

TATA STEEL



The Function of HR

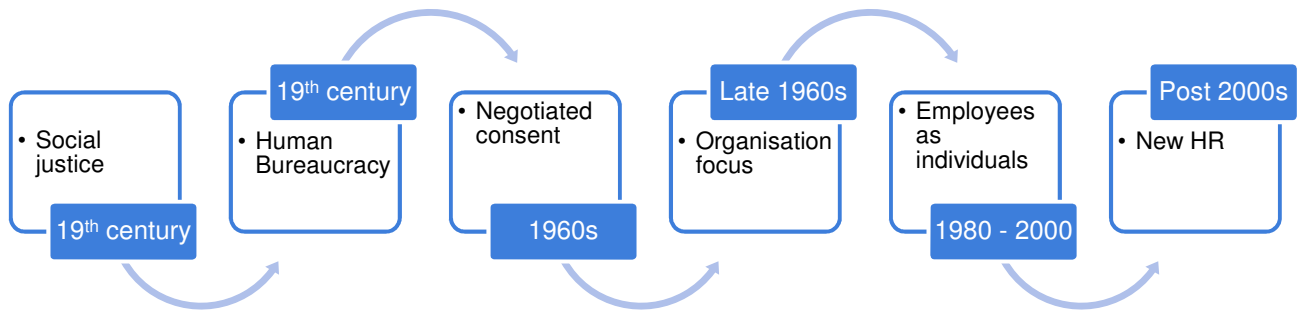
Month 2019 (Arial 14pt)

Together we make the difference

Aim and Objectives

- An overview on the function of HR and how this is evolving
- How HR can contribute to effective change management
- Different ways that HR services can be delivered, comparing and contrasting the different models
- Examples of how HR can work with line managers to provide HR services
- Justification of why HR should be managed in an ethical manner with examples of ethical practice contrasted with examples of non-ethical practice
- Explain how HR's contribution to the organisation can be evaluated
- An evaluation of two examples of published research that demonstrates the link between HR and positive organisational outcomes.

History of HR – from Personnel Management to HRM



Torrington et al (2006, pg6) identified 6 main periods or themes in the history of personnel management

1. Social justice in 19th century: Few enlightened employees, Promoted welfare approach to managing people by attempting to ameliorate working conditions and avoid adversarial industrial relations
2. Human bureaucracy 2nd half of 19th century – influenced by managerial practitioners and observers which was a work study – incentive based approach to managing people, this was followed by the ‘human relations’ school
3. 1960s – negotiated consent, which was in response to trade unions which aimed at containing power and managing workers by representatives systems and collective bargaining
4. Late 60s was a focus on organisation provided by personnel specialists, the focus during this time was developing career paths, growth and workforce planning.
5. From the 1980s through to the 2000s HRM being quite recent focusses on performance management, planning, monitoring and control, flexibility and employees as individuals
6. New HR which is driven by employer demands for competitive advantage

The Shift from Personnel management to HRM

- | | |
|---|--|
| <ul style="list-style-type: none">▪ Personnel Management▪ Professional & specialist▪ Short term▪ Collective approach to managing employee relations▪ Bureaucratic▪ Centralised▪ Organisation structures▪ Cost minimisation evaluation criteria | <ul style="list-style-type: none">▪ HRM▪ Integrated with line management▪ Long term▪ Strategic perspective▪ Individual approach to managing employee relations▪ Organic▪ Devolved▪ Flexible organisation structures▪ Maximum utilisation of HR |
|---|--|

So if we take a look at the changes that have taken place, what has that meant for HR

The HRM Objectives of today

Personnel day to day activities



Strategic Activities

- Structural & Cultural Changes
- HR Strategy development
- Remuneration arrangements
- Brand management
- Organisation development
- Employee engagement

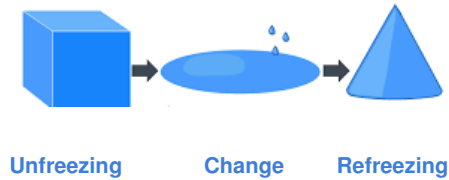
HRM is integral to delivering an organisations strategic objectives

Kew & Stredwick (2010, pg 2) suggests that generic hrm seeks to achieve 4 key objectives, these being staffing, performance, change management and administration.

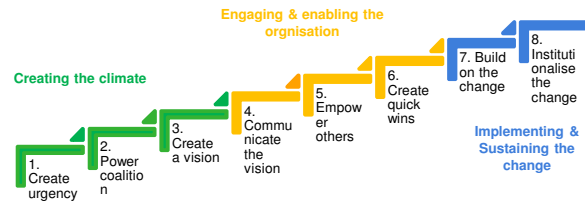
There is more requirement for HR to be more strategic and focus on creating value, HR are being asked to lead transformation towards a more engaging, talented, high performing and capable organisations, this means ensuring the strategic activities are put in practice as supported by Taylor and Woodhams (2016, pg2)

Models of Change

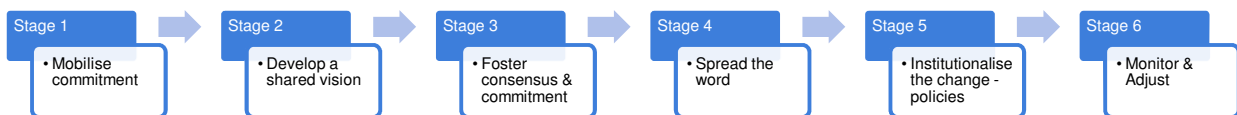
Lewin – 3 stages



Kotter – 8 stages



Beer – 6 stages



6

As stated by CIPD, Organisational change is a constant in many organisations its usually driven by a number of different forces including customers, markets and technology however most change programmes and initiatives fail

3 models of change

Kew & Stredwick (2010, pg418)

Unfreezing – Creating the need and urgency for change

Change – Taking action and doing things differently

Refreezing – Embedding news ways of working in the organisation

Kotter – 8 stages

Beer – 6 stages

Different approach – believed by putting people into new roles that would require a new behaviours would change attitudes

All 3 models whilst different number in steps have consistencies, these being:

- Creating the need for change
- Communication
- Demonstrating actions
- Embedding new ways of working – the change

HR Contribution to Effective Change Management

Controllable

- Involvement in project
- Identifying skills gaps, training needs
- Balancing stakeholder
- Communicating
- Reporting the impact of change

Uncontrollable

Kübler-Ross Change Curve Model

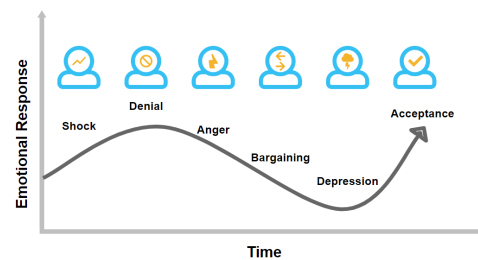


fig 1

“Changes are inevitable and not always controllable. What can be controlled is how you manage, react to and work through the change process.”

— Kelly A. Morgan

As stated by CIPD - Managing organisational change, particularly the people management aspects of change, is a core concern for HR professionals, HR professionals are the best people to effectively drive change in an organisation

As organisations are constantly evolving change management is key to ensure a company's sustainability, however if managing change is not implemented in the right way can be the reason why most strategies or initiatives fail

As stated by Kew & Stredwick (2010, pg 32) change management has been referred to as both Controllable which is typically Business processes being designed & implemented and the Uncontrollable – People and the meaning people attach to process

HR have roles in both of these areas.

Controllable contribution, as seen in slides

Uncontrollable contribution can be through helping individual deal with the uncontrollable by being aware of the stages in which individuals may go through during times of change. The typical area of change to have an impact on individuals in the uncontrollable would be items such organisation structure changes, job loses, changes in pay etc

There are many models that illustrate the level of emotions individuals which are experience when a person goes through a change. The Kubler-Ross Change Curve can

be used by HR functions and business leaders across the world to help their workforce adapt to change and move towards success. Stages shown in fig 1

Kew & Stredwick (2010, pg 33) also illustrate The approaches to change – the typical cycle of emotions that individuals go through, these being old state, change event, immobilization, denial, anger, bargaining, depression, testing, acceptance and eventually the new state

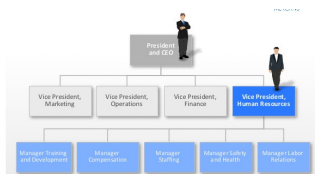
As stated earlier – one of the key objectives of HRM is to drive structural and cultural changes in an organization, do this HR has to understand the receptiveness to change and put in place mechanisms to do this. One of the key measures is employee engagement through the measure of organization health surveys typically repeated on a yearly / 2 yearly cycles, pulse survey which are shortened surveys and repeated more frequently.

Through the models mention on the previous slides, Lewin, Kotter and Beer HR role is pivotal, consistently across the models involvement from HR consists of:

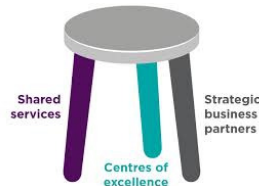
- External view & help understand and provide the need for change
- Developing a shared vision – culture of the organisation
- Involvement of individuals in the change
- Communication
- Policies
- Reward
- Leadership skills development to support change
- Creating a learning, change & agile organization culture

HR Service Delivery

Traditional



Ulrichs three legged Stool model



Outsourcing



No matter what model the business chooses it is important for HR to remain united as a function, sharing knowledge & insights from different parts of the organisation and remaining focused on the business needs, regardless of the roles that HR practitioners hold

CIPD (2015)

In earlier slides talked about how HR has evolved and how there is more focus on HR to add value, be more strategic and contribute to organisations performance and sustainability, this is the main driver for HR structural changes. This is supported by CIPD (2006) and Taylor and Woodhams (2016, pg 2)

Traditional structure – typically seen in private sectors with SMEs. Has to deal with strategic and operational work, generalist and specialist skills

Ulrich's three legged stool best practice model

- Business / strategic partners – work closely with business leaders, provide internal and external views, develop business strategy, longer term resources and talent management, drive change in people management practices
- Centres of expertise (CoE)– provide expertise in areas to ensure competitive advantage, expertise areas: reward & recognition, talent Management, Engagement and learning
- Shared service – Centralised way of working, non-strategic, transaction / administrative & routine work – typically introduced for cost and quality efficiency.

There are issues concerned with both models:

In the traditional – more time spent on administrative, push back from line managers when shifting some HR responsibilities

In the Ulrich model: Business partner move away from generalist and not having the strategic ability and business acumen with senior managers – supported by KPMG as described by Taylor and Woodhams (2016, pg11) – comfort zone, in the CoEs – Silos not always integrated and understanding business need leading in programmes and

solutions not suitable and making a best practice fit across the business. Balancing demands from numerous business units

Whilst Ulrich's model has been referred to as best practice there is also a need to have a best fit approach with some companies, as HR and businesses have evolved, more and more have moved away from the centralised HR functions and have structured into multi sections as variations of Ulrich's multi legged model.

Another area that has grown over the years is outsourcing, typically outsourcing similar to shared services is focused on non strategic, transactional, repeatable and some specialist activities where face to face interaction is not required, some areas that are typically outsourced are Payroll, back house recruitment (not EVP) . Both CIPD and Taylor & Woodham (2016, pg13) mention, the benefits of outsourcing can be :

- Increased efficiency
- Access to expertise
- High levels of service levels
- Better IT systems
- Standardised processes and ways of working
- Flexibility and speed of response
- Savings to overall costs

Whilst outsourcing is having an external provider to deliver the service, an extension of outsourcing is offshoring – typically outsourcing to a third party overseas or to another country (typically at a lower cost)

Working with Line Managers



According to Farnham (2015, pg 5) and the review of the CIPD profession map there has been a shift in the approach to HR that has moved HR from supporting line managers in helping them to manage people well to a more focussed approach on ensuring that organisations has the sustainable capability it needs to not only deliver what it needs today but also for the future. This is illustrated in the CIPD map within the core insights, strategy and solutions and leading HR.

Business Partners - Nick Holly (CIPD changing HR Operating Models) describes the business partner role as the knot in the bow tie – Characteristics:

- Work closely with business leaders
- Strategic thinking
- Achieve shared organisational objectives
- Need to influence and steer implementation of strategies
- Support local managers in considering the people consequences of changes to strategy or policies
- Longer term people resourcing and talent management issues
- Raise issues line managers may be unaware of
- Have a balance of external and internal factors focus

Common issue with business partnering can capability – the growth in the need for business partners has meant that capability is not always present in the individuals who undertake the role and may not be used to working at the level required

As organisations are getting more mature with their transactional and administrative

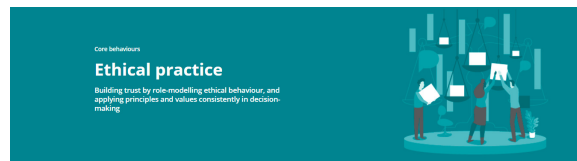
work and with the introductions of shared service centres, the introduction of manager self-services is becoming more popular and more reliance on line managers having increased HR responsibilities.

Taylor & Woodham (2016, pg16) highlight the link between employee engagement with line management – having trained line management in HR areas such as absence management, appraisals, recruitment provides a more positive experience with the employer, in turn the employer being more committed and motivated .

HR need to ensure that that training and coaching is provided to help line managers balance their day to day activities and the people management activities

HR must work with Line managers and ensure that key HR information, policies and procedures are communicate

Managing Human resources in an Ethical Manner



Ethical Practice	Non Ethical Practice
Health & Wellbeing policy	Theft
Role modelling	Fraud
Code of ethics	Price fixing
Equal opportunities	Putting your Profession ahead of another
Diversity & Inclusion	Deceiving customers
Open culture	Bullying and Harassing
Transparency	Withholding information
	Sabotage a colleagues career progression

10

Wilkinson & Taylor – chapter 2 –managing and coordinating the HR function pg 23 state there is a requirement for HR to act ethically in managing employee relations and to be seen as doing so – will see an increase in commitment to HR ethics and will provide:

An open culture improves morale.

Good relations with customers lead to an enhanced reputation.

Ethical companies outperform their peers financially in the long term

CIPD new profession map has core behaviour – Ethical practice

Business case:

Ethical behaviour - developing and maintaining positive relationships with workforce.

Ethical standards - employer brand and reputation

Role modelling – HR must role model

Rotten apples, bad barrels and sticky situations - employers and in particular HR professionals can make progress on ethical behaviour through people management interventions and leadership, promoting ethical values, mitigating risk and improving compliance with rules and standards.

Code of ethics – code of conduct in written document to help guide employees and corporate behaviour

Educational

Regulatory

Aspirational

HR also responsible and need to promote:

Equal opportunities – Policies & procedures, decisions in HR processes such as recruitment, redundancy, have available channels for employees to raise concerns and provide equal opportunity training

Diversity – Monitor levels of diversity and provide training

Dignity at work – policy development, training have channels for employees and investigate should there be claims of bullying and harassment

Work life balance – company meeting legal requirements, be a champion to senior management and consider provisions, communicate, coach and monitor effectiveness

Health & wellbeing – Champion to senior management, policy development, training, provisions and communicate

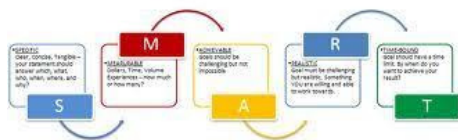
Evaluating the HR contribution to the organisation Performance



Objective Setting



Creating SMART Goals



HR Scorecard

Strategic Objectives	Key Performance Indicators
Develop Internal HR Capabilities	% of HR Employees who Develop Individual Development Plan % of HR Employees who Fully Execute Their Individual Development Plan
Deploy HRIS System	- Progress of HR Portal Implementation (actual vs. plan) - Accuracy Level of HR Database

11

Some of the ways in which HR can measure performance – as on slides

(Marchington) pg 164 evaluate the HR contribution through 4 factors:

Board membership / influence on strategy – HR should be on board to be integral to strategy development with People agenda included – influence in which decisions are shaped – more meaningful and sustained contribution

Views of key stakeholders – Through surveys / questions of ‘customers’ gain views on HR value

Benchmarking against external data – Compare own HR data with other companies

Internal evaluation via service led agreements (SLAs) – good way to measure service provision to employers – can be issue of HR become internal focus on its customer and becoming ‘servant’

KPIs

1000s of indices available – need to select most appropriate

As stated by Taylor and Woodham (pg16) – The HR function has to show that it is part of the general movement towards greater efficiency and cost reduction – due to demand from stakeholders and organisations to be more transparent and for hr to be credible Measures can be qualitative or quantitative

Workforce analytics help build the link between business strategy (pg17)

Measures can be general, specific and quantitative

Woodhams state that if the HR strategy is integrated with the business strategy then if the business succeeds the same can be said for the HR strategy – indirect measure

Staff surveys – Taylor & Woodhams (2016, pg17) give an example of where staff surveys were used in hospitals across England where staff were questioned on hospital characteristics – they linked this to the rate of mortality

Scorecards – Set of agreed performance measures in a table linked to strategy / goals typically in 4 areas: Customer, financial, internal business process and learning & growth.

Taylor & Woodhams (2016, pg18) KPIs are key to measuring the health of an organisation and the employee engagement by using measures relating to retention such as sickness, staff turnover

Benchmarking is a good way to measure your HR function to competitors or best in class to assess performance – good way to review own performance and assess gaps and improvement areas as long as the benchmark is comparable

HR & Positive Organisation outcomes



AMO Framework



The impact of HR practices, HR Effectiveness and a 'strong HR system'

2 research paper

AMO Framework – deconstructing the AMO Framework: A Systematic review by Juan A. Marin-Garcia & Juan Martinez Tomas and The impact of HR practices, HR Effectiveness and a 'strong HR system' on organisational outcomes: A stakeholder perspective by David Guest & Neil Conway

AMO Framework

Developed by Appelbaum et al (2000)

AMO Model is a structured framework that provides an understanding and linkage of the relationship between HRM and performance

In the framework

HRM - employment systems that have policies for employee performance and commitment to meet organisation goals

HPWP – High performance Work Practices

HPWS – High performance work systems – needs three components

A: Ability - skill

M: Motivation

O: Opportunity to participate

Limitations: if work environment doesn't provide adequate opportunities both Ability and motivation could be meaningless

Strong HR System on organisational outcomes

Strong HR system – High levels of distinctiveness, consistency and consensus (agreement of with principle HR decision makers) – if present, organisation climate will support the implementation

Proximal outcomes (employee attitudes and behaviours) & Distal outcomes (sales & financial performance) – proximal more strongly linked to HR policy and practice

Three component of HR effectiveness: 1. HR Practices must be present, 2. They must be judged effective, 3. They must be effectively implemented

To be implemented effectively consensus needed with line management – top management commitment, agreement with top decision makers can help foster consensus among employees

Guest & Conway model focusses more on the outcome and implementation of HR practices and needs commitment from all stakeholders to implement

In both papers:

Reliant on having HR Practices implemented

Employees attitude and behaviours have impact on outcomes and performance

Need engagement, buy in and capable line management for employee engagement

References

CIPD (2019) Change Management. London: Chartered Institute of Personnel and Development.

Available at: <https://www.cipd.co.uk/knowledge/strategy/change/management-factsheet>

Accessed: 16th February 2020

CIPD (2015) Changing HR Operating Models. London: Chartered Institute of Personnel and Development.

Available at: <https://www.cipd.co.uk/knowledge/strategy/hr/operating-models>

Accessed: 23rd February 2020

CIPD (2019) Ethical Practice and the role of HR. London: Chartered Institute of Personnel and Development.

Available at: <https://www.cipd.co.uk/knowledge/culture/ethics/role-hr-factsheet>

Accessed: 23rd February 2020

CIPD (2019) Profession for the future: Ethical Practice. London: Chartered Institute of Personnel and Development.

Available at: <https://peopleprofession.cipd.org/profession-map/core-behaviours/ethical-practice>

Accessed: 23rd February 2020

References cont

Daniel Lock (2019) Change Management Models: Actionable ways to lead organisational change

Available at: <https://daniellock.com/change-management-models/#Kubler%20Ross%20Change%20Curve%20Model>

Accessed: 21st February 2020

Farnham, D (2015) Human Resource Management in Context. 1st edn. London: Chartered Institute of Personnel and Development.

Guest, D & Conway, N (2011) The impact of HR practices, HR effectiveness and a 'strong HR system' on organisational outcomes: a stakeholder perspective, The International Journal of Human Resource Management, 22:8, 1686-1702, DOI: 10.1080/09585192.2011.565657

Available at: <https://doi.org/10.1080/09585192.2011.565657>

Accessed: 21st February 2020

Kew, J & Stredwick, J (2010) Human Resource Management in a Business Context. 1st edn. London: Chartered Institute of Personnel and Development.

References cont

Marchington, M; Wilkinson, A; Donnelly, R & Kynighou, A (2016) *Human Resource Management at Work*
London: Chartered Institute of Personnel and Development.

Mind Tools LTD, 1996-2020 *Lewin's Change Management Model*

Available at: https://www.mindtools.com/pages/article/newPPM_94.htm

(Accessed: 10th February 2020)

Marin-Garcia, A. & Tomas, J M. Deconstructing AMO framework: A systematic review

IC, 2016 – 12(4): 1040-1087 – Online ISSN: 1697-9818 – Print ISSN: 2014-3214

Available at: <http://dx.doi.org/10.3926/ic.838>

Morgan, K. (2009) *Journey to a place called there: a navigation guide for creating a balanced life*. Lexington, KY: Scribe

Taylor, S and Woodhams, C. (2016) *Human Resource Management: People and Organisations*. 2nd edn.

London: Chartered Institute of Personnel and Development.

References cont

Taylor, S and Woodhams, C. (2016) *Studying Human resource Management*. 2nd edn. London: Chartered Institute of Personnel and Development.

Torrington, D, Hall, I., Taylor, s and Atkinson, C (2009) *fundamentals of human resource management*. Harlow: Pearson Education

Bibliography

Carter, A and Varney, S. (2018) *Change capability in the agile organisation*
IES Perspectives on HR 2018. Member Paper 139 Institute for Employment Studies

CIPD (2019) Change Management. London: Chartered Institute of Personnel and Development.
Available at: <https://www.cipd.co.uk/knowledge/strategy/change/management-factsheet>
Accessed: 16th February 2020

CIPD (2015) Changing HR Operating Models. London: Chartered Institute of Personnel and Development.
Available at: <https://www.cipd.co.uk/knowledge/strategy/hr/operating-models>
Accessed: 23rd February 2020

CIPD (2019) Ethical Practice and the role of HR. London: Chartered Institute of Personnel and Development.
Available at: <https://www.cipd.co.uk/knowledge/culture/ethics/role-hr-factsheet>
Accessed: 23rd February 2020

Bibliography continued

CIPD (2019) Profession for the future: Ethical Practice. London: Chartered Institute of Personnel and Development.

Available at: <https://peopleprofession.cipd.org/profession-map/core-behaviours/ethical-practice>

Accessed: 23rd February 2020

CIPD (2019) Profession for the future: Ethical Practice. London: Chartered Institute of Personnel and Development.

Available at: <https://www.cipd.co.uk/knowledge/culture/ethics/ethics-work-guide>

Accessed: 23rd February 2020

CIPD (2017) HR and line managers – getting the relationship right. London: Chartered Institute of Personnel and Development.

Available at: <https://www.cipd.co.uk/news-views/nutshell/issue-64/hr-line-managers-balance>

Accessed: 23rd February 2020

Bibliography continued

Daniel Lock (2019) Change Management Models: Actionable ways to lead organisational change

Available at: <https://daniellock.com/change-management-models/#Kubler%20Ross%20Change%20Curve%20Model>

Accessed: 21st February 2020

Farnham, D (2015) Human Resource Management in Context. 1st edn. London: Chartered Institute of Personnel and Development.

Guest, D & Conway, N (2011) The impact of HR practices, HR effectiveness and a 'strong HR system' on organisational outcomes: a stakeholder perspective, The International Journal of Human Resource Management, 22:8, 1686-1702, DOI: 10.1080/09585192.2011.565657

Available at: <https://doi.org/10.1080/09585192.2011.565657>

Accessed: 21st February 2020

Kew, J & Stredwick, J (2010) Human Resource Management in a Business Context. 1st edn. London: Chartered Institute of Personnel and Development.

Bibliography continued

Mind Tools LTD, 1996-2020 *Lewin's Change Management Model*

Available at: https://www.mindtools.com/pages/article/newPPM_94.htm

(Accessed: 10th February 2020)

Marin-Garcia, A. & Tomas, J M. Deconstructing AMO framework: A systematic review

IC, 2016 – 12(4): 1040-1087 – Online ISSN: 1697-9818 – Print ISSN: 2014-3214

Available at: <http://dx.doi.org/10.3926/ic.838>

Morgan, K. (2009) *Journey to a place called there: a navigation guide for creating a balanced life*. Lexington, KY: Scribe

Taylor, S and Woodhams, C. (2016) *Human Resource Management: People and Organisations*. 2nd edn. London: Chartered Institute of Personnel and Development.

Bibliography continued

Taylor, S and Woodhams, C. (2016) *Studying Human resource Management*. 2nd edn. London: Chartered Institute of Personnel and Development.

Torrington, D, Hall, I., Taylor, s and Atkinson, C (2009) *fundamentals of human resource management*. Harlow: Pearson Education

Watson, G & Reissner, S. (2014) *Developing skills for business leaders*. London: Chartered Institute of Personnel and Development.

Ulrich, D. *Human Resources (HR) Business Partner 2.0*

Ulrich, Dave & Dulebohn, J H. *Are we there yet? What's next for HR?* Human Resource Management Review 25 (2015) 188–204

Available at www.elsevier.com/locate/humres