

CIPD Diploma in Applied Human Resources

Understanding the Contemporary HR function

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Signed: *S.L. Cosker*
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Objectives

To find out specific points of The People Profession:

What is Human Resources?

According to the CIPD *“The fundamental purpose of the people profession is to champion better work and working lives. Creating roles, opportunities, organisations and working environments that help get the best out of people, delivering great organisational outcomes, in turn driving our economies, and making good, fair and inclusive work a societal outcome”* (CIPD,2018).

Research by Purcell et al (cited in Taylor & Woodmans) concluded that to get the best behaviour from employees that benefits its organisation is that “AMO” should be focused on. This is Ability, Motivation and Opportunity. Prucell states that employees should have the skills and ability to do their jobs with motivation not only from salary but via recognition with the opportunity to be a valued member of the whole organisation. Vennus, (2017) concluded that Employees that are happy in their organisation commit twice as much time to their tasks all which contribute to an organisation’s success.

This drives the fundamentals of why HR practitioners’ tasks are orientated around an organisation’s best asset – its people (CIPD,2019).

What do HR do?

In 2007 the CIPD carried out a survey of 787 HR professionals the results concluding that their four main priorities included:

- Recruiting and retain staff - ensuring equality throughout the recruitment process, hiring suitable candidates for the required roles.
- Developing and training staff – providing ongoing training and development for staff.
- supporting line managers to manage employee performance – enabling line managers to effectively manage
- Increase employee involvement and engagement – HR seek ways to increase staff moral

(Taylor & Woodhams,2016)

Work within HR can be categorised into two types:

Transactional - administration tasks or Transformational is the drive to continually improve its organisation (Taylor & Woodhams,2016).

The history of Human Resources

The first HR evolution came in the 18th century, factories needed to hire thousands of workers quickly. These employees worked 16 hour days, seven days a week in poor working conditions. This role was named the “Welfare worker”, focusing on improving working conditions, especially for women and children working in the factories.

From around 1900 to 1960 the development of Personnel Departments arose which focused on much more than just welfare. Policies and Procedures were developed to improve the relationships between Employee and Employer. Personnel Management was mainly an admin function keeping employment files up to date, monitoring performance appraisal and implementing training.

The end of the 20th century saw the Human Resource Management department develop. The employment relationship changed with implementation of Legislation which focused on reducing the power of unions in the workplace. Boxall & Purcell (2000) cited in Osibanjo et al (2012) concluded that *“HRM includes anything and everything associated with the management of employment relationships.”*

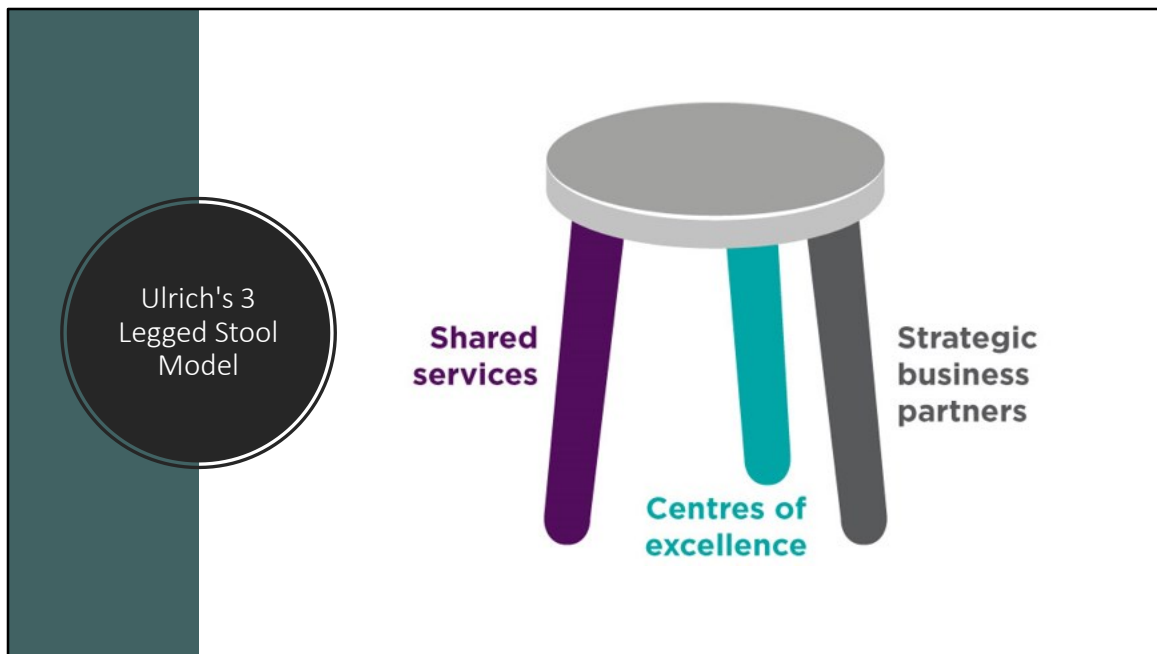
This change recognised that an organisation’s performance was dependent on employees, a focus began on the importance of treating employees fairly, employee engagement, motivation and encouraging better working environments (Ashdown, 2014).

Strategic Human Resource Management

The development of Strategic Human Resource Management focused the work of HR being inline with organisational strategy, becoming a valuable and trusted asset to the growth and development of Organisations.

To become a valued member of the Senior management team Josh Bersin identified 4 key qualities of a successful HR leader:

1. To know the basics
 - With up to date employment law knowledge, Recruitment, and the ability to support managers.
 2. To embrace data to effectively measure the success of an organisation, HR need to be confident in data capture and how to interpret it.
 3. Be Innovative and strategic - to adapt quickly to change and deliver strategic and innovative outcomes.
 4. Know the organisation - To provide suitable, relevant advice.
- (Bersin, 2019)



Within Strategic Human Resource Management, there appear to be two main structures that are used today.

The first is known as the more “traditional” structure , which is made up of admin staff, HR Generalists and HR Specialists. The number of staff within the team will be dependent on the organisation. Research by the CIPD (2006) concluded that this was the most common structure still used.

The second structure is that of theorist Dave Ulrich who describes 3 areas which make up the HR function. The Ulrich HR model is made up of shared services, centres of excellence and HR business partners. Using HR shared services can streamline process to deliver consistent advice. Sometimes organisations outsource this with other organisations - in turn cutting costs of the department. As shared services would deal with set tasks time is freed up for the HR practitioners to focus on strategy and adding value through their work. The centre of expertise will provide legislative guidance. Policies and procedures can be developed within the centre of excellence, giving support to the shared services and across the organisation.

The HR business partner role is to provide strategic, innovative, data driven guidance to develop the organisation in line with organisation future goals. This requires specific qualities and mindset in order to deliver the expectations of this role.

The integration of this model has saw HR progress; although the true role of the strategic business partner may not have had the results that it first intended. Holley (2015) claims this may be because the demands of this role have risen far greater than HR functions can sustain, along with a lack of understand of the role requirements, from both HR and business perspective the role has not fully achieved its intention across all organisations.

CIPD (2015) research relived that there has been a clear focus on the development of HR Professionalism as a result of the Ulrich model and outstanding improvement in some areas, but also revealed that a focus must now begin on effective talent management to secure it organisations future in the constantly changing world of work.

Although there is clear positive achievement from Ulrich’s 3 legged stool model, research by Laursen (2002) cited in hrmguide.co.uk, argues that there is increasing evidence that suggests HR practices are

more effective when combined with each not separated as per the model.

- Private organisations
- Public Sector
- Voluntary / Third Sector

“HR organisation should be structured in a way that reflects the structure of the business”
(CIPD, 2019)

While there is much guidance from theorists such as Ulrich, HR cannot be a “one size fits all” department. HR departments vary due to organisational type, size and sector. Some organisations have one HR practitioner solely responsible for all HR issues, known as an HR generalist, whilst others may have a team of HR professionals possibly made up of HR generalists and Specialists. Generalists will take on all aspects of HR work, with specialists having a focus on an area within HR such as Learning and development or Employee relations.

The focus of a private sector company will be on profit, this in turn will determine the HR strategy to help the business with this outcome, often the HR departments will be made up of both Generalist and specialists.

The Voluntary sector often is reliant on funding and therefore HR services may be focused on outcome within a tight budget, and the HR team will be focused on attracting volunteers or staff which are not focused on pay reward but on feeling valued within the organisation and their job role. The HR departments will be dependent on the size of the organisations and its financial abilities.

The public sector will have its key strategies based on their service delivery to the public. The HR team may find they are restricted on the ways they can deliver goals, with government goals and stipulations on best practice being implemented. Once again, the HR team will be dependent on the size of the organisation.

According to Taylor & Wodman (2016), there is an ongoing debate around HR delivery in a “Best practice V’s Best fit” decision making, highlighting that all situations are different and the outcomes best appropriate will be dependent on the organisation.

The HR and Line Management relationship

Why is it important ?

Hutchinson & Purcell, cited in Taylor & Woodman's (2016), found that line management skills were a direct influence on the productivity and behaviours of their teams.

Key stakeholders in the delivery of HR policy and procedures are line managers, these will be the drivers of policy's in practice , highlighting the importance of the HR practitioner and line manager relationship . Without this conflict will arise with HR pushing for best practice but line mangers not implementing . This could also be due to a lack of the line manger's individual capability, often managers have been promoted within business due to technical ability not because of their management competencies. HR need to develop their relationships with line managers in order to coach, support and work together to deliver expectations.

Hutchinson & Purcell, cited in Taylor & Woodman's (2016), found that line management skills were a direct influence on the productivity and behaviours of their teams. When supporting line managers HR should ensure their line managers have the tools and ability to deliver the task in an efficient manner to that of the related policy or procedure.

Line managers may feel that they are takin on more of a HR role, but in essence part of their role is just that “people Management” just as the “people profession” role. As well as delegation to line manager some organisations may chose to partially or completely outsource HR services. This may be due to cost, although this may put more pressure on management to deliver more in terms for best practice (Taylor & Woodman's, 2016).

The future of Human Resources?



The CIPD Professional Map sets the standards expected for all HR professionals to deliver best practice, the CIPD(2018) states that *"The fundamental purpose of the people profession is to champion better work and working lives. Everyone connected to the world of work has a role to play in delivering this"*. Purpose is at the centre of the Profession Map highlighting its importance.

Around the "Purpose" section the Profession Map highlights three specific points that stating HR Practitioners should be "Principles lead" - *"Our decisions, actions and behaviours should be led by clear principles and beliefs (CIPD, 2018)"*.

That our work should be "Outcomes driven" - *"The work we do must be driven by understanding of context and outcomes, including both value and risk (CIPD, 2018)"*.

Lastly "Evidence-based" - *"your professional opinion carries more weight when it's supported by strong evidence from diverse sources (CIPD, 2018)"*.

Around the Map there is "Core knowledge", "Core Behaviours", and "Specialist Knowledge".

"Core knowledge" highlights 6 areas of focus for the basis of theory that underpins the profession they are: *People practice, Culture and behaviour, Business acumen, Analytics and creating value, Digital working, Change*.

Within "Core behaviours" 8 specific areas are identified in order to streamline and ensure consistency across the delivery of the HR profession . These are *"Ethical practice, Professional courage and influence, Valuing people, Working inclusively, Commercial drive, Passion for learning, Insights focused, Situational decision-making"* (CIPD, 2018). These behaviours have a focus on ethical and research based decision making.

“The people profession is a broad and international community within which there are many specialisms. Together, this range of specialisms can help to shape successful organisations”

(CIPD,2018)

Yetunde Hofmann, Leadership consultant and CIPD Board member concludes that:

“The people profession is a broad and international community within which there are many specialisms. Together, this range of specialisms can help to shape successful organisations” (CIPD,2018). This is reiterated within the *“Specialist knowledge”* section of the Professional Map which identifies nine specialist disciplines across HR including:

- *Employee experience*
- *Employee relations*
- *Diversity and inclusion*
- *Learning and development*
- *Organisation development and design*
- *People analytics*
- *Resourcing*
- *Reward*
- *Talent management* (CIPD,2018)

This gives HR professionals the opportunity to develop a wide range of expertise across these areas or even specialist to one specific, showing the broad and varied work load professionals may encounter in their role.

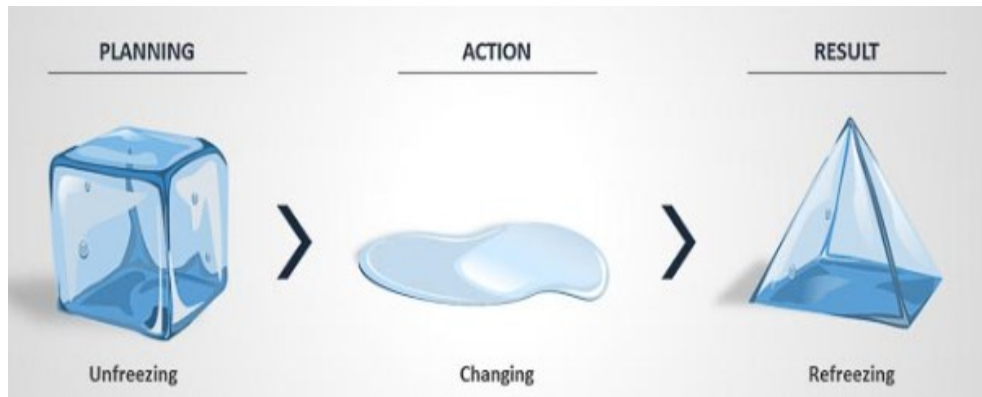
How can HR contribute to effective change management?

HR practitioners are a key part of promoting effective change, communicating to the organisation, ensuring that employee voice is heard. HR should work with departments to identify how change may effect them to be able to answer queries, provide support and encourage new ways of working.

Organisations are constantly facing change with new technologies , changing demand from customers and stakeholder strategy's. Without a suitable change management programme in place to create employee buy-in; the change will fail to met its desired outcome. This can result in financial lose, the organisations credibility may be at question; creating employees losing motivation and low morale.

HR often make choices that effect employees lives - acting appropriately, being open and honest in any potential conflict situations will create trust between HR and employees (CIPD, 2019).

Lewin's 3 stage Change Management Model



Theorists have developed different change models to explain and support change in organisations. One of these is the three stage model developed by Kurt Lewin, dated back to the 1940's.

The model is known as the Unfreeze-Change-Refreeze, it is based on an ice cube. The unfreezing/Planning is deciding what needs to change, how and why. At this point it would be critical to develop support from the senior management team. For example changing an absence policy will need buy in from management in order to implement, information should be provided on why there is a change, this may have come from rising absence rates.

The Changing/action or melting phase should involve clear communication in order to give employees the tools to execute the change, explaining how the change will effect individuals and teams, encouraging employee involvement; focusing on why change is needed.

The result or the refreeze is the final stage; feedback from employees, in order to develop the change would be beneficial, providing any support and training to sustain the change. Finally the change should be embedded within the organisations culture and the change a success.

(www.mindtools.com).

The role of Ethics within HR

“Ethical values provide the moral compass by which we live our lives and make decisions: ‘doing the right thing’ because it’s the right thing to do, not because of personal or financial gain” (CIPD, 2019).

Ethical values highlight a focus on creating an ethical culture where employees feel empowered to do the right thing rather than simply following a set of rules. The way we make decisions is important, wrong decisions – or decisions which have been implemented badly, can have a significant impact on people's lives and the reputation of organisations. Reputations are based not only on an organisation's delivery of its products and services, but on its relationship with staff, stakeholders, and its responsibility and accountability towards them. An organisations positive reputation will attract talent to the organisation and reduce turnover, as well positively impact on employee relations.

The CIPD (2018) highlights that creating a culture of ethical practice improves morale and reduces risks from unethical behaviours. As well as being an advocate for role modelling ethical behaviour, HR is often tasked with being the ethical conscience of an organisation.

Ethical values via Policies & Process

The HR profession can help to integrate ethics into organisational processes such as:

- Recruitment and induction
- Diversity and inclusion
- Learning and development
- Performance management
- Reward, including bonuses and incentives.

This will embed expectation, creating an organisational code of ethics will set out clear guidance to staff of its values and principles of an organisation.

HR should provide a service which ensure employees can raise concerns confidentially to report issues of unethical behaviour - a tool often referred to as 'Speaking up'.

When developing policies and procedures HR will need to be mindful to ensure that they are consistent, dividing resource and reward fairly. If employees feel their organisation is not fair or things have been changed to a disadvantage to them, they may behaviour unethically out of dissatisfaction and frustration.

What is Un-Ethical Behaviour?

In the rapidly changing world of work, there may not be a 'golden rule' or 'best practice' to navigate workplace dilemmas, judgement is critical, understanding the outcomes of alternative courses of action will enable people managers to make sound judgements.

At the request of senior management HR practitioners can be put in a position where they may be asked to undertake something which is not compliant with employment law & legislation; in turn un-ethical. This can be extremely difficult, but HR should always ensure to be professional and ethical in response, confirming why a decision is not appropriate.

For example, dismissing an employee for something that is unjust - when it is clear that in reality it is due to a manager's dislike of the employee instead of a valued reason. This could result in unfair dismissal and a tribunal case being brought to the organisation, ending in costly court fees and compensation being paid out. This may also cause damage to the organisation's reputation (Taylor & Woodhams, 2016).

Unethical workplace behaviour can range from minor to illegal activity, this may include theft, fraud and bullying and harassment, actions within work that will increase personal financial gain or withholding vital information. Such behaviour may increase absence rates, disengagement, low morale, leading to an increased attrition rate from staff effected by this behaviour (CIPD, 2018).

Evaluating HR

Traditionally evaluation of HR has focused on how effective HR practices are. This has mainly been achieved by looking at cost efficiency and if an activity is meeting its objectives. To evaluate this, tools to use would be statistics to benchmark against other organisations or to look at previous year outcomes. Key performance indicators (KPI's) should be focused on Critical objectives with set targets to aim to achieve to, highlighting if an organisation may or may not be on target. A balance score card can be developed to identify a set of measures, how they relate to each other and to strategic goals. Each department would have their own scorecard to then demonstrate how they are working to the goals (Taylor & Woodhams, 2016).

Evaluating HR can also be looked at via a customer/stakeholder analysis, looking at what the HR services provides in comparison to what they need. Employee surveys can be used to gain feedback and make improvements on services HR provide. HR may look at voluntary resignation along with responses from Exit questionnaires to access feedback. HR Analytics can provide evidenced backing to support decision making, It is a key part of the HR professional as identified in the CIPD profession map (CIPD,2018). HR Data is derived from Data which can be quantitative or qualitative. Quantitative data is measured and often based on numbers, this can reveal fact and unbiased statistical information. Qualitative data is vast and varied and often based on opinion so may be from the result of an employee questionnaires / feedback forms (CIPD, 2019).

HR analytics is looking at the data recovered and establishing if incidents may be linked to each other. For example, a new recruitment campaign by a similar sector organisation may launch, with higher salary and superior benefits package, leavers may increase within the coming months along with feedback from exit questionnaires identifying the issue. This would then provide data to put a case to the Senior Management Team that salaries and benefit packages may not be competitive and puts the organisation at risk of losing more talent unless improvements are made. Analytics can also measure the success of HR strategy with organisation strategy showing the importance of HR value within an organisation (CIPD, 2018).

Does HR have a positive link to organisation success?

There is a variety of research which studies the link between Human Resource Management and its positive input on organisational success. Ulrich (1997) claimed that investment in HR teams will lead to organisational success and ultimately financial gain. The CIPD (2001) stated that *“more than 30 studies carried out in the UK and the US since the early 1990s leave no room to doubt that there is a correlation between people management and business performance, that the relationship is positive, and that it is cumulative”*.

A study by West et al (Taylor & Woodhams, 2016) of 61 hospitals across England showed a strong link between HR practice and business performance. As part of the study the Chief Executive's and Directors of the hospitals were asked to complete questionnaires about the hospitals strategies, policies and practices in relation to Doctors, Nurses and all hospital staff. Information was collected in relation to patient admission reasons and mortality rates. The research found that the better training policies available, appraisal and the better the teamwork at the hospital; in turn lowered patient mortality rates. The organisation 3M conducted a study revealing that the more engaged its employees were; the more productive its business. The study looked at its business laboratories worldwide over 2 years the results showed that the employees that were more engaged were also those that were more innovative. 3M's business relies primarily on innovation to increase its revenue, so the results were invaluable (www.apqc.org).

These both studies are one of a company; which can only compare its results with its previous years productivity, or the other of many hospitals - but of a particular service delivery, this study will enable the hospitals to benchmark against each other and discover what looks good for determining KPI's; although due to the variety of organisations, sectors; along with different strategic goals across businesses today, evaluating HR accurately could pose limited. This has been highlighted by the studies of Guest et al (2003) cited in Marchington et al (2016) concluding that the results of one of their studies *“fails to provide any convincing indication that greater application of HRM is likely to result in improved corporate performance”*. Guest(2003) indicated that what is chosen to be measured will determine the outcome, highlighting the correlation between subjective performance measure and positive outcomes of the research and that objective measures of performance used would result in negative outcomes; in relation to the success of HR influencing organisational strategy (Marchington et al ,2016).

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