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Understanding the Contemporary HR Function

- Roles and objectives
- Different models of delivering HR services
- Ethical practice
- Evaluating HR's contribution

This power point aims to explain the role and objectives of the HR function, understanding the different change models, the importance of ethical practice in HRM and how HR's contribution to the organisation is measured.

Views on HR function

- Best Practice Vs Best-Fit
- Taylorism Vs Humanism
- Pluralist Vs Unitarist
- Bureaucratic Vs Pragmatic
- Centralised Vs Decentralised – Ulrich's (1997) three-legged stool model
- Internally Focused Vs Externally Focused

The purpose of HR function was to focus on organisational challenges and adding value.

HRM is a debated subject. There's various ideas on approaching it's study with contrasting perspectives. Neither side of the debate is right or wrong as both are equally credible.

Best practice and best-fit thinking is frequently debated. Best practice involves advanced selection processes, investing into training and development, and unified terms and conditions. In contrast, best-fit establishes a connection between HRM and achieving competitive advantage. There isn't a solution that fits all; it's dependant on different organisational circumstances. What might be applicable for one organisation might not be appropriate for another; taking into consideration the size of the establishments etc.

Another way of managing people is identified as Taylorism and Humanism. Taylorist, was first established by Taylor. F (2004) and is a logical and precise; with detailed consideration of all required tasks to achieve objectives. The time required to complete a task is calculated to design an appropriate job; enhancing efficiency.

Public sectors use Taylorist principles when designing/undesigning jobs. Alternatively, the humanist approach emerged during the twentieth century focusing on motivations, designing jobs and managing work to engage employees. The idea is that the more interesting a job is, the greater the motivation and performance.

Pluralist and unitarist is related to the management of employee relations in organisations. Unitarist believes that employers and employees share objectives. However these beliefs are not held by pluralists. Pluralists understand that employers and employees have different interests.

HRM is identified by the existence of bureaucracy. The HR function directs people management by issuing written policies and ensuring line managers complete documentation, showing that policies are followed. This approach helps increase motivation and gives an impression of fairness and equality. The contrasting approach is pragmatism; where managers don't follow written policies and can favour good performers over poor performers. This leads to employees feeling demotivated and the belief that they are treated unfairly (Taylor and Woodhams, 2016).

A centralised approach to the function of HR is where HR professionals report directly or indirectly to the same line manager. Whereas with the decentralised approach, HR staff within departments will report to managers, ensuring effective management to be priority. The three-legged stool model require three kinds of HR specialists. (Ulrich. D, 1997). The first group known as 'shared services' is administration work carried out within centralised teams within the organisation. The second group is made up of HR specialists who supply advice when necessary to managers on employment law, L&D and strategic HR issues. The third group known as 'business partners are usually generalists; working alongside their managers, focusing on the management of case work and individual employee issues. The purpose of the three-legged stool is to combine centralisation with decentralisation to boost effectiveness and efficiency.

Internally focused uses internal labour markets; where a member of staff is hired at an early stage in their careers and internally developed. In contrast is the externally focused. This approach considers looking outside of an organisation when hiring staff, whom have developed their capability within other organisations.

How HR has evolved

- Personnel Management (PM)
- Human Resource Management (HRM)
- Strategic Human Resource Management (SHRM)
 - ✓ Associating HR practices with organisational strategies
 - ✓ Employee participation
 - ✓ Added value
 - ✓ Management/talent planning
- Continuation of the HR Function

Human resource management (HRM) engages, maintains and develops people with relevant skills and experience. This expands their performance and involvement within the organisation. When labour markets are tight, recruitment and L&D often influence the HR agenda. However, when labour markets are loose, the focus moves to performance management and cutting costs. Objectives frequently fluctuate in terms of priority in an HR agenda e.g. employee wellbeing (CIPD, 2015).

PM dates back to the Industrial Revolution and the formation large manufacturing operations during the nineteenth and twentieth centuries. Once companies became large enough, they could justify having specific personnel departments to be responsible of the wages and welfare of employees. Personnel management was seen as an administrative maintenance function and not adding-value to an organisation (cf Ulrich, 1997).

Some organisations justified the employment relationship by using internal labour markets, simplifying the activities of PM (Baron et al, 1988). However, HR lost its inside/outside approach and control of adding-value; instead operated an inside-only approach, showing little interest in business activity and strategy.

During the late twentieth century, it came noted that non-monetary factors increase productivity and motivation more than wages. HRM was developed in mind that employees were seen as valuable resources. The concerns raised revolved around recruitment and development, aiming towards increasing the commitment and loyalty of workers.

During the late twentieth century, the evolvement of PM to HRM began. It was no longer viewed as an administrative maintenance function, and was seen as a core business function; contributing towards the effectiveness of organisations. PM implied that employees were merely an expense, where as HR viewed the employees as resources (Mahoney & Deckop, 1986).

At the end of the twentieth century, the function took another turn. There was an increase in free market competition at global level and technology and knowledge-based industries, which inflated the ratio of people to company success. The workforce were being recognised as valuable assets to the company instead of valuable resources. This then elevated HRM to SHRM because of its strategies. It's responsible for aligning both individual and team goals to meet the organisational objectives, associating HR practices with organisational strategies, measuring the value added by HR activities and knowledge management and talent planning.

The HR function will never stop evolving and future developments will continue.

Change Management

- Global market challenges
- Strategic and technological changes
- Legislations
- Customer pressure

Controllable - business action that are designed and implemented

Uncontrollable – reaction/people attach to the process

Lewin's model of change (Armstrong 1999; Walton 1999).

Beer's six stage model.

Organisational change happens all organisations and businesses; an unavoidable matter that will continue to happen. There are various factors which could cause organisational change, such as global market challenges, strategic and technological changes, change in legislations and customer pressure. Organisations undergo change approximately once every three years but with minor changes happening continuously (CIPD, 2011).

HR professionals are at the best place to effectively manage change. Their role is responsible for the organisational development, redesign and communication with employees; ensuring they are undertaken as part of change management. Professionals must understand how to successfully prepare employees for the change. The HR function has an important part in ensuring that change management is successful. The reason for this is that effective change management revolves around the controllable and uncontrollable.

Controllable is the business processes that are designed and implemented; HR professionals can contribute to controllable change programmes by involving staff from the beginning, assessing the impact of change on specific departments/areas and understanding the importance of communication. (Wilkinson and Taylor, 2012).

The uncontrollable is the different ways that people will react to the change as no one will react the same. This can be because of their personality or their position in regards to the change. To help cope with the uncontrollable elements of change, the HR function should be aware of the common reactions. Very often, people will go through many different emotions throughout the process of change.

A common model of change is recognised by Lewin and developed by Schein (Armstrong 1999; Walton 1999). The three stages within their change management are, Unfreezing, Movement and Refreezing. Unfreezing is done by creating a 'ready for change' attitude, by persuading those involved about the need for the change. Movement is revolved around taking action on how the ideal behaviour patterns will be, including doing things differently based on new information and role models. The refreezing is implementing new methods of working into the organisation.

A contrasting model to Lewin's model of change is Beer's six staged model. The first of the six stages that Beer proposed are mobilising responsibility of the change by analysing the problem through benchmarking and a learning culture. Secondly is developing a shared vision through 'change champions', understanding the culture and supporting the vision. Next is fostering consensus and commitment to the vision, followed by spreading the word about the upcoming change. This can be done by communicating with the workforce and bringing them together as often as possible. The fifth stage is institutionalise the change through formal policies; creating new policies, reward systems, change in appraisal and recruitment processes. Finally, the monitor and adjust as needed stage requires flexible development policies, and response to the need of competency.

HR Delivery

HR service delivery can be used with different approaches.

- Ulrich's three-legged stool model
 - ✓ HR business partnering or strategic partners
 - ✓ Centres of expertise
 - ✓ Shared services
- Outsourcing
- Centralised and Decentralised



Every HRM department uses a different approach to HR service delivery although they all share the same aim. Current business conditions require a large delivery of competitive advantage through HR agenda's and need HR to have strategic influences to align with the organisational aims and objectives (Becker and Huselid, 1999). The way that the HR function works continues to evolve because of the ever changing complexity of the world of work. (CIPD 2015g). The way that HR delivers services impacts the outcome and operational success.

The way that HR delivers services has been a popular topic of debate. The organisation structure of HR functions should be arranged on a best-practice or best-fit basis.

A traditional structure of HR services is a team made up of generalists, specialists and administration and is a common in organisations. Within this structure, an integrated HR team will look after line managers and employees at specific locations or in specific areas (CIPD 2006).

During the late 1990's, Ulrich created a model of HR services delivery named the 'Three-legged stool'. When published in 1997, Ulrich suggested the four major roles played by HR managers within organisations are strategic partners, change agents,

administrative experts and employee champions. Ulrich's model has been known as best practice (CIPD 2015). The 'three-legged stool' is that it is based on three methods of service delivery; HR business partners, HR centres of expertise and shared HR services.

HR business/strategic partners is described by the CIPD (2015) as the process where HR professionals and line managers work along side each other to achieve mutual organisational objectives, specifically designing and implementing new HR systems; supporting strategic organisational aims.

HR centres of expertise consists of "a team of HR experts with specialist knowledge of leading edge HR solutions" (CIPD, 2015). Providing competitive business advantage by using HR innovations in areas of reward, learning, engagement and talent managing (CIPD, 2015). Ulrich et al (2008) states that HR professional covers various areas; creating intervention aligned with competence to move the business strategy forward, including researching, working co-operatively with HR business partners and diagnosing needs whilst recommending appropriate solutions.

Shared services developed when HR leaders realised that administrative tasks could be completed in a centralised way (Reilly, 2000). The CIPD (2015) define this as a unit which deals with routine services across the organisation; usually providing routine administrative tasks.

Ulrich's model has sceptical views with people unconvinced that it is the correct way forward. Hennessey (2009, p26) states that the strategic thinking regarding HR issues hasn't improved and only resulted in changing HR managers' titles.

Outsourcing practice transfers HR service supply from an internal team to external provision. HR services shift as a long term basis or outsourced until the completion of specific projects (CIPD, 2005). Organisations might choose the outsourcing option because they don't have access to internal specialist skills and knowledge; it's another way of achieving high levels of quality and efficiency with anticipation of outgoing savings.

Centralised is a traditional approach where staff will directly report to an HR director. Some aspects of HR work will be completed by professionals responsible for particular departments and other professionals will be managed centrally by specialists. In contrast is the decentralised approach, where HR staff in specific departments report to local managers; ensuring effective management is the priority.

Working with line managers

- Increasing ability
- Encouraging motivation
- Performance Management
- Absence Management
- Disciplinary
- Recruitment
- Staff development

Line managers are responsible for managing employees, performance and wellbeing issue. It's crucial that HR and line managers work together to effectively to manage people and issues (Taylor, 2011). There are many ways in which HR can work with line managers to provide HR services (CIPD, 2015).

Line managers can make a difference by, allowing practices and policies to happen, identifying and acting on learning needs, taking control of workflow and guiding the work of others. (CIPD). HR work alongside line managers during disciplinary, appraisal, managing staff absence, conducting return to work interviews, performance management, recruitment and staff development.

HR are able to strengthen the ability of a line manager through providing support and training. Support could be provided through manuals, materials and 'open-door' policies; giving the impression that HR are available and approachable whenever issues arise or support is required (Trullen et al, 2016). HR increases line managers' motivation through involvement with developing new practices and policies; giving feedback to HR with how the new practices are working. Providing line managers with acknowledgement and recognition, through reward systems when good people management has been used (Trullen et al, 2016).

Line management is influential with increase focus on employee engagement. The more positive an employee and line manager relationship was, the likelihood of job satisfaction increasing is greater (CIPD, 2015).

Ethics

Ethics surrounds the values that an individual looks to express in certain situations, morals the way they wish to achieve this (Billington, 2003).

- Fairness
- Deciding what is right and what is wrong
- Practices and rules for responsible conduct

(Connock and Johns, 1995)

Code of ethics

- Educational
- Regulatory
- Aspirational

Ethics surrounds the values that an individual looks to express in certain situations (Billington, 2003). Connock and Johns (1995) define ethics with three elements; fairness, deciding what is right, wrong, the practices and rules that are responsible for conduct between individuals and groups.

According to the CIPD, organisational ethical practice involves the ethical values; “fairness, honesty, openness and integrity” to the organisational behaviour (CIPD, 2018). Employees must be treated fairly with dignity and respect.

Ethical behavior is vital when developing and keeping positive relationships within organizations. Employees must have confidence in the HR function; the only way to build up trust is by acting fairly. Ethical standards are an undeniable service of the employer brand and reputation. HR is looked at as a role model to the workforce, therefore if the department isn't working ethically then the workforce might not either.

The HR function must act ethically in all of its actions. Acting ethically is a core element of acting professionally according to the standards of an HR professional. Alongside having the responsibility for making ethical decisions and acting as a role

model, HR are leads for promoting ethical behaviour to all employees. A way that this can be done is through corporate codes of ethics, which consist of moral standard and guiding employee behaviour (Schwartz 2001, p248). These codes make up three types; education which is aimed at raising moral awareness; regulatory by detailing the rules for behaviour and resolving moral conflicts; aspirational by giving general values to individuals.

Ethical

- Equal opportunities
- Health and Wellbeing
- Pay
- Employment law

Non-ethical

- Duty of Care
- Health and Safety Act
- Health and Wellbeing

An organisation is ethical by promoting and implementing ethical decisions. Organisations demonstrate ethical practice in the workplace by ensuring all policies and procedures are fairly devised, applicants during recruitment process have equal opportunities, developing a policy on the health and wellbeing for the workforce, providing equal pay, all whilst abiding by employment law.

In 2015, Amazon was fined due to the failure of reporting at least 26 work related injuries and illnesses at a warehouse in New Jersey. Amazon was criticised for pushing the acceptable boundaries, unfairly evaluating or not given the appropriate time to cover following serious illnesses such as cancer, personal crises and miscarriages. (Ethical Consumer Research Association Ltd, 2018). It's clear Amazon weren't following ethical practice during this period. Each employer has a duty of care for their staff and must abide by the health and safety act. Management should monitor the health and wellbeing of staff whilst providing the appropriate support and care during any issues/illnesses.

HR's contribution to an organisation

- Benchmarking
- Balanced scorecards
- Surveys
- Key performance indicators
- Meeting the needs of customers

HR function should recruit, retain and develop staff, showing movement towards efficiency and cost reduction which develops the measurement processes and techniques. This shows its effectiveness. The HR function must also implement ways of indicating efficiency to achieve and keep integrity within the organisation.

Measuring HR efficiency has been described as difficult and occasionally impossible. However, there are various ways of measurement to gain a better understanding of HR's overall contribution to the organisation effectiveness. These types vary from general, specific and quantitative.

Testing HR effectiveness depends on the HR objectives; linking to the organisational aims outlined in the strategy. Such as, if the workforce structure is developed in line with the organisation strategy, the organisation is then seen as effective and succeeding.

Organisational strategy differ amongst organisations. However, if a particular organisation expect its workforce to have specific characters and skills and the HR function can provide this through successful recruitment, training and policies then it is seen to be contributing valuably. (Taylor and Woodmans, 2016)

Quantitative and specific factors involve staff turnover, sickness absence rates, grievance cases, appraisal and performance results. These contribute towards the positive running of the organisation; reflecting the motivation and commitment of the workforce. Comparing data with other organisation such as benchmarking indicates efficiency. It's important to factor in the differences between organisations such as the structural and cultural when comparing, as these will affect the outcomes. Other measurements used on HR's contribution could be the response rates during recruitment processes, balanced scorecards, staff satisfaction surveys, employee engagement and key performance indicators (Taylor and Woodmans, 2016).

Alongside the efficiency of HR activities, the HR function can be evaluated by ensuring that customer needs are met through conducting a stakeholder analysis; to consider who your customers are and what requirements are needed.

Published research

- Barnet Council Housing department – change in service delivery
- DWP – investing high quality training for staff alongside the new placement for young people.

Barnet Council housing department launched a project in 2008 to focus on providing high-quality and new delivery services whilst reducing costs. The reason behind developing this customer driven culture was the yearning to provide an efficient service. It came aight that when customers visited the department for the first time, they were being transferred via various staff which was time consuming for the employee and customer; the department wasn't working efficiently or effectively. The organisational objective focused on creating a lean team to lead the project, by excluding unnecessary services and establishing what could be improved, leading to higher quality (CIPD, 2011).

During this period the workforce got together during the decision making. The outcome was that staff would work more effectively and not pass customers from one to another. To begin with this, the specialist teams, officers and services were redesigned and creating new job descriptions for generic posts, with change in pay grade and increments which were implemented by HR. There was increase in internal and extensive training. Those involved in the new service noted that the main success factors were gaining political support and working well as a team. The change in job roles gave mixed views; staff appreciated the increase and varied job responsibilities and increments, and were satisfied that no redundancies took place. However, some felt nervous about the legal duties and legislations and felt de-skilled having to move

from a specialist to a generic role. The organisation measured the culture change activities lead by HR of cost saving, change in job roles and team structures as a positive organisational outcome (CIPD, 2011).

HR helped organisational outcomes at the DWP. DWP's latest project is an employer-led charity providing 18-24 year olds with work experience and vocational training. The placement gives young people experiences to discuss during interviews which increases their likelihood of traineeship/apprenticeship opportunities. With operational changes, a new contract was agreed where staff will be required to work more flexibly. HR invested in training to prepare staff for the ongoing change, but also recruited new staff with the commercial and digital skills to provide the new public services. HR welcomed video interviews and strengths-based questioning which enhanced diversity and social media has clearly illustrated the department's expertise. HR embraces data and behavioural science by bringing in talent, and there are people with degrees in analytics and statistics who are becoming a part of multi-disciplinary teams; which goes along side HR's professionalism (Jeffery, 2018).

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