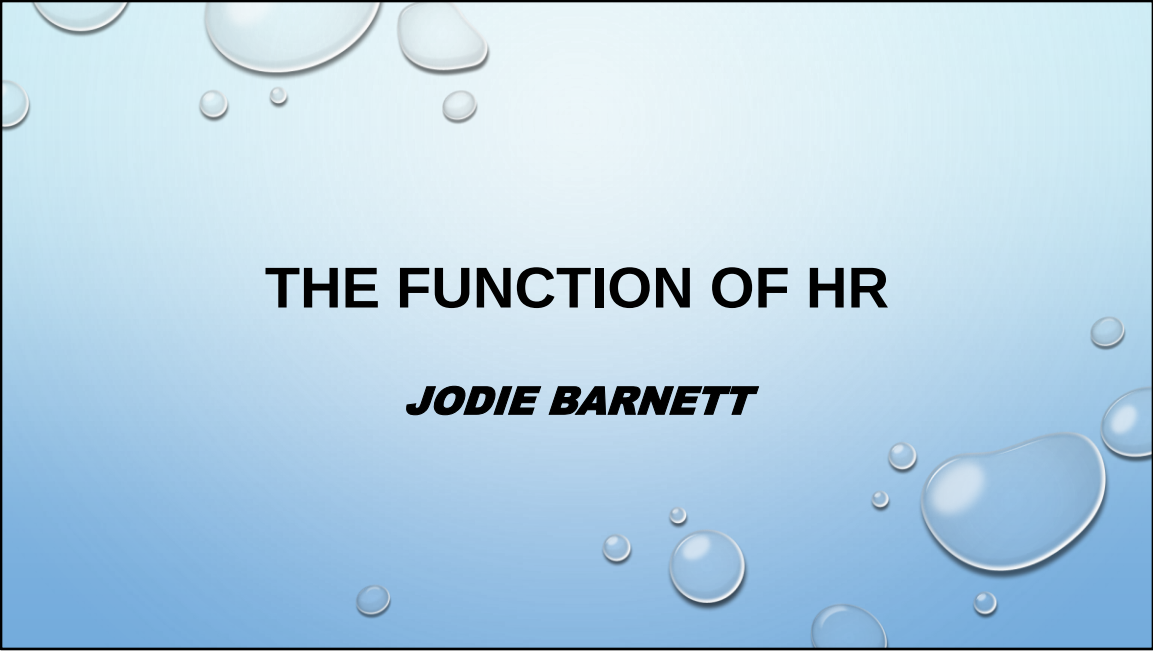


The background of the slide is a light blue gradient, darker at the bottom. It is decorated with several realistic water droplets of various sizes, some with highlights and shadows, giving them a 3D appearance. The droplets are scattered across the top and right sides of the slide.

THE FUNCTION OF HR

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AIMS OF PRESENTATION

THE PURPOSE OF THIS PRESENTATION IS TO GIVE YOU AN UNDERSTANDING OF:

- THE HR FUNCTION AND HOW THIS HAS EVOLVED
- HR'S CONTRIBUTION TO EFFECTIVE CHANGE MANAGEMENT
- DIFFERENT WAYS IN WHICH HR SERVICES CAN BE DELIVERED
- EFFECTIVE RELATIONSHIPS WITH MANAGERS
- THE IMPORTANCE OF ETHICAL PRACTICE
- EVALUATION OF HR SERVICES

The HR Function

Purpose

The HR function helps an organisation deliver its corporate strategy and objectives by effectively recruiting and developing people and managing their performance (CIPD 2019b)

Key objectives

The top four major objectives of the function as outlined by HR professionals in the UK:

- To recruit and retain key employees
 - To develop employee competencies
 - To improve the management of people performance
 - To maximise employee involvement and engagement
- (Wilkinson and Taylor, 2016)

Purpose – HR professionals play an important part in driving decisions that enables the organisation to succeed both short and longer term. Setting HR written guidance in the form of Policies for employees and managers on how to handle a variety of employment issues plays an important role in practically and effectively executing the organisational HR strategy.

Key objectives – CIPD survey carried out in 2007 with 787 HR professionals identified the top four objectives of the HR function.

The Chartered Institute of Personnel and Development (CIPD) is a professional body aims at setting standards for HR and people development, as well as positive change in the workplace.

HR evolution – Personnel v HR

Key activities in Personnel

- Wage administration
- Welfare of workers including medical care
- Adhering to policies – recruitment, training and wage administration
- Dealing with trade unions
- Report card performance appraisals

Key activities in Human Resources (HR)

- Recruitment and retention of its employees
- Training & development
- Employee benefits – non-monetary
- People management
- Importance on leadership
- Enhanced performance appraisals

(Wilkinson and Taylor, 2016)

Personnel – established in the late 19th / early 20th century, Personnel was considered on the establishment of large companies to handle employee and administrative duties i.e. wages, recruitment, training. (Ulrich & Dulebohn, 2015) argues that personnel was established to help businesses with labour shortages, turnover and productivity challenges. A rapid rise in wages and demand for wartime production, created the need to efficiently employ skilled workers and secure their services. Following on, employment related activities such as improving the welfare of its employees, personnel was directed towards meeting business needs and Human Resources (HR) was evolved.

HR was established near the end of the 20th century, HR focuses on the bigger influences to create better work productivity and motivation. This included non-monetary benefits such as flexible working and leave. (Ulrich and Dulebohn, 2015) refers to HR being transformed from Personnel as they were viewed as a core business function that contributes to organisational value rather than an administrative function.

(Personnel Today, 2002) argues that the HR function has evolved from being a manager of personnel and employee information, to a department that has the

responsibility for everything from payroll duties to key strategic elements.

Understanding change management

- Organisational changes are driven by a variety of different forces including customers, markets and technology (CIPD 2019)
- Change relates to external and internal factors
- Model for change

Organisations experience major change approximately every three years and smaller changes constantly and this relates to external and internal factors. Change is a common process for all businesses regardless of their size, industry and age. World is changing fast and organisations must change with it too if they are to thrive. Those who do not adapt to change may struggle to survive (MindTools 2020).

External and internal factors can influence change in an organisation. Some examples of external and internal factors are – Changes in organisational strategy (internal), new legislation (external), government influences (external), technological changes (internal/external), budgetary losses (internal/external).

Model for change – The theory of change management is familiar in most businesses, but how they manage change i.e. how successful they are at it, varies immensely depending on the nature of the business, the change and the people affected. How change is implemented effectively depends on how well people understand its process.

It is worth acknowledging that there are number of models of change that businesses can adopt including Kubler-Ross, DREC and Beer et al's six steps to effective change.

Lewin's change management model



Source: *Slidemodel.com*

Kurt Lewin developed his model back in the 1940s and continues to be used in businesses. He adopted the three-stage process known as the Unfreezing-Change-Refreeze using the likeness of changing the shape of a block of ice (Mindtools, 2020).

First stage is to unfreeze – planning the change, second stage is to change – act on the change, third stage is refreezing – result of change.

HR - change management

The HR function has vital role in driving effective change. Examples where HR can contribute to change include:

- Communication
- HRD interventions
- Employee participation
- Management expectations
- Conflict

(Wilkinson and Taylor, 2016)

(Wilkinson and Taylor, 2016) refers to HR's role in change management being vital to effective change management and this concerns more than just the business processes that can be designed and implemented (controllable) but also concerns the people and the meanings that people attach to these processes (uncontrollable). There is no way of ensuring that people react to change in a positive manner, however, some basics can improve the likelihood of employee approval.

Communication – HR will need to ensure that all employees affected by change are always communicated to during change. This will lessen any confusion and people will be less likely to resist change. HR will need to exercise skills and attributes and communicate effectively to stakeholders including honesty, patience and thoroughness, excellent listening skills and empathy.

HRD interventions – Providing training and development initiatives during the process can be effective in helping understanding change. Identifying and addressing any skills gaps that rise as a result of change, providing mentoring and coaching activities for those finding it difficult to adapt to change and providing development opportunities.

HR objectives and service delivery

The HR function needs to be aligned with the organisation's strategic objectives of the business. (CIPD 2020) acknowledges that different organisations have different needs and not one model for delivering HR will suit all. This can largely depend on the organisational size, maturity and its customers.

There are different models of HR service delivery:

- Shared services
- Outsourcing
- Centralised
- Decentralised
- Integrated

HR services – comparing and contrasting

Advantages to **shared services**:

- Reduction in costs
- Avoid duplication of work/effort
- More efficient processes
- Shared knowledge

Disadvantages to **shared services**:

- Reduction in career development
- Low customer satisfaction
- Reduced “close” relationships

(Marchington and Wilkinson, 2005)

Shared services are a way of organising HR activities within a wider HR operating model to support strategic HR business partners (CIPD 2018b). Tends to be used in large organisations and can provide a corporate service to include other support functions such as ICT, financial services. There are two distinguishing features of the HR shared service, one service offers common HR administration - providing advice to line managers and administrative duties such as employee records and recruitment services. The other service offers more complex HR activities – providing expertise on specialist knowledge and insight.

(CIPD 2018) refers to shared services seen as part of Ulrich’s (1998) three-legged stool model.

Advantages - costs can be reduced by achieving economy of scale and eliminating duplication of work as services are streamlined and simplified. Wages can be relatively cheaper as services can be located offshore (CIPD 2018). A centralised provision enables knowledge to be spread across various services and an awareness of different locations will help identify the customer and market within the area.

Disadvantages – transferring services can have a knock-on effect on existing career

paths. Specialist HR knowledge may be difficult to acquire as the HR function and complex service tend to be kept separate. Fewer opportunities to deal with customers on a face-to-face basis can reduce customer satisfaction and the relationship with them (CIPD 2018).

HR services – comparing and contrasting

Advantages to **Outsourcing**:

- Services can be run cheaper
- Better focus on organisational strategy
- Better expertise
- Reduced risk

Disadvantages to **Outsourcing**:

- Loss of local knowledge/processes
- Standardisation of processes
- Constant review of success

(CIPD 2018a)

Outsourcing refers to purchasing a service externally rather than undertaking this in-house (Wilkinson and Taylor, 2016). It is becoming more common in companies to outsource certain support functions to expert providers, for example, I.T, payroll, as this allows the company to focus on strategic matters/ work that require specific company knowledge.

Advantages - This can prove to be cheaper than employing directly and can promote quality of service as external companies have specific expertise in field. Whereas the shared services work remains in-house. Outsourcing eliminates the risk to the business as the service is dealt with externally. Again this is different to shared services as the service remains. Accessibility to better HR expertise which is not available internally. Although shared services can share knowledge between services, this wont always be specialist in a certain field.

Disadvantages – Policies and procedures will be standardised in line with provider rather than the organisation. Shared services processes would remain in line with organisation. Loss in local knowledge and processes as these would be defined by the outsourcer whereas shared services remain responsible for their processes.

(Personnel Today, 2002) refers to the role of the HR professional changing beyond recognition towards the end of the 20th Century which has charted the way modern HR functions have evolved to allow outsourcing to come to the forefront.

Working with line managers

Front-line managers play a pivotal role in terms of implementing and enacting HR policies and practices (CIPD 2017). It is vital that HR and managers work collaboratively to manage people issues effectively and consistently.

Effective collaboration includes:

- Communication
- Training
- Direct support
- Advice



Communicating effectively and regularly with line managers providing key HR information and an understanding of policies and procedures contributes to employees being treated consistently and fairly.

Ensure that line managers receive regular training on the implementation of policies and procedures and maintain sound knowledge of these.

Making managers aware of the importance of seeking HR advice, guidance and direct support when unsure how to proceed or if faced with a complex issue.

What is Ethics?

Defined as rules of conduct recognised as morally appropriate to a particular profession or area of life (Wilkinson and Taylor, 2016).

(Kew and Stredwick, 2010) defines ethics with 3 core elements:

- Fairness
- Deciding what is right and wrong
- Practices and rules which underpin responsible conduct between individuals and groups

Ethics and the need to perceive high standards of conduct are essential to being professional. The CIPD code of conduct reiterates:

“All CIPD members must commit to upholding and maintaining the standards and behaviours set out in our Code of Professional Conduct document. The standards apply equally to all CIPD members regardless of their level of membership”

The importance of ethics in HR

It is essential that HR demonstrate and promote ethical decision making and these need to be championed and promoted throughout the workplace:

- Equality of opportunity
- Diversity
- Dignity at work
- Work-life balance
- Health and well-being

(Wilkinson and Taylor, 2016)

Ethical practice can overall improve business performance

(Wilkinson and Taylor, 2016) argue that HR professionals are seen as role models for others and play the lead role in promoting ethical behaviours for all in the workplace. One way of doing this is publicising and developing a corporate code of ethics, which is a form of code of conduct.

Examples of ethical practice

- Employment and people management
- Equal opportunities
- Health and well-being
- Reward and pay

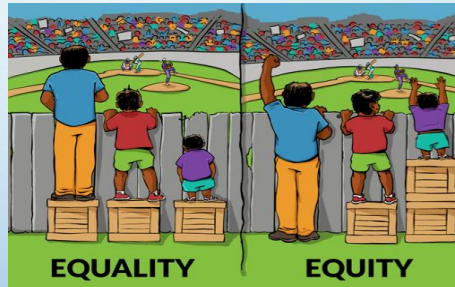


Ethically, the employer has a duty of care to its employees and this includes their health and well-being at work. (CIPD, 2019) refers to the importance of Occupational Health in the workplace in order to promote and maintain the health and well-being of employees. It aims to ensure a positive relationship between an employee's work and health. Confidentiality and consent of employee's health information hold both legal and ethical issues and the data protection law applies.

Under the Equality Act 2010, an employer should not ask questions concerning the health of job applicants during the initial recruitment process. Questions relating to health relating to the role can be brought up at the job offer stage, where the applicant is subject to medical clearance. Identifying an applicant's health condition or disability beforehand could have a bearing on the decision-making process at the shortlisting stage.

Examples of unethical practice

- Technology
- Environmental
- Discrimination



Unethical practice can damage the organisation's reputation and overall business performance. Setting a good example and being a role model can promote workplace ethics and business performance/credibility.

Technology – advanced technology and processes are at the heart of business productivity and (Howlett, 2019) argues that employers need diverse Artificial Intelligence (AI) to protect against unethical use of technology. HR needs to closely monitor the implementation of AI and be involved in decision-making as sexism and racism can be a real danger. Businesses need diverse teams in place when introducing the use of AI/automation systems to ensure that this did not embed existing unfairness and barriers. The principles on human rights should be a good place to start when thinking about the ethics of AI in the workplace.

The Environmental Protection Act is the environmental law in the UK that controls waste management and emissions into the environment. This affects businesses with growing pressures and an example of unethical practice is the VW emissions scandal. (BBC 2019) reported that Volkswagen had “cheated” European emissions rules designed to save lives by installing unlawful defeat devices in diesel cars by installing software to that reduced emission readings. This brought legal action by thousands

of its customers and put the company's reputation into disrepute.

HR services evaluated

(Wilkinson and Taylor, 2016) refers to HR services being more commonly evaluated using the following tools:

- Key performance indicators (KPI's)
- HR statistics
- Balanced scorecard

KPI's – identifies the aspects of the most critical achieving HR performances against business objectives. Setting a target for each activity and then assessing that against performance. KPI's are specific, measurable, achievable and relevant to performance within given deadlines.

HR statistics – this can refer to expenditure such as recruitment, number of job applicants, number of new recruits, absence figures, number of disciplinary/grievance issues and number of leavers. This is better used for benchmarking and identifying what areas need improvement.

Balanced scorecard – these measure the businesses four perspectives – customers, financial, internal business processes and learning and growth,

HR research studies

1. UK public sector reform in local government
2. HRM and performance in healthcare organisations

1. (Harris, 2005) underwent a case study on HRM challenges and dilemmas on the performance agenda in UK local government. The public sector modernisation agenda has led to the introduction of regular external performance review processes assessed and how HR practices support organisational performance.

HR policies and practices contribute to improving organisational performance. An integrated, consistently applied, hierarchical performance processes were identified as key to achieving individual contribution with organisational priorities. Processes that measure employee performance can also lead to a rise of organisational targets which can be confusing and crushing for employees and contribute to lowering morale.

2. (Fitzgerald, et al., 2007) compared evidence from a range of reviews concerned with links between HRM and performance. Relationships were found between a variety of HRM practices, policies, systems and performance, however, there is little research exploring the link between HRM and performance in the health sector. Studies found that HRM practices were associated with patient outcomes such as mortality, yet they produce little evidence regarding the HRM processes that affect individual performance and its impact on patient care.

.....to conclude



Kahoot quiz “The function of HR”

<https://play.kahoot.it/v2/?quizId=933844ca-4364-436c-9af6-d57b7faefab4>

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