

Qualification: CIPD Diploma in Applied Human Resources

Module Name: The Contemporary HR Function

Understanding the Contemporary Human Resources (HR) Function

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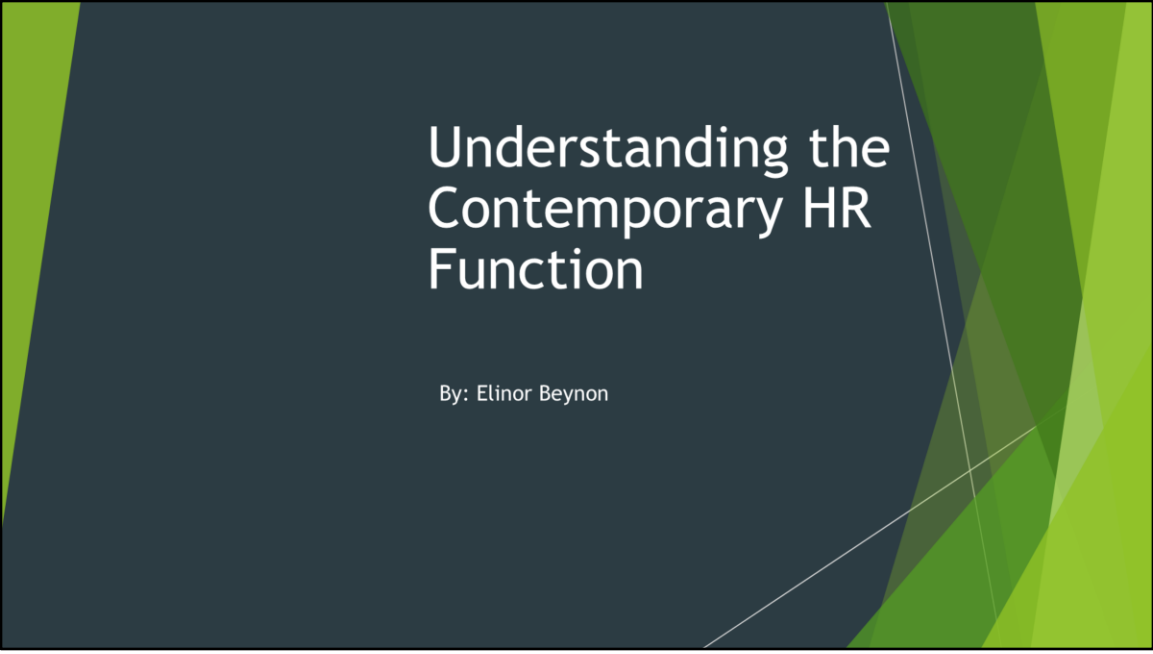
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Understanding the Contemporary HR Function

By: Elinor Beynon

1

THE ROLE AND KEY
OBJECTIVES OF THE
HUMAN RESOURCES (HR)
FUNCTION IN
CONTEMPORARY
ORGANISATIONS

2

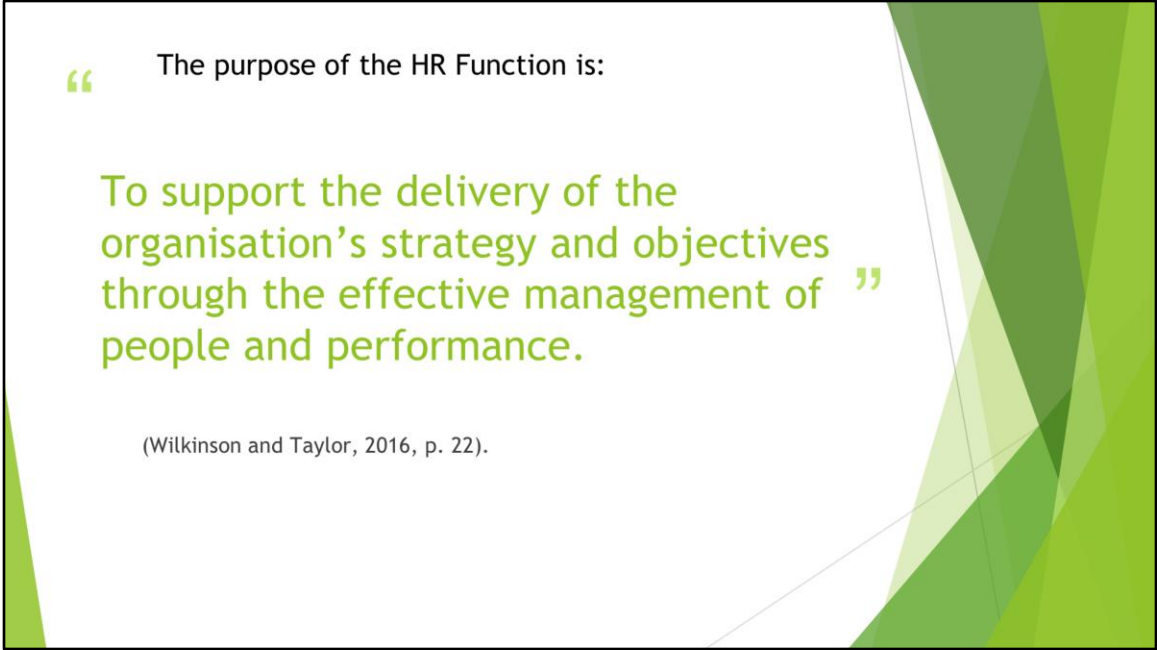
DIFFERENT MODELS OF
DELIVERING HR SERVICES

3

THE ROLE OF ETHICS IN
HR MANAGEMENT AND
DEVELOPMENT

4

HOW HR'S
CONTRIBUTION TO THE
ORGANISATION CAN BE
EVALUATED



“

The purpose of the HR Function is:

To support the delivery of the organisation's strategy and objectives through the effective management of people and performance.”

(Wilkinson and Taylor, 2016, p. 22).

The CIPD explain that the HR function is responsible for recruiting, developing and managing people's performance for the organisation's objectives and strategies to be delivered (CIPD, 2021). CIPD explains how HR today is central to an organisation's success. Before, HR was only responsible for the fundamentals of an employees' lifecycle but now HR supports an organisations' performance and it is important for managers to recognise this (Wilkinson and Taylor, 2016, p. 22).

Core Purposes of the HR Function

- ▶ Attract and retain people
- ▶ Develop their skills
- ▶ Maximise their performance
- ▶ Make sure people are engaged and involved

The core purpose and activities of the HR function can change over time due to changes in the business environment but there have been no drastic changes over the decades.

(Wilkinson and Taylor, 2016, p. 22).

Priorities can Change

- ▶ Pandemic has made mental health a more pressing issue
- ▶ Line managers responsible for managing this.
- ▶ HR needs to provide managers with training, support and guidance to deal with mental health concerns.

(Stuff, 2020)

External factors can change priorities of what HR delivers. For example, the pandemic has made the issue of people's mental health one of the most pressing issues and managers are often responsible for managing this. Therefore, HR needs to provide managers with efficient training, support, and guidance so they can manage employee's mental health concerns successfully (Stuff, 2020).

Evolution of HR

- ▶ Personnel Managers - Industrial Revolution - Workforce seen as cogs in the machine
- ▶ HRM - Towards the end of twentieth century - Workforce seen as Resource.
- ▶ SHRM - End of twentieth century - Workforce seen as Assets.

(Wilkinson and Taylor, 2006, pp. 23-24)

People management became a distinct profession during the Industrial Revolution. Personnel departments required to deal with wages and the welfare of employees. Activities included employee record keeping, recruitment, training, wage administration, welfare-orientated initiatives, increasing productivity, dealing with trade unions and basic appraisals.

Toward the end of the twentieth century it was realised that non-monetary factors could influence productivity and performance, leading to human resource

management (HRM). A shift from the administrative approach to seeing that people are a valuable resource and should be developed, leading to a focus on recruitment and development along with sophisticated appraisal and emphasis on leadership, making workers committed and loyal. Attempts were made to make challenging work environments and offer a range of benefits.

This shifted to strategic human resource management (SHRM) at the end of the century due to increased free market competition, growth of technology and knowledge-based industries. It was realised that people are key to a company's success. The workforce shifted from being a resource to an asset. HR became responsible for aligning individual and team goals with the organisation's objectives. The HR function became strategic where HR practices were linked to organisation strategy.

HR is now becoming more future focused by future proofing the organisation. HR must also understand what is happening outside the organisation and the culture of the organisation in order to offer insights.

(Wilkinson and Taylor, 2006, pp. 23-24)



CIPD New Profession Map

The CIPD released an updated Profession Map in 2018 which has shifted the focus from generic best practice to values- based decision making (CIPD, 2018).

CIPD - 8 Factors that can Create Change

- ▶ Growth opportunities
- ▶ Economic downturns and challenging trading conditions
- ▶ Shifts in strategic objectives
- ▶ Technological developments
- ▶ Competitive pressures
- ▶ Customer or supplier pressure
- ▶ Learning new organisation behaviours
- ▶ Skills and government legislation/initiatives

(CIPD, 2020a)

Change is constant, with major changes happening every three years and smaller changes happening almost continuously (Wilkinson and Taylor, 2006).

How HR can Contribute to Controllable and Uncontrollable Changes

- ▶ **Controllable**
 - ▶ Business processes that can be designed and implemented.
 - ▶ Being involved at the start of the project.
 - ▶ Recognising and advising the skill levels that exist in the organisation.
 - ▶ Balancing short-term goals and broader strategic needs.
 - ▶ Evaluating the impact of change in areas of the organisation.
 - ▶ Knowledgeable to different stakeholders interests and concerns.
 - ▶ Communicating appropriately and evaluating the impact of change initiatives on human resources.
- ▶ **Uncontrollable**
 - ▶ People and the meanings that people attach to such process.
 - ▶ How individuals will react to change.

(Wilkinson and Taylor, 2006, p. 32).

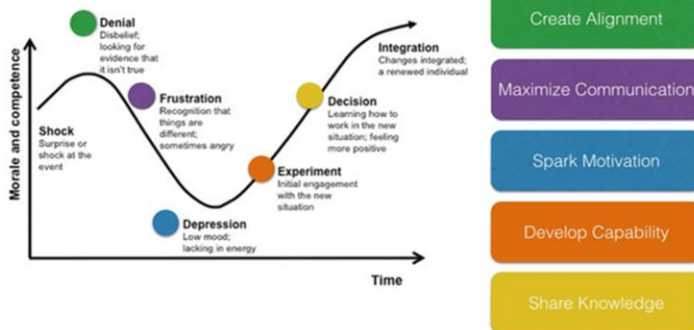
In order for change to be carried out in organisations successfully, it must be managed effectively and HR plays a big role. There are both controllable and uncontrollable changes.

Being aware of how emotions during change usually plays out can help HR help people through.

(Wilkinson and Taylor, 2006, p. 32).

Kubler-Ross Change Curve

The Kübler-Ross change curve



The Kubler-Ross Change Curve describes the emotions we go through as denial, anger, bargaining, depression, acceptance and commitment (O'Shea, 2014).

Image from Little, 2014.

How HR can Manage Change Effectively



Change Ready Culture



Communication



HRD Interventions



Publicising Success

Creating a culture that embraces change involves ensuring there is a plan of how the change will be implemented within the organisation.

This must:

- Involve the people who the change will affect in the planning.
- Clearly communicated goals.
- Convey purposes and benefits.
- Having an open discussion about any difficulties that may arise.
- Ensuring any problems are communicated freely

and resolved quickly.

- Evaluating and learning from past changes.

Communication is essential for successfully delivering the change. Senior management should provide clear information about the change by speaking directly to employees and posting regular bulletin boards with information. Employees need a way to participate and generate ideas which can be done through workshops and collective consultations. One-to-one meetings between employees and managers/HR are also important to communicate personal implications of the change and to discuss any problems.

HR plays a part in this by making sure managers are aware of the importance of communication, by being honest and transparent of updated information, listening to questions/concerns, being empathetic and constant monitoring of communications.

HRD is useful to help employees understand the change to help them get on board, improve employees skills to adapt and helping people cope.

Publicising the success of the change is important to show how the change is beneficial/positive.

(Wilkinson and Taylor, 2006, p. 35).

HR Service Delivery

- ▶ HR service delivery is affected by various forces.
- ▶ The aims of HR are often the same but different variables will determine how HR services are delivered.
- ▶ Making HR more strategic is a recent factor to why HR structures change.
- ▶ The structure of HR services affects the success of organisations.

(Swift, 2016).

How HR Function Can be Organised

- ▶ HR Generalists - Know all areas of HR. Sole HR practitioners or teams.
- ▶ HR Specialists - Responsible for certain areas. Individual or teams. Experts.
- ▶ Shared Services - corporate service across a large organisation/multiple partner organisations. Reduced costs and avoidance of duplication of work. Shared knowledge.
- ▶ Outsourcing/Consultancy - Experts. Brought in externally. Can be cheaper than doing the work internally and with better quality. Hired as needed.

(Wilkinson and Taylor, 2016, pp. 25-27).

Teams of generalists have their own areas but if anyone needs to cover for someone then they can.

Types of specialists include recruitment, resourcing and talent planning specialists, learning and talent development specialists, organisations development specialists, employee engagement specialists and performance and reward.

Outsourcing often results in better quality of work than

internally undertaking work, as they are field specialists. In-house employees can concentrate on more strategic work which requires knowledge of the company.

Consultancy involves contacting a consultant to work on a specific task that they specialise in. Consultants will be experts as they work with a range of clients so develop a deep understanding of the issue. They only need to be hired as needed.

(Wilkinson and Taylor, 2016, pp. 25-27).

Legge (1978)

- ▶ Conformist innovation - HR work relates to the organisation's norms and values so senior managers' expectations are met.
- ▶ Deviant innovation - HR opposes the norms and values of the organisation to gain support socially valued ideas instead of economic goals.
- ▶ Problem-solver - the value of the HR contributed is measured by its ability to seek and resolve the organisations' problems.

(Marchington, Wilkinson, Donnelly, and Kynighou, 2016, p. 146)

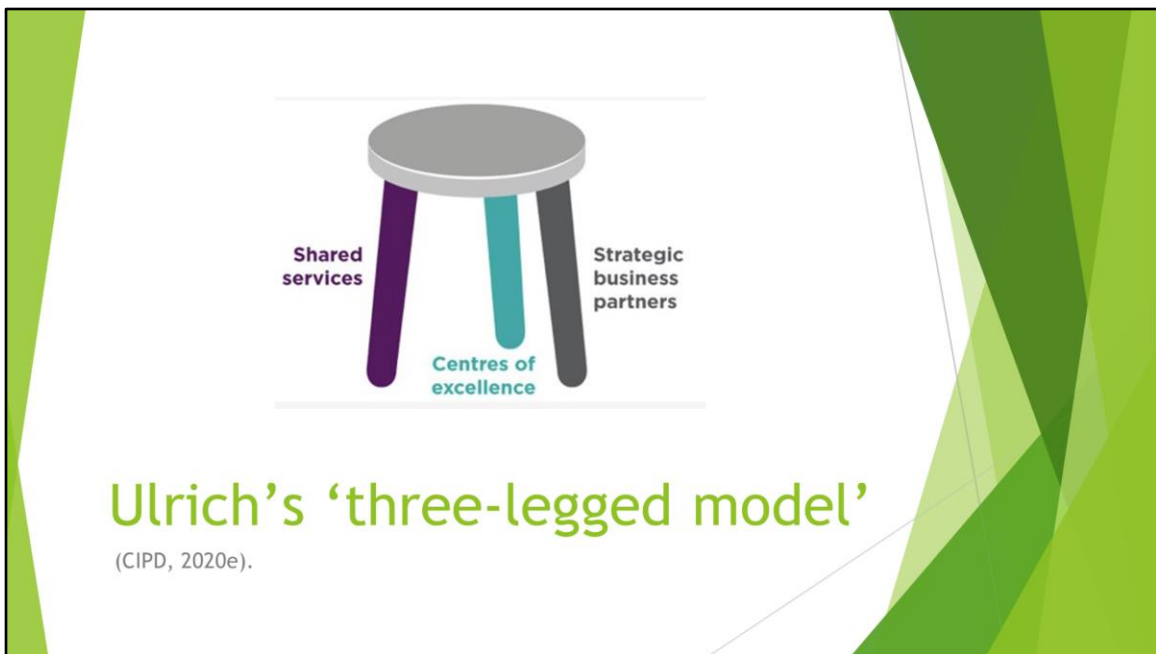
Legge (1978) developed a model for personnel managers to be influential in organisations. There are three types.

This model can be critiqued as it is too focused on pleasing the senior manager and shareholders (Marchington, Wilkinson, Donnelly, and Kynighou, 2016, p. 146)

Traditional HR Structure

- ▶ Often used in small to medium sized organisations and often in the private sector.
- ▶ Single team with generalists, specialists and administration and work with line managers from specific units.
- ▶ Their work is both strategic and operational and they combine generalist and specialist knowledge.
- ▶ They are considered highly by the organisation as they provide a vast amount of knowledge and expertise.

(Swift, 2016, p. 4).



Ulrich's 'three-legged model' shows the different ways HR professionals work within an organisation. Common in larger organisations.

Strategic business partners: Senior professionals involved with strategy influencing and implementation, working closely with business managers (Wilkinson and Taylor, 2016, p. 27). Benefits include the HR practitioner becoming a more strategic contributor, with increased business focus, greater engagement with line managers and the ability to move people management issues higher up the business agenda (Swift, 2016, p. 5).

Centres of excellence: A team of HR specialists who deal with numerous business units offering their services to HR business partners/line managers. They provide innovative solutions to drive strategy forward.

Weaknesses include reliance on familiar programmes rather than tailoring programmes to the business' needs. They are isolated from the business to separate their solutions and the reality of the business. They can be overwhelmed with excessive demands as they deal with multiple businesses (Swift, 2016, pp. 5-6).

Shared services: A large unit dealing with transitional work for the business (Wilkinson and Taylor, 2016, p. 27). performing administrative tasks in a centralised and standard way, they benefit from low cost, effective administration. It involves passing people management activities from HR to the employees and line managers themselves in the form of self-service which is often through technology. This allows HR to focus on being more strategic but it places more pressure on line managers and is bad for employees who struggle with technology (Swift, 2016, pp. 7-8).

Criticisms of the Ulrich 'three-legged model'

- ▶ Losing touch with the human side of HR when you focus on being more strategic (Marchington, Wilkinson, Donnelly, and Kynighou, 2016, p. 150).
- ▶ Ulrich has argued, due to a lack of understanding and poor implementation the model has not worked successfully. The model should only be used if it meets the needs of the business (Swift, 2016, pp. 11-12)

How HR can Work with Line Managers to Deliver HR Services

- ▶ Managers are first point of contact for workforce and carry out HR activities so HR should work closely with them (Wilkinson and Taylor, 2016).
- ▶ HR department can focus on being strategic when line managers deliver HR tasks. It is important that HR train managers to carry out HR duties effectively.
- ▶ The policies and procedures come from HR but it is often the line manager who brings them to life.
- ▶ HR must ensure attention is paid to the recruitment, training and monitoring the performance of line managers. Line managers must be offered training and support to gain confidence in their skills.
- ▶ With HR going into business partner roles, by working closely working with line managers they can look at HR issues together in a way that aligns with the business strategy. Because they can work closely in an ongoing relationship, they can understand and develop long-term strategies and solutions together rather than HR dealing with problems as they arise.

(CIPD, 2020b).

Positive relationship between employees and line managers equals to more likely achieving higher levels of performance. Line managers play a role in employee engagement as it is up to them to set challenges at work to motivate employees. They are also there to offer support for the employee's wellbeing CIPD (2020b).

Ethics in HR

- ▶ Ethical Behaviour - It is important for HR functions to act ethically and fairly, to create respect and trust within the organisation
- ▶ Ethical Standards - The ethical standards of a company are a key factor for the reputation of its brand and can determine if someone chooses to work for them.
- ▶ Role-modelling - The HR function must act as a role model for ethical behaviour if they expect the rest of the organisation to act ethically. Evidence also suggests that business performance can increase by acting ethically.

(Wilkinson and Taylor, 2016, p, 36).

Ethics are a rule of conduct that a profession recognises as appropriate. Kew and Stredwick, 2010 state ethics have three core elements: Fairness, deciding what is right and wrong and the practices and rules which underpin responsible conduct between individuals and groups (Wilkinson and Taylor, 2016, p. 36).

It is essential that HR function acts ethically in everything they do as it is core to being a HR professional (Wilkinson and Taylor, 2016). Ethical Standards and Integrity is listed in the CIPD Code of Professional Conduct (CIPD, 2020c) and is a core

behaviour in the 2018 CIPD Professional Map (CIPD, 2018).

Factors that Influence Unethical Behaviour in the Workplace

- ▶ Individual Factors - Individual characteristics such as morals, philosophy and personality traits.
- ▶ Situational Factors - how clear and serious the consequences are for unethical behaviour and the agreement of how wrong that action is.
- ▶ Organisational Contexts- The culture of the workplace dictates what behaviours are acceptable.

(CIPD, 2019).

HR practitioners must comply with employment legislation despite pressures put on by senior management. For example, a manager may want to terminate an employee on grounds of capability but in reality, they may just not like the person. HR must argue for the case to follow legislation as not only is this the ethical thing to do but it also helps the company avoid scandal and avoid tribunal costs (Wilkinson and Taylor, 2016, p. 38).

Examples of unethical behaviour include misreporting of profit and loss, sexual misconduct and safeguarding

issues, manipulation of interest rates, noncompliance with safety standards, substandard healthcare and tax evasion and avoidance (CIPD, 2019, p. 7).

8 Ethical Lenses - Decide which way is best for individual situations to navigate dilemmas.

- ▶ Fairness - Everyone able to agree.
- ▶ Merit - Jobs and rewards track talent and hard work.
- ▶ Markets - Jobs and their rewards should follow from voluntary market exchanges.
- ▶ Democracy - Everyone should be free to have a say.
- ▶ Well-being - Work should be good for us.
- ▶ Rights and Duties - All have a right to do/not do things and respect others' right.
- ▶ Character - Work to develop best character for our roles.
- ▶ Handing Down - stewardship for our part of the world, maintain and looking after it so we can pass it down undamaged.

(Clark, 2015)

Corporate Social Responsibility (CSR)

- ▶ CSR is managing the impacts of the organisation's actions on society, environment and economics through its ethics in order to add value.
- ▶ It is done for sustainable reasons, brand reputation, and employee satisfaction.

(CIPD, 2020d)

Areas of CSR and how Tesco achieves these.

- ▶ Workplace - Employees have opportunity to develop their career, opportunities to give staff feedback, rewards and benefits based off performance and flexible hours for a work-life balance. Tesco encourages long-term trade relationships with suppliers and are transparent and accountable.
- ▶ Market place - Tesco provide a good range of projects to cater for everyone.
- ▶ Environment - Tesco have training packages to spread awareness of environment issues so they can create initiative to combat this.
- ▶ Community - Tesco supports community projects for children and education programmes.

(CIPD, 2020d and UKEssays, 2018)

HR Role is CSR

- ▶ Employment and people management practices - Meeting statutory obligations but also going above these and encouraging the organisation to do so.
- ▶ Supporting a broad CR strategy - Teaching all employees about their social and environment responsibilities. Aligning values, cultures and activities of the organisation.
- ▶ Volunteering schemes - Leading community-based schemes.

(CIPD, 2020d).

How the HR Contribution can be Evaluated

- ▶ HR Statistics: Analysing statistics from HR activities such as, recruitment numbers, absence numbers, time spent on training etc. Not useful when isolated but useful for benchmarking either internally (compare statistics over the years) or externally (against another organisation).
- ▶ Key Performance Indicators: Identifying what areas of HR have the most impact for the successes of business objectives, creating targets, and assessing the performance against these targets.
- ▶ Balanced Scorecard: Set of agreed performance measures and a 'high-level strategy map' which demonstrates how the organization's' strategic objectives and the measures relate to each other.

(Wilkinson and Taylor, 2016, p. 30).

West et al (2006)

- ▶ A cross-sectional study, sample of 52 hospitals, surveys completed.
- ▶ Results found HR policies and practices had a positive impact on patient mortality rates in hospitals.
- ▶ SHRM policies and practices for training, performance management, participation, decentralized decision making, involvement, teams and employment security may be successful in contributing to high-quality healthcare.
- ▶ Strengths
 - ▶ Cross-sectional allows for broad coverage and lots of information (Perkins and Woodhams, 2016).
- ▶ Weaknesses
 - ▶ Not measuring all HR elements
 - ▶ Small sample-size
 - ▶ Non-response bias may have impacted results
 - ▶ The study did not look at the mediating linkages between HR systems and healthcare

Katou et al (2014)

- ▶ Cross-sectional study carried out between October-December 2011. 1,250 questionnaires from employees across 133 organisations in both private and public organisations across the whole of Greece.
- ▶ Findings showed:
 - ▶ Employee reactions positively and partially mediate the relationship between perceived HR practices and organisational performance
 - ▶ HR practices features positively and quasi-moderate the relationship between perceived HR practices and employee reactions.
- ▶ Employee commitment and engagement is mostly influenced by employee training and relations. This impacts organisational performance positively.
- ▶ Strengths:
 - ▶ Large coverage
- ▶ Weaknesses:
 - ▶ Data from single point in time
 - ▶ Possible fake correlations between the dependent and independent variable
 - ▶ Small sample-size
 - ▶ Financial crises at time, findings cannot be generalised.

Conclusion

- ▶ The HR function has evolved from a transactional (administration) function to a transformational (strategic) function.
- ▶ Organisations should consider their business needs before choosing a HR model to deliver the HR function as this can determine the success of the organisation.
- ▶ Ethics is a core behaviour of HR. HR practitioners should lead by example and promote ethical behaviour in the workplace.
- ▶ The function of HR and individual HR practitioners should be evaluated to assess their efficiency. Studies have shown that HR has a positive effect on organisations.

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