

June 2005

HR is talking itself out of a job

Some of you may strain to remember your first job application but, however you came to your career, whether through a speculative telephone call, a letter or after a face-to-face meeting, in all probability there was a need at some stage to complete a form for the personnel department.

I cannot recall ever meeting anyone from personnel when I applied for a job. There may have been a name on the form but that was about as far as it went. Any interviews I gained were always with people who were in the line of business I was seeking to join. They were people who knew the job.

The personnel people, I assumed, were employed to vet the applications and administer the process of bringing people to interview, getting the names of the successful candidates on to the payroll and sending out the rejection slips to those who didn't make it.

In the workplace I remained barely aware of their presence, consulting them occasionally at the end of a phone. Our paths did not cross. It was clear they had their uses for a hundred and one management queries about job contracts, holiday entitlements, sickness benefits, maternity arrangements, pension contributions and pay. They knew where to get that kind of information.

A personnel officer could be called when you had a problem in the same way that you called the lawyers. The big difference in every company for which I worked, was that the lawyers were outside advisors whereas the personnel people were on the company payroll.

Then about 10 years ago, a growing number of personnel people began to call themselves human resources managers. This seemed a bit odd to me because I had always regarded managers as bosses whereas personnel people were administrators.

By this time I was meeting HR people all the time and some of them were indeed bosses. But most remained administrators. About the same time I became aware of some resentment of HR among line managers. The extent of this dissatisfaction became apparent about four years ago in a piece of research presented to the annual conference of the Chartered Institute of Personnel and Development. The research produced at King's College London, featured some strong criticism of HR. One executive accused HR people of making his life more bureaucratic. Others complained of HR "mumbo jumbo" and processes such as competency frameworks, appraisals and grading systems.

In the space of a few years the stuff of personnel had spread virus-like in to every nook and crannie of the workplace. It had brought with it a bland and tawdry language that, when mixed with other, equally turgid management speak, created a ghastly way of speaking and writing that some have called Corporatese.

Like estuary English, it is difficult to identify its roots, but Corporatese has become such a distinct language that soon it will need to be taught in schools for anyone who desires a career in senior management. Just now, however, it is covered adequately in MBA courses.

Corporatese involves the unimaginative combination and endless repetition of certain words and phrases. There are certain favourite anchor words like “core” that become fused with words such as competencies, capabilities and skills, all meaning generally the same thing. Then there is the “core function” and “core drivers.” Who would have thought that something as innocuous as the middle of an apple would have leant itself to so many management phrases?

I cannot count the number of times I have felt compelled while attending some HR seminar to write a list of Corporatese as the words and phrases come trotting out. Words like drivers, deliverables, solutions, transactional, transformational, alignment and performance are augmented by other words such as “key” and “strategic” as if these new phrases have suddenly acquired a more dynamic emphasis. This verbal escalation means that now we must deal with “key strategic deliverables” that are “driving” the “core transformational alignment”. Whole forests are being pulped, sliced and coated with ink in the perpetuation of this nonsense.

Some make light of it, with games of gobbledegook bingo. Has the big company managerial job come down to this? This stuff is no laughing matter. It has become a kind of verbal bindweed strangling the sense out of good, straightforward management.

Here is an example from a recent report looking at the future of HR. I think this bit is talking about the things that HR people should be doing: “Delivering administrative and basic transactional services for all employees using both internal and external resources – and efficient delivery channels.” Note the dash where no dash should be. But that is a minor quibble.

I know that some people will look at that sentence and wonder why I am making such a fuss. It is just about understandable. But it illustrates as much as anything why I believe that the bulk of HR administration is on the way out in big companies. It seems hell-bent on immersing itself in its own world that is becoming less and less decipherable for the rest of us.

For HR people this may be no bad thing and yet another sign of professional ring-fencing. Other professions, such as the law and accountancy have immersed themselves in their own peculiar language that they now use to assert their professional independence, thereby increasing their earnings potential.

Just now, however, the way that companies are looking at the costs of their internal HR departments tends to be perceived by many HR managers as a threat. These are the ones that are working in those same companies. The ones that are celebrating are the entrepreneurs who are leading the kind of HR outsourcing businesses that can only survive by demonstrating that they can perform a better service more cheaply and with greater efficiency.

A second avenue that some businesses have taken is to create their own offshore HR shared-services administrations. Either way, as a recent report by the Chartered Institute of Personnel and Development* made clear, the outsourcing, offshoring phenomenon, coupled with advances in information technology, are changing the way that companies organise their HR services.

Today that disembodied voice at the end of the phone, answering your application form query might well belong to an Indian call-centre employee. Standard Chartered Bank, for example, has set up its own shared-service centre in Chennai, Southern

India. This deals with personnel issues among some 33,000 employees in 56 countries, representing 80 nationalities.

British Telecommunications, meanwhile, has taken the outsourcing route. While it employs some 500 of its own HR people, the bulk of its HR administration is handled by Accenture HR Services. In the next 10 years it is will begin to make use of Accenture's service centres in Bangalore, Bratislava and Chicago.

Outsourcing has turned HR in to a business. Chores such as payroll, recruitment sifting and pension arrangements, even queries on employment law, are being handed over to outside specialists. In-house, this has led some of the more senior HR specialists to behave like passengers on the Titanic, seeking the temporary safety of the upper decks. It seems that all the top HR people these days want to be handling "talent management" or succession planning or coaching and mentoring the boss. Everyone wants to be "strategic". Everyone wants to be a change manager.

To achieve such status it is no longer essential to know the mechanics of payroll or the minutiae of employment law. All you really need is to speak the language.

**HR Outsourcing: the key decisions, is published by the CIPD, price £30, www.cipd.co.uk/bookstore.*

©2005 Richard Donkin