

What's in a name!

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Abstract

This paper attempts to highlight some of the misconceptions that appear to abound between definitions of Personnel and Human Resource Management. An explanation of the main differences using a classical model of traditional process driven personnel management *vis* the 'new' model of HRM is illustrated. The paper goes on to suggest a future role for HRM practitioners for the future.

There appears to have been a gradual drift from 'Personnel Management' to 'Human Resource Management' in many organisations, at least in vocabulary terms. However, this appears to be more a question of *semantics* rather than a structural change designed to encapsulate organisational vision into practitioner action.

For many, a change of name from the uninspiring *Personnel* into something more sexy and glamorous such as *Human Resource Management*, may have its roots in the current rash of 'political correctness' that has invaded the west. We no longer have 'dustmen' but 'reclamation operatives'; dog catchers have suddenly metamorphosed into 'canine disposal wardens'. Even (or perhaps more especially) within the intellectual forum of academia, such timeworn expressions as 'job satisfaction' have given way to *'workplace affected psychological well-being'*! Will the guilty please stand-up? A name change is one thing, practising the art is quite another. So using some of the latest research findings from the UK let us examine some of the current issues and then look at how things appear in Sri Lanka.

'For many companies, HR signifies administration, salaries, leave, personal files and industrial relations. Only some of the larger organisations are adopting truly HR policies'.ⁱ The example given here is that typically found within organisations that have simply re-titled their personnel functions into something much grander-sounding but without giving much thought to the true meaning of their actions. Within the 'new HR agenda' as described by many authors there is still some debate as to what should be included to raise the standards within the so-called 'psychological contract'.ⁱⁱ One such

author is Storey, who has attempted to delineate those practices that could be seen as 'personnel' issues, against those that should be considered within the HR remit. He approaches an analysis of HRM by creating an 'ideal type' the purpose of which 'is to simplify by highlighting the essential features in an exaggerated way. This he does by making a classificatory matrix of 27 points of difference between personnel and IR practices and HRM (see Appendix 1). This 'ideal type' of HRM model is not essentially an aim in itself but more a tool in enabling sets of approaches to be pinpointed in organisations for research and analytical purposes.ⁱⁱⁱ As this model is based on the 'ideal type', there are no organisations that conform to this picture in reality. It is in essence a tool for enabling comparative analysis.^{iv}

Typical of some of the problems encountered was the 'productivity decade' (1995 – 2005) initiative within the government sector in Sri Lanka. Although many workshops and training programmes have been implemented throughout the country, no significant change has been visible other than introducing mission statements for every public service department. As observed by some:

'Exhibiting a mission statement as a decorative wall hanger makes no sense at all'. 'This is not strategic HRM and the government should introduce policies and implement them rather than be bounded to the traditional way of thinking'. 'We should think laterally and be more creative, we still behave as 'reproducers' or 'daydreamers'; we have to become 'innovators' or 'challengers'.'

The above statement is almost a plea from an enlightened workforce within the government sector who can see through the bureaucratic *minutia*, who want change and are prepared to 'buy-in' to the mission, but this can only take place through visionary leadership that extends all the way up to the highest levels of the organisational structure.

However, perhaps we are being too critical of the well-intentioned machinations of the policy makers who have inadvertently stumbled upon what they may see as a *panacea* for change as personified by their counterparts in the west. Without guidance and training as to how to turn a vision into a mission statement, a set of objectives and a strategy for accomplishing them, everyone will remain in ignorance. The limitations on available literature and research papers within the subject area severely restrict the ability of those who wish to explore further. Within Europe and the USA, HRM research is a popular subject area, not only for those who teach the subject, but also for students studying at post-graduate level. Within the UK for example, there is no undergraduate degree programme available purely within the field of personnel management/HRM. These are only available as a three-year part-time course using the syllabus of the Chartered Institute for Personnel and Development (CIPD) and delivered through 'Centres of Excellence' such as universities. A post-graduate diploma and master's degrees purely in HRM, however, are available and provide entry to CIPD, at either graduate or, accompanied by suitable professional experience, corporate membership level. Many mature students, who register for MBA programmes, choose some aspect of HRM research for their dissertation subject. As most are practising managers, they are close to

problem areas within their respective organisations and having researched a particular problem are usually in a position to either implement or recommend change.

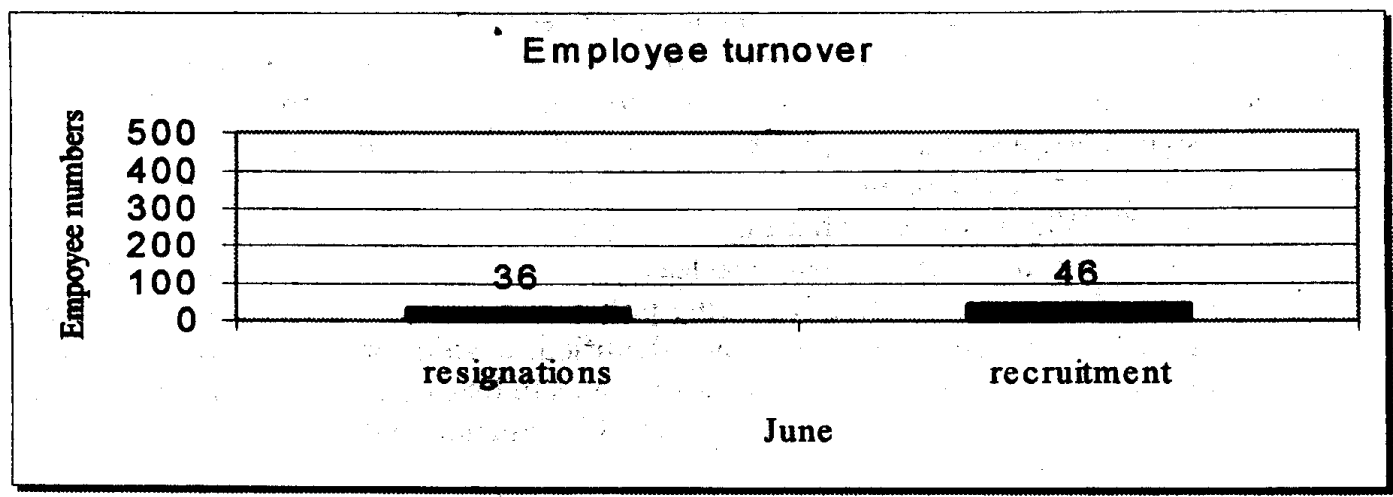
Research into personnel/HRM practices offer a huge area for the academic to become involved in and publications such as *'International Journal of Human Resource Management'* offer a wide variety of articles from respected and varied sources for the serious minded reader. It is to journals such as this that research and publication efforts should be directed to establish credibility on a global scale.

One such area for serious study in Sri Lanka appears to be in grievance handling procedures. Indeed, this was the subject of a recently published research paper.^{vi}

Grievance handling presents a significant study area for the serious minded academic to become involved with, as the number of complaints to the Department of Labour appears to be showing an upward trend. Though all of these disputes cannot be directly attributed to ineffective grievance handling practices, nevertheless, a large number may be accounted for due to poor labour relations arising from ineffective grievance management policies and procedures.^{vii}

Within Storey's twenty-seven point checklist for example, conflict is defined in personnel/IR terms as being 'institutionalised' whilst in HRM terms it is 'de-emphasised'; conflict handling is described respectively as 'reaching temporary truces' and 'managing climate and culture'. It is somewhat naïve to believe that the 'wish list' of Storey can ever be fully implemented by even the most forward looking organisations, however, some attempt can be made to investigate poor management practices using this list as a benchmark. An illustration of what might become a serious management problem is shown below (Table 1). The graph shown gives the labour turnover for the month of June 2001 in a private sector organisation as 7.55%. If this figure is extrapolated in the absence of further proof, there is a *possibility* that labour turnover could be 91% in a full year. Clearly this would be unacceptable in terms of financial costs for such essentials as recruitment, training and induction and organisational

Table 1.



familiarisation. It could also be damaging in terms of low employee morale and could present recruitment difficulties if the employer is seen as being unable to retain labour.

One hopes that when such important indicators as shown in Table 1 are revealed to management that appropriate investigative steps are taken to remedy what appears to be a situation out of control. The effect of high labour turnover on employee morale must surely weaken organisational effectiveness and may inhibit further management action in introducing new initiatives. The lack of investigative research into such areas in Sri Lanka means there is a rich harvest to be garnered for the academic within the fields of personnel/human resource management.

A consequence of in-depth analysis of organisational practice can bring rewards beyond that of the original intention of providing a research output for publication. The UK has been slow to capitalise on such opportunities, but this is commonplace within the USA. I mean of course to Consultancy. Perhaps one of the reasons that the USA is so commercially successful in this area is that it takes and exploits every opportunity to sell itself. Take for example the labour turnover situation referred to above. If this happened in the USA, someone very quickly would have contacted the CEO of the organisation and requested an audience so that their services as a Consultant could be offered to rectify the present labour turnover difficulties. The UK have been slow to become involved in the same way with the result that much research work has been done, but without the consequential benefit to either the researched organisation or the university itself in terms of revenue generation. Another problem that has to be overcome is the perceived barriers that exist between universities and industry. It is an accepted axiom that academics closeted within the closed walls of their establishment have little idea or indeed interest in the world outside. Although this may be true for the older established universities that have yet to form business schools, it is still much in evidence within those that offer employment based higher degrees such as the MBA. I believe this to be inexcusable. Unless the academic can 'break free' of this stigmatisation and begin to offer their research-based knowledge to an eager and receptive audience, the gulf will remain.

But here we can now present a scenario that can bring together players from the university and both public and private sectors; within Sri Lanka the opportunities for change have never been greater. Within the garment sector, for example, which accounts for 70% of revenue generating exports and absorbs a large amount of labour, considerable in-roads could be made by the introduction of more robust employment policies designed to raise output, profit and motivation.^{viii} In the case of the private sector organisation referred to in Table 1 for example, where is their recruitment and selection policy? Why is there such a high degree of labour turnover? Do they have an exit interview to find out why so many are leaving? Research into these matters might reveal a pattern of misunderstanding regarding policy communication or even the lack of a policy altogether. Once a cause can be identified, a solution can be proposed to everyone's benefit. Employee absenteeism also seems to be a major problem within both public and private sector organisations within Sri Lanka; there are many causes of employee absenteeism.

At least three sets of highly interactive factors can be identified that have an influence on an employee's attendance motivation:

- The prevailing absence culture.
- Organisational policies and practices with respect to the workplace.
- Employee attitudes, values and goals.

Hence, such influences can be found at the individual, group and organisational levels throughout the company. Coupled to this is the *motivation to attend*. In a recent study carried out in the UK, the researcher's found that one third of all respondents had no written absence policy. A quarter also admitted that there was insufficient co-ordination between the functions that deal with the return-to-work process – occupational health staff, line managers and personnel.^{ix} The report found that line managers played a key role in absence management, both in terms of maintaining contact with absent staff and discussing whether workplace adjustments could be made. There was some criticism, however, of the priority given by certain line managers to the problem and one interviewee described managers' handling of the situation as 'pretty inept'! Overall, the central message arising from the findings was a simple one – many employers need to review their approach to the management of long-term absence. The following points were offered as going towards providing a more robust approach:

- Personnel managers need to be clearer about the division of responsibility between the HR function and occupational health and line managers need to be mindful of a co-ordinated approach to long-term absence.
- Line managers needed more training on the causes and handling of absence and need to know whether existing budgetary arrangements enable them to make workplace adjustments.
- The HR function need to review the extent to which absent employees and their trade union representatives are consulted about actions to assist a return to work.

A recent exercise undertaken by the faculty of management studies at Rajarata University focused on the HR policies and practices in place in the public and private sectors. The requirement for students on the post-graduate diploma in management to complete assignments provided a unique opportunity to engage them in meaningful research prior to commencing project proposals for their MBA. The exercise involves completing an in-depth questionnaire that requires evidence of policies such as the following:

- Grievance handling
- Recruitment and selection
- Training and development
- Sickness absence
- Communications
- Problem solving
- Etc, etc.

The students are required to collect the information, complete the questionnaire and write a detailed analysis of their findings. Using Storey's 27-item checklist as a benchmark, subsequent observation of all the companies involved should provide an insight of a cross-section of personnel or HRM practices in Sri Lanka. The completed exercise will form the basis of a publication to be published in the new-year that will become available to all participating companies and it is hoped that the data gathering and findings will become an annual event. This exercise was used in the UK and some of the results, presented in the form of tables can be shown here.^x

Table 2: Recruitment methods: % of all respondents

	1999	2000
Local newspaper advertisements	85.8	81.0
Advertisements in specialist journals	86.9	86.0
National newspaper advertisements	74.7	68.0
Employment/Job centres	62.6	68.0
Employment agencies	60.6	66.0
Speculative applications	64.6	56.0
Word of mouth	52.5	53.0
Internet	36.4	47.0
Links with schools/colleges	49.5	44.0
Recruitment agencies/job fairs	60.6	66.0
Head-hunters	33.3	29.0
Local radio	11.1	12.0

Research then into people management policies can be considered essential not just to fulfil an academic agenda in the pursuit of promotional opportunities, it should be seen as a means to an end, not an end in itself. HRM is at home in the classrooms, libraries, examination papers and assignment rotas of the teaching departments of universities. It is at home in the textbooks, journal articles and doctoral theses of university departments. All of this activity has some relationship, of course, to the employment practices of work organisations in contemporary societies. But there is a danger that this *discursive construction* and its connections with the interests and careers of university academics might hinder more than help in developing our understanding of employment management practices in work organisations and how they are – or are not – significantly changing^{xi}.

There is enormous scope for companies in all sectors of the Sri Lanka economy to engage the academic mind, to search the databases and apply sound thinking together with enlightened employers to promote organisational excellence. We are reminded that, 'HRM is the repository of good intentions. Management of human resources is the area in which executives realise they ought to be doing more and to which they promise to turn their attention the day after tomorrow'.^{xii} Some have described this 'new' (HRM) approach as nothing more than 'new wine in old bottles'. Whatever the definitions used, a new language seems to have emerged; 'Empowerment', 'Benchmarking', 'Learning Organisation', 'High -Performance Work Teams', etc., etc. Perhaps all this 'new-speak'

is nothing more than the application of simple, good old-fashioned managerial practice; something that we have all forgotten.

Conclusion

This article set out to highlight the differences (perceived or real) between the use of the terms 'Personnel Management' and 'Human Resource Management'. It has become clear from observations within Sri Lanka that neither method is being practised to any significant degree within country. It is fair to say, however, that private sector organisations, especially those multi-nationals with headquarters outside national borders, have many more HR policies in place than locally based companies. The same can be said for the many non-government organisations (NGO) operating in country. However, much needs to be done in the public sector to redress this balance. Employee morale leading to improved organisational productivity and worker creativity, are indicators of robust systems, process and the practise of good management. These can often be measured through such things as absenteeism, strikes, lateness and the general climate of goodwill existing within the workplace.

Therefore, one thing is clear, there is much to be done to improve, nurture and stimulate a workforce to achieve acceptable measures of efficiency. In many organisations, especially those in the public sector, employees are suffering from '*initiative fatigue*'. This seems to apply in Sri Lanka as well as in western countries as governments try to show they are doing something to justify their election promises.

However, one thing appears clear, unless senior management accepts and take on the burden of responsibility commensurate with their position, little will change in the short-term which will lead to even greater problems for the future. The challenges are immense; the complacency and institutionalised paralysis inherent in both organisational mindset and structures should give way to the opportunities now being presented: