

Qualification: CIPD Diploma in Applied Human Resources

Module Name: Understanding the Contemporary HR Function

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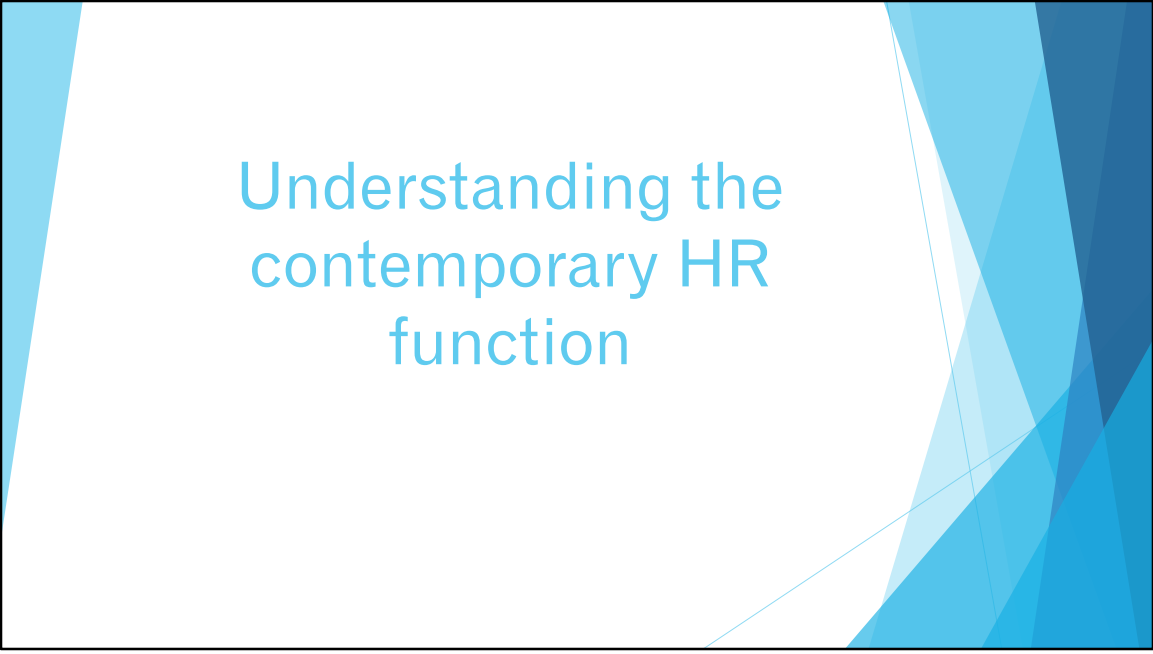
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Date: 12th February 2020



Understanding the contemporary HR function

The background of the slide features an abstract design composed of various shades of blue and white geometric shapes, including triangles and polygons, creating a modern and professional look.

The Function Of HR for New Employees

Aims of this presentation

An introduction Contemporary Human Recourses (HR)

- ▶ What is HR and the history of HR
- ▶ How does HR Contribute to Change Management
- ▶ How can HR be delivered
- ▶ Should HR be ethical?
- ▶ How can HR be Evaluated

What is HR?

The Purpose of the HR function is to support the organisation's strategy and objectives through the effective management of people and performance (Taylor and Woodham, 2016, p22).

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The key objectives of the HR professional's role can be currently identified as being the recruitment and retention of staff, development of the core competencies of individual employees and therefore the staff body as a whole, to make improvements to management of people and their performance and to maximise employee engagement.

History Of Human Resources

1. Personnel Management

Whilst this is the current objectives, HR as a function has undergone a number of changes since its inception in the late nineteenth and early twentieth centuries during the industrial revolution. At this time HR was known more commonly as Personnel Management and was starting to be seen within large companies as well as national government agencies. These would manage legislative areas of employment such as wages and employee welfare, policy adherence in relation to recruitment and record keeping. Early Personnel Management initiatives to promote increased productivity would include report card performance appraisals, training, wage increases and dealing with trade unions.

History Of Human Resources

1. Personnel Management
2. Human Resource Management

As Industry evolved, so did the function of the Personnel Management role. It was identified that rather than wages being the primary influence on personnel being productive, it was non-financial benefits that were influencing the activities of Personnel and so Human Resource Management (HRM) was developed. Employees were no longer seen as basic tools to facilitate the completion of a job, but now a valuable resource. The HRM role would see a change in culture from the previous Personnel Management legislatively led role to one which was more in tune with the needs and wishes of the work force. Managing behavior is now a major factor for the HRM professional, managing recruitment and developing the employees to encourage and promote employee loyalty and commitment through engaging work processes, meaningful performance appraisals and development of leadership potential.

History Of Human Resources

1. Personnel Management
2. Human Resource Management
3. Strategic Human Resources Management

The end of the twentieth century would see another marked shift in the HRM professional's role and purpose. The shift from a largely industrial picture of working Britain to knowledge based and service industries partly led by global market changes and partly due to technological advances which meant that even the traditional labor heavy manufacturing process' were becoming more automated and programmed by smaller numbers of trained personnel, meant that the employee would become more strategic in the success of the organisation and we to be viewed more as assets than resources. HRM now became Strategic Human Resources (SHRM). SHRM would now be responsible for aligning the individual and group / team goals with the overall organizational strategy. SRHM has seen its responsibility grown in a little over 100 years from PM to a strategic lynchpin in the organisations success. With current operational objectives and tasks including linking of the SHRM strategy and actions to the organisation's overall objectives, maximizing employee welfare, engagement and retention through a number of activities such as training, development, incentives, appraisal and reward.

History Of Human Resources

What Next?

It is likely that the SHRM function will continue to develop. Reinventing itself time and time again to further strengthen the link between HR and the organization. CIPD's 2010 "Next Generation Report" researched this and reports that the next significant shift will be to future proof the organisation by developing the assets to be not only engaged but also agile and changeable.

How does HR Contribute to Change Management

Change Happens!

HR professionals can :

- ▶ Assist with Designing Change Methods
 - ▶ Manage Change
- ▶ Identify and Minimise risks
 - ▶ Communicate Change
 - ▶ Smooth things over!

CHANGE HAPPENS! Whilst many people do not like change. It is a fact of business, that change happens, and if a business is to succeed it must first successfully manage the changes that are required. Changes come about for a variety of reasons. In business it is often market forces (customer demand, supply constraints), legislative mandatory change or technological changes. Whatever the reason for change, the likelihood is that it will fail if not managed correctly.

In most (if not all) changes, personnel from the top to the bottom are key to the success of that change. SHRM professionals are key to managing this change right from the start. They can assist with the design of the change and pre-empt any potential employee objections, shortfalls in training and potential grievances before the change is even decided upon allowing management to make an informed decision on the change and to design the change and its implementation to maximise the chance of success. At the point of the change, communication is key. Good, clear consistent communication will help to promote employee engagement and minimise personnel resistance. It will also provide feedback to senior stakeholders on the resistance experienced. SHRM Professionals can also assist managing the change by providing support to personnel to lessen the resistance. This could be forums for discussion, additional training and support in new technologies and where trust has been built up with personnel, assurances of the benefits and reasons for the change.

They could also engage with personnel by providing support to line managers in responding to queries and ensuring conflicts are not mis-handled. IN addition, HRM personnel could engage the staff in managing the change. A sense of ownership and involvement can diffuse any resistance.

How can HR be delivered

There are many different deliver methods for HR. Both in terms of Personnel and methodology.

Many small firms (if they have a HR person) will have 1 or 2 “HR Generalists”. This is a person who does all HR functions and does not specialise in any one area. It is often the case that larger organisations will have teams of personnel who may all be all be HR Generalists but responsible for a particular area, but may equally have a number of HR Specialists whose knowledge in a specific area is such that they do not deal with matters outside of that arse. There are pros and cons to both, whilst the HR generalists can do it all they are rarely an expert and may need to seek clarification on more complex matters. Whilst a specialist is excellent at performing within their own specialism, the narrow scope of their role may mean that their general knowledge and ability is no longer sufficient to be able to advise on a number of other areas. Some larger organisations will have a team made up of a mix of specialists and generalists to provide the best overall results for the organisation.

How can HR be delivered

- ▶ Centralised HR Account Management

Centralised HR is one which is controlled from a central point within an organisation. This is common in small single site organisations (possibly with remote workers) or with a small number of offices. This allows for consistent HR delivery across all offices.

How can HR be delivered

- ▶ Centralised HR Account Management
- ▶ De-centralised HR Account Management
- ▶ Shared Services
- ▶ Out-Sources HR

Outsourced HR is the process of buying the HR function from a 3rd party rather than having an inhouse HR person. This is commonly a great way to save the cost of employing a dedicated member of staff whilst still being able to draw on the expertise of a trained and experienced HR professional when required. These services can be purchased as a contracted service or on an Ad-hock basis when required.

How can HR be delivered

- ▶ Partner Model
 - ▶ Also Known as the “Ulrich Model” after the creator David Ulrich OR the “Three Legged Stool Approach

David Ulrich proposed the new Partner model or “Ulrich Model” for HR delivery which suggests that organisations should have three types of HR professional which work together to succeed:

How can HR be delivered

- ▶ Partner Model
 - ▶ Also Known as the “Ulrich Model” after the creator David Ulrich OR the “Three Legged Stool Approach”
 - ▶ Shared Service Centre

The Shared Service centre exists to handle the day to day “Transactional” functions

How can HR be delivered

- ▶ Partner Model
 - ▶ Also Known as the “Ulrich Model” after the creator David Ulrich OR the “Three Legged Stool Approach”
 - ▶ Shared Service Centre
 - ▶ Centre of Excellence

Centres of Excellence are made up of HR specialists providing innovative HR solutions to areas such as Recruitment, Engagement and Reward

How can HR be delivered

- ▶ Partner Model
 - ▶ Also Known as the “Ulrich Model” after the creator David Ulrich OR the “Three Legged Stool Approach”
 - ▶ Shared Service Centre
 - ▶ Centre of Excellence
 - ▶ HR Business partners

HR Business Partners who work closely with leaders and managers to influence, steer and implement HR strategy

Whatever the method of delivering your HR function. It is imperative that HR work with management in order to meet the organisations objectives. HR personnel should work with management to develop strategic goals and then plan to develop the Personnel to meet those goals. This can include assistance and advise on advertising and recruitment, development of training programs for personnel and assistance with conflict management and grievance or disciplinary resolution. HR can also advise on the correct methods of dealing with a situation to avoid potential problems such as legal action.

Should HR be Ethical

- ▶ Short Term Gain vs Ethical Operating
- ▶ Gender Pay Gap An example of Un-Ethical Discrimination
- ▶ Legislation - Equality Act 2010

Whilst short term gain is often at a business leaders mind, it can be argued that the move towards a more business centric strategic approach leads HR professionals to be pulled away from the core of the function – The people. Human Resources Management at work quotes both Write and Snell (2005) and Francis and Keegan (2006) as being critical of the fact that HR professionals are being encouraged to take on the role of “strategic or Business Partner” which is shrinking their role of “employee champion”

It is well documented that there is a gender pay gap with in the UK. This is reflective of a bad ethical approach to employment. A male and female doing the same job should ethically be paid the same This is further enforced by legislation part of the Equality Act of 2010 which makes provision for the fact that men and women have a right to equal pay for equal work. This does include not only pay, but all other contractual term. A Good, ethical HR professional would look to encourage management to ensure any inequality is addressed even if this is at the detriment to short term profit. This will however protect the organisation and senior management from becoming embroiled in an expensive procedure relating to unfair pay and sex discrimination. The argument here is that HR professionals should be ethical at all times and they should be looking to promote ethical and equal treatment of all employees in order to protect the organisation long term. If the HR professional is a

Business partner their strategic goals may influence and compromise the ethical approach that they should be taking.

How can HR be Evaluated

(Taylor and Woodham, 2016, p30) suggests that SHRM as with many other business functions can be assessed in terms of efficiency and effectiveness. Whilst efficiency is concerned with the cost effectiveness of the activity, effectiveness is a measure of how the HR function is meeting its goals and objectives. To do this a number of evaluation tools can be used.

How can HR be Evaluated

► HR Statistics

HR Statistics is the review of generally quantitative statistics which can be obtained and benchmarked against both internal historical results and externally against industry specific results, or benchmarking against other companies based on geographic location, size etc. These statistics will allow the assessor to see if the HR function is performing better or worse than in previous years, or against other companies. Typical areas for review would be the number of positions advertised, number of applicants for each job, spend on recruitment, levels of disciplinarys, grievances and training and development spend.

How can HR be Evaluated

- ▶ HR Statistics
- ▶ Key Performance Indicators (KPIs)

Key Performance Indicators (KPIs) are another statistical review tool which looks at the critical aspects of the function to meet the objectives outlined. To perform KPI reviews, specific Smart objectives relating to activities must be identified at the start and then the performance is assessed against each objective.

How can HR be Evaluated

- ▶ HR Statistics
- ▶ Key Performance Indicators (KPIs)
- ▶ Balanced Score Cards

Balanced Score Cards is the combination of a high-level strategy map and a documented list of performance measures in a series of 4 tables relating to the 4 perspectives of the Customer, Financial, Internal Business Process and Learning and Growth. All departments or area of assessment would have tailored scorecard with smart objectives matched to their job function. This method allows cross company departmental comparison and enforces the belief that the whole company is working to the same objectives.

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