Motivation Behind Managing Employee Information in the Banking Sector: Comparative Study Between Sri Lanka and New Zealand

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Abstract

The purpose of this study is to investigate motivations behind managing employee information in banking sector in Sri Lanka and New Zealand. Specially, this study answers for two research questions first, why does the banking sector in Sri Lanka manage employee information and second, how does the motivations to manage employee information in banking sector in Sri Lanka different to New Zealand. Qualitative method was employed in this study and data was collected through in-depth interviews. Responses were analysed using content analysis. The findings revealed that both banking sectors in Sri Lanka and New Zealand manage employee information to achieve two purposes; internal management and external reporting. Although the study identified various differences, some of the reasons for managing employee information in both Sri Lanka and New Zealand appear similar.

Keywords: Case Study, Critical Realism, Entrepreneurship Research

Introduction

The use of organisational resources to accomplish both short-term and long-term goals is a major task of a manager. As Brummet et al. (1968) state, the ability to acquire, develop, allocate, maintain and utilise those resources is a determining factor of managerial effectiveness. Indeed, these functions require a myriad of information (Brummet et al., 1968). Among the extensive information received by management concerning tangible and intangible resources, employee information has been gaining in relative importance (Baron & Armstrong, 2007) because employee information is considered the most important resource in an organisation (Brummet et al., 1968; Massingham, Nguyet Que Nguyen, & Massingham, 2011; Mayo, 2012). However, the general belief is that information relating to employee information is relatively rare (Baron & Armstrong, 2007; Goodman, 1993; Singh, 2000) and while managers tend to make decisions based on available information, such decisions based on inaccurate information about the human resource component may ruin the entire organisation (Singh, 2000). As Goodman states,

Managers frequently plan, solve problems and make decisions based upon incomplete and sometimes inaccurate information. At worst, this may result in dire consequences for their organisation. (1993, p. 12)

Baron and Armstrong have blamed the human resource profession for a lack of emphasis on gathering employee information stating that “Too many times we are let to believe that collecting data and developing measures on the contribution of people to the business is too hard, too costly or too time consuming (2007, p. 45)”. They argue that the problem is not the lack of data as indeed organisations are rich in data from the recruitment to the resignation of employees, but the major problem associated with employee information is the absence of proper ways to manage it (Baron & Armstrong, 2007; Singh, 2000). In this setting, as researchers argues organisations have different views on managing employee information. In Sri Lanka, very little is known regarding why do organisations manage their employee information. In fact, a review of literature also indicated that there is a few research on managing employee information in Sri Lanka. Specially, it was rare to find published research on this topic between Sri Lanka and a developed country; New Zealand. Thus, this research aims to compare the views of banking sectors in two nations: Sri Lanka and New Zealand, regarding managing employee information. Specially, this study focus on

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investigating (1) has the banking sector in Sri Lanka manage employee information, if yes why, and (2) how does managing employee information in banks in Sri Lanka different to that of New Zealand. This study contributes to the literature in two ways. First, studies focusing managing employee information have been a research agenda among academics for several decades (Brummet et al., 1968; Dilu, Gebreslassie, & Kebede, 2017; Mayo, 2012), however, there is a lack of evidence focusing banks in Sri Lanka (Wickramasinghe, 2010; Wickramasinghe & Fonseka, 2012). Specially, comparative study between Sri Lanka and a developed country is rare. This is despite the fact that Sri Lanka still need to be improved to reach the level of developed countries (UNDP, 2018). Thus, this study contributes to the literature offering a new insight into why banks in Sri Lanka manage employee information and how the managing employee information different to that of New Zealand. Second, the findings will pave the ways for banks in Sri Lanka to compare themselves with international banks’ practices to improve operational efficiencies.

The structure of this paper is as follows. After this introduction, the next section reviews the literature underpinning managing employee information and presents theoretical perspectives. The methodological approach together with the data collection and analysis process used in this research will present in the third section. The findings and the discussion together with the conclusion drawn will report in the section fourth and fifth respectively.

Literature Review
Managing employee information is a conceptual term that has often been defined and interpreted within the broad concept of managing information (Wilson, 2003); thus, it is necessary to review current definitions focussed on managing information in order to gain a broader understanding of what employee information is taken to mean. Researchers have provided various definitions for the term managing information. Wilson defined it as “the application of management principles to the acquisition, organisation, control, dissemination and use of information relevant to the effective operation of organisations of all kinds” (2003, p.263). “Information” here refers to all information regardless of whether it originates internally or externally; for example; information includes production, personnel, market and competitor information. Detlor defines managing information as “the control over how information is created, acquired, organized, stored, distributed, and used as a means of promoting efficient and effective information access, processing, and use by people and organizations” (2010, p.103). Baron and Armstrong (2007) defined it as the gathering and collating of human capital data. Fox and Meyer (1995) defined it as “planning, organization, development and control of the information and data in an organization and of the people, hardware, software and systems that produce the data and information” (as cited in Caron 1995, p.2). Caron and Brown defined managing of information as a “philosophy of management that recognizes and calls for the creation, identification, capture and management of information resources as corporate assets to enable and support the development of policy and effective decision making” (2012, p.1). Though many definitions are available in the literature, some commonalities exist which are that all definitions discuss the process of managing information including collecting, organising, controlling, distributing and using information of all kinds.

As per previous research, some common benefits of managing employee information can be identified. First, it assists both people and organisations to access, process and use information efficiently and effectively (Detlor, 2010; Kirk, 1999). For example, through managing information systematically, and with the assistance of modern computer-based management information systems, a person or an organisation can provide requested information within a few seconds. This enhances the performance of task (efficiency) through reducing the response time for requests (Wilson, 2003). Organisations are then able to operate more competitively and tactically, as such a system helps people better accomplish their tasks and become better informed (Detlor, 2010). Second, as Wilson (2003) details, valuable, quality, and secured information is needed for achieving the best organisational performance. In this case, managing employee information accomplishes these information requirements; for example, attentive management of information reduces lost or missing information. Through this,
managers will be able to use all relevant and accurate information for quality decision making (Goodman, 1993; Roberts, 2007) which is increasingly vital to the strategic success of all types of organisations (Cascio & Boudreau, 2008). Third, research has highlighted that the use of properly managed information is helpful in solving individual and organisational information problems (Choo et al., 2006). In particular, it has been widely accepted by the public that organisations collect too much personal information when they recruit employees, and at the same time may use such information improperly (Cook, 1987; Vidmar & Flaherty, 1986). Cordell (1987) claims that the way organisations deal with information creates circumstances in which personal information can become public information; thus, staff members may not be willing to make available their personnel information to other staff members. In this case, Wilson (2003) states that through properly managing information, organisations can tighten the security of information and reduce (or eliminate) violations of trust. Finally, Cohen (1989) emphasised the importance of managing employee information in decision making. Cohen (1989) states that the basis of a robust decision making process is a solid foundation of employee information, and warns that the quality of the decisions may be questioned without adequate information. This view was shared by Goodman (1993) in his discussion of the management decision making process and information needs. He elaborates on how managerial decision making can be affected by faulty information. Goodman argued that managers in organisations often take decisions based on inaccurate and incomplete information which results in regrettable consequences for organisations such as weakened competitive positions among others. Hence, information should be carefully managed in order to avoid adverse consequences.

According to above literature review, there are wide array of reasons for organisations to manage employee information. However, except Wickramsaiinge (2010) and Wickramsaiinge and Fonseka (2012) it is rare to find studies related to Sri Lankan context. Wickramsaiinge (2010) has examined employee perceptions towards web-based human resource management systems in Sri Lanka. For this study 30 companies with web based human resource management system has been surveyed. Further, Wickramsaiinge and Fonseka (2012) explored and compared current practice of the measurement and reporting of human resource information by manufacturing and service sectors in Sri Lanka. In this study, the method of managing human resource information is also investigated. Data was collected from 30 manufacturing and service oriented companies through survey method. In this setting managing employee information in banks in Sri Lanka and how it different to a developed country is an investigated topic. Thus, to fill this gap this study developed following research questions;

1. Has the banking sector manage employee information, if yes why?
2. How does the managing employee information in the banks in Sri Lanka different to that of New Zealand?

Theoretical perspectives

Many theoretical perspectives have been used in previous research on the field of human capital. This section provides an overview of stewardship, stakeholder, political economy, pluralism perspectives, as they are related to the reasons for managing employee information, in subsequent sections. The Stewardship perspective addresses the agency-principle relationship disagreements and the organisational complexities. (Barney, 1990; Davis, Schoorman, & Donaldson, 1997). The Stewardship perspective go a step forward and provide a broader explanation on how the management of an organisation is perform/act when achieving shareholder objectives (Davis et al., 1997; L. Donaldson & Davis, 1991). Specially, as the Stewardship Theory suggests, managers are keen on achieving high performance in order to provide the best interest to the shareholders (Davis et al., 1997; L. Donaldson & Davis, 1991). Here, managers of an organisation act as a good steward of the corporate assets and essentially try to do a good job (L. Donaldson & Davis, 1991). They are not stimulated by individual goals as a self-interested rational economic person (Muth & Donaldson, 1998).

Stakeholder perspective suggests that an organisation must be involved in activities to formulate and implement processes, that benefit stakeholders who can affect and who
are affected by the accomplishment of organisational objectives (Deegan, 2002; R. E. Freeman & McVea, 2001). As Freemen and Mc Vea (2001) noted, the key task in this process is to “manage and integrate the relationships and interests of shareholders, employees, customers, suppliers, communities and other groups in a way that ensures the long-term success of the firm” (p. 10).

Stakeholder perspective involve two branches; ethical and managerial (Deegan, 2002). How an organisation should treat their stakeholders is explained in the ethical branch. In other words, it emphasises the organisation’s responsibilities towards stakeholders (see T. Donaldson & Preston, 1995; R. R. Freeman & Reed, 1983; Hasnas, 1998). The managerial branch, on the other hand, explains the requirement of managing some special groups of stakeholders. These groups appear to be most powerful because of their ability to influence organisational operations (Ullmann, 1985). The managerial perspective of Stakeholder Theory was used in many previous studies to investigate the reasons for organisations to disclose social information (Azizul Islam & Deegan, 2008; James Guthrie, Petty, Yongvanich, & Ricceri, 2004; Reverte, 2009). In this context, social corporate disclosure acts as a management tool, which provides the necessary information to stakeholder groups (Abeysekera, 2006). Thus, organisations disclose social information with different purposes, either to manage or manipulate the most powerful stakeholder groups (Gray, Owen, & Adams, 1996).

Political Economy is another perspective which can used to explain the corporate disclosures. As defined by Jackson (1982)

Political Economy is;

*The study of the interplay of power, the goals of power wielders and the productive exchange system. As a framework, political economy does not concentrate exclusively upon market exchanges. Rather, it first of all analyses exchanges in whatever institutional framework they occur and second, analyses the relationship between social institutions, such as government, law and property rights, each fortified by power and the economy i. e. the system of producing and exchanging goods and services. (p. 74)*

A brief definition was given by Gray et al (1996) of Political Economy as “the social, political and economic framework within which human life takes place” (p.47). The meaning behind the Political Economy perspective is that society, politics, and economies are closely connected, and if they disregarded these groups, organisations could not examine their issues (Deegan, 2002). The theory identifies the inconsistent nature of the distribution of power in society and the struggles that emerge between different stakeholder groups. In this context, organisations have to take action to avoid possible interference of these groups, social, economic, and political, by motivating them. Thus, organisations tend to disclose information in a way which helps in sustaining and legitimising the arrangements of social, political and economic groups (Cooper & Sherer, 1984; Tinker & Neimark, 1987). Annual reports appear to be one of the main tools to disclose organisational information related to social, economic and political fields (J. Guthrie & Parker, 1990; Tinker & Neimark, 1987). This reporting could be arranged in the private interests of the organisation as, for example, they can decide either not to disclose some information (Chwastiak & Young, 2003) or use different words when reporting (Tinker & Neimark, 1987).

The Pluralism perspective indicates how the power is distributed among groups with different interests. Business organisations are complex social constructs that comprise a variety of interest groups (Abbott, 2006). Two such groups are management and employees, who have different values and objectives. Thus, there is high potential for conflict between these two groups over work related activities (Abbott, 2006; Budd, Gomez, & Meltz, 2004). By identifying the inevitable nature of conflict between management and employees, theorists who hold the pluralism perspective, consider these conflicts as a positive factor for the health of the organisations because the perspective reveals the problems associated with employees (Abbott, 2006). Because of conflicts between different interest groups, pluralists acknowledge the existence of competing sources of authority, especially trade unions,
which act on behalf of employees’ rights. Here, trade unions are regarded as the mechanism to provide support to management, not only to institutionalise employment rules, but also to minimise the level of workplace conflicts.

**Method**

The research questions of “why” and “how” focused on gaining a rich understanding of managing employee information in the banking sector in Sri Lanka and New Zealand. Responses for these research questions have embedded words rather than numbers, therefore the purpose of this research is to interpret the responses than measuring relationship between variables. Thus qualitative approach has employed to conduct this study. Data was collected through depth interviews. Banking sector has chosen to collect data due to key role of employees for banking operations. While research has emphasised the importance of HC for “every business” (e.g. Memon, Mangi, & Rohra, 2009); however, some research argues that service sector organisations are more highly contingent on HC than manufacturing organisations (Chulow, Gerstman, & Barry, 2003; Gebauer, 2003). For service sectors (such as banking, finance, and information technology), the fuel and energy that drive the business come from people (Gebauer, 2003; Stephen, Waswa, Venancio, & Joseph, 2014). In other words, it is noted that, in service oriented organisations, the competitive edge is the HC (Curado, 2008; Gebauer, 2003; Gratton & Ghoshal, 2003) and as a part of the service sector, the banking sector performs in keeping the knowledge central (Mavridis, 2004). Thus, banking sector was chosen as the case sector. All banks were invited to participate for interviews however, only six banks from Sri Lanka and four banks from New Zealand agreed to participate. The author interviewed 13 personnel from six banks and eight from four banks in New Zealand. When selecting the personnel for interviews, it was decided to interview those who have broad knowledge about employee information thus managerial personnel who involve in employees were invited for the interviews (Rubin & Rubin, 2005). The main questions that was raised is; Does your banks manage employee information, if yes why? All the responses were audio recorded with the permission of the interviewees. The responses that were audio recorded then transcribed into text for the purpose of data analysis. These texts then analysed through content analysis with the support of the NVivo software for qualitative data analysis. Content analysis is a method of analysing text in contents using systematic procedures (Miles & Huberman, 1994, p.56). Miles and Huberman (1994) identified three types of coding in a qualitative research; descriptive codes, categories, and themes. The descriptive codes development process comprises reviewing texts line by line and codifying the texts (J. Guthrie & Petty, 2000). These codes can develop using deductive method or inductive method (Elo & Kyngas, 2008; Hsieh & Shannon, 2005; Moretti et al., 2011). In inductive method, codes generate through data while pre-defined list of codes is used in deductive method. Off these two methods, this study used the inductive method. Descriptive codes development process is crucial in data analysis in a qualitative study, as the next stages of data analysis; the development of categories, identification of patterns and themes, and development of frameworks are based on the development of descriptive codes (Creswell, 1997; Miles & Huberman, 1994). The process of developing descriptive codes resulted 23 codes for banks in Sri Lanka (Refer table 1 below) and 20 codes for banks in New Zealand (Refer table 2 below). Second stage of data analysis was to construct categories and themes with more interpretations (Miles & Huberman, 1994). Categorising were developed grouping similar codes into categories or families based on similar characteristics (Saldana, 2008). At this stage, the above developed descriptive codes were reduced through refining, merging and integrating to categories based on their similarities and the way the respondents interpret them (Saldana, 2008). This process resulted developing four categories for banking sector in Sri Lanka and four categories for banks in New Zealand. However, as per the views of the respondents all the reasons could further categorised into two themes; Internal management purposes and External reporting purpose (Refer table 1 and 2 below).
<table>
<thead>
<tr>
<th>Descriptive codes</th>
<th>Categories</th>
<th>Themes</th>
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<tbody>
<tr>
<td>1. Safeguard information</td>
<td>Ensuring the confidentiality of Information</td>
<td>Internal management Purpose</td>
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<tr>
<td>2. Reduce the demotivation of employees</td>
<td>Making decisions</td>
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<td>3. Protect the confidentiality of data</td>
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<td>4. Branch expansions</td>
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<td>5. Career development</td>
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<td>6. Learning purpose</td>
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<td>7. Performance appraisals</td>
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<td>8. Planning</td>
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<td>9. Promotions</td>
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<td>10. Resourcing</td>
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<td>11. Succession planning</td>
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<td>12. Decision making</td>
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<td>13. Information distribution</td>
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<td>14. Identify employee issues</td>
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<td>15. Make easily available of data</td>
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<td>16. To decide termination benefits</td>
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<td>17. Control cost</td>
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<td>18. Information efficiency</td>
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<td>19. Reduce paper works</td>
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<td>20. Reduce man hours</td>
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<td>21. Reduce time</td>
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<td>22. Comply with compliance</td>
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<td>23. External reporting</td>
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**Table 2: New Zealand**

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<tr>
<th>Descriptive codes</th>
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<th>Themes</th>
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<tbody>
<tr>
<td>1. Career development</td>
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<td>Employee development</td>
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<td>2. Succession planning</td>
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<td>3. Compare and track employee progress</td>
<td>Making decisions</td>
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<td>4. Transfers &amp; promotions</td>
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<td>5. Get to know about the employees</td>
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<td>6. Organisational development</td>
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<td>7. Provide updated information</td>
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<td>8. Decision making</td>
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<td>9. Internal reporting</td>
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<tr>
<td>10. Use as a management tool</td>
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<td>11. Make sure the quality of the information</td>
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<td>12. Objective setting</td>
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<td>13. Planning tool</td>
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<td>14. Assure the efficiency</td>
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<td>Enhancing efficiency</td>
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<td>15. Identify issues</td>
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<td>16. Review periodically</td>
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<td>17. Mitigate potential damages</td>
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<td>18. Secure information</td>
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<td>19. Protect the trust</td>
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<tr>
<td>20. External reporting</td>
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**External reporting**
Findings and Discussion
Sri Lanka
From Sri Lankan respondents’ perspective, banks manage employee information for two purposes; internal management and external reporting.

Internal Management
Employee information appears to be vital to ensure the internal management of the bank, specially to safeguard the confidentiality of information, enhance efficiency, making decisions.

First, banks appear to store their employee information in a central location and keep backups due to the belief that information needs to be secured, accurate, timely, reliable, accessible, and complete etc. Especially in the service sector, employee information flowing through the human resource section was growing daily. Thus, it was very important to maintain records in a way that protected the confidentiality of sensitive information because employees may otherwise not be willing to disclose information to others in the bank. If employee information was readily available for others to see, anybody would be able to misuse the information, perhaps for personal reasons. Further, from the privacy perspective, information like poor performance, low employee ratings and warning letters should not be made available to other, non-managerial employees in the bank. In a case where a bank discloses their employee’s information to others, the employee may feel uncomfortable, which can result in employee demotivation/burnout. Specially, banks believed employees’ innovative ideas could be considered as the bank’s confidential information because innovative ideas form part of the bank’s assets. One great idea could transform the business model; thus, it was crucial to protect ideas. Bright ideas could easily be stolen by other employees and passed on to other banks. Such “industrial espionage” could result in the demotivation of the particular employee who introduced the innovative idea. As provided by a respondent:

We have a records scheme where we recognise individuals who come up with innovative ideas. All these ideas are sent to a committee. The committee sits and goes through the best ideas and appoints a set of people to help those units/person/departments to implement new ideas. On and off we carry out those kinds of projects to stimulate people’s talents. We don’t disclose this information. If we disclose it, others might use it. (Bank B)

Thus, banks managed employee information in order to safeguard information. Extending the above view of the importance of managing information to assure confidentiality, respondents further stated that the Sri Lankan sample banks were concerned with protecting confidential employee information because of possible risk of trade union actions. Pressure coming from unions was highlighted as a reason for the bank’s concern with managing employee information. In privately owned organisations in Sri Lanka, the growth of trade unions was hard to see because of the failure of trade unions to adapt to the new challenges of private sector organisations (Global Union Federation (Sri Lanka office), (n.d.)). However, the banking sector seemed to encourage employees to engage with unions, perhaps because the banks gained advantages through maintaining healthy relationships with employees. This was consistent with the literature that indicated that employers preferred to deal with a group rather than handle disputes with each individual employee (Gamage, 2013).

In this study, the Pluralism interpretation (Clegg, 1975) could use to explain the influence of managing employee information to reduce the pressure from unions. There is a high potential for conflict between two groups: management and employees, over work-related activities (Abbott, 2006; Budd et al., 2004); hence, pluralists acknowledge the existence of competing sources of authority, especially trade unions, which act on behalf of employees’ rights (Clegg, 1975; Fox, 1966). Sri Lankan banks recognise the power of trade unions, thus, they do not act in a way that might cause conflict. Banks believe the absence of proper management of information would make the information available to everyone in the bank, which would be likely to cause conflict. Thus, banks appeared to very careful in managing information in order to minimise conflicts between trade unions and management.

Thus, to avoid people misusing employee information, to reduce demotivation of employees due to disclosing personnel information to others, to avoid loosing of
information due to lack of keeping records, storage and maintenance, and to avoid trade unions’ negative actions, organisations take all the actions to secure the confidentiality of information.

**Second,** the banks in the sample also recognised enhanced efficiency as a reason for managing employee information. As stated by Mokhtar et al. (2008), efficiency could be achieved through: (1) maximisation of output; (2) minimisation of cost; and (3) maximisation of profits. Consistent with Mokhtar et al. (2008), the Sri Lankan sample banks remarked that they wanted to minimise costs to enhance efficiency through managing employee information. Further, Kumbhakar and Lovell (2003) suggested the enhancement of efficiency through obtaining maximum output from given inputs. Consistent with this view, the sample banks noted that due to an effective employee information management process, banks could process information within a shorter period of time, with fewer man hours and paperwork which in turn enhance technical efficiency. In summary, the above views indicate that the Sri Lankan sample tended to manage employee information to enhance efficiency through minimising costs and enhancing output with less time, paperwork and man-hours. As noted by Mokhtar et al. (2008), efficiency was one way to investigate an organisation’s performance. From this view, a bank could maximise the revenue/return by enhancing efficiency and thereby, maximised shareholders’ interests (Akroush, Dahiyat, Gharaiibeh, & Abu‐Lail, 2011).

**Third,** providing timely, accurate, reliable and relevant information to internal users making diverse decisions was recognised as one of the reasons for banks to manage a wide range of employee information. Managing employee information is useful in making decisions at different stages of employment. As Bank E stated, employee information is required for deciding the career path of the employees specially, employee promotions, succession plans and transfers. Confirming Bank E’s views, Bank B and C provided further evidence of the importance of managing employee information to make decisions, for example, training and development, and compensation.

> Based on past records we decide what type of training programmes we need to provide to develop our employees. (Bank B)
> At the time of compensation, we have to look at the employment history; when they joined, how many years they have worked etc. (Bank C)

Managing employee information is recognised as important, not only for make employee related decisions, but also for operational decisions. Bank B supported this view, providing an example of making an operational decision based on employee information. It is highly likely that the employee information is one influential factor when making branch expansion decisions. The HRIS (human resource information system) facilitates decision making by providing the necessary information.

In the H/O level also there are some instances where they refer to our employee information. Let’s say there are some expansions going on in the branch. Then the planning department first goes through the HRIS and sees how many employees currently exist and how many will be needed in the future. Sometimes we could use the existing staff with more training. If there is a requirement for more employees, then, H/O decides what kind of employees are needed for the particular branch. Here they inquire from me as a branch manager. The number of employees depends on the area, volume of the business, number of customers that we handle, skills and competencies of existing staff etc. Using available information, we make decisions. (Bank B)

The respondents’ view on the association between managing information and decision making, supports previous studies. Goodman (1993) argued that the managerial decision-making is often based on inaccurate or incomplete information; thus, an organisation needs to manage information to enhance the decision-making role. As Cohen (1989) suggested, an organisation needs a solid foundation of employee information on which to base decisions. Antucheviciene, Tavana, Nilashi, & Bausys (2017) perfect information is key in decision making.
External reporting purpose
It appears that the external distribution of timely, relevant, and reliable information to relevant authorities is embedded in the process of managing the employee information of sample banks in Sri Lanka. External reporting fell into two categories of reporting: voluntary and mandatory. As Cowan and Gadenne (2005) viewed, voluntary reporting allows a greater amount of discretion to the organisation about the information reported. In contrast, mandatory reporting is reporting information in accordance with legal and policy requirements (Kavitha & Anita, 2011). Both categories were observed in the case of the sample banks in Sri Lanka. For example, in terms of voluntary reporting, an extensive amount of employee information is found in public documents such as annual reports, websites, and media releases. Also, respondents revealed that they disclose employee information to the public, for example:

*Training measurements are HR standard measurements. Training needs to be measured. Then we can boost our staff. We should be elegant and open to the outside. When you declare all these things they will be challenged and the other thing is benchmarking. When you go through our information in the annual report you can see the information is very detailed.* (Bank B)

Since there was no law requiring such reporting of training and development information, this could be identified as a voluntary reporting. In terms of mandatory reporting, the sample banks were found to be reporting employee information to external regulatory authorities such as CBSL, the Department of Inland Revenue, the Labour Department, and Census and Statistics. For example, respondents stated:

*In addition to that, the Central Bank of Sri Lanka needs us to disclose some employee information periodically.* (Bank A)

*Sometimes we have to send employee information to regulators; for example, EPF, ETF information. For that purpose also, we have to manage records.* (Bank B)

*Even we have to provide information to the Census and Statistics Department. It needs some statistics like age, level, positions, salary information, etc.* (Bank E)

Thus, banks in the sample appear to report employee information voluntarily as well as mandatorily and this agrees with previous studies. Marr et al. (2003) remarked that organisations communicated measures to external stakeholders. Wills (2005) noted that information management was vital in reporting to deliver transparency, accountability and to meet legal obligations.

New Zealand
Internal Management
For internal management purpose, New Zealand banks manage employee information for three purposes; employee development, enhance efficiency, making decisions.

First, banks in the sample in New Zealand noted that they manage employee information to ensure that they provide required information to employee development. For the sample banks in New Zealand, employee development is a process rather than a single activity. It starts from reviewing employee performance periodically in order to identify training requirements. Based on the level of achievement of the individual employee's performance, the bank can then determine whether or not the employee needed additional training. In the case where an employee could not achieve his/her objectives, the bank took on the responsibility for providing further training in order to develop that particular employee. As the representatives of the banks in the sample noted, information plays an important role in this process; thus the sample banks kept proper and accurate records on how each employee was performing, what training is given and what training needs to be given in the following year. In addition to employee development through training, how managing employee information help in succession planning also was emphasised by the respondents.

*We manage quite lot of information to develop the career path of employees. We have training information, career development; the development planning is at an individual level. We do successions for leadership roles.* (Bank H)

As the sample banks noted in the above comments, all these actions relating to employee and leadership development need
information, which could be obtained only through managing employee information effectively. No previous literature was found supporting the association between managing employee information and employee development; thus, an investigation of why sample banks in New Zealand want to develop their employees seems especially appropriate.

Two principal justifications for the provision of employee training and development were offered. First, when compared to OECD countries, New Zealand’s employee turnover is relatively high (Maloney, 2007; Mills & Timmins, 2011). There is a relatively easy movement of people from one employer to another possibly because of skill shortages in the country. Immigration New Zealand (2015) has noted that some industries, such as education, construction, finance/business, ICT, and health and social services, have a short supply of people with the necessary skills. With high mobility and high turnover come job opportunities and thus the necessity to offer job specific training. The nature of the labour market (high turnover and high job mobility) in New Zealand may force banks to give job-specific training to those who were hired without sufficient experience, or where their training conflicted with the bank’s operations.

Second, sample banks tend to provide training because of regulatory requirements. This means that some training that sample banks provide is due to the pressure that comes from their regulatory groups. Economic forces and regulatory bodies are powerful influences, which need to be attended to in order to survive. Therefore, the sample banks had to train and develop their employees. Such an interpretation clearly conforms to the Political Economy Theory (Cooper & Sherer, 1984) and thus, banks seemed manage employee information as an aid to providing the necessary training for employees and their development.

Second reasons the sample banks in New Zealand managed employee information was to ensure the enhancement of the banks’ efficiency. As Bank H stated, if banks could not manage information for planning purposes, inefficiencies were more likely to result.

If we think any information can’t be used for future planning we discard it. We don’t manage it.

A similar view was provided by the following respondents.

HRIS simplifies the employee related work, for example payroll. It reduces the time and money that we need to spend on it. (Bank J)

It (managing employee information) enhances the information usage efficiency. If we can access updated information very quickly we can save our time and money. (Bank K)

Supporting Banks J and K’s views Mokhtar et al. (2008) provided that an organisation can enhance efficiency through saving time and money. Thus, as has been shown in the above comments, managing employee information enhance efficiency (Kamery, 2004; Mokhtar et al., 2008) which leads to better performance by organisations (Kamery, 2004; Tariq & Riaz, 2013).

Third, banks in the sample seemed to be making wide varieties of decisions based on managed employee information. In addition, respondents in the sample banks noted that their decision making is based on managed employee information. As shown in the following comments, the sample banks seemed to record and manage all employee information duly in order to provide accurate, trusted, and up-to-date information to make valid decisions.

If we can access updated accurate information very quickly we can make decisions quickly ... (Bank G)

I think it (managing employee information) gives you surety around the quality of the information for decision makers. (Bank H)

Respondents further extended the above views by mentioning how managing employee information required making particular decisions. For example, as the respondent from Bank J noted, the bank has to make decisions in order to do the extra work in the periods of high demand, such as Christmas, while Bank H stated that Bank H needed to make decisions to prevent employees leaving the bank. Further, training and development decisions were emphasised by the interview with Bank K. All these three scenarios needed updated, quality information as stated in the quotations below.
We need to manage employee leaving information, for example the main reasons why people are leaving the organization and how we can improve on that. This information can be used for future decision making. (Bank H)

For example, leave bookings for Christmas, we have a big spike in November for example, but if we have a lot of information, then we can look at the resourcing. So those are the areas where you would use that information specifically to make decisions around resourcing and ensuring there are people there to service the customer need. (Bank J)

The bank takes responsibility to train the personnel to the required standard. Without managing adequate information, we can’t make these decisions. (Bank K)

The influence of managing employee information on decision making was well addressed in previous studies (Antucheviciene et al., 2017). As Cohen (1989) suggested, a decision has to be based on a solid foundation of employee information, while Goodman (1993) argued that the managerial decision-making should be based on accurate and complete information. For this, an organisation needs to manage information.

External reporting purpose

Similarly, to Sri Lanka, in the New Zealand sample banks also appeared to be distributing employee information externally. Banks G, H and J exposed that they reported much employee information to stakeholders to add rigour to their external reporting. Some information was reported to stakeholders via annual reports, websites, newsletters and the media, while some was reported to regulatory authorities. Based on the different nature of stakeholder groups, two categories of reporting employee information were identified as voluntary reporting and mandatory reporting.

Voluntary reporting denoted the reporting of employee information as required by the organisation themselves (Cowan & Gadenne, 2005). In the case of the New Zealand’s banks it was found that banks reported much employee information voluntarily to stakeholder groups, such as the total workforce by employment type, employment contract, and region, total number and rate of employee turnover by age group, gender, region, and many others.

The other type of reporting was mandatory reporting, which meant reporting of employee information to regulatory bodies as required by law (Kavitha & Anita, 2011) such as the Senses and Statistics, Stock Exchange listing requirements, for example:

In late 2012, NZX introduced a listing rule requiring companies to include the gender breakdown of directors and senior management in their annual reports, the 16th country in the world to do so. (Case study, Bank J, p.13)

Comparison of Sri Lanka and New Zealand

The below paragraphs described similarities between the Sri Lankan and the New Zealand contexts. First, a similarity observed in both countries was the management of employee information in order to make decisions. In this regard, both banking sectors revealed that it was essential to manage employee information in order to provide timely, accurate, reliable and relevant information to make employee-related decisions, such as recruitment, promotions, training and development, employee rewards, and performance appraisals.

Second, enhancing efficiency was also indicated by both sample banks. As far as the sample banks were concerned, (1) the reduction in the cost of managing information through curtailing paperwork and time, and (2) enhancing information usage efficiency by keeping information readily available, helped banks enhance their efficiency.

Third, external reporting was identified as a reason to manage employee information. In this regard, both banking sectors recognised the requirement of manage employee information to fulfil mandatory reporting as well as inform stakeholders via voluntary reporting.

Apart from these similarities, a distinctive difference was also observed. The banks in the Sri Lankan sample emphasised ensuring the internal confidentiality of information as a reason for managing employee information. As these banks remarked, employee information was highly sensitive and, therefore, they needed to protect this in order to prevent information from becoming available to others in the bank. This appeared to be exclusive to Sri Lankan banks. As noted
by some respondents, the reason for banks to be concerned about managing employee information was in order to avoid the pressure that came from employee unions.

It is worthwhile to think about why banks in New Zealand did not worry about ensuring confidentiality of information. Two reasons could be identified in this regard. First, when compared with developing nations, the density of labour unions in developed nations is higher. Thus, they exceedingly rely on collective bargaining and regulations to resolve employee-related disputes (R. Freeman, 2007). Owing to this, the behaviour of labour unions’ in developed countries with regard to their organisational activities was less contentious and more favourable than in developing countries (Botero, Djankov, La Porta, López de Silanes, & Shleifer, 2004). Thus, there was little or no pressure from unions focussed on bank activities in New Zealand, as compared with that in Sri Lanka. Second, people from individualistic countries have lower privacy concerns and prefer to disclose information to others (Ting-Toomey, 1991). In contrast, people from collectivist countries are more concerned about privacy than individualistic countries (Myanard & Taylor, 1996). This means that employees from an individualistic country like New Zealand are likely to be less concerned over privacy and are therefore more willing to make information available for others to see.

Conclusion of the findings
This research was guided by a research question designed to examine why banks in different environments manage employee information. The samples in Sri Lanka and New Zealand also revealed two specific purposes of managing employee information, namely internal management and external reporting. In Sri Lanka, internal management was recognised to include the confidentiality of information, enhancing efficiency, and making decisions. In New Zealand, it was recognised as necessary to employee development, enhancing efficiency and making decisions. Further, external reporting to stakeholders also identified as a reason to manage employee information in banks in two countries.

Overall, the findings of this study indicated few differences in terms managing employee information. This could be due to differences in cultural orientation, institutional policies, and economies. Although the study identified various differences, most of the reasons for managing employee information in both Sri Lanka and New Zealand appear similar. Such similarity between the banking sector in a developing and a developed country could be explained as a result of international influence (Allen & Carletti, 2008).

References


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