

Qualification: CIPD Diploma in Applied Human Resources

Module Name: Understanding the contemporary HR Function

Activity 1

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Understanding the Contemporary HR Function

Module 3

Lowri Davies - 1104209

A synopsis view of HR and how it's evolving

Purpose

Conveying its strategy across the organisation in line with the current organisation strategy (Ulrich, 2017).

Key priorities

Attracting employees with the correct set of skills, retaining staff, developing them to their fullest potential to maximise performance.

Evolved

Personnel -> HRM -> SHRM (Wilkinson and Taylor, 2016).

Purpose of the HR function is conveying its strategy across the organisation in line with the current organisational strategy (Ulrich 2017). They are a key driver in achieving business performance, by preparing and enforcing changes that are in accordance with the organisation's priorities over short and lengthy periods of time (Wilkinson and Taylor 2016).

Their main priorities are attracting employees with the correct set of skills, retaining staff, developing them to their fullest potential to maximise performance and encouraging getting involved. These areas have remained important throughout the evolution of the function from Personnel to HRM. If all four of these aspects are placed and working effectively, HR professionals can divert their time to other priorities that have come more apparent in recent years. From employee well-being to complying with legislation, there are ever-changing themes that emerge from the Government that take higher priority on the HR agenda. Organisations are continuously reviewing their business planning throughout the current year in preparation for following years (Wilkinson and Taylor 2016).

Currently, Wilkinson and Taylor highlighted one apparent theme from Ministers, which is reducing the number of people dependant on Welfare Benefits from the

Government (2016). As a Housing Association providing Social Housing across Carmarthenshire, we are responsible for working collaboratively to meet their demands providing answers on how we can achieve this.

Referring to the evolvement of the function, personnel management came to light following the industrial period. As companies grew, they were able to commit resources to produce a personnel department (Marchington, Wilkinson, Donnelly and Kynighou 2016) It was heavily administrative and covered the fundamentals of employees i.e. welfare, adhering to policies, basic training requirements. Most organisations worked similarly and offered limited options to increase productivity, such as pay increase.

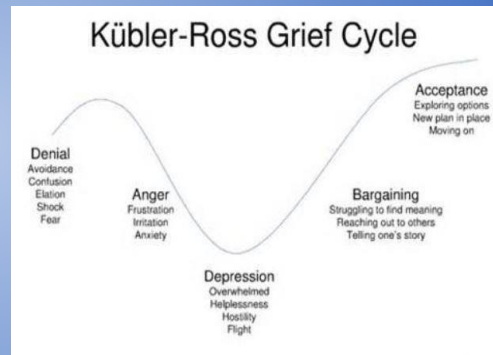
The function began shifting towards Human Resource Management when organisations realised that employees could also be efficient and motivated through non-financial gain. HR professionals were being pressed to understand that employees should be considered as an asset (Wilkinson and Taylor, 2016). Ulrich supports this statement by suggesting that through the evolvement of the function, you must improve an employee's ability through 'competence, commitment and contribution' (2017). The recruitment and process grew to capture employees that could be developed to make a significant contribution. Organisations are offering more benefits to increase employee dedication to the business.

Within organisations, there are a variety of methods the HR function can be structured. It's dependent on the scale and business purpose (Wilkinson and Taylor 2016). More specifically to smaller organisations, you have generalist roles. This is a HR professional that is involved in all aspects of the function and works closely with managers providing guidance to support both them and employees. In relation to specialists' roles, these professionals have more of a defined job with comparable duties from day to day.

HR is a contributor to Change Management

Change Management is an inevitable matter and HR play an important in successfully implementing. They concentrate on the following areas:

- Communication
- Management Approval
- Involving stakeholders
- Identifying training



Example of a change management model

Change management is a constant in organisations and an inevitable matter. They may not be noticeable to all employees, but there is endless amount of small changes being carried out on a continuous basis (Howlett 2018). More to the larger changes, it is apparent that a significant amount of these fail and HR professionals play an important part in successfully implementing these by taking into consideration all processes and customers (Wilkinson and Taylor 2016).

All employees are different and how they react to change and their period of acceptance but embedding a change culture within the organisation will allow the process to run more effectively. They are an uncontrollable element and should be managed closely by HR professionals being aware of the 5 stages of grieving by Kübler-Ross (2009):

Immobilisation

It would begin with employees becoming withdrawn and continuing, as everything was fine.

Anger

The rejection and ignorance of accepting the next step. Fear transforms as anger but the resistance could be an opportunity for HR professionals to reconsider their approach and if they had clearly communicated with all stakeholders (CIPD Factsheet

link above).

Bargaining

Employees will deliberate, to delay the unavoidable.

Depression

As they begin to recognise that the inevitable will happen, employees become demotivated which lead to performance issues. The effectiveness of the change would be identified through increase in absence from work, grievances, retention.

Acceptance

This may still not be a happy stage, but employee participation increases by asking more questions by considering the opportunities that lie ahead.

The HR department are responsible for ensuring that all concerned customers are communicated with through a variety of potential avenues, which is most appropriate for those groups. To promote employee participation, you would use the 'bottom-up channels' method. This is to ensure that employees are aware of the organisations vision and are heavily involved in promoting ideas and sharing concerns, through task and finish groups, brainstorming events (Wilkinson and Taylor, 2016).

To promote Managers to get on board with strategic changes, HR professionals need to take the time to encourage them that they have a reason to get involved. Paying attention to their concerns and coaching them to become communicators is key to allowing them to overcome the changes and support their teams (Swift 2016).

Stakeholders are also important during the process. They are involved in all levels and should be continuously informed by Senior Members if there are positive and / or negative changes to the initial proposals and how the organisations reputation will be affected.

To move forward, HR professionals can support employees to meet their new requirements by identifying training needs and areas of weakness. Wilkinson and Taylor advised that by investing in the employee, it increases their productivity, as the organisation believes that they can achieve its current priorities (2016).

Delivery of HR Services and their Models

HR Services can be delivered in a variety of different methods:

Centralised – HR located in one location and functions structured accordingly to achieve clear communication.

Decentralised – Based in several locations. Unable to meet exact standards as operate in different ways to meet business needs.

Shared Service Centres – Internal HR Professionals to deliver strategy and a service centre for administrative duties.

Outsourcing – An external third party to provide expertise knowledge and be accountable for their advice.

(Marchington, Wilkinson, Donnelly & Kynighou, 2016)

HR services can be delivered in a variety of different methods. Lately, there has been discussion if there is need for an internal HR department as most specialist roles are outsourced (Marchington, Wilkinson, Donnelly & Kynighou 2016). On the contrary, centralising HR in one location allows all functions to be structured accordingly. There is clear communication between HR professionals and being aware of the organisation's strategy, avoiding tension between specialist roles which believe that they're area is more important (Marchington, Wilkinson, Donnelly & Kynighou 2016).

For companies that are based in several locations, a decentralised function can develop without being initiated. This means that there is a HR function based in each location but operate in different ways, to meet the need of the business in that climate. Equivalent administrative duties are being completed but exact standards are unable to be met across the locations and performance cannot be compared (Wilkinson and Taylor 2016).

Shared Service Centres (SSC) are made up from two aspects. Firstly, HR professionals which work to deliver strategy across the organisation. Secondly, the centre that is responsible for completing administrative duties using technology and supporting employees (Marchington, Wilkinson, Donnelly & Kynighou 2016). Similarly, to a

centralised system, they can minimise costs by functioning in one location, sharing information and ensuring that all customers receive the exact service through an efficient system (Wilkinson and Taylor, 2016). HR professionals can oversee the processes implemented by the centre and take joint accountability on managing the change.

The SSC function closely represents the 'three-legged stool' model which was developed by David Ulrich. Ulrich believes that the HR function is split into three alternative methods of working (Wilkinson and Taylor 2016). One of the three function is the SSC which handles all administrative duties. Secondly, senior employees developing and implementing the associations strategy by working directly with managers. As previously referred to, HR professionals are responsible for ensuring that their strategy is aligned with the organisations but Marchington contends that HR professionals are prioritising short term objectives instead of managing longer term goals for all customers and future business demands (2016). Lastly, HR specialists based in small groups, which are responsible for a specific support function (Wilkinson and Taylor, 2016). Many HR professionals argue that the model is not suitable for changing function, but others have disagreed that the model needs to modify to meet their organisation needs and is not considered a 'one fit for all' (HR 2016). It has been suggested that withdrawing from having an in-house system lowers internal interaction between employee and due to the increase in IT systems, work has become demotivating (Marchington, Wilkinson, Donnelly & Kynighou 2016).

Similarly, to SSC, outsourcing is purchasing the provision from an external third party. This has expanded from not only HR but to all corporate functions. Wilkinson and Taylor highlight that it allows additional in-house resources to be able to progress with developing and working towards achieving specific strategic goals (2016). In addition, the external company can offer more expertise knowledge and aren't prejudiced by employees.

Working with Line Managers

Line manager responsibilities have been amplified to manage employees and accomplish their goals (Swift, 2016).

- For HR professionals, it is vital for line managers to be the mediators between HR and employees by trusting and adopting their functions. Business Partnering with HR to provide feedback to develop HR policies and functions.
- Line managers to receive training and mentoring opportunities to meet their devolved obligations.
- Line managers must remember to seek guidance and advice from HR professionals in more difficult situations

Line managers' importance in supporting the HR function has become more apparent in recent times. Their responsibilities have amplified and have a distinctive part to play in managing their employees. This has not only been the case, with HR professionals previously being supporting employees in all aspects of their role and approach towards accomplishing their goals (Swift 2016).

Line managers, which have been in their role for a long period of time and experienced the changes have argued the devolved responsibility but have accepted that they are the link between employees undertaking HR processes to achieve key organisational objectives. (Swift 2016). Line managers must be the mediators between employees and HR professionals, by trusting and adopting their functions. They are expected to act as role models and be influential on employee motivation (Swift 2016). Recently, business partnering has been a hot topic within organisations. Specifically, to line managers, they can work with HR professionals by providing feedback on specific areas i.e. employee needs, to help develop policies and functions in line with the organisations strategy (O'Halloran and Haden 2017).

It is apparent that there is a common denominator in achieving the above, and its HR professionals arranging training and mentoring opportunities for line managers to

achieve their obligations (Swift 2016). George and Hayden concur with this statement, by highlighting that it routes back to the recruitment of line managers, by their willingness to work towards the organisation's values, continuous development and ongoing supervision to monitor their performance as a leader (2018).

Although line managers would have received training in applying HR practices, it's important that they remember to seek advice and guidance from the HR department in more difficult situations. HR professionals would have more expertise in these areas, but to devolve responsibilities such as people management to line managers, HR are able to dedicate time to strategic areas (Wilkinson and Taylor 2016).

Managing HR in an Ethical Manner

‘Business ethics is about how business is done and doing the right thing because it is the right thing to do’ CIPD (2017).

HR professionals and line managers need to be considered as role models in embedding ethical behaviour (Wilkinson and Taylor 2017)

Delivering ethical standards is at the forefront of being a professional (CIPD 2017). Wilkinson and Taylor consider it to be an essential behaviour (2016).

As ever, HR professionals play a key role in supporting ethics and embedding into the organisation’s values and behaviour. ‘Business ethics is about how business is done and doing the right thing because it is the right thing to do’ CIPD (2017).

As HR is shifting towards strategic planning and looking at long term sustainability, ethical culture is key in supporting this and when working well, employees are productive, motivated and see the benefits of working for the organisation. Although, HR have been criticised for their lessened role in ethical matters. To secure its reputation and be a trustworthy function, values and a strong relationship with line managers are what are important to provide a robust structure and good relationship with employees and stakeholders (CIPD, 2017). HR professionals and line managers need to be considered as role models and seen as leaders in embedding ethical behaviour (Wilkinson and Taylor, 2016).

In addition to achieving long term ethical sustainability, HR have a Corporate Responsibility to be aware of how the organisation works to be able to ask the challenging questions on how others are ethically behaving (Ballinger, Gifford, and Miller 2013). Then again, organisations should be considering a principle-based approach to achieve results and drive the implementation of ethical values (CIPD

2017).

Delivering ethical standards is at the forefront of being a professional (CIPD 2017). Wilkinson and Taylor consider it to be an essential behaviour (2016). Wilkinson and Taylor advise that HR professionals within organisations have developed a written Code of Ethics (2016). This exposes standards that employees are expected to abide by and can promote healthy relationships with stakeholders. Specifically, to organisations, the code is developed to coincide with the business' specific requirements and values.

By having a consistent relationship with staff throughout their employment, HR professionals can influence and inspire employers to ensure that their decisions are in favour of the organisation's ethical values (CIPD, 2017). As the workforce is continually changing and adapting their working habits i.e. flexible working, part-time, HR professionals have a responsibility to act morally and fairly to meet the expectations of a varied organisation. In situations that they are unable to provide a response, 'best practice' is considered as an alternative (Baczor and Zheltoukhova 2017).

When taking into consideration the law, it is important that HR professionals are aware of current employment legislation. Although, in a legal case, employers will not be asked to any further questions on their ethical approach if they are within the jurisdiction of the law. This can put HR professionals in a detrimental situation when they are expected to promote fairness across the organisation but suggests that they say one thing, but their actions are different. Some of these legislation requirements include fair pay and Health & Safety obligations. HR professionals can certify fairness in these areas by guaranteeing that all their policies and procedures meet the requirements (Wilkinson and Taylor 2016).

Evaluating HR's Contribution

To evaluate the effectiveness of HR, the following methods have been identified and used (Wilkinson and Taylor 2016):

Key performance indicators – set measures and targets

Views of stakeholders – carry out a stakeholder survey

Balance scorecard – comparing HR service delivery with organisational goals

Considering 'Insight-led HR' is the future for the evaluation of HR (Wilkinson and Taylor 2016)

The CIPD reported that it was surprising that there was an insignificant amount of evaluation conducted on the HR function, considering its importance within the organisation (Taylor and Wilkinson 2016).

To allow organisations to evaluate the effectiveness of HR, a system must be in place to monitor its contribution (Wilkinson and Taylor 2016). The following methods have been identified and used:

Key Performance Indicators

In this scenario, organisations can agree measures against individual HR functions and set a target. The function would be monitored against their performance in achieving the target within a deadline. This is a traditional method and identifies if they can meet their aims and by having a deadline, can determine if they are value for money in respect of cost and time (Wilkinson and Taylor 2016).

View of Stakeholders

Firstly, HR department's needs to take into consideration who their key stakeholders are and how they impact them within the organisation (Wilkinson and Taylor 2016). Once this has been identified, a stakeholder survey is conducted and questions their

thoughts on the delivery of the function. In a survey conducted by Buyens and de Vos in 2001, they identified that line managers were only concerned with HR professionals when dealing with administrative and employee concerns i.e. recruitment, training, performance management (Marchington, Wilkinson, Donnelly and Kynighou 2016). For HR professionals, this feedback illustrates areas for improvement or a response they would be expected to receive.

Balance Scorecard

It can connect organisation strategy with HR department service delivery actions, by creating a roadmap showing how these actions can link to the business goals (Wilkinson and Taylor 2016). More specifically, it evaluates the strategic delivery of the HR department more so than the traditional administrative features (Personnel Today 2001).

Benchmarking

As an external evaluator, benchmarking is considered across a variety of sectors and organisations worldwide (Marchington, Wilkinson, Donnelly and Kynighou 2016). It enables HR to identify how their practices liken to best practice. In comparison, HR can recognise areas for improvement, but it is difficult to retract comparable data, as it is hard to determine if accurate information has been provided from sectors. This proves that results may vary significantly, and this data cannot be relied on to measure against (Swift 2016).

As the function evolves, more importance is being shone on HR contribution to long-term organisational priorities (Wilkinson and Taylor 2016). 'Insight-led HR' is a clear way of understanding business needs and becoming proactive in influencing change outside of best practices.

HR and Positive Organisation Outcomes

Completed Review on Two Research studies:

- Deconstructing AMO Framework: A Systematic Review (Marin-Garcia and Tomas 2016) and;
- Human Resource Management and Performance: still searching for some answers (Guest 2011)

To evaluate the link between HR and positive organisation outcomes, I completed a review on two research studies: Deconstructing AMO Framework: A systematic Review (Marin-Garcia and Tomas 2016) and Human resource management and performance: still searching for some answers (Guest 2011).

Beginning with Marin-Garcia and Tomas, they conducted a literature review to diverge into some features of the AMO Framework within HRM (2016). The AMO framework was developed by Appelbaum et al on an idea proposed by Bailey. The framework allows organisations to have a grasp of three elements that are required from their employees. These included having the essential skills, acceptable level of motivation and chance to perform. It is highlighted throughout the review that all three elements must be present for the framework to be successful (Marin-Garcia and Tomas 2016).

Within this review, most of its secondary data was cross-sectional. This data is useful when taking a snapshot during a specific period and can provide generalised results across sectors. To have a more comprehensive grasp of primary data, Marin-Garcia and Tomas suggested scrutinising more longitudinal research which can observe the AMO framework once all HR functions have been implemented (2016). Guest concurs

with this observation, by suggesting that most data used to determine the link over the last 20 years has been cross-sectional. The use of longitudinal studies is pushed and the need to take into consideration the introduction and implementation of HR functions is highlighted to be able to analyse current performance (2011).

The data was sought from three different databases, collecting information from papers, articles etc over a period of 23 years, providing codes of eligibility for each piece of evidence. 48 articles had been reviewed, which state the AMO framework in some context (Marin-Garcia and Tomas 2016). This is a good sample size and confidently allows you to believe that the conclusions are a true reflection of the review as it delivers findings from a range of different methodologies. Although, as researches are continuously evolving the AMO framework, it is difficult to determine if each review was based on the first perception of the model.

From the research conducted, Guest identifies that senior management have provide clarification on how employees utilise HR functions. As functions directly impact employees, it would be more useful to retrieve the views of employees, request their feedback instead of looking at data that shows practices are being used but how efficiently are they (2011). Within the report, Guest suggests that the research is inaccurate due to the wide extent of the data collected and more concentration needs to be given to a more specialised area over a wider sector (2011).

Both authors suggest that there was lack of model testing and there are several attributes within the workplace that aren't covered by the framework which could influence employees i.e. religion and belief, personal situations. Although, the framework is an enough place to begin to teach organisations to have a clearer perspective of how performance and HRM can work effectively. Guest suggests that organisations are no closer to proofing the key attributes that connect performance and HRM due to a small quantify of studies using longitudinal data (2011).

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