

Qualification: CIPD Diploma in Applied Human Resources

Module Name: Understanding the Contemporary Human Resources (HR) Function

Activity one of one

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Signed: 

Date: 21st December 2018

Aims of This Presentation

The Aim of this Presentation is to;

- ▶ Demonstrate the role and main objectives of the modern Human Resources Function
- ▶ Demonstrate the varying models of Human Resources delivery
- ▶ Discuss the role of ethics in Human Resource Management and Development
- ▶ Review how the Human Resources contribution to an organisation can be evaluated
- ▶ Understand the research behind how Human Resources has an impact on an organisation

The HR Function & How It Is Evolving

► The Evolution of Human Resource Management

► Human Resources Then & Now

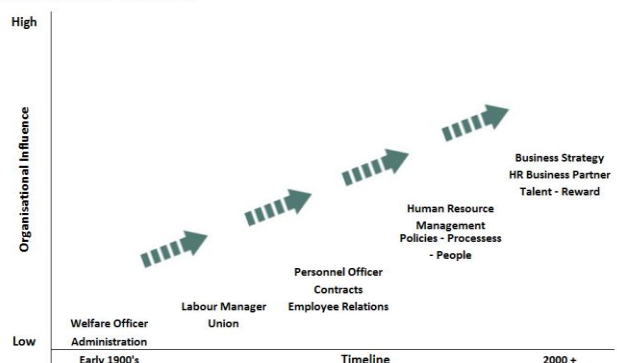
- Reactive – Proactive
- Passenger - Driver

► Maximising Performance

- Learning & Development
- Employee Engagement

► CIPD Resources

The Evolution of Human Resources



The HR Function & How It Is Evolving

Human Resources has evolved from an administration service, managing employee records, pay and processes into a strategic leadership role, described by Welfare, (2018) as 'aligning HR more closely with the business strategy'.

Transactional to Transformational, Personnel Management to Human Resource Management, brought about by the necessity to evolve in response to the needs of the business and its employees. Human Resources have become the driver of developing and engaging the employees, managing talent and reward. Working in partnership inside and outside the organisation protecting the employer brand and ethical reputation, working in collaboration with managers and business leaders, which is far removed from the personnel administration and the supporting back office roles of the early 20th Century, Wilkinson & Taylor, (2016) claim this to be an elevation of the HR function, who are now viewed as assets.

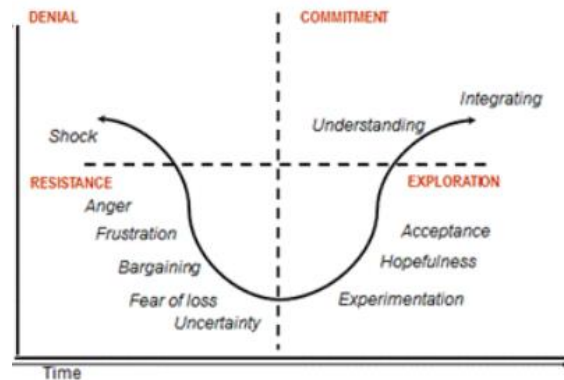
The role of HRM will continue to transform, alongside businesses and people, we will never reach the status quo, Tyson, (1995), argued that the HR function is always in transition, there to support business and employee needs, attempting to reinterpret the forever changing variables in people, organisations and society which never reaches a conclusion. Supported more recently by, Wilkinson & Taylor, (2016)

claiming 'the evolution of the HR Function is unlikely to have finished'.

The Evolution of the HR Professional is supported by the CIPD Profession Map, guiding the development of HR professionals to meet the demands of the ever-changing role. Supporting business objectives by maximising performance through training and development and employee engagement.

How HR Contributes to Effective Change Management

- ▶ Change is Complex & Uncertain
- ▶ A Journey
- ▶ Controlling the Uncontrollable
- ▶ Celebrate the Successes



How HR Contributes to Effective Change Management

Change is complex and uncertain, CIPD research suggests that less than 60% of organisations meet their objectives, (Wilkinson & Taylor, 2016). Employees will be on a journey throughout the process and emotions can run high, perhaps triggered by those previous experiences, they will need to believe that the business knows what they are doing, that they are supported and listened to. Employers must demonstrate that the project is under control and has direction, otherwise employees will not be engaged, will lose faith and the business will lose credibility. If Brexit were a change management project, the staff (voters) would have lost faith in the process and the leaders (politicians) would have lost all credibility, due to the lack of direction, moving goal posts and the impact the change has on them personally. Using the DREC Cycle of Change, derived from the Kubler Ross Grief Cycle, Kubler-Ross, (2014) this scenario leaves employees stuck in the Denial and Resistance part of their journey.

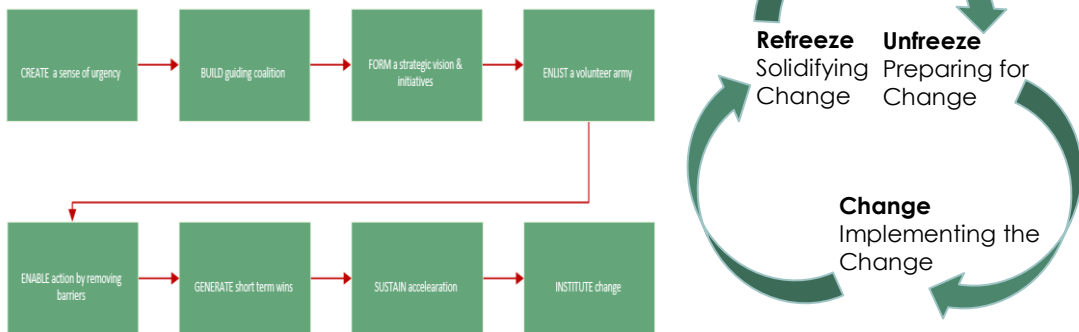
HR's role in contributing to the success of the change management journey is to be involved at the outset, acting as facilitator between the needs of the Business, the employees and the project, supporting and advising the stakeholders, creating a culture that embraces change and moving employees through into Exploration and Commitment to the process. By managing the negativity attached to the process HR

can begin to add “some” control to the uncontrollable elements of the process, such as, being aware of how people are affected, planned discussions around future careers, job security with robust communication. This can be done in a variety of ways for example, consultation, focus groups, Q&A sessions or employee satisfaction surveys, as suggested by, Wilkinson & Taylor, (2016).

Celebrating success is something that can be done together, bringing the team together in a positive environment, when any difficulties and challenges can be put behind you with a ‘we did it’ attitude.

How HR Contributes to Effective Change Management

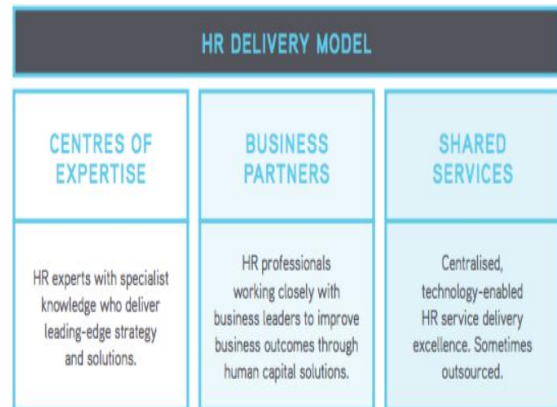
Kotter's Eight Steps to Change



Other examples of change models, Kotter, (2018) and Lewin, (1947), whilst quite different are intertwined, I see that Kotters model happens within the Lewin model with 'Create, Build and Form' happening in Lewin's 'Unfreeze', 'Enlist and Enable' happening in 'Change' and 'Sustain and Institute' in the closer 'Refreeze'

How HR Services can be Delivered

- ▶ **In House or Outsourced?**
- ▶ **Centres of Expertise**
 - ▶ Compensation & Benefits
 - ▶ Learning & Development
 - ▶ Recruitment
- ▶ **Business Partners**
 - ▶ Supporting Managers & Business Leaders
 - ▶ Business Savvy
 - ▶ Wide ranging knowledge and expertise
- ▶ **Shared Service Centres**
 - ▶ Administration
 - ▶ Contracts
 - ▶ Policy & Process Support



How HR Services can be Delivered

In the evolution of the role of the HR Professional we are also faced with our own Transformational Change with the profession being centralised and decentralised, naturally divided by differing industry needs and specialism, changing the way in which HR can be delivered.

In private and smaller organisations a single HR Generalist may provide wide ranging HR services working closely with managers and business leaders. In larger organisations HR services can be delivered in a variety of ways, demonstrated by Ulrich's three legged model, which breaks down HR delivery into three categories overseen by a Corporate HR team responsible for strategic direction, (Heery & Noon, 2008);

Centres of Expertise – Specialist operating within a particular area of specialism, such as, recruitment, Learning and Development, pension administration and compensation and benefits, these specialisms can also be part of shared services.

Business Partners – HR generalists with good business knowledge working closely with Managers and Business Leaders to drive business strategy through human resources solutions. Contributing to organisational design, development of

managers and succession planning. HR Generalists will also provide cradle to grave support throughout the employee lifecycle.

Shared Service Centres – Outsourced administrative services, policy and process management, a service delivery, transactional offering, such as contractual documentation, payroll and day to day telephone support.

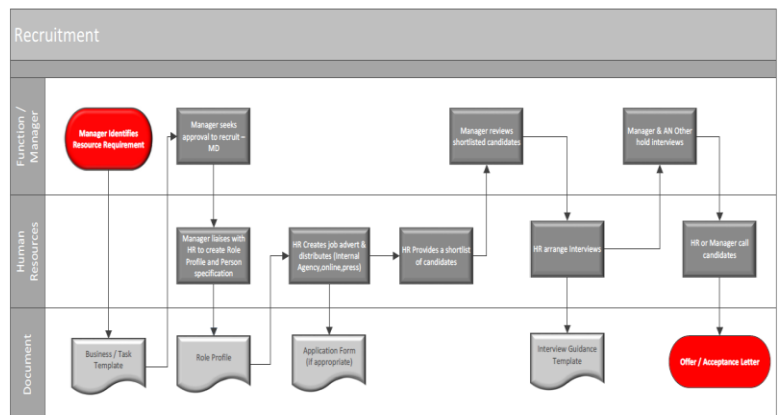
Within the Centre of Expertise professionals have a greater in-depth knowledge of their area of expertise, serving the business efficiently, but whilst in-depth, the scope is narrow, in contrast an HR Business Partner is the reverse, having wide ranging knowledge of all aspects of HR, with the need look for support in more complex matters. Shared Service Centres can work alongside both of these models, providing back office support for administrative duties with policy and process management, in this scenario there is likely to be an element of detachment from the reality of day to day HR which can lead to losing touch with employees, a point supported by, Keegan & Francis, (2010).

Public and Third sector organisations would mostly keep HR Centralised within the respective authority, with large departments and divided responsibilities, these organisations will have greater emphasis on cost due to public funding and may suffer from varying degrees of bureaucracy.

Working with Managers to Provide HR Services

Employee Lifecycle

- ▶ Recruitment
- ▶ Onboarding
- ▶ Performance Management
- ▶ Employee Well-being
- ▶ Sickness Absence Management
- ▶ Employee Leaving



Working with Managers to Provide HR Services

The fundamental purpose of Human Resources is the effective management of people and performance within a business, Wilkinson & Taylor, (2016), but they are not able to do that single handed, line managers are at the coal face, allocating work and monitoring employee performance, working together, improving line manager knowledge and capability will ensure people management is consistent and effective. In a Business Partnering scenario, HR provides the support for the more complex people issues and the systems, policies and procedures to support line managers on a day to day basis throughout the employee lifecycle, with managers reaching out to HR for support with more complex or challenging cases. Throughout the process HR may act as facilitator, represent the business during union negotiations and provide the appropriate communication. . (Marchington, Wilkinson, Donnelly, & Kynighou, 2015) briefly summarise this 'HR plays a significant part in building the systems and processes that help deliver organisational success.

Employee Lifecycle

Recruitment

Advertising -preparing advertisements and role profiles

Equality & Diversity – ensuring our policies and processes are compliant & politically correct

Interview Process – Supporting managers with the selection process

Onboarding

Induction – Policies and Procedures

Training – Analysing needs and sourcing training

Performance Management

Driving Performance Reviews – training and supporting managers

Disciplinaries – Managing the process

Training & Development – Identify skills gaps, succession planning

Employee Well-being

Well-being initiatives – Awareness Campaigns

Employee Assistance Programme

Health Plan

Vendor management

Sickness Absence Management

Return to work interviews – training managers, dealing with more complex issues

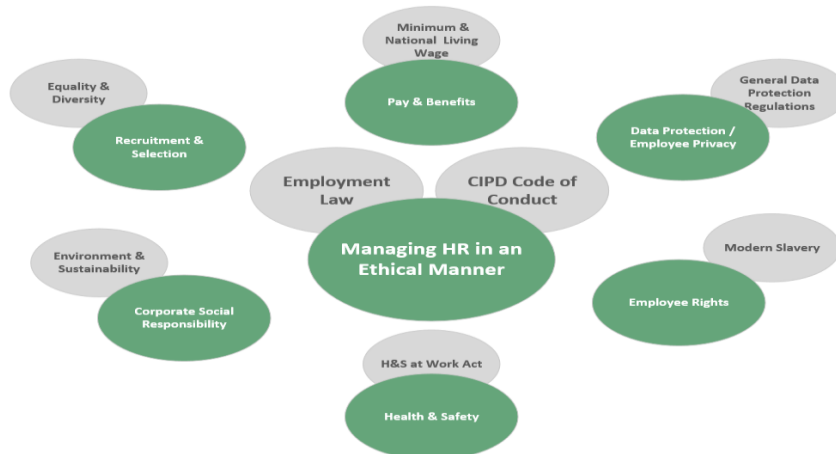
Occupational Health – Appointing suppliers, referrals & complex issues

Employee Leaving

Dismissal – termination, settlement agreements, redundancy, retirement – ensuring correct processes are followed and remain legally compliant

Exit Interview – supporting managers and employees

Managing HR in an Ethical Manner



Managing HR in an Ethical Manner

Ethical practices are particularly relevant in Human Resources, the profession itself is underpinned by the CIPD Code of Professional Conduct which sets out the professions Ethical Standards and Integrity and guides us with eight ethical outlooks to help leaders work their way through those ethical dilemmas.

**Fairness – Merit – Markets – Democracy – Well-being
– Right & Duties - Character – Handing Down**

Outside of this are a raft of ethical behaviours supported by employment law, legislation and good practice guidance such as ACAS, however, the demands of the business and senior management may be at odds with what is right, Wilkinson & Taylor, (2016) reminds us of the importance of complying with employment legislation and standing our ground despite these challenges.

From the beginning of the employee experience in Recruitment and Selection, HR Professionals should be mindful of ethical practice particularly around equality and diversity, ensuring our recruitment processes and hiring managers do not discriminate in any way by excluding anyone within the protected characteristics.

During the employee lifecycle we will be challenged and must ensure that ethical

practices are maintained; pay and benefits should follow Minimum & National Living Wage legislation and we should not seek to circumnavigate around that, we must also keep up to date with annual and age-related increases.

Employees have a right that their personal data is protected, robust policies and procedures should be in place to protect that and data should be managed in line with the General Data Protection Regulations (GDPR) introduced in May 20018. Poor systems, allowing unnecessary access to data and data breaches would put the security of employee data at risk.

Recognising employee rights, for example the Modern Slavery Act 2015 ensures employees are treated fairly and humanly, the National Crime Agency suggests there are as many as 136,000 victims of modern slavery in the UK, Warren, (2018), typical examples of this are, unsafe work, low or zero pay, back breaking work , poor living conditions and even withholding passports.

Health and Safety at work is governed by the Health and Safety at Work Act 1974, employers are bound to provide safe working conditions and to provide the appropriate Personal Protective Equipment to ensure safety, such as hard hats and eyewear and also protection employees from substances and certain emissions, such as asbestos and gas.

The way in which we conduct our business should not be at the expense on society, the impact our work has on local communities, noise levels, effect on services and utilities, needs to be managed, engagement with the community, local schools and charities is a progressive way to accomplish that.

Protecting the environment, disposing our waste responsibly and ensuring it reaches the correct certified disposal site, as opposed to being dumped irresponsibly are other examples of our corporate responsibility, HR can influence this from the management team down, by engaging our employees, and recognising what matters.

Evaluating HR's Contribution to the Organisation

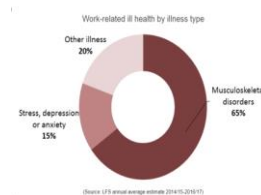
► HR Statistics

- Average Monthly Sickness Absence 27.4 days
- Average 2.4 days per Employee, UK average 4.3 days
- Nov Sickness Absence 15.5 days, a reduction of 42.5% on Oct
- Statistics show that we are well below industry average

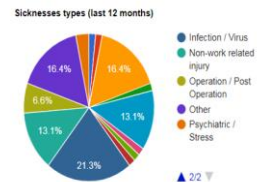
► KPI's

► Balance Scorecard

HSE Statistics for Construction GB



Premier Group (CNC)



Evaluating HR's Contribution to the Organisation

There is increasing evidence that effective HRM can improve organisational performance, studies over the last 15 years demonstrate improved financial and organisation effectiveness (Alfes, Truss, Soane, & Gatenby, 2013). Traditionally we have evaluated HR's contribution in two ways, Quantitative and Qualitative and by using evaluation tools such as;

Statistics – a quantitative approach which compares statistical data. i.e. number of events, reduction in costs, movements in sickness absence and benchmarking against both internal and external data sources.

Demonstrating how the company sickness absence types compare to the industry average and how company data compares to UK average data can demonstrate the effectiveness of sickness absence management and any well-being initiatives.

Employee Satisfaction Survey – a Qualitative approach providing feedback on moral, employee engagement, well-being and the effectiveness of training and development.

Key Performance Indicators – also a quantitative method, which identifies and sets

targets that are relevant to the business strategy, measurable and have a deadline.

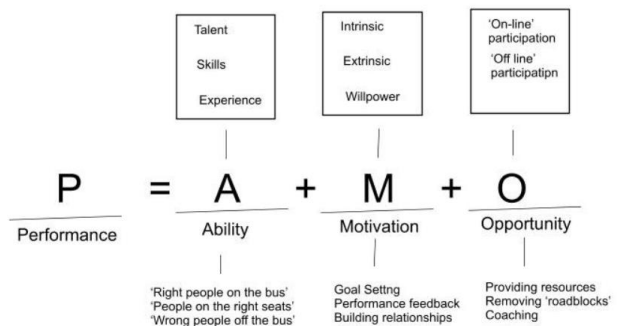
Balanced Scorecard - a mixture of Qualitative and Quantitative methods, performance measures set in line with business strategy, tailored for each function which creates the feeling that all departments are working toward the same objectives, (Wilkinson & Taylor, 2016).

The evolution of people management means there are new more self-reflective evaluation methods; measuring long term organisational performance and the influence HR has on business strategy, however, Swift, (2016), reminds us that any tests of HR effectiveness rely on how closely the HR objectives are linked to the business strategy, interlinked and done well will demonstrate effective and valuable HR effectiveness.

The Link Between HR and Positive Organisational Outcomes

- ▶ Is there a Link?
- ▶ Contrasting Views
- ▶ Best Practices
- ▶ The AMO Model

The AMO Model



The Link Between HR and Positive Organisational Outcomes

There is some evidence demonstrating the link between human resource management and organisational performance, however, there are opposing views and pinpointing the exact reason for any link is unclear, Purcell, Kinnie, Hutchinson, & Rayton, (2003), claim that this may be due to the lack of data collection in some organisations, with others collating too much making it difficult to select the most useful data.

Within Guest, (2011), it becomes clear that this dilemma is not a new one, Peters & Waterman, (1982), and others, attributed this link to an increased level of commitment to HRM within successful organisations. At a later date these findings were challenged, with critics claiming that more in-depth studies and greater clarity was required, linking this level of commitment to exploitation of employees, (Hesketh & Fleetwood, (2006).

(Guest, 2011), brings together 20 years of researching the link between HRM and performance and notes 'impressive progress in theory development' but was unable to support the theory or assert with certainty that good HRM makes a significant impact on performance.

Wilkinson & Taylor, (2016), whilst acknowledging that there are gaps in understanding, draws our attention to the suggestion that range of positive HRM policies and practices aimed at improving employee commitment and going the extra mile, generates a sense of 'caring' that the company is successful. Kew & Stredwick, (2016), also link best practices to high levels of employee commitment, and specifically name 10;

- Flexibility/teamworking – employees willing to support the business, even outside their job role
- Employee involvement – engaged employees demonstrate higher levels of commitment
- Employee voice – being heard, the belief that their opinion matters
- Reward for Performance – not always restricted to pay, feeling valued
- Employee ownership – owning an interest
- Sophisticated selection – right people and roles
- Internal promotion - opportunities to advance, recognising good work
- Job security - demonstrating that people do come first
- Commitment to learn – self development
- Harmonisation – removing unnecessary differences

Remaining with best practices, the AMO framework, John Purcell et al (2010), has been recognised for some time as a model that is able to explain this link;

- **Ability** – skills, knowledge and experience
- **Motivation** – Goal setting, application
- **Opportunity** – chance to demonstrate, removing barriers

To have an impact on organisational performance, whether employees are working alone or in a team all elements of the AMO model need to be present to impact organisational performance.



Summary

Human Resources is an evolving and wide-ranging function, that is now recognised a business asset, supporting and protecting the employees and the business. Human Resources Professionals need to demonstrate the effectiveness of their role and what they contribute to the organisation. We must adapt to the business, which in each organisation will look and behave quite differently, tailor our role to support the business strategy, work within the ethics of the profession, keep up to date with legislation be adaptable and change-ready.

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