

HRM PERSPECTIVES

Insights on Human Resource Management Practices



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Insights on Human Resource Management Practices



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HRM Perspectives – Editorial

In Search of HR Research Excellence

IPM has selected “In Search of HR Excellence” as its theme of the National Conference 2013. We thought it is both rational and realistic to relate our research endeavors also to it. Excellence is all about reaching higher levels and achieving greater results. It is more a journey than a destination.

As we are aware, research on human resources falls into the broader category of research on management, which in turn, is a part of the wider array of social research. Whilst positive initiatives are being taken, current situation with respect to research in Sri Lanka is far from a satisfactory level. We have an acute gap to bridge with regard to the current and desired levels of engaging in HR research. Hence, we need a rigorous drive in search of HR *research* excellence.

Last year we took a small but a significant step in publishing the research of IPM students and members alike. It was the first revamped issue of HRM Perspectives, containing articles that offered insights into human behavior in organizations with social, cultural, economic, political and environmental aspects aptly blended with people management practices. We are indeed happy to make one solid step forward this year in presenting HRM Perspectives 2013 with improved quality and enhanced quantity.

As in the last issue, the authors with diverse backgrounds, representing professionals from both public and private sectors, have contributed to the informative and insightful nature of the magazine. As such, papers from academics and practitioners alike have been accommodated in order to maintain healthy balance of depth and breadth. Several papers by IPM students also have been included in order to ensure the opportunity to showcase their contributions. We took steps to ensure strict adherence to the globally accepted APA referencing guidelines.

The sudden demise of Professor Sudatta Ranasinghe deprived us of including another prolific paper to the journal. His research contribution to the Sri Lankan HR community is indeed commendable. In writing on his last publication, he stated as follows:

“The students as well as practitioners of HR are convinced that there is a dearth of research-based literature on theory and practice of HR in the context of development challenges faced by Sri Lanka. In particular, issues pertaining to performance management and rewards, employer-employee relations, attraction and retention of competent people, career opportunities for women, employee motivation and commitment etc. which affect peoples’ productivity and organizational performance are not sufficiently researched and discussed.”

HRM Perspectives journal would pledge its readers that Professor Ranasinghe’s insightful intentions will be continued to fulfill at least in a limited manner. He was an inspirational icon to us at the Research and Publication Committee (RPC) of IPM in 2011-12 and the National Issues, Stakeholder Relations, Research and Publication Committee (NISRRP) of IPM in 2012-13. The wide assortment of papers you find in this issue, ranging from theoretical to practical aspects is a fitting tribute to him.

We would invite our readers to join us in creating a renewed enthusiasm on HRM research. HRM Perspectives will continue to provide a platform for practitioners to publish their work, whilst appeasing academics. Let us embark on the journey in search of HR *research* excellence.

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HIGH PERFORMANCE WORK PRACTICES AND PERFORMANCE OF SERVICES OUTSOURCING FIRMS

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ABSTRACT

The purpose of the study is to investigate the effects of high performance work practices on performance of services offshore outsourcing firms in terms of innovativeness, quality of service, and competitiveness. The novel character of this research is that it investigated the effects of several high performance work practices on three outcome variables, which until recently had been studied separately, within an extended framework in a single study. Survey methodology was used and 424 respondents who fulfilled the selection criteria set for the study, responded. The hypothesized relationships were examined by structural equation modelling. It was found that high performance work practices of talent engagement, knowledge availability, workforce optimisation, managerial practices, and job related training are significantly positively related to innovativeness, quality of service, and competitiveness. Further, the findings provide empirical evidence that the three outcome variables are interconnected.

Key words: competitiveness; high performance work practices; innovativeness; quality of service; services offshore outsourcing.

1 Introduction

Service industry has witnessed a rapid growth during the past few decades both in developed and developing economies (Redondo-Cano & Canet-Giner, 2010; Reed & Storrud-Barnes, 2009). The literature on services industry provides sufficient evidence that the provision of services is different from manufacturing and consequently service

operations require different management skills (Javalgi & Martin, 2007; Reed & Storrud-Barnes, 2009). Yet, past studies suggest that the majority of management theory is based on studies of manufacturing, and that the drivers of performance in services firms have not given due attention (Javalgi & Martin, 2007; Reed & Storrud-Barnes, 2009).

The resource-based view of the firm provides a framework to examine how a firm's rare, valuable, and inimitable resources and capabilities generate a sustainable competitive advantage in the marketplace (Barney, 2001). The literature on services has conceptually (Murphy, DiPietro, & Murrmann, 2007) as well as empirically (Zheng, 2009) provided evidence for the contribution of HRM for effective firm performance. The HRM literature identifies high performance work practices (HPWPs) (also labelled as high-involvement or high commitment work practices) as a key aspect of "soft" HRM discourse, which are designed to have positive outcomes that reinforce profitability and organisational survival as well as satisfy employee aspirations and needs in the workplace (Gollan, 2005). Although HPWPs were initially designed to manage production workers in large manufacturing firms, the literature suggests that these can be used to improve performance of all kinds of organisations with various kinds of workers (Boxall & Macky, 2007).

HPWPs are very much relevant to service organisations as these practices propagate jobs to be designed broader combined with planning and implementation, individual job responsibilities to be changed as environmental conditions change, teams to be made accountable for performance, and control and lateral co-ordination are to be based on shared goals with minimum status differences (Gollan, 2005). However, it is very difficult to find empirical studies that investigated the effects of HPWPs on services firms. Therefore, there is a gap in the literature on the effect of HPWPs in creating competitive and international advantage for services firms in competing for global markets. Present study attempts to address this gap in the literature by investigating the effects of HPWPs on firm performance in terms of innovativeness, quality of service, and competitiveness of services if offshore outsourcing firms.

2 Theoretical background and hypotheses

2.1 High performance work practices

High performance work practices intend to promote mutual influence, mutual respect and mutual responsibility (Boxall & Macky, 2007; Gollan, 2005). Boxall and Purcell (2003) identify HPWPs as the foundation of best practice HRM. The objectives of introducing HPWPs to an organisation are performance improvement and cost efficiency by building employee satisfaction and commitment through greater employee involvement and participation (Gollan, 2005).

The literature highlights the importance of implementing appropriate strategies for recruiting, motivating, developing and retaining competent employees in the service industry (Yeung 2006; Zheng, 2009). Employees working in services outsourcing are identified as experiencing a mixture of control and commitment strategies, where work environment is highly controlled and performance is closely monitored and strictly measured against targets. Yet, at the same time, they are empowered to take responsibility for their team and own performance and provided with professional or knowledge-intensive setting appropriate for the customisation of products and services (Budhwar, Varma, Singh, & Dhar, 2006). Further, they have relatively negative perception towards their work hours and perceive high work exhaustion (Wickramasinghe, 2010). Opportunities for these employees for promotion are few and far between since the majority of firms have about two layers in the organisational hierarchy (Wickramasinghe, 2009). In this regard, Lawler III (2005) suggests that organisations need to develop a relationship with employees that emphasises continued employment, where employees are rewarded for performance and skill development (Lawler III, 2005). According to Gollan (2005), HPWPs could provide a platform in recruiting, motivating, developing and retaining competent employees by fulfilling expectations of both organisations and employees.

However, there is little agreement on specific practices that come under the umbrella of HPWPs (Gollan, 2005). In general, previous studies suggest that HPWPs include but not limited to performance management, training, rewards, recruitment and selection, participation, leadership, and information sharing (Geringer, Frayne, & Milliman, 2002; Luna & Camps, 2008). Further, it is suggested that the impact of

HPWPs on employees and organizations are higher if those are implemented as a bundle of practices than in isolation (Guest, Jonathan, Conway, & Sheehan, 2003). For instance, Yeung (2006) provided evidence for the importance of recruitment and selection, job related training, and employee engagement in developing and retaining high-quality talent in hospitality industry. Further, Little and Dean (2006) and Zheng (2009) provided evidence for the importance of skill development and the provision of support resources to deliver quality service. The literature also suggests that there is no need for all organisations to adopt a similar set of HPWPs; firms can make strategic choices by taking up some practices and rejecting the others (Subramony, 2006; Zheng, 2009). In this regard, Legge (1995) suggests that organisations in labour intensive, high volume, low cost industries are likely to adopt HRM practices that treat employees as a cost to be minimised while organisations competing in the knowledge-based, high-skilled and high-cost industries are likely to adopt HRM practices that treat employees as an asset that enable value creation. However, the literature on services industry imply that there is little consensus about which bundle of practices should be implemented (Little & Dean, 2006; Yeung, 2006; Zheng, 2009).

2.2 High performance work practices and service innovativeness, quality, and competitiveness

The literature on services industry suggests that the provision of services in international markets is a challenge due to intangible nature of services and inseparable nature from their users (Javalgi & Martin, 2007; Ueltschy et al., 2007). In the context of offshore outsourcing of services, the World Bank (2006) states that although cost is an important factor in attracting offshore businesses, it is not the only criterion that clients consider in making site selection.

A preliminary investigation was conducted to identify firm level performance outcomes to be investigated in the present study. Having considered today's increasing international competition, regionalization, industry restructuring and globalization trends, the majority of services offshore outsourcing firms in Sri Lanka identified innovativeness, quality of service, and competitiveness of services as the key criteria that may lead to improvements in overall performance, survival in volatile environment, and create international advantage for them. In this regard, the literature on services also identifies the importance of innovativeness (e.g., Biedenbach, 2011;

Essén, 2009), quality of service (e.g., Völckner, Sattler, Hennig-Thurau, & Ringle, 2010), and competitiveness of services (e.g., Chikán, 2008) for sustainable competitive advantage.

2.2.1. High performance work practices and innovativeness

Innovation is the implementation of a new or significantly improved product/service or a process, a new marketing method, or a new organizational method in business practices, workplace organization, or external relations (OECD, 2005). Hurley and Hult (1998) define innovativeness from a collective perspective where innovativeness is openness to new ideas. Hurt, Joseph and Cook (1977) conceptualize innovativeness from two perspectives, namely, innovativeness as a behavioural variable in terms of the rate of adoption of innovations by a firm and as an organisation's willingness to change. In the context of service business, Fitzgerald, Johnston, Brignall, Silvestro, and Voss (1991) identified service innovativeness in relation to the performance of innovation process and performance of individual innovations. Barras (1986) suggest that process innovation may be more important to service sectors, as they may improve the quality of services or even result in new services. Miles (2005) highlighted the difficulties in generalizing innovations in the service provision as the nature of services is very diverse. Hence, service innovativeness could be analyzed by industry or even by sector.

Although several past studies emphasised the importance of HPWPs for innovativeness (e.g. Ulrich & Lake, 1991), studies that empirically investigated this relationship are very limited (e.g., Subramaniam & Youndt, 2005). Yet, such studies have shown a positive effect of HPWPs on innovativeness (e.g., Subramaniam & Youndt, 2005). Therefore, it is hypothesised:

H1: HPWPs positively influence innovativeness.

2.2.2. High performance work practices and quality of service

The quality of service is a person's evaluation of the "overall excellence or superiority of the service" (Zeithaml, 1988, p. 3). Hence, the perceived quality of service is a form of attitude, resulting from the comparison of expectations with perceived performance (Bennett & Barkensjo, 2005). According to Shemwell, Yavas, and Bilgin (1998), the

perception of service quality develops over time from a series of encounters revealing service provider's abilities.

Service quality has many dimensions (Fitzgerald et al., 1991; Grönroos, 1990; Parasuraman, Zeithaml, & Berry, 1985). For instance, Grönroos (1990) identified functional dimension as interactions that take place during a service delivery while technical dimension as what a customer actually receives from a service. Further, Parasuraman et al. (1985) identified the dimensions of service quality as reliability, assurance, tangibles, empathy, and responsiveness. Furthermore, Fitzgerald et al. (1991) identified the dimensions of service quality as reliability, responsiveness, aesthetics/appearance, cleanliness/tidiness, comfort, friendliness, communication, courtesy, competence, access, availability, and security. Therefore, there is little agreement on specific dimensions of the quality of service in the literature (Brady & Cronin, 2001).

Service quality can be measured in terms of self evaluation, peer evaluation, supervisory evaluation and consumer evaluation (Behrman & Perreault, 1982). The present study operationalised the quality of service in terms of employees' perception of service quality that they deliver. According to Steers and Porter (1991) employees' perception towards the quality of service is a challenge because employees' perception drives their behaviour. Therefore, the literature emphasises the importance of managing the perception of employees' of their own service performance (Mukherjee & Malhotra, 2006).

Al-Hawari, Ward and Newby (2009) emphasised the importance of human element in the context of service quality by stating that employees are the key element that customers interact with during the service encounter and well trained employees are able to achieve a higher level of customer affection towards the organisation. Therefore, it is hypothesised:

H2: HPWPs positively influence the quality of service.

2.2.3. High performance work practices and competitiveness of services

Porter (1980) identified competitiveness as the ability to successfully compete in a given business environment. Chikán (2008) identified competitiveness as a capability

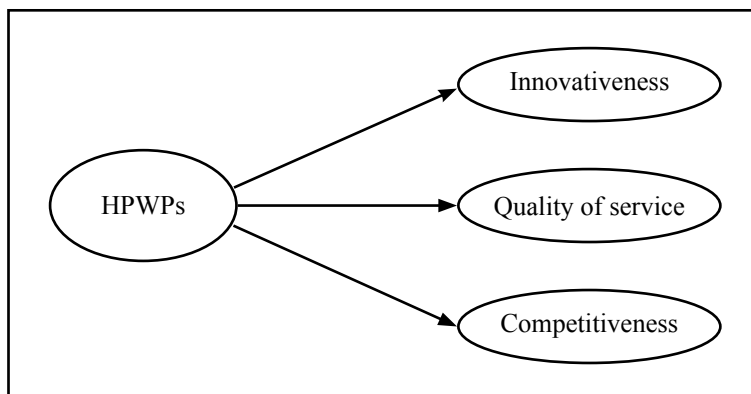
to fulfil its double purpose, i.e., meeting customer requirements at profit. This capability is realised through offering market goods and services which customers value higher than those offered by competitors. Therefore, Chikán (2008, p. 25) concluded that competitiveness is a potential which has to be realized in a firm's everyday operations. According to Chikán (2008, p. 25) this capability approach suggests "competitiveness can be a characteristic feature of a firm but it is not equal to success: it only means that the firm can compete – but it does not necessarily mean winning. Further, this definition of competitiveness connects the concept of competitiveness to adaptation to changing characteristics and behaviour of relevant stakeholders".

According to Ulrich and Lake (1991, p. 77), creating better products/services and pricing products/services lower than competitors must today be supplemented by an organisation's ability to manage people to gain competitive advantage. Ulrich and Lake (1991) showed through several case studies that there is a strong link between competitiveness and effective people management. Skaggs and Youndt (2004) found a relationship between service organisations' strategic positioning and their human capital. Such findings emphasise the need of effective HPWPs. In today's increasingly dynamic business world, more and more firms find themselves trapped in an uninviting situation where their existing firm-specific resources and competencies are no longer sufficient to maintain their competitive advantages (Wu, 2008). In this regard, Day and Wensley (1988, p. 3) state "superior skills are the distinctive capabilities of personnel that set them apart from the personnel of competing firms. Some of the benefits of superior skills arise from the ability to perform individual functions more effectively than other firms. For example, superior engineering or technical skills may lead to greater precision or reliability in the finished product. Other skills are derived from the systems and organisation structure that enable a firm to adapt more responsively and faster to changes in market requirements". These comments again emphasise the need of effective HPWPs. Therefore, it is hypothesised:

H3: HPWPs positively influence competitiveness.

Figure 1 shows the research model developed for the study. As detailed in the section 3.2 on *measures*, specific HPWPs were derived from the factor analysis.

Figure 1: Research model



3 Methodology

3.1 Sample

Offshore outsourcing sector in Sri Lanka has increased considerably over the last two decades and there were about 102 firms operating in the country that employs about 30,000 workforce. Of these, 45 firms were identified to have more than five years of industry presence and these were considered as the population of the study. Some of the services these firms provide are intellectual property research, legal and medical research, R&D, equity research, and risk assessment and management, engineering and design, animation, market research, network consultancy and management, and content development.

A contact person was identified at each firm to distribute the survey questionnaire among randomly identified people, who are directly involved in offshore outsourcing job tasks and knowledgeable to provide required data for the study. In total, 433 respondents voluntarily responded within four weeks of the initial questionnaire distribution. A total of 424 usable responses resulted in 60% response rate. With regard to the demographics of respondents, 55% were male and 45% were female. All the respondents belonged to the age range of 24 to 37 years. In terms of education, 67% of the respondents had Bachelor's degrees or equivalent qualifications and 33% had postgraduate degrees as the highest level of education. The mean tenure in the present workplace was 4 years (S.D. = 1.18).

3.2 Measures, methods of data collection and data analysis

High performance work practices were measured by 31 items from Bassi and McMurrer (2005). Responses were on a five-point Likert scale ranging from (1) strongly disagree to (5) strongly agree. The 31-item measure had Cronbach's alpha reliability of 0.89 and factor analysis yielded a set of five factors which explained 72% of the variance. Factor 1 was labelled as "talent management", Factor 2 as "knowledge availability", and Factor 3 as "workforce optimization", Factor 4 as "managerial practices" and Factor 5 as "job related training".

Innovativeness was measured by six items from Calantone, Cavusgil and Zhao. (2002). The quality of service was measured by 11 items that were generated during the preliminary inquiries made in Sri Lanka and previous studies on service quality (such as Fitzgerald et al., 1991; Mukherjee & Malhotra, 2006; Parasuraman et al., 1985). Competitiveness was measured by four items proposed by Fitzgerald et al. (1991), namely relative market share, market position, sales growth, and customer base. Responses for these 20-items (6 for innovativeness, 11 for the quality of service, and 4 for competitiveness) were on a five-point Likert scale ranging from (1) very low to (5) very high. The 20-item measure had Cronbach's alpha reliability of 0.87. Principal component factor analysis yielded a set of three factors, which explained 63% (63.6) of the variance. The 20-item scale clearly falls within the three areas proposed for the study. Further, every indicator corresponded to the dimension that the indicator was assumed to measure.

Three firm characteristics (i.e., firm size, ownership, and the years of industry presence) and four individual demographic characteristics (i.e., age, gender, tenure, and education) were controlled during the analysis.

Considering the literacy of the respondents and the amenability of research questions, the self-administered survey questionnaire was in the English language. The questionnaire was pre-tested with a random sample that fitted with the intended sample of the study prior to the distribution. The hypothesised relationships were examined by means of structural equation modelling (SEM) with maximum likelihood estimation using AMOS 16.

4 Results and discussion

Means, standard deviations and zero-order correlations between the variables are shown in Table 1. It is apparent from Table 1 that workforce optimisation has significant positive relationships with innovativeness and competitiveness; knowledge availability has significant positive relationships with quality of service and competitiveness; talent engagement has a significant positive relationship with innovativeness; and managerial practices have significant positive relationships with quality of service and innovativeness. Further, innovativeness and quality of service have significant positive relationship with competitiveness.

Table 1. Correlations

	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1 Age ^b	4.26	.44	1													
2 Gender ^a	.54	.50	.054	1												
3 Education ^a	.21	.41	.242*	.177	1											
4 Tenure ^b	4.00	1.18	.403**	.307**	.231*	1										
5 Ownership ^a	.31	.47	.216	.141	.016	.000	1									
6 Industry presence ^b	5.39	1.49	.260*	.028	.084	.087	.264	1								
7 No. of employees ^b	6.25	1.43	.226*	.153	.170	.207*	.073	.538**	1							
8 Managerial practices	3.55	.67	.266*	.280**	.023	.294**	.158	.066	.081	1						
9 Workforce optimization	3.50	.68	.102	.076	.273**	.031	.174	.078	.063	.333**	1					
10 Knowledge availability	3.56	.72	.003	.030	.145	.138	.026	.052	.074	.360**	.389**	1				
11 Job related training	3.30	.72	.132	.243*	.003	.046	.049	.020	.108	.310**	.348**	.385**	1			
12 Talent engagement	3.59	.76	.078	.171	.159	.060	.041	.319**	.368**	.212*	.265**	.350**	.375**	1		
13 Quality of service	3.44	.68	.144	.131	.019	.326**	.031	.240*	.186	.463**	.281**	.417**	.354*	.487**	1	
14 Innovativeness	3.46	.68	.032	.064	.217*	.050	.421**	.233*	.286**	.450**	.479**	.366**	.402**	.563	.243*	1
15 Competitiveness	3.69	.62	.126	.070	.012	.011	.067	.149	.174	.413**	.416**	.413**	.095	.461	.308**	.342**

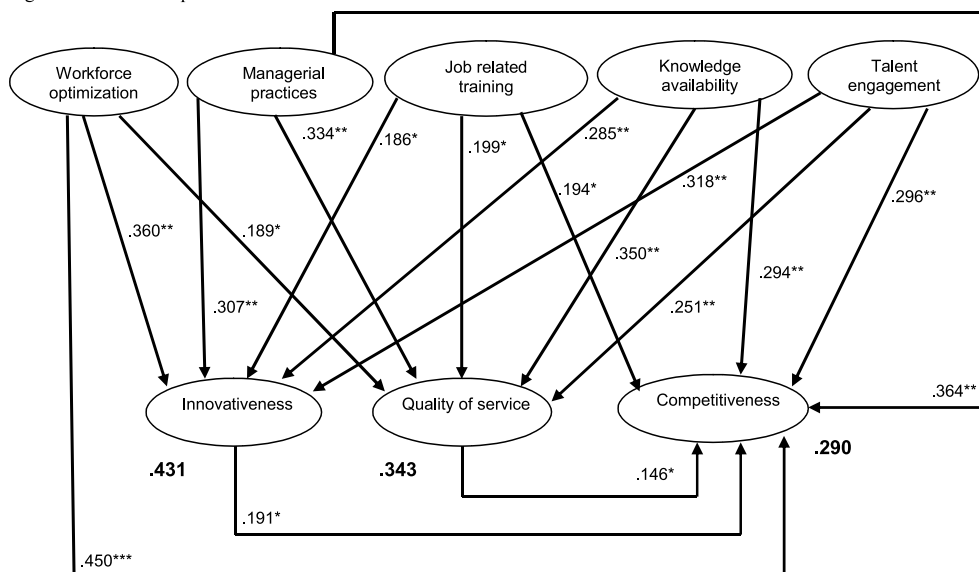
Notes: ** significant at the 0.01 level (2-tailed), * significant at the 0.05 level (2-tailed). ^a Binary-coded variables. ^b Log transformed.

Fit measures of Chi-square, CFI, and RMSEA were used to evaluate the structural model. In the preliminary stages of data analysis, three firm characteristics and four individual demographic characteristics mentioned above were entered as controls. Since none of these variables were significant, in the process of purifying the SEM model, these controls were subsequently removed. This final model achieved a good level of fit having CMIN/df= 6.74, CFI=0.92, and RMSEA=0.04. The summary of results is provided in Table 2 and Figure 2.

Table 2. Summary of the results- structural model coefficients

Path	Standardized regression estimate (significance)	Standardized regression estimate	Coefficient of determination
	Direct effect	Indirect effect	
Talent engagement ---> Innovativeness	.318 (p<.05)		.431
Knowledge availability ---> Innovativeness	.285 (p<.05)		
Workforce optimization ---> Innovativeness	.360 (p<.05)		
Managerial practices ---> Innovativeness	.307(p<.05)		
Job related training ---> Innovativeness	.186 (p<.10)		
Talent engagement ---> Quality of service	.251 (p<.05)		.343
Knowledge availability ---> Quality of service	.350 (p<.05)		
Managerial practices ---> Quality of service	.334 (p<.05)		
Job related training ---> Quality of service	.199 (p<.10)		
Workforce optimization ---> Quality of service	.189 (p<.10)		
Talent engagement ---> Competitiveness	.296 (p<.05)	.018	.290
Knowledge availability ---> Competitiveness	.294 (p<.05)	.014	
Workforce optimization ---> Competitiveness	.450 (p<.01)	.224	
Managerial practices ---> Competitiveness	.364 (p<.05)	.010	
Job related training ---> Competitiveness	.194 (p<.10)	.116	
Innovativeness ---> Competitiveness	.191 (p<.10)	.021	
Quality of service ---> Competitiveness	.146 (p<.10)		

Figure 2. Structural equation model results



Notes: * p<.10, ** p<.05, *** p<.01, Non-significant paths (p >.10) are not shown.

As shown in Table 2 and Figure 2, HPWPs have positive and significant relationship with innovativeness. This supports H1. Of these HPWPs, workforce optimisation has the highest impact (.360, $p < .05$) on innovativeness followed by talent engagement (.318, $p < .05$). Further, the coefficient of determination of .431 suggests that HPWPs, namely, talent engagement, knowledge availability, workforce optimisation, managerial practices, and job related training account for 43% of the variation of innovativeness.

As shown in Table 2 and Figure 2, HPWPs have positive and significant relationship with quality of service. This supports H2. Of these HPWPs, knowledge availability has the highest impact (.350, $p < .05$) on quality of service followed by managerial practices (.334, $p < .05$). Further, the coefficient of determination of .343 for quality of service suggests that HPWPs account for 34% of the variation of quality of service.

As shown in Table 2 and Figure 2, HPWPs have positive and significant relationship with competitiveness. This supports H3. Of these HPWPs, workforce optimisation has the highest impact (.450, $p < .01$) on competitiveness followed by managerial practices (.364, $p < .05$). Further, the coefficient of determination of .290 for competitiveness suggests that HPWPs, innovativeness and quality of service account for 29% of the variation of competitiveness.

Therefore, in addition to the above hypothesised direct relationships, several significant indirect relationships were identified. As shown in Table 2 and Figure 2, there is a positive relationship between innovativeness and competitiveness as well as quality of service and competitiveness. Because of these links between innovativeness and competitiveness and quality of service and competitiveness, the results reveal several significant indirect or mediator relationships between HPWPs and competitiveness. For instance, innovativeness operates as a mediator between HPWPs and competitiveness. Further, quality of service operates as a mediator between HPWPs and competitiveness.

5 Conclusions and implications

While the notion of soft HRM practices termed HPWPs have been argued to lie at the core of business success, the literature reviewed earlier suggests that relationship between HPWPs and innovativeness, quality of service, and competitiveness have been prescriptive and requires empirical attention. Drawing on a random sample of

424 respondents, the study examined the effect of HPWPs on innovativeness, quality of service, and competitiveness that services firms cherish to achieve. The novel character of this research is that it investigated several HPWPs and three outcome variables, which are until recently had been studied separately, within an extended framework in a single study.

It was found that HPWPs significantly positively predict outcome variables, i.e., innovativeness, quality of service, and competitiveness. However, it is very rare to find previous empirical studies that investigated these three outcome variables, in a single study, to make straight forward comparisons. Yet, in general, the findings support previous studies that suggested talent engagement creates positive results in organisations (e.g., Pickett, 2005). The findings also support previous studies that suggested an organisation's efforts to increase its human capabilities through job related training create positive results in organisations (e.g., Skaggs & Youndt, 2004). The findings also support previous studies that suggested managerial practices significantly positively determine organisational results (e.g., Bassi & McMurrer, 2005). Further, the findings also support previous studies (e.g., Hsu et al., 2007) that suggested organisations should be able to timely deliver knowledge to the right user for enhanced organisational performance. Furthermore, the findings support past studies that suggested workforce optimisation creates positive results in organizations (e.g., Bassi & McMurrer, 2005).

During the preliminary investigations, it was identified that innovativeness, quality of service, and competitiveness are the most desired outcomes by the industry in Sri Lanka. In developing the research model, it was hypothesised that direct relationships exist between HPWPs and the three dependent variables. As hypothesised, significant direct relationships were found between these independent and dependent variables. In addition to these significant direct relationships, the findings revealed several indirect or mediator relationships between HPWPs and innovativeness, quality of service, and competitiveness.

The findings of the study have managerial implications. Services firms can use HPWPs of talent engagement, knowledge availability, workforce optimisation, managerial practices and job related training to create success for both organisations and employees. For instance, there is a need to optimise the workforce by means

of managing the application of employees' skills, competencies and abilities on the job. An organisation's capacity to engage, optimise, and retain its employees shows how well jobs are designed and how well employees' time is utilised (Pickett, 2005). Therefore, organisations should establish ways to track and evaluate the results of human effort, and should compare those regularly and systematically to the measurable objectives of business strategy.

Further, the alignment of HPWPs with innovativeness, quality of service, and competitiveness may enhance the contribution of people to organisational success, and subsequently to gain sustainable competitive advantage. In this regard, the findings also imply that three outcome variables are interwoven, and one must not rely exclusively on one outcome variable with the expense of another. In this regard, there is a need for human resource departments to become strategic business partners in the today's globally competitive business environment. The design and implementation of HPWPs for the effective achievement of these three interrelated outcomes can be considered as an essential step towards this direction.

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RELATIONSHIP BETWEEN ORGANIZATIONAL PRACTICES AND KNOWLEDGE MANAGEMENT SUCCESS

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ABSTRACT

This study seeks to answer the question as to why knowledge management (KM) initiatives adopted by organizations are not successful. By observing the fact that, employees are reluctant to engage in KM activities even if hard or the technological KM antecedents are appropriately in place, the above problem was conceptualized as the issue of the soft KM antecedents. Consequently, based on the existing literature, it is argued that, organizational practices (i.e. Teamwork, Rewards and Continuous Learning) positively influence employee propensity to engage in KM activities.

The empirical survey was undertaken by using a sample of 207 individuals in Sri Lankan knowledge-based organizations. Data of the survey was analyzed with Partial Least Squares (PLS) approach. The result showed that all the selected organizational practices - practices of teamwork, rewards for KM, and continues learning - were positively related to the employee propensity to engage in KM activities. Accordingly, it is concluded that failure of organizations attempt to manage soft antecedents appropriately is the reason as to why the KM initiatives fail even if they manage technological antecedent well.

This study illustrates implications for the HR pragmatists by providing basic guidelines to develop more appropriate organizational practices such as compensation practices which include KM related incentives, team-based job design approach and etc. that will help them in their journey towards managing the knowledge.

Key words: KM success; organizational practices; knowledge-based organizations; Sri Lanka

1 Background

The resource-based view of the firm suggests that intellectual resources are key organizational assets that enable sustainable competitive advantage (Hansen, Nohria & Tienrey, 1999; Penrose, 1959; Wenger & Snyder, 2000). Further, authors such as Grant (1996); Mahoney and Pandian (1992), Wernerfelt (1984) and Collis, and Montgomery (1995) highlight the value of firm-specific factors when explaining the differences in financial income between companies belonging to the same activity sector and exposed to similar success factors. According to this approach, business income does not come from positioning products in the market but; what matters is the possession of strategic resources, i.e. specific resources that are scarce and difficult to imitate and transfer (Wernerfelt, 1984; Grant, 1991). Barney (1991) backs this view by stating that not all the resources owned by a firm have the potential to provide a sustainable competitive advantage. But only the resources and capabilities that possess characteristics of value, uniqueness, inimitability and non substitutability appear as the origin and the cause of sustainable business competitiveness and competitive advantage.

Broadly, knowledge has been described as information combined with experience, context, interpretation, and reflection (Davenport & Prusak, 1998). Further, knowledge is embedded and flows through multiple entities within a firm, including individuals with domain expertise, specific best known methods, or lessons learned from similar experiences, documents, routines, systems, and methods (Hall, 1992; Walsh & Ungson, 1991). Also it is the only resource that, when used, can enhance the value of other capital and does not diminish in value (Harris, 2001). On the contrary, knowledge increases in value with use, while disuse may lead to loss or forgetfulness (Alavi, Kayworth, & Leidner, 2005). This nature of knowledge sets it apart from other resources that depreciate overtime.

Further, just like knowledge itself, Knowledge Management (KM) is difficult to define (Lioria, 2006). However, many (Alavi et al., 2005; Ford & Chan, 2003; King, 2008; Nonaka & Takeuchi, 1995; Quintas, Lefrere, & Jones, 1997; Zack, 1999) believe that defining what is understood by KM may be somewhat simpler than defining knowledge on its own. The idea of “management” gives a starting point when considering, for example, the activities that make it up, explaining the processes of creation and transfer or showing its main goals and objectives without the need to define what is

understood by knowledge. In this respect, although KM is defined in a wide range of ways in the literature (Davenport et al., 1998; Quintas et al., 1997; Wiig, 1997), the existence of common elements in all the definitions leads to define KM as the set of business policies and actions undertaken for the purpose of favouring the creation of knowledge, its transfer to all firm members and its subsequent application, all of it with a view to achieving distinctive competencies which can give the company a long-term competitive advantage.

1.1 Research problem and objective

KM, in the above context, has been widely discussed and there is considerable amount of literature around it. Many companies have launched major programs to manage knowledge better and it is increasingly common to see job titles such as Chief Knowledge Officer, and Knowledge Manager in organizations. For example Management Tools and Trends 2007 survey reveals that KM increases usage by moving up to the top ten most used tools in 2006, whereas in 1996 it was ranked among the twenties. However, recent global analyses of such initiatives highlight the fact that not all of them are necessarily successful. For example Management Tool and Trends 2007 survey shows KM increases usage, despite itself, KM moved to the top ten most used tools in 2006 despite being ranked in the bottom five for satisfaction in every survey for the past ten years. Consistent with the above empirical findings researchers (Ford & Chan, 2003; Davenport & Prusak, 1998; King, 2008) also agree on the fact that majority of KM initiatives are unsuccessful. So, it is appropriate to questioning that why such KM initiatives are failing and what factors determine the effectiveness/success of KM initiatives. More specifically, the research problem focused in this research can be stated as: Why KM initiatives adopted by the Sri Lankan knowledge based organizations are not at a satisfactory level?

Following the above question many researchers have studied several highly publicized KM success stories such as Buckman Laboratory (Zack, 1999), Xerox (Brown & Duguid, 2000), Tech Clubs and BP Amoco (Hansen, 2001) and etc in order to explore the factors behind their success. Findings of the above studies suggest that there is number of management practices/organizational practices which determine KM success. Among them (i.e. management practices) KM strategy, technology,

knowledge culture, teamwork, performance measurement, compensation, effective communication, flatter structure, holistic approach, training and development, infrastructure management, organizational leadership are the most common practices adapted by the above companies. Hence the above researchers agree with the fact that organizations need to be cognizant and aware of the factors that will influence the success of a KM initiatives. Ignorance and oversight of the necessary important practices will likely hinder an organization's effort to realize its full benefit.

As contemporary literature provides numerous examples to show that KM as a business strategy will only succeed when certain fundamental requirements are met, Sri Lankan firms seeking to engage in such efforts also encounter the same challenge (Abeysekara, 2006). As the pilot study showed among the most difficult of these challenges is creating a conducive and encouraging context for KM activities. However, few studies have attempted to examine KM in technological perspective in the Sri Lankan context. But, the writers did not find any previous studies conducted systematically to investigate the types of organizational practices that exist in the organizations and how these practices might be associated with employee engagement in KM initiatives. Accordingly, the purpose of this research is to examine the relationships between organizational practices and success of KM initiatives. In achieving this purpose the study examines the relationship between three selected organizational practices and success of KM initiatives.

1.2 Rationale of the study

The present research contributes both to the theory and practice of KM. First, on a theoretical perspective, this research focuses on soft antecedents of successful KM initiatives rather than on a technological stand point. The basic assumptions of this study are that KM performance will be increased under the appropriate KM related organizational practices. Within the context of KM, soft antecedents of KM such as organizational practices have not been well researched (Janz & Prasarnphanich, 2003). Accordingly, this study addresses organizational practices as fundamental prerequisite of determining the KM success. Therefore, the study links existing literature on KM related organizational practices and current thinking and research findings related to KM success.

Secondly, only a few studies have explicitly concentrated on KM within the Sri Lankan organizations and the majority of such studies were based on the technological perspective (Abeysekara, 2006). Also those researchers indicated the need of research on people/soft perspective by highlighting the need for more empirical studies. Despite the fact that there is frequent emphasis on the need for examining the KM from the soft perspective, no research has been conducted to address such. Hence, in the Sri Lankan context as there is no research that has been conducted to examine impact of organizational practices on KM the second contribution of this research is to address the empirical gap that exists in the local context. Therefore, this research would facilitate to address the existing empirical gaps too.

Thirdly, as the contribution towards the field of Human Resources Management (HRM), the study intends to provide basic guidelines to establish a successful KM. In recent years, KM has emerged as one of the prime concerns of HRM (King, 2008). The organizational practices focused in this study are primarily HR related and by examining the proposed relationship between HR related organizational practices and KM success, organization could be able to develop effective solutions for managing knowledge. Thus, acknowledgement of these questions will certainly lay the foundation for HR practitioners and managers to develop more comprehensive, cohesive and applicable HR strategies that will help them in their journey towards managing the knowledge-related activities.

2 Literature review

Broadly, knowledge has been described as information combined with experience, context, interpretation, and reflection (Davenport & Prusak, 1998). Further, knowledge is embedded and flows through multiple entities within a firm, including individuals with domain expertise, specific best known methods, or lessons learned from similar experiences, documents, routines, systems, and methods (Hall, 1992; Walsh & Ungson, 1991). Also it is the only resource that, when used, can enhance the value of other capital and does not diminish in value (Harris, 2001). On the contrary, knowledge increases in value with use, while disuse may lead to loss or forgetfulness (Alavi, et al., 2005). This nature of knowledge sets knowledge apart from other resources that depreciate overtime. Thus, knowledge is considered as a valuable resource that

must be managed, and the essence of Knowledge Management (KM) is to provide strategies to obtain the right knowledge to the right people at the right time and in the right format (Cabrera & Cabrera, 2005).

For the purpose of analysis knowledge can be categorized into many different areas and, explicit and tacit knowledge is noteworthy in the context of present study. Knowledge that a person or an organization possess can be either explicit which is known as explicit knowledge, or tacit then known as tacit knowledge. Explicit knowledge is easily articulated, coded and transferred (Nonaka, 1994). Tacit knowledge, on the other hand, is far more difficult to articulate and is derived from individual experiences and thus is difficult to code and transferred (Walsh & Ungson, 1991). Although both types of knowledge exist within the person, the difference is, one is subjected to articulation thus can be separated from its source.

2.1 Theoretical perspectives and hypotheses

2.1.1 Organizational practices and individual propensity to engage in knowledge management

Different authors suggest different lists of practices and therefore, as shown in table 1, there is no commonly agreed set of KM related organizational practices. This may be due to the novelty of the subject as pointed out by Chong (2006) who states that the research stream of KM is still emerging and developing in spite of the basic concept and ideas of KM been evolving since the late 1990s.

The current research focuses on only three organizational practices, namely, practice of teamwork in organizations, rewards for KM in organizations and practice of continuous learning in organizations. These were selected due to three reasons. First, these practices can be considered to influence employee propensity to engage in KM related activities which are at the top of the list of determinants of KM success (Anantatmula & Kanungo, 2006). Second, a global survey using 200 knowledge based organizations done by KPMG (1998) suggests that these three practices as the prerequisites of KM success. Finally, these practices are among the commonly identified KM enablers by the scholars as given in the below Table 1.

Table 1. Summary of KM related organizational practices

Author	Organizational practices
Little (1998)	Organizational culture, IT, Strategy, KM processes, Content
Ernst & Young (1998)	Organizational culture, IT, Strategy, KM processes, Knowledge content
KPMG (1998)	Organizational culture, IT, Strategy, KM processes
Nonaka & Takeuchi (1995)	Organizational intention, Autonomy, Fluctuation and creative chaos, Information redundancy, Requisite variety
Pan & Scarbrough (1998)	Culture and strategy, Technology, Organizational learning, Measurement
Chong (2006)	Management commitment, Knowledge friendly culture, Training, Involvement, Team working, Empowerment, IS Infrastructure
Lee et al. (2001)	Organization structure, Collaboration, Trust, Learning, People skills development, IT
Oltra (2005)	Strategy, motivation, HRM practices, Participative cross functional, IT infrastructure, Customization
Yeh et al. (2006)	Top management support, Sharing culture, Training Learning channels, Incentive, Digitization of document, Speedy search
Yu et al. (2007)	Team activity, Learning orientation, Rewards
Ryan & Prybutok (2001)	Open organizational culture, Leadership, Employee involvement, Teamwork, IS infrastructure

Source: Authors' construction based on literature

2.1.2 Practice of teamwork

Companies around the globe are discovering that teams potentially make more creative and informed decisions and coordinate work without the need for close supervision (Larson & LaFasto, 1989). As such, teams are replacing individuals as the basic building blocks of organizations. Many researchers (Choi, 2000; Civi, 2000; Geraint, 1998; Greengard, 1998; Haas, 2002; Mohrman et al., 1995; Nadkarni, 1995) have recognized teamwork as one of the critical factors for successful KM. In brief, according to Greengard (1998) effective dialogue within a KM team is essential if

knowledge is to be embodied and disseminated. Further, teams are the units that actually carry out the work in many knowledge-intensive organizations (Mohrman et al., 1995). They are the ones that must access and apply distributed knowledge effectively (Haas, 2002). Teamwork is an essential source of the knowledge generation process. A well-staffed team is crucial for successful of KM (Civi, 2000). This is because knowledge that individuals possess may be difficult to articulate because it is so deeply embedded in routines and practices that are taken for granted (Nelson & Winter, 1982). By creating teams, it allows organizations to apply diverse skills and experiences towards its processes and problem solving as well as the interaction between team members facilitate knowledge creation, sharing and application (Choi, 2000). After all, the focus of business and KM application is on providing an environment in which knowledge workers of various disciplines can come together and create new knowledge.

As mentioned above, the practice of teamwork facilitates team interaction which represents the strength of relationship, the amount of time spent, and the frequency of communication between team members. Such team interaction leads to a series of exchanges such as knowledge and information by means of explanations, thoughts, assistance, solutions and etc between the members (Hall, 2003). Furthermore, such team interaction provides the opportunity to combine the exchanged knowledge and thus facilitates for knowledge creation. Therefore, strong team interaction, which leads to greater intensity, breadth and the frequency of knowledge exchanges facilitates employees' tendency to engage with KM activities. Thus, the practice of teamwork in organizations results in higher employee engagement with KM activities.

H_1 : Higher the practice of teamwork in organization higher will be the employee propensity to engage in KM activities.

2.1.3 Rewards for KM

Secondly, successful knowledge creation, sharing and application activities would be impossible merely from a social exchange existence as economic exchange is equally important (King, 2008). Thus, timely and appropriate KM related incentives is one of the key ingredients for the KM success. Hansen and Avital (2005) agree with the fact that the main factor which fosters employees' willingness towards KM is existence of a formal explicit incentive structure.

Many studies have emphasized the need to develop reward systems that recognizes the contribution of people who created or shared knowledge. Such studies reveal the linking extrinsic rewards in recognizing knowledge contributions (Davenport et al. 1998). Because knowledge was intimately connected with people's egos and occupations, knowledge sharing did not flow easily across role or functional boundaries, unless knowledge sharing was encouraged. It was important, therefore, to create reward systems considering those incentives in order to encourage employee behaviour (Brelade & Harman, 2000; Davenport et al., 1998; Hasanali, 2002; Kulakarni et al., 2006). Such rewards are endorsed by company policy and employees are told that they will be rewarded in economic and career terms for engaging in KM activities. Hence expected rewards imply that, if employees believe they will receive extrinsic benefits such as monetary rewards, promotions, or career advancements from their engagement in KM activities, they would develop more positive attitudes toward engagement in KM activities. Therefore, providing incentives for employees' KM related activities will have a positive effect on the employee engagement in KM activities.

H_2 : Higher the rewards provided for KM activities in organization, higher the employee propensity towards engaging in KM activities.

2.1.4 Practice of continuous learning

In simple terms learning is the accumulation of reflection upon and use of the complex attitudes, knowledge and skills by which an individual or group acquires the ability to actively adapt to their changing environments (Huber, 1991). In a more formal way Teece (1990) defined learning as a process by which repetition and experimentation enable tasks to be performed better and quicker. Learning is also a collective phenomenon that is present as group identity, which creates and uses knowledge for collective purposes. Further, learning occurs when an entity has interpreted information in a way that enables the entity to change the range of behaviours that it may consider (Huber, 1991).

Numerous studies have pointed out on the importance of continuous learning towards KM success. Moffett et al. (2003) claim that continuous learning reflects the notion that the pace of change in this modern age is such that an individual has to continually learn new things to keep up with the times, with a profession, or to be competent in any given job. Accordingly, continuous learning applies to organizations as a whole.

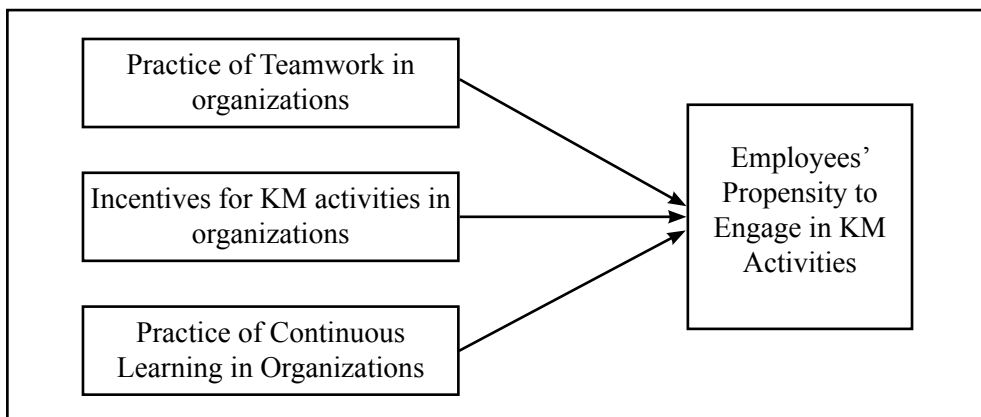
Garavan et al. (2000) indicate that survival in today's competitive global markets requires companies to continuously improve by: learning from past mistakes and successes (termed as documenting "lessons learned"), looking toward the future and many leading-edge companies have created Chief Learning Officer positions to give continuous learning greater attention at the all levels of the organization.

Organizational learning perspective view that, organizations invest in promoting continuous learning result in employees' continues learning in order to retain, or to grow with, their jobs. If this is true, then the employee engagement in KM activities becomes an essential outcome (Janz & Prasarnphanich, 2003). Accordingly, if the organization is likely to be investing in continuous learning, organizational members have a strong will to acquire knowledge to solve their problems and seeking innovations. Thus practice of continuous learning in organizations will lead to greater employee engagement with KM activities.

H_3 : Higher the practice of continuous learning in organization higher the employee propensity towards engaging in KM activities.

2.2 Conceptual model

Figure 1. Conceptual model



Source: Author's own construction

3 Methodology

3.1 Measures

In this study, items used to operationalize the constructs included in the research model were mainly adopted from previous studies. The researcher measured the extent which the organizations engaged in the three practices considered in this study using 18 items. More specifically, teamwork was measured with six (6) items, drawn from Donate and Guadamillas (2010) and Kulakarni et al. (2006) while availability of rewards for KM was measured using another six (6) items, drawn from Janz and Prasarnphanich (2003) and Kulakarni et al., (2006). Another six items (6) drawn from Janz and Prasarnphanich (2003), were used to measure the practice of continuous learning in organizations. Twelve (12) items adapted from Lin and Lee (2005), Donate and Guadamillas (2010) and KPMG international (1999) were used to measure employee propensity to engage in KM related activities.

3.2 Sample and data collection

This research was predominately designed as a cross sectional research by using a survey strategy. The main method of data collection was a structured questionnaire. The research setting comprised Sri Lankan knowledge-based organizations that had implemented KM initiatives in systematic and organizational wide manner with KM related job titles. Category of knowledge workers in five such companies was selected representing four (04) different industries (i.e. IT, Telecommunication, Food and Beverages and Banking) as the respondents. Therefore the sample technique used in this study was purposive which researchers subjectively attempted to obtain a sample that appears them to be representative of the population. It should be noted that all of the measures were administrated to individuals where the research primarily focused on individual level analysis.

When conducting the survey, the online link was sent to relevant category of employees of the selected firms. After circulating the initial request one week's time was given to make the responses and there were 123 responses during the first week. At the end of the first week, the first follow-up email was circulated and 51 completed forms were received during the second week. Then, the second follow-up email was circulated

about three weeks after the first mailing and 28 responses were received. Finally, total of 207 responses were received out of 322 at a total distribution reporting 68.28 response rate which is acceptable (Ghauri, 2002).

3.3 Analysis of data

The data were analyzed using Partial Least Squares approach (PLS) employing the SmartPLS 2.0 M3 release. The researchers considered many factors in choosing PLS for the current study.

3.4 Sample characteristics

More specific details of the composition of the respondents in terms of industry, specialization area, age, gender, highest educational qualifications, service of the employment are given in Table 2.

Table 2 Sample characteristics (n=207)

<i>Measure</i>	<i>Item</i>	<i>Frequency</i>	<i>Percentage</i>
Industry	Food & Beverages	45	22
	Banking	71	33
	Telecommunication	46	23
	IT	45	22
Area of Specialization	HRM	34	16
	KM	14	07
	IT	59	29
	Other	100	48
Gender	Male	120	58
	Female	87	42
Age (years)	< 20 and > 25	21	10
	< 25 and > 30	74	36
	< 30 and > 40	88	43
	< 40 and > 50	21	10
	50 < Years	03	1

Education	Professional	28	13
	Bachelors degree	112	54
	Masters degree	67	33
Service of the employment	Less than 1 year	24	12
	< 1 years and > 5	95	46
	< 5 years and > 10	71	34
	More than 10 years	17	8

Source: Survey data

The details of the composition of the respondents in terms of industry, specialization area, age, gender, highest educational qualifications, service of the employment is given in the Table 2. As shown in the Table 2, of the two hundred and seven (207) respondents, 33% were from the banking sector while the rest were equally distributed among other three sectors, each sector representing around 22%. In terms of area of specialization, majority of the respondents identified themselves as Other Senior Professionals except from the fields of KM, HRM and IT. While around 58% of respondents are male, 79% of respondents were in the age between 25-40 years. While 87% respondents hold Bachelor's or Master's degree, others possess professional qualifications.

3.5 Analysis of the measurement model

Adopting the two-step approach, the researcher first validated the measurement model through the assessment of four types of estimates: individual item reliability/ content validity, internal consistency reliability, convergent validity, and discriminant validity. Accordingly, first, individual item reliability was assessed by examining factor loadings of each item/indicator to its construct. Since all the final loadings are above 0.5 (Straub, 1989) individual item reliability is considered to be adequate. Secondly, composite reliabilities should exceed 0.8 (So & Bolloju, 2005) to have adequate internal consistency reliability. Since all constructs in the study demonstrated 0.8 or above, composite reliability of the study can be considered adequate. Thirdly, convergent validity is assessed through the assessment of Average Variance Extracted (AVE)

and since the constructs of the study have an AVE of at least 0.5, as recommended by Fornell and Larcker (1981), all constructs in this study also have an adequate convergent validity as well. Finally, discriminant validity of measures can be assessed in two ways. The loading of all items of a particular construct should have a greater loading on the construct that it intends to load on than the loadings of those items on another construct. The results indicated that, all the items load higher on their respective scales than they load on other scales. Accordingly, it can be concluded that all the scales possess an adequate level of discriminant validity as measured in terms of cross loading. Based on the above assessment, it was concluded that all scales behaved very reliably, demonstrated high convergent and discriminant validity, and exhibited adequate psychometric properties.

Table 3 Results of measurement model

Construct/Variable	No. of items	AVE	Composite Reliability	Cronbach's alpha
Practice of teamwork in organizations	06	0.746	0.946	0.932
Rewards for KM in organizations	07	0.746	0.954	0.943
Practice of continuous learning in organizations	06	0.733	0.943	0.927

Source: Survey data

3.6 Analysis of the structural model

The casual structure of the hypothesized research model was tested using a structural model. Bootstrapping was done to derive t-statistics to assess the significance level of the model's coefficients and to test the hypotheses. Table 3 presents the structural model and outlines the results of hypothesis testing. As shown in the above table, the path coefficients for practice of teamwork in organization, Availability of incentives for KM activities in organization and practice of continuous learning in organization are 0.321, 0.268 and 0.295 respectively and these path coefficients are significant as the *T* value is greater than the critical value (1.366, $p < .01$ for one tailed, $N = 200$). Therefore, H_1 , H_2 and H_3 are supported and it is thus concluded that practice of teamwork in organization, availability of incentives for KM activities in organization and practice continuous learning in organization positively affect employee propensity

to engage in KM activities. Furthermore, the analysis shows that Practice of teamwork in organization, availability of incentives for KM activities in organizations and practice of continuous learning in organizations, jointly explain around sixty (60%) of the variance of employee propensity to engage in KM activities respectively.

Table 4. Hypotheses testing results of main/direct effect

Hypotheses	Path Coefficient	T Value (One tail, $p < 0.01$)	Results
H_1 : Higher the practice of teamwork in organization higher the employee propensity to engage in KM activities.	.321	2.646	Supported
H_2 : Higher the availability of rewards for KM in organization higher the employee propensity to engage in KM activities.	.298	2.295	Supported
H_3 : Higher the practice of continuous learning in organization higher the employee propensity to engage in KM activities.	.295	2.121	Supported

Source: Survey data

4 Discussion of findings

This study developed a research model for examining the relationship between organizational practices and knowledge management success and to examine the moderating effect of individual values on the above relationship. There were three hypotheses in the proposed research model. A summary of the test results of the main hypotheses is given in the Table 4 above. In brief, according to the test results, all three hypotheses were supported. In other words, three selected organizational practices based on the literature which were hypothesized to have a positive relationship with employee propensity to engage in KM activities shows a significant positive relationship empirically in the Sri Lankan Context.

More specifically, first, as shown in Table 4 the path coefficient or Beta for practice of teamwork in organizations is 0.321 and this path coefficient is statistically significant at the 99% confidence level. Therefore the sizeable path coefficient and reasonable

high R^2 represent a strong indication that the practice of teamwork in organizations is a good predictor of the higher level of employee engagement with KM activities. Moreover, this is the most significant organizational practice to explain the variation of the dependent variable (KM success) compared to the other two practices as their path coefficients are lower, giving values such as 0.298 and 0.295 respectively. Accordingly, the empirical findings of this study regarding the effect of practice of teamwork in organizations on employee propensity to engage in KM activities are in line with the existing literature. For instance, Kulakarni et al. (2006), Donate and Guadamillas (2010), Yu et al. (2007), Choi (2000) found a positive relationship between practicing teamwork in organizations and KM success. Among these four studies, the first two studies employed scales similar to the scales used in the present study to measure both the construct of practice of teamwork in organizations as well as employee propensity to engage with KM activities as the measure of KM success. Accordingly, the present findings are more comparable with the findings of Kulkarni et al. (2006); Donate and Guadamillas (2010) rather than those of Yu et al. (2007) and Choi (2000). The beta value or the path coefficient of practice of teamwork in organizations on level of employee engagement with KM activities reported in Kulkarni et al. (2006) is 0.3045 and it is closer to the path coefficient reported in the present study (0.321) between practice of teamwork in organizations and employee engagement with KM activities.

Secondly, availability of KM related incentives in organizations is the second organizational practice selected in the present study. According to the hypotheses test results, availability of KM related incentives in organizations have a positive significant effect on employee engagement with KM activities implying that organizations need to put in place a set of incentives aimed at promoting knowledge creation, sharing and application. These findings of the present study are well aligned with findings of Janz and Prasarnphanich (2003) which used a sample of executives of KM based organizations in United States. According to the empirical findings they concluded that, promoting contributions to knowledge bases and encouraging the use of such shared knowledge requires the opportunity costs to users of the system to be offset by appropriate incentives. Therefore, as expected, availability of KM related incentives satisfies economic exchange requirements and thereby fosters the employee engagement with KM activities.

Practicing continuous learning in organizations is the third and the final organizational practice tested in the present study. The empirical test results of the above hypothesis is also statistically significant (path coefficient = 0.29, $p < 0.01$) and thus support the existing literature on organizational learning perspective in relation to KM success. Further, according to the results obtained two organizational practices: availability of KM related incentives in organizations, and practicing continuous learning in organizations, are contributing to KM success by similar path coefficient values of 0.298 and 0.295 respectively. In other words these two practices determine thirty percent (30%) of the variation of the propensity of employee engagement with KM activities.

Present findings in relation to relationship between practicing continuous learning in organizations and employee propensity to engage in KM activities are in line with the empirical findings of Moffett et al. (2003); Janz and Prasarnphanich (2003) as well as Cohen and Levinthal (1990). The first two studies showed positive statistically significant relationship between continues learning and KM success while the latter research, employing multiple case study approach, found continues learning to be one of the critical success factors of KM initiatives; five out of six of the studied KM success companies have been practicing continues learning and incentives for KM activities in organizations. Continuous learning in organizations explains around thirty two percent (32%), thirty percent (30%) and twenty nine percent (29%) of the variance of employee propensity to engage in KM activities respectively while the total main effect size of the organizational practices on employee propensity to engage in KM activities was 0.60. In other words, the empirical results have proved that the soft antecedents are more prominent than the other enablers for bringing success from the KM initiatives. Thus emphasis should be placed on creating the appropriate context by adopting the right organizational practices if employee engagement with KM activities is to take place. Kulakarni et al. (2006) and Donate and Guadamillas (2010); Janz and Prasarnphanich (2003) drew similar findings by showing teamwork and rewards and continues learning are significant determinants of KM success.

5 Conclusion

The analysis of the study supports the fact that, all three selected organizational practices positively influence employee propensity to engage in KM activities. In light of these findings, it can be concluded that the social exchange perspective explained in Chapter two and three validate the findings of the present study in relation to the relationship between practice of teamwork in organizations and propensity of employee engagement with KM activities. And it is appealing that practice of teamwork in organization facilitates employees to perceive the usefulness of knowledge exchanges and make them satisfy with such exchanges there by foster the individual engagement with KM activities. Further, the study validates the explanation of agency theory perspective in relation to the availability of KM related incentives and subsequent employee engagement with KM activities in Sri Lankan knowledge based organizations. More specifically, agency theory explains individuals to behave on rational self-interest, and therefore engagement with KM activities will occur when its rewards exceeds its cost. Hence, expected rewards, promotion, or educational opportunity from engaging in KM related activities, would develop a more positive attitude toward engaging with KM activities. Moreover, the study validates the existing literature on organizational learning perspective in relation to KM success. The empirical results have proved that the soft antecedents are more prominent than the other enablers for bringing success from the KM initiatives. Thus emphasis should be placed on creating the appropriate context by adopting the right organizational practices if employee engagement with KM activities is to take place.

6 Practical implication to HR professionals

The present research has both the theoretical and practical implications. First, from the theoretical perspective the basic postulation of this study was that KM will be more effective under the condition of KM preferred organizational practices. The empirical findings supported this argument thus the study addressed the lacuna of understanding about the effect of soft antecedents on KM success.

From the practitioners' perspective, findings of the present study can help HR managers establish distinctive practices to poster KM activities among the organizational

members. As the findings indicated, KM success is highly associated with the most critical HR practices of job design (teamwork), compensation (KM related rewards) and training and development (learning) and performance management. Thus shaping and re-shaping of such practices are crucial for a firm's ability to manage its knowledge effectively.

Further, an organization would face difficulties in creating an appropriate KM environment due to their greater concentration on technological infrastructure, despite greater concentration on getting the soft factor right first (DeTienne & Jackson, 2001) This research also validated the view that, if organizations are misaligned with their behavioural contexts, they often fail and initiating KM only through information technology can be a risky proposition. Therefore, managers need to build KM systems with the greater consideration on soft antecedents of organizational practices and employees' value orientations.

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DEFINING SEXUAL HARASSMENT IN ANTI-SEXUAL HARASSMENT POLICIES OF SRI LANKAN ORGANISATIONS

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ABSTRACT

Anti-sexual harassment policies have been identified as a successful means of preventing and settling sexual harassment that occur in organisations. Yet, the mere existence of policies will not serve this purpose. Among the various characteristics that should be present in a policy for it to be effective, the manner in which the notion is defined is considered to be vital. Hence, the aim of this paper is to explore how sexual harassment is defined and explained in anti-sexual harassment policies in Sri Lankan organisations to examine their efficacy. Eleven companies' anti-sexual harassment policies were examined and a qualitative document analysis was carried out. The analysis revealed that while some policies do provide a detailed explanation of the meaning of the term, some other policies are very brief and non-descriptive. Even among the detailed definitions, certain shortcomings were identified. All the companies have failed to explain what a workplace can mean, and tended to give a narrow understanding about who the victims can be and who the harassers can be. Moreover, none of the policies have mentioned the subjective and complex nature of the issue indicating a major drawback. It was also apparent that some companies have failed to identify the covert nature of sexual harassment, which is the most common and most vague. These drawbacks in definitions will lead to the issue being unclear and imprecise to users of the policy, ultimately leading to the ineffectiveness of the policies in preventing and combating the issue.

Key words: sexual harassment, anti-sexual harassment policies, definition, workplace

1 Background

Though sexual harassment has been accepted to have existed from the day women entered the workplace, the issue was not given a name nor was formally recognised as a problem until 1970s. After its debut in America, the term ‘sexual harassment at workplaces’ slowly started receiving attention and concern of various parties of many countries. With numerous research and court cases indicating the high prevalence of the issue and the negative consequences it can bring, today, the issue has become a much talked about issue around the globe.

Sexual harassment at workplace was formally acknowledged in Sri Lanka only in 1995 through the amendments brought into the Penal Code of the country. According to section 345 of the Penal Code (Amendment) 1995, sexual harassment is:

Whoever, by assault or use of criminal force, sexually harasses another person by the use of words or actions, causes sexual annoyance or harassment to such other persons, commits the offence of sexual harassment

It is further stated that,

unwelcome sexual advances by words or actions used by a person in authority in a working place, or any other place, shall constitute the offence of sexual harassment

In an amendment to the principal enactment, Penal Code (Amendment) Act, No 16 of 2006 provides an explanation to the word assault, and states that assault may include acts that do not amount to rape under section 363 or grave sexual abuse under section 365B.

While this is an important milestone in addressing sexual harassment, until recently, the issue did not gain sufficient attention in Sri Lanka. Yet, today, there appear to be a growing awareness and popularity about the issue among employers, Human Resource Management professionals, employees, and scholars in Sri Lanka. With this growing awareness about the issue, employers, managers, and human resource professionals are trying to address the issue in their workplaces, with an increasing number of companies trying to implement organisational anti-sexual harassment

policies. Though proper implementation of organisational level explicit anti-sexual harassment policies and procedures are found to be a very effective means of combating the issue (Aalberts & Seidman, 1996; Dekker & Barling, 1998; Fitzgerald, Swan, & Magley, 1997; Gruber, 1998; McCann, 2005; Nelson & Halpert, 2007; Pryor, LaVite, & Stroller, 1993; Reese & Lindenberg, 2002; Reinhart, 1999), mere introduction or implementation of policies would not denote successfulness.

Various studies have identified numerous features that should be present in these policies for them to be successful. Presence of a clear and detailed definition of sexual harassment incidents with specific examples; clear understanding of the policy by superiors and employees; clear and explicit procedure for handling complaints with specific time limits imposed for each step; safeguard the confidentiality; protection of the complainant from retaliation; training on carrying out proper and fair investigations to superiors; proper communication; and serious sanctions for inappropriate behaviours are all commonly identified as features that would make a policy effective (Aalberts & Seidman, 1996; Gruber, 1998; Reese & Lindenberg, 2002; Rudman, Borgida, & Robertson, 1995; Savery, 1985).

While all these features are equally imperative for the success of policies, providing a clear and detailed definition of sexual harassment incidents with specific examples was found to be pivotal (Aalberts & Seidman, 1996; Gruber, 1998; Haspels, Kasim, Thomas, & McCann, 2001; Mani, 2004; Marshall, 2005; Reese & Lindenberg, 2002; Williams, Lam, & Shively, 1992; York, 1989) as well as a challenge. Importance of clearly defining what sexual harassment means is even more significant as the issue is found to be very subjective and ambiguous. Even after decades of extensive research, there still exist uncertainty and confusion about whether a particular behaviour is harassment or not and whether a particular person was harassed or not (Brant & Too, 1994). The boundary line that determines whether a behaviour is enjoyed, accepted, tolerated, or whether it is harassing is not clear or definite (Dellinger & Williams, 2002). This uncertainty and subjectivity in turn will make various socio sexual behaviours at workplace difficult to be identified. Employees will not know which behaviours are allowed and which behaviours will amount to harassment, victims may not know whether their experiences are sexual harassment or not, administrators will not know which behaviours to sanction and which behaviours to permit, judges and

investigators of sexual harassment complaints will not know whether the complaint amounts to sexual harassment or not.

Hence, a clear definition in a policy will help victims to clearly identify the real nature of their experiences and help them make use of the policies to take proper action. Similarly, such definitions would help managers and investigators identify whether the complaints they get, actually are sexual harassment instances or not, to take proper action. Furthermore, a good definition would help prevent sexual harassment because it will clearly illustrate what behaviours are considered as sexual harassment and what not. Thus, a clear and detailed definition of sexual harassment is undoubtedly needed for a policy to be successful.

In this background the current paper attempts to explore whether the anti sexual harassment policies which Sri Lankan companies have implemented, provide a proper definition of sexual harassment, providing clarity as to what is considered as sexual harassment and what not.

2 Literature review

In order to analyse whether the organisational anti-sexual harassment policies clearly and comprehensively define the term sexual harassment in their policies, it is first needed to understand what aspects should be entailed in a clear and comprehensive definition. This, however, would pose a challenge as sexual harassment is considered as a very subjective and ambiguous concept which in turn leads to defining the term difficult, if not impossible.

On a much broader term, sexual harassment at workplace is identified to have different types of definitions such as a legal definition (Equal Employment Opportunity Commission [EEOC], 1990), behavioural definition (Fitzgerald, Swan, & Magley, 1997; O'Leary-Kelly, Bowes-Sperry, Bates, & Lean, 2009) and a psychological definition (Fitzgerald et al., 1997; O'Leary-Kelly et al., 2009). Table 1 below presents these definitions in brief.

Table 1: Different types of definitions of sexual harassment at workplaces

Type of the definition	Definition
Legal definition	Any unwanted and unwelcome conduct of sexual nature creates sexual harassment, when submission to or rejection explicitly or implicitly affects the individual's employment (Quid Pro Quo); when it unreasonably interferes with an individual's employment; and when it creates an intimidating, hostile or offensive work environment (Hostile work environment harassment) (EEOC, 1990)
Behavioural definition	Is a stable behavioural construct consisting of three primary dimensions: gender harassment, unwanted sexual attention and sexual coercion. (Fitzgerald et al., 1997; O'Leary-Kelly et al., 2009)
Psychological definition	Unwanted sex-related behaviour at work that is appraised by the recipients as offensive, exceeding her resources, or threatening her well being. (Fitzgerald et al., 1997; O'Leary-Kelly et al., 2009)

Source: Review of literature

In delineating these different types of definitions it is seen that behavioural definitions that researchers (Bingham, 1994; Fitzgerald et al., 1997) talk about, give emphasis to the specific behaviours that constitute sexual harassment. Legal definitions, on the other hand, emphasise the more broader fundamentals that help to identify sexual harassment instances from other instances of harassment (such as the unwelcome and sexual nature of a behaviour, how even verbal and physical behaviours can constitute sexual harassment, etc). Psychological definitions are definitions, which emphasise the psychological aspects of the issue (such as how sexual harassment can be discriminatory and can create a hostile and offensive work environment). While legal definition is used more commonly and at a practical level, rendering it most important, behavioural definition too is important in its own right as it specifies what behaviours constitute sexual harassment. In other words, behavioural definition tries to elucidate and objectify a more subjective and complex concept. Yet, similar to the legal definition, there are certain ambiguities that enclose the behavioural definition. Moreover, these behavioural definitions appeared to have assumed mainly that behaviours that constitute sexual harassment are more or less universal and thus have

negated the contextual or cultural sensitivity that should be present in identifying instances of sexual harassment. Psychological definition, on the other hand, is the most seldom discussed definition of the three definitions. Yet, psychological definition emphasises a very important aspect of sexual harassment, which is the outcome of sexual harassment experiences.

Hence, a definition of sexual harassment would be clearer, unambiguous and detailed if the important aspects of these three main definitions of sexual harassment are present. Accordingly, the nature of the behaviour (unwanted and unwelcome nature of the behaviour), organisational as well as psychological consequences of the behaviour, and examples of specific behaviours that a company would consider as sexual harassment could be identified as some important aspects that should entail a definition of sexual harassment. However, the presence of these aspects alone would not make a definition clear and detailed. Specifying aspects such as who can get subjected to sexual harassment, who can be perpetrators, and what a workplace means too are important to clearly identify and thus define the term sexual harassment. All these aspects being present in a definition would make it very clear and detailed, making it rather easy and uncomplicated for employees to identify whether their experiences are sexual harassment or not and also help the investigators of sexual harassment in organisations to identify whether the complaints are actual incidents of sexual harassment or not. Thus, a definition such as the following, which has attempted to highlight these many aspects of sexual harassment, would provide a rather comprehensive understanding of the term, when presented together with specific examples of behaviours that can and will not constitute sexual harassment.

Sexual harassment is any unwanted and unwelcome instances/ experiences, which are overtly or covertly sexual in nature, perpetrated by any party connected with the employment, that takes place in the workplace or any other places associated with the workplace or employment, and which would make a recipient uncomfortable, offended and angry or would affect their work performance and psychological well being. (Adikaram, 2010)

3 Methodology

In order to meet the research objective presented above, a document analysis was carried out. Initially 17 companies which had anti sexual harassment policies were selected for the study and their anti sexual harassment policy documents were taken for the analysis. Though 17 organisational policies in total were collected for the purpose of analysis, it was identified that definitions of the term sexual harassment as stated in some of these policies were identical. Hence, only the policies that were distinctive in terms of presenting their definition of the term were chosen for the in-depth analysis. This resulted in a total of 11 policies being ultimately chosen for the analysis. The collected documents were analysed using qualitative thematic analysis method.

4 Findings and discussion

Definitions of the 11 policies were scrutinised to identify whether they provide a clear and detailed definition of the term sexual harassment, Appendix I presents the definitions together with the behaviours specified as constituting sexual harassment according to the anti sexual harassment policies chosen for the analysis, as well as the profiles of the organisations which have implemented these policies. In order to safeguard confidentiality as requested by several organisations, pseudonyms in place of real names of the organisations are presented.

All the policies that were studied had provided specific definitions for the term sexual harassment. Yet, the definitions varied considerably in terms of clarity and comprehensiveness. While some policies provide a detailed explanation of the meaning of the term (example, companies A, B, C, and E) some other policies are very brief and non-descriptive in defining the term (example, companies G and I). An in-depth analysis of these definitions will be carried out below in terms of how the nature of harassing behaviours are explained, how the perpetrators and recipients are identified, how the workplace is explained, how the consequences of harassment are stated, whether the subjective and complex nature of the behaviour is mentioned, and whether examples of behaviours are presented in the definitions.

4.1 Explanations about the nature of harassing behaviours

All the definitions have attempted to elucidate the nature of behaviours that would be considered as sexual harassment. Other than for one policy (Company I), all other policies have clearly stated that the behaviour which would be considered as sexual harassment has to be ‘unwelcome’ by the recipient. Unwelcomeness is a vital feature of a sexual harassment behaviour. Though the word ‘unwelcome’ is not used by Company I, they have tried to explain the nature of the behaviour by stating behaviour which is unwanted by the recipient as having the possibility of being considered as sexual harassment. In addition, to the word *unwelcome* all these other policies have used terms such as *unsolicited*, *unacceptable*, *unreasonable*, and *offensive*, *harassing*, *unreciprocated* and *imposed*. Looking at these many terms, the need to look at the precise meanings becomes obvious. According to the Cambridge Learner’s Dictionary, ‘unwelcome’ and ‘unwanted’, both means not wanted; ‘unsolicited’ means not asked for and often not wanted; ‘unacceptable’ means too bad to be allowed to continue; ‘unreasonable’ means not fair; ‘offensive’ means likely to make people angry or upset, ‘uncomfortable’ means not feeling comfortable or pleasant or making you feel slightly embarrassed; ‘harassing’ means making people annoyed or upset. Hence, it is clear that by using several terms, majority of the organisations have tried to explain the nature of the behaviour with much clarity.

However, just stating the nature of the behaviour as ‘unwelcome’ or ‘unwanted’ would not suffice to explain what sexual harassment actually is. For more clarity, it should be specifically stated unwanted and *unwelcome* to ‘whom’? It is generally accepted that if a behaviour (of sexual nature) is considered as unwanted and *unwelcome*, it is considered as sexual harassment, irrespective of the perpetrators’ intention. Six of the policies studied (Companies G, I, J, B, and D) have specifically stated this fact. For example, Company G – *Unwelcome conduct is unwanted by the person who is its target*. Company B - *Conduct which is unwelcome, unsolicited, unacceptable, unreasonable and offensive to the recipient*. Company J has been even more specific by stating that the intention of the perpetrator does not matter (*The behaviour giving rise to a complaint need not be intentional in order to be considered sexual harassment; it is sufficient that the offender knew or ought to reasonably know, that the behaviour is offensive and unwelcome*).

However, there is a lot of controversy in sexual harassment research, whether the behaviour should be sexual harassment to a recipient of the behaviour, for a reasonable person, for an investigator/judge of a complaint, or for an observer? From whose point of view the behaviour is looked at, is important in deciding whether there actually is a case of sexual harassment. As the law regards, if behaviour is unwanted and unwelcome (with other features of sexual harassment behaviour) for a 'reasonable person', it has a possibility of being considered as sexual harassment. Here, the recipient's perception of the behaviour is overshadowed by the 'reasonable person' perception. Given the fact that men and women tend to look at sexual harassment from different perspectives (Foulis & McCabe, 1997; Frazier, Cochran, & Olson, 1995; Gutek, 1985; Haspels et al., 2001; McCabe & Hardman, 2005) experiences of women should be looked at from a 'reasonable woman' standpoint is commonly suggested (Monti, n.d.; Wiener & Hurt, 2000). While there are arguments to state that there does not need to be a distinction between 'reasonable person' and 'reasonable woman' and that there is no legal effect (Wiener, Watts, Goldkamp, & Gasper, 1995), recognising the perceptual difference between men and women in policies might clarify the issue to victims.

Analysis of the policies indicated that Company F has explicitly addressed this fact by stating *"Any unsolicited and unwelcome imposition of activities or conduct of a sexual nature on the job that creates an intimidating, hostile or offensive work environment that any reasonable person [emphasis added] should not have to endure"*. There are also instances in certain policies where it is stated *'Any unwanted conduct of a sexual nature, which in the reasonable perception of the recipient'* (Company D) and *'it is sufficient that the offender knew or ought to reasonably know, that the behaviour is offensive and unwelcome'* (Company J). These policies have tried to be more elucidative about the meaning of sexual harassment by bringing in the notion of 'reasonableness'. Though specifying the reasonableness of the perception is important to clarify to employees what specific behaviours would be addressed by the policies, it further baffles the issue by not specifying what is reasonable. Generally, what the law regarded in looking at the reasonableness would be the frequency of the behaviour, duration of the behaviour, severity of the behaviour and the effect of the behaviour on the recipient (EEOC, 1990). None of the policies have specified these facts anywhere. This would obviously create confusion among the employees as to whether their experiences would be considered as sexual harassment by a reasonable person

and thus might be reluctant to make use of the policy. Moreover, this overshadows the perceptual difference between the genders. Hence, more clarity on this aspect might make the policies more effective and help employees identify whether their experiences are sexual harassment or not, as well as help investigators and superiors identify instances of sexual harassment more clearly.

4.2 Explanations about the ‘sexual’ nature of the behaviour

It was also noted that in specifying the nature of the behaviours that can be considered as sexual harassment, though all policies have stated that the behaviour has to be sexual in nature, only two policies (Companies B and F) have recognised that sexual harassment can be overtly or covertly sexual in nature. As studies indicate sexual harassment can be covertly or overtly sexual in nature. There are many instances where sexual nature of the behaviour is not very obvious or overt. Yet, those behaviours would be considered as unwanted and unwelcome by the recipient and would have all the other features of a sexual harassment such as the negative consequences, uncomfortableness the recipient feels and the negative effects on the job. For example, repeatedly inviting a person for a date would be very uncomfortable and unwanted to that person, yet, a direct overt sexual nature of the behaviour might not be apparent. Similarly, rumours that might be spread about a person might be considered as sexual harassment by that person, yet, the sexual nature of the behaviour would be difficult to gauge overtly.

While other than for two policies, all other policies do not explicitly identify this overt and covert nature of sexual harassment, many policies, in varying degrees, all the policies have stated that behaviours can be verbal or non-verbal. For example, Company C states ‘*advances, requests, and other verbal behaviours...through acts or sounds or gestures or sexually suggestive material...pornography, written, illustrated or otherwise...or physical conduct of a sexual nature*’; and in a rather narrow manner, Company F defines the nature of sexually harassing behaviours as ‘*activities and conduct of sexual nature*’.

It was also interesting to note that few companies have identified both heterosexual and homosexual activities as constituting sexual harassment. While Company E has explicitly stated this fact as ‘*includes both heterosexual and homosexual advances*’,

Company C has stated as *‘the recipient of sexual harassment behaviour as well as the harasser may be a man or a woman. The recipient does not have to be of the opposite sex’*. Such a clear identification of the nature of sexual harassment would create more clarity in understanding what sexual harassment is. Yet, this explicit and direct inclusion of heterosexual and homosexual behaviours in the definition is not seen in many of the policies studied.

4.3 *Explanations about the recipient of the behaviour*

Similarly, it was identified that these policies can be more descriptive in elucidating who a recipient of a sexual harassment can be. It is generally thought that sexual harassment is an experience of women, and that men generally do not get subjected to sexual harassment. While it is true that the vast majority of victims are females, yet males too can be victims of sexual harassment at workplaces (Gutek, 1985; Fitzgerald & Shullman, 1993; McDonald, 2012; US Merit System Protection Board, 1994). Hence, a good policy, in its definition, should also specify who the recipients can be in order to provide a more clear and comprehensive understanding of the instances that can be brought to notice through the policy. It was evident that many of the policies have not specified who the recipients of unwanted and unwelcome behaviour can be. Only one policy (Company C) explicitly and specifically states that recipients or victims can be both males and females. Companies B, E, H, and I indirectly state that recipients can be both men and women (Companies B & H: Affecting the dignity of men and women at work; Company E: includes both heterosexual and homosexual advances; Company I: by using the words his or her). Hence, this vagueness in terms of specifying the recipient of sexual harassment, can be identified as an area that reduces the clarity and comprehensiveness of the definition of the term in the policies that were studied.

4.4 *Explanations about the perpetrators/harassers*

It was further noticed that, many of the policies have not clearly stated who can be the harassers of sexual harassment. All most all policies have given a somewhat narrow identification of perpetrators. Generally harassers can be superiors, peers, subordinates, customers, and even suppliers (Adikaram, 2005; Gutek, 1985; US Merit System Protection Board, 1994). Yet, only one policy (Company B), has specifically

addressed different kinds of perpetrators by stating ‘...including conduct of superiors, colleagues, and subordinates’. A few policies have stated ‘*it is particularly serious when behaviour of this kind is engaged by an official, male or female, who is in a position to influence the career or employment conditions of the recipient*’ (Company D and Company E). This explicit statement conceals the possibility of others who are not in a position to influence the career or employment conditions of the recipient such as peers or subordinate engaging in sexually harassing behaviours. There was also one policy, which stated perpetrators can be men or women, giving the perpetrator a very broad meaning. A majority of the policies (about eight) have not mentioned about the perpetrators at all, making it somewhat unclear for a layman to interpret what behaviours in what instances would constitute sexual harassment. Similarly, disregarding various external or internal customers and suppliers as possible perpetrators, too would lead to the issue not being addressed properly. For example, if an employee gets subjected to sexual harassment by a supplier or a client, she would not be able to seek redress from these companies as these policies do not explicitly state that such sexual harassment would be addressed under their policies. This evidently would render these policies unhelpful and ineffective.

4.5 Explanations about the place of harassment/workplace

It was also evident that none of the policies have specifically addressed or defined what places would be considered as a workplace. Does a workplace mean the premises of the company? Or, are harassments that take place in other work related places such as field visits, site visits, office outings, trips, office transport, and customer visits taken as sexual harassment? These are very viable clarifications that are needed in defining sexual harassment effectively. It appears that the word workplace is taken for granted by the policy makers of the organisations that were studied, overlooking the need to clarify what a workplace is according to the policy. These shortcomings too would affect the clarity of the definition in policies.

4.6 Explanations about the effects of sexual harassment

Furthermore, analysis also indicated that all of these policies have specifically and explicitly talked about work related effects of sexual harassment disregarding the

psychological effects such as lowered self-esteem and increased depression, that can result due to sexual harassment; or how a behaviour can become sexual harassment due to the psychological effects that the behaviours cause. The fact that many of the popular definitions, such as EEOC definition, having identified only the work related consequences could have influenced these policies too to only identify work related consequences. Yet as prior studies indicate, psychological effect is very common among victims (Adikaram, 2005; Chan et al., 2008; Haspels et al., 2001). This failure to identify psychological effects of sexual harassment through the definition can make victims reluctant to claim their experiences as sexual harassment if they cannot prove work related effects. Thus, in order to be more comprehensive, the definitions should have identified the psychological effects together with the work related effects.

4.7 Examples provided of behaviours constituting sexual harassment

Except for Company G, all other policies have identified quid pro quo harassment and hostile work environment harassment. However, the level of explanations of these two kinds was different with only a few policies identifying them comprehensively (e.g., Company A and Company B) and the majority of the policies generally mentioning the two types (e.g., Company I and Company J). However none of the policies have explicitly captioned the two types.

Further, explorations into the policies and the definitions indicated that all policies have given examples of behaviours that can be considered as sexual harassment except for company I. While some of the examples were very exhaustive with a large list of behaviours being recognised as sexual harassment, other examples were very narrow with only a very few behaviours being presented as examples. For example, Company B and Company C present about 20 different kinds of behaviours as examples. But Company D, Company G, and Company J gives only a few such examples. This provision of examples is a very positive practice where it would increase the clarity of the term to users of the policy. In incorporating these examples, companies can use their own discretion, as what constitute sexual harassment would also depend on the companies' culture and context. However, it also has to be kept in mind that there is a generally accepted list of behaviours that are considered as sexual harassment.

It was also interesting to note that Company C has also specifically and explicitly

stated the instances that would not constitute sexual harassment as '*behaviour that is enjoyed and welcome, such as two employees enjoying flirting with each other, is not sexual harassment...Sexual harassment does not refer to occasional compliments of a socially acceptable nature*'. This was a very rare explanation that was only presented in Company C policy, and increases the clarity of what sexual harassment is.

4.8 Explanations about the subjective and complex nature of harassment

None of the policies explain the subjective nature of the behaviour and the general difficulty that a recipient will face in really identifying their experiences as sexual harassment due to the complex nature of the whole issue. As research aptly state the boundary line that determines whether a behaviour is enjoyed, accepted, tolerated, or harassing, is not clear or definite (Dellinger & Williams, 2002). This line is very personal and subjective (Dellinger & Williams, 2002) and can depend on a number of factors such as age, severity, harasser status, gender role stereotyping, and culture (Barr, 1993; Foulis & McCabe, 1997; Marshall, 2003; McCabe & Hardman, 2005; Ng & Othman, 2002; Pickerill, Jackson, & Newman, 2006; Reese & Lindenberg, 2005; Welsh et al., 2006). As Bingham (1994) citing Wood (1992) state, sexual harassment for women are 'nonlinear, tangled, emotionally charged experiences involving feelings of violation, vulnerability, shame, confusion, entrapment, self-doubt, resentment, and rage' (p. 7). Yet, this complexity and subjectivity is not captured in the policies studied, which can lead to victims not labelling their experiences as sexual harassment, especially when the experience is ambiguous. For example, an employee might not think of reporting an offensive experience she had because another employee has indicated that such experiences are not harassing to her, or an employee might be confused as to whether her experience is sexual harassment or not (and thus whether she can make a complaint or not) because the experience is so complicated and vague.

5 Conclusion

While providing a specific definition for sexual harassment can be a challenging task due to the very subjective nature of the issue, providing a clear and elucidated definition is necessary for a successfulness of anti-sexual harassment policies. The policies studied vary in the manner and extent that they have defined and explained

the meaning of sexual harassment at workplace. While few policies were more explanative about what sexual harassment means, who the recipients can be, who the perpetrators can be and what and what not constitute sexual harassment, many policies have overlooked to address some of these important aspects of sexual harassment.

None of the policies have explained what a workplace can mean, indicating a grave ignorance. Other than in a few policies, proper identification of perpetrators could not be seen. Policies tend to mainly identify superiors, and in rare instances, subordinates, as potential harassers. They have altogether overlooked to mention customers and clients as possible perpetrators. Moreover, the fact that the perpetrators can be both men and women were also not mentioned in many policies. Similarly, many policies have not properly explained who the victims can be, and have not explained properly, from whose point of view sexual harassment should be regarded.

In addition, it was also revealed that these policies have only specifically identified the employment effects of harassment, and ignored to expressly state the psychological effect sexual harassment can have on victims. Most importantly, the manner in which the term is defined in these policies does not demonstrate the subjectivity and complexity that surround the issue. The definitions appear to portray a picture of simplicity in identifying sexual harassment behaviours, whereas, in reality it is a very complex, confusing and subjective task. This simple picture portrayed might lead to confusion and ambiguity among employees.

It was also seen that very few policies have identified both overt as well as covert behaviours as constituting sexual harassment. Given the fact that, many of the sexually harassing behaviours can be indirect or covert, specific mention of the fact in these few definitions is admirable and reflects the actual nature of the issue. Specific mention of behaviours and examples given on what can constitute sexual harassment in many of the policies will help employees to identify sexual harassments to a greater degree. Mentioning the behaviours that would not constitute sexual harassment in one policy indicates further attempt of the specific organisation in elucidating the issue to its employees.

While there are a few policies which have attempted to provide a clearer definition, overall, it can be stated that the definitions of anti-sexual harassment policies do not provide an all encompassing, clear, and very illustrative understanding of the term. Hence, this would make it difficult for employees to clearly identify what sexual

harassment actually means, for victims to identify whether their experiences are sexual harassment or not, and for potential harassers to know whether their behaviours would be instances of sexual harassment and warranting action be taken against them. Similarly, absence of such a clear and illustrative definition will also make it difficult for investigators and other relevant authorities to judge and identify instances of sexual harassment. This in turn can makes these policies ineffective, as they do not provide a proper understanding of the issue to its users.

6 Practical implications to HR professionals

The findings of the study highlight the need for HR professionals to place more emphasis on clearly defining sexual harassment in their anti-sexual harassment policies as it will impact the success and usefulness of the policies.

HR professionals need to understand that a clear and elucidative definition will help employees to clarify their experiences and make use of the policies in instances of sexual harassment, help all employees to be more conscious of their behaviours leading to a culture of mutual respect, and helping investigators of sexual harassment fairly and properly judge complaints of sexual harassment. It has to be born in mind that if the term is not clear to users of the policy (i.e. employees) they will not utilize the policy leading to the dysfunction of the policy.

Human resource managers should also understand that they have a bigger role to play in eliminating sexual harassment from workplaces which goes beyond developing and introducing anti-sexual harassment policies. While it is very important to implement an anti-sexual harassment policy, it is equally important to raise awareness among the employees on what is sexual harassment and what constitutes sexual harassment.

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Appendix I:

Definitions of the term sexual harassment, as specified in anti sexual harassment policies of selected organisations.

A brief profile of the organisation implementing anti sexual harassment policy	Broader and general definition provided in the policy for the term ‘sexual harassment at workplace’	Particular behaviours specified as constituting sexual harassment at workplace
<p>Company A -</p> <p>Government corporation engaged in higher education, employing over 500 employees</p>	<p>Unwelcome sexual advances, request for sexual favours and other verbal or physical conduct of a sexual nature constitute sexual harassment for the purpose of disciplinary action by the Council of the University when:</p> <ul style="list-style-type: none"> - submission to such conduct is made either explicitly or implicitly a term or condition of an individuals employment or academic advancement or activity, - submission to or rejection of such conduct by an individual is used as the basis for employment decisions or academic decisions affecting or concerning such individual, - such conduct has the purpose or effect of unreasonably interfering with an individual's work or academic performance or creating an intimidating, hostile or offensive working or academic environment. 	<p>General examples</p> <p>Kinds of behaviours which may constitute sexual harassment include, but are not limited to:</p> <ul style="list-style-type: none"> • Insults of a sexual nature, including lewd, obscene, or sexually suggestive display and remarks or conduct when combined with such insults. • Repeated insulting sexist remarks combined with unwanted discussion of sexual matters. • Unwanted requests for sexual favours. • Request or demands for sexual favours accompanied by implicit or explicit promised rewards or threatened punishment • Unwanted physical attentions • Sexual assault or threatened sexual assault.

A brief profile of the organisation implementing anti sexual harassment policy	Broader and general definition provided in the policy for the term 'sexual harassment at workplace'	Particular behaviours specified as constituting sexual harassment at workplace
<p>Company B -</p> <p>Privately owned group of companies engaged in agriculture</p> <p>Employs more than 30,000 employees</p>	<p>Conduct which is unwelcome, unsolicited, unacceptable, unreasonable and offensive to the recipient, of an overtly or covertly sexual in nature</p> <ul style="list-style-type: none"> • Affecting the dignity of women and men at work • Including conduct of superiors, colleagues and subordinates <p>Including</p> <ul style="list-style-type: none"> - a demand or request for sexual favours conveyed by words or action - conduct which creates an intimidating, hostile or humiliating work environment for the recipient - conduct of a sexual nature which influences access to or continuation of employment, or employment related decisions. 	<p>Unwelcome sexually determined behaviour which can be categorized as</p> <ul style="list-style-type: none"> • Visual - posters, graffiti, indecent exposure, sexual gestures, electronic mail, voyeurism; • Verbal - obscene offensive language, lewd comments, sexual innuendoes, nuisance calls, correspondence, rumours, gossip, slanders • Tactile - pinching, touching, squeezing, kissing, molesting

A brief profile of the organisation implementing anti sexual harassment policy	Broader and general definition provided in the policy for the term 'sexual harassment at workplace'	Particular behaviours specified as constituting sexual harassment at workplace
<p>Company C -</p> <p>Government owned business undertaking engaged in transport industry</p> <p>Employ 50,000 people in Sri Lanka and abroad.</p>	<p>Unwelcome advances, request for favours and other verbal or physical conduct of a sexual nature when submission to or rejection of this conduct explicitly or implicitly affects a person's employment or unreasonably interferes with a person's work performance or creates an intimidating, hostile or offensive work environment.</p> <p>Sexual harassment will be distinguished from behaviour, which even though unpleasant or disconcerting, is reasonably and necessarily appropriate to the carrying out of certain instructional or advisory or supervisory responsibilities</p> <p>The recipient of sexual harassment behaviour as well as the harasser may be a man or a woman. The recipient does not have to be of the opposite sex.</p>	<p>For the purpose of this definition 'sexual nature' includes any sexual advance. It may be either verbal or through acts or sounds or gestures or through the use of sexually suggestive or pornographic material whether written, illustrated or otherwise. Also includes sexually slanting or obscene remarks or jokes: lewd comments or comments about physical appearance; demand for sexual or requests for private meeting without a work related purpose (including attempts to punish for refusal to comply with such requests); indecent exposure, sexual gesture; threat, nuisance call, correspondence, rumour, gossip, slander, innuendo; avoidable physical contact, touching, patting, pinching, squeezing, kissing; physical assault and molestation of and towards a person or individual by another or anyone who for the time being is in a position to sexually harass a person or individual</p> <p><u>What is not sexual harassment?</u></p> <p>Behaviour that is enjoyed and welcome, such as two employees enjoying flirting with each other, is not sexual harassment. 'unwelcome' is a key determinant in whether or not behaviour constitute sexual harassment or not. Sexual harassment does not refer to occasional compliments of a socially acceptable nature.</p>

A brief profile of the organisation implementing anti sexual harassment policy	Broader and general definition provided in the policy for the term ‘sexual harassment at workplace’	Particular behaviours specified as constituting sexual harassment at workplace
<p>Company D - International organisation having office in Sri Lanka</p>	<p>Any unwanted conduct of a sexual nature, which in the reasonable perception of the recipient interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive working environment.</p> <p>It is particularly serious when behaviour of this kind is engaged by an official, male or female, who is in a position to influence the career or employment conditions of the recipient.</p> <p>Sexual assault and verbal or non-verbal conduct which creates sexually offensive working environment also constitute sexual harassment.</p> <p>The conduct should be unwanted, unwelcome, unreciprocated and imposed.</p>	<p>Examples</p> <p>Physical or verbal sexual advances, requests for sexual favours, continued suggestions for private social activity</p>

A brief profile of the organisation implementing anti sexual harassment policy	Broader and general definition provided in the policy for the term 'sexual harassment at workplace'	Particular behaviours specified as constituting sexual harassment at workplace
<p>Company E - International organisation having office in Sri Lanka</p>	<p>Any unwelcome sexual advance, request for sexual favours or other verbal or physical conduct of a sexual nature, when it interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.</p> <p>It is particularly serious when behaviour of this kind is engaged by an official, male or female, who is in a position to influence the career or employment conditions of the recipient.</p> <p>Includes both heterosexual and homosexual advances</p>	<p>Sexual harassment may form and may include, but is not limited to;</p> <ul style="list-style-type: none"> • Unwelcome sexual advances, forcing of sexual attention, verbal or physical on an unwilling person; or attempt to punish refusal to comply • Verbal harassment or abuse • Subtle pressure for sexual activities • Unnecessary touching. Patting or pinching • Leering at a persons body • Constant brush up against a persons body • Demanding sexual favours accompanied by implied or overt threats concerning employment or advancement <p>Physical assault including rape</p>

A brief profile of the organisation implementing anti sexual harassment policy	Broader and general definition provided in the policy for the term ‘sexual harassment at workplace’	Particular behaviours specified as constituting sexual harassment at workplace
<p>Company F -</p> <p>Non-governmental International development agency having office in Sri Lanka</p>	<p>Any unsolicited and unwelcome imposition of activities or conduct of a sexual nature on the job that creates an intimidating, hostile or offensive work environment that any reasonable person should not have to endure. It can result from any written verbal, physical or visual contact or conduct with sexual overtones that is offensive or intimidating to employees.</p>	<p>Examples</p> <p><u>Written</u> – sexually suggestive letters, notes, or compromising invitations</p> <p><u>Verbal</u> – sexually suggestive comments, threats, jokes about <u>gender</u>-specific anatomy, or sexual propositions</p> <p><u>Physical</u> – intentional or unnecessary touching, pinching or brushing up against another’s body in a sexually suggestive way, unnecessarily imposing one’s presence in close physical proximity, impeding freedom of movement, assault or coercing sexual intercourse.</p> <p><u>Visual</u> – leering or intentionally staring at another body, sexually suggestive gestures, displaying sexually suggestive objects, pictures, cartoons, or magazines.</p>
<p>Company G -</p> <p>Government Financial organisation employing more than 500 employees</p>	<p>Conduct which is both unwelcome and offensive, including sexual harassment.</p> <p>Unwelcome conduct is unwanted by the person who is its target. The perpetrator knows or reasonably ought to know, that the behaviour is unwelcome.</p>	<p>Offensive conduct may include degrading remarks, jokes, or taunting, insulting gestures. Display of offensive pictures or materials and unwelcome inquiries or comments about someone’s personal life.</p>

A brief profile of the organisation implementing anti sexual harassment policy	Broader and general definition provided in the policy for the term ‘sexual harassment at workplace’	Particular behaviours specified as constituting sexual harassment at workplace
<p>Company H -</p> <p>Government owned business undertaking in the telecommunication industry employing more than 3000 employees</p>	<p>Any unwanted or unwelcome, conduct of sexual nature and which affect the dignity of women and men at work</p>	<ul style="list-style-type: none"> • Non-verbal – posters, graffiti, indecent exposure, sexual gestures, electronic mail, voyeurism; • Verbal – obscene offensive language, lewd comments, sexual innuendoes, nuisance calls, correspondence , rumours, gossip, slanders • Physical - pinching, touching, squeezing, kissing, molesting
<p>Company I -</p> <p>Privately owned business undertaking in the industry of telecommunicating. Employs more than 5000 employees</p>	<p>Any unwanted conduct of sexual nature having the effect of verbal, non-verbal, visual, psychological or physical harassment that might, on reasonable grounds, be perceived by the recipient as placing a condition of sexual nature on his or her employment or as an offence or humiliation or threat to his/her wellbeing, but has no direct link to his/her employment.</p>	
<p>Company J -</p> <p>Joint venture in the apparel industry. Employs over 20,000 employees in all the subsidiaries of the company which are situated in a number of countries.</p>	<p>Any unwelcome behaviour that is sexual in nature. Unwanted sexual advances, unwanted requests for sexual acts and other verbal or physical conduct of a sexual nature constitute sexual harassment. The behaviour giving rise to a complaint need not be intentional in order to be considered sexual harassment; it is sufficient that the offender knew or ought to reasonably know, that the behaviour is offensive and unwelcome.</p>	<p>It also includes unwanted touching, sexist jokes, leering display of sexually suggestive material, derogatory or degrading comments, sexually suggestive gestures, and unwelcome propositions, demands or inquiries of sexual nature.</p>

A brief profile of the organisation implementing anti sexual harassment policy	Broader and general definition provided in the policy for the term ‘sexual harassment at workplace’	Particular behaviours specified as constituting sexual harassment at workplace
<p>Company K -</p> <p>Privately owned subsidiary in the apparel industry. Employs more than 1000 employees</p>	<p>Forms of harassment include making un-welcome sexual or unacceptable advances or requests for sexual favours or other verbal or physical conduct of sexual nature; making submission to or rejections of such conduct on the basis for employment decisions affecting the employee, or creating an intimidating, hostile or offensive working environment by verbal, non- verbal or physical conduct</p>	<ul style="list-style-type: none"> • Un-welcome sexual or unacceptable advances; • requests for sexual favours; • Other verbal; or • Physical conduct of a sexual nature

DESIGNING HUMAN RESOURCE INPUT FOR RURAL DEVELOPMENT

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ABSTRACT

In 2006, the Gemidiriya Foundation (GDF) project had expanded its reach an almost ten-fold increase within the short span. In line with the expansion the staff (professional as well as support) recorded a phenomenal growth. In absence of a systematic and pro-active way to handle HR related matters, the senior staff had to spend a lot of their time on handling staff matter on individual basis. Also, no attention was being given to assessing the weaknesses of staff and helping them to overcome their deficiencies. Considering the rapid growth in size and absence of appraisal and developmental HR systems, PIPDA initiative was introduced in 2007. Performance Improvement and Personal Development Appraisal (PIPDA) was implemented with full conformity to the government management rules and comprehensive scheme with assessment by objectively verified agreed targets with 360 degrees appraisal system with downward accountability and results. This made the decisions of the management less judgmental and took care of the staff's development. The impact of adopting these innovative HR practices has been evident in huge improvements in the performance of the project. Reliability and accuracy of the information collected through functional heads were questioned due to errors and the lack of in-depth analysis, thus, HR Division had to get involve with huge documentation work and analysis for PIPDA implementation.

1 Introduction

The legal status of the GDF being a 'not for profit' company incorporated under the Companies' Act No. 7 of 2007, had ensured operational flexibility while insulating the

project from external influences of political nature. The CEO (Project Director) and the top management of the GDF have under the guidance of the BOD been able to exercise operational freedom required for implementing the Community Driven Development (CDD) strategy through which development funds have been channelled directly to Village Organizations (VO) [Peoples' Companies] established in Gemidiriya villages.

The organization structure of GDF was lean as it had adopted a three tiered structure consisting of the head office with demarcated functional divisions, district offices headed by District Team Leaders responsible for project monitoring and capacity building, and hub (Field Operation Unit) offices comprising of village level capacity building teams led by Chief Facilitators. Each hub office had a team of facilitators specialized in specific subject areas and the teams were involved in capacity building and mentoring of village level leaders who participated voluntarily in managing the affairs of VOs and implementing Village Development Plans (VDPs). At the end of phase 1 of the project, GDF was operating in seven districts covering 1036 villages that were being served by 33 hub offices functioning under the seven district offices.

From the inception the project has adopted a set of guiding principles which had helped in ensuring good governance. These included a unique set of ten "Golden Rules" and five non-negotiable principles that have been specified clearly and applied in the management of Village Organizations in order to ensure accountability and transparency.

Where human resources are concerned, the GDF had a youthful professional workforce which was competent and committed. There was also a high degree of female employment at the field level. The fact that GDF was able to offer comparatively better salaries to professional staff under the provisions of the Management Services Circular No. 33, was found to be an advantage. Though the staff is not entitled to additional benefits such as incentive payments, encashment of un-utilized leave etc, there was evidence of high level of intrinsic motivation and commitment among the staff.

The leadership styles and practices prevailing within GDF were found to be in harmony with the community empowerment-oriented CDD strategy. The majority of the employees have perceived the prevailing leadership styles in GDF to be 'empowering and consultative' and 'teamwork oriented and supportive'. Thus, leadership and

organization culture within GDF seem to be favourable towards the future up-scaling operation of the project.

In the year 2006 with the scaling-up of the project GDF introduced innovative HR systems and practices within the framework of the CDD. Gemidiriya, Performance Improvement and Personal Development Appraisal (PIPDA) was introduced (tested in year 2006 and formally introduced in year 2007) as an objective measure with a 360 degree appraisal system and full conformity to the government rules. This system is comprehensive and spells out all aspects of human resource development which provides feedback to staff members to improve subsequent performance.

The PIPDA is used by the project management to assess staff performance under key result areas in each job category linked with overall objectives, plans and agreed milestones of the project during the period under review and get a 360 degree feedback on development of core competencies. The PIPDA supports and encourages the project staff to improve individual performance and grow their potentials which is vital to both personal fulfilment and project success.

2 Project background

The Government of Sri Lanka received a grant of US\$ 51 million from the International Development Association (IDA) of the World Bank to implement the first phase of the Community Development and Livelihood Improvement project. Upon its successful implementation, the Ministry of Nation Building and Estate Infrastructure Development intends to implement the second phase of the project involving an investment of US\$ 95 million under “Gamaneguma” flagship rural development program of the government. The project was intended to build prosperous villages with power to communities as intended by the “Mahinda Chinthana” development strategy for rural development in Sri Lanka.

The main objective of this project is to enhance the income and quality of life of the rural communities through improved infrastructure and livelihoods through intra-village and inter-village connectivity development. The project will adopt community driven development approach to ensure practicing principles of good governance. The project covers the Uva, Southern, Sabaragamuwa and part of North Central and Central provinces.

It was in 1999 that the Community Driven Development (CDD) strategy, which is the modus operandi of the Gemidiriya project, had been successfully tested in the Polonnaruwa district as a pilot project under the Village Self Help Learning Initiatives (VSHLI) and was scaled up as the “Gemidiriya” Community Development and Livelihood Improvement project since 2004. The Gemidiriya Foundation (GDF), which comes under the Ministry of Nation Building and Estate Infrastructure Development, is the institutional mechanism established by the government for implementing the project.

3 Management and the project structure

The leadership role performed by the Project Director (CEO) is one that integrates the multiple leadership roles of those who are involved with the movement at different levels. In performing his leadership role, the CEO envisions, develops and communicates strategies, shares information, and motivates behaviour and acts as a mentor. The institutional infrastructure created under the Gemidiriya Foundation has brought together a highly committed group of people who work towards building the capacity of the community in several areas including project design and management, sub-project implementation and monitoring, resource mobilization and allocation, micro credit management and livelihood development, learning and knowledge sharing

GDF has endeavoured to structure itself on the lines of a functional organization which has also incorporated some elements of a matrix structure at the operational levels. This structure has facilitated implementation of CDD strategy at the village level and enabled achievement of project objectives. The organization structure has been in line with the work ethic and the values GDF wishes to inculcate among the staff. The project implementation structure at GDF is three layered; the National Team, District Team and the Hub Team with professional staff as team members. The National Team is headed by the CEO of the GDF. He is supported by two Additional Project Directors, one Finance Controller and two Managers, nine Senior Program Officers (SPOs), 13 Project Officers and the two Project Appraisal Teams consisting of around five professionals each. In each of the seven districts, there is a multi-disciplinary team comprising seven Facilitators (in charge of special subject areas) with a Team Leader handling monitoring and learning. At the Hub level (thirty three Hubs exist) there are seven Facilitators (in charge of special subject areas).

All activities pertaining to human resource management and development, funding of district and hub teams and overall supervision and monitoring of the project came under the purview of the head office. The SPOs who were specialized in subjects related to capacity building of rural communities, operated from the head office and were engaged in providing back stopping support to district and hub offices as well as performance monitoring with regard to their respective subject areas.

There was a total of 346 staff in 2006, across the three layers in GDF which included core management team, Management support staff, Appraisal and Monitoring Team, District Operation Teams, Field (Hub) Operation Team and field support staff. Table 1 shows the growth in scope and associated staff over the first three years.

Table 1: Composition of GDF staff during first three years (From Year 2004 – 2006)

Staff Category	2004	2005	2006
Village Organizations	59	182	535
Core Management Team	09	11	16
Management Support Staff	02	18	35
Appraisal and Monitoring Team	04	08	08
District Operation Team	07	28	37
Field(Hub) Operation Team	25	86	206
Field Support Staff	05	15	44
Staffing Strength - Total	52	166	346
<i>Professional Staff</i>	<i>45</i>	<i>133</i>	<i>267</i>
<i>Support Staff</i>	<i>07</i>	<i>33</i>	<i>79</i>

Source: Survey data

4 Problem analysis

In 2006, the project had expanded its reach and from only 59 villages in 2004 it had reached 535 villages in 2006 recording an almost ten-fold increase within the short span. In line with the expansion the staff (professional as well as support staff) recorded a phenomenal growth from 52 personnel in 2004 to 346 in 2006.

As it is normal in a high growth scenario, the HR processes and procedures were relaxed and there was no formal way of measuring performance. Thus the reward and appreciation system operated without any objective assessment. Also, no attention was being given to assessing the weaknesses of staff and evolving an environment of helping them overcome their deficiencies through a structured development plan.

In the absence of a systematic plan to handle HR issues, the senior staff had to spend a lot of their time on handling staff matter on individual basis rather than by a systematic and structured escalation, evaluation and developmental approach. Any HR issues were taken up only if someone raised an issue, complained, or expressed dissatisfaction. In short, actions were taken only after they reached a triggering point and there was no systematic and pro-active way to handle HR related matters.

Also, fast growth of the project within a short span from 59 villages and 52 personnel in 2004 to 535 villages and 346 personnel by 2006 also complicated matters.

Few fall-outs of the above were –

- Though attrition figures were in control, the staff were beginning to feel dissatisfied as numbers were increasing and there was less time for seniors to attend to their complaints
- The fact that there were no salary increases during the period 2004-06 also contributed towards the dissatisfaction among staff members
- Development for staff had suffered as objective performance review systems were not in place
- The staff members did not have sense of expected outputs/outcomes and key responsibilities, and hence were not aligned with the overall project objectives

The management realized that with rapid growth in size and absence of appraisal and developmental HR systems could result in staff dissatisfaction and in turn lead to attrition of trained and dedicated resources. This timely realization, led to the birth of PIPDA (Performance Improvement and Personal development Appraisal), so as to arrive at a system of appraising performance objectively with a focus to arrive at and implement a developmental plan for the staff.

Drucker (1954) portraying enthusiasm on appraisal has noted, “To appraise a subordinate and his performance is part of the manager’s job. Indeed, unless he does the appraising himself he cannot adequately discharge his responsibility for assisting and teaching his subordinates”.

5 PIPDA – Key features and objectives

5.1 Salient features

Given the anticipated issues at GDF, it was agreed that the following guidelines should be an integral part of PIPDA’s overall design –

1. HRD should be made as integral part of the performance appraisal
2. The release of individual talents is vital to both personal fulfilments and organizational success (HRD should be based on self enlightenment)
3. Line managers should have the final responsibility to train and develop staff under their purview
4. HRD should be carried out to achieve the development objectives of both the individual and the team
5. All staff members must have clearly defined objectives and performance standards
6. The opportunity for training and development should be given to everybody
7. Staff compensation has to be compatible with their contribution
8. Create right environment so that people can perform at the highest level
9. Need to improve and develop each individual’s ability should be emphasized
10. Development of young staff members with potential for managerial development is essential

PIPDA, begun in the year 2007, was an initiative primarily to design and implement a performance appraisal system that would lead to identification of the training and developmental needs of the staff and serve as a basis for arriving at training and development plans for the staff. With a view to align the staff to overall GDF objectives, PIPDA was linked to the HR strategy and policy of GDF. The overall Human Resource Development strategy was defined and the implementation mechanism for rolling out the HR strategy was laid out in the strategic implementation model.

Though Individual performance was a primary yardstick for measures, adequate weightage was given to team performance. This led to change in the thought process of staff in understanding the value of teamwork.

The nine core competencies identified for GDF personnel form the backbone of assessment. The performance assessment was done on predefined Key Performance Indicators (KPI), which were in turn linked to overall objectives by defining milestones. For increasing objectivity, a 360 degree appraisal was introduced. In addition, goal congruence of individual and organisation's goals was also incorporated.

Writers such as McGregor (1960) are critical of formal appraisals;

“Appraisal programs are designed not only to provide more systematic control of behavior of subordinates, but also to control the behavior of superiors...”

The assessment also took into account that assessment on an annual basis would mean the progress of individual is being tracked for a period of one full year depriving both the individual and his superior to evaluate and share feedback during the year. Thus, PIPDA's design incorporates a midyear review process wherein feedback regarding individual performance is shared and progress on developmental needs also tracked.

5.2 Objectives of the PIPDA

Based on the anticipated problems in view of rapid growth of the project, misaligned priorities, growing dissatisfaction among staff, and urge to manage the project in a professional manner, the objectives of PIPDA were outlined.

The primary objectives were outlined as below –

1. Contribution to Organization
 - Align people with project objectives
 - Create performance oriented organization culture
 - Link individual's performance to contribution to organization's objectives
2. Employee satisfaction
 - Enable impartial decisions on staff members to reduce grievances
 - Devise a system for objective performance appraisal and link it with a reward policy
 - Propagate a transparent culture to enable staff to discuss job related problems openly
3. Motivation and Development
 - Motivate individual through grading and ranking and suitable reward policy
 - Identify training and development needs of individuals and harness their full potential

6 PIPDA design and process

6.1 HR strategic model

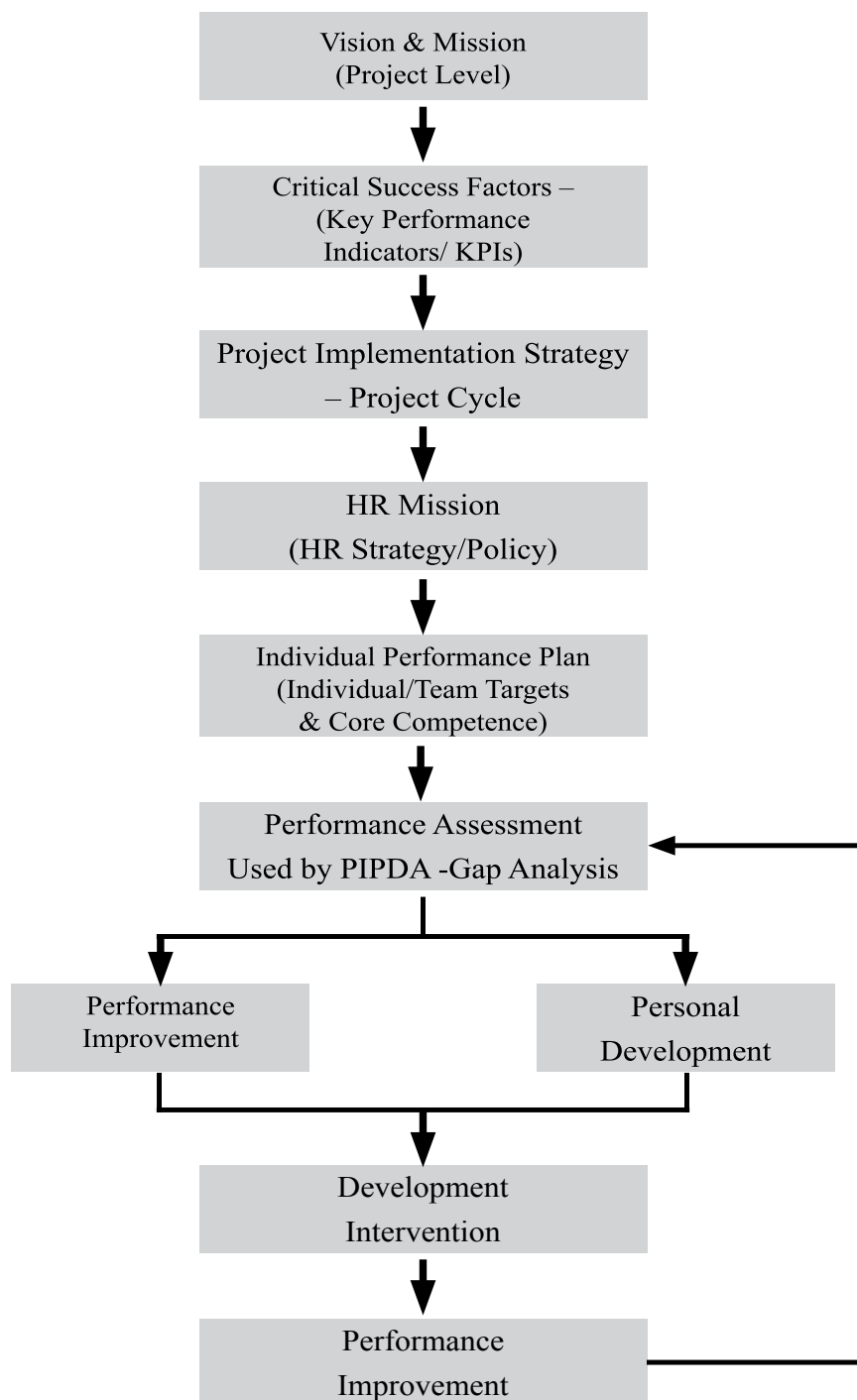
The entire planning for PIPDA is based on the overall HR mission which is guided by the Ten Forced Golden Rules of Gemidiriya. The HR mission, which formed the basic platform on which PIPDA design was built, states –

6.1.1 HR strategy:

“Gain superior performance by exerting extra efforts through rewards and retaining right calibre of people who are willing to run extra miles to serve rural communities within the atmosphere of integrity, creativity, teamwork, and self-discipline”.

Figure 1 displays the Strategic implementation model followed during implementation.

Figure 1: HR strategy implementation model



Source: PIPDA policy document of gemidiriya

6.1.2 HR policy:

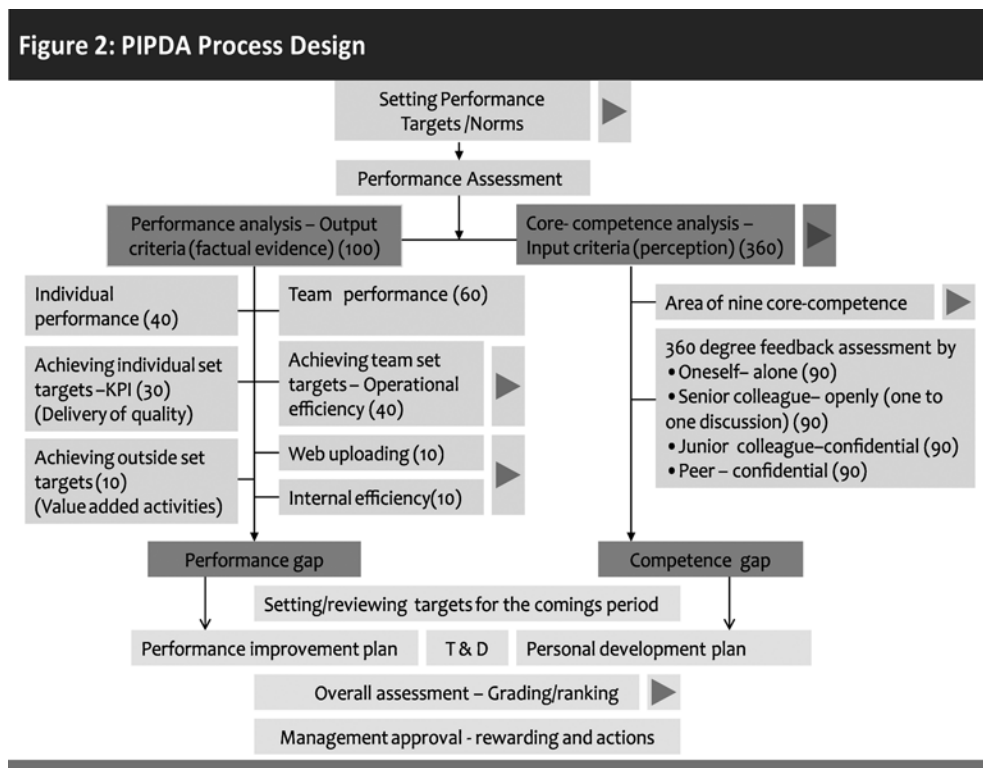
“Ensure sustainability of the GEMIDIRIYA by maintaining the highest ethical standards and a community responsibility across a unique culture

So, every human action is guided by the Ten Force Golden Rules of Gemidiriya”

- | | |
|-------------------|-----------------|
| 1. Unity | 6. Thrift |
| 2. Self-esteem | 7. Transparency |
| 3. Accountability | 8. Consensus |
| 4. Trust | 9. Equality |
| 5. Realism | 10. Sincerely |

6.2 PIPDA design

The overall process design is summarized in the diagram (Figure 2) below –



Source: PIPDA policy document of gemidiriya

6.3 PIPDA process

6.3.1 Setting targets performance targets/norms:

1. After finalizing the KPIs for each role in the organization, targets were set for each position in the organization. Thus, broad targets were set for each position in the following teams Core Management /National Team
2. Appraisal and Monitoring Team
3. Management Support Team
4. District Operational Team
5. Field (Hub) Operating Team

The targets included both individual targets for each role as well as team targets for each team.

In a result oriented appraisal form it is possible to identify the relevant aspect of the job and to set measurable targets against which to assess individual job holder's performance in a fair and accurate manner. Humble (1967) sees a performance standard as "a statement of the condition which exists when the required result is being satisfactory achieved."

6.3.2 Performance assessment:

This consists of two parts –

- i) Performance analysis based on actual achieved against set targets
- ii) Core competence analysis lists the appraisers of each role – Self, Senior colleague, Junior colleague and Peer appraisers)

6.3.3 Performance analysis:

The performance analysis takes care of both **Individual** and **team** target achievement with relative weightage as 40:60 respectively, highlighting the importance of team performance in GDF.

The individual performance consists of

- i) Performance against set individual targets (30 marks)
- ii) Value added activities apart from the set targets (10 marks)

The team performance consists of

- i) Achievement of preset team targets (40 marks).
- ii) Web uploading (10 marks)
- iii) Internal efficiency (10 marks)

The shortfall of achievement vis-à-vis the targets results in the overall performance gap that takes into account individual and team performance.

6.3.4 Core competence measurement & analysis:

The competency analysis involved rating the appraisee of basic core competencies identified for GDF. These core competencies measure the individual on personal and technical traits. The nine areas of competencies are –

- i) Honesty and Integrity
- ii) Teamwork
- iii) Communication skills
- iv) Decision making & Judgmental
- v) Leadership
- vi) Initiative & Drive
- vii) Community orientation
- viii) Quality of work
- ix) Job knowledge & skill

Individuals are rated on a five-point scale (Excellent, Very Satisfactory, Satisfactory, Need improvement, Weak). These ratings are translated into points. The points are then totalled for all appraisers and a final rating of appraisee is arrived at. The appraisers for each appraisee are –

- i) Self
- ii) Senior colleague
- iii) Junior colleague
- iv) Peers
- v) Reporting Manager/ Final appraiser

The gap analysis (performance and competency) is a major input for the next step – chalking out *Performance improvement plan* and *Personal Development Plan*. The overall rank/grade is determined by taking into account achievements against set targets, achievements beyond set targets, team performance on web-loading and internal efficiency criteria were used for arriving at the overall assessment rank.

6.3.5 Linkage to rewards system:

The overall rank (A/B/C/D/E) formed the basis of rewards system and increments and salary increases. This brought about a cultural change in the organization and led to increase in overall efficiency, hard work. The performance evaluation helped tremendously in various decision making situations like salary administration (pay increase), renewal of contracts, transfers, training and development planning etc.

McBeath & Rands (1976) in discussing salary administration comment;

“...equitable salary relationship depends on sound job classification, periodic salary surveys of competitive level, employee appraisal and effective salary planning”.

They are keen to acknowledge, however that “It is clearly essential to make some attempt at accurate measurement of performance if the appraisal is to be taken seriously into account as a factor which will influence salaries”.

Under the on the core competencies, evaluation is done on individual’s suitability for the present job, his training and development needs. The implementation of personal development plan brought about a congruence of organization’s and individual’s objectives and led to higher levels of motivation and commitment.

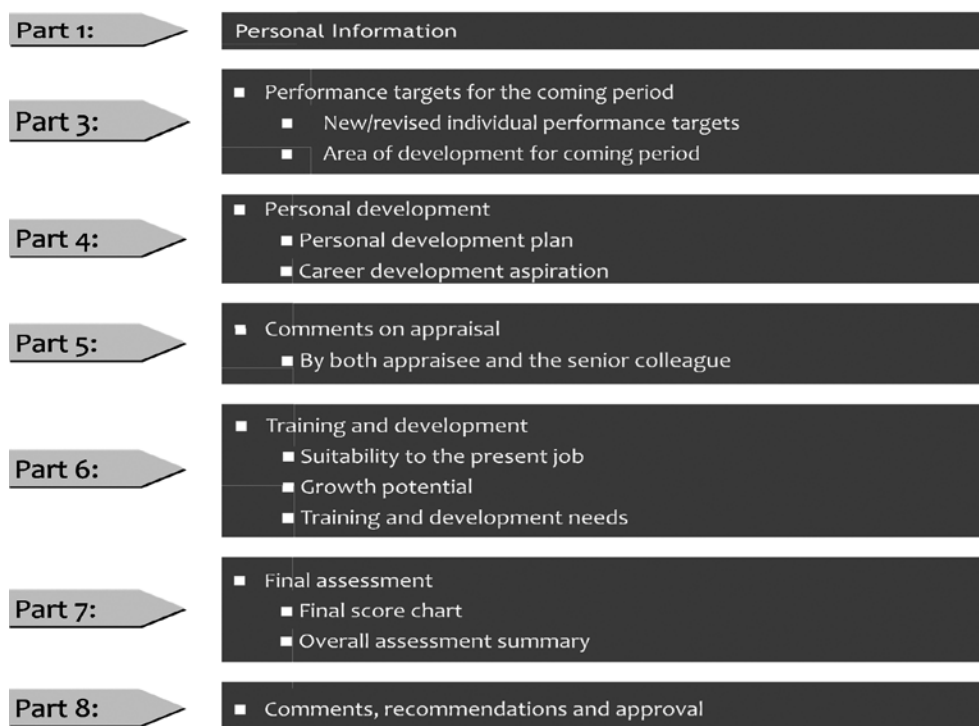
7 Launch & steps followed – PIPDA rollout

PIPDA was first tested in a Hub from Jun 2006 to Dec 2006. The formats with indicators and guidelines were designed for PIPDA. After World Bank concurrence was obtained for implementation in Jan 2007, the awareness programme was started for the head office and field teams. During the awareness programme, the KPIs and targets were finalized. Evaluation was carried out after 6 months and new salaries applied based on this evaluation.

Next step was to design the PIPDA operating formats. After validating the operating formats, they were introduced. These formats consisted of eight parts. Figure 3 highlights the major components of these formats. Cole (1997) states that “any systematic approach to performance appraisal will commence with the completion of an appropriate appraisal form”

A detailed design of new formats and guidelines, for capturing village level information, was introduced. These new formats linked each role (field position) to agreed KPIs and targets. An internal efficiency measurement checklist was also drawn for district and field level evaluation. After introducing the new formats, a workshop was conducted at Head Office after two months to discuss and review the KPIs and address issues of objectivity, measurement and evaluation. Based on findings and outputs of the workshop, a modified version of the system was introduced to evaluate efficiency and productivity in field work. Certain score adjustment powers were also given to functional heads to make adjustments of five marks from final scores

Figure 3: PIPDA operating format



Source: PIPDA policy document of gemidiriya

The 2007 assessment was completed in March 2008 and actions recommended based on 2007 annual evaluation were implemented. Next step was to finalize individual and team targets for the coming period. And after three months a mid-year evaluation was conducted. Based on inputs from this evaluation, the marking structure was revised.

In Jan 2009, the evaluation for the year 2008 was started and a hub grading system was implemented. PIPDA design and implementation was reviewed by the World Bank Team and was recognized as a Best practice in GDF. The World Bank has chosen the PIPDA to be showcased in the “HR Compendium” and uploading on the World Bank Web Site.

8 PIPDA impacting to project outcomes

PIPDA rollout started after the year 2006 and expectation was that as a logical consequence, the fruits of benefits should start flowing in after the first cycle.

8.1 Tangible benefits

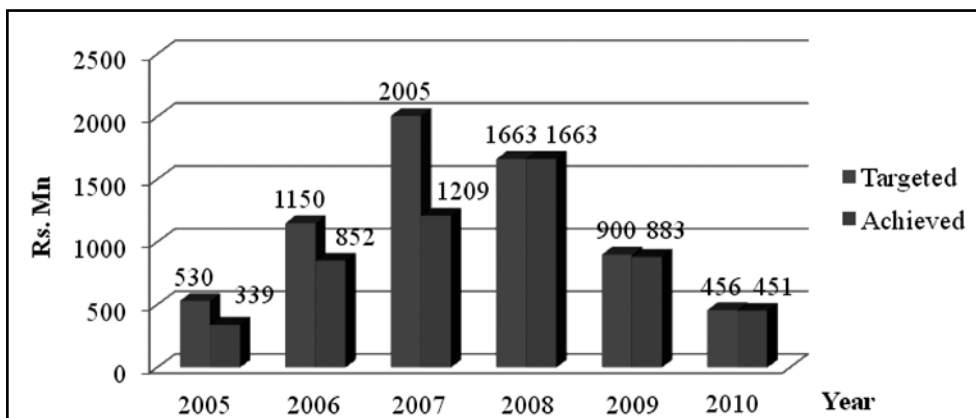
The major tangible benefits were –

1. Better overall staff performance from 60% in 2007 to 70% in 2008
 - In 2007 there were only 29(9%) “A” and “B” graders, but this number reached 185(64%) in 2008 and 324 (80%) in 2009.
 - In 2007 there were only 2 Field Operation units that were in “A” & “B” category, but this number went up to 22 in the year 2008 and maintained the same status in the year 2009 too.
2. Continuous performance improvement through increased productivity and efficiency - performance on following parameters in 2008
 - Funds received by VOs in 2008 – achievement Rs 1426M (85%) vs. Target of Rs 1685M
 - FOU cost (Rs 243M) vs. funds received (Rs 1427M) by VOs – a strong IER of 5.9 (15%)
 - Productivity of staff recorded at 80% based on Funds disbursement to VOs
 - Average fund disbursement per VO was Rs 1.38 M per VO as against a norm of Rs 1.5 M per VO

- Overall average marks on all perspectives (Targeted vs. Achieved, Instalment wise, Input vs. Output, Staff productivity, Average per VO) was 80%
3. Recognition of potential
 - Created fast tracks for higher fliers; 41% promoted once and 8% got more than one promotion in phase I
 - 49% staff was promoted during the past four years
 4. Higher level of commitment and motivation – reflected in
 - staff working long hours
 - hardly taking any leave
 - self-initiatives

The project was able to achieve finance targets by 100% in 2008; 98.1% in 2009 and 98.9 in 2010, respectively. Figure 4 shows the progress of component wise fund disbursement of the project as against targets from year 2005 – 2010.

Figure 4: Financial progress for 2015 - 2010 (Rs M)



Source: Survey data

The PIPDA was an impact on project outcomes which led to increased overall staff performance from 60% (year 2007) to 80% (year 2008/2009) with the scaling up of the project. There is a positive correlation of overall staff performance with financial progress during the period under review, which shows in Table 2.

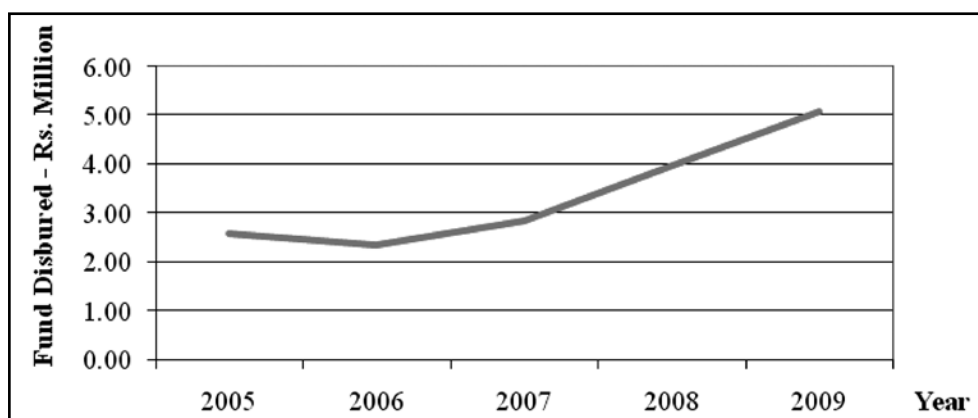
Table 2: PIPDA impacting project outcomes with the scaling up of the project

Indicator	Year 2007	Year 2008	Year 2009
Overall Performance	60%	80%	80%
A and B graded Performers	29(9%)	185(64%)	384(80%)
A and B graded Hubs	02	22	22
Fund Disbursement to Village Organizations – Targeted Vs. Achieved	60.3%	100.0%	98.1%
Expanding of Staff with Scaling up of its Operations			
	Year 2007	Year 2008	Year 2009
Village Organizations	865	1036	1036
Staffing Strength – Total	439	490	494
Professional Staff	335	381	395
Support Staff	104	109	99

Source: Survey data

Financial progress could also be measured through fund disbursement to village organizations which recorded as increasing trend during the period of project, scaling up its operations, which is illustrated in Figure 5.

Figure 5: Financial progress - fund disbursement average per village organization from Year 2005 to 2009



Source: Survey data

9 Lesson learned

Though the PIPDA implementation was a major success in propagating GDF's vision and policies through the objective & transparent assessment of performance and developmental needs of staff, after implementation one realizes that certain improvements can still be made in the process to get even better results.

1. The marking criteria applied made it very difficult to achieve the "A" grade; thus resulted in a lopsided distribution wherein "A" was hard to find. A better innovative method would be to use percentile ranking as grade decider (e.g. Top 10% would be considered excellent performers ("A" graders) - revisions have already made to give marks on competence profile since beginning of year 2010.
2. Irrespective of grades obtained, same increments were given; this does not go well in laying down a performance based culture in the organisation – since mid-year 2010 this has been rectified.
3. Was difficult to set specific and measureable targets/norms for senior staff at head office; this needs a deeper thinking - key responsibility and accountability matrix with measurable targets were given with the appointment of second phase
4. The training and development plan were based on a short term job assignment in project; this could be incongruent with long term career planning – appointments were based on 2-3 year contract in second phase
5. It was found that senior staff is sometimes not comfortable discussing the negatives/ shortcomings of his subordinates, as it could hamper their relationship in future – this is a still matter
6. The system is not simple and difficult to comprehend by ordinary staff – they are well versed on how to improve performance and do not like to stop this system.
7. Open communication of grades resulted in resistance from poor performers and their non-acceptance of the new system – more resistance came including good performers due to taking actions without communicating their performance results.

8. At times, there was no time for verification of negative feedback. This could be detrimental in the long run – feedback sessions were conducted just after finalizing six monthly performance results.
9. The data involved in calculations, was pretty enormous and its accuracy or correctness had not always been checked due to paucity of time - integrated MIS is not in place to track data
10. It was agreed to incorporate village grading system to the PIPDA since grading results would be more reliable and cannot be manipulated – steps taken to accommodate 30% marks for village grading and another 30% for thematic aspects job holders which covers all thematic areas such as institution, livelihood, and governance/accountability etc.

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IMPACT OF STRATEGIC HR MANAGEMENT ON ORGANIZATIONAL PERFORMANCES

LITERATURE REVIEW

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ABSTRACT

How a company's human capital management can significantly affects its financial performance, is a timely study, considering the emerging turbulent economy in the business world. While the state of the economy is largely uncertain, the changing nature of demographics, technological innovation, has also brought various challenges to the business world.

The purpose of this literature review is to address a set of essential problematic issues provoked by many industries in Sri Lanka. Lack of empirical evidences of the links between HR practices and firm performances have suppressed the harness of the potentials of competitive advantage of human asset. If a firm is to gain a competitive advantage from human capital, it first needs to address questions such as: is the human resource management playing a strategic role within the organizations? Do the HR management practices add value for the business outcomes? And, what is the impact of strategic human resource management practices on financial performances?

Within the body of HR research, there is significant empirical evidence linking certain HR practices to firm performance, and recent research suggests that bundles, or systems, of HR practices are more influential than individual practices working in isolation. Previous studies have strongly emphasized that HR manager plays a key role as a strategic partner of the company. A number of conceptual models have attempted to depict the processes through which HR practices ultimately impact a firm's financial performance. Many conceptual models have been used to support these views. Most

of them support similar views such as, HR practices most proximally impact employee skills, employee motivation, and work designs which consequently influence employees' creativity, productivity, and discretionary behaviour. These variables, in turn, result in improved operational performance, which relates to profitability and growth, ultimately determining firm market values. With these findings, this review becomes a significant source to emphasize the value of HR manager's strategic role in directing organizations towards financial gain via strategic HR management practices.

Key words: strategic Human Resource Management; key performance drivers; HR deliverables; collective organizational satisfaction; perceptual measures of financial performances

1 Background

Until recently, in most organizations the HR Department was merely a time office or personnel department. Their main responsibilities were confined to more administrative type work - to manage attendance and discipline, manage payroll, arrange employee welfare programs comply with various labour laws and handle recruitments.

The fact remains that HR personnel have failed to answer and find solution of various problems of organizations like motivation of workers and managers, retention of outstanding employees, check employee attrition, align employee functions and objectives with that of strategic objectives set by organization draw effective skill up-gradation and training programs for giving competitive edge to employees (Gupta, 2007). In the attempt to answer these questions, today HRM is being renewed in organizations and gradually affirming its strategic role. This is where Strategic Human Resource Management (SHRM) comes into play. It's a complex process which is constantly evolving and being studied and discussed by academics and critics.

SHRM can be regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organization on the future direction it wants to take. It is concerned with longer-term people issues and macro-concerns about structure, quality, culture, values, commitment and matching resources to future needs (CIPD, 2009).

Since the mid-1990s, the Chartered Institute of *Personnel and Development (CIPD)* has been generating evidence for the impact of people management practices on business performance. When the competition in the market place became increasingly intense, many organizations started appreciating the role of their people, and HR policies as a critical driver, of sustainable differentiation (Jain & Sengupta, 2005). This realization, combined with the fast pace of globalization, new regulatory requirements, tighter budgets and lack of availability of right talent, among many other reasons, presents a new set of challenges for senior executives and HR managers.

This review will provide a wealth of information about SHRM and its impact on organizational performances from the previous research studies. Starting with an introduction to SHRM, HR strategy and business strategy, the review unfolds the best practices of SHRM recognized by previous researches. It provides an in-depth review on the link between SHRM practices and organizational performances. Here the review discusses how the organizational performance could be influenced by the role of front line managers, and especially organizational culture. It also broadly discusses the values of managing the careers of professional knowledge workers. The final phase of the review gives a fine elaboration on systems (bundles) of SHRM practices vs. individual HR practices, complementarities and synergies between HR practices and most importantly how to measure systems of SHRM practices.

2 Literature review

2.1 Model of strategic management

In the descriptive and prescriptive management texts, strategic management appears as a cycle in which several activities follow and feed upon one another. The strategic management process is typically broken down into five steps: mission and goals, environmental analysis, strategic formulation, strategy implementation and strategy evaluation.

The first step in the strategic management model begins with senior managers evaluating their position in relation to the organization's current mission and goals. The mission describes the organization's values and aspirations. It specifies the direction

in which senior management is going. Goals are the desired ends sought through the actual operating procedures of the organization and typically describe short-term measurable outcomes.

Environmental analysis looks at the internal organizational strengths and weaknesses and the external environment for opportunities and threats. The factors that are most important to the organization's future are referred to as strategic factors – Strengths, Weaknesses, Opportunities and Threats (SWOT) (Baron, 1999). Strategic formulation involves senior managers evaluating the interaction between strategic factors and making strategic choices that guide managers to meet the organization's goals. Strategy implementation is an area of activity that focuses on the techniques used by managers to implement their strategies. In particular, it refers to activities that deal with leadership style, the structure of the organization, the information and control systems, and the management of human resources. Strategy evaluation is an activity that determines to what extent the actual change and performance match the desired change and performance.

2.2 Hierarchy of strategy

Another aspect of strategic management in the multidivisional business organization concerns the level to which strategic issues apply. Conventional wisdom identifies different levels of strategy – a hierarchy of strategy

- Corporate
- Business
- Functional.

2.3 Strategic human resource management

Strategic human resource management is a multifaceted process which is constantly developing and being studied and discussed by academics. Its definition is not absolute and opinion varies between writers.

SHRM can be regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organization on the future direction it wants to take. It is concerned with longer-term people issues and macro-concerns

about structure, quality, culture, values, commitment and matching resources to future needs. It has been defined as: All those activities affecting the behavior of individuals in their efforts to formulate and implement the strategic needs of business. Also it contains the pattern of planned human resource deployments and activities intended to enable the forms to achieve its goals. (Strategic Human Resource Management, 2009).

2.4 Two types of fit for strategic human resource management

As a fundamental characteristic of SHRM, fit denotes the utilization of human resources to help with the achievement of organizational goals. Fit means “the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goal.” Scholars suggest that there are two kinds of fit: horizontal fit and vertical fit. Horizontal fit refers to the congruence among the various HRM practices and vertical fit refers to the alignment of HRM practice with the strategic management process of the firm. In general, vertical fit is viewed as a critical step toward attaining the organizational goals through initiating some human resource activities that are aligned with firm objectives, while horizontal fit is essential when making good use of these resources (Wei, 2006, 49-60).

2.5 Goals of strategic HRM

Goals of strategic HRM mainly focus on how to manage the human capital in a way to add value for business outcomes. These are, how to make values live in the organization, build a strategic framework: mission statement, vision, values etc. Also, creating leadership and culture of innovation, support company brand, view employees as internal customers and convince them to believe in organization and its products, managing a cross cultural work force, and managing continuous competitiveness in changing business environment etc.

2.6 Strategic human resource management and business strategy

2.6.1 Corporate and business strategy

According to Krishnan (2005, pp. 215-223), “corporate strategy refers to decisions on what business to enter, what businesses to retain in the portfolio and those to exit

from. It specifically directs attention at how the corporate office can add value to the diverse businesses in the portfolio so that their value as a part of the corporation exceeds the value they would have as free-standing businesses.” Business strategy focuses on achieving competitive advantage on a sustained basis.

2.6.2 Business strategy and HR strategy

Furthermore, the book provides examples for how firms link HR strategy with firm’s business strategy. The American steel manufacturer, *Nucor*, is an excellent example of a company that has integrated its human resource strategy tightly with other functional strategies to create inimitable capabilities and drive competitive advantage. *Nucor*’s competitive advantage is based on cost leadership. It achieves this through the—efficiency, quality, innovation and responsiveness. At the base is a well-matched human resource strategy. *Nucor* hires goal-oriented, self-reliant people who are motivated by striving for continuous improvement that yields them increasing monetary compensation (Krishnan, 2005, 215-223).

A good business strategy, one which is likely to succeed, is informed by people factors. One of the driving factors behind the evaluation and reporting of human capital data is the need for better information to feed into the business strategy formulation process. In the majority of organizations people are now the biggest asset. The knowledge, skills and abilities have to be deployed and used to the maximum effect if the organization is to create value. The intangible value of an organization which lies in the people it employs is gaining recognition by accountants and investors, and it is generally now accepted that this has implications for long-term sustained performance. CIPD Strategic human resource management (2009) explains it is therefore too simplistic to say that strategic human resource management stems from the business strategy. The two must be mutually informative. The way in which people are managed, motivated and deployed, and the availability of skills and knowledge will all shape the business strategy. It is now more common to find business strategies which are inextricably linked with and incorporated into SHRM, defining the management of all resources within the organization.

Individual HR strategies may then be shaped by the business strategy. So if the business strategy is about improving customer service this may be translated into training plans or performance improvement plans.

A Strategic Perspective on Human Resource Development (SHRD) by Garavan (2007, pp. 5-17) shows that SHRD facilitates the development of core capabilities that are critical in developing and maintaining sustained competitive advantage. Barton (1995) suggests four dimensions of core capability: a) knowledge and skills, b) physical and technical systems, c) managerial systems of development and education, and d) organizational values and norms. Organizational values and norms impact the kinds of knowledge and knowledge-building activities that are enabled and facilitated. SHRD enables the firm to make the best use of existing firm-specific capabilities and through the development of new capabilities and skills enables it to cope with change. The strategic human resource management literatures suggest that any conceptualization of SHRD must focus on evaluating the linkages among organizational strategies, HRD systems, and policies and practices, incorporate the perspectives of multiple stakeholders, and focus on contributions at multiple levels of analysis. SHRD must be sensitive to both emergent and planned strategies. Whether strategy is planned or emergent has implications for the role of SHRD.

2.7 Understand the people and performance link

There were number of researches done on people and performance link. Many were able to show an association between HR policies used and performance outcomes. But it was often hard to explain when, why and how this association existed and to identify the interconnections. This has become known as ‘the black box’ problem. In an attempt to illuminate the black box, the UK CIPD (The people and performance link, 2007) commissioned a major three year study to assess the impact of people management on organizational performance.

CIPD carried out a research led by Professor John Purcell at Bath University and led to the report ‘Understanding the People and Performance Link: Unlocking the Black Box.’ This work studied a total of 18 organizations over a three-year period, with six of the organizations being in the knowledge-intensive sector. In each organization the team focused on a clearly identifiable unit of the business, such as a store or pair of stores within a large retail organization or the sales team in a financial services organization.

They conducted extensive interviews with front-line employees to collect data on their attitudes, levels of commitment, and views about their job, team and reporting

relationships. Their brief had been to investigate in depth the relationships between practice and performance to develop understanding of the nature and mechanics of this relationship. Analysis of this data enabled them to develop the People and Performance model which appears in the report itself and is reproduced on page 5 of the report summary called *Sustaining success in difficult times* (Purcell, 2002).

The researchers had argued that something must persuade, induce or encourage employees to do more or do things better or more innovatively both individually and in working with others than they otherwise would, or were doing in the past. This extra behaviour was discretionary in the sense that it is neither compulsory, nor could be forced. It had to be given (Purcell, 2004).

How then is discretionary behaviour triggered was the next question. There was clear evidence that this type of behaviour came from people with high levels of affective organizational commitment and high levels of job satisfaction (Purcell, 2004). What then triggers commitment and satisfaction? This is where HR policy and practice comes in. It is relatively easy to identify those policies and practices which are likely to lead to higher levels of commitment and satisfaction if properly designed and implemented. They came up with the following equation:

P = f (A, M, O), Where P is performance, A is ability, M is motivation and O is opportunity.

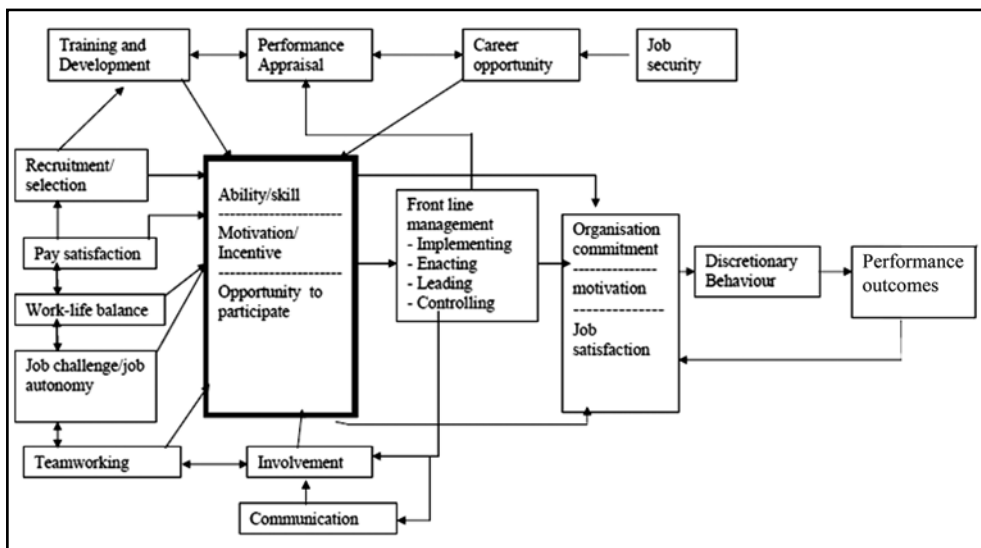
In other words, people perform well when: they are able to do so (they can do the job because they possess the necessary knowledge and skills); Also when they have the motivation to do so (they will do the job because there is adequate incentive); Finally when their work environment provides the necessary support and avenues for expression (e.g. functioning technology and the opportunity to be heard when problems occur). It is these AMO factors that contribute to feelings of job satisfaction, commitment and motivation in employees which encourage them to exhibit discretionary behaviour. Discretionary behaviour means making the choices that often define a job, such as the way the job is done – the speed, care, innovation and style of delivery.

This behaviour is at the heart of the employment relationship, because it is hard for the employer to define, monitor or control. Whatever controls or sanctions the

organization employs it will still lie within the employee's power to either give or withdraw discretionary behaviour. It is therefore discretionary behaviour that drives performance and makes the differences between organizations that are 'OK' and those that are 'great'. The 'Bath People Performance Model' is displayed below.

However, AMO in itself will not necessarily give rise to increased levels of performance. For AMO to be translated into business performance a number of other factors are important and must feature in the design of HR practices as shown in the below figure:

Figure 1 Bath people performance model



Source: Purcell, 2004

2.7.1 The role of front line managers

The research found that the role of the front-line manager is the most important factor explaining the variation in both job satisfaction and discretionary behaviour, and one of the most important factors in developing organizational commitment. Front-line managers can both permit and encourage people to be responsible for their own jobs, but they can also stifle employee performance through controlling or autocratic behaviour (The people and performance link, 2007).

2.7.2 Organizational culture and values

The research also found that the relationships between practice and performance are significantly influenced by the organizational context or environment. The existence of a 'big idea' was strongly linked to employee commitment. Further it explains there are five key attributes to the big idea: it is embedded, connected, enduring, collective, and measured and managed. The big idea therefore means more than just having a formal mission statement. It means that the values are spread throughout the organization so that they are embedded in policies and practices.

2.7.3 Managing the careers of professional knowledge workers

Another factor identified in this research is the management of knowledge workers in particular present organizations with three key dilemmas (The people and performance link, 2007):

- a. **The retention/employability dilemma** - where the organization needs to retain its key human capital in order to compete in the fast-changing knowledge market, while the knowledge workers seek to keep their skills fresh by frequently moving between employers and gaining new experience
- b. **The development/focus dilemma** - where the organization wants to develop organization-specific skills in order to better retain key skills – sometimes referred to as golden handcuffs – but knowledge workers want to develop transferable skills to remain in control of their own development plans
- c. **The value/appropriation dilemma** - Knowledge-intensive firms can only remain competitive when they manage to capture a significant proportion of the value generated from their employees' knowledge and skills. Knowledge workers likewise seek to demand high salaries and other benefits because they believe that the service/product delivery is intimately linked to their particular intellectual capital.

2.8 Strategic human resource management practices

The “Technical and Strategic Human Resource Management Effectiveness as Determinants of Firm Performance” evaluated the impact of human resource (HR) managers’ capabilities on HR management effectiveness and the latter’s impact on corporate financial performance. For 293 U.S. firms, effectiveness was associated with capabilities and attributes of HR staff. It also found relationships between HR management effectiveness and productivity, cash flow, and market value. Findings were consistent across markets and accounting measures of performance and with corrections for biases (Huselid 1997, p. 171-188). Measurement used to evaluate SHRM effectiveness were teamwork, employee participation and empowerment, workforce productivity, quality of output, succession and development planning for managers.

“Impact of People Management on Business Performances” in their study gave a significant focus on how organizational culture impact business performances. Organizational culture is interpreted here as the aggregate of employees’ perceptions of aspects of the organization, for example, quality of communication, support for innovation, level of supervisory support and so on. It is a concept which has attracted considerable interest among practitioners. Increasingly, senior managers are commissioning employee attitude surveys in response to the enormous volume of research on organizational culture and the related concept of climate (Patterson et al., 1997).

Another important study was “Strategic Human Resource Management Practices and performance in Chinese Enterprises” (Akthar, 2008). It had taken into consideration account training, participation, employment security, job descriptions, results oriented appraisal, internal career opportunities and stocks/profit sharing, as SHRM practices to see the impact of financial performances. Another research, “Is strategic human resource management strategic? (Andersen et al., n.d.), provided the following practices as SHRM practices.

- a. **Recruiting and Selection-** The emphasis an organization places on the recruiting and screening of potential employees. When an organization devotes many resources to recruiting and selection (controlled for size of course), it is likely that it will run fewer risks of selecting poor performers.

- b. **Training** - refers to the amount of training offered to employees at different organizational levels. A high emphasis on training will result in better skilled and potentially more motivated employees, while less training only results in employee learning-by-doing.
- c. **The Degree of Formalization** - refers to the formal HR systems that firms implement, for example salary and hiring policies, and delegation of decision making. A high degree of formalization will entail less flexibility.
- d. **Compensation** - refers to the use of incentive pay by organizations, and the extent to which it is used at different organizational levels. Incentive pay means that employees are rewarded based on their results, for example through bonuses, stock options, piece rates and similar mechanisms.
- e. **Alignment between HR System and Firm Strategy** - refers to the extent HR practices are aimed at influencing strategy level outcomes. If this is the case, the goal of HR practices is to affect outcomes by planning, analysis, and influencing activities.
- f. **Communication** - refers to the extent that HR issues are communicated and discussed throughout the organization, and implies that the organization focuses on the traditional human relations perspective in industrial relations that emphasizes participation in decision making and extensive communication within the organization.
- g. **Management Skills of HR Professionals** - refer to the extent of professionalism and proactive-ness in HR professionals. This means that HR professionals are externally focused, knowledgeable in their field, and engaged in influencing activities and active cooperation with other functions in the firm.

Conceptually, HR practices can be classified in terms of their impact on employees' skills and ability, motivation, and the way that work is structured (Arthur, 1994; Bailey, 1993; Huselid, 1995). Organizations can take up various HRM practices to improve employee skills. First, efforts can focus on improving the quality and hoist the skills and abilities of current employees. Employees can be hired via sophisticated

selection procedures designed to screen out all but the very best potential employees. Previous research indicates that selectivity in staffing is positively related to firm performance (Becker & Huselid, 1994). Then organizations can improve the quality of current employees by providing comprehensive training and development activities after selection. Considerable evidence suggests that investments in training produce favourable organizational outcomes (Bartel, 1994).

The efficiency of skilled employees will be restricted if they are not motivated to carry out their jobs. The form and structure of an organization's HRM system can affect employee motivation levels in several ways. First, organizations can implement merit pay or incentive compensation systems that provide rewards to employees for meeting specific goals. Researchers have focused on the impact of incentive compensation and performance management systems on firm performances (Gerhart & Milkovich, 1992). Finally, the way in which a workplace is structured affects organizational performance. In addition, it has been argued that the provision of job security encourages employees to work harder.

Wyatt (2000), in his survey report of human capital index, has pointed out that superior human capital practices are not only correlated with financial returns, they are, in fact, a leading indicator of increased shareholder value. The survey report has found six most financially rewarding HR practices. Further, this report has found that superior HR management leads financial performance to a much greater extent than financial outcomes lead good HR. Another interesting point revealed through this report was the ability to identify certain HR practices as value drivers, and throw a cautionary flag in front of some conventional practices actually associated with a decrease in financial performance. That report found that three practices in particular - 360-degree review, longer-term developmental training, and implementing HR technologies with "softer" goals in mind were often associated with a decrease in market value. Report explains, "Our hypothesis is that, while there is nothing inherently wrong with these practices, many organizations implement them in misguided ways. In these areas, companies must pay special attention to strategic alignment and appropriate execution, and for that reason, we have categorized these practices into those that require 'Prudent Use of Resources.'" This realization again and again emphasizes the need for HRM practices to be strategically aligned with business goals. The following table shows these practices and how the practices are linked to shareholder value creation.

Table 1- Human capital and shareholder value creation

Practice	Impact on Market Value
Total Rewards and Accountability	16.5%
Collegial, Flexible Workplace	9.0%
Recruiting and Retention Excellence	7.9%
Communications Integrity	7.1%
Focused HR Service Technologies	6.5%
Prudent Use of Resources	-33.9%

Source: Wyatt, 2001

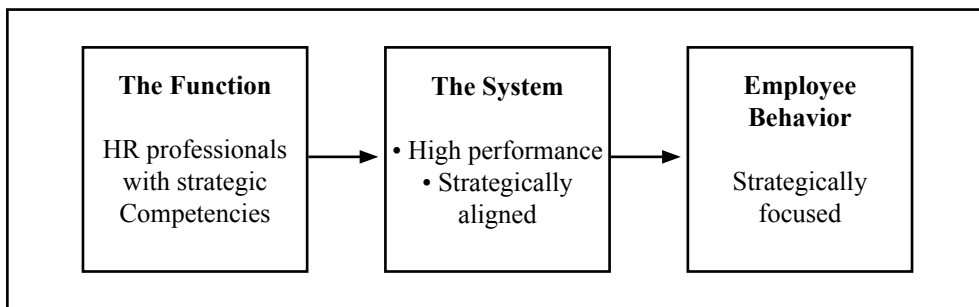
2.8.1 Systems (bundles) of SHRM practices vs. individual HR practice

A developing body of researches has reported positive associations between firm level measures of HRM systems and organizational performances (Arthur, 1994; Huselid, 1995). Those efforts have been interested in finding out whether some practices have stronger effects than others and whether complementarities or synergies among practices can further enhance organizational performances (Milgrom & Roberts, 1995).

Huselid (1995) pointed out some limitation of prior work was, “its widespread conceptual focus on single High Performance Work Practices, and the measurement problems inherent in broadening the focus to a system of such practices.” A focus on individual practices presents both theoretical and methodological dilemmas, as both recent research and conventional wisdom would predict that firms adopting High Performance Work Practices in one area are more likely to use them in other areas as well.” From this statement what Huselid is trying to explain is the extent that any single example reflects a firm’s wider propensity to invest in High Performance Work Practices, any estimates of the firm-level impact of the particular practice will be upwardly biased. So they concluded that it is better to see the impact of strategic HR Systems rather than the individual HR practices as it will be the appropriate level of analysis when an estimate of firm level effect of HRM practice is desired (Delaney & Huselid, 1996, pp. 949-969). To support this argument previous researches have bundled HR practices as “skill enhancing,” “motivation enhancing,” and “empowerment enhancing,” HRM practices (Gardner et al., 2001).

Furthermore, Beker, Daniel, and Ulrich (2001) brought the concept of HR architecture. The argument was if people “are our most important asset,” why is the HR *function* typically considered a cost-centre? Why do so many line managers think of HR as administrative overhead? While concerning themselves on the administrative and supportive functions, line managers and HR professionals both need to focus on the *organizational logic* required to make HR a strategic asset; namely the HR Architecture which is showed in Figure 2 below.

Figure 2- Human resource’s strategic architecture



Source: Becker, Huselid and Ulrich, 2001

This realization raises the need for adopting a full range of organizational HR practices for the current research in order to find out the firm level impact of systems SHRM practices on financial performances.

2.8.2 Complementarities and Synergies between HR practices

Previous researches have pointed out that firm performances have enhanced to the degree that firms adopt human resource management practices that complement and support each another. For example if HR is planning to recruit innovative and highly committed workers recruitment and selection practices have to be supported by providing rigorous training and knowledge management practices and incentive compensation.

2.8.3 Internal Fit vs. Best Practices

The internal fit viewpoint suggests that the embracing of an internally consistent system of High Performance Work Practices will be reflected in better firm performance. The

external fit perspective lift up the conceptual issue of whether any particular human resources policy can be described as a best practice, or whether, instead, the efficacy of any practice can only be determined in the context of a particular firm's strategic and environmental contingencies.

Huselid (1995) further more explains the argument, that firm performance will be enhanced to the degree a firm's HRM practices are matched with its competitive strategy is compelling. To be equal on both internal and external fit can be good practice to use. High Performance Work Practices and good internal fit which lead to positive outcomes for all types of firms. However, at the margin, firms that tailor their work practices to their particular strategic and environmental contingencies should be able to realize additional performance gains. For example, most firms should benefit from the use of formal selection tests, although the results of such tests could be used to select very different types of people, with those differences perhaps, depending on competitive strategy. In short, the process of linking environmental contingencies with HRM practices may vary across firms, but the tools firms use to effectively manage such links are likely to be consistent.

2.8.4 Systems (bundles) of SHRM Practices

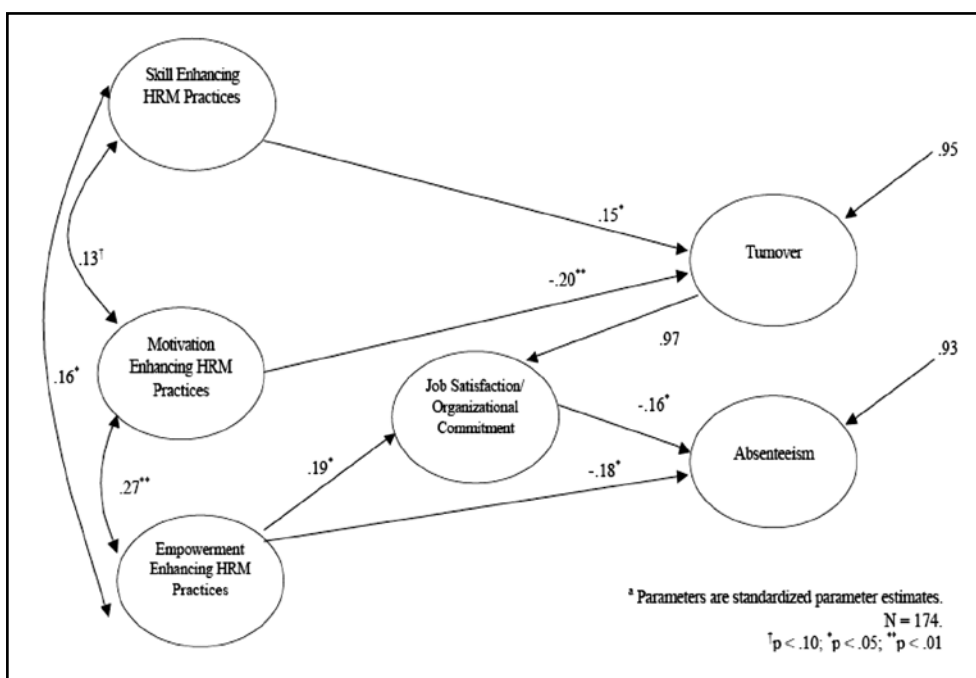
Human resource practices are thought to be bundled when they occur in fairly complete, mutually reinforcing or synergistic sets (Dyer & Kochan, 1994). The logic in favour of bundling is straight forward. First, since employee performance is a function of both ability and motivation, it implies that practices to enhance employee performance must aim on both ability and motivation. Second, since employee performance is an "over-determined phenomenon" it is most likely to be maximized when influenced by non-independent activities which are deliberately redundant. Thus, best results should be obtained when there are several ways for employees to acquire needed skills (e.g., careful selection, on- and off-the-job training) and multiple incentives to enhance their motivation (e.g., peer pressure, monetary and no monetary rewards, etc.). Finally, Dyer and Reeves (1994) explained that the logic of bundling has inspired several attempts to build typologies of human resource strategies; that is, to construct conceptually defensible packages of mutually reinforcing or synergistic human resource practices.

So, this realization paved the way to identify two main bundles of HR practices

which need to enhance employee performances. That is, practices which are aimed at enhancing employee ability, and practices that are aimed at enhancing motivation.

Wright, Gardner, and Moynihan (2008) have affirmed that “Motivation and empowerment-enhancing human resource (HR) practices are positively associated with employees’ collective emotional attachment to, and identification with, a company and its goals.” In another important research, Wrigh, Gardner, Park, and Moynihan (2001) have developed and proved the hypothesis “There will be a positive relationship between the use of (a) skill enhancing, (b) motivation enhancing, and (c) empowerment enhancing human resource management practices and collective job satisfaction.” This concept is demonstrated in the below figure, Path Analysis Results, illustrating the relationships among HR practices, employee attitudes and employee behaviours.

Figure 3- Path analysis results



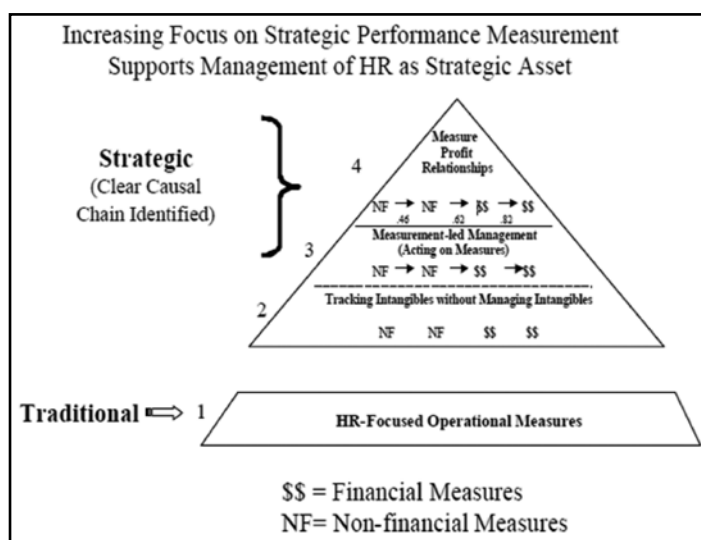
Source: Wright, Gardner, Park and Moynihan, 2001

2.8.5 Measures HR as strategic asset

Organizations need to be sure that they measure HR performance in a way that reflects

the organizational logic of HR's contribution to firm performance. Once an organization begins to manage HR like a strategic asset, the measures of HR's performance must reflect that transition (Becker, Huselid, & Ulrich, 2001). The following figure shows the Increasing Focus on Strategic Performance Measurements:

Figure 4 - Increasing focus on strategic performance measurement



Source: Becker, Huselid and Ulrich, 2001

Level 1: measurement systems reflect the traditional HR focus on transactional and administrative efficiency.

Level 2: focused measuring HRM in terms of achieving people goals. The problem with this approach is that, at best, there is a tenuous relationship between success on these “people” measures and subsequent business success. Neither line managers nor HR professionals can identify the direct relevance of these measures for the business problems facing the firm.

Level 3: This measure is based on a systematic analysis of how intangibles, particularly HR, can influence the successful implementation of strategy.

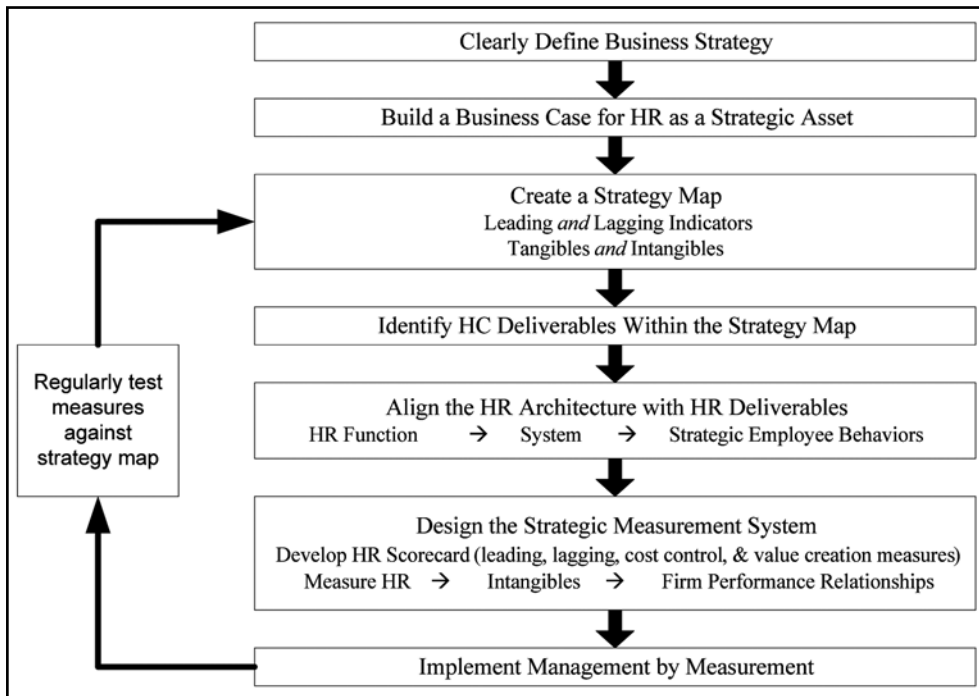
Level 4: The most sophisticated measurement system. It not only measures levels, it also measures relationships. This allows the organization to actually calculate the impact of HR in terms that are relevant to line managers. It can measure relationships

as “a 5-point improvement in employee attitudes will drive a 1.3-point improvement in customer satisfaction, which in turn will drive a 5% improvement in revenue growth.”

2.8.6 Measuring systems of SHRM practices

Human resource strategies are usually defined in terms of a set of integrated, mutually reinforcing, and synergistic goals and activities (Dyer & Kochan, 1994). Becker, Huselid, and Ulrich (2001) provided a model called balance score card to measure the strategic HRM practices in terms of above mentioned traits such as integrity, alignment, and consistence. It considers human resources as strategic asset and involves identifying both performance drivers and enablers to support the company’s strategic priorities balancing value creation with cost controls. How the HR balance score card links HR architecture with measurement system is shown in Figure 5, whereas Table 2 shows the steps towards making HR a strategic asset.

Figure 5 -Linking HR architecture and measurement system



Source Huselid and Becker, 2005

Table 2 - Seven steps to making HR a strategic asset

Step 1: Clearly Define Business Strategy. Our focus on implementation assumes that a consensus strategy exists and that it can be clearly described and communicated to the entire organization.

Step 2: Build a Business Case for Why and How HR matters for strategy Implementation. HR will only become a strategic asset when both line managers and HR professionals assume a shared responsibility for implementing strategy. For this to happen, both parties need to have a common understanding that HR's strategic value is linked to the extent to which it directly contributes to better strategy execution.

Step 3: Build a Strategy Map describing the causal flow of strategy implementation. A strategy map takes what tends to be an externally focused vision in Step 1 and links it to an internal roadmap that "show(s) how an organization plans to convert various assets into desired outcomes." It is an essential part of managing HR as a strategic asset because it provides the basis of aligning the HR Architecture with the firm's strategic drivers. It provides the organizational logic that transforms HR from a transaction and operationally oriented function to an organizational asset with strategic impact.

Step 4: Link HR Architecture to Strategy Map. This may be the most important step in transforming HR to a strategic asset. The term HR Deliverable is just a short-hand term for the outcomes of the HR Architecture that directly drive successful strategy implementation. The question is where in the HR Architecture to locate the HR Deliverables? Should we focus on employee performance and behaviors, or the drivers of those behaviors? We believe those HR Deliverables should focus on employee performance behaviors because they most directly influence the strategic goals of line managers.

Step 5: Design HR System in Alignment with HR Deliverables. The strategic behaviors in the organization (HR Deliverables) are driven by competencies, motivation, work structure, strategic focus, etc. Therefore, the HR system (recruiting, selection, compensation, rewards, career development, etc.,) must be focused on those behavioral drivers. The result is an HR system that is both

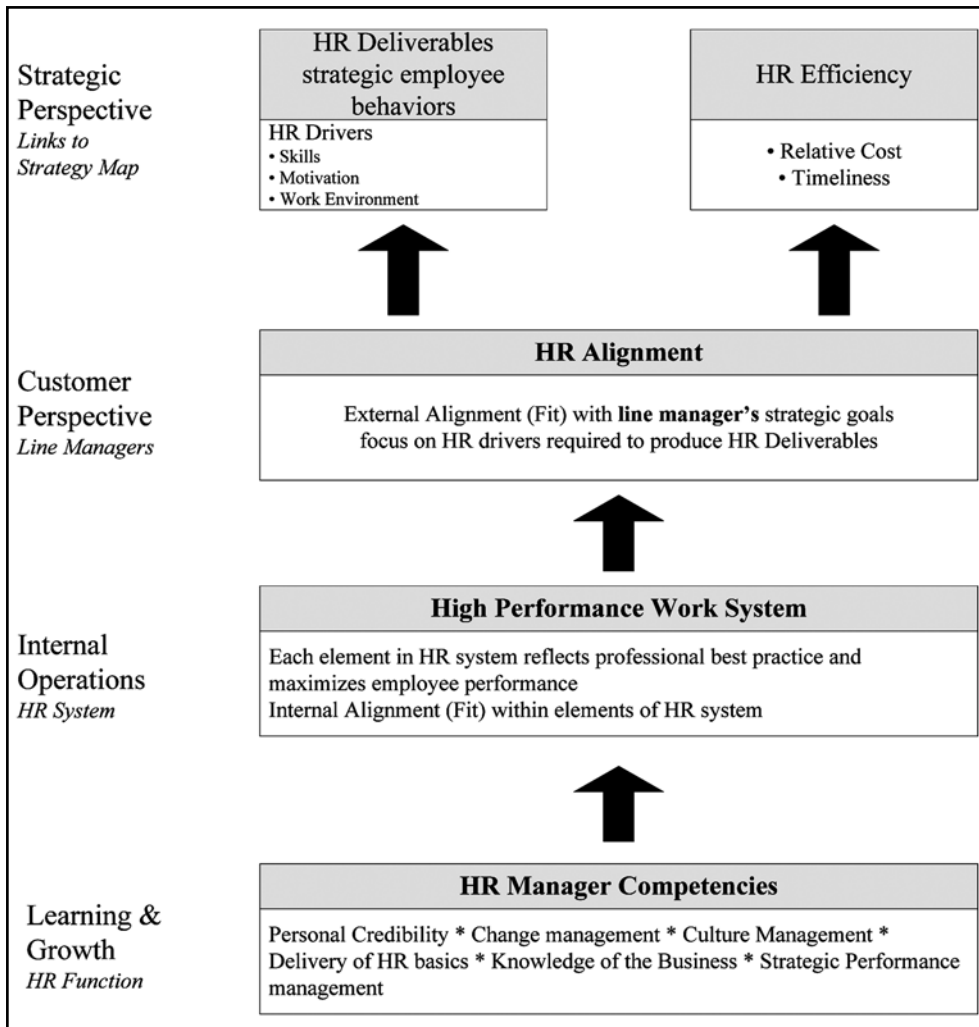
externally aligned with the requirements of the strategy map, and internally aligned among the various elements of the system.

Step 6: Design HR Strategic Measurement System (The HR Scorecard)
Steps 1-5 lay the foundation for managing HR as a strategic asset. Next the organization will need a measurement system that will not only guide that management process, but also validate HR's contribution to firm performance. We use the term HR Scorecard because it is designed to extend the concepts of the Balanced Scorecard to an organizational asset, in this case the HR Architecture. In other words, based on Steps 1 -4 above, there is a very clear logic that links the strategic results for the HR Architecture with the ultimate financial success of the organization.

Step 7: Implement Management by Measurement. Managing HR as a strategic asset will be a significant change initiative for most organizations. It will require a new perspective on HR, as well as acceptance of this new role, by both line managers and HR professionals. Senior line managers need to understand that if the organization is going to reap the benefits making people "our most important asset," implementation of the HR Scorecard needs to be approached as a major change initiative. Ultimately the success of this initiative will turn on whether the people in the organization who are charged with implementing the firm's strategy, understand the logic of the strategy's execution, and their role in that logic.

Source Becker, Huselid, and Ulrich, 2001

Figure 6 - HR balance score card

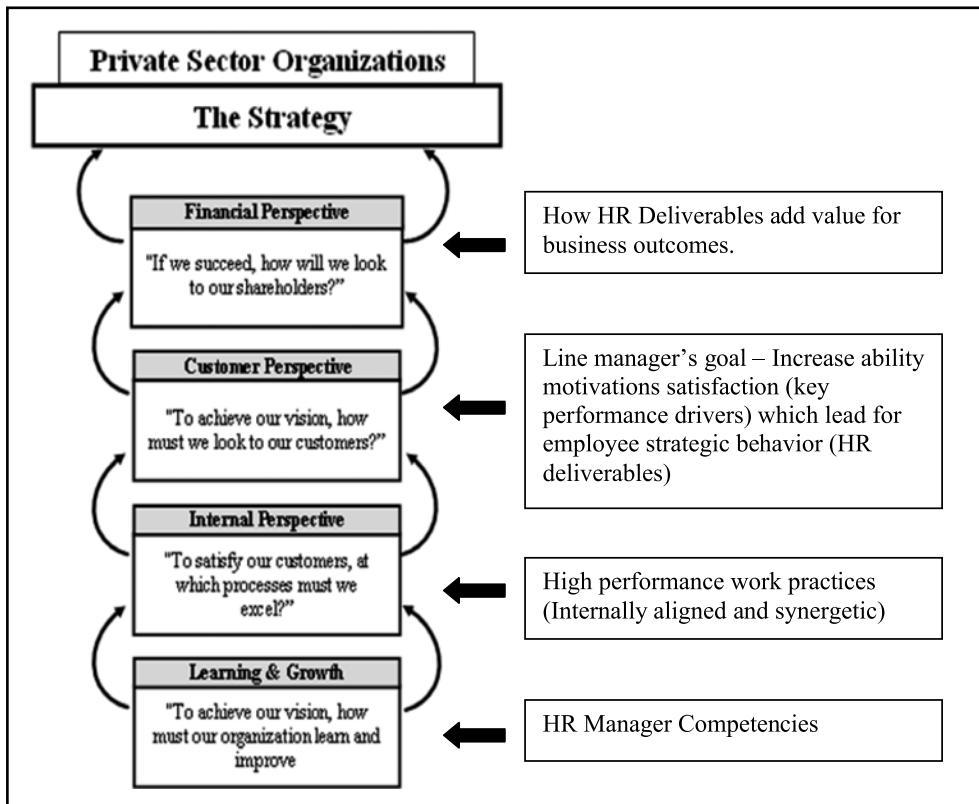


Source Becker, Huselid, & Ulrich, 2001

2.8.7 How HR Score card measure different perspectives of the strategy map

HR score card has been developed to measure each perspective of the strategy map. This is demonstrated in Figure 7.

Figure 7 How HR score card measure different perspectives of the strategy map



Source Becker, Huselid,& Ulrich, 2001

2.8.8 Assessing HR alignment - external alignment (fit) with line manager's strategic goals

This is to address to what extent the HR deliverables enable the company's performance drivers and strategic objectives. To what extent do your HR practices enable/support your HR deliverables? HR performance drivers are the key factors that enable the overall end result (outcome) that a company needs to achieve. Examples for performance drivers are increase member satisfaction, expand membership, increase member relationships, increase efficiencies and develop product differentiators. HR deliverables are the capabilities that will make their organization unique and drive the creation of intangible value. The capabilities define intangibles that investors pay attention to, the firm brand to which customers can relate, and the culture that shapes employee behaviour. These capabilities become the identity of the firm, the deliverables

of HR practices, and the keys to implementing business strategy. Examples for key HR deliverable are given below.

Leadership	Being good at building leaders that generate confidence in the future.
Strategic Unity	Being good at creating a shared agenda around our strategy
Customer Connectivity	Being good at fostering enduring relationships of trust with target customers
Corporate Social Responsibility	Being good at establishing a strong reputation for sustainability, philanthropy, and employability in the industry and community
Shared Mindset	Being good at ensuring customers and employees have a consistent and positive experience of the firm identity
Collaboration	Being good at working together across boundaries to ensure leverage and efficiency
Learning	Being good at generating, generalizing, and implementing ideas with impact
Innovation	Being good at doing something new in both content and process
Talent	Being good at attracting, motivating, developing, and retaining talented and committed people
Speed	Being good at making important changes rapidly
Efficiency	Being good at reducing the costs of our business practices
Accountability	Being good at creating and enforcing standards that lead to high performance and execution

Both leading and lagging indexes need to be used when measuring systems of SHRM practices. Leading indicators are process measures that help you gauge incremental progress you are making towards key HR outcome (lagging) measures; for example

reduction in absenteeism in key positions, increase in internal people expressing interest in position, number of positive comments from customers. Lagging indicators are outcome measures that help you gauge your HR progress by examining the final end result or outcomes of your collective efforts such as employee retention, employee performance, organizational performance, customer retention, employee productivity.

3 Discussion of findings of literature review

3.1 Strategic human resource management best practices

Within the body of HR research, there are significant empirical evidences linking certain HR practices to firm performance and recent research suggests that bundles, or systems, of HR practices are more influential than individual practices working in isolation (Arthur, 1994; Huselid, 1995; MacDuffie, 1995). Arthur (1994) found that HR practices that focused on enhancing employee commitment (e.g., decentralized decision making, comprehensive training, salaried compensation, employee participation) were related to higher performance. In a similar study, Huselid (1995) found that investments in HR activities such as incentive compensation, selective staffing techniques, and employee participation, developed employee skills and motivation and resulted in reduced turnover, increased productivity, and increased firm performance. MacDuffie (1995) found that flexible production plants with team-based work systems and high-commitment HR practices (such as contingent compensation and extensive training) consistently outperformed mass production plants and that bundles of practices result in higher performance. Considering the SHRM practices found in literature review it is possible to provide following practices displayed in the below table as most widely recognized practices.

Table 3 Best-practice in SHRM

Arthur (1992)	Huselid (1995)	MacDuffie (1995)	Purcell (2004)
<ul style="list-style-type: none"> • Broadly defined jobs • Employee participation • Formal dispute resolution • Information sharing • Highly skilled workers • Self-managed teams • Extensive skills training • High wages • Salaried workers • Stock ownership 	<ul style="list-style-type: none"> • Personnel selection • Performance appraisal • Incentive compensation • Job design • Grievance procedures • Information sharing • Attitude assessment • Labour/management participation • Recruiting intensity • Training hours • Promotion criteria (seniority vs. merit) 	<ul style="list-style-type: none"> • Work teams • Problem-solving groups • Employee suggestions • Job rotation • Decentralisation • Recruitment & hiring • Contingent compensation • Status differentiation • Training of new employees • Training of experienced employees 	<ul style="list-style-type: none"> • Recruitment, selection • Training & development • Employee engagement • Team working • Performance management and appraisal • Reward and pay satisfaction • Job design • Communication • Work life balance • Career development and opportunity

3.2 Strategic role of HR managers

Previous studies have strongly emphasized that HR manager plays a key role as a strategic partner of the company. In today's organizations, to guarantee their viability and ability to contribute, HR managers need to think of themselves as strategic partners. In this role, the HR person contributes to the development of and the accomplishment

of the organization-wide business plan and objectives. The HR business objectives are established to support the attainment of the overall strategic business plan and objectives.

3.3 Critical SHRM practices impacting the business goals and HR value proposition for business outcomes.

There are abundance of empirical evidences in the body of HR research on the link between SHRM practices and firm performances. There is a criticism for universalistic perspective of HR using the principles of the Resource-Based View of competitive advantage that SHRM practices cannot by themselves be a source of sustained competitive advantage, as it is virtually impossible for HR practices to be rare, inimitable, and non-substitutable. Instead, the configurationally perspective is proposed as a more theoretically valid and tenable approach to strategically managing human resources for sustainable competitive advantage (Hamish, n.d.). This is because the configurational approach promotes a system of HR practices that are customized to suit a particular firm's competitive strategies, and internal practices, policies, and resources – it provides both vertical and horizontal fit. It is also found that human capital is the foundation of HRM and competitive advantage.

3.4 Association between systems of SHRM practices and HR performance drivers (employee ability, motivation and opportunity)

A number of conceptual models have attempted to depict the processes through which HR practices ultimately impact firm financial performance (Becker, Huselid, Pickus, & Spratt, 1997; Wright & Snell, 1998). For example, Becker et al. (1997) model suggests that HR practices most proximally impact employee skills, employee motivation, and work designs which consequently influence employees' creativity, productivity, and discretionary behaviour. These variables, in turn, result in improved operational performance, which relates to profitability and growth, ultimately determining firm market values. Purcell (2004) had a similar view. He explained that there were clear evidence of this type of discretionary behaviour came from people with high levels of affective organizational commitment and high levels of job satisfaction. He further explained it is the employee ability; motivation and opportunity to develop that contribute to feelings of job satisfaction, commitment and motivation in employees which encourage them to exhibit discretionary behaviour.

3.5 Association between collective employee ability, motivation, opportunity and collective organizational commitment and satisfaction

Fundamentally, individuals and groups of employees can only impact organizational performance by increasing efficiency (i.e. changing the output to input ratio) or inducing growth in firm revenues. Either way, employees must engage in role specific or discretionary behaviours to contribute to firm performance. Human resource management practices comprise the primary set of tools available to the organization for influencing how employees think and behave and therefore can only impact firm financial performance through the behaviours and attitudes of employees (Becker & Gerhart, 1996).

3.6 Relationship between line managers' role with collective organizational satisfaction and commitment

Many research studies remarked that the role of the line manager is the most important factor explaining the variation in both job satisfaction and discretionary behaviour and one of the most important factors in developing organizational commitment. Line managers can both permit and encourage people to be responsible for their own jobs, but they can also stifle employee performance through controlling or autocratic behaviour (The People and Performance Link, 2007).

3.7 Association between systems of SHRM practices and productivity, turnover

Prior work in both the academic and popular press has argued that the use of systems of SHRM practices will be reflected in better firm performance. This study provides broad evidence in support of these assertions. I found considerable support for the hypothesis that investments in such practices are associated with lower employee turnover and greater productivity and corporate financial performance.

3.8 Association between systems of SHRM practices and financial performance

It has been long and widely asserted that people are the preeminent organizational resource and the key to achieving outstanding performances (Arthur, 1994; Huselid, 1995; Huselid & Becker, 1994; Ichniowski et al., 1994; MacDuffie, 1995).

4 Conclusion

People are the intangible assets who are believed to be a great source of competitive advantages of organizations is a developing phenomenon. They can bring forth such capabilities which are unique, difficult to trade and imitate, that bestow the firm's sustainable competitive advantage. As many research studies pointed out, HR professionals need to understand this realization and shape their HR practices. Rather than to formulate and implement as individual practices in isolation it is essential that HR managers practices a bundle of HR practices which are internally consistent with organizational strategy and synergetic with other HR practices. This is the underlying reason behind SHRM practices positively impact on firm's financial performances.

This review accommodates a dialogue on positive association between systems of SHRM practices on key performance drivers - employee ability, motivation and opportunity to develop. While the review establishes a positive association between these key performance drivers and organizational satisfaction and commitment which it was anticipated on, it also discover some issues which HR managers need to consider with caution. The role of line managers in terms of implementing, enacting, leading and controlling, and establishing a supportive culture to groom more involved and more committed employees towards the organizational goals.

As pointed out in this review Managing HR as a strategic asset will be a significant change initiative for most organizations. It will require a new perspective on HR, as well as acceptance of this new role, by both line managers and HR professionals. Senior line managers need to understand that if the organization is going to reap the benefits making people "our most important asset," implementation of the HR Scorecard needs to be approached as a major change initiative. Ultimately, the success of this initiative will turn on whether the people in the organization who are charged with implementing the firm's strategy, understand the logic of the strategy's execution, and their role in that logic. Therefore the HR manager should stress on the fact that one can't manage what he doesn't measure. Therefore "management by measurement" is vital in the excursion of achieving the strategic goals of the organization. The HR manager, together with senior management, is required to clearly define the business strategy. The HR manger should then develop a business case for why and how HR matters for strategy implementation, and develop a strategy map describing the

causal flow of strategy implementation. These steps necessitate to be followed by linking HR architecture to strategy map, designing HR system in alignment with HR deliverables, and designing HR strategic measurement system (the HR scorecard). This will finally be beneficial for managers to manage people and work according to what going to be measured.

5 Practical implications to HR professionals

Globalization has left only one true path to profitability. That is to base their competitive strategy on exceptional human resource management. Even though superior technology and access to capital have historically been associated with financial benefits of a company they too are now fleeting to provide sustainable advantage. As the ‘war of talent’ is likely to intensify further and turbulent economy stresses the firms sustainability, HR managers have a strong responsibility in attracting, retaining the key talent and direct them through the strategic paths in gaining financial performances for the company

As this former source of advantage become less relevant, managing human resources by instinct and intuition becomes not only inadequate but also dangerous. The most successful countries in the future will be those that manage their people like the assets they are.

According to the views of HR professionals playing strategic role in their firms, HR professionals need to work together with the corporate senior management to identify and align the HR strategies with business strategy. In order to employ these strategies HR/project managers and line managers must not only have a thorough HR knowledge but also possess the skill to speak the business language, enabling them to be trusted advisors. HR professionals should possess good communications skills and reach people, not only to motivate but also to balance people’s interests with organizational interests, with a focus on adding value. They need to be brand ambassadors of the company.

HR needs to exhibit their credibility to senior management by proving their capabilities of adding values for business outcomes of the company. HR managers need to work closely with their workers to identify their career expectations. Sustaining loyalty of

the top talent is also driven through good people practices. Earning strong employee affiliation and bonding to the organization ensures tremendous benefits. HR managers will need to look at IT workers problems with empathy. They require embodying the attitude that the workplace consists of such an environment where workers can find accomplishment and empowerment and security. Employee work-life balance also should be given attention.

Another core responsibility of line manager is enhancing the strategy awareness in order to improve employee strategic focus. This will enable the top talent be leveraged as “advocates” where they speak positively of the organization, recommend it to others and act as excellent “brand ambassadors” who influence further attraction of top talent. Recognition can be further strengthened by creating avenues for top talent to develop their careers. This can be incorporated with duly promotions, skill base pay, merit pay etc.

Another very important suggestion is that, HR needs to use more effective tools and measurements to assess the HR effectiveness in terms the value it add to business out comes. HR need to be away from conservative measurements which solely look at operational effectiveness (what HR can do) and find more realistic measures to evaluate what really HR can deliver.

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AN INTRODUCTION TO WORK-FAMILY CONFLICT

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ABSTRACT

Work-family conflict is the incompatibility between work and family lives. This paper is a literature review from the Western and Sri Lankan studies on antecedents, moderators and consequences of work-family conflict. This is a literature review in which literature from Western and Sri Lankan areas would be reviewed relating to antecedents, moderators and consequences of WFC. Studies in Sri Lanka have shown that work-family conflict is a problem for working people. Research to date has identified many antecedents, moderators, and consequences of work-family conflict, as well as conflicts crossing from the family to the work domain and vice versa (that is, permeability of conflicts or spillover). Antecedents of work-family conflict can be categorised into individual factors, and home- and work-related factors. Similarly, there are health, family-, and work-related consequences of work-family conflict. Further, studies have found many individual, family and work-related factors as moderators.

Key words: work-family conflict, antecedents, moderators, consequences, Sri Lanka

1 Introduction

The conflict between work and family domains is known as work-family conflict. Work-family conflict is not a problem that occurs only in the “Western” countries. It is a problem faced by many in Sri Lanka as well (Kailasapathy, 2009). With the increase in dual-earner couples, conflict as well as balance between family and work lives have become important issues. The aim of this paper is to present an overview of the field of work-family conflict (WFC). I do this by reviewing the published research in WFC. I first define WFC and then review the WFC literature. I review WFC studies under sections titled antecedents, moderators, and consequences of WFC.

2 What is work-family conflict?

WFC has been defined as the “form of interrole conflict in which the role pressures from the work and family domain are mutually incompatible in some respect” (Greenhaus & Beutell, 1985, p. 77). Conflict can stem from time demands, strain, and/or behaviours incompatible across the work and family domains. In addition to defining WFC, Greenhaus and Beutell (1985) also discussed its directionality, that is, work interference with family (WIF) and family interference with work (FIW), as well as the form of WFC (time, strain, and behaviour). Based on directionality and form, Greenhaus and Beutell defined six types/dimensions of WFC: time-based WIF, strain-based WIF, behaviour-based WIF, time-based FIW, strain-based FIW, and behaviour-based FIW. Work-related or family-related time-based conflict occurs when “time pressures [of one domain] are incompatible with the demands of the other role domain” (Greenhaus & Beutell, 1985, p. 80). Strain-based conflict occurs when the “strain created by one [domain] makes it difficult to comply with the demands of another” (p. 80). Behaviour-based conflict occurs when “behavior required in one role makes it difficult to fulfil requirements of another role” (p. 78) or “specific patterns of in-role behaviour may be incompatible with the expectations regarding behaviours in another role” (p. 80).

3 Empirical findings of WFC research

In this section, I review the studies of WFC. This body of work has thus far identified many antecedents, moderators and consequences to WFC. I first review the antecedents reported by these WFC studies, and then I review the moderators and consequences of WFC.

3.1 Antecedents of WFC

Various work-family interface studies indicate that factors from the home and work domains as well as individual factors predict the WFC experienced by individuals. Hence, I have organised the review of antecedents of WFC into home-related, cross-over effects, work-related, and individual/personal factors. A summary of WFC antecedents is shown in Table 1.

Table 1 *Examples of antecedents of WFC*

Category	Antecedents	Example of study
Home/family-related factors	Family role stressors (family conflict, parenthood) Family involvement, Family expectations Family role ambiguity Hours spent in family work/hours spent on household work Parental status Couple's employment status Working spouse Spouse's work hours Spouse support Non-work friend support Quality of experience in parent and spouse support roles Role congruity Family intrusions Total role involvement Dependent children Primary responsibility for child care Number of children under age 5, preschooler at home Child(ren)'s misbehaviour Family responsibilities Responsibility for elders Parental overload/parental demands Time demands off-the-job Tension/conflict in the relationship Crossover effects Parenting values Spouse values Parenting commitment Spouse commitment Family financial responsibility	Kopelman, Greenhaus, & Connolly, 1983 Duxbury & Higgins, 1991 Carlson & Perrewé, 1999 Gutek, Searle, & Klepa, 1991 Loerch, Russell, & Rush, 1989 Loerch, Russell, & Rush, 1989 Fu & Shaffer, 2001 Loerch, Russell, & Rush, 1989 Loerch, Russell, & Rush, 1989 Kirrane & Buckley, 2004 Loerch, Russell, & Rush, 1989 Loerch, Russell, & Rush, 1989 Loerch, Russell, & Rush, 1989 Loerch, Russell, & Rush, 1989 Shamir, 1983 Goff, Mount, & Jamison, 1990 Goff, Mount, & Jamison, 1990 Frone et al., 1992 Greenhaus & Powell, 2003 Hill et al., 2004 Luk & Shaffer, 2005 O'Driscoll et al., 1992 Frone et al., 1992 Hammer et al., 1997 Cinamon & Rich, 2002 Cinamon & Rich, 2002 Cinamon & Rich, 2002 Cinamon & Rich, 2002 Behson, 2002
Work characteristics and attitudes	Work role stressors (role conflict, role ambiguity, role overload) Hours spent in paid work Time demands on the job Work schedules (length of work day, shift work, work during weekends and holidays) Perceived work schedule flexibility Job satisfaction Job stress Job responsibility	Boyar et al., 2003 Fu & Shaffer, 2001 O'Driscoll et al., 1992 Shamir, 1983 Hammer et al., 1997 Shamir, 1983 Fox & Dwyer, 1999 Hill et al., 2003

Table 1 *Examples of antecedents of WFC*
(continued)

Category	Antecedents	Example of study
Work characteristics and attitudes	Job workload Task characteristics (task autonomy, complexity, variety) Work schedule (travel, inflexibility) Part-time, full-time employment, non-day shift Work values, Work commitment Work involvement Career identity Job performance Work salience (job involvement, career priority)	Hill et al., 2004 Greenhaus et al., 1989 Greenhaus et al., 1989 Kinnunen & Mauno, 1998 Cinamon & Rich, 2002 Duxbury & Higgins, 1991 Major et al., 2002 Greenhaus et al., 1987 Hammer et al., 1997
Organisational factors	Work expectations, organisational expectations Work conflict Individual initiative at work Supervisor support Co-worker support Use of on-site child care centre Availability of care for sick children Satisfaction with child care arrangements Work-family policies, dependent services, information and referral services, supportive work-family culture, work-family benefits Job tension Abusive supervisor Career vs. earner Income Tenure Organisational justice (distributive, procedural, interpersonal, and informational) Organisational rewards Human resources incentives to induce attachment, design of work Perceived organisational support Job insecurity Poor leadership relations Poor influence at work	Major et al., 2002 Kopelman et al., 1983 Bolino & Turnley, 2005 Goff, Mount, & Jamison, 1990 Frone, Yardley et al., 1997 Goff et al, 1990 Goff et al, 1990 Goff et al, 1990 Batt & Valcour, 2003 Netemeyer et al., 1996 Tepper, 2000 Higgins et al., 2000 Hill et al., 2006 Hill et al., 2006 Judge & Colquitt, 2004 Major et al., 2002 Batt & Valcour, 2003 Foley et al., 2005 Kinnunen & Mauno, 1998 Kinnunen & Mauno, 1998 Kinnunen & Mauno, 1998

Table 1 *Examples of antecedents of WFC*
(continued)

Category	Antecedents	Example of study
Individual factors	Gender/sex Age Marital status Leisure time Personality (optimism, proactive personality, negative affectivity, and neuroticism) Multiple role involvement Secure, dismissing, preoccupied attachment styles	Behson, 2002 Shamir, 1983 Shamir, 1983 Googins, 1991 Aryee et al., 2005 Baruch & Barnett, 1986 Sumer & Knight, 2001

Source: Literature review

A number of *home-related factors* have been examined in studies of WFC. However, the focus has been on factors related to children or spouse. Number of children has been found to be related to WFC for both men and women (Behson, 2002; Kinnunen & Mauno, 1998; McElwain, Korabik, & Rosin, 2005). Not surprisingly, two associated factors, parental overload and housework demands, were found to be positively related to FIW conflict (Aryee, Luk, Leung, & Lo, 1999; Fu & Shaffer, 2001; Lu, Gilmour, Kao, & Huang, 2006; Luk & Shaffer, 2005). Further, employed women and men experienced the highest amount of interrole conflict involving parent roles, when compared to professional or spouse roles, during the peak child-rearing years (when the family has two or more preschool children) (Blanchard-Fields, Chen, & Hebert, 1997). An interesting result of a multi-country study was that, contrary to expectation, being married was negatively related to FIW conflict in some Western countries (e.g., U.S.), but was positively related to FIW conflict in Eastern (e.g., China, Hong Kong and India) and Western developing (e.g., Russia and Poland) countries (Hill et al., 2004). These results highlight some similarities as well as differences between countries with regard to antecedents of WFC. In particular, the differences emphasise the need to conduct research on WFC in different cultures and nations.

Another factor that is part of the home domain and is important with respect to WFC is the impact of the spouse. The impact of the spouse on the individual is known as the *cross-over effects among couples*. Some WFC studies have examined the impact of variables such as the spouse's background characteristics, nonwork attitudes and

work attitudes on the individual (see for reviews Bakker, Westman, & van Emmerik, 2009; Eby, Casper, Lockwood, Bordeaux, & Brinley, 2005). For example, family role stressors experienced by women was significantly negatively related to their spouses' family satisfaction (Parasuraman, Greenhaus, & Granrose, 1992). However, the stressors from the work and family roles and from the WFC experienced by men had no significant effect on their spouses' family satisfaction (Parasuraman et al., 1992). These results indicate that there are asymmetrical cross-over effects among couples. In contrast, other studies found that both men's and women's WFC significantly affect their partners' level of WFC (Hammer et al., 1997), which suggests symmetrical cross-over effects among couples. Hence, the results of past studies show that there are cross-over effects among couples which may be asymmetrical or symmetrical, depending on the family, work or individual factor(s) being examined.

In addition, many *work-related factors* have been identified as antecedents of WFC. For example, when individuals experienced unpredictability in work routine such as work variability (as opposed to repetitive work) (Fox & Dwyer, 1999), work schedules such as rotating shifts and having to work during weekends and holidays (Shamir, 1983), or longer workdays (Carlson & Perrewé, 1999; Greenhaus et al., 1987; McElwain et al., 2005; Shamir, 1983), their WFC increased. In a Chinese sample, individuals who had greater work demands experienced more WFC (Yang, Chen, Choi, & Zou, 2000). In addition, work overload (Aryee, Luk et al., 1999; Lu et al., 2006) and work stressors such as role ambiguity, role overload and role conflict (Foley, Ngo, & Lui, 2005; Fu & Shaffer, 2001; Kopelman, Greenhaus, & Connolly, 1983) also increased WFC. Likewise, in a multi-country study, job responsibility, job workload and job travel were positively related to WIF conflict (Hill et al., 2004). Individuals also reported higher WFC when there was a sense of inequity in rewards at work (Greenhaus et al., 1987), or when they experienced abusive supervision (Tepper, 2000). Organisational citizenship behaviour was also found to increase WIF conflict (Bolino & Turnley, 2005). Therefore, it could be said that there is global evidence for various work-related factors as antecedents of WFC.

Individual factors are related to the person who experiences WFC. These factors include individual differences or background characteristics (e.g., gender, marital status), and personality traits (Byron, 2005; Eby et al., 2005).

Personality traits are the pervasive styles of thinking, feeling, and behaving of an individual (Costa, 1996). In terms of personality traits, Aryee et al. (2005) found that only neuroticism was positively related to WIF and FIW conflict, whereas proactive personality and optimism were not. Neuroticism has also been found to be positively related to both WIF and FIW conflict and extroversion negatively related to WIF conflict (Grzywacz & Marks, 2000). Negative affectivity and Type A personality also explained significant additional variance in WFC (Carlson, 1999). Similarly, high negative affectivity individuals reported more conflict between work and family roles because they experienced extensive stress in the work and family domains (Stoeva, Chiu, & Greenhaus, 2002). Williams and Alliger (1994) found that mood states, role juggling, and daily role involvement predicted end-of-day rating of WFC.

In terms of gender, the findings are mixed. Blanchard-Fields et al. (1997) found that employed men experienced more interrole conflict between professional and self roles than employed women. In addition, married men experienced more interrole conflict than married women. In contrast, Loscocco (1997) found that family intruded on work (FIW conflict) more among women than men, and work intruded on family (WIF conflict) more among men than women. Other studies have also found gender differences such that women experience more WFC than men (Cinamon & Rich, 2002; Fu & Shaffer, 2001). Nonetheless, in some studies women and men have reported similar levels of WIF and FIW conflict (e.g., Eagle, Miles, & Icenogle, 1997; Frone et al., 1992). For instance, in a one-year longitudinal study conducted in Finland, Kinnunen, Geurts, and Mauno (2004) found “no significant difference between men and women in their perceived level of work-family conflict” at both points in time (p. 10). It is difficult to compare the results of these studies because they used different definitions and consequently different measurements of WFC. For example, some researchers examined WFC as one variable (e.g., Duxbury & Higgins, 1991; Martins, Eddleston, & Veiga, 2002), whereas others looked at time- and strain-based FIW and WIF conflicts (e.g., Eagle et al., 1997; Frone et al., 1992; Netemeyer et al., 1996; Premeaux, Adkins, & Mossholder, 2007; Rotondo, Carlson, & Kincaid, 2003).

As can be seen from Table 1, not many individual factors have been examined as predictors of WFC. Further, as Parasuraman and Greenhaus (2002) pointed out, a disproportionate emphasis has been placed on environmental and situational factors as the source (or antecedents) of WFC to the neglect of individual factors such as

psychological characteristics. Hence, more investigation is needed in this area of individual factors and their impact on WFC (Parasuraman & Greenhaus, 2002).

In sum, multiple roles and home responsibilities have a negative impact on the WFC experienced by individuals. Further, there is also evidence that stress and conflict are transmitted from one spouse/partner to the other (i.e., cross-over effects), and these cross-over effects between the spouses may be symmetrical or asymmetrical. In addition, work-related factors have been found to be antecedents of WFC. Finally, individual factors such as personality traits and gender have also been found to have an impact on WFC. Overall, these results have increased the pressure on organisations to institute policies and practices to help individuals cope with and/or reduce WFC at work.

3.2 Moderators of WFC

Researchers have examined various moderators in the relationships between antecedents and WFC, and between WFC and consequences. A summary of moderators in the area of WFC is shown in Table 2.

Table 2 *Examples of moderators*

Category	Antecedents	Example of study
Home/ family- related factors	Sex/gender Marital status Age Scaling strategies, coping behaviour Self-esteem Negative affectivity Gender role orientation Life role values	Duxbury & Higgins, 1991 Martins et al., 2002 Shamir, 1983 Becker & Moen, 1999 Grandey & Cropanzano, 1999 Stoeva et al., 2002 Livingston & Judge, 2008 Carlson & Kacmar, 2000
Family	Social support Family social support, domestic support Dependent children Spousal support/spouse social support Family involvement Parental status Time and energy spent on family responsibilities	Rotondo et al., 2003 Fu & Shaffer, 2001 Shamir, 1983 Gordon & Whelan-Berry, 2004 Greenhaus et al., 2001 Martins et al., 2002 Fox & Dwyer, 1999

Table 2 *Examples of moderators (continued)*

Category	Antecedents	Example of study
Work	Role conflict	Greenhaus et al., 1987
	Non-supportive environments	Greenhaus et al., 1987
	Inequitable environments	Greenhaus et al., 1987
	High pressure environments	Greenhaus et al., 1987
	Autocratic environment	Greenhaus et al., 1987
	Work social support	Carlson & Perrewé, 1999
	Job satisfaction	Kopelman et al., 1983
	Job stress	Shamir, 1983
	Job mobility	Tepper, 2000
	Career involvement	Greenhaus et al., 2001
	Supervisor social support	Fu & Shaffer, 2001
	Co-worker social support	Fu & Shaffer, 2001
	Informal work accommodations to family	Behson, 2002
	Perceived organisational support	Foley et al., 2005
	Family work arrangement	Hill et al., 2006
	Work-family adaptive strategies (flexi time, flexi place, work/life programs, spouse caregiver)	Hill et al., 2003
	Time and energy spent on work responsibilities	Fox & Dwyer, 1999

Source: Literature review

Gender has been frequently examined as a moderator in WFC studies (e.g., Aryee et al., 2005; Duxbury & Higgins, 1991; Frone, Russell, & Barnes, 1996; Loerch, Russell, & Rush, 1989; Martins et al., 2002), with mixed results. For example, Aryee et al. (2005) found that gender did not moderate any of their hypothesised 18 relationships between personality, home and work domain factors and WFC. Similarly, Choi and Chen (2006) found that gender did not moderate the relationship between family demands and life stress. In contrast, family conflict was positively related to strain- and behaviour-based conflict for men, whereas for women, family conflict was related to time-, strain-, and behaviour-based conflicts (Loerch et al., 1989). Further, gender also moderated the relationship between family intrusion and WFC, such that for men the relationship was with time-based conflict and for women the relationship was with strain-based conflict (Loerch et al., 1989). It has also been found that the relationship between the responsibility for children and FIW conflict was stronger for women than for men (Hill et al., 2004). Bolino and Turnley (2005) found that the relationship between individual initiative (a type of organisational citizenship

behaviour) and WIF conflict was moderated by gender, such that the relationship was stronger among women than among men. In the relationship between work demands and life stress, work demands had a stronger effect on life stress for Chinese men than for women (Choi & Chen, 2006).

Gender has also been examined as a moderator of the relationships between WFC and consequences. For example, the relationship between FIW conflict and anxiety disorders was moderated by gender such that the relationship was stronger for men than women (Frone, 2000). In a longitudinal study, Kinnunen et al. (2004) found that among women, the WIF conflict at Time 1 significantly predicted the psychological symptoms at Time 2. There is also evidence for gender as a moderator in the relationships between WFC and work-related consequences. For example, the relationship between WFC and job satisfaction was stronger for men than for women (Kossek & Ozeki, 1998). Gender also moderated the relationship between WFC and career satisfaction such that the relationship was stronger for women than for men (Martins et al., 2002).

With regard to individual values and traits as moderators, individuals who espoused more traditional gender roles experienced a stronger relationship between FIW conflict and guilt. Individuals who espoused more egalitarian gender roles experienced a stronger relationship between WIF conflict and guilt (Livingston & Judge, 2008). When family was highly valued by an individual, work domain antecedents had a greater impact on WFC. When work was more highly valued, family domain antecedents had a greater impact on WFC (Carlson & Kacmar, 2000). Further, personality characteristics have been identified as moderators. Stoeva et al. (2002) found that family stress impacted on FIW conflict more strongly for high negative affectivity individuals than for low negative affectivity individuals.

There is empirical support for work-related factors as moderators. For example, job mobility was found to moderate the relationship between abusive supervision and FIW conflict, such that perceived job mobility helped to alleviate some of the distress caused by abusive supervision (Tepper, 2000). Further, the relationships between WIF conflict, withdrawal intentions and withdrawal behaviour were moderated by career involvement, such that the relationships were stronger for individuals who were relatively uninvolved in their careers than for those who were highly involved in their careers (Greenhaus, Parasuraman, & Collins, 2001).

As the above review shows, past WFC studies have examined many factors that answer questions as to “when” or “under what conditions” (Frone, 1999) two variables are related or when the relationship between two variables is strengthened or weakened. Past WFC studies have found gender to be a moderator of many, but not all, WFC relationships. Further, previous study results support various other factors as moderators. Such results on moderators provide encouragement to researchers to expand and continue the research on moderators of WFC.

3.3 Consequences of WFC

The majority of work-family interface studies have focused on the negative consequences of WFC. That is, there have been fewer studies of the positive spillover of the work-family interface than of negative spillover. I have categorised the consequences of WFC into health, family-related, and work-related consequences. A summary of negative WFC consequences is presented in Table 3. Although not reviewed in detail here, Table 3 also lists the positive outcomes associated with the work-family interface, for the sake of completeness.

WFC studies have identified two types of *health consequences*: physical and psychological outcomes. WIF conflict and FIW conflict were found to be related to poor physical health and heavy alcohol use (Frone et al., 1996; Frone, Russell, & Cooper, 1997), and to substance abuse disorders (Frone, 2000). FIW and WIF conflicts have also been found to be positively related to mood disorders, anxiety disorders (Frone, 2000) and depression (Frone et al., 1996; Frone, Russell et al., 1997). Further, Major et al. (2002) found that WIF conflict was significantly positively related to psychological distress. WFC was also found to be related to lower life satisfaction (Adams, King, & King, 1996; Aryee, Fields, & Luk, 1999; Parasuraman et al., 1992; Rice, Frone, & McFarlin, 1992). Work and family demands have an impact on life stress (e.g., feeling nervous, trouble sleeping, tired) as well (Choi & Chen, 2006). In a time-lagged study, Grandey and Cropanzano (1999) found that WIF conflict was related to job distress five months later, and job distress in turn was related to life distress and poor physical health.

One of the main stakeholders affected by WFC is the *family*. However, relative to other stakeholders, there has been less research into the effects of WFC on families.

The main focus with regard to family-related consequences of WFC has been on satisfaction with marriage and family life. For example, Bedeian, Burke, and Moffett (1988) found that WFC was related to lower marital satisfaction for both men and women. In a longitudinal study, WIF conflict at Time 1 significantly predicted parental distress at Time 2 for women (Kinnunen et al., 2004). Similarly, FIW conflict was found to have negative consequences on satisfaction with marriage and parenthood (Kinnunen & Mauno, 1998). However, contrary to expectations, Aryee, Fields et al. (1999) found that neither WIF conflict nor FIW conflict was related to satisfaction with family life.

Another stakeholder affected by WFC is work or the organisation. Studies have identified negative *work-related consequences* of WFC. It has been found that both FIW and WIF conflicts were negatively related to satisfaction with one's job in general, and with pay, work, and supervision in particular (Boles, Howard, & Donofrio, 2001), and positively influenced (i.e., exacerbated) job stress (Judge et al., 1994) and turnover intentions (Boyar, Maertz, Pearson, & Keough, 2003; Haar, 2004; Pasewark & Viator, 2006). Further, WIF conflict was negatively related to satisfaction with promotion and FIW conflict was negatively related to satisfaction with co-workers (Boles et al., 2001). WFC also led to lower job satisfaction (Aryee, Fields et al., 1999; Kinnunen et al., 2004; Kossek & Ozeki, 1998), lower career satisfaction (Martins et al., 2002) and lower occupational well-being (Kinnunen & Mauno, 1998). Individuals who reported high WIF conflict reported job distress five months later, and job distress in turn was positively related to turnover intentions (Grandey & Cropanzano, 1999). Similarly, WIF conflict (but not FIW conflict) was found to be positively related to withdrawal intentions (Greenhaus et al., 2001). It has also been found that FIW conflict related negatively to the quality of leader-member exchange and to job enrichment (Lapierre, Hackett, & Tagger, 2006).

Table 3 *Examples of negative and positive consequences of work-family interface*

Category	Antecedents	Example of study
Negative outcomes		
Health	<p>Depression, heavy alcohol consumption</p> <p>Life satisfaction</p> <p>Well-being (self-esteem, depression, pleasure, self-acceptance)</p> <p>Blood pressure, cholesterol, somatic complaints, poor physical health</p> <p>Psychological strain</p> <p>Psychological distress, psychosomatic symptoms</p> <p>Health, energy</p> <p>Life distress, life stress</p>	<p>Frone, Russell et al., 1997</p> <p>Duxbury & Higgins, 1991</p> <p>Baruch & Barnett, 1986</p> <p>Thomas & Ganster, 1995</p> <p>O'Driscoll et al., 1992</p> <p>Major et al., 2002</p> <p>Googins, 1991</p> <p>Parasuraman et al., 1992</p>
Family-related	<p>Personal/family well-being</p> <p>Quality of family life</p> <p>Marital satisfaction, marital dissatisfaction</p> <p>Control over managing family demands</p> <p>Work-family fit, work-life balance</p> <p>Relationship satisfaction</p> <p>Home life satisfaction, family satisfaction</p> <p>Off-job satisfaction</p> <p>Family performance</p> <p>Family distress</p> <p>Parental dissatisfaction</p> <p>Childcare satisfaction</p> <p>Time management (individual and family time)</p>	<p>Greenhaus et al., 1987</p> <p>Duxbury & Higgins, 1991</p> <p>Breaugh & Frye, 2007</p> <p>Batt & Valcour, 2003</p> <p>Hill et al., 2006</p> <p>Sumer & Knight, 2001</p> <p>Sumer & Knight, 2001</p> <p>O'Driscoll et al., 1992</p> <p>Frone, Yardley et al., 1997</p> <p>Frone, Yardley et al., 1997</p> <p>Kinnunen & Mauno, 1998</p> <p>Hill et al., 2003</p> <p>Higgins et al., 2000</p>

Table 3 *Examples of negative and positive consequences of work-family interface*
(continued)

Category	Antecedents	Example of study
Work-related	Absenteeism Quality of work life Job satisfaction Job stress/work stress Organisational commitment, normative and affective commitment Intention and departure from public accounting, intention to leave the organisation Career satisfaction Turnover intentions Control over managing work Role overload Work performance Work distress Job anxiety, job depression, job exhaustion Job flexibility Job enrichment Leader-member exchange quality	Goff et al., 1990 Higgins et al., 1992 Netemeyer et al., 1996 Judge et al., 1994 Carlson et al., 2000 Greenhaus et al., 1997 Martins et al., 2002 Haar, 2004 Batt & Valcour, 2003 Bolino & Turnley, 2005 Frone, Yardley et al., 1997 Frone, Yardley et al., 1997 Kinnunen & Mauno, 1998 Hill et al., 2006 Lapierre et al., 2006 Lapierre et al., 2006 Ruderman et al., 2002 Baruch & Barnett, 1986 Ruderman et al., 2002
Positive outcomes	Life satisfaction Self-esteem, Self-acceptance Interpersonal skills, Task-related skills	Ruderman et al., 2002 Baruch & Barnett, 1986 Ruderman et al., 2002

Source: Literature review

In sum, the above review of work-family interface studies of the antecedents, moderators and consequences of WFC shows that researchers have gained a good understanding of the antecedents and consequences of WFC in the past two and a half decades. For example, we now know that WFC affects multiple stakeholders. Further, many antecedents and consequences of WFC have been identified. In particular, with regard to consequences, WFC has been found to result in various negative health outcomes for individuals, including both physical and psychological effects. WFC also affects satisfaction with marriage and family life and work-related factors, such as turnover intentions. It is due to such negative outcomes that individuals, families, organisations as well as researchers are concerned about WFC. Further, studies

have shown that gender and personality traits can moderate these relationships. For example, individuals who espoused more egalitarian gender roles experienced a stronger relationship between WIF conflict and guilt. Another example is that the responsibility for children and FIW conflict was stronger for women than for men. Nevertheless, more research is warranted in all these areas as there are theoretical and methodological limitations in the existing WFC research.

4 WFC in Sri Lanka

Some might think that WFC is not an issue in Sri Lanka. Studies in Sri Lanka have shown that WFC is a problem for working people. One study conducted among dual-earner couples found that both men and women experienced WFC (Kailasapathy & Metz, 2012). Surprisingly, men experienced more WFC than women in that study. Further, it was found that due to WFC, there were some work-related consequences such as task avoidance, turnover intention and intent to quit workforce and personal and health related consequences (Kailasapathy, 2009). In another study among airline frontline employees it was found that they experienced work-family interference due to emotional labour (Perera & Kailasapathy, 2011). Individuals try to manage or cope with WFC by using various strategies such as delegation of work, seeking help from family, focusing on self and so on (Kailasapathy, 2009).

5 Summary

In this paper I reviewed some of the literature on WFC. Research in Sri Lanka has shown that WFC is a problem here as well. Studies to date have identified many antecedents, moderators, and consequences of WFC, as well as conflicts crossing from the family to the work domain and vice versa (that is, permeability of conflicts or spillover). Antecedents of WFC can be categorised into individual factors, and home- and work-related factors. Similarly, there are health, family-, and work-related consequences of WFC. Further, studies have found many individual, family and work-related factors as moderators. Findings related to gender as a moderator are a bit mixed. The findings of studies on WFC have furthered our knowledge of WFC, but more studies can be done, including in Sri Lanka, to enhance our understanding of this important area of study.

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HR MYOPIA SRI LANKAN PERSPECTIVES OF MYTHS AND REALITIES SURROUNDING THE PRACTICE OF HR

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ABSTRACT

HR Myopia - the focus lies on local perspectives (Sri Lanka) as a highly relevant, critically important matter of dire need and consequence. The paper attempts to discuss the typical shortsightedness or narrow views (myopia) of business organisations over the role of HR in their organisations as well as the HR function / practice itself not measuring up to what a business really needs. So the views discussed are twofold - overall business view on HR and the incapable under delivery by HR on which some of the myths are built on. The paper explores real life situations and some pragmatic remedies that may aid in overcoming the challenges and impediments. As an under-pinner a snapshot of the current HR situation in Sri Lanka has also been captured to contextualise the subject under review.

Key words: HR; myopia; myths; remedy; key performance indicator; sustain

1 Background

While HR professionals watch with melancholy their counterparts in finance and/or marketing, engineering, etc. bypass them to enter organizational board rooms or occupy seats of power and leadership; the blame is by default pointed towards their (HR) own faults. Perceived largely as one created by HR for HR, due largely to a majority of those in the practice failing to measure up to real business needs, thus does little or no justice to either themselves or to the profession. Another aspect is also to be blamed. That is the 'myths' surrounding HR; again propagated chiefly due to HR's

own flaws, as HR repeatedly and consistently have failed to powerfully position the practice in their own organisations and solicit support from their own backyards, which seems like a vicious cycle. Obviously the circumstances call for a thorough analysis of the current state of affairs articulated as myths in the article, their realities and how HR may overcome them, irrespective of where the fault is and whom to be blamed.

Taking a leaf from Theodore Levitt's legendary HBR 1960 article on Marketing Myopia, I recently wrote a piece titled 'Leadership Myopia', as a lead article to a management journal, which drew a number of interesting responses from a diverse audience. I was attending the NISRRP (National HR Issues, Stakeholder Relations and Research Publications) Committee Meeting at the Institute of Personnel Management (IPM) last week (early April 2013) when an IPM official suggested I write on 'HR Myopia'. It is Mr. Chandima Pinsiri who is credited with coming up with the highly timely and relevant suggestion that inspired me to produce this article. Hence, there was no looking back.

Myopia is essentially a medical term that denotes a vision problem for which the following definition is true. "A condition in which the visual images come to a focus in front of the retina of the eye resulting especially in defective vision of distant objects" (Merriam-Webster Dictionary). Metaphorically myopia represents a lack of foresight or discernment: a narrow view of something. For all intents and purposes of our argument in this paper, we shall focus on this metaphorical meaning.

2 The Current practice of HR in Sri Lanka

'The proof of the pudding is in the eating'

We seem to have done considerable work in the academic and professional fronts in producing HR talent. But has such effort proved to have been effective? A large proportion of the HR talent we have produced over the years do not produce HR results that businesses today need. If there is HR that works for a business, that may be primarily due to training and development had by such individuals from their employers who serve some great companies, representing a few local and a majority of multinational enterprises or HR being led by that rare breed of an outstanding

HR leader. In my head-hunting and recruitment practice, numerous are the requests that I receive to source talent from multinational companies. Why? Because of the investment such companies make in developing their human capital is outstanding (and those who seek such talent believe it is panacea for all their HR ills to head-hunt such candidates, which may not necessarily work). Ironically, with so much HR education happening around us and myriad forums addressing HR issues taking place we hardly seem to apply HR in our organisations. Changing the name board from Personnel Department to HR Department would not guarantee and vouch a shift in practice and strategy. Woefully, this is the state of HR in Sri Lanka. The practitioners as mentioned above either do little or nothing to correct the HR standing in their organisations and the management and owners fail to understand real HR, leading to undermining the function and the practice alike. Strategic HR (aligning HR to business objectives) where the real value rests is hardly ever applied. Detrimentially this dishes out decisions made in isolation by those other than HR for HR. As evident today and despite our living in a world of automation, more and more practitioners end up spending more and more time on less value adding transactional aspects such as verifying the in/out times of employees, checking leave, etc.

The ensuing paragraphs aim to extrapolate on some common and underpinning myths named ‘HR myopia’, and discussed within the same section their causes and remedies that HR professionals and practitioners may use.

3 HR myopia 1: HR is the job of the HR department

The issue and remedies

Contrary to the common belief that HR must be practiced by the HR department the reality is quite different. True, HR is the business of HR. But HR is not the only business of HR. Besides, HR is the business of others in the company too.

Taking the bigger picture of business in to account is more importantly the prerogative of the HR department, before they consider the design of their own department. Imagine if HR did not know the business or did not have the business interest in the heart of their function how would they deliver HR solutions and results to the business? Very frequently I come across the vagueness and discomfort shown by HR

people when encountered by a question from the CEO in the likes of ‘what is our HR cost per person, and is it aligned to our business strategy?’ or ‘what was our Profit per employee figure last year?’ Had not HR known business and business strategies the question will neither be understood nor answered properly. Unfortunately, this is more often the case. HR must operate as savvy business people knowing what goes on across the breadth and width of the business at corporate, business unit and functional levels of the organisation. They must more importantly know what goes on in the production floor and know full well the core business. Such HR practices not only gain power as an influential function, but also gain respect and recognition as a crucial partner in business.

Interestingly, taking us to the other side of the same coin, HR is also every manager’s job. Manager here is broadly defined to represent anyone who has one or more people to manage on a team. Often this is a challenge faced by organisations and HR alike; as however much one attempts to reinforce this fact. Traditional managers do not comprehend or subscribe to this thinking. What they should realise is the HR Manager role they would be required to play while they may be designated as a marketing manager, production manager or an operations manager. Hiring, managing performance, grievance management, counseling, rewarding, etc. are all HR activities any manager would be required to carry out on a regular basis. So, are such managers not HR Managers? In developing other line managers to become better HR managers, HR departments are bestowed with a great deal of responsibility. On the one hand it would be to promote the concept that every manager is an HR manager and on the other, instilling HR capability. Together with the line managers HR will then be able to see problems and issues as those of the ‘business’ and collectively arrive at remedies and not have the line manager point a blaming finger at HR.

I had an interesting experience while planning a recent training workshop for a client in a manufacturing business, I requested the production manager to send out a note to all the participants from his line (team) highlighting the objective of the training and the importance of a 100% participation (all he had to do was to send the message out which was drafted by HR). This was the branding aspect we planned to position the training, as his team would obviously relate to him better. He was not only snobbish but flatly refused stating ‘that’s not my job, that’s HR’s.’ I was taken aback, but really

not surprised, as I reminded myself of the HR position in Sri Lanka! Three months later, we had some success trying to change the thinking of the line managers at this company. Simultaneously, we had workshops and mentoring sessions for the line managers who seem to be in transit in terms of our objective of developing them to HR managers. It was not easy.

4 HR myopia 2: anyone can do HR

The issue and remedies

This is so common, that we almost hear it like a common chorus. Are we not familiar with anyone found under-performing in another department, been transferred to HR? Why transferred to HR? Because of the above myopia and in our hearts and minds we are still in ‘personnel management’ and not in ‘HR management’.

There are two things that are necessary for a person to succeed in a job role. They are:

1. Technical knowledge (domain knowledge)
E.g.: Knowledge in Accounting, Engineering, HR, etc.
2. Skill
E.g.: writing skill, reading skill, interviewing skill, negotiation skill, counseling skill, etc.

Unless one wants to run his/her company to the ground, ‘Anyone Can Do HR’ myopic thinking could mean extremely damaging to a business. Let us analyse.

A company transferred one of its’ highly successful operations managers to HR as they believed a restructure was in the offing in 2008 when things were not looking that bright for the industry it operated in. The Head of HR opposed the idea but proposed a solution in operations itself for the manager concerned. The line head was only able to see the manager as a liability and typically thought he could do HR because he (line head) did not know a thing of HR, thus was clinging to the subject HR Myopia 2. The transfer proceeded and the operations manager turned out to be a complete failure. Fifteen months on, the business turned around and grew, but by then the company has lost the best operations manager they had for decades, to their competition. The rest is history.

HR departments must be staffed by professionals and/or practitioners, as this mix would mean a good combination with diverse skill-sets required to perform at optimal levels. They must come with good qualifications and proven track records in HR. Budding talent or freshers may be an important resource, who should be provided on-the-job and off-the-job training to grow.

A recent trend I have followed is the transfer of line managers to head HR. This may not necessarily be a bad idea, as long as the transferee comes with some HR exposure and sound domain knowledge. Most of such transfers come with a fixed duration i.e., for two years, and are designed to fulfill a leadership development imperative. What is important here is to ensure a win-win situation both for the business, HR and the individual and that the transfer does not take place for any wrong reason(s).

On the same token, there are companies who have no dedicated HR person/personnel. And it scares me to imagine the kind of commitment such companies may have for their people! The management of such places is of the belief that the finance manager, or the CEO's secretary could handle HR. That may well be the case as long as the one(s) responsible for HR come with 1 and 2 above as well as sound HR experience. Often inter-personal skills are mistaken for HR capability.

5 HR myopia 3: HR practitioners must be nice

The issue and remedies

This is something I hear always, particularly in conflict situations. An aggrieved party may feel that HR was not nice to him/her. The reality may be quite a contrast to this mindset. HR is an advocate between the employer and the employee(s). Therefore, it is in the best interest of HR to be able to serve these two parties effectively and equally. In doing so, unpopular decisions may become a way of life. Such decision(s) might end up being not so favourable to the employee, and communicating such decision(s) will usually be challenging for anyone, leave alone HR. With such a solid perception created that HR practitioners must be nice, employees would obviously find not-so-nice decisions, hard to digest.

In a well integrated HR function (integration with business and the lines), such activity is usually handled collectively by both HR and the line. Well honed professional

communication skills would enable to deliver the message rationally, making all parties develop trust and accept the verdict favourably or in the correct light. The moment an employee is convinced you are being honest, the trust would grow, and even the most malignant of decisions would be stomached. As for the ‘nice’ part, it would be nice for any practitioner to be nice, not only HR.

6 HR myopia 4: HR is a cost centre

The issue and remedies

Those who support this statement usually have no clue as to either what HR is and/or what HR does. I do not dispute the fact that HR is not a cost centre. But that is not how it should be designed or considered. If HR were a cost centre by default, then much intervention is required to turn it around by design to reflect profit and/or value creation to business.

The predicament that befalls HR among those who have a cost centre mindset is that HR has perhaps through their own making failed to show, account and quantify the value they add. No doubt, HR is a very challenging and demanding practice. But more often than not, if results are not quantified and made known HR will struggle to come out of organisational doldrums and risk completely losing its’ plot. True, there would remain the qualitative results also known as soft HR too, such as employee development, collaboration, participation and trust. If again the latter (soft HR) is cleverly managed, they could be measured too. How about a periodically conducted survey approach to achieve this?

In order to quantify HR results consider the indicators against predetermined standards as KPIs (Key Performance Indicators) in the example in Table 1.

Better companies with good HR practices consider HR Management Reporting as a priority in their agenda. One may replicate similar to what has been illustrated in Table 1 as an HR Management Report and share with the management, even the shareholders. Some of the aspects may even reflect in annual reports e.g.: Profit Per Employee (profit before tax divided by total employees). Realistically speaking, the moment figures are seen most people do get excited, and that is the attraction HR should maintain. You

are likely to silence those critics, in fact may even have their admiration as a bonus, taking us to the recognition aspect discussed under HR Myopia 1 above.

Table 1: An example to measuring HR results

Description	KPI Standard	KPI Actual	% Achieved
Cycle time for non-executive hires during the month of	45 days	43 days	104.6%
Cycle time for executive hires during the month of	60 days	62 days	96.7%
High performing new hires among those hired during the past 6 months	60%	72%	120%
ROI (Return on Investment) on the training conducted for sales personnel on up-selling and cross-selling techniques (calculation is based on the increase of sales pre and post training)	Rs. 750,000	Rs. 660,000	88%
Retention – non-executive	95%	97.5%	102.6%

7 Conclusion

As a developing nation Sri Lanka's HR practice requires to rapidly mature to measure up and deliver what today's business is desperately seeking from HR. An increasing number of organisations are plagued by myopic HR thinking that is imposing debilitating effects not only on HR but on the larger fabric of business. Whilst taking the myopias head on in dealing with, same HR must stand up for what the function espouses to be, align with business needs and strive to play a powerful, influential and leadership role. The significance of it is not only for this day but having sustained the practice for tomorrow's generations to come.

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IPM People Power

NARRATIVE ANALYSIS: AN INTERPRETIVE APPROACH TO RESEARCH IN HUMAN RESOURCE MANAGEMENT IN SRI LANKA

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ABSTRACT

As in many other disciplines, the research in Human Resource Management (HRM) still majorly depends on scientific positivism. The reason for its extensive use is its convenience of practice due to many advantages. Scientific positivism that uses existing theory to develop hypothesis is based on objective social reality mainly applying the quantitative approach. But it is timely to rethink whether it is always useful and applicable, particularly for a subject like HRM, which always deals with qualitative functions.

The objective reality represents the position that social entities exist in reality external to social actions. But, can social entities always exist in reality external to social actions, particularly in a subject like HRM? Are not the perceptions and consequent actions of social actors important in the creation of HR phenomena? The direct answer to this question is that the perceptions and consequent actions of social actors are essential and inevitable in understanding any kind of HR function.

Therefore, the objective of this paper is to emphasize the importance of narrative approach, which is based on the role of the narrator, telling stories on how different functions in HRM go on with the past and present narrative experience. Methodologically this is a conceptual paper constructed by reviewing various literatures in the field. As the outcome, the paper attempts to highlight the significance of narrative approach as an interpretive methodology to the HRM research, having a basic lacuna of interpretive knowledge in Sri Lanka.

Key words: positivism; narrative analysis; interpretive methodology

1 Background

As in many other disciplines, research in Human Resource Management is still majorly influenced by scientific positivism. The identification of an issue, designing variables, formulating hypothesis, testing and making logical conclusions are the main characteristics of the research process of scientific positivism. In this process, as the data gathering technique the use of survey based questionnaires is particular, and the use of statistical techniques usually through SPSS or MINITAB is also a salient feature in data analytical stage of scientific positivism.

Due to its many advantages it is correct to say that the scientific positivism is noticeably applied in the research in HRM and other disciplines but it is time to rethink whether it is always useful and applicable particularly for qualitative HR problems and issues. Scientific positivism that uses existing theory to develop hypothesis works with an observable or objective social reality of HR phenomenon. Thus, the objective social reality emphasizes that HRM is an objective entity and decides to adopt an objectivist stance to the study of particular aspects of management in a specific organization. According to their arguments aspects of the structure in which management operates may differ but the essence of the function is very much the same in all organizations. Thus, this objective reality represents the position that social entities exist in reality external to social actions. But, can social entities always exist in reality external to social actions particularly in a subject like HRM? Are not the perceptions and consequent actions of social actors important in the creation of HR phenomena? The direct answer to this question is that the perceptions and consequent actions of social actors are essential in understanding any kind of HR phenomenon.

Particularly in HRM there are many functions such as leadership styles, grievance handling procedures, welfare administration, employer-employee relations that stress the necessity to study the details of the situation to understand the reality working behind them. This is often associated with the term constructionism or social constructionism which derives from the interpretive philosophy (Saunders, Lewis, & Thornhill, 2011). Interpretive philosophers emphasize that it is necessary to explore the subjective meanings motivating the actions of social actors in order to understand the reality behind the phenomenon. They believe that the reality is socially constructed and the social actors place different interpretations on the situations in

which they find themselves. Thus, the individuals will perceive different situations in varying ways as a consequence of their own view of the world. These different individual interpretations are likely to affect their actions and the nature of their social interaction with others. They not only interact with their environment but also seek to make sense of it through their interpretation of events and the meanings that they draw from these events. Their own actions may be seen by others as being meaningful in the context of these socially constructed interpretations and meanings. Therefore, not only the objective reality of a certain phenomenon but also the motives, actions and intentions of individuals are also important to make sense of various HR functions. But unfortunately this interpretive methodological approach has rarely been touched in the HRM research in Sri Lanka.

Among different reasons, the problems associated with analytical instruments have been one of the reasons for not practicing interpretive methodology in HRM as well as in other disciplines. Not like interpretive methodology scientific positivism is easy to be apprehended and as an analytical instrument it is so easy to use by controlling factors in the research process. As the interpretive methodology focuses on subjective reality, it is too descriptive and somewhat difficult to generalize by representing the total population sufficiently. If so, how could the interpretive methodology be practiced and what analytical instruments does it have to interpret the social reality of HR phenomenon? Particularly in qualitative methodology there are many interpretive approaches such as content analysis, metaphor analysis, case study methodology, grounded theory and among them narrative analysis is one of the most important methodological instruments that can be used to analyze the subjective reality of a given HR function. Accordingly this paper focuses on the following two main objectives.

- a) To emphasize the importance of narrative approach in researching different HR functions.
- b) To provide basic guidelines on how to analyze narratives as an interpretive methodological instrument.

In achieving the above objectives this paper outlines its content on the following three sub headings.

- 1. What are narratives?
- 2. The importance of narratives in HRM
- 3. An approach to the analysis of narratives

2 What are narratives?

Narratives are special type of discourse or story, usually in written or oral communication, that connects succession of events in a person's life. It analyzes stories to interpret understanding of events and actions. Narrative is an interpretive approach used in social science research involving story telling methodology. It refers to a family of approaches to diverse kinds of texts, which have in common in stories form. According to the concept of narrative, storytellers interpret the world and experience it. They sometimes create moral tales by emphasizing how the world should be. The story becomes an object of study, focusing on how individuals or groups make sense of events and actions in their lives. Narratives represent storied ways of knowing and communicating (Hinchman & Hinchman, 1997). Researchers capture respondents' stories called narratives through different ethnographic techniques such as interviews and focus group discussions. It emphasizes the subjectivity and the influence of culture and identity in constructing human condition. Narratives seek to understand human experience and/or social phenomena through the form of stories analyzed as textual units. Through textual units it helps to construct individual or group identity. Thus, narrative analysis can be identified as a more in-depth alternative to research using psychological scales of individuals or groups. It is some kind of empowering methodology, as it gives respondents the venue to articulate their own viewpoints and evaluative standards.

In understanding the ontological and epistemological presumptions of narratives it is important to examine the following three aspects.

- What is the reality?
- How could we know the reality? and
- What is the process of knowing reality?

Ontology of narratives, which refers to what the reality is, emphasizes the reality as a social construct. It is the paradigm shift from realism towards constructivism. Its ontology rejects objectivists' concept of reality and attempts to illustrate by means of claims which can be proven true or false. Accordingly there is no single dominant reality as emphasized by positivists. Instead there are a number of different realities, which are being constructed in individual's minds through their social interactions.

Narrative research does not aim at objective or generalized knowledge, but a local, personal and subjective knowledge. Narrative researchers believe that the knowledge is a tread of narratives, which is constantly forming and changing.

Subjectivity of cognition is the way of knowing reality based on some knowing subject who lives within a specific social and physical environment. It is generated through the interaction of story teller and his or her audience within a particular socio-cultural context and it originates from these connections of understanding. It operates within a paradigm that recognizes the contours of inter-subjective meaning and embraces an epistemology where knowledge is constructed by the participants. Thus, it is relative and dependent upon time, place and the position of the participants and the observer.

Narrative inquiry is a way of understanding and inquiring into experience through collaboration between the researcher and participants, over time, in a place or series of places, and in social interaction with milieus (Clandinin & Connelly, 2000). Narrative inquiries are able to study the complexity of the rational composition of people's lived experiences both inside and outside of an inquiry to imagine the future possibilities of these lives. Thus, the process of knowing the reality by the narrative approach is discussed in section three of the paper.

3 The importance of narratives in HRM

HRM can simply be defined as the efficient and effective utilization of human resources to achieve goals of an organization. Its focus is on managing people within the employer-employee relationship and it specially involves the productive use of people in achieving the organization's strategic business objectives and the satisfaction of individual employee needs (Stone, 1998, p. 4). A series of functions need to be practiced in order to accomplish the goals and objectives of HRM. Job designing, job analysis, recruitment, selection, hiring, training and development, management of incentives and benefits, labour relations etc. are the different functions that should be managed within the broader term of HRM.

What is the importance of narratives within these different functions in HRM? In answering this question it is also important to understand the role of narrator in this regard. Narrator is the person who is telling stories and particularly referring to HRM

he/she is the person telling the stories relating to different functions in HRM. How different functions go on is chronologically storied by the narrator by emphasizing how the past shapes perceptions of the present, how present shapes perception of the past and how both shape perception of the future.

The importance of the narrative approach in HRM can be explained in a practical sense as well as in a literary sense particularly by emphasizing the lacuna of knowledge of the interpretive approach in HRM research in Sri Lanka. Practical relevance of the narrative approach can be viewed in various aspects but the following three questions majorly emphasize its significance to the HR field.

- i) When you, as a researcher, want to know who someone is, what do you do?
- ii) When someone experiences something, how do you, as a researcher, get the sense of it?
- iii) How does someone communicate his/her experiences with another person particularly with a researcher?

The first question can be related to various functions in HRM. For examples, if a certain researcher wants to understand the nature and the role of leaders in certain organizations he has to ask various research questions like: How is the leader? What is the role he plays as a leader? How does he play that role? If it refers to some other functions like the role of immediate supervisor or line manager the same set of questions the researcher has to ask.

Referring to the second question, various organizational cultures could be taken as examples, as the employees experience different cultures in organizational setting. As a researcher how do you get the sense of experience what the employees practice in their organizational setting in their day-to-day life?

As emphasized by the third question, how do the employees communicate their experience with coworkers or with a particular researcher? For example how do they experience the work stress in a certain organization? What coping strategies they follow by practice in managing stress.

Referring to the above examples it is so clear that the narrative approach is inevitable in making sense of reality behind different HR functions, as all of the above requires

some form of storytelling, of conveying thoughts, experiences and identities in the form of narratives.

In identifying the importance of the narrative approach particularly in HRM literature it is important to examine the extent to which it has been used by different researchers in this field. Apart from Sri Lanka, this approach has significantly been used by the researchers in HRM in the recent past, particularly after 1980s, but the conceptual and methodological papers as well as the empirical studies are very rare in the context of HRM literature in Sri Lanka. As the main objective of this paper is to emphasize the significance of this approach in applications the following literature indicates some of the empirical applications, particularly after 1980s.

Boje (1991) has viewed the organizations as storytelling systems and used consultants and organizational stakeholders to illustrate how stories assist in sense making during change efforts. The study has emphasized that storytelling and the interpretation of stories are perceived as critical for consultants working with complex organizational issues. In the process of change efforts various complex issues may emerge and how such issues are identified by the use of narrative approach is emphasized by this study. The extent to which subjective stories are important in understanding the organizational issues after changing the system is well addressed as the outcome of the study.

Boyce (1995) has illustrated how shared storytelling, collective centering and collective sense making can occur among organizational members. The study focused on private non-profit organizations and involved middle and upper level managers. In this study middle and upper level managers were engaged in the conscious reflection of shared meaning from their stories. The themes emerged from the study emphasized the importance of symbolic nature of storytelling in the construction of shared meaning and meaningful collective action for organizational development.

Barry (1997) has demonstrated how a narrative approach can be used for the study of the organizational change and development process of a health care organization. That study has indicated how stories told by people can influence meaning and knowledge generation that in turn can promote wellness and competence of employees. The study has finally revealed that the stories and power are linked because of the societal webs of empowerment and disempowerment in social discourse.

Choo (1998) has linked the broad areas of organizational behaviour and information management and looked at how organizations behave as information-seeking, information-creating and information-using communities and offered models of how organizations behave and how information participates in that behaviour. The study is focused on three main objectives. The first analyzes and compares the principal modes by which an organization uses information strategically to make sense of its changing environment, create knowledge and make decisions. The second examines the structure and dynamics of how information is sought and used in each of these modes. In the third objective the author proposes a new framework for knowing the organization in which sense making, knowledge-creating and decision making are linked as a continuum of nested activities that invigorate an organization with the information and knowledge to act intelligently.

Georgesén and Solano (1999) have examined the effects of motivation on both the structure and the content of narratives. The study was based on team work task by asking to write a narrative regarding the experiences of the task. It has been found that narratives from those individuals, given a self-interest motivation, tended to reflect on self-related cognitions and actions and emphasized participants' positive contribution to the task. Thus, this study has confirmed that the nature of motivation has consequences for content of constructed narratives and the structure of stories formed.

Beech (2000) has paid attention to the organizations undertaking change programmes and attempted to make suggestions to improve organizational performance through the way people are managed. The author has adopted the approach by analyzing the stories told by workers and managers, to extract the underlying narrative style. In this study narrative styles were assumed to form cognitive frameworks within which actors make sense of their own and others' actions. Basic factors affecting organizational performance through people management and culture change strategy have been emphasized by the study by analyzing the narratives gathered from the interviews and focus group discussions.

Berry (2001) has used the technique of storytelling as a means to enable organizational members to express their views about environmental behaviour of their respective firms. The study is based on six chemical firms in North America involving 42 interviews in which participants' stories reported varying interpretations for their

firm's corporate behaviour. The study emphasizes the use of storytelling as one of individual collective sense making of corporate environmental behaviour.

Georg and Fussel (2000) looked at the process of greening of organizations, where practices and the structure of organizations are shaped to take a greater consideration of the environment. This study looked at how managers make sense of a new task in the context of their everyday work. The study makes a focus on the emotions associated with greening and how these shape the actions made. Greening is seen as sense making process where the identity of members within an organization, and collectively as an organization, evolves.

Flemming (2001) has presented a view that storytelling, when used effectively in organizations, has the potential to assist in change efforts. This study has also confirmed that storytelling provides leaders with the raw material of narrative to enable the construction of new organizational sense or realities and adaptation to change.

When examined, the above literature makes it clear that that the narrative approach has significantly been used in interpreting the reality by different researchers in HRM field. Many have used it as a technique of understanding subjective feelings and the reactions after making certain changes to the organization. Some have used it as a way of improving the organizational performance by identifying the effects of motivation through the experience of tasks. Some researchers have applied this approach to newly developed HR concepts like greening and environmental behaviour which are also timely to address in the context of HRM in Sri Lanka. There are many more empirical studies to quote but the main purpose of this paper is not to discuss such but to question the extent to which this approach has so far been used or is used as an interpretive methodology in HRM of Sri Lanka. However, when examined, the locally available literature it is reasonable to conclude that there is a big lacuna of knowledge in the narrative qualitative methodology in particular, and interpretive approach in general, in HRM research in Sri Lanka.

4 An approach to the analysis of narratives

The way of analyzing the narratives may vary according to the nature of the study and approach that the researcher applies. In literature there are some advanced techniques,

which are somewhat difficult to understand for the laymen in research, as they are highly related to systematic linguistic approaches and analysis. Therefore, this paper attempts to simplify the approach by extracting the basic concepts from various literatures in the field. Thus, how the narratives told by the storyteller are analyzed, can be simplified and explained in the following five basic steps.

- 1 *Extracting the stories*
- 2 *Arranging chronologically*
- 3 *Creating the meaning collaboratively*
- 4 *Categorizing information*
- 5 *Interpretation based on the identified patterns and themes*

4.1 *Extracting the stories*

In the process of narrative analysis firstly the researcher needs to focus on extracting the stories told by the narrator. The narrator tells the story to the researcher and the researcher must be capable of identifying the themes, which refers to what is said by the narrator. For example, what is said by an employee or group of employees in a certain organization relating to a certain conflict between employer and the employees? How do the employees explain it and how did that conflict develop? This refers to some kind of thematic analysis that emphasizes on the content of a text ‘what is said by the employees (narrators) relating to that particular conflict between employer and the employees.’ This step is similar to what Grounded Theorists do, as the researchers collect many stories and inductively create conceptual groupings from the data (Williams, 1984).

4.2 *Arranging chronologically*

Arranging chronologically means the identification of structures which refers to how it is told by the narrator. Its emphasis shifts to the telling the way a story is told. How a teller, by selecting particular narrative devices, make a story persuasive. Not like in the first thematic step, language is treated seriously – an object for close investigation – over and beyond its referential content. In this step the researcher must be capable of analyzing how the story is ordered with epiphanies and events.

Characters, settings, problems, actions and the resolution of the story need to be analyzed for the identification of the structure (Gee, 1991). As the examination of syntactic and prosodic features of talk is required at this stage they are not suitable for large numbers, but can be very useful for detailed case studies and the comparison of several narrative accounts. Referring to the same example of employer-employee conflict explained in step one it is important to identify the structure of the story of conflict made by the employees. How the story of conflict is told by the employee is taken into consideration in this regard. How it is ordered chronologically with events by identifying the characters of employer-employee conflict, its setting, associated problems, actions and the resolution must be analyzed in identifying the story of conflict told by the employees.

4.3 Creating the meaning collaboratively

This refers to the interactional analysis where the emphasis is on the dialogic process between storyteller and the listener. Storyteller and the researcher as questioner jointly participate in conversation, as the interest shifts to storytelling is seen as a process of co-construction, where teller and listener create meaning collaboratively (Clark & Mishler, 1992). For example, stories of personal experience referring to the same example of employer-employee conflicts organized around the work life of the teller are inserted into question and answer exchanges. Therefore, this step requires transcripts that include all participants in the conversation, and is strengthened when paralinguistic features of interaction are included as well.

4.4 Categorizing information

Some call this process as coding the data gathered from narratives. At this stage narratives need to be coded according to the categories deemed theoretically important by the researcher. This labeling of the narrative structure may use a set of structural/functional categories to label each segment of the narrative. Therefore, it involves reading or listening to the narratives and giving labels or codes to the themes and ideas that the researcher found. The researcher may have themes or ideas that the researcher searches for, called pre-set categories and/or he may create categories identified as emergent categories when he works with the narratives (Gee, 1991). For

instance referring to the same example in researching the causes leading to the conflict between employer and the employees researcher can set some concepts by developing a conceptual framework as pre-set causes and/or can indentify some causes as emergent causes in confirming the status and the causes of conflict through narrative process.

4.5 *Interpretation based on the identified patterns and themes*

Finally for the interpretation of narratives, patterns and themes need to be identified. Patterns are recurring forms of *patter* which are discerned in narrative transcripts. Patterns can be indentified within and between categories. Themes are the set of patterns and at this stage the researcher needs to look for sequences of core phrases which are repeated in narratives as indicators of themes (Polkinghorne, 1988). Referring to the same example of employer - employee conflict patterns need to be identified based on the recurring forms of the rapid story told by the employees. Then the researcher can confirm the reality behind the conflict by understanding its origin, setting, issues, causes etc. and by answering the questions: how did the conflict emerge? what is its background? what issues emerge due to the conflict? what are the causes behind the conflict? what actions need to be taken etc. Thus, the conflict can be interpreted finally in different angles by identifying the patterns and themes of different narrative stories.

5 Conclusion

The purpose of this paper was to emphasize the importance of narrator, narratives and its approach particularly within HRM research in Sri Lanka. The main reason for its emphasis was the lacuna of knowledge in narrative technique in particular and interpretive methodology in general. Thus, the paper briefly discussed what narratives are, the role and the importance of the narrator, and outlined an approach to the narrative analysis. It was aimed at covering an overview of the main aspects but some detailed studies may provide the way to systematically study personal narratives of experience.

As stories are a fundamental way in which meaning is expressed, embodying the cultural values and emerging understanding revealed by stories, narrative approach seems particularly applicable to the HRM research in Sri Lanka. Narratives allow

access to the implicit knowledge and informal means of understanding this approach can be used to implement and assist organizational change. As the managers and the employees have diverse range of experiences narratives may capture the social understandings, implicit knowledge and the organizational identity. Not like the traditional quantitative positivists' approach capturing stories may reveal an in-depth account of the role, processes and organizational culture embodied within the stories told. That is the process of meaning making through narratives by emphasizing the social norms, attitudes and the structures of organizations.

However, care is needed in applying this methodology as an interpretive instrument as the narrative research can reify interior 'self', pretend to offer an 'authentic' voice – unalloyed subjective truth, and idealize individual agency (Atkinson & Silverman, 1997; Bury, 2001). Therefore, there is a real danger of over-personalizing the personal narratives in justifying the social reality. Narratives are also not appropriate for the studies of large numbers particularly for faceless and nameless subjects. As it needs to be focused on few, care is needed in understanding its representative capability of the organizational reality. Apart from these limitations it would be a useful interpretive methodological instrument that can really be practiced within HRM research in Sri Lanka.

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WORK IN LIFE AND LIFE IN WORK: MANIFEST REALITY AND MANAGERIAL RESPONSES

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ABSTRACT

This conceptual paper critically examines the concept of work-life balance and identifies fundamental flaws in it, through the available literature. The author proposes inner harmony (body, mind and spirit) and outer harmony (work, family, society) of managers as a refreshing approach to ensure “work in life” and “life in work”. Nishkam Karma (detached involvement) as opposed to Sakam Karma (attached involvement) is featured as an approach to ensure the “work in life” with both inner and outer harmony. The awareness needed on macro factors, such as national policies, affecting such a harmony, was also emphasized. Producing value through practicing values is proposed to maintain individual and institutional harmony. Art and science of such an endeavour is portrayed through yin-yang duality. In order to ensure “life in work”, with engaged employees excel in their performance, a practical framework of 10 Cs is proposed. The paper concludes that in an increasingly changing world, ensuring inner and outer harmony with individual and institutional initiatives is the sure-fire way towards prosperity.

Key words: engagement, harmony, involvement, values, work-life balance

1 Introduction

In a changing world where the rate of change is also accelerating, consistent performance is increasingly becoming critical. This is particularly true for managers. They are supposed to achieve results in an efficient and effective manner utilizing the existing resources, as any management textbook tells us. The crux of the matter

is that they have to do so, whilst playing multiple roles in professional and personal fronts. Clarity is required with regard to “what”, “why” and “how” of managing oneself, in doing justice to all roles. The paper intends to explore this perennial issue which impacts billions around the globe.

2 Work-life balance revisited

Management literature is abundant with research on “work-life balance”. Amongst the widely cited, Kirchmeyer (2000) defined work-life balance as “achieving satisfying experiences in all life domains.” The Department of Trade and Industry of the UK defines work-life balance as being “about adjusting working patterns regardless of age, race or gender, (so) everyone can find a rhythm to help them combining work with their other responsibilities or aspirations” (Maxwell & McDougall, 2004).

On the one hand, anecdotal evidence suggests that work-life balance is an increasingly important value, particularly among younger workers (Shellenbarger, 1999). On the other hand, new communication technologies enabling constant contact with employees and the need for businesses to cut lead times in order to compete globally have led to increased time pressures and intrusion of work into non-work time for managers (Milliken & Dunn-Jensen, 2005).

The concept of work-life balance is based on the notion that paid work and personal life should be seen less as competing priorities than as complementary elements of a full life. The way to achieve this is to adopt an approach that is “conceptualized as a two way process involving a consideration of the needs of employees as well as those of employers” (Lewis, 2000, p. 105). At the core of an effective work-life balance definition are two key everyday concepts that are relevant to us, namely *Achievement* and *Enjoyment* (Bard, 2003).

3 Ambiguities associated

How can work be separated from life? The purported distinction between these has been widely criticized. Donkin (2010) critiqued it as a “ghastly and meaningless neologism.” The simple truth is that work and life are inseparable. The origin of such a division goes way back to Rene Descartes, who is attributed the famous quote,” I

think, therefore I am.” As the father of modern philosophy, his rational thinking led to a logical division between mind and matter what he called dualism. Having a digital division between work and life is a direct consequence of such rational thinking.

The issue here is the holistic nature of the concept called life. According to Oxford Dictionary (online), life is the condition that distinguishes animals and plants from inorganic matter, including the capacity for growth, reproduction, functional activity, and continual change preceding death. Also, it denotes the existence of an individual human being or animal.

In contrast, work is defined as activity involving mental or physical effort done in order to achieve a result. Obviously, work is a set of activities within the broad spectrum of life. Then, it is not work vs. life but work in life. In other words, work is a subset of life.

The concept of work-life balance also relates to assumptions that work “steals” time away from employees’ real lives, and that “life” beyond paid work revolves around family or child care alone (Ford & Collinson, 2011). The debates on the importance of work-life balance are shaped much more by the perceived benefits to the employer (Healy, 2004). This suggests that alleged worker-friendly approaches mask conflicts of interest between employers and employees behind an apparently benign, humanitarian facade (Legge, 2001).

Hence the reality is not *how* to achieve work-life balance, but to understand the underpinnings of it to see, *what* exactly is required and *why*. Caproni (2004) elaborates it further:

That much of the discourse of work/life balance in the scholarly and popular business press is built on a language and logic that are based in traditional models of bureaucratic organizations, and thus the discourse is likely to perpetuate—and perhaps further entrench—many of the problems it promises to alleviate. In short, the same kind of thinking that got us into this predicament is not going to get us out of it. (Caproni, 2004)

The need is to revisit the relationship between work and “non-work” and to see what is required to ensure meaningful interaction between the two.

4 The illusive “balance”

A balanced life sounds like a balanced diet which is also highly unlikely on a day to day basis (Ryan, 2010). According to him, “my life has a multitude of variables that I have no control over and to be trying to keep this all in balance (trying to make equal) would lead to the need to assert myself beyond my locus of control, not my idea of fun or sanity.” This indicates the illusiveness associated.

According to Oxford Dictionary (online), balance is a situation in which different elements are equal or in the correct proportions. Is it what managers require in the name of work-life balance? The search to achieve this balanced, ideal manager would yield the expected results is questionable. “It would not only restricts managers’ discretion, but may also create additional anxieties as managers can never hope to live up to these idealized, multiple and balanced identities as perfect parent, partner, friend, colleague, worker and manager” (Ford & Collinson, 2011).

This has to be viewed in the context of global realities. First, birth rates are declining throughout much of the industrialized world, notably in Japan and Europe. This raises issues of population sustainability and related concerns about a crisis of caring as population ages (Lewis et al., 2007). Fertility changes in Europe have been linked with persistent gendered employment experiences, exacerbated by current forms of work which underestimate the importance of social reproduction for national economies as well as the quality of life.

Second, rising levels of stress and sickness absence also question the sustainability of current values and ways of working. A social sustainable approach may involve questioning some of the assumptions of current forms of competitive capitalism (Ford & Collinson, 2011).

The intent here is not to present a philosophical discourse for or against capitalism, but to look more into the practical aspects of ensuring managers maintain achievement and enjoyment. I would argue that such an endeavour requires us to have a conscious shift from an illusive balance to an insightful harmony.

5 From balance to harmony

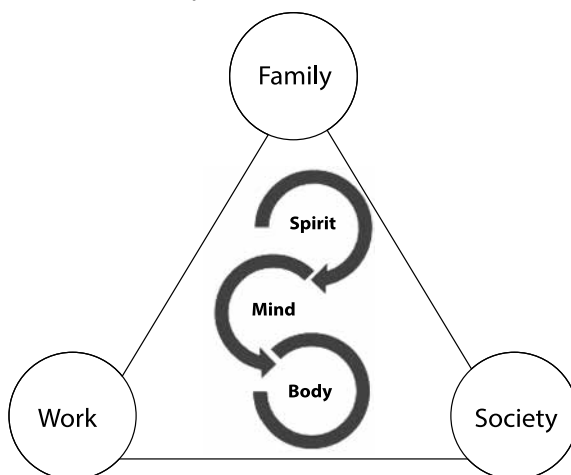
Balance requires equal attention to different elements. Is this really possible? Covey (1991) in his best seller, “Seven habits of highly effective people” advocated managers

to “begin with the end in mind”. It boils down to one’s fundamental purpose of existence. How much emphasis one would place on to a particular role in professional or personal front of life should depend on this *raison d’être*. I have seen career women who opted for a challenging managerial career leaving aside a marriage. I have also seen female managers opting to step down in order to take charge of their family front better. It is the emphasis you put into each role.

Harmony, in contrast, is all about the accord. According to Oxford Dictionary (online), it is the quality of forming a pleasing and consistent whole. It is a pleasing arrangement of parts with congruity. A busy manager dropping off his son to school and coming to work, continue till late evening, whilst being in touch with the family, and enjoying a refreshing Sunday with them could be one such example.

I would suggest that there are two facets of harmony, *inner* and *outer*. Inner harmony deals with mind, body and spirit. Outer harmony deals with work, family and society. Eastern wisdom is abundant with refreshing resources with regard to inner harmony. Zen has paved way, with practices such as meditation, yoga to sustain such an inner harmony. Loehr and Schwartz (2001) in their seminal HBR article titled “Making of a Corporate Athlete”, describe vividly the importance of physical, mental, emotional and spiritual “capacities”. This essentially points to inner harmony. The spillover effect of it will facilitate the challenge to achieve outer harmony. Figure 1 depicts such combination of inner and outer harmony.

Figure 1. Inner and outer harmony



Source: Author’s concept

Harmonizing work, family and society does not necessary mean perfection. There will be events that you need to prioritize more on office front. Launching a new telecom product or establishing a new bank branch can be such examples. The deprivation of the family front in such cases should be recovered by paying more emphasis on a priority basis, without interrupting the office front. The situation can be more difficult for a manager following a MBA with demanding academic work. There can be simultaneous peaks occurring such as an upcoming exam, looming project timeline and a sick child at home. It requires understanding between the manager and his/her superiors on one side, and between the loved ones on the other side. That is where institutional support becomes useful, even though not always possible.

There is even a macro level where political, economic, social, technological, environmental and legal, (popularly known as PESTEL) factors come into the scene. The influence by the national labour policies is one such example. Sung-pil (2012) reports the need to reduce the long work hours in Korea. According to him, “in 2010, the annual working hours of waged employees in Korea amounted to 2,111 hours which are about two and a half months longer than the 1,692 hours, which is the average of the OECD Countries.”

The challenge here is to maintain the inner and outer harmony within the macro factors that can be favourable or unfavourable. In moving further, it is interesting to see how the inner and outer harmony contributes to “Work in life” and “Life in work”.

6 Work in life

This essentially refers to locate work meaningfully in the broad sphere in life. In this respect, the twin terms, Niskam Karma (NK) and Sakam Karma (SK) offer valued insights. As reported by Chakraborty and Chakraborty (2006), Nishkam Karma (NK) is a term derived from the revered Hindu text, Bhagawad Gita. It literally means detached involvement. Performing work, accepted on the basis of agreed remuneration, with little calculation or comparison with others, or concern for additional personal recognition, gain or reward during or completion of the work.

A verse in Bhagavad Gita enunciates the principle of NK as:

“Thou hast a right to action, but only to action, never to its fruits; let not the fruits of thy works be thy motive, neither let there be in thee any attachment in inactivity.”

The opposite of NK is termed as Sakam Karma (SK) meaning attached involvement. As Chakraborty and Chakraborty (2006) elaborate, it means performing work, accepted on the basis of agreed remuneration, with anxious comparative calculation vis-à-vis others, for additional personal recognition, gain or reward during or on completion of the work.

Commenting on the Indian Scenario, they state the following:

The 1980s have been often described as the “greedy decade”. A similar phenomenon began in India in 1990s, initiated by the stock-exchange-banking mega scam. Several highly ranked chairmen and CEOs of companies, chief justices, vice chancellors, chairmen of State Public Service Commissions, senior bureaucrats and other important public figures came under a cloud, having been involved in unethical practices (Chakraborty and Chakraborty (2006, p. 123)

By no way does this mean that one has to leave the worldly affairs in becoming an ascetic. As Sri Aurobindo aptly pointed out, “action done with NK is not only the highest, but the wisest, the most potent and efficient even for the affairs of the world.” A desirable scenario would be to see the engaged employees becoming detached, yet continuing to be involved. A simple example could be, a bank manager devoting himself/herself for the achievement of the given objectives, in a whole-hearted manner, without thinking of what one would get in return. The opposite of this will be another manager working hard on a personal agenda, aspiring to get the next promotion early.

The differences between NK and SK can be shown as in the Table 1. It is in fact, is a comparison between “green” vs. “greed”.

Table 1. NK and SK compared

Niskam Karma (Detached Involvement)	Sakam Karma (Attached Involvement)
Psychological energy conservation	Psychological burnout
Perfection is the aim	Success is the aim
Socio-economically appropriate	Socio-economically questionable
Work-commitment	Reward-commitment
Enhances ethicality	Reduces ethicality
Mind enrichment	Job enrichment
Liberating	Binding

Source: Chakraborty & Chakraborty (2006, p. 124)

The table above clearly indicates the detachedness required in order to ensure reduce the attachment to work, whilst ensuring harmony in a holistic manner. The acid test here is the ability to “detached” yet getting involved, particularly in the professional front of life. The much published statement by former US president John F Kennedy, “ask not what your country can do for you, but ask what you can do to the country.” Such an approach is very much relevant to a wide variety of institutions, in order to build employees who are ethical and effective.

The fundamental question remains on the institutional response with regard to individuals’ quest for harmony. Two Vs become critical in this juncture, viz. *value* and *values*.

7 Value and values

As a basic economic concept, value is worth of goods and services determined by the market. It is the net worth of an organization. From the customer’s point of view, price is “what you pay,” and value is “what you get.” Hence, it is imperative that any progressive organization should continuously produce value, in order to survive and to succeed.

As gurus always advocate, the prime role of managers is to produce value. This can only happen when they *see* things clearly and *do* things cleverly. For that to happen, we need values.

Values are associated with behaviour. Oxford dictionary defines them as standards of behaviour. Robins and Judge (2011) describe them, as “the basic convictions that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.” In brief, it is a preferred way of thinking, feeling and doing.

Are we talking about something fluid and flexible here? The answer is no. Values tend to be relatively stable and enduring. As Robins and Judge (2011) further elaborate, a significant portion of the values we hold is established in our early years. They can be compared to the two banks of a flowing river. The way the banks of the river prevents water from overflowing, and ensuring the flow in a predetermined direction, our values govern the way we lead our lives. Of course, there can be occasional floods, in challenging us to cling on to our values.

Values also refer to the preferences reflecting our orientation. In other words, it refers to selecting a specific mode of conduct. In the organizational context, we talk about shared values, organizational values or core values. They can be defined as acceptable standards which govern the behaviour of employees of an organization. Without such values, individuals will pursue behaviours that are in line with their own individual value preferences, which may lead to behaviours that the organization does not wish to encourage. I would like to bring in a metaphor here; a clay lamp with oil and a flame. As the way a lamp emanating light with a solid base, economic value will be obtained by having the right set of organizational values. Organizations across the world have shown us that no sustainable value can be achieved without adherence to core values.

Having looked at ensuring harmony in a holistic sense, let us focus more on work. As much as work can be demanding, it can be delightful as well.

8 Life in work

What I mean here is the liveliness that is required at work. In other words, it is about showing interest and enthusiasm at work. The closest resemblance I found to this is the term, ‘employee engagement.’ It has become a buzzword in management circles, mainly due to its attractiveness as a tool in getting work done.

What do we mean by employee engagement? Interestingly, it means different things to different people. The meaning of employee engagement is ambiguous among both academic researchers and among practitioners (Macey & Schneider, 2008). It captures the essence of employees' *head, hands* and *heart* involvement in work. It refers to employee's psychological state (e.g. one's identification with the organization), his/her disposition (e.g. one's positive feeling towards the organization) and performance (e.g. one's level of discretionary effort). In brief, it captures affective (feeling), cognitive (thinking) and behavioural (acting) dimensions of an employee.

From the banking world, *Baere and Baeten (2008) tell us about employee engagement at Royal Bank of Scotland. At the bank, they break it down into three components based on the answers from employee surveys, viz. say, stay and strive.*

- *Say*: Consistently speaks positively about the organization to colleagues, potential employees and customers
- *Stay*: Has an intense desire to be a member of the organization
- *Strive*: Exerts extra effort and engages in behaviours that contribute to business success

In fact, the bank has improved employee engagement with new flexible benefits tool, called *RBSelect*. As *Baere and Baeten (2008) further elaborate*, with *RBSelect*, depending on the job, jurisdiction and the country, employees can buy different kinds of benefits. In the United Kingdom, for example, employees can opt for insurances for themselves or their family, additional medical benefits, pension plans, a bicycle for riding to work, transportation allowances, bus tickets, etc.

Among other interesting stories in the web, how Genesee Regional Bank, Rochester, New York, has developed a web-based employee engagement software, and saw significant improvements in employee contribution (www.ababj.com), and how synergy workshops in Taiwan helped to strengthen employee engagement after the merger of American Express Bank and Standard Chartered Bank in 2008 resulting in an accelerated growth (www.standardchartered.com), could be noted.

In the case of Sri Lanka, many such examples can be found where focused effort towards engaging employees had yielded results. Despite the scarcity of documented evidence, efforts are being made in this front, with vision and vigour. One common

characteristic among the top ten winners of the recently concluded National HR Awards 2010 was the sustained focus on employee engagement. However, the scope is vast and the continuous improvement path remains widely open.

9 Individual and institutional harmony

Institutions can work towards enhancing employee engagement, in turn ensuring harmony. Seijts and Crim (2006) offer interesting insights through what they termed as “ten Cs for employee engagement.” Essentially, they deal with what corporate leaders should do in order to strengthen employee engagement. The key focus in each C can further be expanded into possible initiatives. The details of such an approach can be captured as shown in Table 2.

Table 2. Ten C’s for employee engagement

	Aspect	Leadership Focus	Possible Initiatives
1	Connect	Leaders must show that they value employees	Maintain open channels so that employees can approach their superiors to discuss matters in a mutually beneficial manner
2	Career	Leaders should provide challenging and meaningful work with opportunities for career advancement	Show employees the way forward in terms of career advancements and options, in motivating them to perform exceeding expectations.
3	Clarity	Leaders must communicate a clear vision	Build awareness on vision, mission and strategic priorities among the employees, in ensuring that they are clear about <i>why</i> they are doing <i>what</i> they do
4	Convey	Leaders clarify their expectations about employees and provide feedback on their functioning in the organization	Ensure proper conduct of the performance appraisals by training the managers as to how to give constructive feedback objectively
5	Congratulate	Leaders give recognition; Exceptional leaders do so a lot	Appreciate good performance of employees by reward and recognition, in a timely fashion

	Aspect	Leadership Focus	Possible Initiatives
6	Contribute	Leaders make sure that employees know how their contribution matters	Introduce a transparent mechanism of objective setting and then connecting individual objectives to broad organizational objectives
7	Control	Leaders set the boundaries with the buy-in of the employees	Set the boundaries of activities with systems in place with the involvement of employees, so that they are a part of the decision making process.
8	Collaborate	Great leaders are team builders; they create an environment that fosters trust and collaboration	Ensure that teamwork is given due prominence with associated mechanisms such as team-based rewards to strengthen it
9	Credibility	Leaders should strive to maintain organizational reputation and demonstrate high ethical standards	Demonstrate being ethical in decision making, so that employees will strengthen their admiration of the organization
10	Confidence	Good leaders help create confidence in a company by being exemplars of high performance standards	Practice “walking the talk” at all levels so that employees have better trust and confidence on their superiors

Source: Adapted from Seijts & Crim (2006:5)

The ten Cs discussed above should be appropriately blended with organizational priorities, with sound people management practices in place. Once all Cs are taken seriously, the respective organization is well geared to move forward in the path to progress.

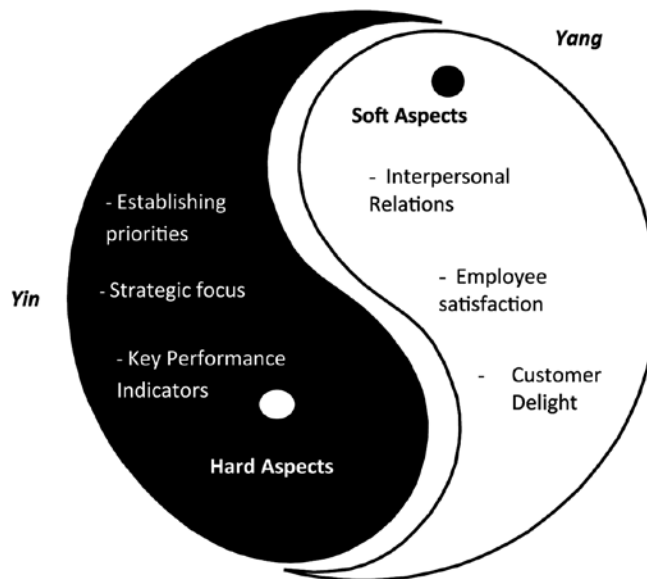
10 Art and science of harmony

The managerial responses required in the face of change are increasingly emerging both as science as well as an art. This paradoxical nature can be depicted by using the traditional Chinese symbol *yin yang*. This is what we see in the national flag of South Korea.

In Chinese philosophy, the concept of yin yang is used to describe how polar or seemingly contrary forces are interconnected and interdependent in the natural world. It also depicts how they give rise to each other in turn. Opposites thus only exist in relation to each other.

According to figure 2, the hard and soft aspects of a management role are separated, indicating a distinct duality. Such a duality highlights the art and science of approaching work. The soft aspects are more into relationship building, which requires an artistic approach. In contrast, the hard aspects represent more the structural, analytical and rational elements highlighting the need for a scientific approach.

Figure 2: Yin and yang of harmony for managers



Source: Author's concept

The managers must have the meaningful co-existence of such a complex yet coherent whole, in demonstrating inner and outer harmony. In a very practical sense, this requires planning, organizing, leading and controlling which are the very pillars of management.

11 Conclusion

In the journey of revisiting work-life balance, we rediscovered the inner and outer harmony as essential for managers to *achieve* and to *enjoy*. In an increasingly changing world, ensuring inner and outer harmony with individual and institutional initiatives is the sure-fire way towards prosperity. We require both “work in life” as well as “life in work”. Manifest reality of an unmet “illusive” balance should be replaced by a meaningful managerial response towards insightful harmony which will pave way for sustainable results in multiple fronts.

What we are today comes from our thoughts of yesterday, and our present thoughts build our life of tomorrow: Our life is the creation of our mind.
(The Dhammapada)

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SPIRITUALITY, ORGANIZATION AND SOCIETY

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ABSTRACT

The notion of spirituality and religion is not a new phenomena and its historical trajectory could be traced back to the advent of the civilization when people tried to understand cosmology and ontology of humankind. Therefore, spirituality and religion has been a vital epidemiological apparatus in interpreting the world around us backed by its values and belief system. The genealogy of religion and spirituality prove that it took different routs of its existence. It was sometime emancipatory, sometime hegemonic and political and as a result the notion of religion was subjected to a severe criticism especially from modernist thinking for its hegemonic and political stance and also for fundamental epistemological assumptions of mystification. This paper intends to construct an conceptual and historical account of spirituality and religion with a review of existing literature and to inquire how the notion of spirituality was entangled and stride with contemporary organizations and society as a dynamic and dominant apparatus of knowledge, discipline and control.

Key words: Spirituality, Religion, organization, modernity, post-modernity and integral theory

1 Background

When I think of history of mankind and its cosmic evolution, I tend to somewhat agree with the notion of “Social Darwinism” not for its subsequent use/attempts to justify hegemonic and despotic human behaviour but for its logical entailment of social reality of terror, oppression and suppression. Human history is perpetually characterised by full of conflicts for the purpose of hegemonic or despotic dominance and accumulating

power and privilege endorsing the principle of “survival of the fittest” associated with the notion of Social Darwinism. This is an extended version of the “Law of Jungle” in which the strongest species survive by the consumption (or exploitation) of other weak species.” Since the beginning of recorded history, around 3600 BC, over 14.500 major wars have killed about four billion people, a number that not so long ago equaled the whole of humanity. The wars that took place in the 20th century killed around 200 million people; in the Second World War, 66 million died, compared to 15 million in the First... Since the Second World War, there have been on average about 30 armed conflicts ongoing every year. 90% of casualties in these conflicts have been civilians, compared to 50% in the Second World War and 10% in the First” (Worldpress.com, 2011). This pathetic phenomenon has no difference to the behaviour of barbarians or savages and sometimes inferior than such animal behaviour. Similar to the animal instinct human mind is every time embedded with deep level hostility or acrimony as a default impulse. It will not be taken much time and effort to create bloodshed when doors of such acrimonies are opened with hegemonic intentions. Fundamental instincts of mankind are considered similar to that of animals where both the species basically need food, sleep and sex. (Eating, sleeping and mating) but it is said to be that human kind goes beyond the animal instincts as they have been endowed with a rational and emotional mind through which they can decide between what is good or bad (values) and between what is true or false (Belief) and thereby control or direct their behaviour for the benefit of the self as well as of others demonstrating altruism (morality). However, such natural properties have preposterously been shattered by reverting back to the animal type behaviour in the human history. This is in a way paradoxical to say that human kind is entrenched with both morality and immorality/ animosity in its fundamental nature. Whether the notion of spirituality had emerged in response to this animosity or it was simply a natural consequence of human evolution has to be interrogated.

This conflicting nature of human kind has been, to a certain extent, institutionalised, formalised and organised through the modern market and organisational apparatuses. The market competition, capital accumulation and exploitation and opportunism etc have been celebrated as virtues of market capitalism and, as recent financial crises and other corporate scandals illustrate, market has increasingly become a field of ‘immorality’ and large corporations have become ‘temples’ of immorality where human

beings are taught “sciences” of exploitation and deployment of market immorality within the rules of the game. While this has been a dominant trend, there has also been a counter trend in bringing different kinds of morality and spirituality to corporate and organisational behaviour through various discourses, especially through postmodern discourses of human resource management practices.

Therefore, in this paper, I intend to deal with: (a) a brief note on the genealogy of the notion of spirituality; (b) how it has entangled with the secular society in dealing with organisational behavioural dynamics; (c) why (how) or why not the notion of spirituality was able to deal effectively with the historical and contemporary animosities; (d) current state of affairs of spirituality, its applications within organizations (including epistemic organizations), the society at large and social and organized learning process and (e) whether we have alternatives for the conventional notion of spirituality to deal with complex issues of humanity especially in corporate knowledge production and learning.

In this endeavour, as a critical learner, I locate myself in this discussion as a critical learner and open myself for multiple philosophies or religions for the purpose of transcending the conventional religious dogmas to perceive the world around me as a holistic aggregation. In this case I treat my spiritual affair as a philosophical journey rather than treating it merely as a faith or belief alone. I will reflect upon the multiplicity of meaning and definitions of spirituality, different dimensions and levels through which it is attempted to be understood, and issues and contradictions that those different notions of spirituality pose upon us in reforming our society, and learning systems in particular.

2 Genealogy of spirituality

According to the Charles Darwin’s theory of evolution, the biological evolution of human species is considered as an adaptive modification of organism through time by the process of ‘natural variability and selection’. In other words evolution had to be seen as a process of adaptation to a certain natural environment. In contrast, in the study of the evolution of religions (as same as other disciplines of humanities) it is understood as a process of progressive (but non-linear) development responding to natural,

economic and socio-political demands of the time. According to my understanding, in our history, exploring and signification of spirituality was first and foremost intellectual, and subsequently political, act in terms of politics of understanding and interpreting the world around us¹. Human Civilization has evolved through many phases of development from the ages of hunter and collector (foraging), horticulture and agriculture, industrial and finally the current age of Information, but the cultural politics of spirituality had always been central to this social evolution, both in demise of certain forms of spirituality and rise of other forms. During the early stages of our civilization, the knowledge of the world around us was predominantly limited because of the lack of technological and social capacities to prove and understand abstract theories of the working of the nature. Knowledge about natural phenomenon such as rain, sun, moon, disasters, birth, death etc., that cannot be easily grasped by human mind (without a higher order abstraction and theorisation) was considered mysterious and assigned to a supernatural powers: the spirits (of everything around us) as in the case of the Sioux; the “Karma”(of everything we do) as in the case of Buddhism and Hinduism; and the God (or Gods) as in the case of many other civilizations². This created a fundamental dichotomy between human agency (self) and the concepts of transcendental or superhuman beings/forces, not only within the individual cognitive space but also within wider political and cultural institutions. Michel Foucault, in his work in uncovering religious fragments, considered religion and spirituality as a significant part of the “apparatus (dispositif) of knowledge” and “history of the present”(Carrette, 2000). In this line of argument, then spirituality, I presume, is the historically derived link between the cognitive and institutionalised self and the “unexplained” where unexplained can widely be represented by various transcendental beings and forces that we can think of (the god/s, spirits, demons and so on representing not only the “good” but also the “evil”).

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- 1 In this initial discussion I treat the notions of spirituality and religion as interchangeable and synonymous until the various definitions and interpretations about spirituality and religion are taken in to consideration in subsequent discussions.
 - 2 However, In subsequent organized eastern religions such as Hinduism, Buddhism and Taoism, it is claimed that spiritual/religious understanding is not mysterious per say and instead those were considered higher order mental realization (of human being who have developed higher order mental faculties) going beyond materiality and faith. For example Buddhism is considered as a philosophy (a way of life) which does not neither believe in God nor rejected such a notion. Instead Buddhists believe on self (human agency) who has capacity to understand and explore mysteries of the universe rather than relying on a super natural being. This notion of human capacity to ‘realise’ is summed up in the notion of ‘*nirvana*’.

Subsequent myriad forms of political cultural interpretations by different segment of the society (of course with certain class and other hegemonic interests as thinkers like Marx would claim) about the link between the human agency and the divinity (or its evil opposites sometimes) paved the way for different faith or religions which claimed to be the primary authority and source of such divine power and knowledge. Such institutionalisation of divinity and spirituality through various state and religious apparatuses was a historical inevitability and had always been at the centre of the historical evolution of state and other institutional apparatuses of the polity and society. In that sense, spirituality and religion have largely been infused and mobilised as a political apparatus of pre-modern societies through which the notion of ‘sovereignty’ is established as a governing doctrine. Foucault (1979) highlighted that sovereign power involves obedience to the divine law of the sovereign, who is considered to be representative of God on earth. Sovereign power is concentrated on individualized authoritative figures such as king, queen and prince and supplemented by the pastoral power exercised by pastors and priests: designated power figures as holders of power derived from the god as a divine right. In that sense, spirituality has had long been closely related to the apparatuses of the political state, in which power and privilege to govern was sought through ‘expantionalism’ or ‘extentionalism’ of religious ideologies. On the other hand, through various rituals and pedagogies of religion operated even at the very micro levels as family rituals and governance, such notions of religion and spirituality assumed a secular existence and embedded within the individual space of cognition providing the conceptual framework through which people individually and collectively understood and interpreted the world around them. By and large such cognition and interpretations were ritualistic and taken for granted. So, spirituality was politically cognitive to the extent they frame the cognitive-political actions of the people.

With the advent of “modernity” in the age of enlightenment or reason in the late 16th century, at least in western capitalist societies, spirituality and religion started to take a different trajectory. According to Foucault (1979), rather than phasing off the spiritual powers of the pastor to probe into the souls of others, “pastoral power” multiplied in its forms and penetrated into the secular institutions through institutional apparatuses of professions and science. By the term ‘pastoral power’ what Foucault meant was the special form of power that traditionally Christian

pastors assumed through the ritualistic apparatuses of the church and exercised by virtue of their religious authority. This power was exercised through institutionalized rituals of 'confession' and designated a very special form of power which, through its penetration into secular institutions, had a far reaching effect on the disciplining of body and soul of the individual which subsequently extended as "technology of self" in secular societies (Foucault, 1979). Thus, spiritual powers of pastor has now been, by and large, replaced by the "professional knowledge/power" of doctors and other professionals who assumes the role of enlightening the people for secular goals of health and wealth. Foucault captures these historical trajectory in his theorisations of "genealogy of power" and "archeology of knowledge" (Foucault, 1980). Pastoral power has now been exercised by various professionals through their newly gained knowledge/power of reasoning and science. As such the notion of 'salvation' takes on different forms: development, poverty reduction, employment, health and wellbeing, safety and security, education, customer satisfaction, employee happiness and even profit maximization, as the objective of 'pastoral power' is secularized the holders of that power have been multiplied. Along with the pastors in the Church, now we have doctors, lawyers, accountants, economists, engineers, and managers whose focus is now on the development, dissemination and application of knowledge for betterment of human lives within various organizations. For a Christian pastor, knowing the inner soul of the confessant is the key to direct him to the salvation in the notional next world. For these new pastors, knowing the sciences and laws of the human body, human mind, society, economy, markets, politics, culture and so on is the key to their power and their professional endeavours of serving their clients to achieve salvation within this secular institutional settings. Devine power and spiritually have then been translated into different mode of secular existence often manifested in the notions of professional ethics and code of conducts.

Thus, after age of enlightenment in late 16th century this ecclesiastical notion of power vested by the non-secular institutions such as church was relentlessly challenged by the modern scientific knowledge based on the new forms of secular institutions such as schools, universities, professional bodies, hospitals, and, after all, economic enterprises such as corporations. It is better to note that all these institutions are products of the modernity and capitalism, and were not in existence prior to the age of enlightenment. Along with this development the notion of Spirituality has also undergone a drastic

changes by way of taking new forms, definitions and understanding. The above description of the evolution of spirituality/religion is with respect to the European context. The similar political development with respect to the other part of the world especially Asian and middle eastern religious and spiritual development had taken place under kingship and caste. Ancient kings/rulers were the custodian of historical religions and religious ideologies were also hegemonic as those rulers were conquering territories, the missionary movements were also a part and parcel of such hegemonic expansions as same as western missionary movements.

3 Spirituality, its definitions and submission

With the historical and current developments, defining spirituality has become a complex issue and there are a plethora of definitions in the literature yet which has no much consensus. With the modern advent and popularisation of ‘separation between the state and the religion’ and the impetus to establish the political state as secular, democratic and free from religious dogmas the state could not either favour or exclude specific religious faith. Instead it allowed individuals to decide their religious stances considering it as a “private affair” and provided the political infrastructure for religious plurality and within secular norms of the state. Hence, there emerged two segments in the society: those who were (considered to be or trying to be) enlightened based on traditional religious dogmas and those who embraced modern scientific knowledge as the path to enlightenment. Hence the term ‘spirituality’ emerged as a private faith vis-à-vis public faith of the institutionalized non-secular religions. On the other hand, individuals may have distanced themselves from the organized religions and resort to private faiths given the hegemonic and dominant nature of those religious ideologies along with the influence of modernist rational thoughts.

Though my attempt is not to discuss plethora of definitions available in the literature I would like to isolate four common themes within which spirituality is understood and signified. **Firstly**, spirituality could be interpreted as a **connection between the ancestral land or mother earth and physical surroundings** in which people have been inhabited and to one’s inner soul/self and their social relations (Dei, 2012). In this sense land is not considered only as a physical space but also as a “cultural space” where relationship with all living beings and even dead ancestors are continuously

being established. “[This] is a form of local spiritual knowing that is connected to the land, to the people, to ancestors, and to a community” (Dei, 2002, p. 6). This is a form of knowledge about the world around us and therefore “indigenous knowledge is the epistemic saliency of cultural traditions, spiritual values, belief systems and world views in any indigenous society that are imparted to the young generation by community elders” (Wane, 2011, p. 75). Modern anthropological thought generally categorizes this indigenous spiritual approach as “animism” and “Pantheism” (the modern version of animism) which encompasses the belief that there is no separation between spiritual and material or physical being. Soul or spirit even exists not only in living human beings but also in living objects such as animals, plants and even in other natural environmental entities such as rocks, mountains and rivers. Although modernist enlightenment thinkers marginalize this form of “indigenous spirituality” as primitive, there is a wide spread acceptance of this notion even among certain segment of modern scientists given the fact that every phenomena cannot be traced or proved only through modern mechanistic world view, materially based way of knowing, or “materialistic objectivity”. So, Kincheloe (2006, p. 182) argues that, “Ontologically, this Western Cartesianism has separated individuals from inanimate surroundings, undermining any organic interconnection of the person of those cosmos”. In this indigenous spiritual principle, even pinch of dust was assigned an importance in holistic living. Subsequent organized religions in modern era thought to be evolved from these early form of spirituality but with different hegemonic modes.

Secondly, spirituality has its connection to the/a supernatural being/s, God/s, Higher power/s, life force or cosmic energy. This notion of spirituality is primarily associated with organized religions which are either “Polytheist” (doctrine of believing more than one God or Supernatural being) or “Monotheist” (doctrine of believing only one God or Supernatural being). Polytheism is considered to be the next development of animism or pantheism. These notions of religious based spirituality is said to be transcendental³ in nature and this is connected and even make union with the supernatural being, which is considered to be associated with non-temporal or timeless and space-less dimension. In this sense “Spiritual development involves

3 Transcendence here refers to moving beyond one's own psychological barriers or walls, going beyond one's current locus of centrality to experience more clearly the true nature of things. It is "a straining forward toward mystery , toward luminous darkness, toward an insatiate desire for meaning beyond meaning" (Jones, 2005, p. 3)

an increasing openness to exploring a relationship with an intangible and pervasive power or essence that exists beyond human knowing” (Estanek, 2006, p. 273). In this sense the spirituality is interpreted as (“vertical”) connection to the supernatural being. Slife et al (1999) states that “ultimate transcendence is experienced in an individually unique manner - a process that often changes individuals’ perception of self, others and the world” (Cited in Hodge & Derezotes, 2008, p. 109). In other words, individual perception and realization of truth is subjective (individualistic) and such subjective knowledge is gained through interaction with the transcendent reality.

The **third dimension** of the interpretation of spirituality is a (“horizontal”) **connectedness or co-existence with other living organism including objects in natural environment**. This interpretation is associated with viewing spirituality as a “wholeness” which portray the inherent interconnectedness and mutually interdependent feature of the all existence of the world. Mutuality is important here to rupture the notion of hegemonic “Me” and to foster non-transactional “mutual stretching” for peaceful coexistence. This is about replacement of primacy of “me” with “solid me” or “authentic self” to break down barriers that separate “me” from “others”, from nature and outer world. (Ritskes, 2011; Robinson, 2004) This form of me, my, and “I am ness” in singular form and, “we”, “us” and “ourness” in pluralistic form, create what we commonly known as “ego” which again create “we” and “otherness” for a hegemony and dominance. In Buddhist philosophy this notion of ego is described as “Sathkaya-Dhitti” or “Sakkaya-Dhitti”, which is the notion of “me” and “I am ness” that create illusionary dichotomy between self and other. This notion of ego extend from individual ego (me), group ego (we) to national/ethnic and religious ego (my nation/country/race/ethnicity and religion), sometimes with hegemonic dominance by creating “otherness” and suppressing “other”. In this meaning ego is interpreted as “existence-go” which facilitate the existence (or continuation) of human soul from tangible this world to next life as a perpetual process of birth and re-birth through craving or material attachments to secular illusionary opulence.

The **fourth Dimension** of spirituality is **searching a sense of meaning or purpose and direction of the life** of the self. “Spirituality is a way of life that affects and includes every moment of existence. It is at once a contemplative attitude, a disposition to a life of depth, and the search for ultimate meaning, direction and belonging” (Teasdale,

1999, p. 17). This is for exploring true purpose of life or core purpose of existence which is analogous to personal mission of an individual. This may be both associated with the secular and non-secular aspects of life. The spirituality in this dimension has mental and behavioural association with notions such as compassion, non-violence (peacefulness), altruism, authenticity, fairness, honesty/integrity and service to leave a legacy and even psycho-analytical notion of “self-actualization”, as in Maslow’s need hierarchy theory.

All above themes of interpreting or defining spirituality are not mutually exclusive and has certain interdependence with its historical evolution. Though we have used religion and spirituality interchangeably subsequent development has contributed toward the polarization of these two notions of religion and spirituality or public faith and private faith. The notion of spirituality was emerged as a response to hegemonic dominance and expansionism of conventional religions. As Foucault claimed, “Spirituality was born as a counter discourse or resistance to the hegemonic, restrictive reigns of religion but, in the process, it created its own regimes of truth, its own definitions, and its own dominant discourse” (Ritskes, 2011, p. 20). Development of spirituality as against conventional religious dogmas further extended by western liberal ideology of individualization and secularization⁴ of the society which also lead to “commoditization of spirituality”. Substantiating contemporary secularization thoughts, new secular doctrine called “New Age Movement” came in to operation in the second half of 20th century drawing philosophical and ontological precepts on both western and eastern spiritual and metaphysical traditions (York, 2001). It holds the holistic, pluralistic and inclusive world view under the theme of “spirituality without borders”. New age movement advocates simple and sustainable living style creating balance between society, economy and the environment, encouraging sense of community and social integration. They encourage peaceful coexistence of society and environment (for “**bearable**” socio-environmental interaction), society and economy (for “**equitable**” society), economy and environment (for “**viable**” economic environment) and finally all three elements; Society, economy and environment (for holistic “**sustainability**”). Some argue New Age Movement is a quasi -religion for

4 secularization is a society wide decline of interest in conventional organized religious traditions as a result of modernist enlightenment thoughts. Generally Secularity is considered to be a hybrid product of combining scientific, humanistic rational thought and capitalistic, socialistic political ideology (York, 2001).

combining all form of religious dogmas and secularity as package (Estanek, 2006). However, New Age Movement was subsequently exposed to a severe criticism for “commoditization of spirituality” and “new age political project” especially from “liberal left” and “religious right” attributing negative connotation to the corporate brand “new age”. The main claim of the critics was that the movement was not being able to recognize and oppose neo-liberal politico-economic power and its detrimental effects and indirectly facilitating neo liberal agenda.

In a nutshell, commonly used terminology in the above themes could be highlighted as: connection (to self to others, to the God or supernatural being), wholeness (“we all are made out of stardust”), harmony, non-violence and peace [with self (inner peace), with others, nature and the God or super natural being], truthfulness, and authentic (to self, to your family, to the society and to the god or supernatural being that people believe). If somebody lives in and experience these dimensions he/she is considered to be spiritual at least in secular terms and might be able to transcend to a higher order spiritual life (sacred!) which is beyond the understanding of the normal cognitive capabilities of a person (which might needs a special meditative and transcendence practices). Although there is a fundamental non acceptance of such a state by positivist rationalist or empiricists, we cannot simply reject such state as the world still exists with full of mysteries and non-solved phenomenon. Modern Sciences, therefore, still in the process of solving such puzzles for better secular enlightenment and operate within the hypothesized environment for testing and re-testing for proof and theory building. In view of this, I argue, existing dichotomy between organized religions (public faith) and spiritual private faith will be persistent for a long period of time. Therefore we cannot simply be ignorant with one at the expense of the other. Therefore, the tendency of spirituality becoming a private good cannot exist in isolation without coexisting with the conventional religious doctrines as it provides ideological base as well as institutional strength for individual spirituality.

Under these circumstances we cannot treat private faith and public faith as mutually exclusive. Instead, I argue, those are complementary. Two concepts are mutually reinforcing rather than competing. For example, as we know, if an individual face an unprecedented and un-resolvable puzzle there is a tendency to resort to a God or to any other supernatural being (through praying via belief system) while trying out

alternative scientific means (such as western medicine) combining two aspects for a solution. Therefore, these two dimensions coexist in the supplementary form even in a world of empiricism and hence, it could be established the validity of dualistic world view. Thus, a more meaningful definition of “spirituality” would be to incorporate both “vertical” dimension (the relationship or connectedness of the self with the God or any other supernatural/ supreme being according to the individual faith and belief system) and the “horizontal” dimension (the relationship or connectedness with others/community, and with the nature). This signifies both individual and the group or mutual/reciprocal co-existence of individual self and the society. As far as these dimensions (both vertical and horizontal) are non-hegemonic and/or non-expansionist for seeking political and economic advantages over others, this dualistic view of spirituality could be harmoniously maintained with consensus, at least in an idealistic sense. How feasible and sustainable this ideal is indeed problematic when one considers the current status quo.

4 Current state of affairs of spirituality in contemporary organizations and society

With cessation of cold war between capitalism and communism after dismantling of soviet union under perestroika during the 1980s, the geo-political power balances has taken new face with religious battle with resistance and counter resistance for religious dominance and hegemony. Current and historical discourse on holy wars such as “Jihad War”, “Crusade War” has been re-emerged in the form of Christian cold war against Islamic ideologies in the middle east (current conflict in the name of “Arab Spring”), Islamic reaction in the form of bringing terror in the western countries, Israel -Palestine decades long tension, Shia and Sunni Muslim conflict within same religion, current Buddhist extremist mob attacks in Burma and Sri Lanka against Muslims in the name of countering Islamist extentionalism and many more. Conventional class struggle has been faded away by the dominant manifestation of these kind of ethno-religious conflicts in the contemporary global and local political settings. It must be the reason, centuries ago Karl Marx stated that “Religious suffering is, at one and the same time, the expression of real suffering and a protest against real suffering. Religion is the sigh of the oppressed creature, the heart of a heartless world,

and the soul of soulless conditions. It is the opium of the people. The abolition of religion as the illusory happiness of the people is the demand for their real happiness” (Blunden, 2005, p. 1). Religion and ethnicity has now become an effective mode of mobilization of mass for resistance and violence than class. Reasons for such behaviour has to be further interrogated. At a glance, looking at the superfluous behaviour, it can be posited that underlying material benefit should be one reason for such conflicts as spirituality and religion has been historically politicized for material benefits.

Both Marxism and Capitalism had been greatly influenced by 18th century enlightenment thinking and separation of state and religion was extensively visible in both ideologies. In fact, almost all the communist states were atheist states prohibiting religious freedom and this was extensive than capitalist states. In Max Weber’s terminology this enlightenment thinking was meant for “demystification” of established moral conceptions, heralded religions and authoritative law (Lane, 2012). The separation of state and the religion was directly influenced the withdrawal of religious teaching from school curricula by incorporating only new form of ‘rational’ western knowledge. Determining optimality for rational knowledge and behavior requires quantifiable formulations with completeness of information which religion or spirituality cannot provide under modernist epistemological assumptions of material objectivity. Neither spirituality cannot be measured nor be able to provide complete information as it is rested on private, subjective individual domain and has to be gained through realization. In this context, school and university curricular in western capitalist countries too demystified by introducing quantifiable and “transferable” knowledge for the sake of measurement of student performance and for the application of such knowledge in the capitalist production process. The modernist epistemological and pedagogical assumptions worked as a “double edged sword” by way of increasing productivity in capitalist mode of production (by producing a docile body via transferable technical knowledge) on one hand and killing morality and ethics on the other. An obvious result is the lopsided pedagogy and lack of pedagogical plurality which marginalized alternative ways of critical learning. Learners are embedded with colonized knowledge forcibly or taken for granted manner. This trend of non-critical thinking or learning was extended not only in the context of schooling (pedagogy) but also in the “andragogical” (adult learning) context of corporate education.

Following National Council for Excellence in Critical Thinking, Critical thinking (or learning) is defined here as:

“Critical thinking is the intellectually disciplined process of actively and skillfully conceptualizing, applying, analyzing, synthesizing, and/or evaluating information gathered from, or generated by, observation, experience, reflection, reasoning, or communication, as a guide to belief and action. In its exemplary form, it is based on universal intellectual values that transcend subject matter divisions: clarity, accuracy, precision, consistency, relevance, sound evidence, good reasons, depth, breadth, and fairness” (Scriven & Paul, 1987, p. 2).

Critical thinking, for some people, retrieves a meaning of disapproval or negative connotation but in a sense of reflexivity, it does not provide such negativity. Instead, as in the above definition, it has incorporated scientific methodology as well as multiple ways of knowing, fairness and universal values without marginalizing any source of knowledge. It is about how to acknowledge constructive criticism for the purpose of self-reflection and correction. Philosophical frames of critical thinking and learning can be traced and captured for more than 2500 years in both western (e.g. Greek Socratic tradition) and Eastern philosophies (e.g. Buddhist “Abhidhamma”) which employ learning by questioning rather than sticking to programmed and enforced learning. I even treat Catholic church’s methodology of “Devil’s Advocate” which was adopted in canonization has the fundamental elements of critical thinking. In this sense, critical thinking functions as a common ground in conventional religious ideologies and modern scientific thinking. When one reflects on such parallels, among a number of parallels, s/he cannot refrain from asking the fundamental question: Why can’t we embed pedagogical plurality in contemporary schooling and learning by incorporating alternative way of leaning and questioning?

5 Corporatism and spirituality

The recent global financial and economic crisis is a classic example of “casino-capitalism” in which greediness and opportunism are scripted as fundamental doctrines

of operations. The total bail out commitment of Federal Reserve Bank of USA, out of tax payers public money to bail out such casino-capitalists, is in excess of US\$ 29 trillion (Folkerson, 2011). This amount is equivalent to more than 600 years of GDP of a poor developing country. In other words such a country can feed their people for more than 600 years if they get such amount of money. A large number of jobs have been lost and as a result the livelihood of people throughout the globe have been drastically affected. What happened to those money? The entire US\$ 29 trillion has not been evaporated or taken by supernatural power. Those large amount of money should be misappropriated and accumulated by certain segment of corporate class casino capitalists in our own society. The culprits have been given the bailing out responsibility with the connivance of government bureaucrats and politicians to eat tax payers public money again. It is true that certain humanistic and environmentalist notions such as corporate social responsibility (CSR), sustainability and cultural sensitivity etc have been attempted within this capitalistic mode of production during the last few decades, its “default” stance of juxtaposing greed and opportunism with sustainability and ethics has always been problematic. Original capitalist mode of thinking on Corporate Social Responsibility (CSR) was negative and fundamental perspective of Adams Smith, father of the modern capitalism, was of the view that given sufficient motivation for personal gain, each individual would work hard, and as a result of such individual motive, society as a whole would benefit with more jobs, more competition, and better quality goods and services.

Based on the neo-classical economic ideology, Milton Friedman, a modern disciple of Adam Smith had further endorsed Adam Smith’s line of thinking. Friedman stated that “There is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits”. For more than century now, this exploitation of resources for private accumulation has been the dominant ‘religion’ of capitalism; its preachers have been business school professors; its churches have been business schools, World Bank, IMF, and similar epistemic and policy organisations; and its daily rituals have been the excessive and exploitative production and consumption at the western centres (while the peripheral masses perform the acts of starving spectators of the ceremonies beyond the walls of the cathedrals). And we, the masses of western centres, as carriers of this capitalist consumerism, are the followers of this economic religion. Even we have a name for this religion – neo-

liberal economics that celebrates the ideologies of free market ‘competition’, which many strategic management professor now equate to “market wars” that should be fought with the “grand strategies” that they invented through their consultancy work and case studies to be taught to young captains in the MBA classrooms. Global super rich are the new global aristocracy while multinational corporations are their castles.

The above Smith-Friedman version of economic reality and morality functions under the modern “**Rationalist model**” which follow the notion of “survival of the fittest” of social Darwinism. Competition through market forces strictly focuses on wealth creation, profit maximization for shareholders and ultimately leads to win-lose game. Leadership and management of business firms follow Taylor’s scientific management principles of command, control and compliance, efficiency and productivity etc with patriarchal/paternal top down command of managing people with mechanistic, impersonal and bureaucratic relationships. The employees are usually seen as interchangeable and replaceable parts of the larger corporate machine, expected to perform under given set of rules regulations and clearly defined parameters. Corporate managers and shareholders have “principle-agent” relationship (managers as employed agents) to safeguard shareholders’ and managerial interests through explicit rewards and punishments. The modern orthodoxy of separation of religion/spirituality from the state and other institutions was a pre-requisite for both rational model management and ensuring individual freedom for utility maximization and self interest.

Subsequent interrogation and challenging against the sociopolitical and economic value system of rationalist model, business owners and managers had to re-visit their modus operandi of business. Marxism, neo-Marxism (with respect to external exploitation) and neo-humanism critic of liberal capitalism and its value proposition has paved the way for such revisits of their stance. Karl Marx’s Das Capital is still considered to be one of the best intellectual piece of work on the critic of capitalism despite its deficiencies in explaining certain social behaviour. It is viewed that proponents of capitalism has positively taken Marxist critic to provide human face for conventional capitalism. Hence, they introduced a pseudo-humanistic approach to their mode of operation with “enlightened self interest” which still focus on wealth creation and profit maximization but portrayed as creating a “win-win” situation for share holders, managers and employees and customers. Leaders and managers role

in this context is to stimulate and facilitate employees become self-actualized “intrapreneurs” who invest their emotional and intellectual talents for both individual and organizational wellbeing.

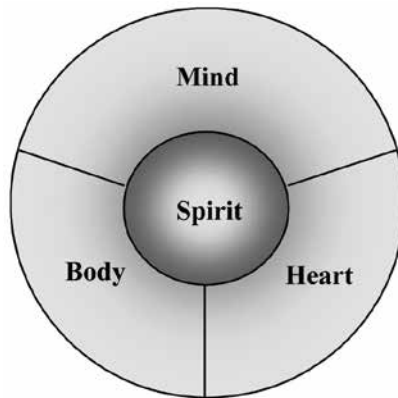
Corporate businesses began to think “**humanistic**” mode of operation based on the (post)modern, management /Human Resource Management notions of Interpersonal and customer relations, credibility, trustworthiness, fairness, cohesive team building, visionary leadership, emotional intelligence and empowerment etc based on reasons, ethics and organizational justice. (Miller & Miller, 2008; Pruzan & Miller, 2005). In this perspective organizations are viewed as social systems which embraced with dynamic social relations creating dialog and identity formation among organizational incumbents. Continuation of forming identities of “we” “us” and “ourness” referring to the shared values beliefs of corporate cultures within their organizational boundaries has led to create corporate based egoistic community based identities. This is going beyond the self interested notions of “me” and “I am ness” of forming individually based egoistic identities which foster pure competition rather than cooperation. This notion is, we are told, going beyond the ideology of rational legally incorporated business entities which responsible only for its shareholders maximization of wealth and enhancing self interest. However, the question still we have to ask is: Whether capitalist global business environment has really adopted those principles with genuine intention of creating win-win situation not only for internal stakeholders of corporate entities but also for external stakeholders, nature and society at large?

Despite these developments in the neo-liberal business environment socio-economic catastrophes such as global economic and financial crisis was inevitable and more crises might be on the queue. It is true that under capitalist system you cannot avoid casualties and you can manage such crises through the introduction of new corporate spiritualities branded in different terms like “Corporate Humanism”. The entire global economy and society is entangled with chaos and facing unprecedented challenges. Corporate world as well as governments throughout the globe is in uncertainty in terms of economic, social and environmental catastrophes. In this context do we have solutions and immune for such crises? Contemporary corporate businesses are going beyond rational model and combine with contemporary humanistic, developing “**wholistic**” model to deal with current chaos.

Wholistic perspectives on business concentrate on the “Human Eco-system” and how humanity, business, economy, natural environment co-exist harmoniously. The economy is viewed in this perspective as a “wholly owned subsidiary of the natural environment” and if the natural environment get bankrupt with resources depletion economy too get bankrupt (Miller & Miller, 2008). In this perspective wealth creation is for all stakeholders (both internal and external) including the nature, recognizing the interconnectedness of stakeholders, nature and the business enterprise. Organizational outcomes are considered as emerging out of a dynamic interplay in an interdependent complex system. Business operations are based on “triple bottom line” objectives of financial, social and environmental considerations yet primarily on self focused achievement orientation even though it might benefit larger society as a whole (ibid). Latter part of 20th century and contemporary business philosophy is an entanglement of all three dimensions of Rationalist, Humanist, and wholistic, yet no sign of reduction of economic, social and environmental catastrophes. Though human civilization is generally viewed as evolutionary and progressive it seems like a rollercoaster with ups and down of humanity and evil. Hence it is problematic in terms of; why such trend still exists, cant we transform this contemporary status quo for betterment, do we have an alternative model of engagement with such cataclysms and if so what and how?

Bringing spirituality in to business is a an emerging trend but mostly at discourse level. “**Spiritual based**” approach is sought to find solutions to contemporary chaos. This perspective goes beyond all three materially based dimensions transcending towards core purpose and meaning of life. It is reconnecting to original source of creation, purity, wholesomeness of humankind. The French Philosopher Pierre Teilhard de Chardinonce stated “we are not human beings having a spiritual experience, we are spiritual beings having a human experience”(Thorn, 2012, p. 1) signifying the true and original spiritual nature of humankind and its subsequent contamination with socially constructed demonized behaviour. Spiritual-based context start with the “creator” , “supernatural being” or “nature” whereas other three perspectives (rational, humanist, and wholistic) focus on the relationship with “creation”. Spiritually based perspective in business is an “inclusive” dimension which embrace every creation, provide sacredness of everything and every ordinaries of daily life of organizational incumbents, and the deep feeling of interconnectedness of everything.

Figure 1: spiritual integration of self



Source: Covey, 2006

The notion of “Mind-Body-Heart-Spirit” and its interconnectedness and synergic aggregation provide strong foundation for spiritual - based business model. This is to signify the notions of physical, cognitive emotional/ interpersonal, and spiritual domains of the self and connection to outer world. In this model different levels are said to exist for specific purposes i.e. Body to live, mind to learn, heart to love and spirit to leave a legacy but in the mean time these entities co-exists as a harmonious whole. The component of spirit is at the centre creating a harmonious whole as depicted in the figure 1 (Covey, 2006). Organizational incumbents ranging from its leaders/managers, supervisors and employees have to use their cognitive intelligence (Intelligent quotient: IQ) to acquire and create knowledge, share it with rest of the world for the benefit of the entire humanity (not only as a business and individual strategy).

Figure 2: Four approaches to business



Source: Miller and Miller, 2008

Under the current knowledge era all those cognitive intelligences are used only for contemporary business warfare. Physical Intelligence [Physical Quotient: PQ(body)] is our food body which materially connected with the rest of the physical world and continuously scan the environment for self adjustment. It is also part and parcel of organizational culture in which how individual self is dressed, move and project the self to create external identity of the self. Emotional intelligence [Emotional Quotient : EQ] is related with the “heart” which rhetorically describes love and emotions. This is the component distinctive with the traditional rational model which basically concentrate on material wellbeing. Emotional intelligence which comprise of key essentials such as self awareness, self regulation, social skills, empathy and motivation (Goleman, 1998) sometimes used interchangeably with social intelligence (Social Quotient: SQ) which also called as cultural intelligence. Out of the above intelligences spiritual intelligence is the central and most fundamental source of all the intelligences, because it becomes the source of guidance for the other types of intelligences (Covey, 2006). In the spiritual based model organizational incumbents (leaders, managers and employees) are spiritual in nature and radiating spiritual energy among all stakeholders, watering spiritual roots, self motivated from higher level spiritual purpose and operating from their spiritual characters. Both character and competence is developed through spiritual principles aiming at building trust relationships within self and among others. Ultimate purpose of the business is self actualized spiritual fulfilment motivated by transcendent consciousness (Miller & Miller, 2008).

Contemporary organizations its leaders, and employees operate within one of these contexts and combinations of these contexts. My perception here is that business and industry and even educational institutions operate in first two contexts (Rational and Humanistic) in the Figure 2. Other two are mostly at discourse level. Even though Spiritual-based approach is emerging there is a perceived resistance from main stream management and economic discourses as those disciplines are still in conventional age of reason. It is viewed as a swimming against tide of the modern concerns of contemporary business of maximization of profits and thereby wealth. There is no much evidence to say that even non profit oriented government sector institutions are also not interested in adopting spirituality based approach for their operations. For example, I tried to introduce spiritual based training and education in addition to

main stream disciplines of economics, banking and finance in my previous job as the Director of Training in a leading public sector bank in Sri Lanka. There was a huge resistance from all the corners of the bank that asking why we have to introduce soft side of management and leadership such as spirituality into an institution in which conventional disciplines are dominant mode of education and learning. Opponents were of the view that we need to know only hard side of business such as how banks to be prevented from failing and managing their risks, banking regulations and compliance, market their products, and strategizing their future for business expansion and market share etc disregarding the soft side of the business.

I had to initially abandon my project and subsequently introduced in an incremental basis (in fact with the support of the head of the institution) gaining substantial positive response from participants later as it was a novel experience for them that they have not thought of and experienced previously. It was a classic example that main stream disciplines and other marginalized knowledge can exist simultaneously without hegemonic dominance despite initial resistance. This indicates that organizational incumbents badly need spiritual watering for their dried technically driven organizational life of contemporary institutional ethos and arrangements (influenced by dominant neo-liberal thinking). Going through the literature and popular media I observed that there is a direct relationship between global financial crisis and greed, opportunism and immorality of business which are fundamentally scripted to the capitalist systems as the guiding principles of playing the game of casino capitalism. In this context, an obvious question that one could ask; Is that spirituality is too much “soft” for the “hard” world of business under neo liberal ideology?

6 Integral theory and its application on organization, education & learning

As we have already touched upon, the notion of modernity transformed substantially the way of thinking and behaviour of people. The fundamental propositions under age of modernity were: epistemological objective is to “know”; truth is singular; reality is objective and found through logical and empirical positivistic approach (Hodge & Derezotes, 2008). In this context multiple ways of knowing is disregarded, assumed that the world is materialistic and external to the knower/observer(self), the truth was

considered to be absolute and final. The disciplining the individual and the society, rationality, certainty, order and clarity were the accepted norms of the day. Such disciplining of individual and the society was external to the self and, in contrast, traditional mode of control in religious faith somewhat internal to the self. Compliance was merely to the externally imposed rules and regulations and internally driven self regulation (through spirituality/religion) was in suspicion and questioned.

This modernist enlightenment project gained the momentum until mid 20th century and subjected to severe criticism from the post-modernist ideology especially in the early eighties in the 20th century. Though some argue that post modernism not yet emerged and still we are in the new mode of modernist phase, scholars have isolated the conceptual characteristics in the post-modernist thinking as “interpretivistic” “emancipatory” and “critical”. In contrast to modernistic thinking, post modernist epistemological objective is to “understand” and to “liberate” rather than “knowing”; truth is multiple and constitute a socio-political system; reality is subjective and socially constructed in the context of power relations; it incorporates both material and spiritual aspects of the reality; knowledge is considered local and contextual (in contrast to universal in modernity) but simultaneously posit that it is holistic, ecological and knowledge cannot be reduced to its constituent parts as a mode of analysis (ibid). Spirituality is a concept that has to be understood and realized through experiencing and therefore, it represents trans-rational form of knowledge derived from interaction with a non-material transcendent dimension of existence. In this sense epistemological assumptions underlying post-modernism and the notion of spirituality is somewhat congruent and provide autonomous space for pedagogical and methodological plurality in spirituality, education and schooling. Further, post-modernism accommodates more egalitarian power relations between teacher and the learner, knower and the known, creating an inclusive learning environment.

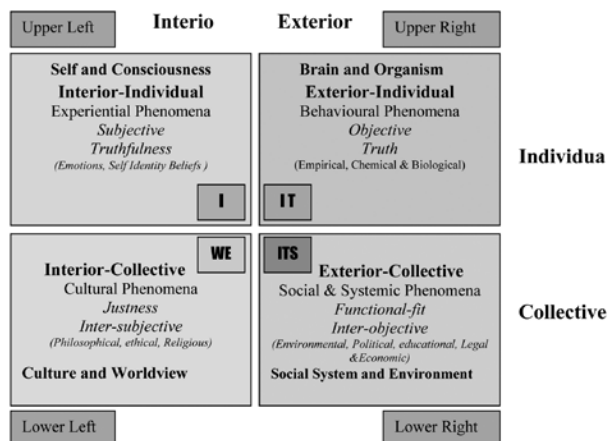
The notion of “**Integral Spirituality**” has emerged along with the “**Integral Theory**” with the influence of post-modernist line of thinking but identify itself as “post-metaphysical” approach to knowledge synthesis. Integral theory is a synthesizing trans-disciplinary or multi-dimensional framework of integrating different disciplines such as education, business, economics, finance, medicine, consciousness studies, politics, psychology, health care and different philosophical perspectives such as traditional,

modern and post modern (Esbjorn-Hargens, 2006). Thus integral approach provide integrative framework for all these disciplines and ideologies to transcend its limits. This paper intend to use the approach of the integral theory (using few elements) by American philosopher Ken Wilber to explore the few of the questions and answers so far we discuss with respect to spirituality organization and society.

“The word integral means comprehensive, inclusive, non-marginalizing, embracing. Integral approaches to any field attempts to be exactly that: to include as many perspectives, styles, and methodologies as possible within a coherent view of the topic. In a certain sense, integral approaches are “meta-paradigms,” or way to draw together an already existing number of separate paradigms into an interrelated network of approaches that are mutually enriching” Ken Wilber (Cited in Esbjorn-Hargens, 2009, p. 1).

Ken Wilber’s **AQAL (All Quadrants All Levels)** model is depicted in Figure 3. It has embedded all possible element of human inquiry of; individual self(I), and my behavioural response with respect to external stimuli(It), me and other collective cultural dynamics(we), and we and society interactions and social & systemic dynamics (Its). Integral theory explore four irreducible perspectives, of subjective (I), Inter-subjective (We), Objective (It) and inter-objective (Its) that has to be employed to understand any aspect or issue in reality. In addition, it provides two fundamental view points: (1) inside-out and (2) singular and plural which can understand identity formation of “ I -myself”, “we-ourselves” and making “otherness” and, thereby, inherent conflict and harmony within and outside of the self in continuous struggle to become an authentic self. In this theoretical perspective Wilber strongly advocates non-reductionist approach to understand all the aspects as a system (following system theory) without isolating or using only one aspect as a phenomenological inquiry to understand other aspects. In other words, in contrast to other analytical approaches that reduce one quadratic aspect to another, integral theory recognizes each aspects of four quadrants are in simultaneous existence and should view as a integrated, synergic aggregation (Esbjorn-Hargens, 2006, 2009).

Figure 3: Aspects of four quadrants



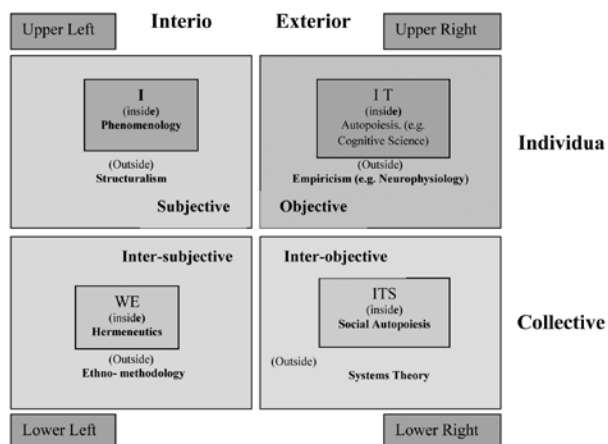
Source: Ken Wilber (2006); Esbjorn-Hargens (2009)

The above four quadrant phenomena can be further explained using simple illustration of an Educational Administrator (EA) in an organizational setup. In this context EA could be identified as perceived embodied self (I) who operate in subjective domain through his or her own experiences, emotions (love, fear, anger etc), values, beliefs, attitudes as a subjective interior individual in performing his or her duties [Upper Left (UL) quadrant]. In the Lower left (LL) quadrant EA operate along with his superiors, peers, students, faculty/teachers, parents as “we” (interior-collective domain) based on the culturally appropriate interactions to maintain interpersonal relations. This is where an individual behave spiritually or non-spiritually forming or non-forming self-other dichotomy. Through this behavioural dimension there is a unique combination of neuronal activities, changes in brain chemistry and changes in somatic conditions which are simultaneously occurred within the exterior individual [Upper Right (UR) Quadrant]. The fourth Lower Right (LR) quadrant represent educational system, rules regulations, policies, institutional political dynamics within the institution and external governing laws, human rights, economic and ecological considerations, union relationships etc. In integral framework all those four quadrant dimensions cannot be treated as isolate or separate. Instead they core-exist or co-arise and correlate as a “tetra-mesh” in an individual’s thinking, feeling and action. For example “an achievement oriented EA (UL Quadrant) who has embedded with somatic disorder

like high blood pressure (UR Quadrant) may maintain negative relationship/racist ideology with his or her co-workers with rationalist thinking (LL quadrant) which generally occurs in colonized educational environment (LR quadrant)” could be taken as a metaphoric illustration to show that all of these aspects of the situation are taken place simultaneously at same level of complexity.

One of the main important tenant of integral approach to spirituality (integral theory) is its **methodological pluralism** which ensure **multiple ways of knowing** in contest to other philosophical perspective such as modernity. It tries to embed all the available ways of knowing; traditional, modern and postmodern ideologies. In this context each quadrants and its meaning can be studied using two main methodological families; from inside (first person perspective) and from the outside (third person perspective) resulting in eight distinctive zones of human inquiry as depicted in Figure 4 (Esbjorn-Hargens, 2009; Wilber, 2006). For example in the UL quadrant the experience of an “I” could be viewed either from inside or outside. If the notion of “I” is looked or studied from inside through contemplation, introspection or meditation (subjective ways) it belongs to the epistemological and methodological sphere of “phenomenology”. In the meantime, the notion of “I” could be studied from outside as an objective or scientific observer (see myself as other see me or “social mirroring”). Likewise I can see other “I”s and others can observe my “I” as an objective observers. The postmodern notions of “structuralism” could be categorized as this way of knowing. Similarly, all other four quadrants could be viewed or studied either from outside or inside altogether having eight different ways of knowing and using multiple perspectives (see Figure 4 in the annex). However, operating in extreme corners for solution is viewed as “Quadrant Absolutism” which treat each one of those quadrant as a reality in absolute sense with methodological singularity. Figure 4a illustrate this quadrant absolutism. For example if you think matter is the ultimate reality (UR quadrant as real) spiritual experience of transcendence, metaphysical realization has to be considered as an illusion. In the mean time spirit and consciousness are treated as the ultimate reality, then we will believe just the opposite. “For AQAL, all of the quadrants are equi-primordial; none are more real or primary than the other; they all are tetra-arise and tetra-evolve together. Ultimate reality, if it is to be found anywhere, is found in their simultaneous arising and radiant display, mutually creating and mutually sustaining each other” (Wilber, 2007, p. 152).

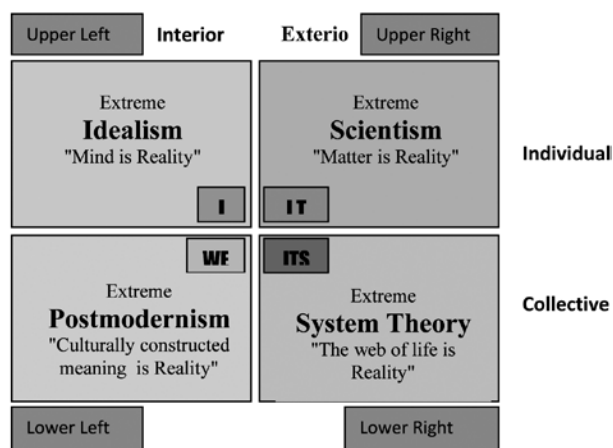
Figure 4: Integral methodological pluralism



Source: Ken Wilber (2006); Esbjorn-Hargens (2009)

Contemporary organized religions and epistemic organizations such as universities, schools, training institutions have adopted dominant methodologies of knowing by marginalizing the other multiple ways of knowing. Certain organized religions have prohibited studying and believing other religious ideologies and applied even terror and violence against other religions. This is as a result of ethno-religious egoism for hegemonic dominance. Wilber in his framework captures how human evolution and consciousness and moral development has taken place.

Figure 4a: Quadrant absolutism quadrants

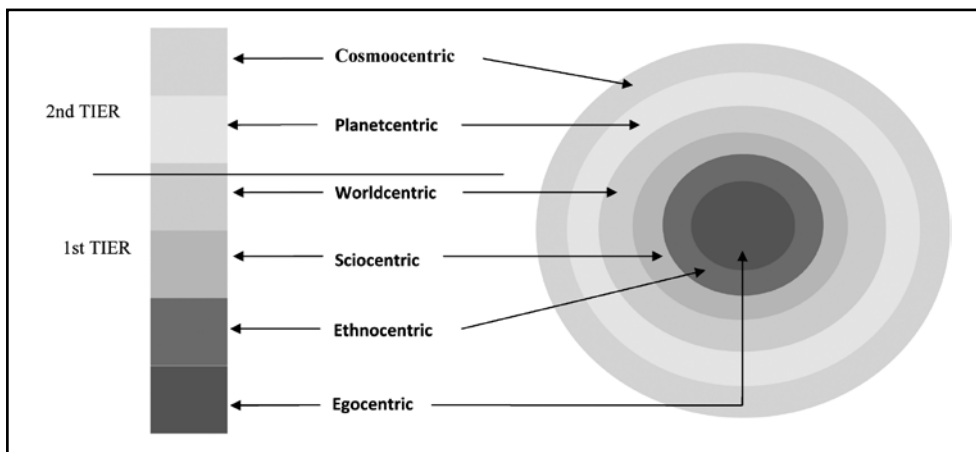


Source: Ken Wilber (2007)

Such spectrum of evolution is ranging from primary “geocentricism” to “cosmocentricism” as depicted in the Figure 5. This spectrum of consciousness is a form of identity formation of humankind from birth and such identities are widening with the interaction of the external environment. Human consciousness start from **egocentric** consciousness which is initially related with individual self-absorbed identity of “me” and “I am ness”. This is the very basic, primary, self centered identity formation and it is initially form at the infant stage prior to socialization with cultural ethics and conventions hence it is also called “pre-conventional” stage. Then it expand in to the **ethnocentric** stage (my group) where an individual identify him or herself with particular primordial group of tribe, race, ethnicity, and nation while excluding, sometimes marginalizing, other groups by fighting for such group. Third stage of **sociocentric** identity is related to “my country” in which start loving or fighting for the country of origin. The next stage of consciousness **worldcentric**, transcends the conventional boundaries of “me”, “we” and “our country” and start caring and making concern for humankind regardless of race, class, ethnicity, gender sex or creed. The next stage of consciousness, **planetcentric**, transcending further to start caring “all beings” (living and nonliving) of human, animal, natural creations. Final stage is **cosmocentric** stage where an individual or group reach that stage care “all of reality” which is considered to be the highest level of spiritual consciousness (Esbjorn-Hargens, 2009; Wilber, 2000, 2006, 2007).

This spectrum of consciousness can also be linked to the earlier discussed body, mind, spirit notion of an individual self. Egocentric stage is dominated by gross physical reality of body and the “food body” is (illusionary) identified as “me” where an individual concern highly on exterior physical characteristics to differentiate me with others and making “otherness”. The next stage is ethnocentric and socio centric stage where mind (and sometimes heart as in previous analogy) start making relationships with others based on shared values, beliefs, attitudes, common ideals and reciprocal benefits (both material and non-material) by expanding the identity from “me” to “us” (egocentric to ethnocentric/sociocentric). These relationships might be pure “transactional” as well as “relational” depending on the individual and group thinking and ideology. in this stage they learn from external environment and make self adjustments to suit the situations.

Figure 5: Spectrum of consciousness



Source: Wilber (2007); Esbjorn-Hargens (2009)

The next stage is related with the notion of “spirit” where identity expands once again from “us” (ethnocentric) and beyond (worldcentric, planetcentric and cosmocentric). Wilber explain this level of consciousness of identity as real spiritual and he states that; “Here I begin to understand that, in addition to the wonderful diversity of human and cultures, there are also similarities and shared commonalities. Discovering the commonwealth of all beings is the move from ethnocentric to worldcentric, and is spiritual in the sense of things common to all sentient beings” (Wilber, 2007, p. 36). Ideally the humankind has to continuously move from primary level egocentrism to higher order worldcentrism, planetcentrism and cosmocentrism. Ironically contemporary reality is that they still stuck with the egocentrism and ethnocentrism. Contemporary organized religions and majority of their preachers have seems to be forgotten the core religious teaching of their founder leaders and act as despotic and hegemonic manner even though they should be exemplary personalities. We are really in the dearth of leaders (both spiritual and secular) who can transform the society from egocentrism/ethnocentrism to higher order spiritual consciousness. Otherwise the current bloodshed of ego and ethnocentric conflicts will perpetually be flowing in a larger scale.

6 Conclusion

Historical trajectory of spirituality, morality, economy and polity has shown a complex evolution. Each component of such evolutionary process is tightly intertwined;

each had been giving impetus to others forming a network of mutual reinforcement. Though religiosity and subsequent offshoot of spirituality were ideologically meant to arrest animosities of humankind, ironically organized religions and their followers have become a prey of such animosities in their attempts to form a hegemonic or despotic dominance over other religious followers. Current and historical conflicts rooted within ethno-religious impetus have provided ample evidence for such behaviour. It is perhaps not too wrong and might be harsh to conclude that almost all the religious teaching endorse, as their foundational principles, peaceful co-existence with the notions of love, mercy, non-violence, respect for other epistemological, ontological, axiological and cosmological beliefs and acceptance; it is also not too wrong to conclude that none of them could be able to effectively live with original teachings of their own. This kind of dominating behaviour based on non-pluralistic cultural norms has extended to the other business and epistemic organizations such as schools, universities demonstrating dominant behaviour based on non-pluralistic cultural norms. Despite these pessimistic developments there were certain attempts of corrections at ideological and discursive levels. As a result, alternative theories and praxis were/are in operation to test the ground by providing a green light. In the field of business management, the notion of spirituality was adopted as a moral suasion exercise but it was also subsequently commoditized for profit maximization and wealth creation. Though certain parts of the world flourished in materialistic terms, in terms of moralistic and spiritual norms still it has to travel a long way. The integral approach to spirituality and learning could be identified as a stepping stone to religious and methodological plurality of knowing and to make harmonious atmosphere for peaceful co-existence. In this model the parallels of religious teachings could be successfully incorporated in to curricula in schools, universities and other higher learning institutions including corporate training institutions. Unless otherwise we take remedial measures for contemporary chaos the fate of our next generation will be in further chaos. The leadership role in this endeavour has to be further interrogated as religious, political, business and educational leaders have been an instrumental for both success and disasters of our historical account. An obvious question that we have to ask: Whether existing epistemological assumptions, ideologies of morality of contemporary learning organizations such as schools, universities and business entities are appropriate and sufficient for creating future leaders for a fruitful transformation?

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A STUDY OF THE REDUCED MANPOWER ATTRACTION FOR THE APPAREL INDUSTRY

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ABSTRACT

After free liberalization, the apparel industry in Sri Lanka has shown a rapid growth in export earnings and generation of employment opportunities. It is a highly labour-intensive sector. Majority of the employees are female machine operators. Although the garment industry has been clearly recognized the requirement of energetic skilled committed man power with the increasing production targets and product diversifications and the expansion of working plants, the attraction of new external candidates as well as the retention of internal employees to this garment industry has been gradually decreasing during recent years. Therefore, this research study has been done to study the causes of the reduction attraction of man power in the apparel industry. Three external factors and five internal factors which can be the causes for the reduction man power attraction were selected as the independent variables and the level of attraction of the employees was selected as the dependant variable. A questionnaire survey was done with a random selection of 100 females who are working in a garment factory. Data was analyzed according to the Statistical Package for Social Science (SPSS V.16.0). According to the data analyzed family issues and the night shifts are the major causes which cause poor attraction of man power into the apparel industry.

Key words: apparel industry; manpower; reduced attraction; causes

1 Background

Sri Lanka has experienced phenomenal expansion of employment opportunities and export earnings due to growth of export oriented garment industry after the free liberalization (Joshi, 2002). Moreover, this industry contributes on a large scale to achieve gains in terms of annual Gross Domestic Production, foreign exchange earnings and employment generation (Kelegama, 2002).

The firms providing core functions are largely located in the export processing zones in most of the geographical areas within the country especially in Western province in Sri Lanka. Ninety percent of the garment workers are female machine operators who are working in manufacturing activities due to the high labour intensiveness in the manufacturing process of garments on a large scale (Joshi, 2002). Most of these young females come from rural areas and contribute their maximum strength and effort towards the achievement of organizational co-operate goals and objectives (Kelegama & Epaarachchi, 2000).

Furthermore, the garment industry has clearly recognized the requirement of energetic skilled committed man power with the increasing production targets and product diversifications and the expansion of working plants. Yet, the attraction of new candidates to this industry has been gradually decreasing during recent years.

Allmost all the factories in this industry are functioning with a less workers than the required level of the factory. Therefore, studying the causes for this reduced attraction of man power in apparel industry is the main objective of this study and how to overcome the prevailing difficulties in this industry and indicating how its benefits could be derived for the sustainable development of the country.

2 Literature review

2.1 Apparel industry in Sri Lanka

In Sri Lanka, Textile and Apparel industry is the leading industrial sub-sector accounting for 67 per cent of total export earnings and the major source of employment for many decades. Especially, Sri Lanka holds the 17th position among all exporting countries (World Bank, 2009).

The majority of Sri Lankan garment manufacturers still produce standard garments and rely on an easily trainable, skilled labour force at relatively low costs. (Kelegama & Epaarachchi, 2000). The competitive strength of this garment industry in Sri Lanka is based on cheap labour, a literate labour force, high labour standards, investment-friendly government policies and strategic shipping lanes (Kelagama, 2005). Consequently, the apparel industry continues to aggressively penetrate new markets and it has focused on a number of markets outside traditional markets (Jayasooriya, 2012).

2.2 *Manpower in apparel industry*

Since, Sri Lanka has a labour-surplus economy, the growth of the garment industry in the past few years has generated large quantities of manufacturing employment, particularly for women in the organized sector. Out of the total manufacturing sector labour-force, approximately 32 % were engaged in the garment industry.

Female dominance, about 87% is one of the most conspicuous characteristics of the garment industry. Females hold 53% of the management categories and 72% of front line management occupations such as supervisors, while males are dominant in the upper management occupations. The share of females in occupations of machine operators and others is over 90% (Kelegama & Epaarachchi, 2000).

2.3 *Labour shortage in apparel industry*

The garment industry in Sri Lanka is referred to as foot loose industry due to its high labour intensiveness. This labour intensiveness is mainly due to high volume of labour involvement in the production (Senevirathne, 2010).

The garment sector has recorded an average labour turnover (LTO) rate of around 55% per annum, with the highest rate of 60% being recorded for factories in the Western Province. Based on interviews and the survey done with garment workers (female) and employers, it was discovered that especially, sewing machine operator grades were in short supply. Industrialists disclosed that the industry has faced a severe labour shortage in this operative grade, especially female employees (Kelegama & Epaarachchi, 2000).

Kelegama & Epaarachchi, (2000) has reasoned out that most of the factory workers are from rural areas and are compelled to find accommodation in the vicinity of the factory. The available accommodation for the workers is generally of a poor condition due to increasing congestion around the urban garment factories and Free Trade Zone areas. Lodging facilities are commonly small rooms with limited additional facilities and inadequate sanitation (Kelegama & Epaarachchi, 2000).

3 Research methodology

The study involved a quantitative methodology. Dependent variable of the study is the level of attraction of man power in the apparel industry. The independent variables are the causes for the reduced attraction of man power. The selected three external causes are social image of the apparel industry, government contribution and initial skills required to work in production units. The selected five internal causes are family issues of employees, working on night shifts, relationship with bottom line managers, salaries and incentives and health and safety conditions of the working environment.

The research study was conducted in one of the garment factories in Gampaha district which also has experienced the problem of labour shortage in their own business. The target group was the female workers in the selected company. A survey was conducted of this target group focusing on their perceptions and the attitudes towards the apparel industry.

The total number of operational level workers in the selected organization was 1100. Due to the resource and time limitations, 100 female operational level workers were selected as the sample size. Random sampling technique was applied for data collection. Sample units were selected randomly in each production line of the factory. Data collection was done using the primary and secondary data in the selected company to achieve the specific objectives. The collected data from the female workers were coded and analysed by using Statistical Package for Social Sciences (SPSS V.16). Results were interpreted at the 95% confidence interval (CI=95%).

4 Discussion of findings

Based on the data analysis, several key findings could be seen.

Figure 4.1 : Monthly LTO and recruitment from March 2011 – March 2012

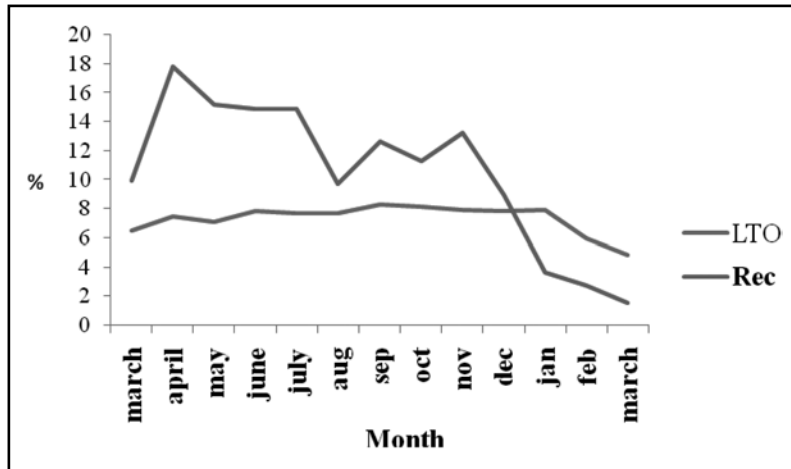
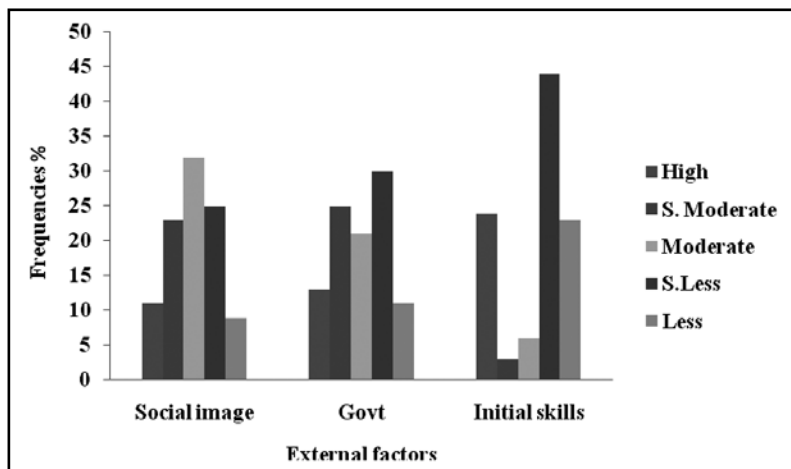
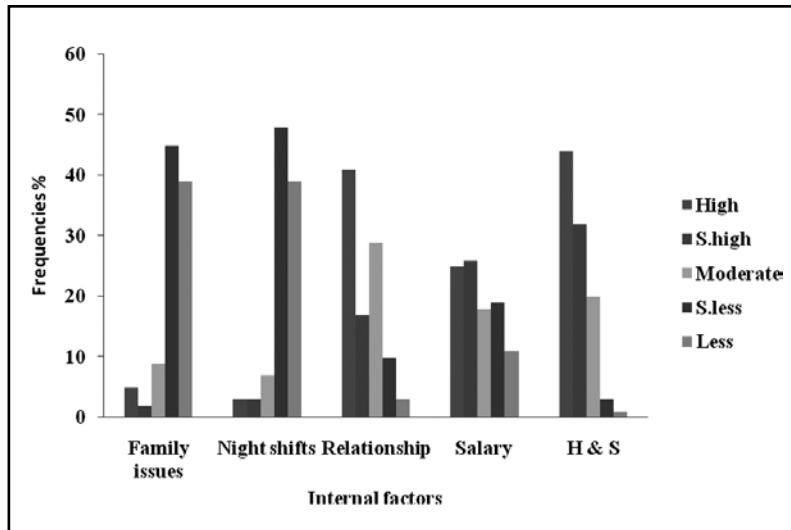


Figure 4.1 shows a gap between the labour turnover (LTO) and recruitment percentage after December 2011. The LTO percentage has declined from the beginning of the year 2012 especially, due to the removal of night shifts of the selected company. Thus, having nightshifts is a cause for the reduced attraction of man power into this industry.

Figure 4.2 : Percentages of different levels of attraction for external and internal causes





According to Figure 4.2, there is a moderate perception among the majority of female workers on the social image of the apparel industry. Hence only 66% employees may not have a positive perception on the social image although these employees strongly contribute to the economic development of the country.

The majority of the employees have a strong view that government contribution to the apparel industry is far less than what should be expected. There is doubtfulness in interpreting that the availability of initial skills to work in production units is a cause for the reduced attraction of man power into this industry due to the very similar percentages in both high attraction and less attraction (Figure 4.2).

Compared to other internal factors, family issues and the night shifts have mainly caused the poor attraction of man power into the apparel industry. Most of the bottom line managers in almost all the garment factories are maintaining a strong and close relationship with their workers. Therefore, strong relationship between the immediate supervisor and the worker leads to internal motivation among the workers to perform in their work effectively (Figure 4.3). At present, most of the garment factories provide hazard free, clean friendly working environment to their employees. Therefore, most of the employees are satisfied with the health and safety conditions provided by their organizations. Salary was also not a severe cause compared to night shifts and family issues.

4.1 Affect Analysis on the marital status and the responses for internal and external causes

With the analysis of the effect of marital status on the level of attraction on social image among the female workers of the selected organization there is an inaccuracy of the results because most of the employees were reluctant to mention the truth on their perception as they dislike to devalue their employment. Furthermore, Scribd (2012) has proved that the garment sector is preparing to spend to improve the image of the female garment workers.

There is no significant effect of marital status on the aspect of government contribution on the apparel industry. Basically, the awareness of the government contribution to the apparel industry is dependent on the maturity of the employee, the working experience and the educational level.

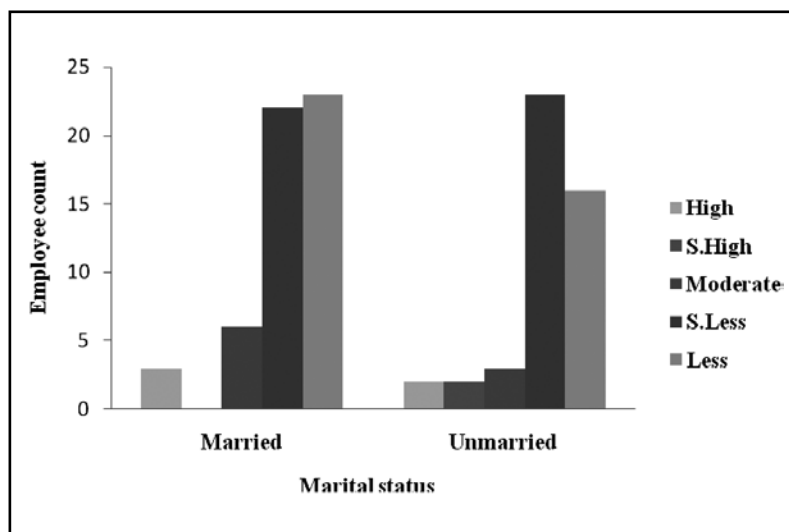
With reference to the analyzed data upon the effect of marital status on the presence of initial skills to work in apparel industry, there is no significant affect of it. Both married and unmarried female employees have the intention that availability of initial skills has a slight effect on their attraction in to the apparel industry

The biggest factor causing reduced attraction to the apparel industry is family issues as has been shown by the married female employees in the selected company (Figure 4). Not only in that company but also in most of the female workers in other garment factories the burning issues is their family responsibilities which leads to reduced attraction among them to work in garment factories. According to the *in-* depth interviews held with the females in the selected factory almost all the married workers have family issues while some females have financial issues as their husbands do not have suitable employment. Consequently, the husbands are addicted to liquor, which result in quarrelling with their wives and children. Some workers do not know how to look after their children and their elderly disabled parents when they come to work. Sometimes, children are induced to bad conduct and they do not perform well in their studies.

In addition to that, unmarried female workers have financial issues in their families. Majority of their family members are unemployed. Some females attend the work places a hundred miles away from their permanent residence. Due to the conduct

of their husbands these workers do not have an intention to continue working while staying far away from their residences. A number of other girls have an intention to leave after their marriage.

Figure 4.3 : Effect of the marital status on family issues which leads to reduced attraction of manpower to the apparel industry



Note: S.High – Slightly high; S.Less- Slightly less

According to the analysis of the effect of marital status on the night shifts, married employees have shown the highest disinclination to work on the night shifts. The *in-* depth interviews have revealed that husbands do not like them working at night. Sometimes, there is no one to take care of their small children during night. Added to that, children miss their schooling in the morning. Furthermore, almost all the workers dislike night shifts and long working hours due to health defects.

There is no significant effect of marital status on the relationship between the workers and the immediate supervisors. Nevertheless, married employees are better fitted to the apparel industry in the light of their relationship with their employers compared to the unmarried females. It can be because of their much more exposure to the society in dealing with different type of people than the unmarried workers.

With reference to the data analysis most married females were highly attracted to the given salary. Because, although married people have more needs to fulfill they attempt to manage all the expenses according to the salary they received. But, unmarried girls

are not satisfied with what they get as they dream of additional requirements to fulfill. In addition to that, some girls have taken all the family expenses on to their shoulders.

Both married and unmarried female workers are highly affected by the health and safety conditions provided by the garment factories. According to the literature review, although it was a cause for the poor attraction felt by the employees to the garment industry, the majority of the workers are satisfied with the working environment.

5 Practical implications to HR professionals

Changing the poor image of the apparel industry is hard work due to the difficulties in bringing about changes in the attitude of society. Hence, sound communication methods should be utilized to enhance the positive image on this industry. HR professionals should provide complete training prior to assigning work to the employees in order to alleviate the fear of fresh candidates for the garment trade. Since, removing night shifts is impossible due to the demand for continued supplies to meet orders other solutions should be planned such as high payment rates, removing over night shifts etc. Moreover, HR professionals should be always ready to handle employee grievances, provide promotions based on their performances.

6 Conclusion

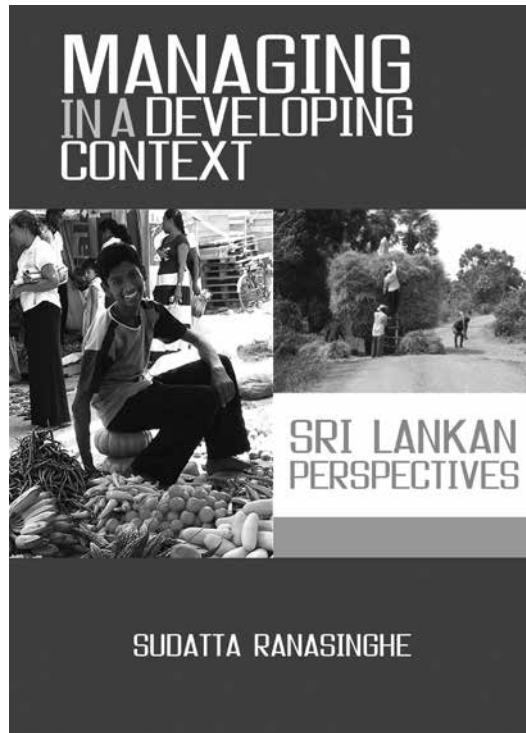
According to the research study, at present there is reduced attraction of manpower to the apparel industry. Both family issues and the night shifts have severely caused poor attraction of the employees of it. There is reduced attraction among employees based on government contribution on apparel industry and the presence of initial skills prior to training for work. The relationship between the workers and the immediate supervisors and the health and safety conditions do not lead to the attraction of employees to the apparel industry. Salaries and incentives are also not a severe cause compared to other factors.

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BOOK REVIEW

MANAGING IN A DEVELOPING CONTEXT



Management can be applicable not only for individuals and institutions but for nations as well. I had the opportunity to read a book titled, “Managing in a Developing Context: Problems and Perspectives” written by Prof. Suddatha Ranasinghe. It was a treasure to read as well as a treatise of learning for managers.

Managerial capacity

“Managerial capacity of a nation is a critical factor that affects the quality of life of the people as well as the freedom of choice they enjoy as citizens” says Prof. Ranasinghe. How a nation manages its resources is a factor that determines her ability to be competitive in a sustainable manner in the global market. In a broader sense, the quality of governance at national as well as corporate levels influences the choices made with regard to resource allocation and utilization, which impacts the level of growth, productivity and the distribution of income having implications for the extent of self reliance achieved by a nation.

Prof. Ranasinghe is of the view that, though socio-political and economic issues of development have been addressed in contemporary literature, the managerial issues of development have not been addressed sufficiently in the Sri Lankan development discourses. Hence our capacity to address critical issues of management in a proactive manner has been limited. In this setting, the present volume intends to make a modest contribution towards addressing selected issues of management from the perspective of a developing country that has been going through a process of transition, economically, socially and politically during the past three decades.

“Sri Lanka has a rich cultural heritage spanning over 2500 years that has been nurtured largely by the teachings of the Buddha, a great philosopher and a social reformer” observes Prof. Ranasinghe. The Buddhist values of management such as commitment to a cause, autonomy and responsibility, mutual respect and tolerance have had a profound effect on the way of life of our people. Over generations, these values have influenced the thinking and actions of the people and their participation in collective efforts.

Colonial influence

Over centuries of western colonial influence during 1505 to 1948, Sri Lanka has undergone a wide spectrum of changes in political, social and economic spheres. As Prof. Ranasinghe further elaborates, amidst these changes, the nation had gradually lost her indigenous identity of management and drifted towards adopting western management practices. However, one cannot be certain whether western management practices are firmly rooted in our society. It is also clear that the managerial approaches that evolved in Sri Lanka over centuries of colonial rule have failed in putting the country on the path of self-reliance.

As Prof. Ranasinghe opines in his usual lucid style, the colonial legacy of the dual economy, characterized by an export-oriented plantation sector and subsistence oriented indigenous agricultural sector, had continued for generations despite changes in the political system brought about by constitutional changes of 1972 and 1978 respectively. These changes paved the way for establishment of the Republic of Sri Lanka in 1972 and moving on to the Executive Presidential system of governance in 1978. Notwithstanding the changes in the politico-administrative system, the national economy continued to be dependent on imports of food, medicine, intermediate goods and capital goods and export of commodities and non-competitive manufactured items such as readymade garments. At the same time the unprecedented growth in domestic and foreign debt had made the country's economy more vulnerable to external shocks.

Managerial challenges

As the book elaborates, the above emerging situation has posed a challenge to the students of management, which is discovering appropriate managerial approaches that help managing resources efficiently and effectively in the context of a changing economic environment. In this regard the lessons we could learn from our successes as well as failures may be unlimited. However, we have not been able to explore those lessons adequately. Perhaps this lack of learning is reflected in manifest paucity in clarity as well as transparency in governance at the national and corporate levels.

There are issues of poor governance in local authorities as well as civil society organizations, which had limited the extent of empowerment of the less privileged groups in society. Past experiences show that we have not been able to address the issue of power sharing effectively, which had led to social conflict and a widening gap between the privileged and the less privileged groups in society.

Since gaining political independence in 1948 Sri Lanka had treaded on a path of development following the welfare state model which lasted for several decades. According to Prof. Ranasinghe, a paradigm shift in the policy regime that took place in the late 1970s marked the end of the welfare state model of governance and the birth of the market- led growth model. This important policy shift also posed the managerial challenge of balancing welfare and growth in an economy that has been exposed to the winds of globalization.

In the post-liberalization era, the state assumed the role a facilitator of development while the private sector had been assigned the role of the “engine of growth.” Against this backdrop, it would be important to probe whether Sri Lanka has been able to deal with the managerial challenge of balancing welfare and growth to the satisfaction of all stakeholders, of a facilitator of development while the private sector had been assigned the role of the “engine of growth.” Against this backdrop, it would be important to probe whether Sri Lanka has been able to deal with the managerial challenge of balancing welfare and growth to the satisfaction of all stakeholders.

Managing poverty

After lapse of one decade of the new millennium, a significant proportion of the country’s population continues to live in a state of poverty and share less than 5 percent of the national income, observes Prof. Ranasinghe. This reflects social inequalities

and poor human development, which is no doubt an indicator of the poor state of management of national resources. The persistence of poverty in rural and estate sectors and wide disparities in the quality of life of the people seem to suggest that development policies have not brought about the desired results. Thus, it reinforces the need for good governance and effective management practices.

During the past few years the discipline of management has received increased attention within the system of higher education. However, it is clear that we have not been successful in translating the management learning into effective practice for making life better for the people. Why we have failed in making the desired social and economic transformation possible through effective practice of management is indeed a critical question worth probing.

Prof. Ranasinghe shares his intention of publishing this volume of papers as follows:

“The papers included in the present volume attempts to explore some of the managerial issues that are relevant in explaining our development experience. They also deal with the empirical realities of management from the perspective of a developing country. The papers have been written at different stages in my career and they intend to highlight managerial issues that require deeper analysis from a perspective of indigenization of management practices and their sustainability. It is expected that the papers included in the present volume may generate further studies as well as discussion on the issues focused.”

Re-thinking required

In writing a foreword, Mr. Wijewardena, former Deputy Governor of Central Bank of Sri Lanka, states that the articles in the volume are not addressed to the ordinary readers of management. These articles, based on serious research, are meant for students of management as reference work or for practitioners of management as material for advancing knowledge. According to him, Prof. Ranasinghe in his usual style has presented these articles in a readable manner. References have been added to each article enabling the more serious readers to probe further into the subject areas if they wish to acquire further knowledge on the subjects under reference.

Getting into more specifics, let's look at the first article in the book. It, titled “Doing Business with the Poor: Re-thinking Poverty Alleviation Strategy in Sri Lanka,” is a

critical examination of the measures adopted for helping the poor to cross the poverty line from a sustainability point of view. Let me quote the foreword:

“Though the national head count data on poverty show a significant decline in poverty between 1990 - 91 and 2006 - 07, Ranasinghe probes into the stark realities not shown by the data. The wide disparity in the distribution of the poor across the regions, the high number of poor persons, especially women, being employed as migrant workers, the presence of a large number of Samurdhi recipients and the very low critical threshold of minimum expenditure for categorizing the poor have been some of the critical points which have contributed to a drastic reduction in the head count poverty levels. According to Ranasinghe, serious policy makers should reckon them when mapping out sustainable poverty alleviation strategies. He, therefore, questions “... the rationale of the poverty alleviation strategy as well as the current approach to promote business initiatives among the poor through the intervention of an oversized bureaucratic mechanism”. His solution is to link the poor to private enterprises to facilitate them to produce for the market and reap benefits from such inbuilt entrepreneurship.”

Conclusion

“Managing in a developing context” has been well managed with regard to an enriching collection of papers presented by Prof. Suddatha Ranasinghe. I have no hesitation in recommending it to anyone interested in the managerial aspects of national wellbeing including the development of human resources.

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