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Understanding the Contemporary HR Function

Aims & objectives of this presentation

- Identify organisational objectives that the HR function are responsible for delivering and explain how these are evolving
- Explain how HR contributes to effective change management
- Compare ways in which HR objectives can be delivered and explain how HR can work with line managers to deliver HR services
- Explain 'ethics' in Human Resources
- Describe how the HR function can be evaluated within an organisation
- Evaluate different research studies that link HR to positive organisational outcomes

The purpose and key objectives of the HR function

Here are some examples of functions and objectives that HR are responsible for to ensure the successful delivery of a service or organisation:

- Human Resource planning
- Recruitment and selection
- Policies and Procedures
- Performance management
- Learning and Development
- Employee participation and communication
- Health and safety
- Personal wellbeing
- Administrative responsibilities
- Ensuring compliance with law and legislation
- Record Keeping

(AIHR Digital, 2020)

1.1, 1.2

The purpose and key objectives of the HR function and how these have evolved

Within an organisation, HR practitioners play an important role in successfully delivering the organisational goals and objectives, and rather than only delivering the fundamentals (recruitment, administration duties, etc.) it is now becoming vital for HR professionals to Strategically Manage Human Resources and incorporate the organisations future goals into their practice (Strategic Human Resource Management, SHRM) and to help build a good reputation for the business.

In the past, HR was still known as a 'personnel department', however, it was mostly a record keeping and administrative function within an organisation (Wilson, 2016). Now, Human Resources has developed into much more of a dynamic HR function, and there is a clear difference between 'personnel management' and Human Resources. As an example, 'personnel management' can involve addressing any HR issues or creating employee personnel files when recruiting new staff which can be considered as 'reactive'. Whereas the duty of Human Resources is to constantly think ahead to prevent any HR issues from emerging in the first place rather than waiting

for an issue to emerge and then dealing with it, this is considered as 'proactive'.

(Leonard, 2018).

Even though HR objectives can differ depending on the organisation, most HR professionals will cover most if not all of these functions. In large organisations (e.g. the public sector – healthcare, education, law enforcement), there would normally be a team of HR practitioners, made up of generalist and specialist roles. In small and medium sized businesses (normally private organisations), there tends to be just one HR professional, who would have a generalist role and have involvement in all areas of HR (Taylor and Woodhams, 2016, p24).

Transactional Leadership v Transformational Leadership

Depending on different management styles and organisational needs, managers may adopt one of the following leadership styles:

Transactional Leadership

Transformational Leadership

1.1, 1.2

Transactional Leadership – a transactional leader is someone who focuses more on the ‘everyday’ duties e.g. Administration duties. A benefit to adopting this leadership style is that they tend to provide clear structure and achievable goals which enables the team to maximise productivity, however, they are less likely to be thinking of ways to continually improve to develop the team and the business to the next level.

Transformational Leadership – a transformational leader is someone who does more than just the day-to-day duties, and will identify and address areas of improvement to ensure the business is continually improving and developing. This leadership style brings out the best in employees by influencing and encouraging others, but at the same time they need to be mindful that they don’t overlook the tasks that need to be done on a daily basis.

(Ingram, 2019)

Change Management

There are many reasons why an organisation may need to change, this could be to explore new opportunities; new technology; growth opportunities; changes to government legislation; competitive or customer pressures; performance gaps, and so on (Business Management Ideas, 2020).

1.3

How can HR contribute to effective change management?

The input of Human Resources is essential to ensure successful change management and there are many different ways in which HR contribute to this.

According to Taylor and Woodhams, 2016, HR Practitioners are involved in two areas – the 'controllable' and the 'uncontrollable'.

1.3

HR contribute by identifying weaknesses and areas of improvement; identifying short and long term goals; assessing how the change is going to impact on individuals, teams and the organisation as a whole; understanding any concerns and to consider the most effective way to communicate the changes to employees and stakeholders. These areas of involvement are considered as 'controllable', however there are also areas which would be considered 'uncontrollable' (Taylor and Woodhams, 2016, p 32). For example, the reaction of the changes will differ between each individual and HR need to ensure that employees are kept involved wherever possible to try and avoid resistance to change. There are two types of resistance – "Resistance to the content of change" and "Resistance to the process of change" (CIPD – change management, 2019). People may resist due to unease and uncertainty, fear of the unknown or even because they are afraid of failure. It's also vital to consider the personal impact the changes will have on the employees.

Although considered 'uncontrollable' there are some ways in which HR can try to increase the possibility of having positive reactions to the change, this can be done by ensuring consistent clear communication to avoid uncertainty; welcoming employee

participation; HRD interventions; promoting a culture that see's change as a new opportunity; management of expectations and addressing any conflict.

(Taylor and Woodhams, 2016, p33)

Lewins' Change Management Model

Unfreeze



Change



Refreeze

1.3

Kurt Lewin (a psychologist in the 1940s) developed a model of change known as 'Unfreeze – Change – Refreeze' in which he defines the three stages of the process of change. He explains the process using reference to a block of ice – the first stage (unfreeze) is to melt the ice, which enables it to be changed, the second stage (change) involves moulding the melted ice block into the new desired shape, and finally the third stage (refreeze), is where you would refreeze the new shape.

Lewin believes that before beginning any process of change, you must first have a good understanding of why the change needs to be implemented in the first instance. He states "Motivation for change must be generated before change can occur. One must be helped to re-examine many cherished assumptions about oneself and ones relation to others".

(Mindtools, 2020)

Different Models of HR Service Delivery

- HR Generalist
- HR Specialist
- Shared services
- Outsourcing and consultancy

2.1

HR Generalist

A HR Generalist has knowledge in all aspects of HR, in small organisations the HR generalist would take responsibility for all HR duties, however, when working in a team of HR generalists in larger organisations, each practitioner would have their main responsibility.

Duties of a HR generalist can include HR administration; recruiting for the organisation; advising line managers; creating and updating policies and procedures; maintaining personnel files; addressing conflict and complaints; organising performance reviews, and so on (Personnel Today, 2015)

2.1

HR Specialist

HR specialists exist mainly in large organisations and will carry out specific tasks and focus on just one aspect of HR. This could be recruitment and resourcing; learning and development; organisation development; employee engagement, or performance and reward (Taylor and Woodhams, 2016, p25).

HR specialists will continue to expand their knowledge in one area of HR whereas a HR generalist will maintain a breadth of general knowledge.

2.1

Shared services

HR shared services is where an organisations HR functions are handled by just one centralised HR team. The basic tasks a shared service usually offers are support with administration duties such as contractual changes, recruitment, payroll, absence, or the process of leavers. Although, sometimes the shared services will support with more difficult and specific tasks such as performance management (Swift, 2016, p7).

Shared services can either be sourced internally or externally, and are structured in four tiers (CIPD – HR shared services, 2018):

- Tier 0
- Tier 1
- Tier 2
- Tier 3

2.1

Tier 0 is where employees and line managers can use a self-service portal / system to access and update their own personal details. Depending on the system, staff may also be able to request annual leave.

Tier 1 would be a HR contact centre, where employees and managers can contact HR via phone call or email.

Tier 2 is a team of specialists in areas like recruitment or performance management.

Tier 3 involves a 'process owner' who has responsibility for a specific area of HR

(Swift, 2016, p7 & p8)

The main benefits of using a HR shared service are to reduce costs, to maintain consistency in Human Resource Management, and to have greater focus on the organisations strategy.

Outsourcing and Consultancy

Some organisations may choose to hire external companies to provide their transactional HR duties, whilst the internal HR team focus on the transformational HR duties. Although, sometimes employers may decide that its best to hire the external company to carry out all of the HR duties. This may benefit employers by reducing cost, and freeing up time to work more strategically but at the same time they are losing the expertise that is in-house (Taylor and Woodhams, 2016, p26).

A small to medium enterprise that employ just one HR Generalist may find it beneficial to seek professional advice outside of the organisation to ensure they are compliant. This could be to address disciplinary issues, or even to develop policies and procedures for the organisation.

2.1

David Ulrich 'Three-legged stool'

David Ulrich (a business academic) designed a model which describes the HR service delivery, the 'three-legged stool'. He designed the model to help HR practitioners improve their HR functions with three types of HR practitioners in mind:

Strategic business partners – HR practitioners assisting to deliver the organisations strategy by working alongside line managers

Centres of excellence – this involves HR specialists working in areas such as payroll, learning and development, employee relations and HR administration

Shared services – The HR service that provides HR support across the whole business

(Taylor and Woodhams, 2016, p27)

2.1

How can HR work with line managers?

There are many ways in which HR can work with line managers to achieve organisational goals, here are a few examples:

- Successful delivery of the organisations strategy
- Providing support and advice on performance management
- Successfully implement positive change management
- Identify and address areas of improvement
- A robust and consistent approach in people management
- Positive employee engagement

(Baxter, 2009)

2.2

Line managers role

As well as human resource practitioners, line managers also play an important role in managing people and performance. Line managers and HR have to work together to ensure a consistent approach when it comes to people management.

The organisation need to provide relevant training to line managers, and need to make sure that they understand the organisations policies and procedures to enable them to fulfil their job role. Line managers need to be comfortable in knowing when to raise an employee issue with HR, and being able to recognise wrongdoing.

(Taylor and Woodhams, 2016, p26).

2.2

For example, it is usually the responsibility of the line manager to monitor sickness absence, and they need to be able to recognise and address absence issues as soon as the employee has exceeded the organisations tolerance of sickness absence.

The way in which an organisations policies and procedures and implemented has a big impact on employees professional conduct and behaviours. When procedures are followed appropriately it encourages and influences staff to adhere to the organisations policies, and allows managers to operate more of a 'transformational' role.

Also an important role of a line manager, is to encourage their employees to continuously develop themselves and encourage learning. However, the HR team need to ensure they are supporting line managers and up-skilling them to ensure they understand the importance of this and the best way to encourage it.

(CIPD – Line managers' role in supporting the people profession, 2019)

Business Partnering

HR Business partnering is used as a way to promote positive delivery of business practices and to encourage positive change.

HR business partners will work alongside line managers to meet the business needs.

2.2

According to CIPD's factsheet on HR Business Partnering, there are many different ways of implementing business partnering depending on what works best for the business, however, the two most popular ways it has been implemented is 'standalone HR business partners' and the 'three-legged stool model'.

'Standalone HR business partners' tend to only concentrate on supporting and working with the management teams and are involved with only one division of the business. For example, the operations team.

The 'three-legged stool model' business partner is divided between the three elements of the Ulrich model of hr service delivery (Strategic business partners, shared services and centre of excellence).

(CIPD – HR business partnering, 2019)

Ethical v non-ethical practice in HR

Examples of ethical practice in HR:

- Treating people fairly
- Devising unbiased policies and procedures
- Ensure employees well-being and work-life balance
- Maintaining confidentiality
- Set goals and objectives for employees that are realistic
- Have a clear policy for performance measures (rewards / bonuses)
- Address any complaints or concerns with an unbiased view and an open mind

3.1

By adopting an ethical approach in Human Resources, it will create a fair and honest environment for employees which will allow them to feel valued and respected in the work place.

The CIPD's new profession map consists 8 core behaviours, one of those being 'ethical practice' which explains that many benefits come from forming a culture of ethical practice – employees will feel valued which will more than likely increase productivity.

(CIPD – Ethical practice, 2020)

Ethics, legislation, and health and safety

Whistleblowing

Whistle-blowers are protected by The Public Interest Disclosure Act 1998 (PIDA). In the first instance, a disclosure can be made to a workers employer or directly to the person believed to have carried out the wrong-doing. In serious cases, and in cases where the worker believes that either their own or others health and safety is at risk, the disclosure may be made to the media or the police. The worker is protected by PIDA as long as the disclosure is made in good faith and not for personal gain.

3.1

The act specifies criteria that must be met when a disclosure is made: the disclosure must relate to a criminal offence; be non-compliant with law and legislation; miscarriage of justice; danger to the health and safety of any person; cause damage to the environment, and finally, if there is an attempt to hide any information that could be used as evidence.

(TSSA, 2020)

HR should ensure that any disclosure made to an organisation are addressed appropriately and in line with existing legislation. HR practitioners and line managers need to be conscious of the importance of addressing wrong-doing in the workplace, and treat any disclosures or concerns with an ethical and unbiased view.

Evaluating HR Services

It's important that an organisation monitors the effectiveness of their HR department to be sure that they are getting the best out of the department and reducing cost to the company. To do this, organisations may monitor the reputation of the HR function, whether or not it is cost effective, timeframes on the recruitment and induction process, and so on (Swift, 2016, p16).

Methods of evaluating HR services:

- HR Statistics
- Qualitative data
- Key Performance Indicators (KPIs)
- Balanced Scorecard
- Benchmarking

3.1

HR statistics (quantitative), e.g. recruitment and retention rates; disciplinary; grievance; sickness absence; complaints, etc. Employers should keep in mind that sometimes statistics such as sickness absence rates would be the responsibility of the line manager and not the HR professionals.

Qualitative data – staff satisfaction surveys; exit interviews; focus groups; feedback from stakeholders; feedback of recruitment process, feedback on complaints handling process, etc.

Key performance indicators (KPIs) – KPIs are goals and objectives set by the organisation. These can be used to compare the goals that have been set, and the goals that have actually been achieved. KPI's need to be realistic, specific and have a deadline.

Balanced scorecard – this is a way of measuring an organisations strategic goals and looks at four different perspectives: financial; internal business processes; learning and growth; customer.

Benchmarking – this can be defined as ‘a point of reference or comparison, a standard or criterion’ (CIPD, Costing and Benchmarking Learning and Development, 2019).

(Taylor and Woodhams, 2016, p30)

Research studies linking HR to positive organisational outcomes

(Marchington et al, 2016)

Many studies have been performed to measure what impact effective HR management has on an organisation, its personnel and stakeholders. Three main outcomes to focus on in HR research are financial, organisational and employee outcomes. Human resource management aims to take care of its employees offering benefits including an attractive workplace, good pay, healthy work life balance and a safe environment.

4.2

The behaviours, attitude and perception of the employees are important factors to consider in HR management. All of which will have an impact on promoting staff retention, increase productivity, increase profits and offer quality services and products. However, some studies say that this management is divisive and controlling, expecting staff to work harder with minimal benefit for the individual. Whilst there needs to be appropriate HR systems and processes in place it is important to implement these systems in the right way. Purcell et al, 2003 refers to this as the 'Black Box' theory. Longitudinal research may be more useful to explore the black box theory over time to track the changes within the organisation as opposed to the snap shot given when using cross-sectional research.

Research studies linking HR to positive organisational outcomes

(NCBI, 2017)

Studies show that human resource management is directly linked to performance indicators within organisations, and when applied well can be beneficial for the employees and have better outcomes for the organisation.

4.2

Research has shown that human resource management has made a significant difference to organisational outcomes. Studies also show that extensive HR practices are associated with job satisfaction supporting the belief that employee attitudes are a significant key factor of the black box theory and the link between human resource management and performance. A robust system of human resource management has a positive impact on employees resulting in better organisational performance and stakeholder satisfaction. However, limitations are evident as certain human resource management approaches may not work for all types of organisations and may need further research strategies and designs.

(NCBI, 2017)

Conclusion

During this presentation we have discussed the main objectives of the HR function; different types of leadership; how HR contribute to effective change management; Models of HR service delivery; the line managers role; ethical practices in HR; ways to evaluate the performance of the HR function and finally, two different research studies in relation to HRM and positive organisational outcomes.

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