

The Contemporary HR Function

Report Title: The Function of Human Resources

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Date: 01st February 2021

Word count: 3078

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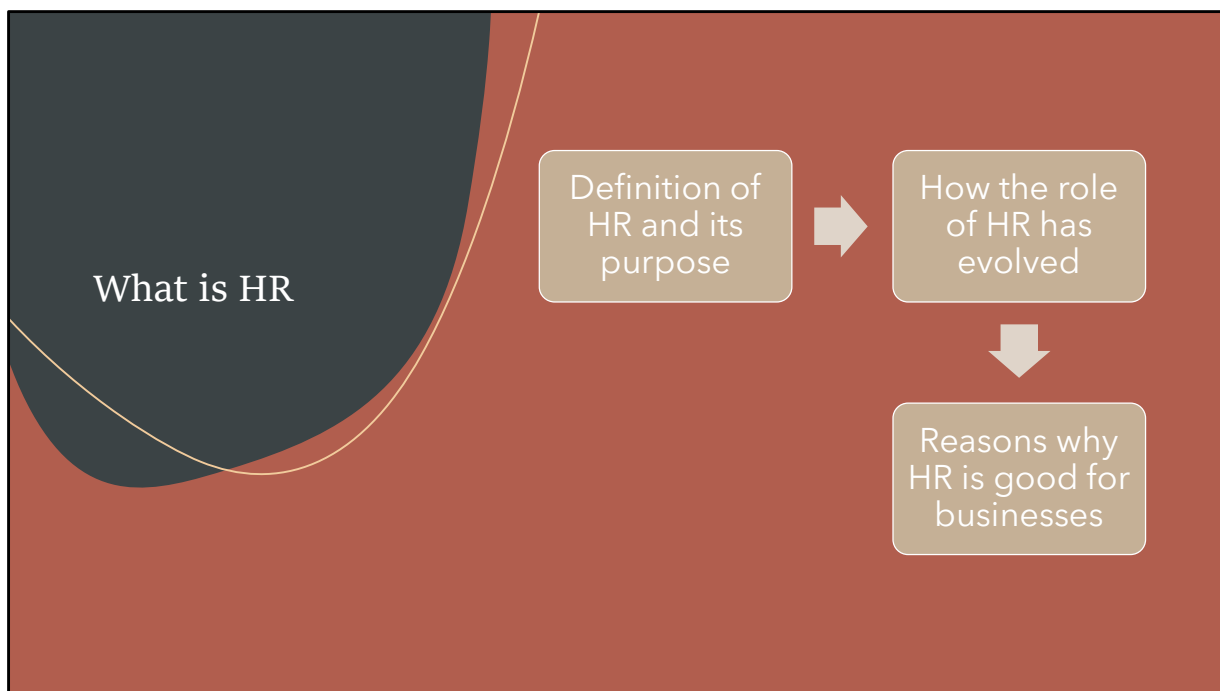
This presentation has been designed for new starters or those wanting to enhance their general business knowledge and aims to explain the function of HR and its contribution within a business.

OBJECTIVES

- An understanding of the role of HR and its purpose within a business
- An understanding of the different models when delivering HR information
- An understanding of what ethics are and why it is important that HR follow them
- An understanding of the role of HR within business and how they can contribute to its effectiveness.

By the end of this presentation, employees should be able to understand

- The HR role and its objectives within the business
- The different models that can be used when delivering HR information
- What ethics are and why it is important for HR to follow them
- The role of HR and how they can contribute to the effectiveness of the business.



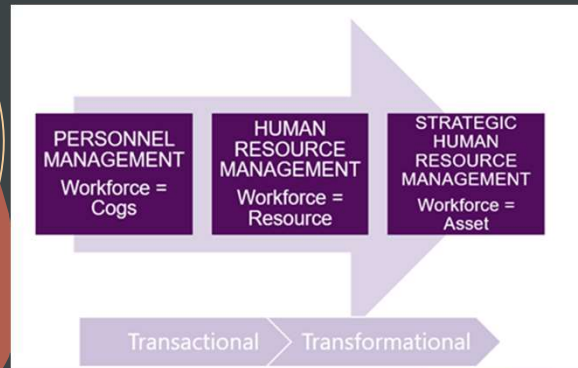
The role of Human Resources (HR) has evolved over the years, it has been shaped by many factors such as the recession and advances in technology such as the internet and automated systems.

According to Crichton 1968 (p15), the earliest roots of HR were known as 'welfare'. The role was mainly taken on by women who were often paternalistic or religious and were motivated to help and improve working conditions.

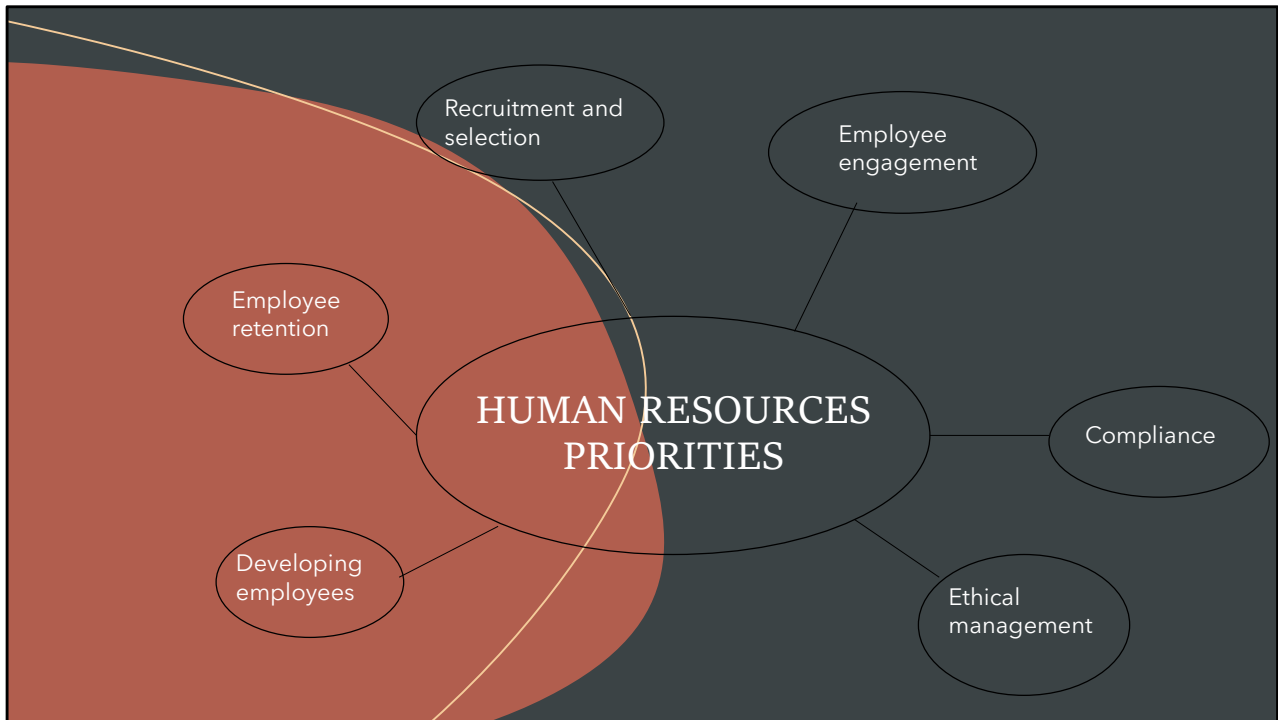
From this, the role of personnel was created and often meant dealing with recruitment and administration, payroll and benefits. This type of HR was known as transactional and usually reactive by dealing with issues after they occurred.

Nowadays however, the role is still transforming (transformational HR) and has become very much a central role, supporting departments and helping to drive and make decisions. This new type of HR is not so concerned with HR routine but focusses on strategy. According to Wilkinson and Taylor 2016, the purpose of the HR function is "to support the delivery of the organisations strategy and objectives through the effective management of people and performance". For organisations to be effective, HR should ensure that its strategy aligns with the business strategy to ensure departments are working towards the same aims and objectives. Transformational HR broadens the HR role, thinking about continuous improvement and change management, creating value to the department and business.

TRANSACTIONAL TO TRANSFORMATIONAL HR



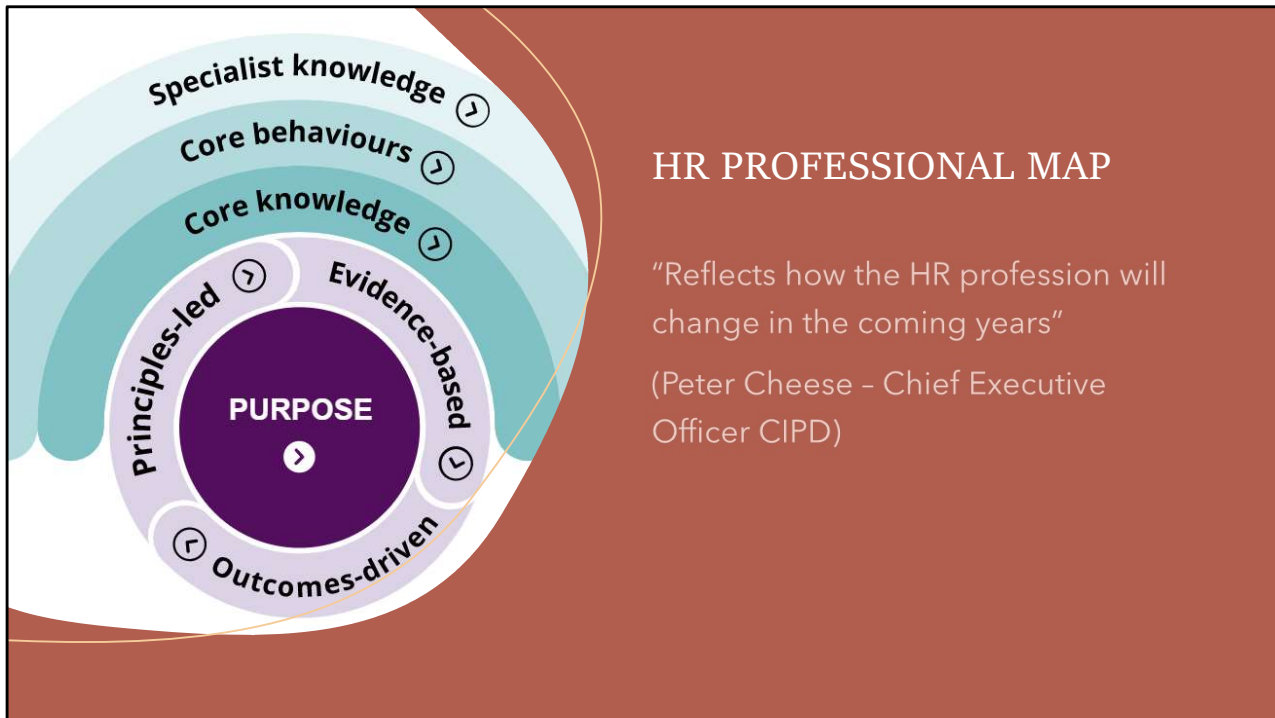
The diagram reflects how the role of HR has evolved over the years from being transactional to transformational.



Even though HR priorities can change, the following is a list of some of the main functions within the HR role (this list however is not exhaustive): -

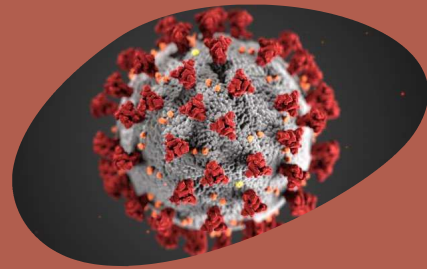
- Recruitment and selection – creating job descriptions, conducting interviews. Recruitment is often priority for HR when an employee has submitted their notice.
- Employee retention – often involves efforts to ensure that employees stay with the business, ensuring a good experience. Retention becomes a priority when there is a recruitment freeze, therefore they wish to focus efforts on retaining staff.
- Developing employees – arranging internal/external or on the job training and thus ensuring that employees are performing. Employee development is focussed on when the company want to develop their workforce or due to issues within a business where extra training may be required.
- Employee engagement – utilising employee engagement questionnaires to indicate how employees feel about the organisation and its culture. Employee engagement may become a focus if employees are unhappy within the business or for reasons such as the pandemic that has impacted employees both inside and out of work.
- Compliance – Keeping up to date with employment law and internal policies, ensuring adherence. Compliance becomes priority for HR when laws or guidance change. Focus is then on implementation throughout the workforce.
- Ethical management – Treating all employees correctly and fairly. This can mean correcting or dealing with those who do not and becomes priority when dealing with a workplace disciplinary or grievance where an employee has

been treated unfairly.



According to Personnel today, the new HR Professional Map 2018 (HRPM) has been introduced to "reflect how the role of the HR professional will change in the coming years". Peter Cheese (Chief Executive of CIPD) states that he wanted the new framework to "help build confidence and trust in business and the profession" and thus ultimately helping HR professionals to "champion better work and working lives". The new map focusses on values and decision making, creating roles and a working environment that will get the best out of employees. It emphasises that HR is to play a big part in the change of an organisation and as such is a core knowledge area on the 2018 HRPM.

RECENT BUSINESS CHANGES



The most recent changes that a business and HR has gone through is the Coronavirus pandemic and Brexit which has impacted the profession quite heavily over recent months.

CHANGE

Positive Impact
Negative Impact



According to Guest and Conway 2001, most employees have a positive view on change as it is seen that it is helping them to become better at their roles. Changes however that can have a negative impact on employees are those which impact job prospects, pay and job security.

Aspects of a company that can help with the uncontrollable elements are its culture (does it embrace change), communication received during the change and ensuring that employees are involved in the change.

MODELS OF CHANGE

Lewin's Change Management Model



There are several models created to help with business change such as Kubler-Ross change theory, the Satir change management model and Lewin's change management model.

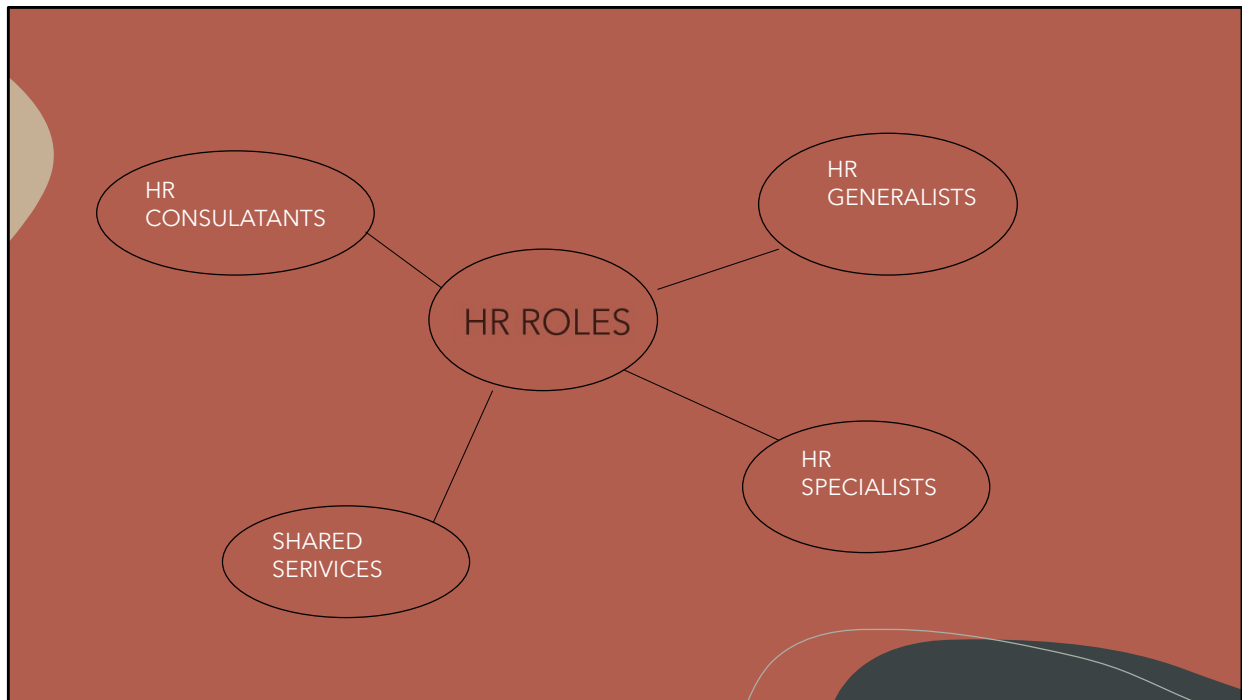
Lewin's model (created by Kurt Lewin 1950) is widely used by businesses and splits the change process into 3 stages which are:

- Unfreeze (planning stage)
- Make changes (Action stage)
- Refreeze (result stage)

Lewin's model states that when there are changes to be made within the business, the first step is the unfreezing stage. This means analysing all processes for potential improvements. If teams are aware of the issues and why change is needed, this will help to encourage and motivate them to stick to any changes made in the future.

Next is the Action stage where changes are made. Employees will require support and communication when adapting for the process to run smoothly.

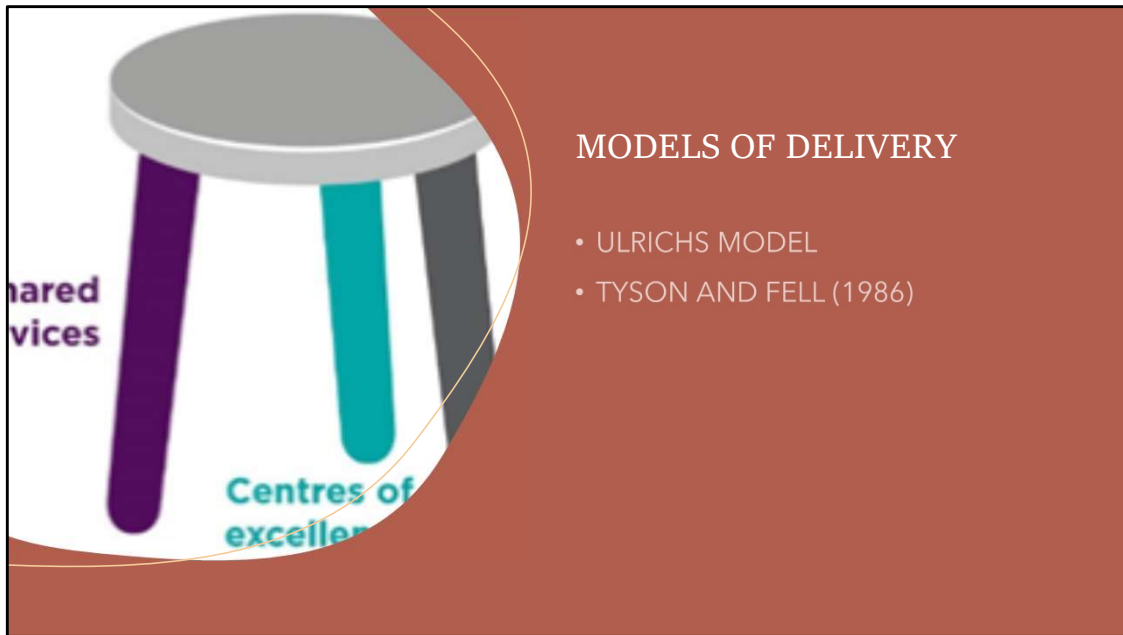
Once changes have occurred, it is the Refreeze stage, where all changes are saved and used going forward (the new normal). Regular reviews and documentation are to be put in place by managers thus ensuring that these changes are being followed.



HR can support management with change in several ways, they have several different skills that can assist such as listening skills to capture information on what people have to say, communication to ensure that the right message is being conveyed and received and coaching and influencing to help those who need extra time to be talked around to ideas and to prepare them for the outcome of any changes taking place.

HR support can vary in different organisations, it depends on the structure e.g. it's size (small, medium or large), what sector it is in (public, private, third party) or its organisational strategy. The role of HR can take many forms from:

- HR generalists who are required to know about all areas of HR, their role is varied, working with all managers and employees within a business and is usual within a smaller or medium sized organisation where only 1 or a small number of HR employees are required.
- HR specialists, who require in depth knowledge of their areas of HR such as employee engagement or recruitment, there could be teams of specialists working together in larger businesses.
- HR consultants, who are sometimes self-employed or work for a consultancy are contracted to provide advice or development for certain businesses. Consultants do not implement ideas, others within the team usually do this. Small or medium enterprises usually work with consultants if they do not have their own HR team. Consultants are sometimes brought in for specific work such as creating new policies.
- Shared services are usually within larger organisations such as the NHS and provide corporate advice/services (sometimes called a centralised hub). Shared services can offer a HR administration service or more complex HR work and greater HR focus on strategy. Benefits of this type of HR include reducing costs, improving the service of HR to other departments and shared knowledge by the department.



There are a variety of models for the delivery of HR which can be applied in an organisation to manage people more effectively:

Each model is different.

Tyson and Fell (1986) identified 3 roles for the personnel function: -

1. The clerk of works – Where all authority is assigned to line managers and HR activities are mainly routine and policies are created after the event that led to them.
2. The contracts manager – where policies are well established, with a focus on industrial relations.
3. The architect – Clear HR policies exist as part of the corporate strategy. HR planning and development are important, and a long-term view is taken.

Although this model was probably relevant in 1986, this model doesn't take into consideration the difficulties of the HR role as later models do.

The Ulrich Model (also known as the Traditional Business Partnering Model or the three-legged stool model) has widely become the model used in best practice and more relevant than some others. This model is based on three types of HR professionals working in different ways supporting the organisation

i.e., business partners, shared services and the centre of expertise.

- The business partners role recognises and creates strategies whilst working closely with others such as line managers.
- Shared services are the administrative functions; a larger working unit such as payroll and attendance reporting and could also be used with other areas across an organisation such as finance
- Centre of excellence teams, usually smaller teams having specialist knowledge such as

Learning and Development and reward.



LINE MANAGERS ROLE WITH HR

- Consistency to the business
- Communication
- Work closely together

The role of HR requires individuals to work with all departments within a business, this means working with managers and supervisors/line managers on a regular basis, providing advice, dealing with grievances, training and supporting both them and their teams through mentoring/coaching.

Every employee within a business will have their own line manager that they report to who are often their first point of contact for questions and queries. HR must work closely with these roles to bring consistency to the business, ensuring that information is communicated to them such as policies or any changes within the business so they can relay this information back to their teams. This could mean carrying out training on disciplinary and grievances, sickness policies or conflict management.

A good working relationship is required with line managers to ensure they feel comfortable in speaking to HR when there are any issues or are unable to answer questions by a team member. Another reason for a good working relationship with line managers is that the more they know about HR procedures and how to deal with certain circumstances, means that HR can spend more time on other aspects of the business.



Business ethics are important to the way a business operates. It is important for HR to be aware and understand business ethics by building a workforce with trust and transparency with a positive culture whilst acting as role models for it to be successful. According to the Cambridge dictionary, Business Ethics are “the rules, principles and standards for deciding what is morally right or wrong when doing business”.

Ethics applies in all practices, such as accounting practices i.e. are suppliers being paid correctly, sales techniques i.e. are customers being treated fairly and employment practice i.e. are employees being treated with respect and dignity.

HR are involved with ethics in several different ways as they are the department that deals with employment of people. Bad ethics can damage a company’s reputation and brand as they are often publicised, their financial sustainability if they receive a fine, and employee loyalty, distrust affects loyalty. Ethics also play a part in the CIPD professional code of Practice.

Kew and Stredwick (2010 p351) state that ethics has three core features:

1. Fairness
2. Deciding what is right or wrong.
3. Practices and rules which underpin conduct between individuals & groups.

Examples of good ethical practices include:

- pay and reward – men and women are paid the same for doing the same roles, perhaps introducing a pay structure for the factory instead of some being paid more than others (Gender pay reporting/Equality Act 2010)
- Putting the safety of employees above profit. Existing legislation to assist with this is Health and Safety at work act 1974.
- Working from home where possible during the Coronavirus (good practice plus new law)

Examples of unethical behaviour:

- Bullying and harassment by a manager or treating someone unfairly
- Theft either by an employee or fraud by a finance manager

HOW CAN HR BE EVALUATED?

- Staff Costs
- Absence levels
- KPI's
- Feedback
- Self evaluation

HR adds value to organisations in many ways such as reducing risks with claims, job retention and employee performance. Its evaluation focusses on cost and time efficiency and how effective they are in meeting the objectives set. There are different ways that HR's contributions can be evaluated and measured such as Quantitative methods i.e. staff costs, absence, timekeeping; Qualitative methods i.e. employee satisfaction surveys, exit interviews, feedback and self-evaluation i.e. self-evaluating your own capabilities to find out if you are Contextual savvy, organisational savvy or business savvy.

The first step of evaluating is to identify who the stakeholders are of the HR function. According to Personneltoday.com, 'We should determine priorities through identifying which stakeholders are the most strategically important, and for each the areas of value added that matter most'.

Internal stakeholders who benefit from HR include

- Senior managers/directors - who are interested in areas such as cost saving, employee development and culture. HR contributions could be measured by HR metrics such as salary benchmarking, key performance indicators, recruitment spend, employment tribunals and internal succession planning.
- Line managers who are interested in how HR can help to support and develop their teams. HR contributions can be measured in ways such as recruitment time, training hours, trends in labour turnover and absenteeism levels, disciplinary and grievance statistics.
- Employees - who are interested in salaries, communications and training/development. HR can be measured by employment surveys and general feedback.



This published research journal was based on HRM and performance in Small to medium businesses and wanted to identify if smaller companies have fewer options to improve performance, it has been mentioned that smaller businesses did not require HR, this research was undertaken to find if this was correct.

The study proved what the writer initially thought i.e. where companies had HR departments, there were significant reductions in labour turnover, increased profitability and innovation, hence business performance was enhanced. This article was very much fact based with reference to many similar research articles spanned over several years.

Due to the number of references included, it seems that the topic was well researched and hence the author already knew what the outcome would be. All references used by the writer supported the conclusion, although no conflicting arguments were given from any sources.

Supporting the claims made were statistics based on data over 2 different periods which is longitudinal data, however not many of the respondents answered both periods of questions. The number of statistics produced made the article complicated and confusing to understand. There were a few theoretical concepts discussed, however there was no need for certain literature to be included. Primary research was used in the form of questionnaires which was backed up by secondary data from previous researchers.

The sample data used was limited due to it being aimed at manufacturing and service companies only. The number of companies surveyed (1589) was large, however the sample could have included other sectors and businesses such as smaller charities or accountants to have a wider scale of results. There was a total of 336 responses which was around 25%, this is a very low number and could have been improved if another manager instead of the CEO was questioned. It is very rare that a CEO has 30 minutes to answer questions on the telephone, an e-mail may have given them more time to think of answers and complete the survey, therefore answers may not be precise.

Having not worked for a SME without a HR department, I cannot comment on my experience of

this, however with my knowledge of HR, I would confirm that the findings are what I would have expected.



This research journal was written when it was found that there was a knowledge gap between how relationships between HR practices and an aging workforce was perceived. Only 2 previous studies were carried out on this topic which contradicted each other's results so further studies would need to be carried out to get more complete results and comparisons.

It was hypothesised that the association between maintenance HR practices such as security and safety and work-related attitudes strengthened with age, however development HR activities such as training attitudes weaken with age. This was a meta-analysis study of 83 companies and revealed that perceptions of HR practices are positively related to attitudes and that the age of the employee influences this. This type of analysis was used to get the best results so overall trends could be determined.

This topic has been researched in detail and various similar theories and studies discussed and compared with many references.

A wide scope of companies and people were used and were based all over the world with both women and men of different ages.

A very good categorisation of HR practices was presented helping find out about how individuals felt about satisfaction within their roles and was very logical in the way of thinking. It was presented well with graphs and tables which shows relevance to the research.

The research mentioned that older people are underrepresented within workforces, which would have been correct at the time of this study (2009), however results may now differ due to there being no retirement age since The Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011.

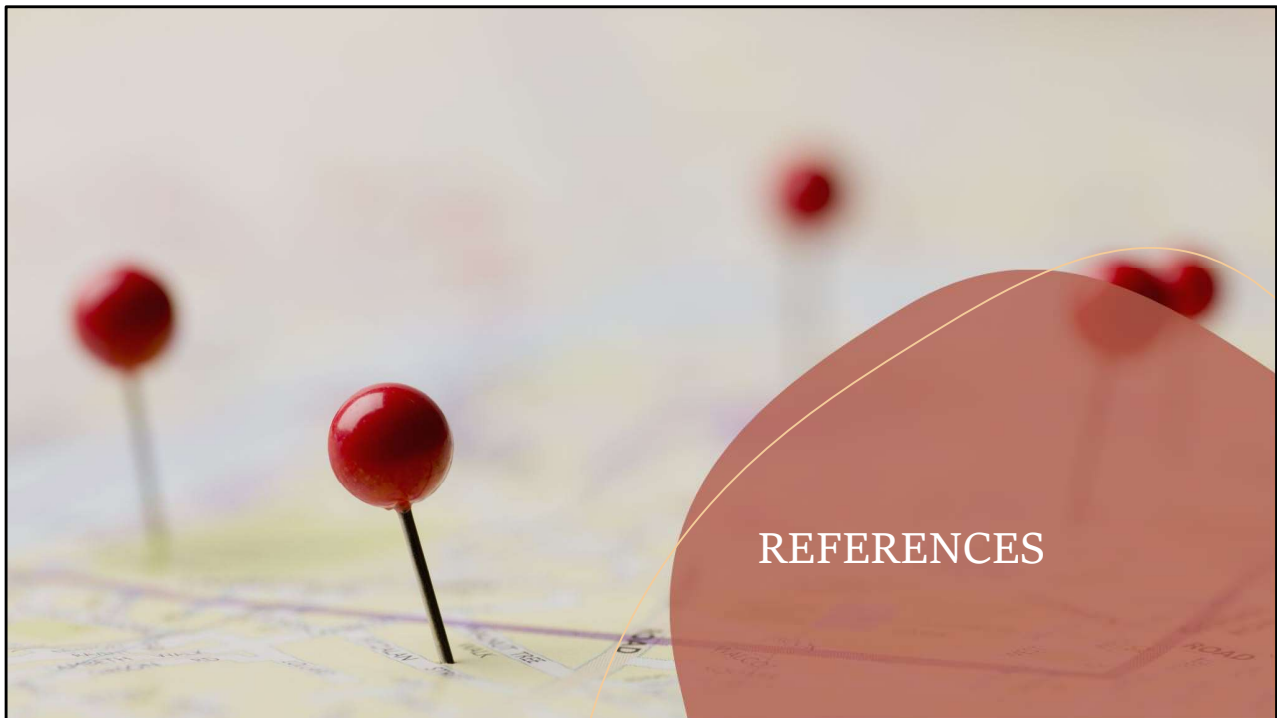
I was interested in this topic due to having experience with an aging workforce and the results indicate my initial thoughts. However, it needs to be mentioned that aging employees may be more satisfied at work due to them being at a different stage of their life e.g. finished paying off their mortgage and not have the worries that perhaps younger employees do. This leads to the

thinking that further research is required.

The Function of HR



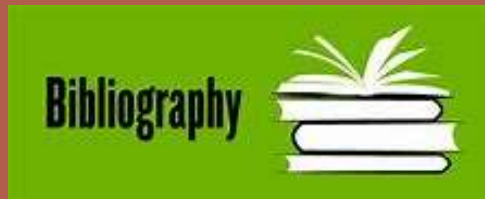
The role of HR is evolving and is playing a vital role in the effectiveness of organisations. It is evolving from administrative to strategic and is becoming more involved and valued within the wider business. HR professionals are becoming multitaskers, taking on roles such as peace maker, teacher and mental health first aiders and are having to adapt to the fast paced and ever-changing environments. The Covid-19 pandemic illustrates first-hand how HR need to think on their feet by adapting policies, the Furlough scheme, communication and looking after the wellbeing of its employees whilst finding new ways of working from home, helping to create sustainability for organisations and the people that work there.



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