012). Therefore, appropriate training programs and activities performed by the organization in line with the SQ definitions and scopes are predicted to be the best solution to the said phenomenon. This argument supported by King (2008) that SQ is evolving as a unique approach in developing and melding higher quality of holistic employees yet getting serious attention of the employers. Despite the view of Goleman (2006), that claimed organizational success depends on the implantation of 80% EQ and 20% IQ, Zohar & Marshal (2004) further argued that IQ and EQ are not the only predictor of organization's success because computers have IQ and animals can have EQ, however, SQ appeared to set human beings apart. As a conclusion, organizational sustainability has been proved failed due to neglecting the SQ element into the organizational development program. The employees which are the main asset of the organization need to holistically develop (IQ, EQ and SQ) in ensuring the organizational sustainability. Thus, this study proposed the inclusion of SQ elements in constructing the organization's holistic HRD model.

1. Problem Statement

Organizations are very much concerned on the deviant behaviour issues in the workforce. Thus, organisations provide several types of training opportunities for their employee's welfare and growth that are ranging from skill enhancement to social development programs and these programs cover the cognitive and non-cognitive elements of humans such as improvement in the level of individuals knowledge, skills, attitudes, self-management, anger control, stress handling, conflict management and communication skills. Organizations always strive to enrich their employees with optimal competencies to perform their tasks in efficient manner.

In Malaysia, employee's deviant behaviour is increasing in organizations (Zakaria, Haron, & Ismail, 2010). Malaysia is also among the countries with higher indecent behaviour that have been highlighted by media and researchers (Mat, Nazri, Fahmi, Ismail, & Smith, 2016). Employee's ethical standards have become worse in the organizations (Khademfar & Amiri, 2013). There are frequent reports on dishonesty and frauds by employees, which is noted in the organizations. Meanwhile, Abdullah et al. (2014) indicated the employees' accountability and integrity problems in Bank Rakyat and Bank Bumiputra in Malaysia. Apart from that, there are other numerous unethical scandals including Transmile Group Berhad (Wahab, Gist, & Majid, 2014), Megan Media Holdings (Salleh, Hashim, & Abdullah, 2012), Southern Bank (Zaimee, 2007), and Technology Resources Industries Berhad (Zakaria et al., 2010). Thus, unethical behavior of employees is considered as a severe threat to organizational sustainability. Apart from that, business ethics has also become a serious problem for the organizational sustainability. It is alarming regarding the rightness and wrongness of employees' behavior in the organizations (Tota & Shehu, 2012). As a result of the worst scandals of these organizations concerned with indecent behaviour, the researchers need to focus on their concentration on SQ (Zsolnai, 2007) in the organizations as a solution to these problems (Aslam & Mian, 2011;

Zsolnai, 2007). Because employees are spiritually weak from inner soul and heart, employees need a spiritual kind of training that raises awareness of the employees further leading to organizational sustainability. Moreover, Srivastava and Misra (2012) indicated that employees consider the most important asset for the organization, and employees need SQ in the organizations (Lari & Ahmadian, 2012).

According to Zohar and Marshall (2000), SQ is an ultimate intelligence with which we can assess that one course of action or one life path as more meaningful than another. Furthermore, High SQ requires us to be deeply honest with ourselves and demands the most intense personal integrity. The aforementioned organizations showed a lack of honesty, integrity and a lack of understanding of SQ. Amram and Dryer (2007) argued that SQ is a set of abilities that employees use to apply, manifest and embody spiritual resources, values and qualities in ways that enhances their daily functioning and well-being. According to Chin et al. (2011), the prevalence of SQ in organizations can help in identifying and aligning personal values of the employees with a clear sense of purpose. Furthermore, employees would be able to demonstrate a high level of integrity.

2. Research Questions

1. Is the MNC aware of the importance of SQ in the development of the HRD model?
2. What is the organisational opinion about inclusion of SQ in current HRD Model for organisational sustainability?

3. Research Objectives

1. To examine the importance of SQ in the development of the HRD model.
2. To know the organisational opinion about inclusion of SQ in current HRD Model for organisational sustainability.
3. To propose the HHRDM to the MNC in Penang

4. Purpose of the Study

The purpose of this study is to propose a new design of holistic HRD model. This newly developed holistic HRD model is expected to be implemented in many organisations, which will help the organisations to fulfil the rational, emotional and spiritual aspects of their employees. Eventually, the HHRD will be able to enhance the organisational sustainability.

5. Research Methods

The qualitative approach is selected to obtain a detailed understanding of problems. This study deals with HR managers in Multi-national companies of Penang Malaysia. Using the phenomenological approach as a research strategy to investigate the participatory processes within organisations will help the researcher to explore and investigate SQ programmes in HRD models of the selected organisations. Previous studies on SQ and spirituality have also used the phenomenological approach as their research strategy.

The study explores the current training programs for employees' development in 3 selected Multi-national companies of Penang Malaysia. In-depth interview was conducted from HR managers of 3 selected companies to achieve the research objectives of this research.

6. Findings

This section presents the findings of the study to know the importance of SQ in the HRD model development. The first question concerns the organisations' awareness of the importance of SQ. While the second question was regarding the inclusion of SQ programmes in the HRD models. The section below presents the findings of the first question 'organisations awareness of the importance of SQ'.

7.1 Organisations Awareness of the Importance of SQ

This study found that one of the respondent was unaware of the importance of SQ. The reason behind that was the lack of understanding of SQ. On the other hand, two respondents knew the importance of SQ and opined that SQ helps to develop values for an organisational change. As one of the respondents said,

"our organisation knows about the importance of SQ. As per our understanding, SQ can help to motivate employees for doing work with a good level of honesty," (I,18)

From this, it can be assumed that organisations were having good knowledge of SQ. The importance of SQ in the employees' development was considered the main tool by the selected organisations. However, many organisations equated SQ with spirituality. As one of the respondents pointed out,

"In my point of view SQ has an important role in the organisational values. SQ can help to give respect to each other in the organization" (A,18)

Thus, it can be concluded from the responses mentioned above that organisations, overall like to give importance to SQ.

7.2 Inclusion of Spiritual Quotient Programmes

The second question of the study concerns the inclusion of SQ programmes in HRD model. The respondents' views regarding the inclusion of SQ programmes was positive for the organisational sustainability. After giving them idea about SQ. All the respondents believe that inclusion of SQ in HRD models will positively impact on organisational sustainability. One of the respondents pointed out that,

"I would definitely prefer to include SQ training programmes, and I can propose some of the training like honesty and values training" [A-18].

Similarly, another respondent from the manufacturing sector mentioned that,

"...After discussion with you, I prefer the inclusion of SQ in HRD model can be effective for the organisation. Further, it will help organisations to decrease the ego during employees" (I-18)

Likewise, one of the respondent highlighted that,

"As I don't have that much knowledge about SQ but after discussion I can recommend the inclusion of SQ for the organisations because It will give awareness to the organisation" (S, 18)

This is evidence from the respondents that employees need financial motivation instead of spiritual practices. Nevertheless, the majority of respondents agreed that organisations need SQ programme for employees' development. Thus, there is a lack of importance awarded to SQ programmes in organisations which practice only hard skills training for the development of the employees. This may be a reason for the organisational failure because organisations need to develop employees not only rationally and emotionally, but also spiritually

7. Discussion

This study revealed that two respondents showed high level of importance to have SQ in their organizations. While, one respondent showed low level of importance to have SQ for their organizations. In this regard, Parmar (2014) also mentioned the importance of SQ in organization and argued that SQ makes it possible for employees to do creative, insightful, rule-making or breaking thinking. In addition, SQ can be a better tool to manage/lead the people effectively and to analyze the relevance of SQ to sustenance and survival of organizations in the new world (Malik & Tariq, 2016; Parmar, 2014).

Further, it was noted in this study that some organizations were unaware of the importance of SQ. This finding is similar with the finding of the Indian banking sector found a positive effect of SQ on organization (Agarwal & Mishra, 2016). Similarly, in the case of the Malaysian education sector, organizations were not cognizant of the importance of SQ, but the role of SQ for employees' development is being emphasized in research (Ramachandaran, Krauss, Hamzah, & Idris, 2017).

The study also found that SQ training programmes are not conducted in all of the organisations. The reason is due to the lack of SQ understanding and how to develop and practice SQ programmes. It also found that SQ practices in organisations can help to develop employees through spiritual training, but it appears that organisations were not able to practice it due to a lack of understanding (George, 2006; Ramachandaran, et al., 2017).

8. Recommendations and Proposed Model

This study recommends how organizations could achieve the goal of organizational sustainability in the future. The present study argues that nurturing the spiritual values among the employees will help to achieve the goal of the organizational sustainability in the future. It is surprising that the employees spiritual motives have been neglected despite having adverse effects on employee's motivation (Guillén, Ferrero, & Hoffman, 2015).

Proposed Holistic HRD Model for Organizational Sustainability

In Malaysia, where most of the organisations are unaware of updating their training programmes, the holistic HRD model has the potential to bring the change. An accountable employees' training has a significant role in organisational sustainability (Amin, Rashid Saeed, & Lodhi, 2013). This study shows that organisations that lack in their understanding of SQ failed to implement it. It meant that it was ignored by the multinational companies in Malaysia. Thus, under these circumstances, the researcher is of the view that a proper HRD model is needed for organisational sustainability.

For the development of a holistic HRD model, this study asked the respondents' feedback on the proposed model. Different respondents mentioned the advantages and disadvantages of the holistic HRD model.

The following are some of the advantages and disadvantages of the Holistic HRD Model (HHRDM)

- *I think there will be disadvantages for example: budget problem, will be problem in implementation of training but if implemented properly. It will have long-term benefits.*
- *The advantages will be many instead of disadvantages. If implemented in organisations, employees will take training holistically to sustain*
- *Well, it is very good to have a holistic approach of training programmes because it will help in the achievement of personal goals of employees which will create a committed, motivated staff.*

As discussed earlier, the focus of this study is limited to the need assessment phase of HRD process model. Based on this, the proposed holistic HRD model is designed. The proposed model recommends holistic HRD practices (IQ, EQ & SQ) in the organisational assessment phase. Further, when these holistic practices (IQ, EQ & SQ) will be implemented in the organisation, the output will be the improved efficacy of employees. The employees' holistic efficacy will increase the organisational sustainability. This includes the mechanism of feedback where after the implementation, during the evaluation phase, the feedback of employees must be taken for further organisational assessment. Details about the holistic HRD model and its functions are shown in the following recommended model (Figure 1.1).

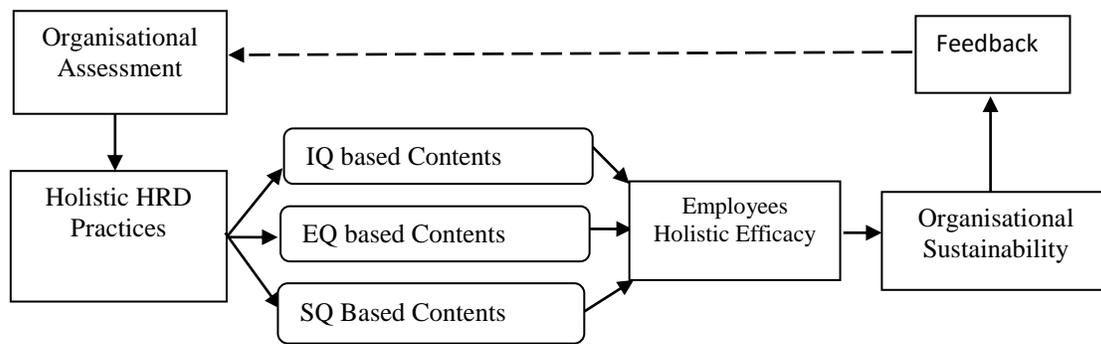


Figure 1.1. Proposed Holistic Human Resource Development Model (HHRDM)

9. Directions for Future Research

This study can be expanded in many directions for future research. This research can be extended in order to expand body of knowledge and deeper understanding on the components of SQ and organizational sustainability. It would be interesting that future studies replicate this model and test this model in any other global context where different cultural and organizational setting are established.

10. Conclusion

The main purpose of this study is to explore the organizations understanding on spiritual quotient, and to find out its importance and contribution in organizational sustainability. The past two decades have seen an upsurge in the employee indecent behaviour in global organizations leading to the collapse of these organizations (Pearce et al., 2013; Schwartz, 2013; Stevens and Rago, 2013). This study found that how employee indecent behaviour that adversely affect organizational sustainability can be resolved. Most academics and practitioners examine how executives respond to the challenge of sustainability and survival of the organizations (Martínez et al., 2014). Hubbard (2009) claimed that organizational sustainability is associated with the economic performance, growth and long-term profitability of organizations. Other works have considered organizational sustainability to be more related to operations and employee unethical practices within organizations.

As a conclusion, organizational sustainability has been proved failed due to neglecting the SQ element into the organizational development program and activities. The employees which are the main asset of the organisation need to holistically develop (IQ, EQ and SQ) in ensuring the organisational effectiveness. IQ, EQ and SQ percentage in the holistic HRD model depends on the organisation' s need and uniqueness of the business. Thus, this study proposed the

inclusion of SQ elements in constructing the organisation's holistic HRD model. If organisations adopt the proposed holistic HRD model for their employees training, it will develop employees rationally, emotionally and spiritually for the organisational sustainability.

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