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Understanding the Contemporary Human Resources Function

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Student Name: Rebekah Thomas

Student Number: 2007852

CIPD Membership Number: 57493148

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Signed: R A THOMAS

Date: 17/01/2021

THE FUNCTION OF HR

Rebekah Thomas

WHAT IS THE FUNCTION OF HR?

“Through the people professionals who work within it, the HR function helps an organisation deliver its corporate strategy and objectives by effectively recruiting and developing people and managing their performance”

(CIPD, 2021, <https://www.cipd.co.uk/knowledge/fundamentals/people/hr>).

Taylor and Woodhams (2016a) state that the term Human Resources (HR) can be followed back to the late nineteenth century and early twentieth century within some organisations. They explain that the term HR is now generally used for any actions that involve overseeing the link between an organisation and its employees.

The purpose of HR is to support and strengthen an organisation. Taylor and Woodhams (2016a) confirm that the HR function's aim is to assist with an organisation's plan, delivery and goals by resourcefully managing the workforce.

THE EVOLUTION OF THE HR FUNCTION



The HR function has dramatically evolved, and it is still developing. Taylor and Woodhams (2016a) explain the origin of the HR function was Personnel Management (PM), which appears to be administration and paperwork based. PM then became Human Resource Management (HRM) and here vast transformations can be found. Salary was no longer the key motivator which had an effect on an employee's decision to turn up to work every day. The transition to HRM revealed there was a need to focus on the development and coaching of staff as they were a fundamental part of an organisation. HRM was then modified further to Strategic Human Resource Management (SHRM) which is where we are at now.

The innovation behind SHRM indicates that HR now have more control within organisations. "The workforce, having previously been promoted from 'cogs' to 'resources', were now viewed as 'assets'" (Taylor and Woodhams, 2016a, p24). The HR function was also now considered a vital part of an organisation's key to success. Taylor and Woodhams (2016a) believe that the HR function is still developing and there is already supposition about the future of this.

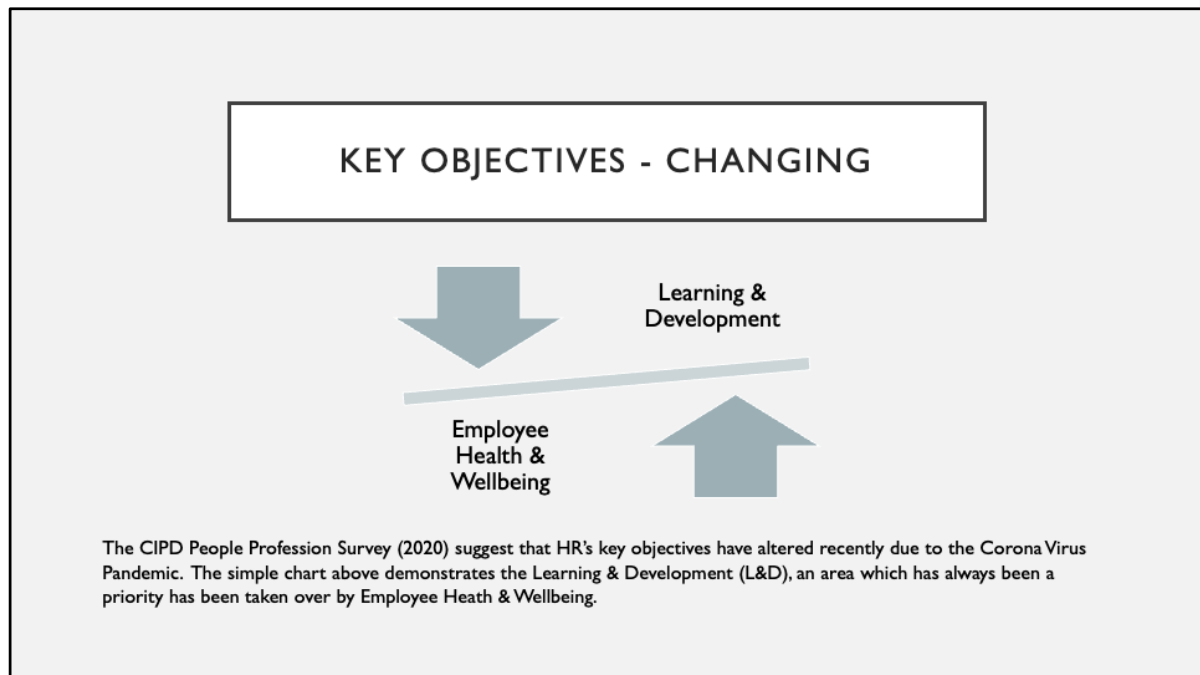
HR'S KEY OBJECTIVES*

* "In 2007, the CIPD carried out a survey of 787 HR professionals in the UK asking what they considered to be the major objectives of their functions. The top four were as follows;

- **To recruit and retain key staff**
- **To develop employee competencies**
- **To improve the management of people performance**
- **To maximise employee involvement"**

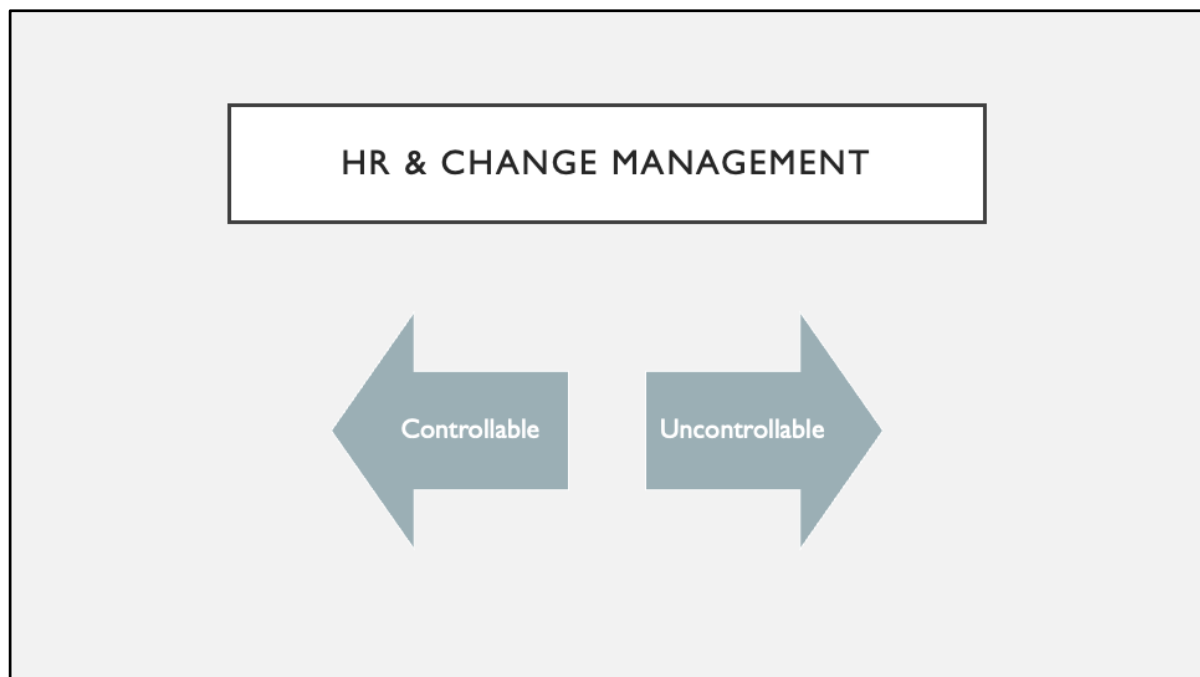
(Taylor and Woodhams, 2016a, p22).

The key objectives within HR will always be determined by an organisation. Taylor and Woodhams (2016a) verify this and disclose that the purpose of HR will adjust for reasons such as growth of the organisation but rarely modifies drastically. They confirmed that the key objectives are recruitment and retention, development of staff which links closely to driving performance and also engagement in the work of the organisation. You could say that HR are responsible for the people element of an organisation which means there is a need for HR to be involved in almost everything an organisation does.



These objectives appear to be developing in contemporary organisations and continuously adapting to the needs of the business. For example, CIPD (2020) suggest that employee wellbeing is currently a top priority. This is something that is important to employees as well as an organisation. Advocating employee wellbeing establishes a better workplace where staff can feel safe and supported. This ties effectively to employee engagement and organisational performance within the CIPD 2013 Profession Map.

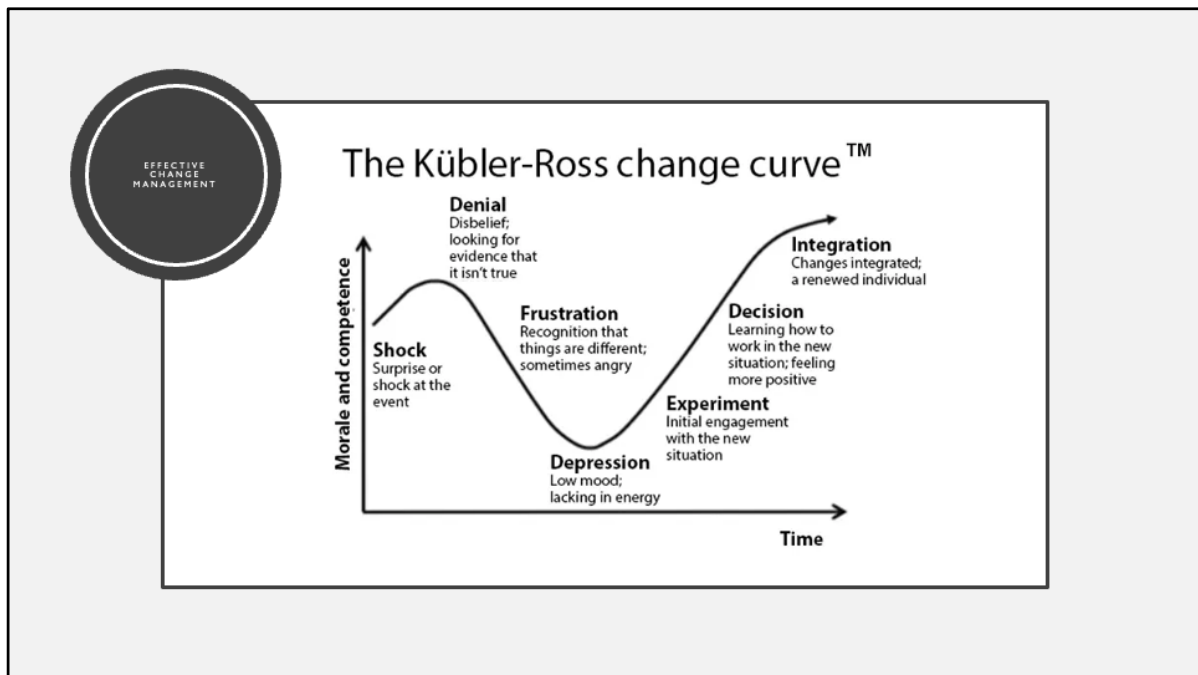
Another way the function of HR has evolved is how it has developed from a transactional to a transformational process. Transactional processes link back to PM which is very much administration based while transformational is more change management driven which like SHRM. The development of the function of HR can also be viewed as change.



Change is something that happens every day and happens frequently within organisations. There are many reasons change and CIPD (2020) say this may be because of amendments to company goals, stakeholders demand, new processes to follow or even regulation updates.

More recent changes have been influenced by both Brexit and COVID-19. How these changes are handled is change management and Taylor and Woodhams (2016a) suggest that if this is to be work and work well, then HR must be involved. The changes listed will have an impact on both controllable and uncontrollable factors. Taylor and Woodhams (2016a) imply that the controllable elements of change within an organisation may require a change a particular process and HR are able to influence how this change is actioned. The uncontrollable consideration of this example would be the workforce who must adapt to the change in process which may be difficult handle because people respond to change differently.

HR are able to assist with the uncontrollable elements in various ways. "The effects of not managing change effectively can be devastating and long lasting, so it's important that people professionals understand the issues and equip themselves with techniques to support change management initiatives (CIPD, 2020, <https://www.cipd.co.uk/knowledge/strategy/change/management-factsheet>)".



There are many ways for an organisation to deal with change with support from HR. There are also many theories and ways to handle change which can be associated with a place of work. Dr Elisabeth Kübler-Ross was a psychiatrist, author and is renowned for her concept on the five stages of grief.

Belyh (2020) clarifies the original five stages are shock/denial, anger, bargaining, depression and acceptance. Also known as the Kübler-Ross Change Curve, the model been acknowledged extensively, and it has been revealed that it is transferrable to all circumstances regarding change.

By studying the five stages of grief, it is easy to apply to a change within an organisation and HR are able to contribute at every stage. For example, the first stage is shock or denial, and this could be perceived as an announcement that there is a change materialising such as COVID-19, therefore people panic or worry about the unknown. HR would step in and support with communication to ensure the workforce fully understand the situation.

Taylor and Woodhams (2016a) indicate that communication is vital and that it is HR's obligation to guarantee this is used accurately. One would say that the correct communication method here would be top-down channels where management would brief the workforce on the circumstances. Other methods of communication are bottom-up channels and two-way discussions.



Taylor and Woodhams (2016a) express the role of HR can be delivered in various ways within an organisation. Depending on the size of the organisation there may be just one HR professional working alongside management or there could be a HR team or department. First there is HR generalists and HR specialists and the difference between the two roles. Some could argue that the clue is in the role title. CIPD (2020) advise that a HR generalist deals with HR as a whole within an organisation and is responsible for the development of the workforce. On the other hand, a HR specialist will focus on a particular role or area such as recruitment. Taylor and Woodhams (2016a) state that a HR specialist focusing on recruitment is accountable for just that and they must understand the business needs specifically the workforce. They must be able to seek and find candidates who are not only right for the role but will also thrive within the organisation. Further responsibilities include talent and performance management.

The other roles with HR include outsourcing and shared services. Taylor and Woodhams (2016a) reveal that outsourcing involves an organisation fulfilling an area of the business such as payroll using an outside provider. The CIPD (2020) indicate there are many reasons for an organisation to select this option such as the great expertise delivered. Finally, there is shared services which the CIPD (2020) confirm is a progenitor to outsourcing. "HR shared services refers to concentrating administrative HR activities into a centralised hub within an organisation (CIPD, 2020 <https://www.cipd.co.uk/knowledge/fundamentals/people/hr/shared-services-factsheet>)."

Taylor and Woodhams (2016a) add that this role is common with larger and partner organisations because it is cost effective and shared knowledge the centralised hub permits knowledge to be collective.

EXAMPLES OF THE HR FUNCTION

“How an organisation should structure its HR function depends on its organisational strategy, wider organisational structure and the requirements of its customers and the organisation it is supporting”

(CIPD, 2015, <https://www.cipd.co.uk/knowledge/strategy/hr/operating-models>).

Moving on from the roles, there are several models to how the HR function can be structured within organisation. CIPD (2015) advise how the function of HR operates within an organisation depends on the size and nature of the organisation. It is also influenced by strategy and the needs of the business in general.

Taylor and Woodhams (2016b) deem the one-team model a classic step up of HR, which going by the name involves a team of generalists, specialists, administration and still very much applied in organisations today. In this model, HR are responsible for the workforce within particular areas of the business rather than the organisation as a whole. The CIPD (2015) confess that private companies prefer to utilise the model-team model while larger, public companies tend to follow the Ulrich model. Taylor and Woodhams (2016b) imply that HR professionals working within the one-team model follow general HR duties but are restricted to altering responsibilities in line with the needs of the business and this usually results in friction between the HR function and management.

EXAMPLES OF THE HR FUNCTION CONTINUED

One-Team Model

- Traditional
- Teamwork
- Mixture of HR generalists, specialists & admin

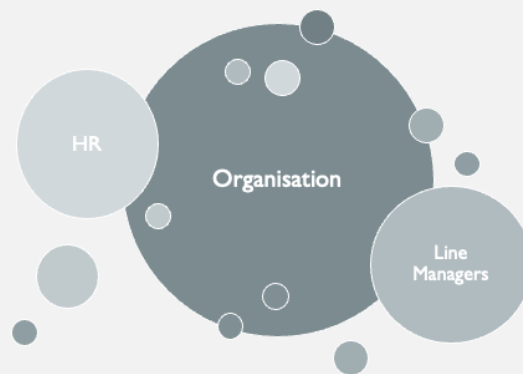
The Ulrich Model

- Created in 1997 by Dave Ulrich
- Three-legged stool
- Innovative

The other HR structure which has previously been mentioned is the Ulrich model which is also known as the 'three-legged stool' model. Taylor and Woodhams (2016b) proclaim that this concept was created by Dave Ulrich, an American business professor. As already mentioned, this model is preferred by larger public organisations and has been recognised as highly efficient. The theory behind this model is that the function of HR should be split into three separate units in order to be successful and these are business partnering, centres of expertise and shared services. You could say that the meaning behind the name of the three-legged stool is that if one of these areas were to fail, the stool or model would collapse.

The understanding behind the Ulrich model is that HR needs to be strategic and well organised in order to be effective. However, despite popularity Taylor and Woodhams (2016b) confirm not many organisations follow this model fully. There is evidence that the business partnering area has been utilised within organisations as this has allowed HR professionals to develop themselves within their roles.

THE ROLE OF LINE MANAGERS IN HR



Taylor and Woodhams (2016a) affirm that the responsibility of the HR function revolves around the people element of an organisation and this includes performance management. However, HR are not the only ones responsible for this. “Line managers have a very important role to play, not only in managing people and operations day-to-day, but also in implementing HR and other organisational policies and in supporting their team’s development” (CIPD, 2020, <https://www.cipd.co.uk/knowledge/fundamentals/people/hr/line-managers-factsheet>).

Taylor and Woodhams (2016a) note that line managers work alongside the workforce on a daily basis and as a result an employee may turn to their line manager when they have an issue rather than go to HR. From this, it is clear that line managers and HR must collaborate. Taylor and Woodhams (2016b) state that over the last few years, the responsibilities of a line manager have significantly grown and some of these duties were formerly handled by HR, such as people management. It could be argued that as line managers work more closely with the workforce and technically manage them directly, it is only right that people management is their responsibility.

However, it is then HR’s duty to ensure line managers receive the correct training in order to manage their teams appropriately. Taylor and Woodhams (2016a) imply that the shift of responsibilities between line managers and HR, gives HR professionals more time to focus on different areas of the business such as strategic issues which goes back to the three-legged stool objective.

ETHICAL 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, https://www.cipd.co.uk/Images/7919-ethics-guide_tcm18-66759.pdf)

The definition of ethics according to the Oxford Advanced Learner's Dictionary is “a system of moral principles or rules of behaviour”. Following this explanation, individuals are faced with making decisions every day and the outcome of this will result in whether it was right or wrong. The topic of ethics within HR is significant and is growing. Taylor and Woodhams (2016a) indicate that being ethical is a key requirement and should be standard for a HR professional.

The CIPD (2019) explain decision making within HR is a vital part of the role and can have a huge impact on an organisation. Making a decision that is morally wrong such as improper treatment of staff can not only have a substantial impact on the staff but also damage the reputation of the organisation altogether. However, if a decision is made which is right and fair such as allowing all staff to be able to speak up about any concerns they may have, which in turn promotes employee engagement will have a positive impact in the organisation and may also improve staff commitments. Having already confirmed the importance of ethics within HR and the impact of decision-making within an organisation, Taylor and Woodhams (2016a) state that HR professionals must also be role models for encouraging ethical behaviour. They are able to do this in a number of ways such as training on ethical behaviour and by making sure the company code of ethics is acknowledged by all members of staff.

Taylor and Woodhams (2016a) point out there are other areas within an organisation which HR are responsible for such as: diversity and inclusion, dignity at work, health and wellbeing, work-life balance and equality of opportunity.

EVALUATING HR

The HR function must establish its position within an organisation by showing it is both essential and efficient. There are a few ways to evaluate the HR function such as:

- HR Statistics
- Key Performance Indicators (KPI's)
- Balanced Scorecard
- Stakeholder Analysis

The HR function can be evaluated in various way to determine the importance and influence it has in an organisation. “Traditionally, HR evaluation has focused on the efficiency and effectiveness of the range of practices operated by the function” (Taylor and Woodhams, 2016a, p30). This demonstrates the HR function has been assessed on the ability to meet hit company targets as well as ensuring this is done economically.

Taylor and Woodhams (2016a) explain that there are a several ways to evaluate HR such as HR statistics which signifies numbers such as numbers of staff, job applications, people off sick, hours lost, and so on. This information can be useless alone but when comparing data with previous years, against targets or in contrast to other companies it can be incredibly beneficial. Key performance indicators (KPI's) refer to targets and performance. Usually, the most important areas of the business are reviewed, such as productivity and goals will be set based. KPI's always have a deadline, they are precise and must be attainable. Finally, there's the balanced scorecard which is a record that clearly defines the agreed methods an organisation will use to measure performance against the KPI's, department goals and overall objectives of the company.

EVALUATING EMERGING HR

- Contextual Savvy:

Aware of outside influences and developments that may impact the organisation from this day forth.

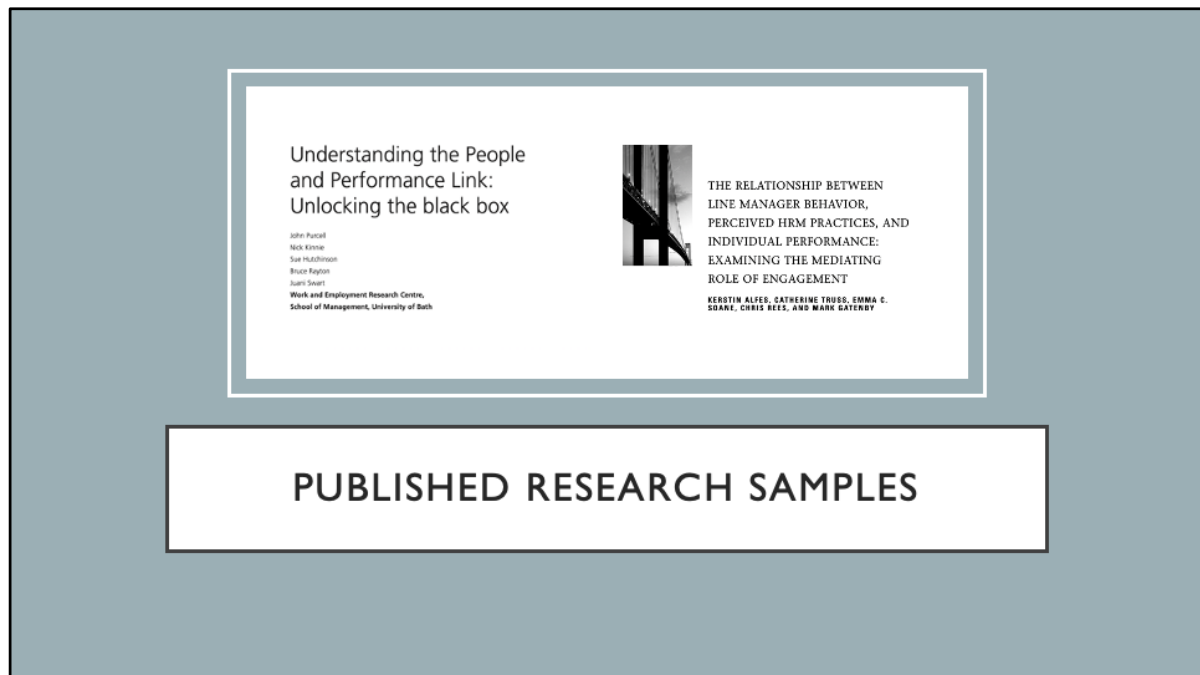
- Organisational Savvy:

Very much understands the people and ethos of the organisation and through this can get the job done.

- Business Savvy

Knows exactly how the organisation operates financially and understands the importance of key aspects in order to preserve.

Another way the HR function can be evaluated is stakeholder analysis which according to Taylor and Woodhams (2016a) is all about meeting the requirements of the client. The client within HR is the people and staff involved which leads to people management. “Key areas of focus for the profession moving forward are seen to be future-proofing the organisation and ensuring that HR is insight-driven” (Taylor and Woodhams, 2016a, p31). Taylor and Woodhams (2016a) suggest HR professionals must look beyond people and performance management to judge their capabilities within HR and consider whether they hold the ‘three savvies’ needed in order to be ‘insight-drive’.



Further studies of the relationship between HR and organisations with positive outcomes have been published online and in books. Alfes *et al.* (2013) explored this in great detail and found that through their specific research staff within the organisations were happy with the role of HR and the practices they implemented. They also discovered that when the relationship between line managers and HR professionals is exclusive and effective, the staff are more positive. One would say this relates back to the role of line managers within an organisation and proves that if the partnership between line managers and HR professionals is flawed then this will have a negative impact on the workforce and organisation.

Purcell *et al.* (2003) published a report through the CIPD which considered the function of HR and how it influences performance within an organisation. Through research they found that a few constructive HR strategies have encouraged staff to strive for success in their role and in turn this improved overall performance within an organisation. Another interpretation from this research report showed that when HR is actively involved with an organisation the outcome is positive.

The function of HR will continue to do their best and support organisations. "Ultimately, a firm's human-resource community holds crucial responsibility for adding value and delivering results" (Ulrich, 1997, p254).

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