Personnel Management vs. Human Resource Management: Evidence from Hellas

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I hereby declare that the work submitted is mine and that where I have made use of another’s work, I have attributed the sources according to the Regulations set in the Student’s Handbook.

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ABSTRACT
This dissertation was written as part of the MSc in Management at the International Hellenic University.

It has been argued over decades now that Human Resource (HR) philosophy needs to change and set a new mission. Upgrade itself by adding to its established administrative functions, a strategic sense is what next generation-theories seem to favour. In other words, the transition of the traditional Personnel Management (PM) practices to the modern concept of Human Resource Management (HRM) seems inevitable considering today’s challenges. During this thesis a comparison of PM and HRM will be presented, stressing the debate over the “rhetoric” of HR academics and the “reality” in the organizations by focusing on the Hellenic HR departments.

The key-reference points that are used as differentiators in the examined terminology are focused on the strategic nature of HRM and its influence on managing people so as to attain competitive advantage. Opposing to many scholars’ perceptions, it will be stressed that the revolutionary term HRM brings indeed something new to the table and that is focused on the view to establish integration between “man and organization”, “man and task” and “man and man” (Tapomoy, 2006). The research methodology involves the interview technique. The results of the implemented research reveal that the Hellenic HR departments tend to focus on the PM policies and final recommendations are made so as to improve people management’s functions.

Keywords: Human Resource Management, Personnel Management, Human Resources, People Management, Hellas

Georgiou Aikaterini

30/09/2014
ACKNOWLEDGMENTS

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My sincere gratitude and appreciation goes to my supervisor, Professor Vakola Maria, whose feedback and advice contributed profoundly to upgrade the level of the research implemented. Our discussions did help me evolve as a researcher.

Without the collaboration of the HR professionals that accepted to have an interview with me, this paper could not have been completed. All interviewees provided a fruitful feedback and our discussions will be marked as an unforgettable experience to my mind.

Finally, my heartfelt appreciation goes to my parents whose moral contribution throughout this year was more than I had hoped for. They provided a home where studying and learning has always been a valued part of life. I thank them for always encouraging and believing in me. My last special thanks go to my dearest ones, Maria and Thanasis. You gave me joy and strength in moments when I needed it the most. Your understanding and encouragement were constant driving forces to me and without you this whole experience would be meaningless.
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CHAPTER 1: INTRODUCTION

Today’s challenges related to globalization, new technologies, containing costs, emerging workplace issues and knowledge management, push ideas and disciplines to evolve. Managerial terms have changed radically over the last decades, particularly in the People Management’s field. One of the most popular transitions in terminology could be from the Personnel Management (PM) era to the new Human Resource Management (HRM) revolutionary concept. An organization’s Human Resources (HR) are now managed under a more human-centered philosophy that puts people in the centre of attention. HRM practices support the idea of achieving competitive advantage through employees’ skills, abilities and knowledge, and stresses on the strategic nature of HR departments within firms. HRM becomes necessary for the modern businesses’ survival in the global marketplace since technology is abundantly available and capital is cheaply available; therefore, HR is the only business factor that can change the destiny of every organization (Tapomoy 2006, p. 6).

The attention in this paper falls to what Drucker (1985) has called the “knowledge-based” economy, or what Henderson, states “in today’s and tomorrow’s world, sustainable competitive advantage can only come from the skills, experience, creativity, imagination and brainpower of people” (2011). Simply put, running businesses tend to neglect the factor human capital and rarely associate it with success. The main concern of this paper is to expose the strategic importance of HR departments within organizations and reveal the Hellenic HR departments’ practices towards this concept.

The researcher’s personal interest to the subject was originated by both her professional experience and the discussions with professional and academics during her studies at International Hellenic University. Apart from academics and HR professionals, this paper could attract all professionals’ attention, since most people have a vague idea of the purpose and utility of HR departments within firms or they may be confused regarding their functions. By identifying the terms PM and HRM, revealing their operations at full length and stressing HRM’s strategic significance, a clearer image will be provided to everyone in a simply and easily comprehensive writing manner. The study’s hypotheses are:

- **Hypothesis 1**: HRM is an evolutionary concept compared to PM.
Hypothesis 2: Hellenic firms adhere to the traditional PM policies and do not implement HRM practices.

Hypotheses 3: HR departments do not form HR strategies that are incorporated with the corporate strategy.

Hypothesis 4: HR departments’ organization of functions is operational-focused rather than developmental.

Hypothesis 5: HR departments do not show any provision on establishing employment relationships on individualistic terms.

The research is based on the qualitative methodology which could be further used for future discussion on the subject or more practically speaking, for retrieving ways to improve the functions of the Hellenic HR departments. In this thesis, HRM is perceived an upgrade to the traditional PM concept, based on the following three concept-pillars of HRM:

1. If employees’ talents are valuable, more difficult to imitate and organized, organizations can achieve a sustained competitive advantage through people.

2. HR strategy is incorporated to the corporate strategy.

3. Employees are treated in individualistic terms so as to assure maximum commitment and performance.

Some could comment that the transition from PM to HRM was inevitable since the first had long been dogged by problems of credibility, marginality, ambiguity and a “trash-can” labeling which relegated it to a relatively disconnected set of duties - many of them tainted with a low-status “welfare” connection (Storey, 1989, p.5 as cited in Price, 2007, p.18). Practically speaking, many personnel managers were eventually speaking a different language from other managers and found themselves unable to comprehend other concepts related to business strategy, market competition, labour economics and the roles of other organizational functions, let alone balance sheets (Giles and Williams, 1991 as cited in Price, 2007, p.18).

Therefore, the main focus of the study is to strengthen several academics and professionals’ opinion that HRM finds fit between the management of people and the
strategic thrust of the organizations by focusing on staffing, retention, development and adjustment. Its strategic nature is revealed through: a. the HR philosophy that expresses how to treat and value people, b. the HR policies that establish the guidelines for action on people related to business issues and is expressed as shared values, c. the HR programmes that coordinate the efforts to facilitate change and address major people issues and d. the HR practices that refer to leadership, managerial and operational roles by motivating the needed role behaviours (Tapomoy, 2006, p.39). Furthermore, the implemented research aims to expose the reality of the Hellenic businesses’ attitude towards HRM.

On the grounds that the impact of HR on the competitiveness of organizations has been tremendous over the last decades (Lefter, Marincas, Puia, 2007 as cited in Munteanu, 2013), this paper sets as objectives:

1. To provide clear definitions regarding the examined terminology
2. To identify the differences among HRM and PM
3. To analyze the current practices of HR departments in Hellas on a three-dimension basis, that is the strategic nature of HR departments, the organization of the HR departments’ functions and the employee relations perspective.

Overall, this thesis is structured according to International Hellenic University’s standards and guidelines, and consists of the following chapters:

Chapter one, the introduction (current chapter), that aims to explain the purpose of the study and the problems that the researcher tries to solve; it also stresses on the study’s main focus, original hypotheses, its future use, aim and objectives.

Chapter two, the literature review, is focused on defining the examined terminology, presenting a short historical flashback so as to comprehend the birth of the terms and proceeds on distinguishing them by exposing their similarities and differences in both a concept and a content sense.

Chapter three, the methodology, sets the framework of the research implemented; it also argues briefly about the pros and cons between quantitative and qualitative methods and justifies the author’s preference on the qualitative technique.
Chapter four presents the research’s findings and discussion over the results. The interpretation is divided into three sub-chapters that are in accordance with the sectional division of the interviews’ questionnaire. A short discussion over the alignment of the findings with the original hypotheses referred in chapter one is also included.

Chapter five includes the drawn conclusions and recommendations, leaving room for future research on how the Hellenic HR departments could be more aligned to the original HRM concept.
CHAPTER 2: LITERATURE REVIEW

Defining PM and HRM and trying to spot similarities and differences, may prove a challenging task. Over the last three decades, academics have been vigorously debating over the examined terminology, questioning whether HRM is indeed an upgrade to people management’s theories and an evolution to the traditional PM practices. This chapter aims at clarifying PM and HRM definitions by using the relevant work already published in the field. Through a short historical flashback, the evolution of the terms will be thoroughly explained and finally, the similarities and primarily differences among the terms will be stressed using multiple literature reference points.

Therefore, the chapter is divided into the following sub-chapters: a. definitions of PM and HRM, b. a historical flashback of the terms, c. HRM’s theory in details and d. similarities and differences on the examined terms.

2.1 Defining PM & HRM

Even though we are blessed to review a plethora of discussions and researches both in the academia and business world, distinguishing the terms PM and HRM may cause particular irritation and confusion. Nonetheless, we can broadly support that they both focus on “people management” functions and can be simply described as: “All the management decisions and actions that directly affect or influence people as members of the organization rather than as job-holders” (Henderson, 2011, p.2).

To many, HRM is considered a fancy or pretentious re-labeling of what PM used to stand for. Putting aside this debate though, one cannot deny the strategic importance of HR departments since “people – their skills, knowledge and creativity- are the key resource for economic and organizational success” in what Drucker (1985) calls “the knowledge-based economy”.

To make matters clear, the writer considered significant to begin with summarizing a few examples of definitions that several authors tried to provide (Table 1):
Table 1: Definitions of HRM and PM concepts, source: own

<table>
<thead>
<tr>
<th>Author</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel Management is:</strong></td>
<td></td>
</tr>
<tr>
<td>Torrington &amp; Hall, 1998</td>
<td>Is concerned with practices which allow employer and employee not only to make a contract, but also to assure that the contract is pursuing.</td>
</tr>
<tr>
<td>Yoder as cited in Reddy, 2004</td>
<td>The phase of management which deals with the effective control and use of manpower as distinguished from other sources of power. The methods, tools and techniques designed and utilized to secure the enthusiastic participation of labour represent the subject matter for study in personnel administration.</td>
</tr>
<tr>
<td>IQPC¹, 2006</td>
<td>An operational function that deals with the execution of daily people management activities. PM is passive; the maintenance of personnel and administrative systems is what it is all about.</td>
</tr>
<tr>
<td>Armstrong, 2006</td>
<td>Concerned with obtaining, organizing and motivating the human resource required by the enterprise.</td>
</tr>
<tr>
<td><strong>Human Resource Management is:</strong></td>
<td></td>
</tr>
<tr>
<td>Beer et al., 1984</td>
<td>All management decisions that affect the relationship between organizations and employees – its humans.</td>
</tr>
<tr>
<td>Guest, 1987</td>
<td>Defined in terms of four key goals: high commitment, high quality, flexibility and strategic integration.</td>
</tr>
<tr>
<td>Pool, 1990</td>
<td>Viewed as strategic; it regards people as the most important single asset of the organization; it involves all managerial personnel; it is proactive in relationship with people; seeks to enhance organizational performance, employee “needs” and societal well-being.</td>
</tr>
<tr>
<td>Storey, 1995</td>
<td>A distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a</td>
</tr>
</tbody>
</table>

¹ IQPC stands for International Quality and Productivity Center
<table>
<thead>
<tr>
<th>Source</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bratton &amp; Gold, 1996</td>
<td>Human Resource Management is a body of knowledge and a set of practices that define the nature of work and regulate the employment relationship.</td>
</tr>
<tr>
<td>Edvardsson, 2003</td>
<td>The core business of the HR function is to develop the employees in accordance to the business strategy, select and hire people, train and develop the staff, evaluate their performance, reward them, and create a culture of learning.</td>
</tr>
<tr>
<td>IQPC, 2006</td>
<td>The nature of HRM is strategic, that is, being concerned with helping an organization precisely to achieve sustained competitive advantage. HRM is concerned with forecasting of organizational needs, the continual monitoring and adjustment of personnel systems to meet current and future requirements, and the management of change.</td>
</tr>
<tr>
<td>Price, 2007</td>
<td>A distinctive approach to employment management which seeks to achieve competitive advantage through the strategic development of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques.</td>
</tr>
<tr>
<td>Novac, 2008</td>
<td>One that provides a systematic check on a set of interrelated processes affecting and involving all members of an organization, processes that include human resource planning, recruitment, selection and evaluation, employee training and human resources development, motivating and rewarding employees.</td>
</tr>
<tr>
<td>Armstrong, 2009</td>
<td>Defined as strategic and coherent approach to the management of the most valued assets of organization – the people, who individually and collectively contribute to the achievement of organizations’ objectives.</td>
</tr>
</tbody>
</table>
2.2 The historical flashback

Leaving aside the debate on the terminology, it all began from the concept of *People Management*. Figure 1 illustrates a short historical diagram of the terminology’s evolution that will be further discussed in this paper.

![Historical Diagram](image)

The Industrial Revolution in the nineteenth century brought the matter of *People Management* to the forth since people expressed their desire to work in different, much safer first of all, working conditions (Bratton and Gold 1999, p.4-6). Improving working premises was only the beginning; workers started demanding better payrolls to improve their quality of life and further training, as they expressed the desire to improve their skills and knowledge (Schuler and Jackson, 2005). The aim of the following journey in history is to grasp the origins of each theoretical concept and perhaps, to start distinguishing several differences among them.

2.2.1 The genesis of PM

*People Management* originated in the UK in the nineteenth century amidst the factory conditions of the first Industrial Revolution. Factory owners were compelled to consider –at least to some extent- their employees’ well-being, obeying the Factory Acts of the 1840s. In Britain, the idea was being cultivated through a number of philanthropic employers that began developing a paternalistic care and concern for their employees (Henderson, 2011, p.6). Enlightened capitalists, such as Cadbury and Rowntree, appointed “welfare officers” to monitor and improve the conditions and
lives of workers². Those kind of policies were even more evident in North America and Germany. In the USA, Henry’s Ford auto plant, for example, established a “Sociological department” to administer personnel policies. Things were getting serious with people getting organized in institutions such as, the Welfare Workers Institute (WWI) that was consisted of the Welfare Workers Association and the North Western Area Industrial Association, in 1919 (Bratton and Gold, 1999, p.6-7).

During the 1920-30s (inter-war period), there were three major developments that affected employers’ perception over their HR: Rationalization, Taylorism and the Human Reactions movement. These years were stigmatized for their economic depression and high levels of unemployment; therefore rationalization in Britain took only the form of large-scale horizontal companies’ mergers, plus the application of scientific methods of management and control (Bratton and Gold, 1999, p.7). Corporate capitalism started gaining ground and that led to the increase of the importance of controlling the personnel function. William F Taylor’s scientific management theory (1916) played a fundamental role in the foundation of the modern Human Resource theories. Taylorism was focused on productivity and employee performance, and how to effectively manage the accomplishment of the organization’s activities. It may not have underlined the importance of putting HR in the centre of attention; however, it highlighted the significance of HRM in organizations³. Opposing to Taylorists’ “economic rationality”, the human reactions movement (Hawthorne experiments pioneered by the American Elton Mayo and other researchers), promoted the notion that managers should integrate employees in the organization (Bratton and Gold, 1999).

During World War II (1939-1945), the human relations approach was embraced by the majority of the organizations and since they were anxious to maximize labour productivity and foster industrial peace, personnel officers were summoned to establish personnel departments and provide training programmes. More sophisticated techniques started being employed to the areas of job design, recruitment and

² By 1914, it was estimated that there were probably between 60 and 70 welfare officers in Britain (Farnham, 1990 p.20)

³ The main elements of Frederick Taylor’s scientific Management (1911) were time and motion studies of work processes; standardization of tools, implements and methods; and increased division of labour.
selection which did have an impact on people management policies and practice after all (Bratton and Gold, 1999).

The post-war climate provided a fertile ground for PM to blossom. In 1946, the Institute of Labour Management\(^4\) changed its name to the Institute of Personnel Management (IPM) which was later to evolve and become the present-day Chartered Institute of Personnel and Development—CIPD (Henderson, 2011, p.6). Both PM and Industrial Relations acquired academic recognition and interest, as they became mandatory courses for most business students in post-secondary educational institutions (Pitfield, 1984 as cited in Bratton and Gold, 1999, p.8).


Nonetheless, PM could not escape critics. Drucker (1995) thought that “personnel administration”, as he called it, was just a set of unrelated, albeit individually important, activities. Furthermore, the analysis of scientific literature allows stating that several scientists (Torrington, 1989 as cited in Armstrong, 2000) stick to the opinion that there is no significant difference among the concepts of PM and HRM and that this is more of a matter of emphasis and approach rather than essence. Other scientists (Legge, 1995; Keenoy, 1990; Storey, 1993; Guest, 1987, 1990) conversely, claim that HRM represents a new philosophy and concept which radically differs from PM. In the late 1970s and early 1980s, we witness a loss of faith in the traditional approach to mass production; the example of the Japanese work organization and manufacturing processes\(^5\), along with the realization of the impact of

\(^4\) The change from the Institute of Industrial Welfare Workers in 1924 to the Institute of Labour Management was influenced by the concept that the term “welfare” projected a feminine image among the growing and influential male membership (Bratton and Gold, 1999, p.9).

\(^5\) Those primarily refer to Total Quality Management (TQM) theory which played a significant role for the Japanese economic growth particularly in the automobile section. It was a new management
new technology on work practices (Gallie et al, 1998 as cited in Henderson, 2011) allowed the evolution of the people’s management policies and practices, namely the birth of HRM.

2.2.2 The development of HRM

Although the birth of the concept of PM belongs to the UK, the theoretical and practical evolution of the term into HRM belongs to North America, in the late 1910s and early 1920s. During this period, many names were used to describe processes regarding People Management, such as employment management, labour management, personnel management, personnel administration, labour relations, industrial relations, industrial relations management and employment relations. Even though the term HRM was not used yet, the term HR was already employed to express the “idea that the nation’s labour input is embodied in human beings and represents a form of capital good that can be augmented through various forms of private and public investment, such as education, training and public health programmes” (Kaufmann, 2001).

According to Strauss (2001), the term HR was first used in the mainstream literature in 1964. There are also two more sources that reveal the use of the term: firstly, a published lecture given in 1958 by the economist E. Wight Bakke, titled “The HR Function” and secondly, Myers, Frederick, Harbinson and other economists scholars’ research in the late 1950s, on the role of labour as a factor in economic growth (Kaufmann, 2001). The transition of the terminology was not radical, since both terms were used interchangeably for quite some time. It was in the late 1980s, that the term HR prevailed and represented a break with the traditional Personnel administration; in other words, PM gave way to HRM (Thornthwaite, 2012). During that period, the focus shifted from domestic to multinational, to global; the speed at which business was conducted was increased; organizations recognized that labour costs and productivity must be addressed from a world-wide perspective; and many companies realized that competitive advantage could be seized and sustained through the wise utilization of HR (Drucker 1985; Schuler and Jackson, 2005).
However, it was clearly evident from the beginning that both the academia and the business world, questioned the relevant change in the content and context of this new approach that people would be managed. Was it new at all or was it “simply the case of the emperor’s new clothes” (Armstrong, 2000)?

Regarding this debate, Schuler and Jackson (2005) linked the formation of the HRM concept with: (i). a growing recognition of the importance of HR to the success of the companies and the need to manage these resources systematically, (ii). growing evidence by academics on how specific practices could be done more effectively and (iii). growing professionalism among HRM practitioners. Also, Guest (1987) had indentified seven factors behind the emergent interest in HRM:

1. the search for competitive advantage, 2. models of excellence, 3. the failure of personnel management, 4. the decline in trade unions’ pressure, 5. changes in the workforce, 6. the nature of work and 7. the availability of new models.

It was no longer enough to manage people passively or reactively. In the industries that mattered, competitive advantage was now coming not from the capital investment but from HR, and the latter had to be managed proactively and strategically if organizations aimed success (Henderson, 2011).

The new concept was basically emphasizing that employees are critical to achieving competitive advantage, that HR need to be integrated with the corporate strategy and that HR specialists can help organizational controllers to meet both efficiency and equity objectives (Figure 2). Therefore, HRM began to be considered superior to PM partly because it was supposed to be “strategic” in two senses: (i) the function itself was conceived of in strategic rather than reactive ways; and (ii) the HRM strategy would be ultimately linked to overall business and corporate strategies (Henderson, 2011).
Under the broad umbrella of HRM, activities such as resource planning, staffing, training and development, performance appraisal, compensation, safety and health, and labour relations are included. Managing change and culture, work and organizational design and aligning HR activities with a strategic sense are also emphasized (Schuler and Jackson, 2005).

2.3 HRM's theory in details

Several definitions have already been provided but it seems that the range of the HRM practices is rather wider. For instance, according to Bratton and Gold, HRM covers the following five areas (1999, p.14-15):

1. **Staffing**
2. **Rewards**
3. **Employee development**
4. **Employee maintenance**
5. **Employee relations**

Further elaborating, HRM practices aim to achieve two sets of objectives; *improve employee performance and enhance organizational effectiveness*. To appreciate the full significance of these HRM practices, it is important to recognize that there are two levels in HRM functions within organizations (Watson, 1986 as cited in Bratton and Gold, 1999). At the first level, HRM activities are concerned with recruiting, motivating and developing competent employees. Hence, selection procedures are
designed to supply the organizations with employees whose knowledge, skills and abilities are pertinent to their role within the organization. HRM then motivates the workforce by providing employees with satisfactory pay, benefits and working conditions. HRM professionals also carry the role of the trainer and scouter so as to examine individuals and ensure that they possess the knowledge and skills necessary to be effective employees (Bratton and Gold, 1999).

On these theoretical grounds, there are several models used to explain thoroughly HRM’s contribution to business’s effectiveness and profitability⁶. Trying to identify their core concept, one could suggest that scholars tried to resolve the problems of the historical PM based on the belief that: “When general managers develop a viewpoint of how they wish to see employees involved in and developed by the enterprise, and of what HRM policies and practices may achieve those goals. Without either a central philosophy or a strategic vision – which can be provided only by general managers – HRM is likely to remain a set of independent activities, each guided by its own practice tradition”. (Beer et al., 1991)

Beer was also the first to state that “HR should be treated as potential assets and not as a variable cost” and Guest argued that “Only when a coherent strategy, directed towards high commitment, high quality, task flexibility and superior performance, fully integrated into business strategy and fully sponsored by line management at all levels is applied, will the high productivity and related outcomes sought by the industry be achieved” (1990, p.378).

Regarding modern theoretical patterns, there have been several developments in management practice and HRM theory since 1980s— such as knowledge management, talent management, ethics and corporate governance— along with technological advances that have played a significant role on HRM practices (for example, online recruitment, teleworking and the use of virtual teams).

⁶ For instance, the “Soft” and Hard” models of HRM, the Guest model of HRM, the Fombrun, Tichy and Devanna model of HRM, the Harvard model of HRM, the Matching model of HRM and many more.
2.4 HRM vs. PM: evolution towards stagnation

As mentioned previously, for some, HRM represented a new approach to managing the labour process while for others, the term HRM was a new wrapping of the “progressive” PM. Noon (1992) argues that to reconceptualize HRM as a theory is to raise its status and deny its history. Legge (1995) points that the HRM model remains an elusive concept and contains contradictions and paradoxes (as cited in Bratton and Gold, 1999). Several observers have argued on a three-dimension basis whether there is something particularly distinctive in the HRM model. The first dimension is fairly represented by Legge’s (1995) statement that the meaning of HRM is elastic and the literature reveals “hard” and “soft” versions of HRM\(^7\) (as cited in Bratton and Gold, 1999). The second dimension focuses on the empirical data on the number of organizations adopting the new HRM model. Studies revealed that this new approach was limitedly applied only to the USA and the UK (Storey, 1993; Guest, 1991); however, more recent studies provide clear evidence of a “remarkable take-up” of HRM-type practices by large British businesses (Storey, 1993). The last dimension of the debate concerns the question of values. As Storey puts it, “is HR generally a good thing or a bad thing? Should whatever progress it makes be applauded or denounced?” (p.23).

2.4.1 Similarities on HRM and PM concepts

According to Armstrong (2006, p.18), upholding the view that HRM is no more and no less another name for PM, he presents a catalogue of six similarities regarding both terms’ concepts:

1. PM strategies, like HRM strategies, both flow from the business strategy.

2. PM, like HRM, recognizes that line managers are responsible for managing people. The personnel function provides the necessary advice and support services to enable managers to carry out their responsibilities.

\(^7\) “Hard” HRM emphasizes on the strategic, quantitative aspects of managing human resources as an economic factor in production, while “Soft” HRM stresses on communication, motivation and leadership. “Hard” models typically have a stronger focus on ensuring that the HRM strategy “fits” and is driven by the overall corporate strategy (Storey, 1993)
3. The values of PM and at least the “soft” version of HRM are identical with regard to “respect for the individual”, balancing organizational and individual needs, and developing people to achieve their maximum level of competence both for their own satisfaction and to facilitate the achievement of organizational objectives.

4. PM and HRM recognize that one of their most essential functions is that of matching people to ever-changing organizational requirements, i.e. placing and developing the right people in and for the right jobs.

5. The same range of selection, competence analysis, performance management, training, management development and reward management techniques are used in both HRM and PM.

6. PM, like the “soft” version of HRM, attaches the importance to the processes of communication and participation within an employee relations system.

It is worth mentioning that several of the above similarities are examined in the literature as differences as well, emphasizing the more holistic approach of HRM on certain aspects such as the strategic integration. As pointed out previously, scientists like Storey (1993), Legge (1995), Guest (1997) and Armstrong (2006) underline different aspects of both terms which are this paper’s interest to highlight here.

2.4.2 Differences among HRM and PM concepts

It is truly interesting to witness all those existing references stressing on what distinguishes PM from HRM, continuing to give life to this everlasting debate. Since this paper concentrates exactly on putting a different pair of jeans to PM and HRM, it was considered best to cite the following four reference points:

1. **The Schools’ Models of HRM**

For starters, according to several schools that attempted to define HRM by creating polar models, one can identify different approaches that expose HRM practices and its theoretical core concept. All schools tried to differentiate both terms based on the strategic nature of HR and its significance to the organization’s success. The following table (Table 2) depicts each school’s approach:
Table 2: The Schools’ Approaches of HRM, source: own

<table>
<thead>
<tr>
<th>SCHOOLS</th>
<th>APPROACH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Michigan School</strong> (1984)</td>
<td>It puts in the foreground the coherence of internal HR practices and the congruence between HRM practices and organizational strategy.</td>
</tr>
<tr>
<td><strong>The Harvard Model</strong>  (1984)</td>
<td>Is based on the belief that the problems of historical PM can be solved only “when general managers develop a view point of how they wish to see employees involved in and developed by the enterprise, and of what HRM policies and practices may achieve those goals” (Armstrong, 2006)</td>
</tr>
<tr>
<td><strong>The Guest Model</strong>    (1987)</td>
<td>HRM differs from PM for the following four reasons:</td>
</tr>
<tr>
<td></td>
<td>1. It integrates human resources into strategic management;</td>
</tr>
<tr>
<td></td>
<td>2. The perspective in unitary with the focus on individual;</td>
</tr>
<tr>
<td></td>
<td>3. It works better in such organizations which have an “organic” structure;</td>
</tr>
<tr>
<td></td>
<td>4. The emphasis is on a full and positive utilization of HR (Bratton &amp; Gold, 2003)</td>
</tr>
</tbody>
</table>

2. *Key-researchers*

Supplementary to the above, a further reference could be the work of three researchers whose work has already been referenced in the literature review multiple times. The differences among PM and HRM as Legge (1995), Bratton and Gold (2003) and Armstrong (2006) quoted are presented in Table 3:

Table 3: Differences among HRM and PM based on key-researchers, source: own

<table>
<thead>
<tr>
<th>AUTHOR</th>
<th>STATEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legge  (1995)</td>
<td>1. PM is the activity primary aimed at non-managers; meanwhile HRM is less clearly focused, but is certainly concerned more with the managerial staff.</td>
</tr>
<tr>
<td></td>
<td>2. HRM is much more of an integrated line management activity, whereas PM seeks to make influence to line management.</td>
</tr>
</tbody>
</table>
3. **Armstrong’s viewpoint of HRM vs. PM**

Based on Table 3, Armstrong’s viewpoint provided stimulus for further elaboration on his core points.

---

1. HRM is, at least in theory, integrated into strategic planning.

2. HRM highlights the significance of the psychological contract.

3. HRM paradigm explicitly underlines the importance of learning in the workplace.

4. HRM has overall focused on the individual and the way how individuals can be managed in order to achieve both individual and organizational goals.

5. HRM is characterized by proactive nature.

6. Three of five of the HRM models make an explicit reference to performance outcomes and one inclusively claim for HRM is that if organization adopts HRM approach, its financial results will improve.

---

**Bratton & Gold (2003)**

3. HRM highlights the relevance of senior management’s management of culture, whereas PM has been rather suspicious of organizational development and related unilateral, social-psychologically oriented ideas.

---

**Armstrong (2006)**

1. HRM treats employees as an asset and not costs.

2. HRM places more emphasis on strategic fit and integration.

3. HRM is based on a management and business oriented philosophy.

4. HRM attaches more importance to the management of culture and the achievement of commitment (mutuality).

5. HRM places greater emphasis on the role of line managers as the implementers of HR policies.

6. HRM is a holistic approach concerned with the total interests of the business – the interests of the members of the organization are recognized but subordinated to those of the enterprise.

7. HR specialists are expected to be business partners rather than personnel administrators.
Firstly, the point that HRM treats employees as assets and not costs can be based on the opinion that sustainable competitive advantage does lie in the HR which is evident through statements such as: “HR are valuable “ (Legge, 1995 as cited in Bratton and Gold, 1999), “people and their collective skills, abilities and experience, coupled with their ability to deploy these in the interests of the employing organization, are now recognized as making a significant contribution to organizational success” (Armstrong, 2006) and that “HR are key to the success” (Clarke, 2011 as cited in Savaneviciene and Stankeviciute, 2013).

Secondly, Armstrong treats the strategic nature of HRM as its most important trait, which flows from top management’s vision and leadership and demands the commitment of people to it. Guest (1987) also stresses that “If HR can be integrated into strategic plans, if HR policies cohere, if line managers have internalized the importance of HR and this is reflected in their behaviour and if employees identify with the company, then the company’s strategic plans are likely to be more successfully implemented”.

Thirdly, HRM is described as a central, senior-management driven strategic activity and as Guest (1991) quotes “HRM is too important to be left to personnel managers”. Legge (1995) also acknowledges that HRM policies are adopted to boost and drive business values. Moreover, Armstrong’s fourth point, stresses that HRM promotes mutual goals, mutual influence, mutual respect, mutual rewards and mutual responsibility. Macky and Boxall (2007) stated that committed workers not only identify psychologically with the employer and feel stronger attachment to the organization, but they are also more likely to expend discretionary effort towards achieving organizational results. According to Karami et al. (2004), increased commitment means better communication between employees and managers and employees who are committed to an organization exhibit a greater volume of positive extra-role behaviour (Wright, Gardner & Moynihan, 2003).

The final points Armstrong stresses as differences, refer to the importance of the line managers’ role, HRM’s holistic approach and the treatment of HR specialists. Regarding the first one, HR practices “are brought to life” (Purcell et al., 2007) by line managers who may not act as “robotic conformists” (Harney & Jordan, 2008 as cited in Savaneviciene and Stankeviciute, 2013); HRM should be best examined as a
holistic approach where people in organizations share the same goals and work as members of one team. Finally, both HR and line managers should be partners in strategy formulation process, and try to encourage and manage the discussion on how organization can perform and be run in a more efficient and successful manner (Armstrong, 2006).

4. Guest’s approach of HRM vs. PM

A final approach is Guest’s (1987) estimation on the matter. The researcher was able to retrieve Table 4 that depicts the “ideal types” of PM and HRM, adapted and developed by Henderson (2011), based on Guest’s work:

Table 4: Guest’s approach of HRM vs. PM, source: Iain Henderson, CIPD, 2011, p.16. Available at http://www.cipd.co.uk/NR/rdonlyres/29D9D26D-83CE-4E76-96C6-EB7AF02B109E/0/9781843982654_sc.pdf [Accessed 1 July 2014]

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>PM</th>
<th>HRM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic nature</strong></td>
<td>Predominantly dealing with day-to-day issues</td>
<td>Dealing with day-to-day issues; but proactive in nature and integrated with other management functions</td>
</tr>
<tr>
<td></td>
<td>Ad-hoc and reactive in nature: a short-term perspective rather than strategic</td>
<td>A deliberately long-term, strategic view of human resources</td>
</tr>
<tr>
<td><strong>Psychological Contract</strong></td>
<td>Based on compliance on the part of the employee</td>
<td>Based on seeking willing commitment of the employee</td>
</tr>
<tr>
<td><strong>Job design</strong></td>
<td>Typically Taylorist/Fordist</td>
<td>Typically team-based</td>
</tr>
<tr>
<td><strong>Organizational structure</strong></td>
<td>Hierarchical</td>
<td>Flexible with core of key employees surrounded by peripheral shells</td>
</tr>
<tr>
<td></td>
<td>Tendency to vertical integration</td>
<td>High degree of outsourcing</td>
</tr>
<tr>
<td><strong>Remuneration</strong></td>
<td>Collective base rates</td>
<td>Market-based</td>
</tr>
<tr>
<td></td>
<td>“pay by position”</td>
<td>Individual and/or team performance</td>
</tr>
<tr>
<td></td>
<td>Any additional bonuses linked to Taylorist work systems</td>
<td>“Pay for contribution”</td>
</tr>
<tr>
<td><strong>Recruitment</strong></td>
<td>Sophisticated recruitment practices for senior staff only</td>
<td>Sophisticated recruitment for all employees</td>
</tr>
<tr>
<td></td>
<td>Strong reliance on external local labour</td>
<td>Strong internal labour market for core employees. Greater reliance on</td>
</tr>
<tr>
<td>Training/development</td>
<td>market for most recruitment</td>
<td>external labour market for non-core employees</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>▪ Limited and usually restricted to training non-managerial employees. Narrowly job-related. Management development limited to top executives and fast-track candidates</td>
<td>▪ Transformed into a learning and development philosophy transcending job-related training. An ongoing developmental role for all core employees including non-management. Strong emphasis on management and leadership development</td>
<td></td>
</tr>
<tr>
<td>Employee relations perspective</td>
<td>▪ Pluralistic: collectivistic; low trust</td>
<td>▪ A learning organization culture</td>
</tr>
<tr>
<td>Organization of the function</td>
<td>▪ Specialist/professional</td>
<td>▪ Unilateral; individualistic; high trust</td>
</tr>
<tr>
<td></td>
<td>▪ Separated from line management</td>
<td>▪ Largely integrated into line management for day-to-day HR issues</td>
</tr>
<tr>
<td></td>
<td>▪ Bureaucratic and centralized</td>
<td>▪ Specialist HR group to advise and create HR policy</td>
</tr>
<tr>
<td>Welfare role</td>
<td>▪ Residual expectations</td>
<td>▪ No explicit welfare role</td>
</tr>
<tr>
<td>Criteria for success of the function</td>
<td>▪ Minimizing cost of HR</td>
<td>▪ Control of HR costs, but also maximum utilization of HR over the long term</td>
</tr>
</tbody>
</table>

Elaborating on Table 4, one could say that regarding the strategic nature of HRM, the traditional PM practices focused more on “fire-fighting, (i.e. dealing with immediate problems such as urgent staff shortages or industrial issues) rather than treating people management matters in a long-term and strategic manner. It should also be noted that this strategic trait of HRM is aligned to the organization’s overall strategy, its goals, aspirations and overall culture.

The psychological contract, should not be confused with the legal contracts of employment, regarding the terms and conditions of the employment relationships. It is best described by Armstrong (2006, p.297) as:

“The psychological contract expresses the combination of beliefs held by an individual and his or her employer about what they expect from one another”.

[21]
It is expected that the existence of such a contract is infinite among an employer and an employee, and Guest (1996) concludes that:

“a positive psychological contract is worth taking seriously because it is strongly linked to higher commitment to the organization, higher employee satisfaction and better employee relations”.

The traditional PM model suggests that the true essence of the psychological contract is compliance (the employee must do what he/she is told). Management’s role is to define in clear terms what is exactly expected from the employees and enforce at least minimal compliance. The HRM model is based on employees showing positive and willing signs of commitment; since more is expected from employees, management is unable to define exactly what the requirements are, and therefore, employees must use their own judgment and initiative to a much greater extent compared to the past and try to upgrade their skills and knowledge.

*Job design* is also related to the system of compliance and strict direction imposed upon employees by management as the PM model supports. On the other hand, HRM tries to encourage workers to use self-control in matters of work and organizational discipline, opposing to the compliance sought in the Taylorist organizational culture (low degree of autonomy workers).

*Organizational structure* in the HRM model is expected to be less hierarchical and more flexible so as to reflect the higher-commitment working. Fewer management levels and teams working as the “organizational building-block” are supplementary traits to the organizational structures. On the contrary, PM dictates hierarchical, pyramid-shaped and bureaucratic organizations.

*Remuneration* is associated with long pay scales featured with the hierarchical organizational structure, reflecting length of service rather than current contribution, according to the PM model. Pay structures are agreed via collective bargaining, particularly for non-managerial employees. The HRM approach on the matter is more focused on rewarding contribution and is likely to be individualistic or team-based. This implies the use of both performance management and appraisals, and the setting of base rates from the market rather than by means of collective agreements.
Recruitment involves a set of techniques such as the use of psychometric testing, psychological profiling and assessment centers to recruit and select senior executive employees, while simpler and less costly techniques may be used for non-managerial employment. Both the HRM and PM models may use the same methods but the difference lies that through the HRM approach, these methods apply to all employees or at least the core ones while in the PM model, employees are categorized to white (core) and blue (peripheral) collar.

Training and development are both neglected when employees are considered a cost (that should be minimized) and that is the typical position in the PM paradigm. A typical example proving what is supported is the research of two UK academics, Iain Mangham and Mick Silver in the mid 1980s. They surveyed management development functions and reported a surprisingly high proportion of firms which seemed to do no management training at all, based on the notion that “We only employ managers who can do the job” (Mangham and Silver, 1986 as cited in Henderson, 2011). The HRM approach integrates all-level employees to a continuous development process since they are all considered the originators and possessors of the organization’s strategic competencies vital for sustainable competitive advantage.

Employee relations perspective can be divided into two categories: (i) the individualistic approach and (ii) the collective one. The PM model follows the latter, treating all employees the same and encouraging a standard scale of performance whereas, HRM has a unilateral nature which can be reflected in the absence for example, of trade unions and the introduction of performance-related rewards systems.

The organization of the function differs rather substantially in both models. The HRM model professes that the specialist HR departments should be small and highly specialized and their function is to: 1. formulate HR policies and 2. act as internal consultants to line managers. Therefore, the line managers should only seek consultancy from the HR specialists in difficult to handle situations, as they are expected to implement most of the HR policy. People management becomes just a

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8 “Paradigm” is a term that was popularized by Thomas Kuhn in his study of scientific revolutions and has become widely used in the social sciences. Kuhn defined it as “the entire castellation of beliefs, values, techniques, and so on shared by the members of a given community” (Henderson, 2011)
part of normal management essentially, at least in its day-to-day aspects. The PM model on the other hand, tends to favour the creation and maintenance of large, rather bureaucratic, personnel departments since dealing with employee relations issues is considered separate from line management.

Welfare role is not included in the notion of the HRM model but it is involved in the PM notion, under the perception that PM’s primary objective is to reduce and control labour costs.

Finally, the criteria for success (i.e. how the organization judges the performance of the people management function) are also differentiated in the sense that PM will consider effective the function that minimizes unit labour costs while, HRM focuses on how well the people management function manages to maximize the use of the organization’s HR (by still maintaining proper control on expenses).
CHAPTER 3: RESEARCH METHODOLOGY

In the researcher’s effort to try and analyze the behaviour of the Hellenic firms in terms of HRM’s issues versus PM’s practices, data was collected using the interview method. A questionnaire was developed based on the literature review chapter and on the theoretical framework built for both HRM and PM; the aim was to expose the practices and policies Hellenic HR departments follow in practice and discuss whether HRM has been incorporated into the Hellenic business reality. The questionnaire was originally made in English and then translated into Greek for the interviews’ sake. The questions focused on the HRM practices and there were a few hints regarding PM policies. Since HRM practices often differ between occupational groups (Bae et al., 1998 as cited in Myloni, Harzing and Mirza, 2006), the researcher chose to focus on a relatively narrow category of jobs, HR professionals only.

3.1 The qualitative approach versus the quantitative one

According to Silverman (1999), the qualitative research can provide a deeper understanding of social and environmental phenomena, rather than quantitative data. It seems that quantitative approaches are more about what is contained in the research, whereas qualitative approaches are focused on an insight into the deeper question of “why” (Williams and Gunter, 2005). Qualitative researchers believe that they can get closer to the correspondents’ perspectives by using detailed interviews and observations, and they tend to think that rich descriptions are valuable, while quantitative researchers are less concerned with such descriptions (Naslund, 2002).

On the other hand, Symon and Cassell (2006) argue that qualitative approaches in research have difficulties in analyzing and interpreting data. It is sometimes difficult for the researchers to control the time frame of the research and the responses may produce low credibility for the results. These issues depend on the type and personality of the selected respondents, because a qualitative approach is gathering information from people in a direct manner. Qualitative approaches also inevitably have some barriers in the research process; the careful consideration and recognition of various business positions and environment can help the research proceed more effectively and efficiently (Cassell, Symon, Buehring & Johnson, 2006). Adding to these limitations, one can comment that the researchers must try to retain a high level
of objectivity so as to neither lead the interviewees to the desired answers, nor to interpret the results in the desired manner.

Comparing qualitative to quantitative techniques, one could support that quantitative research methods are numerically and statistically focused on logical positivism and they aim to test hypotheses. Therefore quantitative approaches emphasize strongly on methodology, procedure and statistics. They can be implemented rather quickly and economically once the sample size is determined and the questionnaire designed. However, since they are mostly statistical, they have certain limitations when it comes to potential changes and future actions. It is also argued that a quantitative approach relies on measuring and analyzing statistical data so as to determine the relationships among a group of data with another (Eldabi, Irani, Paul & Love, 2002).

So far, nobody has managed to establish that only one of those two methods is the best to successfully implement research studies. It seems that both of them have their benefits and potential drawbacks and it is left up to the researcher to decide which method to follow, bearing in mind the nature of the research problem and its research aim and objectives (Given, 2006).

3.2 The researcher’s choice: Interviews for data collection

Interviews can be characterized by concepts of information, communication and control (Zouwen & Smit, 2005) and the information collected can support the research in a more in-depth way (Bryman & Cassell, 2006). For this paper’s research problem, this qualitative approach was used because compared to quantitative research, it gives room for flexibility (that is, the researcher is allowed easily enough to raise questions related to how and why), and open-ended questions have the ability to evoke responses that are rich and explanatory in nature, unanticipated by the researcher, meaningful and culturally salient to the participant. Plus, interviews provide information about the “human” side of the issues examined (i.e. often contradictory behaviours, beliefs, opinions, emotions and relationships of individuals) which is the key-element to expose in this thesis’ research.

Online, personal and via telephone structured interviews were arranged so as to suit both the interviewees and the researcher’s schedule. All but one interviews were recorded with the respondents’ agreement and the conversations were translated into
English so as to be included in the Appendix (Part B) of this paper. The data collection process lasted three months (July-September 2014) and six interviews were managed to be conducted. Interviews lasted about thirty to forty-five minutes each time and the interviewees were asked nineteen questions, which were separated into two parts and three different sections; the first part included two introductory questions and the second part was divided into three sections; the first section included questions regarding the strategic nature of the HR department within the organization, the second section focused on the organization of the HR department’s functions and the third one, concentrated on the employment relationship perspective. The entire interview process was carried out with mutual respect and trust.

3.3 Ethical Considerations

Awareness of ethic issues is significant in order to avoid any problems and difficulties in the research process. The respondents’ names are not mentioned in this paper; what is included though, is the name of the company they work for and their official job title. Finally, the raw data from the interviews are safely stored in the researcher’s private files and are meant to be strictly used only for the purposes of this thesis.
CHAPTER 4: DATA ANALYSIS & DISCUSSION

Research has proved that there is generally quite a gap between theory and practice in the field of HRM. The usual case is for managers to start with good intentions but realize the difficulties of implementation due to other business priorities, short-termism, lack of support from line managers, an inadequate infrastructure of supporting processes, lack of resources, resistance to change and lack of trust (Armstrong, 2006, p.8). In this paper’s case, both the findings’ presentation and interpretation will unfold the HRM policies of several Hellenic businesses related to the strategic nature of their HR departments, their organizational structure and the employee relations’ perspective.

4.1 The strategic nature of HR departments

To begin with, all interviewees claimed that their firms’ HR departments are mainly responsible for managing selection, recruitment, training, hiring - firing, and payroll issues. Therefore, HR departments are involved in the decision making process as long as it reflects to identifying the need of hiring and then proceeding on selection from the available CV databases or partners’ and current employees’ recommendations. As the HR Generalist in the BOUTARIS WINERIES S.A. puts it:

“(...) the right selection of staff is also strategic because if it is not right then that will prove costly for the company; there is interaction in the corporate strategy but perhaps, not to the most preferable extent and not in all departments”.

Purely strategically, the HR departments participate in the corporate strategy’s formation but their role is limited since at times of financial constraints when every single cost is being calculated cautiously, other line managers opinions’ (such as in the Sales and Finance departments) are mostly heard. Therefore, selection and recruitment are the HR departments’ main strategic tasks along with some extent of evaluation that was mostly referred by the HR manager in IANOS:

“(...) staff evaluation twice per year through questionnaires and during employees’ work on a frequent basis. (...)I am actively engaged in the process of evaluation by monitoring employees in action”.

[28]
It is a rather PM’s trait for the top management to have full power and authority in decision-making, since HRM advocates the decentralization of power, from top management to middle and lower management groups. As long as HR issues are concerned, the firm’s HR administration should have the final say and should play its strategic role more dynamically.

Another strategic aspect of HR departments should focus on the firm’s mission, vision and values. The research indicated that businesses’ values are reflected to the staff through frequent communication both with HR and line managers as the HR manager in INTERLIFE Insurance Company admits:

“The company’s business values and corporate philosophy is enhanced to its employees through the everyday interaction both with myself and line managers. Our training programme is also designed to transfer those values to our employees”.

All interviewees consider the company’ staff as an asset to the business and invest in training sessions so as to fully integrate employees with the firm’s requirements and philosophy. This is mainly why HR managers consider their departments vital to their firms’ future growth and development since they all stress that appropriate selection and investment on the firm’s HR may lead to increased productivity and profitability. However, they have all admitted that training is a standard procedure that takes place at the beginning of employment and is rarely enriched by more training sessions throughout the working relations with the staff. HRM is not or at least should not be focused on the training needs of organizations; that is how PM used to do the job. It should be focused on the training requirements of its employees and adjust to them.

Moreover, selection is indeed a critical matter to handle and due to the high levels of family/in-group orientation (Myloni, Harzing and Mirza, 2006, p.14) noticed in the Hellenic working environment, it is expected for Hellenic firms to show a preference for recruiting people they already know and trust; the research indicated that HR managers and CEOs are influenced by recommendations coming from their trusted partners or current employees. However, this might minimize objectivity in selection processes. As the HR manager in HELLAS GOLD S.A. states:

“We use our CV database that is too large; it consists of 7,500 CVs and unfortunately we do not possess any programme to help us manage it but we use excel sheets. As
said previously, we are strongly affected by the recommendations we receive since we
have certain commitments to the municipality of Aristotelis and to the local society. I
am sure you have heard the news regarding the past two years and the difficulties we
are facing with the locals”.

What is interesting to comment regarding this specific organization is that due to the
lack of an existing HR department for decades now (the last year and a half they have
managed to establish one), low-level administrative employees and technical workers
were hired without proper education or training for the duties they were assigned for.
Particularly due to inefficiencies in performance and inappropriate behaviour of
several workers, the organization is now trying to enhance training and information
systems and reassure professionalism and integrity by all its employees. As the HR
manager of the firm comments:

“This department started being organized over the last and a half year that I began
being employed. Its existence itself signals a change in inner policies of the
organization. We aim to strengthen the organization’s functions so as to improve
efficiency; we also organize a movement against drugs and alcohol and inform trade
unions about it so as to subdue several incidents we had recently with our staff”.

Overall, HR departments seem to concentrate on rather administrative functions and
lack concentration on the human factor and its needs. To clarify the meaning of
strategy within an HR department, it is obvious enough that dealing with pay and
ratios –hiring, firing, benefits and pensions- is a rather bureaucratic role full of
operational functions. It used to be called Personnel department and did exactly the
same job. An HR department should focus on the welfare of its employees and hold a
“seat on the table” where critical decisions are made. The essence of HRM lies in
forecasting organizational needs, continual monitoring and adjustment of personnel
systems to meet current and future requirements, and the management of change
(IQPC, 2006).

4.2 The organization of the HR departments’ functions

In almost all cases included in this paper (except KLEEMANN S.A.), HR
departments are rather small, consisting of one or two people and/or secretarial
support. Interviewees’ responses regarding the effectiveness of such minimized
departments were positive, considering the current financial situation in the market. Furthermore, only two out of the six interviewees have participated on HR seminars or have studies on the field which might be indicative of the fact that lack of knowledge or information may leave managers with old school’s perceptions on the running of HR departments.

In all examined organizations, employees’ roles are predefined and official through job descriptions that HR departments have composed. Some flexibility is also permitted but only to the extent that speeds up inner procedures or helps other employees’ to perform their tasks. As the HR Generalist from BOUTARIS WINERIES S.A. states:

“Employees’ roles are official and predefined through job descriptions that my department has composed; however, the family atmosphere creates flexibility and we do help each other and become involved in different management fields”.

Hierarchy is mostly appreciated when it comes to decision making, even though all HR managers agree that employees’ opinion is often asked but in a consultative manner. It should also be considered at this point that this attitude is simply a reflection of the high power distance and respect for authority that is noticed in the Hellenic society (Myloni, Harzing and Mirza, 2006, p. 23). How can an organization learn its wrong-doings though? Customers’ feedback is usually number one on the list of answers here, but employees should be equally appreciated. And if HR isn’t trusted, the organization will firstly fail to learn what is doing wrong and then suffer damage in its longer-term productivity since it will not get the best out of staff.

Finally, regarding performance standards, the positive relationship between high performance HRM policies and organizational performance has been reported by several studies over the last decades (Delaney and Huselid, 1996; MacDuffie, 1995). The organizations seem to follow a rather individualistic attitude since they all agree that there is no homeostasis among employees’ skills; everyone is different in terms of abilities and his/her performance is influenced accordingly. The key-issue is that we cannot all achieve the same things and to the same extent; performance standards should therefore exist to set a minimum reference point of performance but maximum performance varies from one employee to another. That seems to be well understood by the organizations involved in this research. However, what should be also stressed
regarding performance’s evaluation is that the HRM approach supports a more proactive and comprehensive performance management system that aims to correct rather than make a report card of past performance. On the contrary, the PM approach is focused on a more reactive performance appraisal process that aims to reward employees with the highest performance. Almost all interviewees support that help is indeed offered when employees need it but records on performances must be kept so as to facilitate development and appraisal.

4.3 The employment relationships’ perspective

One of the fundamental differences among HRM and PM is the individualistic scope of HRM when it comes to employment terms. It is a rather flexible approach that allows employees to choose various ways to establish their relationship with their employer. For instance, HRM allows the management’s flexibility over working hours, work from home policies and the creation of “open-contract” systems; HRM provides employees’ the opportunity and freedom to select any type of working system that can suit them and at the same time, benefit the organization as well. It is what Drucker (1985) calls a “win-win” approach by everyone. However, the majority of the examined Hellenic HR departments seem to lack provision on the matter and follow the traditional PM approach, as the HR manager in INTERLIFE Insurance Company states:

“There are confidentiality contracts that all employees sign when they enter our business. Other than that, there is no other provision of the firm towards its employees regarding individualized terms of employment”.

Moreover, PM plays a merely operational role, focused on functions such as manpower planning, recruitment, job analysis, job evaluation, payroll administration, performance appraisals, labour law compliance and training administration; HRM on the other hand, may include these activities, plus several organizational developmental ones, such as leadership, motivation, communication of shared values and developing organizational culture. In other words, HRM prefers to go by the spirit of the contract instead of the letter of the contract, by promoting organizational goals, mission and values and maintaining a rather intolerant attitude towards rules and regulations. Potential motivators in the HRM philosophy might be work challenges, team work and creativity, while improved performance is held as the driver of
employee satisfaction. Therefore, agreement on monthly salaries and the desirable working timetable set by the organization does not entirely apply to the HRM philosophy. As the HR assistant in **METLIFE Insurance Multinational** describes:

“(…) all employees have individualistic contract terms according to the Hellenic labour legislation that reflect their working hours and monthly salaries. We follow the pre-designed financial frameworks and timetables as fixed by our organization and of course according to the Hellenic labour legislation”.

Moreover, Personnel departments usually strive to reconcile the workforce’s aspirations with the management’s views, using institutional means such as collective bargaining and trade unions. That is how similar working conditions are formed and apply for everyone, instead of them being aligned with the corporate culture of each organization. PM does not deal with each employee independently but usually composes rigid job descriptions with many grades and a fixed promotion policy, usually based on seniority and performance appraisal ratings; conversely, HRM follows fewer ranking policies, with broadly defined job duties, providing much scope for applying creativity and initiative, and key-drivers of career advancement the individual’s skills, talent and commitment. The limited insight over the establishment of employment relations provokes great worries on the reasons why today’s organizations are still being run by past traditional perceptions.

Question fifteen in the questionnaire aimed to summarize HR departments’ role and draw the line between the developmental and the operational traits it should have. A rather encouraging answer was the one by the HR Generalist in **KLEEMANN S.A.**:

“The developmental ones are the Performance and Development management, career planning and the encouragement to all our employees towards “ideas’ creation”; we really want our staff to express itself freely to suggest improvement-ideas for our inner procedures. The administrative ones could be payroll management, health and security, counseling to all administration-levels and support”.

It is important to mention here that this is the only organization compared to the rest included in the research whose HR department is quite big and well-organized by separating HR employees to several graduations (HR Manager, HR Generalist, HR Specialist, Junior HR Specialist and HR Assistant), and stressed during the interview
the terms training, career planning, love for the human and the job, employee satisfaction and development management.

Regarding recruitment and selection all HR managers questioned agree that technology has helped them tremendously by posting online job vacancies and enlarging their CV databases. Surely, the Hellenic culture that is based on trust makes them give credit to recommendations they receive from partners and/or their current workforce; however, they all stress that this is a dangerous policy to go as far as objectivity is concerned and criteria should be set. Also, regarding reward and recognition policies, HRM tends to reward skills and commitment and is designed so that employees’ satisfaction on the management functions moves them towards maximizing their performance. The additional encouraging news here is that all HR managers talked about materialistic (mainly) rewards that do signify administration’s care over the matter. Finally, HRM dictates the creation of organizations that respond to their employees’ training needs, instead of simply designing entry-level training programmes similar for all employees. If job rotation process that applies only to **BOUTARIS WINERIES S.A.**, **KLEEMANN S.A.** and **IANOS** is redacted, the rest of the participated firms neglect involving their employees to work related issues; as **IANOS**’s HR manager comments:

“There is some sort of job rotation in different departments among our stores and indifferent stores so that all employees are involved in different stages of our processes and keep them excited”.

Finally, when the issues of commitment and staff engagement were stressed, the interviewees presented a rather vague idea of practices followed since they mostly think of those issues to be handled through daily communication and interaction with themselves and line managers. As the HR Generalist in **BOUTARIS WINERIES S.A.** underlines:

“(…) employees are always free to express themselves if they feel that they have an innovative idea that could prove profitable for the business or would simplify several inner procedures. They are allowed to express themselves by all means but not act independently. Those ideas are usually transferred to top management, are discussed and then decisions are made. To put it simply, employees may freely express themselves about our running policies but in a consultative manner”.
When there is so much respect and compliance to the highest authority, there is always the danger of leaving employees feeling unappreciated for their opinions and not acknowledged for their ideas at all. Great suggestions can also come from subsidiary-level employees and they should be heard through the strong communication channels that HR professionals should have built among top management and employees.

4.4 Results’ correlation with the original hypotheses

Going back to the original hypotheses made in Introduction, the findings of the research are to be compared so as to reach conclusions on the following chapter. Each hypothesis is once again stated and commented based on the interpretation above.

_Hypothesis 1: HRM is an evolutionary concept compared to PM._

People Management functions have undergone many changes over the years since circumstances in the global market are constantly upgraded; new HR visions are formulated, innovative HR strategies implemented, new theories to improve HR functions are formed, advanced HR information systems installed, HR structures redesigned and HR processes reengineered (Yeung et al., 1996). HR functions are being continuously improved so as to add higher value to their corporations. It is quite naïve to keep talking and practicing theory models that were beneficial in the 60 till 80s, when the global economy has surpassed itself by implementing revolutionary technologies and having availability on a highly educated workforce. In other words, denying the traditionalism of PM and refusing to accept the new era on people management functions, is a blindfold way to run businesses in the modern market.

_Hypothesis 2: Hellenic firms adhere to the traditional PM policies and do not implement HRM practices._

The included sample in this thesis proved that HR departments might have all the right intentions but find obstacles in implementation stages. Considering the current situation in the Hellenic economy, top management tends to direct HR managers’ attention towards operational functions which leads the researcher to the assertion that it is still all about PM policies in the Hellenic working environment.
Hypothesis 3: HR departments do not form HR strategies that are incorporated with corporate strategy.

Either HR managers are not given the appropriate authority so as to form HR strategies that go hand-to-hand with the corporate ones or they lack in stamina to claim such an authority. It has always been questioned whether HR managers should hold “a seat on the table” and it is HRM’s primary principle that they should.

Hypothesis 4: HR departments’ organization of functions is operational-focused rather than developmental.

Considering the financial constraints all organizations face, whether Hellenic or not, it is understandable to observe limited training and development programmes. HRM does not narrow itself to entry-level training sessions, but promotes the idea of employees’ needs for training as the core basis of training design. HRM is also burdened with further roles such as Career Management, Industrial Relations and Information Management.

Hypothesis 5: HR departments do not show any provision on building employment relationships on individualistic terms.

Managing all employees in a similar way may establish a fair and unbiased work climate but it may not serve making employees feel special and appreciated for their uniqueness. Everyone differs not only in terms of skills, knowledge and abilities but also, as far as other personal obligations are concerned. It is entirely justifiable for performance to be greatly affected by employees’ personal traits and if maximizing performance is the key for greater success or profitability then perhaps organizations should be the ones adjusting to the workforce’s requirements than the other way around. For instance, there should be provision for those that might be more productive working on an unorthodox timetable (for example working late at night) or working from home. As we move towards modernism, we should not forget that people’s professional requirements evolve and the approach of managing them should evolve too.
CHAPTER 5: CONCLUSION

The role of HRM in contemporary organizations has grasped the attention for the past years, with the HRM value being extenuating by both academics and practitioners. HRM is not only known by its solely administrative functions, but also by its concern for organizational strategy and the skills and competencies required to perform that strategy. The distinction in the chosen terminology is based purely on the definitions and practical implications of PM and HRM. The literature review chapter points its fingers at those differences by extracting PM as an administrative recordkeeping function, at the operational level, which attempts to maintain fair terms and conditions of employment and simultaneously, efficiently manages personnel activities for individual departments. In PM, organizational success is also assumed to be attained by providing justice and achieving efficiency in the personnel activities’ management.

HRM’s main focus on the other hand, lies on developing and implementing people strategies, which are integrated with the corporate strategy; it also expands its content by ensuring that the culture, values and structure of the organization, and the quality, motivation and commitment of its members contribute fully to the attainment of its goals. Simply put, both terms may share the same functional operations, such as HR planning, job analysis, recruitment and selection, employee relations, performance management, employee appraisals, compensation management, training and development; however, the HRM approach performs these functions in a qualitatively distinct way (Storey, 1993; IQPC, 2006) in comparison to PM.

The HR departments involved in the research admitted their functional role and therefore, substantiated themselves from the HRM philosophy. Furthermore, they share a rather blindfold point of view with regards to employees’ needs and requirements, by concentrating their efforts on simply “getting the job done”, instead of investing both in terms of financial and mental means on “how to get the job done in excellent quality, with a minimized cost and the use of the least of available resources through my workforce”.

The encouraging news however, is that HR departments are small and aligned to counseling line managers and facilitating communication among staff; they also perceive that performance standards should be set on an individualistic basis and employees are treated as assets rather than costs.
5.1 Recommendations

Relatively to today’s CEOs, there are four main topics that seem to be highlighted: talent, leadership, strategy execution and managing change. One question easily raised is “How can HRM departments deliver value and help the organization deal with its greatest challenges?”

Starting from the developmental responsibilities of HR professionals, systematic job assignments, peer-learning networks, coaching and mentoring staff could prove a good start to expand the breadth and depth of knowledge. It is intriguing to note that learning through practice is easier (on-the-job development) compared to learning through formal training. Employees’ empowerment is another good way to go by increasing their involvement and participation in management functions and authority. HRM practices with an emphasis on self-actualization, self-control and self-regulation, the adoption of interdisciplinary groups, planned job rotation, delegation of responsibility and integration of functions will influence innovation performance positively (Laursen and Foss, 2003).

Secondly, working on motivation, job satisfaction and establishing individual relationships could be another goal that HR departments would set. As Ryan and Deci (2000) put it “the greater the extent to which an employee’s needs are satisfied at his job, the greater the extent to which he will respond, presumably with gratitude and/or loyalty, by producing effectively on that job”. Further, once an employee’s action is followed by a reward, the probability that the action will be repeated is increased. Employees can become ego-involved with their jobs, emotionally committed to doing them well and take pride from evidence that they are effective in furthering the objectives of the company (Ryan and Deci, 2000). Jobs should also be designed to be challenging and interesting, with flexible working practices and job design so that it benefits employees and allows them to balance their work with other aspects of their lives. As a reference point, HR professionals should have in mind that “effective performance can be a goal rather than a means to the attainment of some other goals” (Ryan and Deci, 2000). By providing employees the freedom to determine how to do the job and where to search for needed competencies, they will be eager to

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9 This approach rests upon what psychologists termed the Law of Effect or the Principle of Reinforcement
take up more challenging tasks, offer creative and innovative solutions and be more attentive to new ideas.

Finally, HR managers/professionals should claim the strategic authority they deserve and their roles and status should be repositioned within the minds of top management. They should be viewed as strategic partners, administrative experts, employee champions, change agents and resource people; their status should be raised as corporate system designers, corporate competency builders, corporate architects, corporate conscience keepers and corporate HR trustees (Tapomoy, 2006). To achieve changing top management's perceptions though, HR managers should possess specific qualities, both managerial and professional ones. The managerial qualities should include intelligence, conceptual clarity, analytical and motivational ability, emotional maturity, business acumen and professional integrity; the professional ones should focus on empathy, communication and human relation skills, knowledge, responsiveness, presentation and management of change of culture (Tapomoy, 2006, p. 23-24).

5.2 Limitations and future avenues for investigation

The study has limitations in the research process that include firstly, the limited response rate of the Personnel/HR professionals that participated in the research. There was an original effort to communicate with more than twenty-five Personnel/HR managers either of multinational companies with established branches in Hellas, or with local Hellenic firms; however, there were about ten replies that expressed willingness to collaborate but only six of them remained consistent to our predesigned appointments for the interviews.

Secondly, it would be rather beneficial to have included multiple respondents (other managers and employees at both top management and other subsidiary levels) so as to validate the reports of the HR professionals; unfortunately such an approach was not feasible.

Nonetheless, the findings could initiate a discussion on the reasons why Hellenic HR departments are mainly focused on the traditional PM policies by considering several factors, such as the Hellenic financial status and current conditions, the Hellenic culture and the educational background of the people involved in top management.
Perhaps, this discussion could also take the form of a research that will be focused on upgrading the Hellenic HR departments’ functions and aligning them more with the HRM philosophy. It could also stress the leverages of implementing HRM by focusing on the strategic HRM policies; as Drucker (1985) supports:

“To leverage its people, corporations must integrate HRM into its business strategy, aligning individual action to organizational objectives as the new mandate.”
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APPENDIX

PART A: THE INTERVIEWS’ QUESTIONNAIRE

Part 1: Introductory Information

1. What is your position (official job title) within the organization?

2. How many years of experience do you hold as part of the organization?

Part 2: HRM Practices & Policies

Section A. The Strategic nature of HR

3. Which are the main tasks top management has assigned to HR managers in the firm?

4. Is the HR department involved in the decision making process by top management? If not, please explain the reasons why.

5. Which people are usually involved in the formulation of corporate strategy? And based on which criteria are they chosen to participate in such a process (i.e. strategic planning)?

6. What would you say is the utility of the HR department to the firm’s operations and strategic goals?

7. How are organizational values reflected to the HR policies?

8. How would you characterize Human Resources’ treatment in your firm? As valued assets or as a variable cost?

9. Do you think HRM plays an extremely important role in your organization’s future?

Section B. The organization of the HR department’s function

10. How is the HR department organized? Do you think your organization has an effective HR department?

11. What is the overall educational background of the people employed in the firm’s HR department?
12. Regarding organizing principles:

i. Are employees’ roles defined/formal or are they flexible?

ii. Is there a hierarchical level of decisions? (i.e. are decisions made from superior managers or are subordinates involved in the decision making process?)

13. Regarding performance, does the firm invest in achieving some predefined standard of performance or encourages employees to achieve their own maximum level of performance? In what ways?

Section C. The employment relationship perspective


15. In all HR departments there are some administrative duties and some developmental ones. Can you clarify them both in your organization?

16. Can you describe your organization’s policies regarding:

i. Resourcing and retaining staff

ii. Reward and recognition

iii. Creating a learning organization

iv. high involvement work practices

17. Is commitment or staff engagement in the employment relationships pursued? In what ways?

18. What is the degree of responsibility, freedom and independence employees have?

19. What is the degree to which managers provide clear communication, assistance, and support to their subordinates?
PART B: THE INTERVIEWS’ TRANSCRIPTS

1. HR Manager
   HELLAS GOLD S.A.

1. I am an HR manager in the Kassandra mines.

2. I have been in this firm for one and half year but I have an overall experience of eight years on the field.

3. My department is mainly responsible for training-we are currently collaborating with Hay Group so as to compose an annual training programme-, recruitment and selection, interviewing by firstly indentifying the job vacancy and then proceeding on short-listing and incorporating line managers to the interview process; Our role in the interviews is basically consultative to the line managers. We also evaluate applications of our workforce towards our “housing” policy (we offer houses to employees that have no permanent roof to stay or are not locals) and of course, we manage payroll along with our central offices in Athens and work on disciplinary procedures related to the labour legislation.

4. It is indeed engaged but in a consultative manner; the decisions are mainly made from the following parties: a. the CEO, b. the Deputy CEO, c. the Head of Operations and d. the Chief HR Manager in Hellas.

5. I am not entirely sure who sits on the “strategic table”;

6. However, I can comment that the strategy formation belongs to the central offices of Vancouver where the parent company is established (ElDorado Gold). My department receives the strategic goals and then advises the line managers on how to attain them, if advice is needed.

7. This department started being organized over the last and a half year that I began being employed. Its existence itself signals a change in inner policies of the organization. We aim to strengthen then organization’s functions so as to improve efficiency; we also organize a movement against drugs and alcohol and inform trade unions about it so as to subdue several incidents we had recently with our staff. As a department I am also asked to support other departments in the formation of their plans.
8. Our people are treated as assets to us and there was never a firing policy; considering that the organization has changed its highest authority three times so far, that is remarkable to say the least. We also have several commitments towards the Municipality of Aristotelis, therefore our hands are quite tight.

9. Yes, particularly in another region close by, in Skouries that will need new staff and offer more employment opportunities to the local society.

10. There is a central HR office in Athens but here in Halkidiki, there is the HR manager in the Kassandra mines (myself) with three employees helping in the secretarial duties; there are also two people in the Black Stones (one of whom is an internship) and in Olympiada, and one person in Skouries.

11. Studies on the Finance and Business Administration field; both bachelor degrees and technical schools’ certificates.

12. (i) This year we decided to work with Hay Group on composing job descriptions and positioning clarifications; there will also be a programme related to the organization’s new policies on training, development, evaluation and rewarding. (ii) Decisions are hierarchical in nature.

13. Each employee is treated individualistic regarding performance. Through Hay Group, we will have for the first time an established evaluation system that will run as a pilot programme at first.

14. There is a business contract that applies to the labour legislation.

15. Regarding developmental ones, we can include payroll management and the consultative support offered to line managers and their departments; the developmental ones could be training that is about to be established as a policy; we are discussing on making a separate training department that will train the entire staff from workers till administrative officers. Recruitment and selection, along with the new pilot programmes on performance and evaluation management could also be included.

16. (i) We use our CV database that is too large; it consists of 7,500 CVs and unfortunately we do not possess any programme to help us manage it but we use excel sheets. As said previously, we are strongly affected by the recommendations
we receive since we have certain commitments to the municipality of Aristotelis and to the local society. I am sure you have heard the news regarding the past two years and the difficulties we are facing with the locals. (ii) & (iv) those two questions could be answered in due time if we run the pilot programme with Hay Group first. (iii) I could mention on the training sessions that will take place in the near future but so far, there was no provision on the matter.

17. There is commitment but it is not based on the business’s practices but on other external factors here in the region. It is quite important to consider the local culture and the society’s values to fully have an image on what is really going on. It is something that words are not enough to describe.

18. The line managers are the ones that bear full responsibility in case of mistakes and errors; there is freedom for everyone to express himself and independence so as to make suggestions that could benefit us all after all.

19. My department tries really hard to establish strong communicational bonds among co-workers and top management with low-level employees. I believe that line managers share the same philosophy with their subordinates.

2. HR Generalist

KLEEMANN S.A.

1. I am an HR Generalist.

2. I have been working for eleven years at this position.

3. There are four main tasks the administration has set and those are: a. Payroll as far as insurance and retirement programmes are concerned, b. Performance and Development Management that consists of training sessions, talent management and composition of job descriptions, c. Career planning and Employee Relations which involve caring for smooth communication among all employees, establishing strong professional bonds among them and achieving employee’ satisfaction; finally, d. we manage health and security issues since according to the law there is the need to have a nurse and a doctor who visits our premises three times a week so as to check our workers’ health condition, manage blood donation issues and inform staff of the necessary hygiene rules during work.
4. Yes, it does to a great extent by influencing employees’ final selection, through our Benefits Department, establishing strong communication channels among staff and managing employment relations and of course, through performance management and evaluation that aims to increase the company’s productivity through its employees’ efficiency.

5. There is a team of ten to twelve people that are involved in corporate strategy’s formation. They could be referred as the leader-team of the firm and those are the Financial Managers, Each factory’s Director, the Commercial Administration, the head of Operations and of course, the HR manager.

6. I could say the staff development and its talents’ utilization first of all. Then the alignment of inner procedures with the corporate strategy, pay’s formulation, discovery of new and effective ways for HRM and taking care of the company’s long-term goals.

7. Our values revolve around love for the human and the job, health and safety, integrity, progress and innovation. Those values are passed on our staff through our programme of ideas’ statements, our inner working rules, our ethic code and the constant discussions of managers with lower-level employees. There are constant workshops and training seminars that help our staff evolve and simultaneously, improve employees’ performance and satisfaction.

8. We are firm that focuses on development through numbers but also development through people. Our employees are selected for a reason and are treated with the respect they deserve.

9. Yes, basically for the reasons I have already mentioned above.

10. The head of our department is the HR Manager and there are HR Generalists, HR Specialists, Junior HR Specialists and HR Assistants. When payroll issues are managed, there is a different model in hierarchy followed and that is the HR Manager, the HR Advisor and then, the HR Administrators that are mainly occupied with financial policies and procedures. I do believe that this model fits us all.
11. There are people with studies on the Finance and Business Administration fields, both from technical and higher educational institutions. Only two of them are master graduates.

12. (i) Employees’ roles are specific but duties and job positions are usually renewed every two years. Flexibility is needed and that is requested by top management. (ii) I could say both, since there have been many times that subsidiary-level employees’ helped top management reach decisions through their advice; but most of the times we follow a top-down approach.

13. To explain entirely how it goes, there are annual goals that each manager along with his department need to achieve. There is evaluation to everyone, from technical to administrative staff, opportunities are given so that all employees can unravel their skills and knowledge and development plans are formed according to our staff’s needs. There is a certain standard to reach but each individual sets his own standard of performance. There are no general limits to us, but only the limits each employee sets for himself.

14. Yes, we do provide that flexibility. Our organization is open to employees’ suggestions and takes into consideration everyone’s personal requirements. We also tend to favour friendliness among managers and subordinates so as to create a family atmosphere. We believe that the better we understand and respect each other, the more efficient we can become. For example, since our factory is located in Kilkis, there is frequently the need from employees that come from Thessaloniki to work some of the days of the week in our store in Neapoli, within the city and of course, that is allowed. Employees are also encouraged to work from home some days as well, if they feel that this makes them more productive; let alone, women that return from their maternity leaves.

15. The developmental ones are the Performance and Development management, career planning and the encouragement to all our employees towards “ideas’ creation”; we really want our staff to express itself freely to suggest improvement-ideas for our inner procedures. The administrative ones could be payroll management, health and security, counseling to all administration-levels and support.
16. (i) There is an organized CV database that we skim through when there are job vacancies; since 2003 that database is also kept electronically. We usually post online and inform our current employees on job availability. (ii) We do follow a rewarding system; for instance, I can mention bonuses to employees whose performance was exceptional or they managed to achieve the goals set by the administration. There is also recognition of past employment contracts, all aiming to satisfy our employees. (iii) Our training philosophy is based on the concept that when employees are noticed to have hard times adjusting or performing along with our guidelines, we make development and training plans so as to enrich their skills and abilities. We are a firm that specializes on elevators, therefore we employ mechanics primarily. They receive training as well that will later on, pass to new employees or they are trained to new technologies and products. (iv) I can think of job rotation, taking initiatives which is highly encouraged and recognition.

17. Commitment is attained through our training sessions, recognition, honesty among partners and open channels of communication. We aim at justice downsizes fear, insecurity and anger, and employees’ trust.

18. There are specific duties for everyone therefore, we are all responsible for certain procedures based on our ethic code and our encouragement towards creativity policies.

19. To a great extent through our meetings. We also have a model; we call it “breakthrough thinking” that succeeds in facilitating communication with all employees and helps us establish a family working environment.

3. HR Generalist

BOUTARIS WINERIES S.A.

1. I am an HR Generalist for the last two years.

2. I’ve been working for 6 and a half years in the business since 2008.

3. Basically, it is the listing of job descriptions along with the recent changes in labour law due to the economic crisis since there are many job positions that are left open due to retirements and the company does not fulfill them but tries to re-
change its structure through new job descriptions; evaluation, training based on employees’ and departments’ needs, right selection of staff, payroll and facilitating communication among employees and administration.

4. To some extent yes; it depends on issues related to human factor. Apart from hiring and firing employees, the right selection of staff is also strategic because if it is not right then that will prove costly for the company; there is interaction in the corporate strategy but perhaps, not to the most preferable extent and not in all departments.

5. I will refer to three departments; the Sales department that is usually the primary source of income for a firm so the Sales manager’s opinion is given lots of credit; the Production department where the quality of our products is generated and the Finance Manager since during this period of financial constraints, the tiniest cost is carefully calculated.

6. It is very important to have a very well structured HR department since it collects staff and if staff selection is right then all departments will be filled with appropriate employees that are effective and productive. To me, selection and further development of employees are extremely significant and those are HR functions. Then goes evaluation.

7. Generally speaking, the company tends to receive advice from low-level employees and tries to reinforce its family atmosphere in the working environment. We believe that there are the right people for the right position; therefore, we tend to further train employees so as to better adjust to the firm’s prerequisites instead of proceeding to firing or replacing him. Firing is hardly a choice for us really; if you ask our employees and external partners, you will hear that once you enter the business, you will depart in your retirement.

8. We invest in our personnel and our salesmen are our most valuable “assets”. Perhaps, this is not entirely fair to the rest of our employees but we consider our salesmen unique since most of the company’s income is generated by their work. We also tend to help our staff evolve academically by providing financial aid to those that wish to have master degrees.
9. Yes, it does since it stands as the bridge between employees and administration. Not all employees can refer for their issues or problems to top management. That’s when they come to the HR department which tries to transfer employees’ worries to top management for discussion.

10. Till recently, our department’s structure was not very effective. The last two years, we try to reorganize the department by appointing myself at the position of the HR Generalist and by employing an extra employee, by the title HR Assistant. This last contract was actually finalized this June. An official HR manager in not appointed; we directly mention our issues to the CEO, Boutaris Konstantinos.

11. We are both master graduates on the HR field; I hold a title from a Hellenic University and my other colleague (HR Assistant) is a master graduate from a British university.

12. (i) Employees’ roles are official and predefined through job descriptions that my department has composed; however, the family atmosphere creates flexibility and we do help each other and become involved in different management fields. (ii) We follow our hierarchy but if we are facing simple matters, then they can be resolved by simply taking employees’ advice or prepositions and discussing them with their managers. In such cases, those issues are rarely reported to top management. There is also a new system that we have recently applied regarding referring issues or problems. Employees can place a piece of paper on a mail box that we have placed within our premises, stating their problem and keeping their anonymity. They can of course report that problem to the HR department as well since we do not usually name those sources; it is another way for them to be anonymous as well. We are close to our employees and have our ears stretched.

13. There are employees that are reaching retirement and wish to distance themselves from inner procedures of maximum performance. On the other hand, there are also employees that are young and possess both the patience and courage to further develop themselves and maximize their efficiency. We follow a more conservative strategy when dealing with the first category of employees and a more proactive strategy regarding the second one. There may be some balance issues here but it all depends on each employee’s will. Therefore, we cannot individualize precisely in this matter.
14. There are individualistic contracts for sure. For instance, our salesmen are equipped with extra provisions such as a corporate car, mobile phone, notebook etc or people whose hiring was considered vital by top management and their employment contracts involved unique terms.

15. Regarding the developmental duties, I can talk about training sessions, evaluation processes, job rotation and seminars; regarding the administrative duties I can include the re-listing of existing job descriptions and the company’s policies, hiring, firing and payroll procedures and bureaucratic paperwork such as certificates of employment or fixing holidays’ timetables.

16. (i) We use our CV database created by online posts and recommendations from our current employees and other partners. It is not that frequent for our employees to make recommendations though, since they do not want to be exposed in case their recommendation does not prove effective. (ii) There are bonuses, educational trips, coverage of masters’ fees, payment increase and extra provision in a materialistic form. For example, we organize events and appraise our employees’ children for their achievements. (iii) and (iv) I have nothing more to comment.

17. Commitment does not take a written form in a contract or anything, but what we do is provide our employees with Christmas/Easter gifts for themselves and their families, or be very lenient regarding maternity leaves. We have also moved ad hoc according to our employees’ needs; for instance, one of our employees needed a monthly leave unexpectedly due to severe family issues and instead of providing that unpaid, we paid the employee’s salary on time as we do so.

18. There is a great deal of responsibility for all positions. Regarding freedom and flexibility, it may not be evident enough that there is someone to replace a position when it is empty on the organizational chart, but due to the new re-listing of job descriptions, replacements or even job rotations may take place so as to smoothen the firm’s overall running and employees are always free to express themselves if they feel that they have an innovative idea that could prove profitable for the business or would simplify several inner procedures. They are allowed to express themselves by all means but not act independently. Those ideas are usually transferred to top management, are discussed and then decisions are made. To put
it simply, employees may freely express themselves about our running policies but in a consultative manner.

19. To a great extent. First of all, Mr. Boutaris is always available at listening and generally communicating with his employees. He needs to frequently receive his employee vibration and know exactly how things are said and done within his business.

4. HR Manager

INTERLIFE INSURANCE COMPANY

1. I am an HR manager.

2. I have fifteen years of experience as an HR manager but I have been working for Interlife over the last year at this position.

3. For every company, there is usually an internal regulation document both for the company as a whole and for each of its departments. According to ours, the HR manager is responsible for: a. introducing and coordinating the internal procedures of the firm so as to establish communication channels among the personnel and the administration, b. detecting the company’s needs to hire employees, c. selection and recruitment, d. performance evaluation, e. attendance sheet management, f. payroll issues, g. timetable related to working hours and vacation leaves, h. personnel budgeting.

4. Absolutely. In all firms, if an HR department exists, it does not necessarily play an executive role. It is or should be, primarily strategic in nature.

5. The people involved in corporate strategy’s formation are each department’s highest in authority manager along with the firm’s CEO and its board of directors.

6. The HR department is involved in all the rest of the firm’s department since it communicates will all managers first of all, to check employees’ performance. An HR manager should be informed of all issues emerged in all departments, from the operational processes to the performance of both the employees and the department’s manager. For instance, in the sales department I need to know who is making the most of sales, who receives bonuses because of that performance, who is more communicative, what skills each employee possesses and at which
function is he/she best. My role is also centered in choosing and evaluating the right employees for the right position so that exact fit is achieved according to the standards the firm sets.

7. The company’s business values and corporate philosophy is enhanced to its employees through the everyday interaction both with myself and each employee’s manager in his/her department. Our training programme is also designed to transfer those values to our employees.

8. The company is focused on human-centered development and therefore treats its employees as assets by investing on their training, keep monitoring their performance and providing frequent feedback.

9. Yes, it most certainly does due to its role of selecting the firm’s personnel. What happens is that the HR manager tries to impart the corporate culture through daily conversations with the employees of all levels and that by itself during meetings, is enough to inspire our personnel. Let alone, training seminars take place but that itself is not the basis of transferring the firm’s essence. Providing inspiration and vision to employees is also a talent that is rare these days.

10. Apart from the HR manager, myself, there is also a secretary and someone responsible for payroll issues.

11. A bachelor’s degree to say the least. There are many employees that head for master degrees as well.

12. (i) Employees’ roles are formal and predefined on job descriptions that they sign. However, I should mention here that when an employee manages to develop certain skills during his/her occupation and seems adequate or skillful enough to evolve into a higher position or be transferred to a different department, this will be appreciated and that is when evaluation becomes useful.

(ii) Decisions are made from top-down in our hierarchical pyramid; nonetheless, lower-level employees’ opinion is taken into consideration and is most of the times, asked but in a consultative manner. Emerging issues that need to be discussed and resolved are always mentioned from employees to their managers and to the HR manager. I am always available and devote time to discussions with the employees.
but I most certainly do not accept them to undermine their managers to me. Hierarchy is to be respected since when followed, you can never lose. If there are only serious issues to resolve, you are allowed to do so.

13. In each employee individually since there might be employees whose skills and abilities are greater than others.

14. There are confidentiality contracts that all employees sign when they enter our business. Other than that, there is no other provision of the firm towards its employees regarding individualized terms of employment. If there is the case of an employee that for a couple of days might be late or has to leave earlier from work for serious reasons, he/she is allowed to do so as long as the administration is informed.

15. The developmental duties are mainly referred to training sessions in our department through seminars and daily interaction of managers with employees; the administrative ones include payroll management, labour law monitoring, payment transcripts, selection, recruitment, hiring and firing employees.

16. (i) We usually announce on the net an available vacancy or trust our employees’ or other external partners’ recommendations. (ii) Rewarding may take the form of bonuses, extra vacation days, educational trips or even providing employee awards. (iii) I can only think of the training seminars that the firm provides to its employees. (iv)The purpose of an HR department is helping employees evolve and reach higher level positions on the administration. Interlife invests in its staff and wishes to retain permanent personnel as long as it is productive and has incorporated the corporate culture and strategy. Managing to create senior managers from lower-level employees expresses one side of the company’s human-centered face.

17. It is not easy to have committed employees since they cannot be forced to be loyal. What can happen though is through daily interaction and training to manage establish strong relations with the administration and view it with respect and appreciation. The working environment is what makes an employee happy or satisfied and here in Interlife, we try really hard to build professional and smooth communication channels. Therefore, staff engagement is attained, not pursued.
18. The degree of responsibility is the highest possible; employees may feel free and independent to act as they will as long as that behavior is consistent with the company’s values. For instance, employees are not allowed to leave whenever they like, or have as many breaks as they like during work, or even smoke within the company’s premises. We are obliged to follow the firm’s rules and policies.

19. I hope to the highest extent. If we consider the fact that within the firm there are employees that have worked here for over eight years, almost 80%-90% of the entire firm’s staff belongs to that category, it is understandable that the firm is close to its employees and I am very proud to be a part of such an organization.

5. **HR Assistant**

   **METLIFE ALICO INSURANCE MULTINATIONAL COMPANY**

1. The official job title I am currently holding at METLIFE ALICO is the one of the HR Assistant.

2. I hold 24 years of professional experience on the field.

3. There are three basic tasks that top management has assigned to the firm’s HR department: a. training, b. further development of employees’ skills, b. payroll issues.

4. Yes, the HR department is involved in the decision making process by reaching decisions regarding employees’ hiring and firing, and fixing budgets related to training procedures.

5. Since we are talking about a branch of the American multinational here in Hellas, most of the directions related to corporate strategy are coming from the appropriate authority from the USA; nonetheless, there are some administrative managers appointed to align strategic design formed by the American central offices to the Hellenic environment’s needs and prerequisites.

6. The HR department’s role is limited to dealing with firing, hiring employees and managing payroll issues.
7. There has been limited effort to reflect the business’s core values to HRM. After the merger of ALICO AIG to METLIFE ALICO, it was rather time-consuming till all departments were transformed and merged. It has been over the last one and a half year that the organization starts to organize its structure towards the HRM philosophy by establishing direct communication with all-level employees and have them set their personal goals and objectives.

8. Before the economic recession, even with inadequate performance, second chances were given to all employees and they were treated as valued assets to the company since they had received a high standard training. However, the financial constraints exerted great pressure and the firm followed stricter practices towards that matter by removing employees that did no longer fit to the firm’s new management policies.

9. Definitely yes. We had our difficulties but it is obvious enough that inner changes are now happening so that we can have a better structure HR department that might be given greater authority regarding strategic design and competitive advantage.

10. Currently speaking, there is an HR Manager and three subordinates. All of them are placed in the central office in Athens and they communicate frequently via telephone or email with the rest of the administrative staff around Hellas’s branches. I could say that for now and taking into account the number of employees employed and the budget provided, the structure of my department is rather effective.

11. All of us have master degrees on the field of Economics and Business Administration to put it more generally.

12. Yes, employees’ roles, responsibilities, duties and authorities are predefined since along with their employment contract, they are all obliged to sign their job descriptions; decisions are also reached by top management and they are disclosed to subordinates. However, in almost all cases employees regardless of their authority, can and are asked to propose resolutions or their opinion over handling an issue, in a consulting manner and interactive way (via email, for instance).
13. The organization is absolute about improving employees’ skills and performance, and insists on supporting them in every way possible towards that direction.

14. Yes, all employees have individualistic contract terms according to the Hellenic labour legislation that reflect their working hours and monthly salaries. We follow the predesigned financial frameworks and timetables as fixed by our organization and of course according to the Hellenic labour legislation.

15. As revealed earlier, the administrative duties reflect to payroll handling, firing and hiring employees, while the developmental ones are all about training employees and caring about the further development of their existing skills and knowledge.

16. (i) Regarding the first issue raised, that is of resourcing and retaining staff, for far too many years, most of our associates were employed based on the recommendations we received for them from other colleagues or business advisors. Over the last couple of years, when there is an available vacancy, we inform all employees via email about it to check if they could recommend someone and ask them to upload on our website the relevant CVs. There has also been an effort to start building a more objective judgment on those policies and select CVs directly from our site, without necessarily the recommendation of some of our coworkers. (ii) Secondly, rewarding our employees has always been appreciated as a practice in our organization, through bonuses or educational travels. (iii) & (iv) Finally, apart from training sessions that have been limited due to budgeting issues, there is nothing more I could comment regarding creating a learning environment and high involvement work practices.

17. We ask of our employees to comply with our business values; those are responsibility, professionalism, trustworthiness, great management skills and direct resolution skills. If by commitment you mean, establishing individualistic employee relations and adhering to our employees’ needs and wants, I would say that it is hard to handle such issues in this manner.

18. Regarding responsibility, our firm’s demands are clear about it. All employees bear a great deal of responsibility to their duties and overall actions. In reference to freedom and independence, employees are frequently asked to provide feedback
about inner procedures that they feel could improve so as to upgrade the quality of services offered to our clientele.

19. Our recent feedback sadly exposed that the extent at which managers provide clear communication, assistance and support to subordinates is limited. We know our weaknesses and as I said previously, we are at the point where serious decisions are reached to change our attitude and start incorporating the firm’s HR department more in the corporate strategy. It was not easy to realize that our human capital can make a difference if we truly give it a chance to grow and improve.

6. HR Manager
    IANOS

1. HR Manager

2. In this particular position, four years.

3. Hiring employees, therefore the whole procedures from announcing open vacancies and interviewing potential employees; staff evaluation twice per year through questionnaires and during their work on a frequent basis. I am not in my office; most of the times I am helping employees in the shops and I have frequent transportations in Athens and Thessaloniki. I am not the kind of an HR manager that deals only with hiring and firing employees and with their finance issues. I am actively engaged in the process of evaluation by monitoring employees in action.

4. Yes, in the form of hiring and firing employees, and in the evaluation process. However, I am not the only one that evaluates employees; they are also evaluated by their shop’s manager and the Trade Administration that deals primarily with Marketing. The decision is collectively reached.

5. The company’s President and Vice President, the Trade Administration and the HR administration. Sometimes, more people might be involved depending on the issue. For instance, if we are talking about Financing strategy, then the Finance manager is also involved in the decision making process.

6. In every organization, the HR are very important, that is to be satisfied, to know clearly its responsibilities, duties and rights, to be in a positive working
environment and paid on time; If the firm’s HR are not satisfied then the company has serious problems to resolve. That is exactly the utility of my department. I am collecting issues that emerge on a daily basis and report them to top management.

7. Ianos is a human-centered company that is primarily focused on high standards related to customer service. Everything I do is related to servicing our customers in the best possible way and receiving their satisfaction.

8. The company invests in its people. We employ people that set our business as a priority; we prefer those that are available to evolve in our business and become from part-time, full-timers, or from low-level employees managers. The job itself is demanding as well. That’s why we have formed a three-month training session so as our employees are aware of our entire book collection, authors and publishing houses. Having invested in that manner, you can understand that it is not in our best interest to treat employees as variable costs. Besides, if an employee proves productive and efficient, our policy is to retain our staff with all possible means.

9. Yes, since this department generated the firm’s future staff and can seriously intervene to develop and evolve the skills of its HR.

10. Currently, our HR department consists of me. I have frequent communication with 8 other managers in the administration. There are usually some technical difficulties since I am the secretary of myself and I am not always in my office since I frequently intervene in employees’ work or monitor them. Now that I have almost 135 employees to look after, it is also hard to be consistent with internal procedures such as fixing the daily and monthly working timetables or arranging vacation leaves and staff like that.

11. Bachelor’s degree but I have no studies on the specific field. The company’s philosophy is investing on its members with long years of experience that are aware of inner procedures and are “married” to the company’s business values rather than employing employees that might fit academically speaking in certain positions but are not intimate with the business’s culture.

12. (i) Both I’d say. There are job descriptions for each position but in case of emergencies, we might call a cashier for instance to help a salesman during
Christmas Holidays that we expect increased clientele to enter our stores. Anyone that is available to help regardless of his formal duties, will do so, so as to reassure customers’ satisfaction. (ii) Decisions are made from top management and they are announced to lower-level employees. However, low-level employees may offer their opinion in a consultative manner.

13. There are many criteria considered when evaluating employees’ performance. For instance, in our sales department, employees hold a mini scanner and when they service customers they use it to scan the bar codes so as to measure everyone’s performance. The employee with the highest performance receives bonuses or even extra days off when requested. Another criterion involves behavioral issues. We try therefore to evaluate employees in individualistic terms.

14. There is no particular provision over that matter.

15. The administrative duties involve decisions regarding firing, hiring employees and managing timetables or book events in our stores, while the developmental ones revolve around training sessions depending on each job position.

16. (i) Primarily we use our CV database by announcing our vacancies online. We also tend to interview people that are recommended by our employees or partners but objectivity is high in those cases as we cannot afford to make mistakes in the selection process. (ii) Rewarding may take the form of checks so that employees can shop for their children or themselves in our stores or sales bonuses. (iii) Apart from the training sessions that we talked earlier, there are regular meetings on a monthly, 3-month and 6-month basis that we try to learn from each other and evolve for the company’s sake. (iv) “There is some sort of job rotation in different departments among our stores and indifferent stores so that all employees are involved in different stages of our processes and keep them excited; I cannot think of any different work practices that we might follow.

17. I am afraid there is no commitment pursued in our firm; perhaps in the past, a few employees were awarded with a few of the company’s stocks but these practices are now left behind us.

18. Everybody bears the highest degree of responsibility, along with my department that is mostly responsible for everyone. The potential penalties in such cases
might involve oral and written warnings, a fine if we are talking about financial wrong-doings, movement or even firing if the mistake is extremely severe. There are report cards kept for each employee regarding his performance. Freedom and independence go in accordance to the firm’s rules; employees are not allowed for instance to go smoking frequently or have a break whenever they like.

19. I think to a great extent since managers cultivate frequent communication with their employees and report all issues, both positive and negative, to administration. Managers’ role is determinant from my point of view.