Whither The People Management Function? An Evolutionary Global Overview of The Management Of People At Work

Maxwell C.C. Musingafi 1* and Tom Tom 2

1. Programme Coordinator, Faculty of Applied Social Sciences; Development Studies, Peace, Leadership & Conflict Resolution, Zimbabwe Open University, Masvingo Regional Campus;
2. Programme Leader, Faculty of Applied Social Sciences; Department of Development Studies, Zimbabwe Open University

* E-mail of the corresponding author: mmusingafi@gmail.com

Abstract
This study was largely prompted by the debate on the people management function in Zimbabwe that led to the change of name of the Institute of Personnel Management of Zimbabwe (IPMZ) to the Institute of People Management of Zimbabwe (IPMZ) and developments in other countries vis-à-vis the profession. The paper is based on both theoretical literature on the evolution of people management and empirical literature from different countries. The study showed that there is no agreement on the understanding and treatment of the people management function. This study recommends, among other things, a broader and more strategic thinking/understanding of the management of people at work department.

Key words: people management, human resource, personnel, function, IPMZ, evolution, work.

1. Introduction
In this paper the people management function is the organisational function that deals with employment and life of employees (management included). The main focus of the paper is the continuous debate on the people management function in both Zimbabwe and the international community. The paper seeks to answer the following questions:

- How important is the people management function in modern organisations?
- What has been happening to the people management function since its inception just before the Industrial Revolution?
- Is there any serious difference between the different concepts of the people management function?
- What term is more appropriate for the people management function today?

First part of the paper traces the evolution of the people management function. Second part deals with the conceptual and philosophical debate. Lastly the third part looks at the terminological debate.

2. Origins and Evolution of the People Management Function
Beach (1985), Cole (1993), Gerber, et al (1995), McKenna and Beech (1995), Armstrong (1996), and Saiyadain (2000), all agree that the people management function is of recent origin, and that it has quickly evolved through welfare management; personnel management; industrial relations management; and now human resource management and human capital management. The function has grown broader and broader at each of these successive stages and hence the continuous change of name. This characteristic has been well summarised by the IPMZ (1996: 4):

Personnel management has earned recognition as a specialist branch of management only during the last half century. Not only was it a late starter compared with other functional areas, but its structure and scope are still growing steadily. The personnel manager’s role is very different today in most companies from what it was 20 years ago, and he now has at his elbow a range of specialist services that did not exist then. The nature and acceptance of these specialist services has reflected the successive stages in the evolution of personnel management itself. In the 1920’s the main theme was welfare. Today the stress is on the need for more efficient deployment of manpower. ---
Practitioners, managers, theorists, and everyone else, agree that the people management function is of great importance to organisational success. It is people who give organisations their competitive edge, and therefore make them different from their competitors. Whether management and practitioners “walk this talk” is another thing. What is important is that they all agree that people can make or destroy organisations. Even the earliest theorists and practitioners devoted much of their time on how to make people in organisations more productive. Classical management theorists, especially scientific management theorists, may seem more concerned with the task performance issue than the human side of the process, but still, they are talking of how we can mobilise people in organisations to put other resources in motion for the achievement of organisational goals. All other resources are static, only human resources make them dynamic.

Problems with people as employees began just before the Industrial Revolution in the early 1800s, when cottage industries became so large that owners were obliged to employ ‘strange’ people in addition to family members. (Gerber, etal: 1995:31). The burning issue, which is still a burning issue today, was how to take care of this ‘stranger’ so that he/she performs his/her best for the optimal achievement of organisational goals.

In the early days the strangers were seen as cogs to be thrown away after use. Human emotions and needs were not seen as important in the employment relationship. The general management practice was thus based on the principle of ‘Social Darwinism’, i.e. survival of the fittest. (Gerber, etal: Ibid: 32). The dominant approach to people management was the commodity approach that is described by Litwack (1962) as quoted by Gerber, etal (Ibid) as follows:

Employees represented a factor of production to be performed as cheaply as possible and discarded when no longer useful. The human factor was at best irrelevant in employment decisions. Some employers, for example, viewed employees’ desire for education as harmful, spoiling these people for the realities of hard work

People were just like any other resource, and therefore there was no need for treating them differently.

But, as has always been the case with human life, there was no consensus about the best philosophy on people management practice. This led to the emergence of the paternalistic social welfare approach based on strong moral grounds in the late 1800’s. It was Robert Owen who emphasised the need for better labour relations, improvement in service conditions and cooperative labour movement (Ahuja: 1998: 3). In the UK welfare personnel management was “viewed as a reaction to the harshness of capitalism at that period of British history”. (McKenna and Beech: 1995: 2). The concept was concerned with the provision of schemes dealing with unemployment, sick pay and so forth. For the first time personnel responsible for the welfare of workers were appointed. These were known as welfare officers or welfare secretaries. According to Gerber, etal (1995: 33) “Paternalism or fatherly protection of employees took the form of company services, schools, shops and company housing”. The role of welfare officers was well summarised by Rowntree (1990) as quoted by Gerber, etal (Ibid: 33):

As representatives of the employees it is the duty of the social helpers to be constantly in touch with them, to gain their confidence, to voice any grievances they may have either individually or collectively, to give effect to any reasonable desire they may show for recreative clubs, educational classes, etc and to give advice in matters concerning them personally.

The manifestations of the welfare tradition are the provision of health schemes, crèches for the children of employees, canteens and company outings for workers, transport assistance, pension and unemployment benefits. In the Zimbabwean context, community services officers in mine towns like Mashava and Zvishavane are a typical example of welfare officers. Their concern is the welfare of employees as they administer the provision and distribution of houses, health services, recreational facilities, formation and running of workers’ clubs, funeral arrangements, counseling, etcetera. The function is thus an operational function done at supervisory level by an appointee, who though literate, may neither have sound academic nor professional qualifications. If any one can/could be a welfare officer, then it follows that the office (though operationally important) has no strategic importance to the organisation.
The introduction of welfare schemes was questioned as some people believed that the practices were intended as an alternative for realistic wages, and as a ploy to keep trade unions at bay (McKenna and Beech, 1995: 2). This paternalistic approach was used to manipulate employees through kindness. Others feel that paternalism was followed because employers thought that employees could not think for themselves, and were unable to plan for the future and to arrange for their own affairs. (Gerber, et al, 1995: 33)

Despite these criticisms, paternalism was the first stage in acknowledging the importance of human resources and the management of people at work. People knew that human resources were important, but there was no tangible or practical acknowledgement before the welfare concept.

The growth in the size of organisations forced the welfare concept into a broader concept commonly known as personnel management. According to Beach (1985), Cole (1993), Gerber, et al (1995), McKenna and Beech (1995), and Armstrong (1996), the personnel management concept developed between the First World War and the Second World War. A fully fledged department that on top of the traditional welfare function became responsible for recruitment and selection, training and development, manpower planning, reward systems, personnel record keeping, etc., emerged. Great emphasis remained on the service aspect of the function. Though now broader, it remained operational and therefore a simple department level function. The function thus remained administrative and prescriptive, with clear boundaries. Though people management issues were pervasive throughout the organisation, they were all dealt with at departmental level. As such the personnel manager did not sit on board.

It can, therefore, be safely concluded that though it was generally accepted that the personnel management function was of great importance to organisational success, the function was not accorded its worth. As quoted by Armstrong (1996: 56), Sisson (1995) argues, “If personnel specialists are not even present when key decisions are taken, this effectively means that personnel issues will almost inevitably be condemned to second-order status”. Strategic personnel management and the chances of developing coherent and consistent policies are therefore slim.

The rapid growth of organisations, trade unionism and labour legislation after the Second World War increased the responsibilities of the personnel manager. According to Beach (1985: 43) the new responsibilities of the personnel manager were labour contract negotiations, contract administration, and grievance handling. This development made most organisations adopt the term industrial relations manager in place of personnel manager. Beach (Ibid) observed that most of the organisations that adopted the new name were in manufacturing. Government departments, hospitals, schools and non-manufacturing companies continued to use the term personnel management for the enlarged function. He summarised the content of the enlarged department as recruitment and employment, human resource planning, employee training and management development, organisation planning, organisation development, wage and salary administration, health and safety, benefits and services, union-management relations, equal employment opportunity, and personnel research. In order to be most accurate in describing this aspect in organisations it would be best to use the combined personnel management-industrial relations (Beach, Ibid).

Thus the personnel manager moved from the simple service role into a broader advisory and policing role of industrial relations expert who over and above his/her traditional functions had to advise management on how best to deal with industrial relations and employment contracts.

Nonetheless, the function remained largely an operational one as in most cases these specialists/experts did not sit on boards, and therefore did not influence most crucial strategic organisational decisions.

The thinking and practice of the management of people at work function continued to evolve due to both macro environment and microenvironment forces i.e. external and internal forces of change. Saiyadain (2000: 2) summarised the whole contextual process as follows:

The increasing organizational size and its complexity, transition from traditional to professional management, changing social and cultural norms, globalization of industry and availability of information technology are constantly changing the profile of HRM functions.

In the 1980’s the human resource management thinking and practice emerged as a result of the above process. For Cole (1993: 14) two dominant trends emerged—one in line with the provision of services thinking and other one based on corporate philosopher thinking:
There appear to be two dominant trends emerging, one which relegates personnel to the provision of routine services and the other which sees personnel as the principal architect of corporate culture.

Though the “provision of routine services” approach may be dominating in the practice of people management, the “principal architect of corporate culture” approach is fast gaining centre stage. This thinking is in line with the human resource management philosophy that sees the people management function as an integral part of the general management process. It is seen as broad as the organisation and its environmental context. For Beardwell and Holden (2001: 18-24) the Concept involves both macro strategic issues and the general location of HRM within organisational structures. It has grown into “an amalgam of organizational behaviour, personnel management, and industrial relations and labour legislation” (Saiyadain, 2000: 2) as influenced by both the internal; and external environment.

Though the human resource management concept is generally believed to have taken centre stage in the USA and the UK in the 1980’s, Beardwell and Holden (2001: 17) say that it originated in the USA in the 1950’s but did not gain wide recognition by that time. The idea behind it was to create a work situation free from conflict so that both management and employees work in unity towards the same goal—the success of the organisation (Fombrun, 1984: 17 as quoted by Beardwell and Holden, 2001: 17).

Generally the human resource management concept has been influenced by Japanese management concepts, especially total quality management (TQM) which puts quality and the customer at the heart of the business. Other concepts of great significance to the HRM concept development are empowerment, reengineering, the marketing concept, and the learning organisation (Beardwell and Holden, 2001: 17). All these concepts emphasise the need for a holistic approach to business management, sound and positive human relations, customer satisfaction, synergy, among other things. Likewise the HRM concept is for these ideas.

According to Armstrong (1996: 142) the HRM concept is not a homogeneous single model. We have the USA models that include the Matching Model and the Harvard Framework, and the UK versions.

In the USA the concept is said to have taken a clear shape in 1984 when American academics came up with the Matching Model in which they asserted that human resource systems and the organisation structure should be managed in a way that is congruent with organisational strategy. In the same year Harvard scholars, Beer, et al, concluded that HRM belongs to both specialists and line managers—hence the need for coherence in HRM policies. As quoted in Armstrong (1996: 142-3) they stated that:

Human resource management involves all management decisions and action that affect the nature of the relationship between the organization and its employees—. Today, many pressures are demanding a broader, more comprehensive and more strategic perspective with regards to the organization’s human resources. A longer-term perspective in managing people as potential assets rather than merely variable cost.

Walton (1985), also of Harvard, as quoted by Armstrong (1996: 143), developed the Concept of Mutuality as he talked of

Mutual goals, mutual influence, mutual respect, mutual rewards, mutual responsibility, --- policies of mutuality will elicit commitments, which in turn will yield, both better economic performance and greater human development.

Leading British scholars who joined this discussion are Guest, Legge, Hendry and Peettgrew, Sisson, and Storey. They believe that the HRM Concept entails strategic integration, high commitment, high quality, flexibility, and central involvement of line management (Armstrong: Ibid: 144-8)

From the foregoing it is seen that the distinguishing feature of HRM from its predecessors is its integration and strategic emphasis. People management is put at the heart of all organizations and hence its strategic importance.

Having traced the general road through which the people management function has moved so far, it is
worth noting that since stages of development are not uniform throughout the world, countries are at different levels vis a vis their people management ethos. These differences are mainly due to different macro environmental and micro environmental settings.

3. The Conceptual and Philosophical Debate of People Management

According to Deloitte and Touche Executive Placements, organisations are about people. You can have brilliant products at a brilliant price in a market that really wants your products, but if you do not have the right people driving your business, then you will not stay in business for a very long time. What differentiates companies today is the calibre and commitment of their staff (Schwind, 1995: 1). Without people, organisations would not exist. Unlike other functional areas human resource management pervades the entire organisation. Every manager is truly a practicing human resource manager (Beach, 1985: 43).

The Personnel Standard Lead Body-PSLB (1993), as quoted by Armstrong (1996: 53), stated that, “Personnel is exercised as part of the full business management process and can not be viewed in isolation. ---. Practitioners need to work as part of the management team”---. This is supported by Ahuja (1998: 3) when he sees personnel management as an important activity, which is an integral part of the total management system. He believes that the people management function should be at strategic management level partly because “of all resources, human asset is the centre of all resources which convert the various resources into the productive resource.” To him it is only the human resource, which appreciates with time; all other resources undergo the process of depreciation. Human resource adds to value, while all other resources add to the cost. Human resource is able to change, grow and to enlarge his value. Success of an organisation depends on the quality of its manpower and its performance.

Murira (1998: 15) supports the above view. To him human resource management holds key to profit making. High productivity can be achieved by ensuring that the human resources department participates in strategic decisions that affect the successful implementation of business strategies. Some of its strategic roles as given by Murira (Ibid) are linking human resources to the business role; enabler role; monitoring role; innovator role; and adaptor role

All these roles are at top management level and hence they involve the organisation in total, including its external environment. This is why Beardwell and Holden (2001) talk of both macro strategic and micro strategic human resource issues. Gerber, et al (1995) argue that human resource management should be analysed from a macro environment perspective. A country’s economic development level is determined by the way it treats its human resources. Obbo (1990), in Grey-Johnson (1990), argues that efficient management of human resources and their effective utilisation are the bedrock of any society’s development. Unless people are transformed into development assets, and properly utilised to give value to the available physical resources, they will remain liabilities to society and clog the development process. When people are highly developed, they become resources; human resources, but if left underdeveloped, they are nothing but liabilities to a society’s development process (Grey-Johnson, 1990). At macro environment level one indicator of poor human resource management is the brain drain.

The argument of the supporters of the human resource management concept is that human resource management is so important that it cannot be left in the hands of an operational department per se. Since it is the responsibility of every manager, the discipline has to be fully represented at top management level. To ensure the effectiveness of the function as a strategic function Armstrong (1996) states that personnel management must be part of the top management team; be involved in business planning and the integration of human resource plans with business plans; be well placed to influence organisational culture; be involved in resourcing at top and senior levels; and be concerned with the management of change.

Baron and Kreps (1999:5) summarise the reasons why the people management function should be located at top management level as follows: human resources are key to organisational success or failure; human resource management is too important to be left to human resource specialists; general managers must be fully involved in the management of human resources; management must understand and be sensitive to the role played by the organisation’s human resources; and human resource management is both a strategic and day-to-day logistical operation.

The management of people is thus an integral part of the process of management. Therefore, to ensure success, organisations should be very much concerned with the development of a powerful management team;
a well motivated, committed, skilled and flexible workforce; stable and cooperative relationships with employees; and an overall quality of working life strategy (Armstrong, 1996)

The managing director of Boots the Chemist (Armstrong and Long, 1994), as quoted in Armstrong (1996:106) summarised the importance of the people management function when he said, “money is easy to get hold of, good people are not”.

However, the human resource management concept has its own limitations. As a relatively new concept it is yet to be fully practiced in most organisations. What happens on the ground and what people say about the management function are different things. Generally people do not “walk the talk”. This makes critics like Tom Keenoy claim that HRM is more rhetoric than reality—it has little support in terms of evidence (Beardwell and Holden, 2001: 25)

Legge, as quoted in Armstrong (1996: 149), sees little difference between human resource management and personnel management. To her organisational constraints may well make a truly integrated approach highly impractical. Some of the organisational constraints are other functional managers and line managers, deep-rooted organisational cultural ethos, and general resistance to change. She also argues that the concept is simplistic in that it is seen as ideal for all organisations in spite of situational factors, and thus degenerates into being prescriptive. What this boils to is that the concept exists at the level of rhetoric, as it does not survive practice. Hence the conclusion that HRM is not different from personnel management. What matters is the practice not the talk.

Legge is further worried about the contradictions associated with the concept. It preaches the virtues of both individualism (concentrating on the individual employee) and collectivism (team work). This is most likely to lead to confusion or misunderstanding of the concept. Fowler (1987), as quoted by Armstrong (1996: 149), asks, “Is it really possible to claim full mutuality when at the end of the day the employer can decide unilaterally to close the company or sell it to someone else?” The implication is that the employer has an upper hand over the employee. The “us-them” relationship which has always been there will continue to exist, so is the plurality and conflict of interest between employees, management and employers.

Armstrong (1995), as quoted in Armstrong (1996: 150), believes human resource management rhetoric does not survive business reality. Managers see their overriding priorities as being to cut costs, focus on core activities, outsource everything else, and satisfy expectations of investing institutions above other stakeholders. The drive for continuous improvement usually means fewer jobs. This means that HRM ideals like empowerment, involvement, and personal growth are bound to be frustrated. Armstrong (Ibid) concludes that human resource management is old wine in new bottles; it could be no more or no less than another name for personnel management.


Personnel management has grown through assimilating a number of additional emphasis to produce an ever richer combination of expertise. --- HRM is no revolution but a further dimension to a multi-faceted role.

Thus, as far as these critics are concerned, the difference between personnel management and human resource management can be seen as a matter of emphasis and approach rather than one of substance, though the above quotation from Torrington still implies a significant difference.

The human resource management concept may be an exaggerated concept, but still it is a valid concept. The people management function is an evolving function and has always grown broader and broader. So it is not surprising that the function has grown or evolved into a broader and strategic position. Whatever theorists, academics and even other practitioners say, the concept has already entered the vocabulary and influenced the people management function. The best we can do is to evaluate the extent to which it has been implemented in our organisations. But, before looking at the application issue it is necessary to look at the terminology issue, as it has proven to be a topical issue as well.

4. The Terminological Debate

People management has been known by several names as already seen above. Is there any need to keep on changing these names? Welfare officers/community services officers are still found in mining towns and
municipalities in Zimbabwe. In fact all the terms (welfare officer, personnel manager, industrial relations manager, and human resource manager) discussed above, are still in use in business organisations. Are these titles implying any significant differences in terms of job content, role, contribution and status within business organizations? A clear-cut yes or no answer is not possible as both academics and practitioners are of different views.

The most debated terms are human resource management versus personnel management. A survey of most textbooks titles published in the 1990s suggests there is a difference between the term human resource management and the other traditional functions. Some of the titles are: Strategies for human resource management: A total business approach (Armstrong, 1995); Human resources management (Gerber, et al, 1995); The essence of human resource management (McKenna and Beech, 1995); Canadian human resource management (Schwind, 1995); Strategic human resource management: Frameworks for general managers (Baron and Kreps, 1999); Human resource management (Saiyadain, 2000); Human resource management: A contemporary approach (Beardwell and Holden, 2001); and Human resource management: MBA 508 (Mandishona, et al, 2003). The fact that some of these titles have phrases like “A total business approach” as their sub titles, or include the word strategic/strategy, suggests that there are some differences between the term human resource management and its predecessors. This is supported by these authors’ arguments in these texts. Beardwell and Holden (2001: 5-28) see the human resource management concept as broader than the operational traditional concepts as it locates the people management function at top management level and deals with macro strategic issues. McKenna and Beech (1995: 9) argue that traditional personnel management tended to be parochial, striving to influence line managers, whereas HRM is integrated into the role of line managers, with a proactive stance and a bias towards business. For Saiyadain, (2000: 2) human resource management “represents a broad based understanding of the problems of people and their management”. Hall and Goodale (1986), as quoted in Gerber, et al (1995: 11) argue that:

We have chosen to use the term human resource management for two major reasons. First, we view it as a process much broader than designing personnel programs; it also involves strategic planning and implementation. Second, the expanded definitions of human resource management include responsibilities that can only be assumed by line managers. Therefore, our audience is not only students who wish to become human resource professionals, but also students who plan to become line managers.


To the above authors and many others, the fact that the people management function has taken a broad and strategic stance is full justification for adopting the term human resource management in place of personnel management and other traditional terms.

But, we have established authorities that seem to ask the question: “What’s in a name?” To them there is no difference whether the People Management function is called personnel management, human resource management, or any other different name. Most of the early writers in people management issues have tended to continue using earlier terms, especially personnel management, even in their latest editions. Some of the publications are Personnel management (Flippo, 1984); Personnel: The management of people at work (Beach, 1985); Personnel management in Africa (Blunt and Popoola, 1985); Personnel management: Theory and practice (Cole, 1993); Personnel management (Ahuja, 1998); and Personnel management in Zimbabwe (Bates, 1999). Most of these books earlier editions were written before the HRM debate took centre stage. For Armstrong (1996: 21) whether the management of people function:

should be called personnel management, personnel and development management or human resource management is not regarded as being crucially important; so, for the sake of continuity, the title used in the first five editions has been retained. ---. However, the philosophy of human resource management is different from the philosophy underpinning many traditional management practices. ---. The word ‘personnel’ is therefore used throughout the handbook to describe all approaches to personnel and development management, including those referred to as human resource management.
He, however, changed to human resource management in his later editions of the book. Beach (1985: 43) is of the same idea. He argues that as the people management function becomes broader using a more revealing name would be appropriate, but “for the sake of conciseness” he continues to use the term personnel management. As such, for him, the terms personnel management, industrial relations management and human resource management can be used interchangeably.

For Jackson (1991: 1) “HRM is not a great deal different than personnel management. The importance of recognizing the effective management of people as critical to the success of an organization, and the value of seeing employees as a major resource to be harnessed for the benefit of the organisation, are not new.” Thus human resource management and personnel management can be used interchangeably.

The discussion in this part was not aimed at any value judgments. The above authorities agree that the people management function is generally now broader and more strategic than its predecessors. The only point of difference is that one group feels that the terms, especially personnel management and human resource management, cannot be used interchangeably, whereas the other feels that the name is not important but the concept or philosophy behind it. The latter seems to say any term/name can mean what you want it to mean for as put forward by Armstrong (1996) HRM can be put into practice by people who are described as personnel directors just as well or even better than those who have been retitled human resource directors.

This paper distinguishes the traditional concepts from the HRM concept so that it becomes easier to locate the people management stage of development in the Zimbabwean context.

5. Conclusion

The above discussion shows that the people management function has been gaining in importance since its inception just before the Industrial Revolution. In line with this dynamic character of people management, as already shown above, most international people management institutes have also changed their names and strategies. Zimbabwe should thus follow suit in order to remain/become competitive in the business world. The Institute of Personnel Management of Zimbabwe (IPMZ), now the Institute of People Management of Zimbabwe (IPMZ), has taken the lead and change its name to a more strategic and revealing of the stage we are in terms of the people management function name and practices. An MBA study done by Musingafi (2005) shows that most private and public organisations in Zimbabwe are adopting the new strategic concept/name. Therefore there is no way IPMZ can remain resistant to the tides of change in Zimbabwe and the international community.

References

Fisher, C. and Dowling, P. 1997 HR Transformed, IPMZ
This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE’s homepage: http://www.iiste.org

CALL FOR PAPERS

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. There’s no deadline for submission. Prospective authors of IISTE journals can find the submission instruction on the following page: http://www.iiste.org/Journals/

The IISTE editorial team promises to the review and publish all the qualified submissions in a fast manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar