

# THE DEVELOPMENT OF PERSONNEL MANAGEMENT

By Edward L. Zammit

The role of personnel management in industry is as old as the industrial revolution. In the words of F.W. Taylor “the duty of enforcing the adoption of standards and of enforcing cooperation (among workmen) rests with the management alone”. It was in 1899 that Taylor explained the ‘science of shovelling’ as a result of which a workman was taught to shovel forty-seven tons of pig iron daily instead of merely twelve and a half tons.

It is well known how every aspect of this simple job was controlled in detail by management so as to achieve the desired results. Indeed few men can be expected to survive for long under such conditions. Taylor himself has noted that ‘one of the very first requirements for a man who is fit to handle pig iron as a regular occupation is that he more nearly resembles an ox than any other type’<sup>1</sup>. Similar conclusions had been reached by Adam Smith, one hundred and fifty years earlier.

Yet the establishment of personnel specialists as a distinct managerial operation is a relatively recent phenomenon in industry. In the U.K., for instance, it has been estimated that by the beginning of the Second World War there were merely 1,800 personnel specialists eligible to join the Institute of Personnel Management. However, this number soon grew to 5,000 by 1945 and to 13,000 by 1969. By the late seventies their number had grown to about 20,000<sup>2</sup>. These are distributed in approximately 46% of all medium sized and large companies. In the case of enterprises which are subsidiaries of larger companies, there are 71% of establishments with a specialist personnel function<sup>3</sup>.

These developments are usually related to the following inter-linked factors:

- (a) *size effect*: “as establishments grow in size they tend to employ specialists to cater for their personnel problems” as means of greater management control;
- (b) *organisational rationale*: “personnel specialists can be seen as a symptom of the more general bureaucratization of management”
- (c) *union pressure*: “union density, union recognition, various features of steward recognition and the experience of industrial action...are associated with the existence of personnel specialists” and
- (d) *external pressure*: “legislation has led to a greater role for the personnel function”<sup>4</sup>

Therefore, the increased role of personnel management is seen as a managerial response to a wide range of factors and situations. For this reason, the role normally reflects involvement in an equally wide ranging set of tasks and issues. Armstrong lists the following tasks:

**Manpower planning** — the preparation of manpower budgets; forecasting future deficits and surpluses, specifying requirements; recording and analysing information on labour turnover, absenteeism and movements between the different levels and parts of the organisation.

**Recruitment** — requisitioning; the preparation of job specification; advertising; interviewing; selection; fixing terms and conditions of employment.

**Employment** — induction arrangements; fixing hours of work and shift and night duties; overtime arrangements; recording working hours; leave of absence; holiday arrangements and pay; flexi-time arrangements; promotion, transfer and redundancy procedures; fulfilling employment legislation requirements.

**Training** — selecting personnel for courses; administrative arrangements on courses; following-up training; recording training carried out and the costs of training.

**Performance appraisal** — appraisal forms; reporting arrangements; counselling methods.

**Wages and payment by result systems** — fixing and altering wage rates and premium or other special payments; job evaluation; fixing and amending bonus or piece rates; payment of day rate; average earnings or lieu rates in particular circumstances (e.g. on transfer, new work, waiting time, special duties, or when a piece rate is in dispute).

**Salary administration** — fixing salary levels on appointment, transfer or promotion; job evaluation; reviewing salaries; salary budgets.

**Industrial relations** — procedural agreements, including negotiating rights, closed shop arrangements, bargaining units, election of shop stewards and their rights, disputes procedure disciplinary procedure, arrangements with regard to the status quo.

**Joint consultation** — terms of reference; election arrangements; preparation of agenda and publication of minutes.

**Communication** — briefing employees; using media.

**Health and safety** — safety rules and regulations; arrangements for reporting incidents; inspection procedures.

**Welfare** — arrangements for counselling and sick visiting.<sup>5</sup>

In short, the role of the personnel function is to provide advice, services and functional guidance which will enable management to deal effectively with all matters concerning the employment of people and the relationships between the management of the organization and the people it employs such a role provides a wide scope for conflict and uncertainties. Being placed in such a complex 'service' situation, it is not surprising that personnel managers often manifest symptoms of status insecurity and bureaucratic defence mechanisms. As Ducker has commented: The constant worry of all personnel administrators is their ability to prove that they are making a contribution to the enterprise. Their preoccupation is with the search for a 'gimmick' that will impress their managerial associates. Their persistent complaint is that they lack status<sup>6</sup>.

Lloyd Stanley<sup>6a</sup> has stressed that the 'civil service' syndrome which characterizes personnel managers in public and parastatal enterprises raises these problems to a more critical level.

In these circumstances, it is useful to examine briefly in the remaining part of this paper two currently prevailing types of management styles in public and private enterprises and to contrast these with an alternative line of development of managerial roles. The first two types shall be labelled as a 'traditional - authoritarian' and a 'bargaining - coping' role. These correspond to a 'unitary' and a 'pluralistic' model of the work organization respectively<sup>7</sup>. These shall then be contrasted with a proposed 'moderator - leadership' managerial role in a 'participative' organizational structure which it is argued, is better suited to confront the problems of role conflict and status anxiety as well as the range of problems referred to in the paper by Lloyd Stanley.

#### **(a) The Traditional - authoritarian managerial role in a unitary model of work organization.**

This management type manifests by its behaviour a belief in a unified legitimate command over the whole organization structure and no other source of power (e.g. trade union power) is regarded as legitimate. In its dealings with subordinates a 'paternalistic' attitude and a family ideology may well be adopted. No other focus of loyalty is acceptable and the ideal labour force is encouraged to remain relatively docile and quiescent. In such a context "The union is apt to be seen as a purely external, self-seeking force trying to assert itself into an otherwise integrated and unified system"<sup>8</sup>

The implications of such views for the course of action adopted by personnel management are clear. As an integral part of management, personnel specialists enjoy managerial prerogatives and they are also expected to ensure that these prerogatives remain

unchallenged. If a trade union is reluctantly recognised, every attempt is made to control it and to use it so as to strengthen the hold of management. Any infringement by the labour force of the official directives, after the required warnings and admonitions have been issued, necessitates automatic resort to disciplinary procedures. The predominance of these ideas in the past partly explains the relatively recent introduction of personnel management in most enterprises.

**(b) The Bargaining - coping managerial role in a pluralistic model of work organization.**

This management type manifests in its behaviour a realistic recognition of other sources of power and legitimacy in enterprises apart from the official locus of power derived from state authority and the rights of legal ownership. In a realistic adaptation to prevailing circumstances, collective bargaining becomes established by management and union as a form of joint regulation over labour issues. In the bargaining process many compromises have to be made in order to reach solutions which are acceptable to both parties. From management's point of view there are now severe constraints on its freedom of action 'in the best interests of the enterprise' as it sees them. The traditional managerial prerogative is no longer unqualified but undergoes some important limitations. As Fox states: "The increasing size and social complexity of work organizations; shifts in power relations within industry; changes in social values; rising aspirations; the weakening of traditional deference towards officially constituted governance — these were among the factors increasingly said to require managers to develop a new ideology and new sources of legitimation if they were to maintain effective control."<sup>9</sup>

Under these circumstances, the role of personnel managers is placed in a very hot seat around the negotiating table. Relics of the 'paternalist' tradition as well as the demands of expediency necessitate a certain attitude of concern with individual and group welfare of the labour force. On the other hand, other managers and superiors may enforce organizational demands in response to market pressures. The successful personnel manager is one who manages to somehow cope with these conflicts. There are no clear-cut criteria which measure how well they perform their task of balancing conflicting interests. All too often conflict reaches above a minimum acceptable level which manifests that "the ground rules need changing .... that management is failing in some ways to find the appropriate compromises or syntheses"<sup>10</sup>.

**(c) The moderator - leadership managerial role in a participative model of work organization.**

This management type is built around a 'coalition' view of the enterprise where the various groups comprising it pursue their own mutually compatible goals. In order to do so they require a broad distribution of power and reward structure. When the workers participate directly in the taking of all decisions concerning the enterprise, they may contribute important viewpoints to new initiatives being proposed and to problem solving. The traditional managerial viewpoint tends to be restricted to a hierarchical, top-bottom view. Worker participation may provide complementary views.

In this set-up the role of personnel management becomes that of a professional moderator who also leads towards workable solutions to problems which arise. In this context, the provision of workers' education, the opening of new communication channels and, above all, the smooth running of participatory structures at the middle and shop floor levels of organization (e.g. works committees, quality circles) may be included among the most important tasks of the personnel managers. As this involves a radically different concept of the enterprise than the traditional hierarchical one, a policy of transition is required and in the implementation of such policies, again personnel specialists may play a leading role.

The international experience suggests that the demand for workers' participation rarely emerges from the workforce itself. On the contrary an intervention "from above" has often been a necessary condition for its introduction.<sup>11</sup>

In this respect, the role of focal point agencies in the introduction of participatory experimentation becomes vital. This is the proposed direction that the "small rudder" (Trimtab) proposed by Somasundram should steer for.<sup>12</sup>

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NOTES:

1. Taylor (1911), passim
2. Batstone (1984), p.38
3. Ibid.
4. Ibid.
5. Armstrong (1984), pp.21-23
6. Ducker (1955) quoted in Armstrong, (1984) p.23
- 6a. Stanley Lloyd (1986)
7. These models are inspired by the writing of Fox (1974 (a)) and Fox (1974 (b))
8. Fox (1974b), p.135
9. Fox (1974a), p.258
10. Ibid., p.262.
11. Kester and Thomas (1981).
12. Somasundram (1985).

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