What HR people actually do — roles and delivery

PHASE 1: Learning SHRM Through Theory

Week 1: ~~An Intro to the module and a little on what we mean by Strategic HRM~~

Week 2: ~~What makes a good employer? (Best Practice)~~

Week 3: ~~Shouldn't HRM be dependent on organisational needs? (Best Fit)~~

Week 4: ~~What external forces influence HRM?~~

Week 5: What do HR functions and departments actually look like?

Week 6: HR and ethics – people are problematic

A Little Admin

After this week, I will have taught you all of the key academic concepts which you might choose to address Assessment One (you'll have to read into them more).

If you feel that you need more support, and/or have particular learning needs which have made seminars not as useful, then now is a good time to contact me for guidance.

Next week is our final theory session, and it is an important one going forward. It will be where we look at the ethical implications of HR, and those which you will face in your Phase Two projects.

It will contain some serious learning points regarding your expected conduct.

Reminder:

For Phase 2 (real HR projects with organisations), you will be in groups. This allocation will be completed on Monday, 6th November.

What does an HR function really do?

# And why do they have such a tough time?

What does an HR function really do?
1. Recruitment and Talent Acquisition
2. Training and Development
3. Employee Relations
4. Performance Management
5. Compliance
6. Organizational Development
7. Strategic HR

And why do they have such a tough time?
1. Diverse Responsibilities
2. Changing Regulations
3. Conflicting Interests
4. Employee Relations
5. Changing Workforce Dynamics
6. Technological Advancements

What are HR functions balancing?
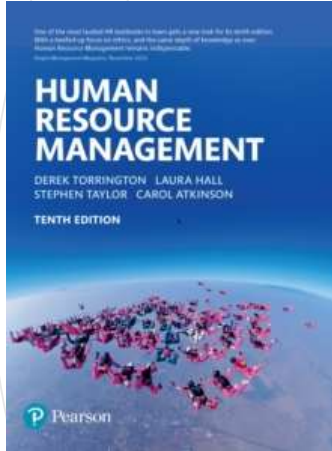
Torrington et al (2017:7-8)

Staffing objectives

Performance objectives

Change-management objectives

Administration objectives

Reputational objectives (the newest area)

What are the competencies HR professionals need?

Brockbank et al (1990) did a large longitudinal study for their Business School which mixed literature review, cross-company, and global research.

Over time, they identified the following competencies...

HR PROFESSIONAL DEVELOPMENT: CREATING THE FUTURE CREATORS AT THE UNIVERSITY OF MICHIGAN BUSINESS SCHOOL

Wayne Brockbank, Dave Ulrich, and Richard W. Beatty

This article focuses on the development of mid- to senior-level HR professionals through a public program offered at the University of Michigan Business School. We suggest that developing HR professionals requires a theory of competencies about what HR professionals must know and do and a development experience based on those competencies. We highlight how we have created a competency model over the last decade and designed our HR executive programs to deliver against this model. We also show the pedagogical techniques used to deliver these competencies. © 1999 John Wiley & Sons, Inc.

Introduction

senior-level HR professional development. We believe that in the face of increasingly turbulent

For human resources (HR) to be a profession...

What are the competencies HR professionals need?

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Introduction

senior-level HR professional development. We believe that in the face of increasingly turbu-

For human resources (HR) to be a profession

Ability to manage change (the most important)

Business knowledge

Delivery of HR practices

Financial management

Understanding competitive and customer needs

Working with line managers

Culture management

Personal credibility

9

Armstrong & Taylor (2014:48) summarise it clearer...

TABLE 3.1 Key HR specialist competency areas (Brockbank *et al*, 1999)
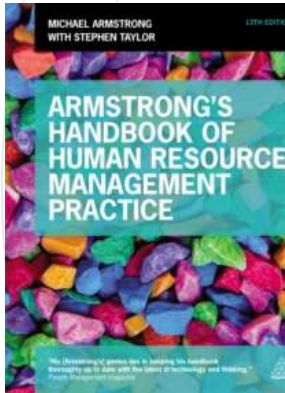
Competency domain	Components
1 Personal credibility	Live the firm's values, maintain relationships founded on trust, act with an 'attitude' (a point of view about how the business can win, backing up opinion with evidence).
2 Ability to manage change	Drive change: ability to diagnose problems, build relationships with clients, articulate a vision, set a leadership agenda, solve problems and implement goals.
3 Ability to manage culture	Act as 'keepers of the culture', identify the culture required to meet the firm's business strategy, frame culture in a way that excites employees, translate desired culture into specific behaviours, encourage executives to behave consistently with the desired culture.
4 Delivery of human resource practices	Expert in the speciality, able to deliver state-of-the-art innovative HR practices in such areas as recruitment, employee development, compensation and communication.
5 Understanding of the business	Strategy, organization, competitors, finance, marketing, sales, operations and IT.

MICHAEL ARMSTRONG
WITH STEPHEN TAYLOR

ARMSTRONG'S HANDBOOK OF HUMAN RESOURCE MANAGEMENT PRACTICE

How the HR role has developed...

1. **Administration** – still central to HR, transactional activities, e.g. dealing with job applications and maintaining employee records, often now supported by HR information systems and e-HRM

3. Negotiation – become prominent 1960s-70s when trade unions were strong, still relevant when negotiating pay, new working practices or grievances

2. **Legal expertise** – with the increased influence of employment law, most HR practitioners will have a working knowledge of employment law

4. **Organisational development** – importance attached to change management, learning and organisational culture, reflected in empowerment and knowledge management

5. Business partner (Ulrich) – HR prominent at senior levels in the organisation. The concept has attracted significant interest and criticism.

Torrington, 1998 cited in Marchington et al, 2016: 142-3

Ulrich & Dulebohn (2015) present a nice historic overview too.

"HR is often seen as ambiguous and beset with tensions between the 'caring' and the 'control' elements of the role" (Legge, 1995, cited in Marchington et al, 2016: 141)

HR managers are stuck between representing the employer and the employees, while retaining power (Guest & Woodrow, 2011).
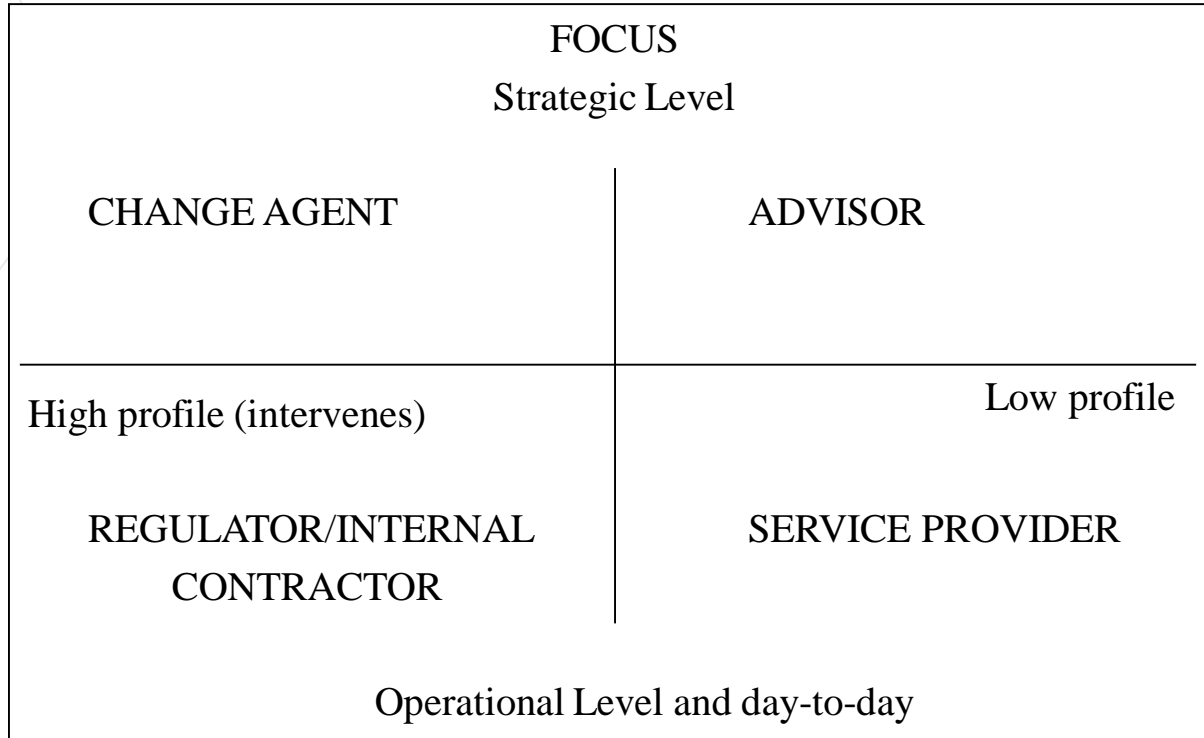
Legge (1978)

Legge identified TWO types of approaches by HR to gain power and influence others:

Conformist innovation – HR managers relate their work to the values and norms of the organisation and aim to satisfy managers

Deviant innovation – HR managers adopt a different set of norms to the organisation, and they gain support and credibility for ideas which are driven by social values such as fairness and diversity.

The HR function

	FOCUS Strategic Level	
CHANGE AGENT		ADVISOR
High profile (intervenes)		Low profile
REGULATOR/INTERNAL CONTRACTOR		SERVICE PROVIDER
	Operational Level and day-to-day	

Adapted from Storey (1992), Marchington & Wilkinson (1994), Caldwell (2003) cited in Marchington et al, 2016: 147-148

Let's discuss the most (in) famous model for how HR should be structured...

There is "good reason for HR's beleaguered reputation. It is often ineffective, incompetent and costly; in a phrase, it is value-sapping" (Ulrich, 1997: 124, cited in Marchington et al, 2016: 148)

Ulrich Model In A Nutshell

The Ulrich model helps large or complex organizations with many business units organize their human resource function. The Ulrich model was named for management coach David Ulrich after the release of his 1996 book Human Resource Champions: The Next Agenda for Adding Value and Delivering Results.

Strategic Partner

Change Agent

Administrative Expert

Employee Champion

The Ulrich Model

It's also been nicknamed "The Three-Legged Stool." In this system, business should have…

SHARED SERVICE CENTRES for day-to-day admin

CENTRES OF EXPERTISE for HR specialists on particular topics

BUSINESS PARTNERS for critical strategic focus

The Ulrich Model

The Ulrich Model aims to make HR more strategic by freeing up HR professionals from administrative tasks (handled by shared services) and providing specialized expertise (from centers of expertise) while ensuring HR is aligned with the organization's needs (through HR business partners)

Corporate HR

HR Leadership Team

Organisation-facing
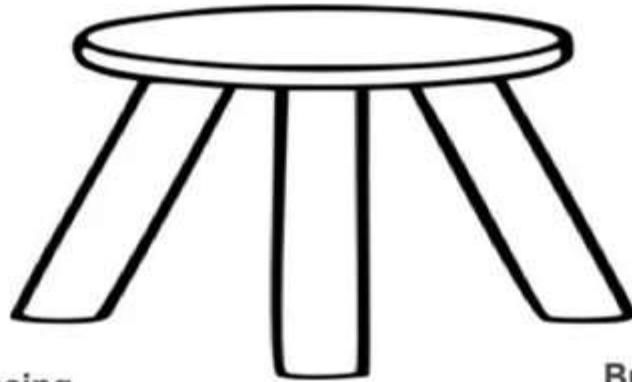
+ Line Managers!

Programme-facing

Centre of Excellence

Specialists

Employee-facing

Shared Service Center

Advisors

Business-facing

Embedded HR

"Business Partners"

20

What HR Business Partners Should Be:
Ulrich (1997, 1998); Ulrich & Brockbank, 2005)

- *Employee advocate* – key, represents employee concerns to senior management, works to increase employee commitment, contribution and engagement, maintains performance standards, removes poor performers
- *Functional expert* - has a body of knowledge about managing and developing people which contributes to organisational decision making and improves credibility to enable a more strategic role. Uses IT to improve processes.
- *Human capital developer* – reinforces the importance of employees as critical assets, focus on practices and processes that develop employees
- *Strategic partner* - HR plays a significant role in building systems and processes to deliver organisation success by acting as partner to line managers in all levels of strategy formulation and execution
- *HR Leader* – "value and own" their HR function, develop HR staff, contribute to organisational decision making, ensure their function operates well and that traditional HRM areas are professional. Ulrich recommends an integrated function.

Summarised by Marchington et al, 2016: 146-149

The impact of Ulrich´s model on HR service delivery:

In 2007, 50% of HR functions had reorganised (80% had reorganised in the last 5 years), with many introducing ..

"the so-called Ulrich model, which includes business partners, centres of expertise and some form of shared service … (through this combination they hope)… the business partners give them the strategic element, the shared services can drive out efficiencies and make them operate more cost-effectively and in that way they think they can do more for less money." (CIPD, 2007)

The Impact of Ulrich continued …

- Research undertaken in 2015 of 40 organizations with > 10,000 employees found that:
  - 95% had undergone some change in their HR operating system;
  - **Positives** - 90% felt it was more efficient and more commercially focused than 10 years ago and 77% attributing success to the Ulrich model.
  - **Negatives** –the HR Business Partner role was still too transactional and they were struggling to shred the administrative role.
  - A third identified talent Management as "an area of major missed commercial opportunity" (CIPD, 2015: 10)
- Other research mentioned concerns that the HR business partner role is different to the traditional HR role and that organisations are struggling to find people with the right skills to carry it out (CIPD, 2015: 12)

CIPD, 2015: 8-14 – taken from Changing HR Operating Models: A collection of thought pieces

CIPD

A collection of thought pieces
February 2015

Changing HR operating models

Ulrich: A Troublemaker…

A multitude of criticisms have been levelled at it, including:

- "It's not my job"
- Communication between the three legs of the stool
- Rejection by line managers of HR as a business partner
- Not achieving much in terms of performance

HR transformation

BY PETER REILLY

FALLING BETWEEN STOOLS?

Organisations should take a flexible approach to adopting the Ulrich HR model – or risk the function taking a tumble

The HR Business-Partner Model: Past Learnings and Future Challenges

Dave Ulrich and Wayne Brockbank, The RBL Group, Ross School of Business at the University of Michigan

HR business partner competency models: re-contextualising effectiveness

Raymond Caldwell, Birkbeck College, University of London, UK
Human Resource Management Journal, Vol 18, no 3, 2008, pages 275–294

Working with line managers is problematic.

Hall and Torrington (1998) suggested that it took a receptive culture for line managers to want to do more tasks set by HR business partners, and for personnel specialists to hand over power and control to other people.

McCracken et al (2017) propose that there's a lifecycle to using HR business partners with line managers which also depends on culture.

Even Ulrich's changed his stance on things.

His work in the 2010s has been about "Outside-in", and how HR influences wider society.

In 2018, Ulrich, suggested that HR needed more of a focus on the community, and to act as "auditors/evangelists" for digitisation.

How about outsourcing an organisation's HR?

Outsourced HR

Outsourcing of HR activities is defined as "the use of consultants or specialist providers to supply HR activities or services previously undertaken by the organisation's own HR specialists" *(Pilbeam & Corbridge, 2010: 35)*

- **Outsourcing** – HR activities of some sort are outsourced by 61% of organisations in the UK irrespective of organisation size *(CIPD, 2015:7)*

- **Business Size –** SMEs more likely to use outsourcing than large organisations who prefer to keep things in-house (*CIPD, 2020*)

- **Cultural differences** – Rare in Hong Kong and India (25% of firms) and Belgium (limited HR activities such as payroll) *(Marchington et al, 2016: 153)*

- There has been **a rise of 10%** since the recession on HR consulting *(Chynoweth (2011) cited in Marchington et al, 2016: 152)*

Which do you think are more likely to be outsourced?

- HR strategy development
- Work and job design
- Selection
- Job evaluation
- Performance management
- Quality Initiatives
- Employee relations
- Employee assistance programmes
- Management development
- Redundancy and/or dismissal
- Employment law advice
- Organisational development

- Human Resource Planning
- Recruitment
- Reward strategies
- Payroll administration
- Internal communications
- Diversity initiatives
- Health & Safety
- Training
- Careers advice and planning
- Outplacement
- HR advisory service to line managers
- Pensions

Outsourcing:

- **Most likely** – 1/3rd organisations outsourced pensions, payroll, legal issues, employee assistance schemes, outplacement

- **Partly outsourced** – training, recruitment and selection, compensation and benefits

- **Least likely** – HR planning, appraisal, strategy and policy

It depends on many factors including organisational size and complexity and importance of HR strategy to the organisation, already having an effective HR function and already using a shared service model

CIPD, 2009b, Marchington et al, 2016:

But...it's complicated.

HR managers don't always like it. There's less transparency over how HR is done, and more rigidity/waiting times as the outsourcing provider follows their guidelines (Patel, 2019)

Many outsourcing providers simply just do the work without finding better digital ways to do it (Goldstein, 2015)

There is the potential for reduced employee morale and poor service quality (Caruth et al, 2013)

Caruth et al (2013) have an excellent article about advantages, disadvantages, appropriateness of activities to be outsourced, and their recommendations for making it work well.

Critical Factors in Human Resource Outsourcing

Donald L. Caruth, Stephanie S. Pane Haden and Gail D. Caruth

Abstract

Outsourcing has infiltrated the world of human resource management in a major way. Over time the number of organizations skilled in performing specific human resource activities has grown to the point where there is now a general provider or a specialist provider organization that can perform almost any human resource management task or activity. This article aims to identify some of the key elements necessary for successful outsourcing. For outsourcing of human resource management activities to be truly effective, companies must understand what can be outsourced as well as what cannot be outsourced. This article presents a hierarchy that identifies the kinds of activities that lend themselves to outsourcing and then it identifies the characteristics that preclude certain functions from being outsourced. Successful outsourcing of human resource activities also demands that organizations know and understand the advantages and disadvantages of outsourcing. Another prerequisite for successful outsourcing is to understand what actions are necessary to create a successful ongoing relationship

How about a "Shared service", where all branches of a large business have the same HR department for admin?

Changing models of HR service delivery – Shared Service Centres (SSC)

- A call centre dealing with "transactional" HR work across a number of sites or businesses:

  - 28% organisations introduced centralised provision of shared administrative HR services (CIPD, 2007: 6)

- Organisations decide:

  - Tier 0 – a 'self-serve' HR portal/intranet

  - Tier 1 – a contact centre access services by email or phone

  - Tier 2 – specialist teams, e.g. recruitment

  - Tier 3 – 'process owners' with overall responsibility (CIPD, 2017)

Shared Service Centres (SSCs)

Reasons to introduce:

- Reducing costs and avoiding duplication of effort
- Improving quality of service to customers
- Often part of a wider restructure with accompanying new technology
- Greater HR focus on strategy
- Shared know-how
- Possible profit centre

Challenges:

- Career paths
- Job design
- Maintaining close relationships with the business
- The "them and us' attitude'

CIPD, 2017

Can deliver considerable cost savings but requires considerable management commitment and is not universally popular with customers (Andreades, 2004)

What does this all mean for the future direction of careers in HRM?

Overall:
+ high status, potential seat on the Board
– SSC and outsourced areas, call centres staffed by administrators without HR qualifications, not so positive for the profession
○ Likely that HR staff will take a variety of roles in organisations not just change agents and business partners (7 out of 10 HR directors have worked in roles outside of HR 5 roles ago!)
○ Developmentally - HR staff will need to zigzag gaining different types of experiences in and out of HR – some will embrace this while others may feel insecure
○ Research shows that for all directors roles, you need to demonstrate functional expertise as well as business knowledge and understanding and well developed interpersonal skills

See Marchington et al, 2016: 162

For current news about this week's session, go to Personnel Today, then under "Topics" select "The HR Profession".

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What does it mean to be an HR professional in 2024? (survey)

by Personnel Today | 22 Sep 2023

And, finally…

http://www.cipd.co.uk/hr-careers