

HRM GOVERNANCE is a must!

There are good reasons to ensure that HRM practices are not at risk of being corrupted.

Dr M Amr Sadik



The birth

Surprisingly, our ancestors talked about good governance. It ought to be noted that Plato, (born 428/427 BCE, died 348/347), the ancient Greek philosopher, talked about it in his book The Republic. Plato's philosophy has stood the test of time: it remains one of the richest treasures in our inheritance from the ancient world. But it has seldom been looked upon specifically as a repository of ethical directives which can provide practical guidance and inspiration in modern life.

Why HR Governance?

In order to understand the importance of implementing HRM Governance, I would like to start with a basic argument and possible legitimate reason for putting in place such practice.

Generally speaking, for many organizations, HRM is playing three main roles: transactional, operational, and strategic. Within the transactional role that is similar to the administrative functions, transactional matters include benefits administration, revising and publishing workplace policies, and investigating workplace issues. HR Practitioners manage the transactional activities through all the stages of the employment relationship -- from recruitment and processing new employees to processing terminations and conducting exit interviews. They are also responsible for developing policies and procedures, investigating work-related misbehavior and taking the necessary disciplinary decision.

To this end and with all fairness, I cannot understand how such a function and/or practitioners can play the roles of policy writer/developer, employee advocate, judge and executor at the same time. This is to be considered a conflict of interest.

Ethical dilemma (Right Vs Right)

Also, we are dealing with different types of people from various backgrounds, beliefs, values and education, where our emotions sometimes can get mixed with attitudes and behaviours, and eventually influence our decisions.

It's right to tell the truth, but it is also right to be kind and considerate of people's feelings and emotions.

It's right to apply rules, policy and procedures equally, without favouritism, but it is also right to give special treatment to hard-working, dependable and productive employees.

That is why we sometimes struggle in HRM regarding what to do when such situations arise. Are we going to judge based only on policy and procedures, or do we have to be considerate? Are we

fair enough? What we are trying to portray?

HR Corruption and Ethics

Corruption has been defined as "an abuse of imbued power for private and/or collective gain", it is not one single act. It includes bribery (a term that itself encompasses a whole host of acts), but can also cover things like fraud, sexual exploitation, lobbying and whistleblowing.

Corruption can affect all aspects of HR management processes, with favouritism, nepotism and abuse of authority in various areas as indicated below.

This is rendered possible by unchecked discretionary power, lack of integrity and accountability, checks, balances and transparency in the overall administration of HR services (see table below):

RECRUITMENT AND SELECTION	TRAINING AND DEVELOPMENT
<ul style="list-style-type: none"> Taking commission from recruitment agencies; Placing misleading job ads; Adopting overqualified nonsense approach; Political patronage and nepotism based on kinship ties or political allegiance; and Favouritism. 	<ul style="list-style-type: none"> Taking commission from training firms; Not conducting TNA; Not evaluating training effectiveness; Selecting the wrong trainees; and Sending selected employees to attend training only to get per diems.
PERFORMANCE APPRAISAL	SALARY AND WAGES
<ul style="list-style-type: none"> Central tendency, halo effect, mirror personality; Excessive reporting on employee traits; and Fabricating the appraisal or treating the appraisal meeting as an event. 	<ul style="list-style-type: none"> Paying at a different rate to males and females doing same job; Paying same remuneration to all employees regardless of their contribution; and Paying less than or above the market rate.

Corruption in HR encompasses more than what I have highlighted, but I have witnessed it in those areas in several countries and organizations. When the HR management lacks transparency and a standardized framework, it opens the door to favouritism, abuse and eventually corruption.

With individuals being given discretionary powers to decide on matters of recruitment, hiring, transfer, postings, promotions, rewards and punishments within the organization, we open up several avenues for unethical practices to emerge. In organizations where transparency and equal opportunity are not insisted upon or modelled by senior and top management, the vulnerability of these functions gets even more acute.

the matter, let us have a close look and stick to the basics.

We now can think of those pillars in which we can implement good HR governance practices as a starting point (see Image 1 below).

For example, the implementation of governance tools can pinpoint, raise the flag, and assess the current status of the organization in terms of its compliance with HR P and P and other valued data, and provide documentation of findings as well as recommendations to be discussed with the board members for action.

HR should focus on HR processes, systems and measures that affect a company's compliance management system. Processes with a heavy impact on compliance effectiveness are in particular:

- Recruiting of employees;
- Performance management systems;
- Explanation of disciplinary cases and sanctions; and
- Training and Development.

Finally, HR governance and compliance structure can not only push the company culture in a positive direction but also minimize risks from an economic and entrepreneurial perspective. One precondition is that management is committed to this culture and empowers the human resources responsible within the organization to animate and execute this role in any consequence. ■

Dr M Amr Sadik is the CEO of Quodrat in Egypt, quodrat.com/en/ and Adjunct Professor, HR and Strategy Management at IPE Management School – Paris, ipe-paris.com.

The road map

HRM governance is still a relatively new field of study and practice and only a few attempts have been made to connect human resource management to the overall concept of governance. So, in order not to complicate

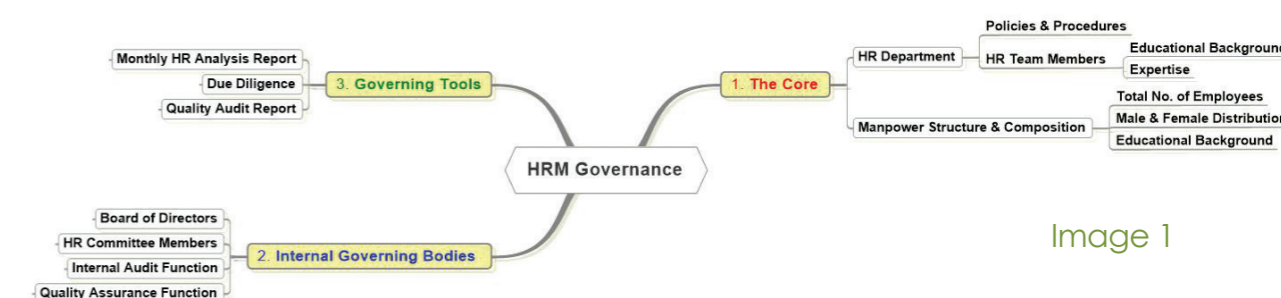


Image 1