

UNDERSTANDING THE CONTEMPORARY HR FUNCTION

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OBJECTIVES

To understand-

- Purpose & key objectives of the HR function
 - Models of HR service delivery
 - Role of ethics
- How HR's contribution can be measured/evaluated

FUNCTION OF HR

(CIPD 2020):

‘Helps an organisation deliver its corporate strategy and objectives by effectively recruiting and developing people and managing their performance.’

Both corporate strategy and business objectives are delivered differently depending on the type, size and workforce of the organisation.

The objectives of the HR function are:

- Attracting and retaining staff through incentives (Wilkinson, K and Taylor, S 2016 p22)
- Seeking to develop them through training and education.
- Engaging staff- ensuring the right people at the right time and place accomplish organisational goals (S, 2019).
- Maximising performance
- Employee well-being embedded in organisational culture, leadership and people management leading to higher performance and productivity levels (CIPD).

These objectives have seen a lot of change.



Prior to the 1980s 'Personnel Management' was associated with hiring, training and administration (theHRDIRECTOR 2018). In the 20th century the value of people within an organisation developed. HRM concentrated on maintaining resources by acquiring, developing and motivating them (EDUCBA 2016). Today, HR is responsible for the strategies/tactics needed to achieve the organisation's goals (theHRDIRECTOR 2018). This transformation has occurred due to external pressures. Due to this, changes continue to occur today. Before the Coronavirus pandemic 'Employee Engagement', 'Health and Wellbeing', 'Learning, training and development' were the top three priorities for HR according to the CIPD People Profession Survey (2020).

EFFECTIVE CHANGE MANAGEMENT



Customers



Competitors

HR has a vital role to play in effective change management, it is driven by a number of forces including customers, markets and technology. Organisations need to continually adapt (CIPD 2018). The COVID-19 pandemic is one example of rapid change which has occurred in organisations across the world changing the way businesses work. Maintaining staff performance, employee wellbeing and retention strategies quickly became priority (HRmagazine.co.uk).

FOR CHANGE TO BE EFFECTIVE

HR Professionals should:

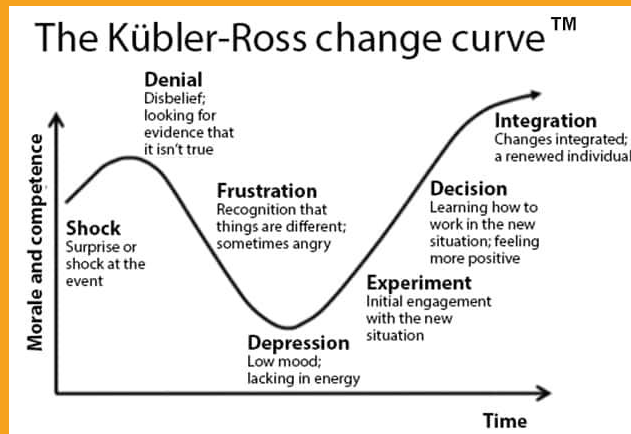
- Play an important role in re-thinking organisational design to bring about change and facilitate the implementation of these new processes. They must monitor this and guarantee the company's culture is upheld (EmployeeConnectHRIS 2017).
- Serve as a point of contact for any questions/concerns; be transparent and accurate when explaining impact on staff/organisation.
- Develop training programmes

The HR Profession Map



Ability to effectively manage change is one of the core areas.

In line with good practice, it is important that consistent and up to date information is provided to all employees to ensure the right message is received (CIPD 2013).



'Kübler-Ross' 5 Stages Model' explains the reactions people have to change. All five coping mechanisms need to be moved through in order to manage the change, there is no order and each can last for different periods of time.

1. Shock/denial is a temporary defence which allows individuals time to absorb the news of change before moving on. HR professionals need to ensure employees have all the information needed and know how/where to get help.
2. Anger occurs when the individual realises that the change is real and will affect them. Employees need clear communication/support with action taken to minimize potential problems.
3. Depression occurs when the reality of the change sets in. Employees may become demotivated and uncertain about their future (Change Management Coach 2019).
4. Stages 4, 5 & 6 are experimentation, decision and integration. This marks a positive change in the model as it involves engaging with the situation, learning to work in this and commitment. Communication remains critical in this stage but employees will both respond and react well when given specific tasks and responsibilities. Regular meetings and progress reports will help reinforce the positive mood (Tahir 2019).

DELIVERING HR SERVICES MODELS

CIPD (2015)

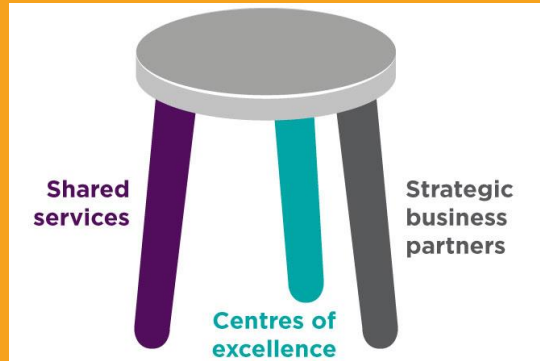
‘supports the view that there is not one model for delivering HR that is suited to all organisations, that different organisations have different needs.’

An organisation should structure its HR function based on its organisational strategy, assembly, size and maturity.

HR Generalist	HR Specialist	HR Consultants	Shared Services
Knowledge and involvement in all areas	Responsible for a specific area	Often outsourced from an external source	Concentrating administrative HR activities into a centralised 'hub'
Variety of tasks	In-depth knowledge of their specific area	Advice on certain issues	Reduces costs
(CIPD, HR Generalist Roles, 2019)	Recruitment, Employee relations, Training and Development etc	Provide recommendations	Improved quality of service
	(All Business Schools)	(Recruiting Resources, 2016)	Shared knowledge
			(CIPD)

HR function can be organised via 4 job roles- HR Generalist, Specialist, Consultants and Shared Services.

ULRICH'S MODEL



Ulrich's 3-Legged Stool Model is the best practice model for HR function in larger and public sector organisations as the HR function is divided into 3. Business partners are individuals or small teams who work closely with the leaders on key initiatives and change management (Wilkinson, K and Taylor, S 2016 p27). On the contrary, shared service activities provide administrative/basic support functions. Centres of excellence are small teams of HR specialists delivering key knowledge (Oxford Reference).

ONE TEAM HR MODEL

- Generalists, Specialists and Administration
- SMEs, private businesses
- Adaptable

This is one-team composed of generalists, specialists and administration. This works best in SMEs & private organisations as the HR teams deal with a range of work so must be adaptable and versatile (Wilkinson, K and Taylor, S 2016 p28). This is opposite of Ulrich's Model as the single HR model recommends one team composed of professionals with a wide range of knowledge and involvement.

All models of the HR function state different ways for a department to work. Despite this, improved productivity and reaching organisational goals remain the main focus of all HR endeavours. No model has been created which offers a perfect solution for all HR efforts, it depends on the organisation- its size, structure and maturity (Ulrich and Dulebohn, 2015).

HR & LINE MANAGERS

Activities may include:

- People management
- Managing operational costs
- Allocating work and rotas
- Monitoring work and checking quality
- Measuring operational performance

Managing the well-being of their team- preventing ill health, adjusting workloads and out-sourcing support if needed

Line managers play an important role in HR. However, their role varies amongst organisations.

In recent years, more responsibility and opportunities have been placed in their hands - such as the determining individual pay increases. They are also now expected to identify learning needs, take up a coaching role within the team and upskill/develop their staff as the HR role has expanded significantly meaning they often need to delegate this task (CIPD 2018).

Line managers have the power to influence employee's behaviour which increases the importance of HR and line managers working collaboratively. Truss and Gratton (1994) pointed out that "line managers play a crucial role in coordinating the resources that enable an organization achieve its goal". Therefore, it is vital for line managers to understand HR practices and procedures and how they are conducted to ensure a successful implementation throughout the organisation.

‘Ethics in HR means helping an organisation embed and uphold its values at all levels in order to maintain and increase trust.’ (Changeboard 2019)

The HR function deals with a variety of ethical challenges, if not handled properly the pitfalls can damage both the company’s reputation and financial stability (Ingram 2019).

IMPORTANCE



It is important for organisations to take ethical views seriously as:

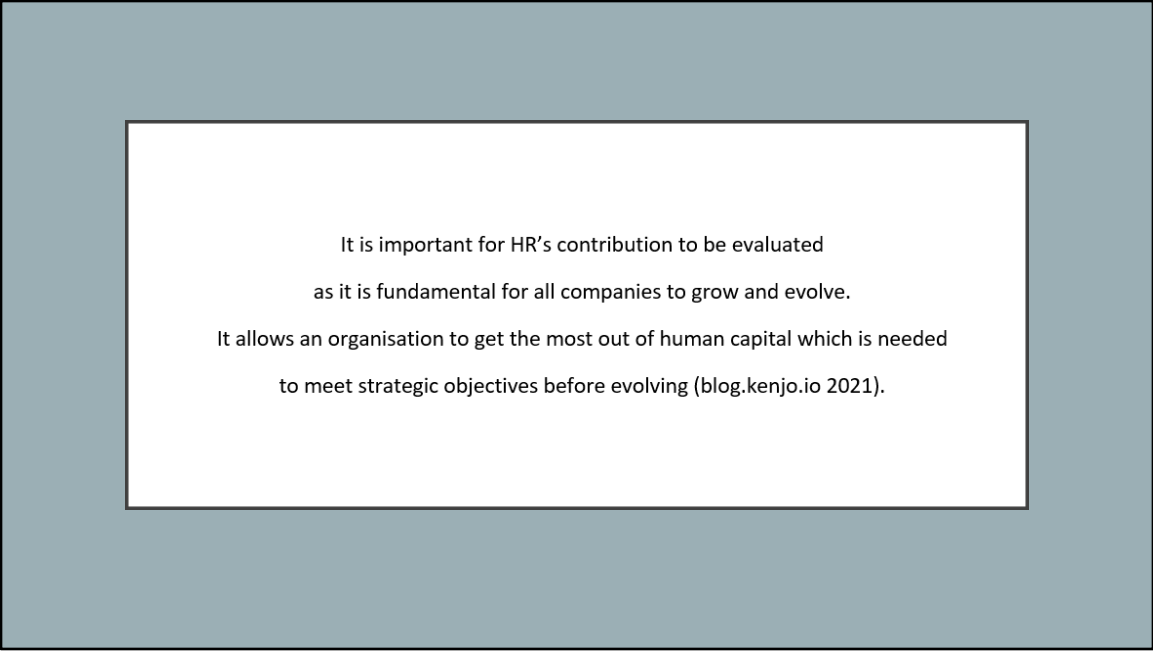
- An open culture improves morale
- Good customer relations contribute to an enhanced reputation. Reputations are not only based on an organisation's delivery of products and services but on how it values its relationships with staff/stakeholders and how it establishes responsibility.
- It ensures they remain the right side of the law. Breaches of ethics can land companies in a large amount of legal trouble.
- Ethics is a core element of the HR profession- professionals need to use their core skills such as knowledge, persuasion and influence to have the ability to recognise and resolve any ethical dilemmas (CIPD 2020).

ETHICAL PRACTICE



Arcadia recently announced a plan to make 500 head office staff redundant- with those that had been furloughed only receiving both redundancy payments and notice pay based on the 80% of pay they receive whilst off work (Webber 2020). However, in July the Government passed new legislation stating that 'furloughed employees will be entitled to redundancy pay based on their normal wages, not their furlough rate.' (Webber 2020). This contributed to a decline in company reputation and staff morale.

Good ethical practice in this situation would have been considering all other options such as pay reductions, decrease in contracted working hours or voluntary redundancy. Throughout the whole process it is important for organisations to be transparent, communicate effectively and offer support (Stephens Scown 2020).



It is important for HR's contribution to be evaluated
as it is fundamental for all companies to grow and evolve.
It allows an organisation to get the most out of human capital which is needed
to meet strategic objectives before evolving (blog.kenjo.io 2021).

HOW?

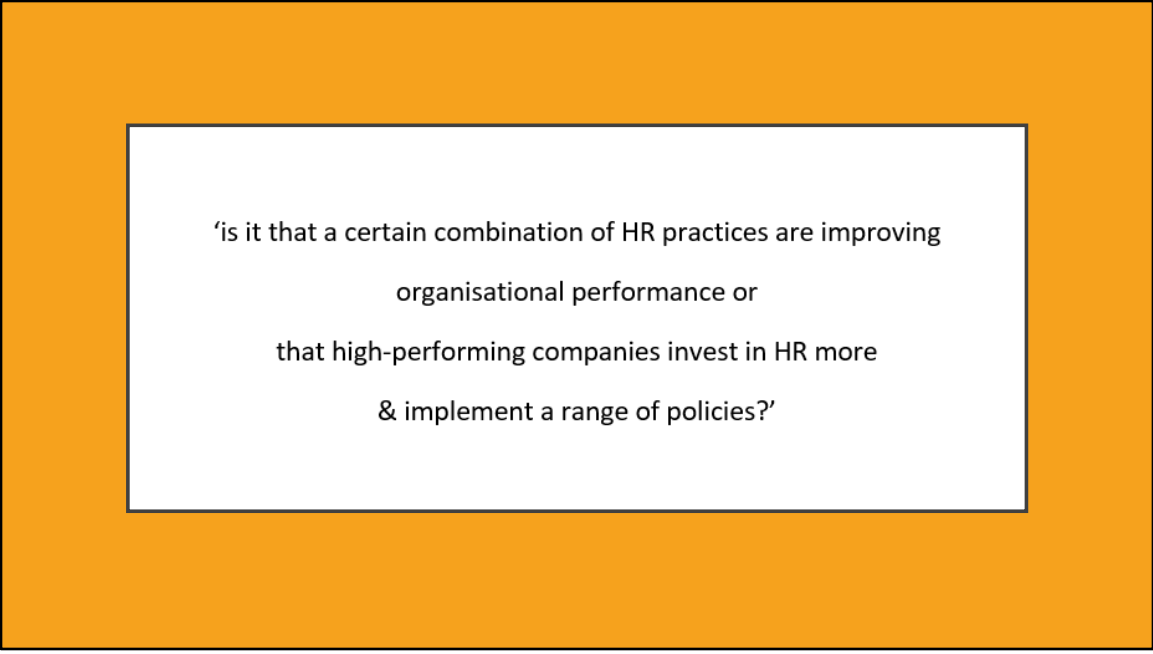


HR Metrics- These are key figures which help organisations track their human capital and measure how effective initiatives are. Examples include turnover, benefits and participation rate - showing what's working well, what needs improvement and potential future trends (Fica 2020).

Key Performance Indicators (KPIs) are used to understand how HR is contributing to the rest of the organisation. They measure processes related to recruitment, training and talent management- the list goes on. The results of these enable an organisation to set objectives and carry out the actions needed to meet them (blog.kenjo.io 2021).

The **HR Balanced Scorecard** was published in 2001 by Becker, Huselid & Ulrich with the aim to measure, manage and improve the strategic role of the HR department. It measures leading HR KPIs of business performance before using these to create HR policies, processes and practices, align HR systems and discover efficiencies (AIHR Analytics 2019).

A large amount of research has been undertaken into the link between HR policies and practices and the overall performance of an organisation (Wilkinson and Taylor 2016 p39). Boxall and Purcell (2008) argue that HR is central to the understanding of business strategy which is necessary for business viability.



'is it that a certain combination of HR practices are improving
organisational performance or
that high-performing companies invest in HR more
& implement a range of policies?'

Wilkinson & Taylor (2016 p39) imply that the link between HR and organisational outcomes vary depending on the company. Bigger companies will experience more positive organisational outcomes due to a dedicated HR team focusing on implementing policies and improving the business compared to smaller businesses.

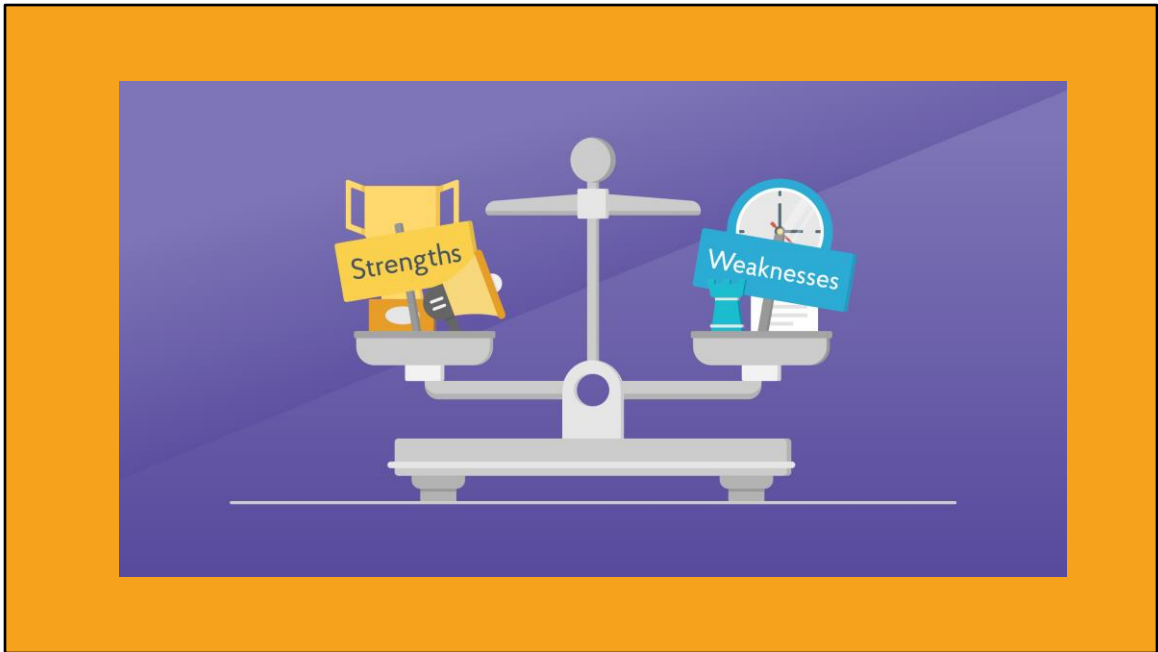
JOHN PURCELL



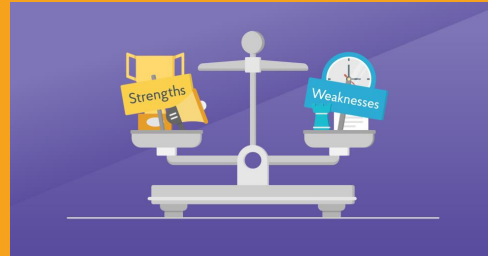
John Purcell and colleagues conducted key research in the 'best practice of HRM.' They used the AMO model which argues that for people to perform better they must:

- Have the ability and necessary knowledge/skills - influenced by many HR practices including effective recruitment, selection, training, and development.
- Be motivated to work- influenced by employment security, performance reviews, recognition of employee contribution and a successful work-life balance (Mick Marchington et al 2016).
- Be given the opportunity to engage in discretionary behaviour (Wilkinson and Taylor 2016 p40). Employee involvement and participation, job design and teamworking opportunities are HR practices influencing this (Mick Marchington et al 2016).

This research concluded that when all three of these conditions are present both individual and team performance is likely to improve. If one is weak/missing, it is very difficult for an organisation to maximise the team's performance (Leading, Managing & Developing People Examiner's Report CIPD, 2015).



This framework has been widely accepted when explaining the link between HR practices and performance. One strength is that it makes sense- a skilled/motivated employee will perform provided adequate opportunity. However, other factors could influence the implementation of practices and their subsequent outcomes such as contextual factors, individual beliefs, and circumstances. When Purcell conducted this research, he used a cross-sectional method which delivers a snapshot of various sample groups during a set period (Akhouri, 2018). Therefore, this does not consider the affect of changes in an environment or developments within the sector. (Marin-Garcia and Juan Martinez Tomas, 2016).



Becker, Huselid & Ulrich composed 'The HR Scorecard' (2001) arguing that HR measurement systems must be based on organisational strategy and the capabilities and behaviours of the workforce required to implement them. It provides decision makers with an easy-to-use tool to track progress, align people, targets, and performance aspects of strategy. (Mark Huselid).

The HR Scorecard demonstrates the link between HR and positive organisational outcomes as it is designed to measure the effects of HR policies on organisation's performance- contributing to better outcomes, improved morale, and cost savings for the company. This allows companies to plan the necessary action needed to achieve organisational objectives and monitor teams' performance and success. If any issues arise, the Scorecard can be used to solve these through management metrics (HR Scorecard: Aligning People, Strategy, and Performance).

Ulrich critiqued the HR Scorecard in a 2019 Digital HR Leaders podcast. He stated that 'HR people & HR pieces of People Analytics don't drive business results. But when you look at the information that connects the marketplace to the company, it had the single biggest predictor of the business result.' Ulrich implies that the Scorecard should not be about HR but about market opportunities, competitive advantage and driving business results- this poses the question 'how responsible is HR for positive organisational outcomes?'

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