



UNDERSTANDING THE CONTEMPORARY HR FUNCTION

Jessica Krelle

AIMS OF PRESENTATION

- To consider the function of HR
- To discuss the history and future of HR
- To discuss HR's role within change management
- To consider how HR services are delivered
- To discuss HR and ethics
- To discuss how HR can be evaluated
- To consider research that demonstrates the link between the HR function and organisational outcomes



THE FUNCTION OF HR

- What is our purpose?
- What are our key objectives?
- The CIPD Profession Map



What is our purpose?

The HR function in business is where the people professionals within an organisation supports the delivery of the overall business strategy and objectives by recruiting, developing and managing performance of people effectively. The HR function is also responsible for HR policies, the retention of records and ensuring business compliance with employment law legislation (CIPD, 2020). The HR function was once responsible for delivering the employee life cycle from recruitment, induction to leaving a business. The focus for HR is now central to business performance. For HR to deliver maximum benefit, HR must be recognised as a business discipline to allow professionals to deliver to this wider agenda.

What are our key objectives?

A CIPD survey carried out in 2007 asked many HR professionals within the UK what were the major objectives for their HR functions. The top 4 objectives were;

1. To recruit and retain key staff
2. To develop employee competencies
3. To improve the management of people performance
4. To maximise employee involvement and engagement

The survey confirms that these factors are central to human resource management (HRM), however evidence based research also highlights other key objectives for HR professionals such as employee wellbeing and business reputation (Taylor and Woodhams, 2016).

The CIPD Profession Map

The map was first published in 2013. Since then, the map was updated to reflect the ever changing world of work and the roles and capabilities required for HR professionals to have the greatest impact. The new map was published in 2018 encompassing this. The map was published highlighting 10 professional areas. This consists of two core areas – insights, strategy and solutions and leading hr, which are both of relevance to all professionals at any career point. There are an additional 8 professional areas where HR adds value to business including; organisational design, organisational development, resourcing and talent planning, learning and development, performance and reward, employee engagement, employee relations and service deliver and information. This outlines the diversity of the HR profession. The profession map also defines what is required for a professional to achieve, named within the map as the activities, this is defined by the focus of activities undertaken and where HR professionals spend their time. It defines professional competence within four hierarchical bands and defines how you would transition to the next band in terms of continuous professional development. Professional competence is also defined within the map by the services that are provided and how the contribution is measured. The profession map also defines the behaviours and standards necessary when undertaking the activities mentioned, which are placed into four bands of competence (CIPD, 2013).

THE HISTORY AND THE FUTURE OF HR



◦ Stages of human resources management;

1. Personnel Management
2. Human Resource Management
3. Strategic Human Resource Management (SHRM)
4. SHRM into the future

Stages of human resources management

Stage 1 – Functions of personnel were performed by supervisors, line managers and early specialists e.g. recruitment, training. Functions during this time were largely administrative. It refers to a set of functions i.e. recruitment, training, payroll administration, that were performed effectively however had little or no connection with the overall business strategy or objectives (Tubey, Rotich and Kurgat, 2015). The industrial revolution saw the beginning of the management of people becoming a distinct profession, where companies became large enough to have specific departments dedicated to the responsibility of wages and welfare of its employees.

Stage 2 – This stage saw a more professional approach and the start of specialism. Whilst during the period a great number of specialists expanded, the function was often conducted in isolation and impact on the overall effectiveness of the organisation (Tubey, Rotich and Kurgat, 2015). Attention was being given to non-monetary factors influencing productivity and motivation and also peoples behaviours. HR became a valuable resource in developing its people management ahead of just being administrative. Recruitment and development also became directed at increasing commitment and loyalty by reviewing the working environment and benefits, training and development activities and leadership (Taylor and Woodams).

Stage 3 – During this stage, the importance of people to a companies success was elevated, which in turn elevated the function of HR to a strategic position within organisations with the responsibilities of aligning people goals with organisational objectives, shaping culture and at times shaping organisational strategy. To compare, there are some significant differences between personnel management and human resource management. Personnel management being reactive and ad hoc and HRM being proactive, integrated and strategic (Tubey, Rotich and Kurgat, 2015).

Activities of a SHRM include;

- linking HR practices to organisational strategy
- fostering a healthy psychological contract of short term employment rather than job security
- the linking of compensation to contribution
- training and development linked to encouraging innovation
- knowledge management and talent development planning
- employee participation
- motivation through enriching the work experience
- performance and talent management as opposed to appraisal
- cross-cultural issues
- measuring the value added by HR activities

(Taylor and Woodams, 2016).

The future of SHRM

In CIPD's 2010 report 'Next Generation', there were two key objectives highlighted for HR functions when looking at the future of the profession:

1. Future proofing the organisation – ensuring that culture is a step ahead and ensuring trust and transparency, treating the employee experience with as much importance as the customer experience. HR must also be able to manage brand risk, design processes which are aligned with business need and challenging behaviour at all levels of the business if the behaviours breach the companies values.
2. Being insight driven – having the ability to understand both context and culture of the business and how the organisation can respond to the specific challenges it faces (Taylor and Woodams, 2016).

EFFECTIVE CHANGE MANAGEMENT

- How can HR contribute?
- HRD Interventions
- Communications and management of expectations
- Lewin's Change Management Model

What is change management?

Change management is the process, tools and techniques used to manage the people element when introducing change into an organisation, to achieve the required business outcomes. It is moving an organisation from its current state through a transition state to a desired state. HR plays a vital role in change as it concerns both the controllable and the uncontrollable, by focussing on the people impacted by that change (Taylor and Woodams, 2016).

How can HR contribute?

According to the CIPD, people management and development professionals play a significant role in a change management process. This role is often a directing role behind the scenes, however highly relevant to its success. HR will work in partnership with the leadership and facilitate the communication of this change. HR will work to create advocates of change and remove obstacles. Effectively enabling change is listed within the profession map as a core knowledge area for professionals. HR professionals need the ability to apply situational judgement and moral integrity, where they will be trusted advisors. HR is directly involved in making decisions that affect worker's lives and therefore needs to be practiced with professional standards (CIPD, 2020).

There are a number of activities which HR can contribute in the development of a change programme:

- Involvement with the project team at the initial stages of planning
- Identifying any skills gaps, training needs, new posts, new working practices etc and advising and guiding the project leaders
- Balancing out short-term goals with strategic needs
- Assessing the impact of change in one area of the business to another area
- Balancing different stakeholder interests, understand concerns and anticipating problems
- Understand the appropriate communications for each group
- Both evaluate and report on the impact of change initiatives.

In any change management programme, there is an element of proposed changes that are uncontrollable. This is down to the people element, where reactions are individual. The HR function should be aware of the typical reactions to plan activities that may facilitate the change. To support employee buy-in of the change and promote positive reactions HR can ensure organisations have a change-ready culture. This can be achieved by ensuring appropriate communication, participating employees in change, learning and development interventions and the management of expectations and conflict. Interventions from the HR function to support a change-ready culture can include focus groups, questions on change in staff satisfaction surveys and holding interviews with a range of company stakeholders.

HRD Interventions

Learning and development also has a role to play within change management. They can support by enhancing employee responsiveness to change, employees can be briefed on the importance of the change and how to respond externally. HRD can also input by ensuring the ability of employees to adapt to change, addressing any skills gaps. Learning and development can also involve coaching and mentoring activities for those finding the process difficult (Taylor and Woodams, 2016). This also highlights the importance of resilience within organisations. Resilience is also about being change-ready and being capable of responding effectively to change by anticipating, adapting and taking advantage of long-term trends, opportunities and challenges (Roffey Park, 2018).

Communications and management of expectations

It is generally the responsibility of the HR function to ensure appropriate communication mechanisms are in place and operating effectively. During change initiatives, these may involve:

- Top-down channels – in an ideal scenario the senior people of the organisation should speak to employees and information should be officially shared in letters, communications on the intranet or via team briefings.
- Bottom-up channels – this is where employees are given the opportunity to participate and generate ideas in the form of collective consultations, change workshops etc.
- Two-way discussion – during change one-to-one meetings should happen between line managers and employees and/or the HR department, to allow employees to voice their concerns.

Lewin's Change Management Model

An effective change programme has to be well considered and a specific model is essential in this process. A popular model of change is Kurt Lewin's known as Unfreeze – Change – Refreeze. This is a 3 stage model.

Before any change takes place an organisation must first understand why the change must take place. This forms part of the unfreezing stage, the first stage of the model, which involves preparing the organisation that the change is necessary and breaking down any barriers. Part of this stage is developing communications that demonstrate why the current stature cannot continue and at times utilising supporting evidence such as sales figures, statistics, employee or customer satisfaction surveys etc, all of which are easily understood by the employees. This stage is usually the most challenging, as people can react. Effectively, the stage creates a controlled crisis, where the HR function will support to build strong motivation so seek buy-in and the necessary participation for the next stage.

The second stage of the process is where the resolve happens from the uncertainty created in the unfreezing stage. This stage can take time for people to embrace new ways of doing things. Time and communication are key in this stage for successful change. It is vital during this stage to communicate the benefits of the change to employees and ensure they feel highly connected to the organisation during this transition.

The final stage of the process, is refreezing. The organisation is ready for this phase when the changes are taking shape and have been embraced. The HR function need to support a new sense of stability, where employees have confidence and comfort in the new ways of working. This stage is vital, despite change being constant, it is important to provide a sense of stability and embed the new norm after each change management programme and have the ability to effectively tackle the next change initiative (Mindtools.com, 2020).

HOW ARE HR SERVICES DELIVERED?

- HR Service Delivery
- Working with line managers

HR Service Delivery

Much study and debate has been conducted around how HR services are delivered, and whether they should be based on a best-practice model or a best-fit model. Research shows that it should be structured to reflect the business needs, and there are two main approaches that continue to dominate how HR services are currently delivered. Firstly there are traditional approaches where there is a single team made up of specialists, generalists and administration employees, or within a larger organisation a corporate strategy team. Secondly, there is the 'three-legged stool' model of business partners, shared services and centres of expertise (Taylor and Woodams, 2016).

Working with line managers

Line managers play a significant part in implementing HR policy and in the delivery of L&D activities, alongside their ongoing people and operations management. Line managers are those responsible for directly managing individuals or teams. People management practice covers a number of areas which are designed by HR or L&D and delivered by line managers for example, performance management, recognition, employee engagement and achieving a work life balance. In many organisations, it is now common to outsource transactional HR activities to the line managers, this can be successful when done well as managers are able to access information, ensure they have appropriate resources and the ability to effectively manage their staff. Line managers have an identifiable role in implementing HR and L&D process and can make a difference such as enabling policies and learning solutions. Line managers can identify learning needs and embed learning within their areas. Line managers can also seek advice and make a difference when acting from the advice and guidance, and directing and guiding the work from others. These activities can ensure greater partnership between departments and the people profession.

The HR function is responsible for providing a strong, supportive framework to enable line managers to be self-confident and have a sense of their own role within an organisation. Line managers are essentially the face of the people profession in an organisation to the employees, and this highlights the importance of appropriate management training and development (CIPD, 2020).

HR AND ETHICS

- Business ethics in HR
- Examples of ethical and unethical behaviour
- Corporate responsibility
- Eight ethical lenses
- Code of conduct

The CIPD (2020), states that ethics are at the heart of professionalism and HR are the conscience of an organisation. Ethics are viewed as the appropriate rules of conduct. Professionalism are views as the qualities of a profession e.g. competence or skill. Ethical practice for HR professionals is applying ethical values in organisational behaviours. It is a core element to all HR practice. HR professionals must demonstrate integrity when advising within business, to create transparent and trusting cultures. The workforce must trust the HR function which can only be achieved if HR professionals act fairly. Other examples of ethical behaviours include honesty and keeping your promises – HR practitioners should always fulfil a commitment, also demonstrating genuine care for others, respecting, demonstrating loyalty, accountability and enhancing employee morale. These behaviours are essential in developing and maintaining positive workforce relationships. It is also vital for the HR function to be role models for ethical behaviour, as HR professionals champion this within the organisation, they must practice what they preach. Some examples of unethical behaviours in organisations in which HR can intervene with is the exploitation of workers e.g. poor working conditions, poor wages or increasing profits at the expense of the workers. Another is deliberately being deceptive in the workplace e.g. taking credit for another's work, sabotaging others work, misrepresenting products or services for sales. Also any unlawful conduct is unethical and any disregard of company policy. Companies can also behave unethically overall by its environmental impacts and risks. Standards of ethics is key when it comes to the employer brand and reputation, and the topic is on the agenda for people considering employers of choice. (Taylor and Woodams, 2016).

Many companies are now addressing their company brand and reputation by reviewing their corporate responsibility (CR) in order to promote more humanitarian practices. CR recognises the impact of an organisations activities on society, the environment, the economy and the workforce (CIPD, 2020). Within CR framework, HR plays an important role as the organisation needs to create strong relationships with its employees to motivate and initiate trust. Reputation is a large factor for employees, and where this is positive for an organisation it can lead to job satisfaction (Bingham and Druker, 2016). This involves HR functions building and maintaining ethical cultures and ensure business decisions, management systems, reward and performance management processes are all being review ethically.

Eight ethical lenses

This model provides ways of re-imagining our ethical situation, by providing eight different perspectives work dilemmas to aid ethical decision making.

1. Fairness – all levels of the organisation should have the ability to agree with it
2. Merit – equal opportunities should be a guarantee
3. Markets – jobs and rewards should follow from voluntary market exchanges
4. Democracy – people should be included in decisions that affect their interests
5. Wellbeing – the workplace should be designed to promote wellbeing
6. Rights and duties – having a duty not to violate others rights, and also there are rights to demand certain actions and forbid others
7. Character – HR professionals should work to develop the best ethical character to enable them to treat people with care
8. Handling down – having the responsibility to conserve and maintain our workplaces

(Clark, 2015).

Code of conduct

The CIPD sets out standards and behaviours within a Code of Professional Conduct, which HR professionals (particularly members) are obligated to commit to upholding and maintaining. These obligations are set out into four areas.

1. Professional Competence and Behaviour – HR professionals must maintain professional, up to date and insightful competence and knowledge, seek appropriate support and accept responsibility for actions taken. HR professionals must apply relevant, accurate and timely information and advice to a high standard.
2. Ethical Standards and Integrity – business relationships must be established, maintained and developed based on confidence, trust and respect. HR should be a role model at all times and demonstrate sensitivity around customs, practices, cultures and personal beliefs of people. HR should champion promote practices that promote equality, diversity and inclusion, supporting human rights and dignity. HR must safeguard confidential, sensitive and personal data.
3. Representative of the profession – individuals must always behave appropriately supporting the reputation and values of the HR profession, both within the company and in the wider community. Individuals must not engage with unlawful conduct and always be compliant. As a role model, HR must display leadership in maintaining high standards of ethical conduct and being mindful of distinguishing between acting in a professional and personal capacity.
4. Stewardship – HR professionals should promote and demonstrate treatment of people as fair and reasonable. They should challenge suspected unlawful or unethical conduct. HR must work to ensure their professional judgements are not compromised by bias or influenced. HR should ensure that those working for them are competence and have the right supervision and support. They should also ensure the appropriate people management and development practices are in place to support achieving business objectives (Code of Professional Conduct, 2020).

HOW CAN HR BE EVALUATED?

- HR Metrics
- KPI's and a balanced Scorecard
- HR Analytics
- Quantitative
- Qualitative

HR metrics

KPI's – key performance indicators cover the aspects of HR that are identified as being critical for achieving business objectives including targets and measuring performance against those targets. This makes KPI's specific, measurable, achievable, performance-relevant and time bound.

Balanced scorecard – this document lists performance measures in tables demonstrating how they relate to other and the overall strategic objectives (Taylor and Woodhams, 2016).

HR analytics is the use of people data in order to solve business problems. It uses people data such as absence management, payroll, attrition figures alongside operation performance data. People data allows insight into the workforce and inform decision making that is evidence based. HR analytics are measured and reported on a number of key concepts for example innovation, wellbeing, productivity and performance. It can be utilised to demonstrate return on investment for any HR related activity.

Two examples of HR data that can be collated is quantitative and qualitative data.

Quantitative data is measured and reported in numbers e.g. the number of employees, turnover figures, productivity figures, hours of training. The benefits of quantitative data is it is objective, factual, unbiased and easily measurable.

Qualitative data is subjective, examples include employee engagement surveys, appraisals, probation reviews, exit interviews. The facts gathered in this form of data can be biased and open to interpretation (CIPD, 2020).

HR AND ORGANISATIONAL OUTCOMES

- Understanding the People and Performance Link: Unlocking the black box (Purcell et al., 2003).
- The relationship between line manager behaviour, perceived HRM practices, and individual performance: Examining the mediating role of engagement (Alfes et al., 2020).

A report published by the CIPD (2003), conducted research into the relationship between HR practices and organisational outcomes. This study aimed to look at the impact of people management in comparison to a number of other studies which only state that there is a positive relationship, not the how or why. However, the study was conducted within a specific framework of ability + motivation + opportunity, and could have perhaps reviewed other frameworks around performance. The study also reviewed 11 policies and practices covering all elements of the HR function, including recruitment, training, pay and work-life balance, demonstrating a varied view. The report also utilised 12 organisations from a wide range of sectors which gives a fair representation of the HR function as a whole. The data was collated twice over a two year period, you could argue that this could have been collated more regularly to provide a range of data.

The research demonstrated that line managers play a crucial role in how HR policies and practices are implemented, and when done well employees are more likely to go above and beyond for an organisation. However, in some of the organisations there were difficulties in gathering performance data meaning in depth analysis was not carried out. Other organisations had too much data, therefore this questions the fairness of the representation of the varying sectors. The research did demonstrate that the most successful organisations were the ones that maintained sustainable performance and was able to demonstrate the solid correlation between people management and performance. This is where the HR function fitted with the overall business strategy (Purcell et al., 2003).

A second study, looked further at how line managers play a part in linking HRM practices and performance outcomes. The study only reviews two self-report measures of performance and was only carried out in the service sector. A large number of participants took place totalling to 1,796 meaning a vast amount of data, however this was only taken from two organisations, which may not truly reflect what happens across other businesses and sectors. The study states that employee engagement is strongly linked to performance, demonstrating that HRM activity in engagement has a direct effect, when line managers are implementing it effectively (Alfes et al., 2020).

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