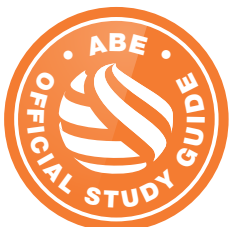


Your road to success

LEVEL 5 THE HR PROFESSIONAL



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Using your study guide

Welcome to the study guide for **Level 5 The HR Professional**, designed to support those completing their ABE Level 5 Diploma.

Below is an overview of the elements of learning and related key capabilities (taken from the published syllabus).

Element of learning	Key capabilities
Element 1 – The changing nature of HRM	<ul style="list-style-type: none"> Recognise the impact of current and emerging trends and use this knowledge to plan for personal professional development Adapt own practice in response to internal and external pressures and needs <p><i>Reflection, self-development, environmental analysis, awareness of current trends</i></p>
Element 2 – The future world of HRM	<ul style="list-style-type: none"> Appreciate the need to adapt personal style and approach in light of context and expectations Ability to keep abreast of professional trends and draw out personal conclusions for own work <p><i>Intellectual debate, awareness of emerging trends and their impact in reality, reflection, self-development, impact of technology</i></p>
Element 3 – Evaluating and measuring HR's contribution	<ul style="list-style-type: none"> Ability to select appropriate methods to evaluate own and functional contribution Ability to develop objectives for own work and agree relevant service level agreements <p><i>Planning, setting objectives, measuring performance, making reasoned judgements, HR practice</i></p>
Element 4 – Leading and developing a professional and ethical approach to HR practice in the workplace	<ul style="list-style-type: none"> Ability to work within relevant professional codes of conduct and standards Ability to act as a role model with an ethical approach to own work Ability to manage arising ethical tensions <p><i>Professionalism, role model, ethical approaches and standards in own work, managing ethical tensions</i></p>
Element 5 – The reflective practitioner	<ul style="list-style-type: none"> Identify and evaluate factors impacting on own effectiveness as an HR professional Develop original ideas to apply to own practice <p><i>Intellectual debate, ethical approaches and standards, developing a business case, making reasoned judgements</i></p>

This study guide follows the order of the syllabus, which is the basis for your studies. Each chapter starts by listing the syllabus learning outcomes covered and the assessment criteria.

L5 descriptor

Knowledge descriptor (the holder...)	Skills descriptor (the holder can...)
<ul style="list-style-type: none">• Has practical, theoretical or technological knowledge and understanding of a subject or field of work to find ways forward in broadly defined, complex contexts.• Can analyse, interpret and evaluate relevant information, concepts and ideas. Is aware of the nature and scope of the area of study or work.• Understands different perspectives, approaches or schools of thought and the reasoning behind them.	<ul style="list-style-type: none">• Determine, adapt and use appropriate methods, cognitive and practical skills to address broadly defined, complex problems.• Use relevant research or development to inform actions. Evaluate actions, methods and results.

The study guide includes a number of features to enhance your studies:



'Over to you': activities for you to complete, using the space provided.



Case studies: realistic business scenarios to reinforce and test your understanding of what you have read.



'Revision on the go': use your phone camera to capture these key pieces of learning, then save them on your phone to use as revision notes.



'Need to know': key pieces of information that are highlighted in the text.



Examples: illustrating points made in the text to show how it works in practice.

Tables, graphs and charts: to bring data to life.

Reading lists: identifying resources for further study, including Emerald articles (which will be available in your online student resources).

Source/quotation information to cast further light on the subject from industry sources.

Highlighted words throughout denoting **glossary terms** located at the end of the study guide.

Note

Website addresses current as at November 2017.

Chapter 1

The Changing Nature of Human Resource Management (HRM)

Introduction

The role and function of **human resources (HR)** has been transformed over the last 40 years, from functions which traditionally focussed on welfare and personnel management, to examples of an approach that is more aligned to the business strategy. These changes have been driven in part by debates around the goals of **human resource management (HRM)** and the most effective way that these can be achieved. Local practices and expectations also play an important factor in defining the expectations of an HR department.

In this chapter, we focus on the role of the HR function, how this is structured and how it contributes to overall organisational goals. We consider how the modern HR role has evolved and examine various models of the HR function that have developed. We will also assess the impact of these changes on HR professionals.

Learning outcomes

On completing the chapter, you will be able to:

- 1 **Analyse the impact of the changing nature of HRM in terms of its implications for professional practice and development**

Assessment criteria

- 1 **Analyse the impact of the changing nature of HRM in terms of its implications for professional practice and development**
 - 1.1 Analyse how the evolution of HR has impacted on HR service delivery, roles and responsibilities
 - 1.2 Discuss the factors that impact on the changing role and nature of the HR function
 - 1.3 Discuss the main frameworks and models that have developed around the role of the HR practitioner
 - 1.4 Discuss the impact of current trends in HR service delivery on the skills, knowledge and behaviours required of the HR professional

Level 5 The HR Professional

1.1 Analyse how the evolution of HR has impacted on HR service delivery, roles and responsibilities

“ [There has been] a shift from a primary focus on supporting line managers to manage their people well, to a primary focus on ensuring your organisation has the sustainable capability it needs to deliver its aims both today and in the future. ”

Orme (2009)¹

Changing from a welfare-oriented function to a focus on partnering

The role of the HR professional has evolved along with the changing business environment, from an origin which was often paternalistic (e.g. focusing on defined roles), to a desire for increased **competitive advantage**. Sustainable organisational performance has brought with it a need for HR to demonstrate organisational insight and commercial awareness in order to contribute to corporate strategy and bring added value to the business. Traditional administrative, advisor and executive actions are being replaced with a focus on **partnering** the organisation by supporting line managers.

Three key evolutions can be identified:

Orientation	Key features	Scope/Roles and responsibilities	Organisation of HR	Priorities
Personnel	Welfare-oriented Administrative in nature Transactional	Service-driven Some of the earliest personnel functions can be traced back to the Industrial Revolution, where allocated individuals sought to look after and protect employees with a focus on wages and welfare. Record-keeping	A separate department focussed on transactional and welfare matters	Ensuring welfare and basic rights are met in order to maintain and maximise productivity

¹ Orme, J. (2009), *People Management* [online]. Retrieved from: www2.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2013/01/29/building-sustainable-capability-2009-04.aspx [Accessed on: 22 November 2017]

Orientation	Key features	Scope/roles and responsibilities	Organisation of HR	Priorities
Industrial relations	Policing	Process-driven Ensuring adherence to policies and procedures, maximising productivity, resolving industrial disputes Rarely has a say in strategy	Remains abreast of operations as a separate staff function	Maintenance of standards and procedures. Maximising productivity Policy regulation Regulation of pay
Human relations	Partnering/ working closely with the business, leading to increased understanding and reduced tension Results-driven Transformational	Performance/ results-driven, developing strategy and leading improvement projects Influenced by research highlighting the contribution of its people as an asset in driving competitive advantage Brings together individual and corporate goals and objectives	Often embedded and working within business functions Larger departments organised via specialisms	Maximising the contribution of employees Concerned with the future, managing change and ensuring a flexible and resilient organisation Knowledge sharing/ management

Table 1: Three key stages of HR evolution



 OVER TO YOU

Activity 1: Evolving HR

Consider the organisation in which you are currently working or one you are familiar with. Where is the organisation on its HR evolution? Why do you believe this and what evidence supports your opinion? Do you think the organisation is at the right stage for the current time?

Write your thoughts here or discuss with a study partner or your tutor, if possible.



Development of HRM as a specialist function

As the HR function has evolved, its role and focus have also broadened. This has seen a shift in focus in the following areas:

- Administration: transactional activity associated with the maintenance of employee records, recruitment, welfare and pay.
- Negotiation: responding to a growth in workplace bargaining and increased standardisation alongside a demand for better working conditions. Increased demands here have led to a greater focus on industrial relations with trade unions.
- Legal expertise: increasing complexity in employment legislation and in the breadth of regulations increases the need for specialist support.
- **Organisational development:** this is of increasing importance as organisations seek to develop capacity and competitive advantage.
- Partnering: working together with line managers to support the achievement of business goals.

There are four main fields of HR activity as seen in the diagram below:

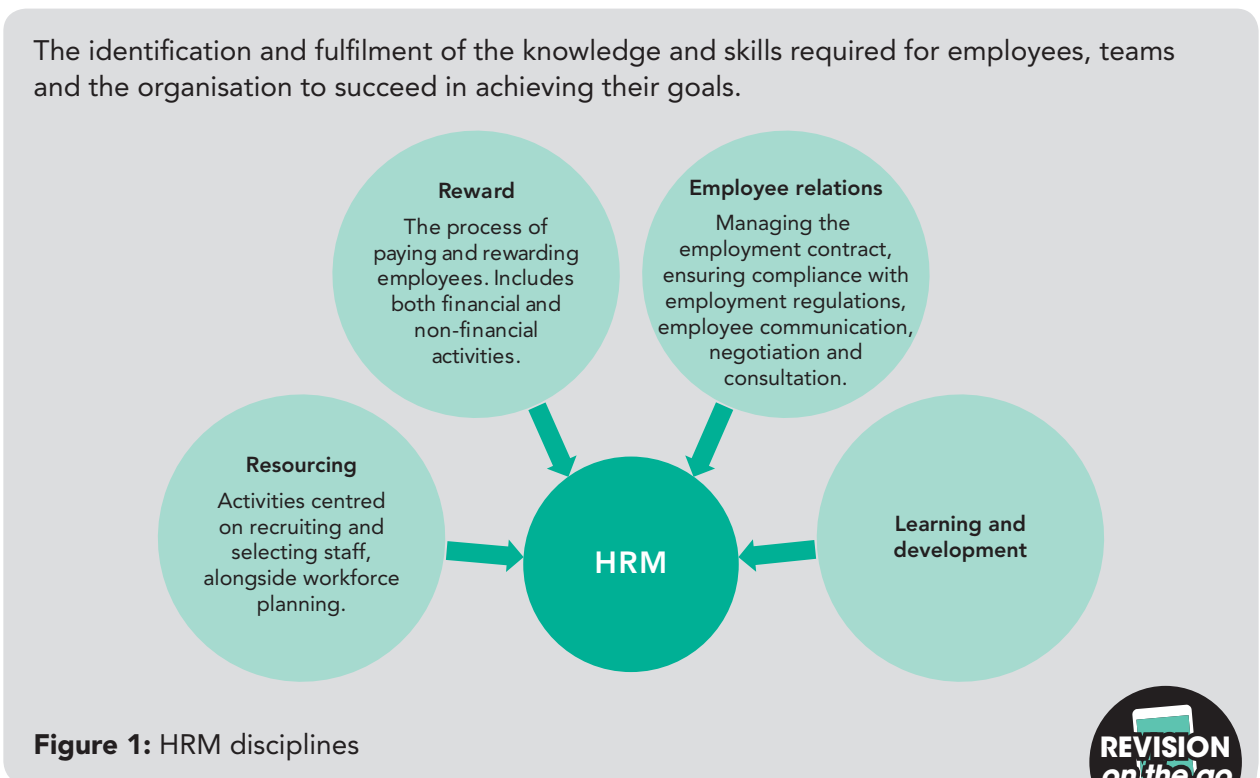


Figure 1: HRM disciplines



Typically, HR roles may be either **generalist** or **specialist** in orientation.

! NEED TO KNOW

Generalist vs specialists

Generalists – working across all aspects of HR. Many HR professionals will commence their career in a generalist role. Roles in small and medium-sized enterprises (SMEs) are typically generalist in nature.

Specialists – having expertise in a specific aspect of HR. Many large organisations will have a combination of specialist and generalist roles. Specialist roles often reflect trends in HR e.g. **data** analysts, knowledge management experts, etc.



As the HR function continues to develop, many newer roles have emerged which often reflect contemporary trends and issues. These roles include:



Figure 2: New roles in HR



✎ OVER TO YOU

Activity 2: New roles

Prepare a short briefing paper on an emerging specialism within HR. (The areas in Figure 2 provide some suggestions.) Outline the key purposes of the role and details of typical responsibilities. What skills, knowledge and experiences would you need to develop in order to move into this type of role?

An example is provided below:

HR analyst

Key purpose: To capture, analyse and report on trends in HR.

Responsibilities:

- develop reporting on agreed HR metrics;
- gather, analyse and present data in support of initiatives and projects;
- identify opportunities for continual improvement;
- provide interpretation and research options to support decision-making.

Skills, knowledge and experience required:

- able to work independently and as part of a team;
- strong analytical skills;
- able to research and present data clearly.

Stakeholder management

In order to deliver **added-value HR**, professionals need to understand the interests and priorities of various organisational **stakeholders** and work with these to ensure needs are met and addressed. Effective **stakeholder management** helps build the credibility of the HR function and supports an organisation in achieving its objectives by:

- interpreting and influencing both the external and internal environments;
- creating positive relationships with stakeholders through the appropriate management of their expectations and agreed objectives.

Four elements of stakeholder management are shown in Figure 3.

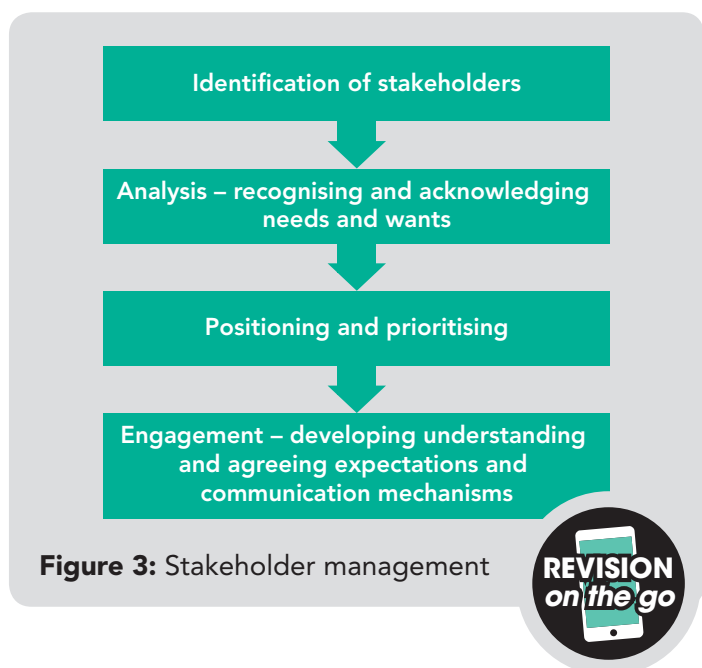


Figure 3: Stakeholder management



Adopting a stakeholder management approach may involve having to reconcile different interests and priorities. A compromise may need to be reached in order to balance different needs as well as to maintain relationships. The following case study highlights how different stakeholder views may impact on HR actions taken during the building of a new factory.

CASE STUDY: BUILDING A NEW FACTORY

Following a period of increased customer orders and having won two large tenders, a local manufacturer has decided to extend its capacity by building a new factory.

The local HR manager identifies the following challenges:

Shareholders and investors are looking for value for money and a return on investment. This is placing pressure on the need to have the new factory staffed as quickly as possible and also to keep costs associated with recruitment and employment to a minimum.

Senior managers are looking to maximise the new facility and wish to explore a seven-day working week and shift-working practices. This impacts on existing practices, reward decisions and recruitment needs.

Employees are looking for the new factory to be a safe and conducive working environment, which may be challenged by the desire to have this in operation as soon as possible.

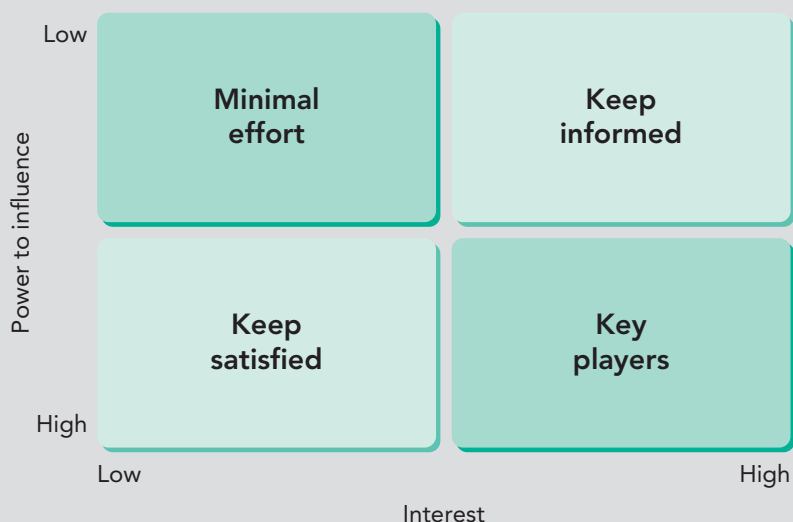
The local community views this as a source of jobs and will be expecting these to be advertised externally.



Stakeholder management places a high emphasis on communication and influencing skills.

Stakeholder management

The Johnson and Scholes (1999)² stakeholder matrix provides a useful tool to help consider the varying influences of different stakeholders. This is summarised in the diagram below:



Source: Adapted from Johnson and Scholes (1999)

Figure 4: Stakeholder-mapping matrix



² Johnson, G. and Scholes, K. (1999), *Exploring Corporate Strategy*, 5th edition. Prentice Hall Europe

Outsourcing

An increasingly popular approach in HRM is to outsource aspects of the HR function. A significant number of organisations are now **outsourcing** some of their non-core administrative activities. Payroll, training and aspects of recruitment are three of the most popular areas to outsource.

Table 2 summarises the benefits and issues associated with outsourcing.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Frees up in-house resources and expertise. • Access to specialists and new ideas. • Gives numerical flexibility. • Potential cost saving. 	<ul style="list-style-type: none"> • Loss of in-house expertise/capacity. • Potential reduction in quality of HR support. • Potential increase in costs. • Loss of morale and competitiveness. • Loss of control and internal capacity.

Table 2: The advantages and disadvantages of outsourcing

REVISION
on the go

OVER TO YOU

Activity 3: Making a success of outsourcing

You have received an email from a former colleague. He has been appointed as the local HR manager of a multinational corporation (MNC) which has recently opened operations in your country. His organisation wishes to ensure a consistent approach to HRM in all countries it operates in and has asked him to develop a brief plan to show how he will outsource the payroll function. He seeks your advice in the key steps to be taken. Drawing on Hindle, what would you advise?

Hindle, J. (2005), "HR outsourcing in operation: critical success factors", *Human Resource Management International Digest*, Vol. 13 Issue: 3, pp. 39-42. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Devolution of HR to line management

Increasingly, line managers are being given responsibility for some or even all aspects of HR, such as reporting sickness, career development, etc. This frees HR departmental personnel from the more administrative and transactional tasks, to focus their expertise in supporting the broader business objectives through resource planning or skills development. This, in turn, supports the ability to shift to a more strategic orientation.

Marchington and Wilkinson (2002)³ highlight how in some organisations, the credibility of HR is under scrutiny by line managers. Their view is that HR does not understand the commercial realities in which the line managers operate and that they constrain them by placing obstacles in their way. Purcell and Hutchinson (2003)⁴ highlight that this devolution of responsibilities obliges line managers to implement and follow HR policies alongside their operational responsibilities. Devolving HR to line managers is problematic. Some HR managers may be reluctant to let go of the tasks that they have traditionally done, whereas line managers may lack the skills, confidence and buy-in to fully take on board this role. So devolving HR to line managers involves careful planning, thought and preparation.



OVER TO YOU

Activity 4: The devolution revolution

You are working for an organisation which has decided to start a programme of developing line managers to handle some aspects of HRM. It feels that line managers should take fuller responsibility for staffing issues. You will lead a briefing to explain the reasons for this and the support and training which will be available.

In preparation for this meeting you review the article below and prepare a response to the following potential concerns:

- **HR activities are secondary to ensuring production targets and standards are met.**
- **This will divert attention away from more pressing work.**
- **I won't need training as it's only common sense.**
- **This will give HR an excuse to police my work.**
- **I did not expect this as part of my job.**

(2004), "HRM – the devolution revolution: What line managers really think about their increasing involvement in managing HR", *Human Resource Management International Digest*, Vol. 12 Issue: 3, pp. 27–29. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

How would you deal with these concerns?

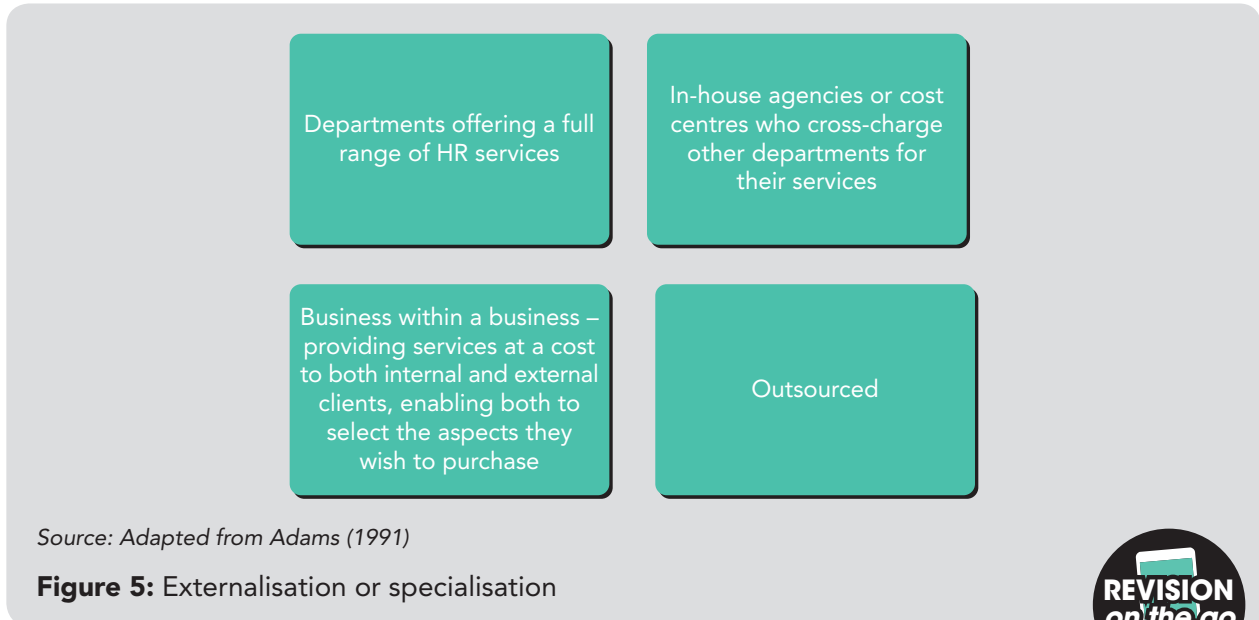
³ Marchington, M. and Wilkinson, A. (2002), *People Management and Development: Human Resource Management at Work*, 2nd edition. United Kingdom: Chartered Institute of Personnel and Development

⁴ Purcell, J. and Hutchinson, S. (2003), *Bringing Policies to Life: The Vital Role of Front Line Managers in People Management*. London: CIPD

Delivery approaches

In the previous section, we considered how debates over the responsibility for HR have influenced its management within an organisation. These same debates, and a drive for greater responsiveness, have also impacted on the structure and organisation of the HR function.

Adams (1991)⁵ suggested four different ways in which the function could be delivered:



An advantage of considering the function in this manner is to enable fit with both the generic competitive strategy of the organisation and its life-cycle stage. A start-up organisation is likely to outsource and buy a service as required. An organisation needing to control costs may consider the business-within-a-business or in-house agency model, which gives the advantage of focusing on real costs.

Ulrich's three-legged stool

Ulrich's (1997)⁶ three-legged stool model shows how an integrated HR service is provided via three functional areas:

Shared service centre: providing transactional HR services to a number of departments.

Centres of excellence: small teams of HR specialists that focus on delivering high-level advice and developing bespoke and innovative solutions e.g. learning and development, talent management, reward solutions.

Strategic business partners: embedded within the business, to provide advice, support and leadership to business units on people-related issues.

While the benefits of an integrated HR service can offer cost-efficiencies, ensuring that staff expertise is maximised and facilitating appropriate strategic responses, some difficulties include:

- liaison and communication between the different functional areas or "legs";
- defined roles, responsibilities and clear boundaries;
- skills gaps and concerns that this may limit career development.

⁵ Adams, K. (1991), "Externalisation vs specialisation: what is happening to Personnel?" *Human Resource Management Journal*, Vol. 1, Issue 4, pp. 40–54

⁶ Ulrich, D. (1997), *Human Resource Champions: The next agenda for adding value and delivering results*. Harvard Business Press

Research has also highlighted that this model remains difficult to successfully embed, often due to a lack of strategic and commercial thinking within HR.

Employee self-service (ESS)

An **employee self-service** system allows employees direct access to some of their personal data via a database. This means employees can take ownership of managing and maintaining their personal **Human resource information systems (HRIS)** (e.g. bank and contact details, booking onto staff training courses or managing personalised benefits, etc). Not only does this free up HR staff, but it increases accuracy and often speeds up processes. It also makes the information that is held transparent. To make the best use of an ESS system, a number of barriers need to be overcome, including the ability to use and access the relevant database, concerns over data security and the cost of maintaining the system.



OVER TO YOU

Activity 5: Barriers to a three-legged stool

Discuss with a study partner, if possible, how the issues listed above could be overcome when implementing or working within a three-legged stool model of an integrated HR service.

1.2 Discuss the factors that impact on the changing role and nature of the HR function

The impact of organisational context and situational factors

All organisations operate differently and will react uniquely to a changing business environment. In order to deliver a relevant and acceptable HR service, it is key to understand the internal organisational context and how this influences and shapes policy and approaches.

Organisations can be classified in a number of ways:

- Ownership – private, public, voluntary. Public-sector organisations tend to be more bureaucratic, whereas the private sector may be more flexible and innovative.
- Reach – local, regional, national or global.
- Size – micro, small, medium, large, etc. A large organisation is more likely to have a structured HR department including some specialist roles. It may also outsource or use external partnerships.
- Focus – production or service.
- Structure – organisational structure describes the chain of command within an organisation and provides insight into levels of authority, the number of layers of management or supervision and

the degree of freedom given to individual employees. This impacts on how the organisation responds to its external environment, culture, priorities, etc. For example, a hierarchical structure is associated with narrow spans of control, less delegation and taking longer for communication to cascade through the organisation. Delegation, ownership and empowerment are all impacted by structure.

- Management style – managerial power, authority and influence shape and direct the actions of others. This may either enable or restrict HR's influence.
- Culture – an organisation's culture is intangible and represents the **values, beliefs** and assumptions that are held by it. Handy's (1985)⁷ four forms of organisational culture (power, task, role and person) usefully highlights how culture impacts on structure and ways of working within an organisation.
- Vision and mission – this is the overall direction and intent of the organisation. The activities should align with these in order to clearly contribute to strategic success.

Each of the above factors shapes the organisation. So just as each organisation is unique, so too are the aims and approach taken by HRM.

☰ CASE STUDY: GRANMA'S KITCHENS

Granma's Kitchens was first established in 2010 and became an immediate success. It specialises in traditional recipes using local produce. The format was simple, taking the form of a pop-up restaurant which can be brought in to support local parties and festivals.

Its founder kept a very tight control of the company, managing menus, sourcing and also using its own local network to drive hiring.



Two years later, the founder was persuaded by family members to capitalise on the success and to take this service further afield. While these were headed by trusted extended family members, the founder continued to take all key decisions.

Over the next two years, the business continued to rapidly grow and by the end of 2015 Granma's Kitchens had a presence in almost all areas of the country and was employing around 150 staff on permanent contracts. During this expansion, reluctantly, the founder realised that a management team would need to be put into place. Key roles were filled wherever possible by extended family members or friends regardless of their experience. A central finance and HR position was created. However, the founder was clear that these roles were seen as peripheral to the business and only there to ensure administrative compliance.

In the last 12 months, staff turnover has started to increase alongside complaints about the interfering and domineering style of management and increasingly unrealistic demands being made by the founder. Staff have admitted that they are unwilling to challenge ideas for fear of a backlash, with local managers saying they "just do what they are told" and have no real authority to make decisions. There is little genuine communication with staff. The approach is to provide a written update which has increasingly become a series of orders.

The finance manager has identified that profit levels appear to be falling and has voiced concern that the rising price of some staple food items may further reduce profitability. He is also concerned about increasing competition as the model of business can easily be copied.

⁷ Handy, C. (1993), *Understanding Organisations*. Penguin



OVER TO YOU

Activity 6: Granma's Kitchens

Work with a study partner, if possible.

Consider the above case study and identify the internal and external contexts which may impact on the company's ability to move forward. How do these impact on the ability of HR to add greater value?

Write your thoughts here:

Techniques and tools to analyse the internal and external environment

In addition to understanding the internal context of an organisation, HRM also needs to understand and be responsive to the external business environmental forces which impact both on the organisation and on HRM.

Tools which can be used to scan and analyse these environments include:

PESTLE analysis

PESTLE is a diagnostic tool which provides a structured method of examining external factors that impact an organisation and consider the resulting implications on strategy. By recognising the factors, plans can be drawn up to minimise any negative consequences.

Political	How may governmental actions and policies have an impact? What is the prevailing political and geopolitical situation?	Political uncertainty may lead to lack of investment or change decisions/priorities at a national or international level.
Economic	What is happening in the wider national economy (is it strong, stable, in decline)?	Recession or stagnation within an economy may lead to changing needs, such as reduced prices or the need to raise prices in line with increased cost of raw materials.
Social	How is society changing?	Changing demographics may impact on the need for services or competition for a workforce. There may be changing expectations about work and its value. Changes influence culture over time.
Technological	What technological developments currently/will impact the organisation/sector?	New developments may reduce the need for staff through automation of production or impact on customer service through the use of social media. This can have both positive and negative consequences.
Legal	How does current or proposed legislation impact on the organisation?	New legislation on working hours could impact on the number of staff required. Legislation aimed at protecting consumers may require changes to products and services.
Environmental	What are the key issues in terms of the environment?	This may include availability of natural resources, and disposal of waste, etc.

Table 3: PESTLE analysis

OVER TO YOU

Activity 7: A role for PESTLE?

What do you feel are the main benefits and issues associated with using a PESTLE analysis to analyse the external forces that may impact an organisation?

Discuss your thoughts with a study partner or your tutor, if possible.



The PESTLE analysis also provides a way to consider how the external business environment has an impact on the development of HR. For example, recent developments in technology have led to new forms of learning, and the recruitment and management of employees.

SWOT analysis

A SWOT analysis is an evaluation tool that identifies an organisation's strengths, weaknesses, opportunities and threats. Considering both the internal and external business context, it pinpoints the factors which either support or hinder an organisation in achieving its objectives.

<p>Strengths (internal)</p> <p>What does the organisation already have which will help it to cope with these new challenges?</p> <p>For example, experienced and capable staff, the latest technology, high market share.</p>	<p>Weaknesses (internal)</p> <p>How is the organisation hampered in its ability to deal with these new challenges?</p> <p>For example, a high staff turnover, a lack of supporting infrastructure.</p>
<p>Opportunities (external)</p> <p>What opportunities do the external factors present for the organisation?</p> <p>For example, opportunities for new products or services or using existing capacities in a different way.</p>	<p>Threats (external)</p> <p>How may the factors pose a threat to current or future organisational success?</p> <p>For example, increasing competition or regulation in an industry.</p>

Table 4: SWOT analysis



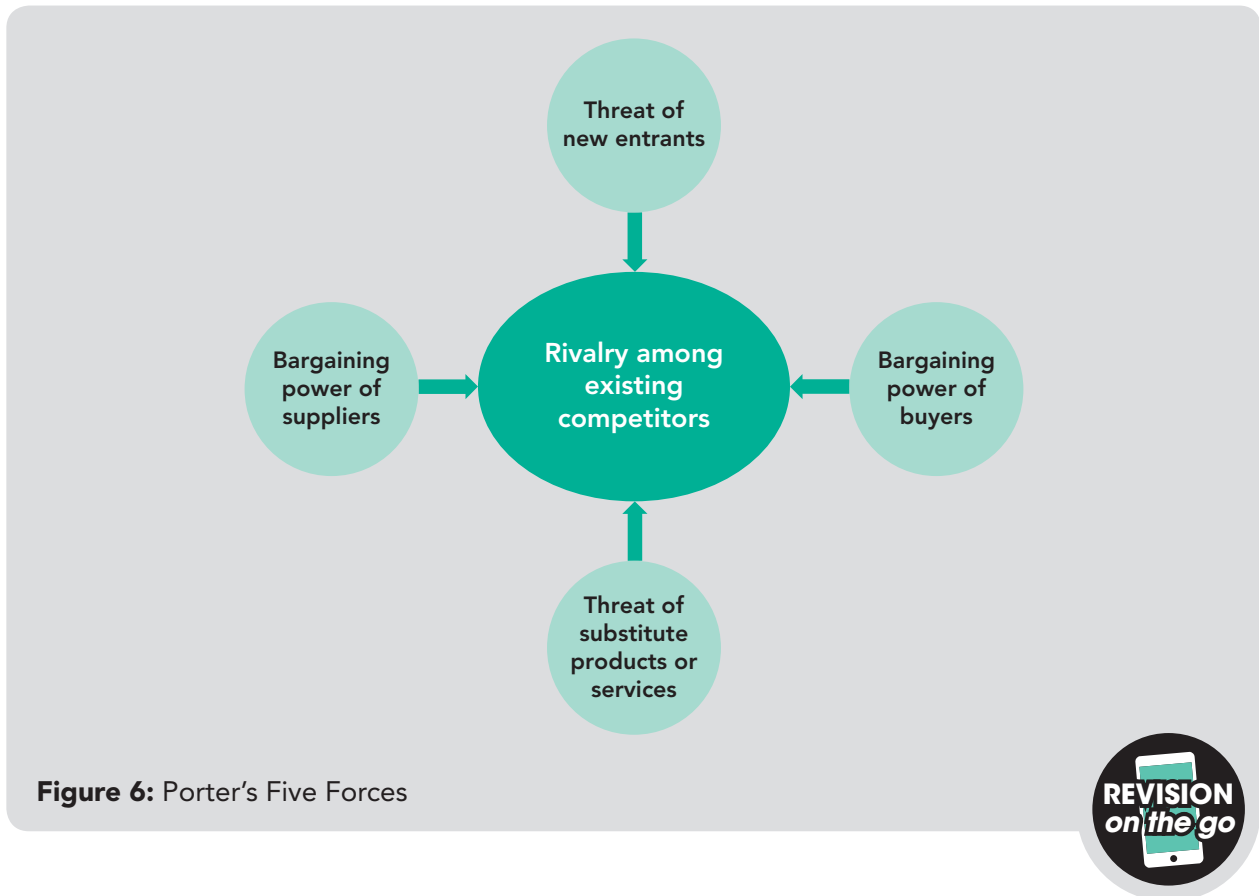
Porter's Five Forces

Business theorist Porter⁸ created the Five Forces competitive analysis **framework** that is used by academic theorists and businesses globally. Porter's analysis assumes that there are five important forces that determine competitive power in a business situation. This way of analysis allows organisations to:

⁸ Porter, M. E. (1980), *Competitive Strategy: Techniques for Analysing Industries and Competitors*. New York: Free Press

- Gain insights into relationships and dynamics within an industry;
- Establish the best possible competitive position;
- Make relevant strategic decisions e.g. to enter or withdraw from a market;

Porter's Five Forces framework in Figure 6 summarises each of the forces:



Environment, Resources, Values (EVR)

Thompsons' (2005)⁹ model of congruence further develops the SWOT analysis to measure the degree in which an organisation fits with its environment and considers:

- environment;
- resources – the physical resources an organisation has at its disposal;
- values – the human strengths and weaknesses of the organisation including leadership, culture and underpinning values.

This model is best used as a framework to see where gaps might exist. The greater the degree of compatibility, the stronger the organisational performance and the greater the sustainability of an organisation's activities.

Alignment

The concept of **alignment** links with **best-fit** approaches to strategy. An HR strategy which is aligned to (i.e. complements) organisational strategy is more focussed and will complement rather than risk undermining and being unsupported. There are two forms of alignment – vertical and horizontal.

⁹ Thompson, J. and Scott, J. M. (2010), "Environmental entrepreneurship: The sustainability challenge", *Institute of small business and entrepreneurship conference*. London: Proceedings. ISBE

! NEED TO KNOW

Vertical and horizontal alignment

Vertical alignment: refers to when the HR system is compatible with organisational characteristics, including corporate strategy.

Horizontal alignment: refers to the internal consistency of HR policies and practices across all aspects of its work.



Vertical alignment includes ensuring:

- A clear link between HR and business strategies, making sure that HR responds to the external forces impacting on the organisation.
- The HRM approaches fit with culture, management style and also the generic competitive advantage strategy (Porter, 1985)¹⁰ model. Table 5 summarises how HR practices match the desired behaviour associated with a cost-reduction strategy.

Desired behaviour	Recommended HR practices
<ul style="list-style-type: none"> • Concern for quantity over quality of output • Short-term focus • Repetitive and predictable behaviour 	<ul style="list-style-type: none"> • Monitoring and matching pay to market rates/use of bonuses and other incentives • Narrowly defined job roles, necessary training only • Fixed and explicit job descriptions

Table 5: Example of HR practices matching desired behaviour



Horizontal alignment ensures that practices in different aspects of HR mutually support each other, e.g. selection practices align with performance expectations and company values.

OVER TO YOU

Activity 8: Matching actions to organisational strategy

Using Table 5 as a guide, complete the table below identifying some of the employee behaviour characteristics that are associated with a quality enhancement and innovation strategy and the matched HR approaches.

Quality enhancement	
Desired behaviour	Recommended HR practices

¹⁰ Porter, M. E. (1985), *The Competitive Advantage: Creating and Sustaining Superior Performance*. New York: Free Press

Innovation strategy	
Desired behaviour	Recommended HR practices

Changing nature of the psychological contract

Herriot (1998)¹¹ defines the **psychological contract** as the unwritten beliefs both parties in the employment relationship have about their mutual obligations. This governs perceptions of the employment relationship and influences the behaviour of both parties. Herriot's definition stresses that this is implied and unwritten and is based on assumptions and expectations. Examples include:

- Employees wish to be treated fairly and honestly, expect some degree of security in return for their loyalty and expect that their contributions will be recognised.
- Employers expect employees to undertake their work in a responsible manner and to take care of themselves, others and equipment at work.

A positive psychological contract underpins a trusting employment relationship and is associated with job satisfaction, commitment and engagement. The consequences of breaching this lead to a withdrawal of discretionary effort and are associated with increasing levels of absence and turnover.

Significant changes in work and the **labour market** have led to a changing psychological contract. Some of these include:

- Social and demographic changes and expectations including a rise in the number of women in senior positions, older workers and changing generational attitudes towards work. This has increased demands for flexibility and an expectation of career progression.
- Volatility has meant that the concept of a job for life is a thing of the past and job stability has reduced. This, coupled with the growth of a **knowledge economy**, means employers need to focus on management of the workforce and use relationships with staff to motivate and inspire. Employees increasingly expect to be developed professionally, in order to ensure continuing employability. They also expect to receive fair pay in return for their loyalty to the organisation.
- Organisations need to manage expectations and ensure that the employer offering is clearly communicated. Seeking the opinion of employees helps develop understanding and mutual trust, and provides a way to identify areas requiring improvement.

These changes have led to a rising expectation that HR will act as the organisational conscience, supporting employees and managers to clearly explain requirements and the reason for these. HR is now seen to act as a broker and to be proactive in ensuring that any potential breaches are identified and action is taken to minimise impact.

¹¹ Herriot, P. and Pemberton, C. (1995), "A new deal for middle managers", *People Management*, Vol. 1, Issue 12, pp. 32–34

 OVER TO YOU

Activity 9: Managing the psychological contract

You have been asked to make a short presentation to the local HR network on the changing psychological contract and its implications for HRM. Hiltrop's article provides an overview of the changing nature of the psychological contract and its implications. Drawing on this and your own experiences and research, consider what you would include in your presentation and why.

Hiltrop, J. M. (1996), "Managing the changing psychological contract", *Employee Relations*, Vol. 18 Issue: 1, pp. 36–49. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

The impact of global influence and/or integration on HRM

Business is now increasingly conducted globally. This has led to increased competition, changing organisational structures and responses, and the emergence of new organisational forms.

Four perspectives provide a framework to explore the influences of **globalisation** on HRM:

Cultural perspective

Recognises and accepts the differences between countries.

Institutional perspective

Accepts that there are differences and that these impact on HR practices. However, rejects the view that practices can lead to improved performance as these have a different meaning in different countries.

Universal perspective

Claims that certain practices lead to higher organisational performance and that these practices can be applied universally.

Contingency perspective

Internal and external factors impact on HR practices and will determine the approach taken to HRM.

Table 6: The influences of globalisation on HRM practices



Globalisation presents opportunities for HRM to consider how it can best deliver HR services which add value to the organisation. Implications include:

- Developing an adaptable and flexible structure. How will the organisation operate at different levels (e.g. global, national and local)?
- Which forms of a structure will enable a flexible and responsive workforce?
- How can competence and knowledge be developed and maintained?
- Globalisation has increased due to advances in information and communication technology. What use can HRM make of this to help drive its service offering?
- How can HR work with key stakeholders both internally and externally?



OVER TO YOU

Activity 10: The influence of globalisation

Working with a study partner, if possible, identify a sector or specific organisation to investigate. How has it been affected by globalisation? Due to the rise in MNCs, what are likely to be implications for HR practice?

1.3 Discuss the main frameworks and models that have developed around the role of the HR practitioner

Frameworks and models

Through frameworks and models, the work of the HR function can be categorised. This provides insights into the power, influence and status as well as the scope and aims of the function. The various models also enable evaluation of the HR function and its contribution to an organisation.

Table 7 summarises some of the key models and frameworks which have developed.

Contributor/ Model	Outline/Roles and responsibilities	Commentary	Contribution to evolution of HR
Legge's ¹² HR Innovator model	<p>Differentiated between three options to effect change in an organisation:</p> <p>Conformist innovator: using HR expertise to improve performance while working within the existing culture and system, rather than challenging this.</p> <p>Deviant innovator: works to achieve change by questioning assumptions.</p> <p>Problem solver: applies specialist knowledge to resolve problems.</p>	<p>Provides insights into the power and influence of HR and the difficulties faced when seeking to make a change at a transformational level. This illustrates the difference between roles with a low or high influence.</p> <p>Widespread agreement on HR's role in organisational change.</p> <p>Few experiences of HR adopting a deviant innovator route.</p> <p>HR often seen as subordinate to other functions and takes a more reactive and short-term view.</p> <p>Guest and King (2004)¹³ found ongoing tensions over responsibility for HR with continuing reluctance to invest in HR interventions. Close alignment with an organisation's aims and objectives further reduces the ability to challenge core assumptions.</p>	<p>Highlighted the contribution that specialist expertise could make and also the need to challenge rather than accept the practice.</p>

¹² Legge, K. (1978), *Power, Innovation and Problem-Solving in Personnel Management*. London: McGraw-Hill

¹³ Guest, D. and King, Z (2004), "Power, innovation and problem-solving: The personnel manager's three steps to heaven?", *Journal of Management Studies*, Vol. 41, Issue 3, pp. 401–423

Contributor/ Model	Outline/Roles and responsibilities	Commentary	Contribution to evolution of HR
<p>Storey's strategic/ tactical model</p> <div data-bbox="217 566 767 857" style="text-align: center;"> </div> <p>Source: Adapted from Storey (1992)</p> <p>Figure 7: Storey's HR functional roles</p>	<p>Identified four possible roles by considering two different dimensions – degree of intervention and degree of strategic orientation as set out below:</p>	<p>Does this reflect the reality of HR today? Caldwell¹⁴ found over a third of respondents identified no main role. Concluded that HR has changed significantly and that growing complexity continued to lead to tensions.</p> <p>This model highlights how roles may have either a strategic or tactical dimension (focussed on the future or on current status quo).</p>	<p>Highlighted the difference between focussing on the transactional and those actions which can add value to an organisation.</p>
<p>Tyson and Fell's (1986)¹⁵ building site model</p>	<p>Identified three roles considering the time spent planning, amount of discretion exercised and the extent to which function shapes organisational culture.</p> <p>Clerk of works: concerned with administrative support/paperwork.</p> <p>Contracts manager: focuses on development of formalised systems and procedures; adopts a troubleshooting role.</p> <p>Architect: concerned with direction, integration and creating culture.</p>	<p>Often argued that each role can be found at each level of an organisation. Monks (1993)¹⁶ also argued that roles build on and complement each other. A need exists for all three roles.</p>	<p>This was one of the first models to identify the different scope of and contribution made by HR practitioners.</p>

14 Storey, J. (1992), *Developments in the Management of Human Resources*. Oxford: Blackwell

15 Tyson, S. and Fell, A. (1986), *Evaluating the Personnel Function*. London: Hutchinson.

16 Monks, K. (1993), "Models of personnel management: a means of understanding the diversity of personnel practices?" *Human Resource Management Journal*, Issue 2, pp. 29–42


Contributor/ Model	Outline/Roles and responsibilities	Commentary	Contribution to evolution of HR
Ulrich and Brockbank's ¹⁷ updated HR champion model	Ulrich's original HR champion model was updated in 2005 and is summarised in the diagram below:		
		This model highlights the difference between roles which are transformational (concerned with change and future direction) and transactional (related to administrative processes) and those which are strategic and operational in focus.	Again contributed to the development of roles which are focussed on business development.
<p>Figure 8: Updated HR champion model</p>			
<p>Human capital developer: focus on the development of both individuals and collective workforce.</p> <p>Strategic partner: partnering with line managers to support, advise and manage change in order to support strategic objectives.</p> <p>Functional expert: applying HR professional expertise.</p> <p>Employee advocate: listening and responding to employees, communicating with them on behalf of line managers.</p> <p>HR leader: leads the function, plays a key role in governance and implementing best practice HR.</p>			

Table 7: Frameworks and models which attempt to categorise the HR function



17 Ulrich, D. and Brockbank, W. (2005), *HR Value Proposition*. Harvard Business Review

Emergence of a transformational approach to HR

Transformational HRM focuses on enabling achievement of the organisational strategy. HR uses its expertise to create added value for the business by both enabling and driving performance (Becker et al. 1997)¹⁸, creating long-term capability. For HR to influence decisions, this requires a clear alignment between HR strategy and organisational strategy.

A move to more transformational HRM builds upon the evidence presented that:

- Competitive advantage can be fostered when the core competence of an organisation is developed (Prahalad and Hamel 1990)¹⁹.
- Ensuring a fit between HR practices and organisational competitive strategy provides a co-ordinated, aligned focus (Schuler and Jackson 1987)²⁰.

Ulrich's HR champion model²¹ has become one of the dominant and influential models of HRM. The table above highlights how each of the roles previously considered has contributed to the development of HRM.

! NEED TO KNOW

Strategic partner or business partner?

These two terms both originate from Ulrich's model, which describes how HR works with management to further the strategic goals of an organisation.



Ulrich's strategic partner role is associated with:

- strategic planning;
- organisational design and development;
- performance management;
- leading and managing change.



18 Becker, B. E. Huselid, M. A. Pickus, P. S. and Spratt, M. F. (1997), "HR as a source of shareholder value: research and recommendations", *Human Resource Management*, 36, Issue 1, pp. 39–47

19 Prahalad, C. K. and Hamel, G. (1990), "The Core Competence of the Corporation", *Harvard Business Review*, Vol. 68, Issue 3, pp. 79–91

20 Schuler, R. and Jackson, S. (1987), "Linking competitive strategies with human resource management practices", *Academy of Management Executives*, Vol. 9, Issue 3, pp. 207–19

21 Ulrich, D. (1998), "A new mandate for human resources", *Harvard Business Review*, Vol. 76, Issue 1, pp. 124–34

 OVER TO YOU

Activity 11: Developing a transformational approach

Miranda suggests that moving to transformational HRM involves five key activities which are shown in the diagram below:



Source: Adapted from Miranda (2005)

Figure 9: Features of transformational HRM

Read the article by Miranda. What advice would you give to the HR manager at Granma's Kitchens to help develop a more strategic and transformational approach? List your thoughts here or discuss this with a study partner or your tutor, if possible.

Miranda, S. (2005), "Creating the indispensable HR function", *Strategic HR Review*, Vol. 4 Issue: 3, pp. 32–35. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

1.4 Discuss the impact of current trends in HR service delivery on the skills, knowledge and behaviours required by the HR professional

Development of professional industry bodies

A number of HR professional bodies have developed with the aim of both supporting their members and also furthering debates and best practice. The three main bodies, which are all members of the World Federation of People Management Associations, are:

Society for Human Resource Management (SHRM)²²

Originally founded as the American Society for Personnel Administration, SHRM is the largest of the professional networks with members in over 165 countries. The SHRM vision is to be recognised as an authority on HRM issues and to advance HR practice. This is achieved through resources, research and education.

Chartered Institute of Personnel and Development (CIPD)²³

Committed to: “Championing better work and working lives by improving practices for the benefit of individuals, workplaces and society”. Offers viewpoints and expertise on a range of issues seeking to influence both policy and practice. The origins of the CIPD lie in its historic focus on working conditions and on labour management between the First and Second World Wars.

Australian Human Resources Institute (AHRI)²⁴

Committed to excellence in HRM, AHRI provides support to the profession through education and certification. Similar to CIPD, the origins of AHRI lie in personnel and industrial welfare. Research undertaken today is used to influence public policy and legislation agendas.

Each of these bodies is committed to sharing its research and resources to help support effective people management. The recent research agendas were explored earlier in this chapter.

Chapter 5 of this study guide explores the respective standards and competence frameworks – highlighting the influence and impact on members.



OVER TO YOU

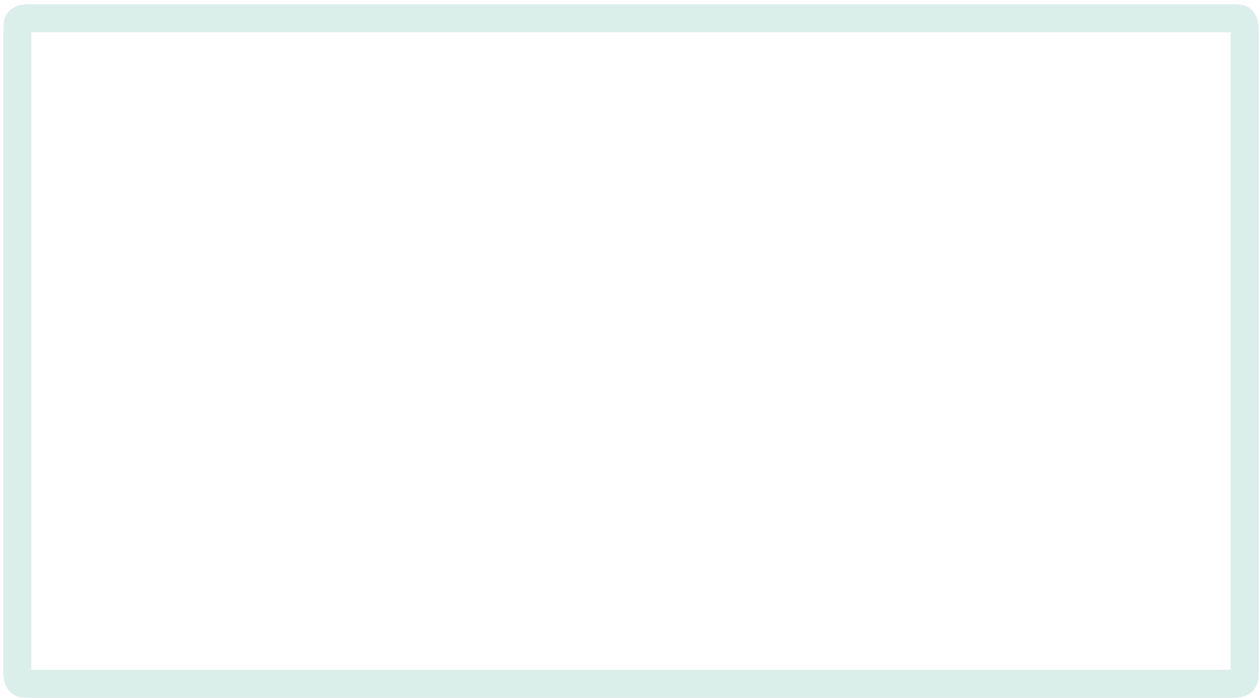
Activity 12: How might a professional body support you?

Review the offering of one of the three professional bodies outlined above. What benefit would there be to joining this body at both a personal level (career viewpoint) and to support you in a professional role? Compare your thoughts with those of a study partner, if possible.

²² www.shrm.org

²³ www.cipd.co.uk

²⁴ www.ahri.org



Debates on best practice and best-fit approaches to HR delivery

How do we know what is the most appropriate HR model for an organisation? Debates on best practice and best-fit help inform answers to this.

	Best practice	Best fit
Core argument	<p>Performance will improve in all organisations if specific practices identified as best-fit are implemented (Guest, 2001)²⁵.</p> <p>Underpinned by the principle that these practices will improve commitment which in turn will improve productivity and performance.</p>	<p>HR strategy is more effective if it is linked with and fits the context and environment of a business, both internally and externally or to life cycle (Boxall and Purcell 2008)²⁶.</p> <p>Three main models: matching, structural configuration and life-cycle models.</p>
Advantages	<p>Agreement exists on basic best practice, with bad practice easily recognised.</p> <p>No need to re-invent.</p>	<p>Adapts and fits context and specific needs, addressing criticism of best practice model.</p> <p>Complements business strategy.</p> <p>Enables internal consistency and coherency.</p>

25 Guest, D.E. (2001), "Human Resource Management: When research confronts theory", *International Journal of Human Resource Management*, Vol. 12, pp. 1092-1106

26 Boxall, P. F. and Purcell, J. (2003), *Strategy and Human Resource Management*. Basingstoke: Palgrave Macmillan

	Best practice	Best fit
Disadvantages	<p>Diversity/no definitive list of best practices e.g. Pfeffer (1994)²⁷ identified 16 practices leading to competitive advantage through people.</p> <p>Power is increased by bundling practices.</p> <p>No attention to either the external environment or generic business strategy.</p> <p>Is it best practice for the company or the individual?</p> <p>Possible loss of employee voice.</p>	<p>May overlook employee interest by focussing on strategy. Little or no employee involvement in developing the strategy.</p> <p>Fits with a rational approach to strategy, requiring a stable environment.</p> <p>Does not work well where a flexible, emergent approach is required.</p>

Table 8: Best practice and best-fit approaches to HR strategy



The research concludes that HR policies and approaches are inevitably driven by context. There are, however, some generic processes (recruitment, appraisal, etc.) where it is possible to follow a best practice approach.

 OVER TO YOU

Activity 13: Best practice or best fit?

You have received the following email from a colleague: "I get confused between 'best practice HR' and 'best-fit HR'. Please explain the main differences between them for me."

Drawing on research, draft your response to this request. Include short examples to help illustrate when each would be relevant.

²⁷ Pfeffer, J. (1994), *Competitive Advantage Through People*. Boston, MA: Harvard Business School Press

Consequences of a more strategic and transformational focus on personal development

The increasing dominance of Ulrich’s (1997 and 2005 revised) models have led to differentiated roles between those which focus more strategically and those which focus operationally. Part of Ulrich’s influence has been to stimulate debate on how HR can contribute to strategy.

Figure 10 and Table 9 summarise some of the current thinking on the required competencies and how these are used in the workplace.



Table 9 shows examples of the contribution that each of the competences in Figure 10 makes:

Debating issues	Raising and discussing issues with a view to continually developing. Proactively addressing issues including stakeholders as part of the response.
Commercial mindset	Focusing on the business, and ensuring that HR actions fit within the needs of the business, so that it is adding value.
Provocating (motivating and incentivising)	Challenging the current methods and encouraging new ways of working to enable the business to remain flexible and respond to market needs.
Understanding the business model	Developing solutions which are in tune with business needs and which contribute to the business situation increases effectiveness.

Table 9: Examples of contribution made by transformation HRM competences





OVER TO YOU

Activity 14: Developing business partnering

Review the following articles by Brockway and Goodge. Drawing on these and using a SWOT analysis, assess your own readiness to partner the business.

Brockway, S. (2007), "The art of business partnering: Making the move from an operational to a strategic role a success", *Strategic HR Review*, Vol. 6 Issue: 6, pp. 32–35. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Goodge, P. (2005), "Ready for HR partnering?: The shape of things to come", *Human Resource Management International Digest*, Vol. 13 Issue: 4, pp. 32–36. (This article will be available in your online student resources.)

Employee wellbeing as an integral component in employee engagement and productivity

There is growing evidence that a focus on employee wellbeing leads to improved organisational performance. Wellbeing is a holistic concept that includes not just physical health and welfare, but also attention to the psychological factors which impact on feelings towards work and relationships with others. Promoting wellbeing prevents issues from escalating and helps create positive working environments, which, in turn, influences employee engagement. Donald et al. (2005)²⁸ found that up to 25% variance in employee productivity can be explained by psychological wellbeing and its influence on commitment. Psychological wellbeing is the starting point for engagement and a key motivator. Cropanzano and Wright (2005)²⁹ similarly found a strong correlation between wellbeing and work production. HR is pivotal in developing and ensuring wellbeing at work and is uniquely placed to ensure the design of appropriate working practices.

²⁸ Donald, I., Taylor, P., Johnson, S., Cooper, C., Cartwright, S. and Robertson, S. (2005), "Work environments, stress and productivity: an examination using ASSET", *International Journal of Stress Management*, Vol. 12, pp. 409–23

²⁹ Wright, T. A., Cropanzano, R. & Bonett, D. G. (2007), "The moderating role of employee positive well being on the relation between job satisfaction and job performance", *Journal of Occupational Health Psychology*, Vol. 12 Issue 2, pp. 93–104

Some of the practices which lead to increased wellbeing include:

Job design	Ensuring variety in work, a degree of autonomy over how work is undertaken.
Involvement and participation	Involvement in decision-making and two-way communication, enabling a voice at work and increasing the sense of significance and perceived value of the contribution made at an individual level.
Leadership and management	Supportive management and leadership who provide clarity on expectations and direction.
Training and development	Providing the skills and resources to complete requirements, and the opportunities to use skills.

Table 10: Practices which lead to increased wellbeing



OVER TO YOU

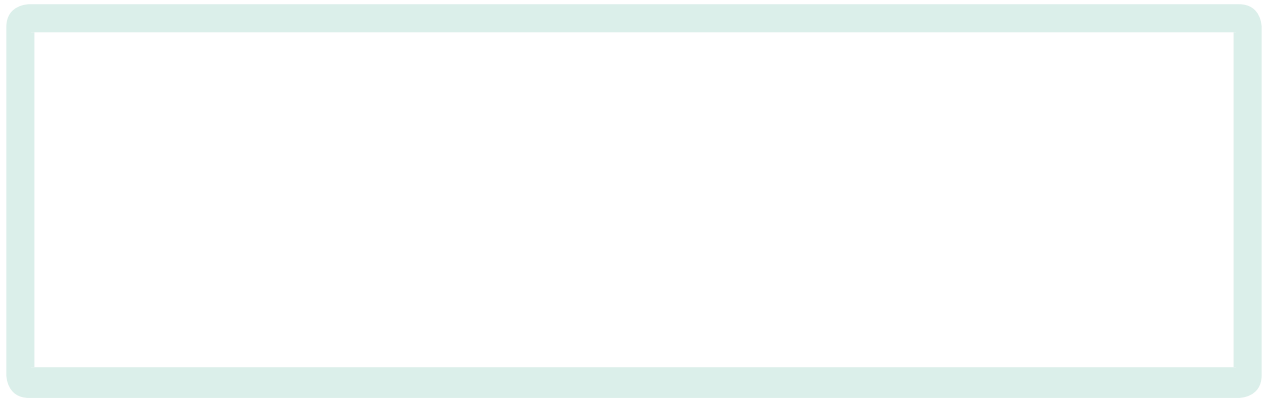
Activity 15: Reviewing the evidence on the link between engagement and wellbeing

Read the article by Robertson and Cooper on the links between employee engagement and psychological wellbeing.

With a study partner, if possible, discuss your views on the following claims:

- Employee engagement is more likely to be sustainable when employee wellbeing is high.
- A broader concept of engagement which includes employee wellbeing is a better basis for building sustainable benefits for individuals and organisations.
- High levels of psychological wellbeing play a central part in delivering outcomes associated with successful, high-performing organisations.
- A sense of purpose is an important component in employee wellbeing.
- There is limited hope of engaging business leaders in investing in wellbeing.
- The biggest single influence on wellbeing is the line manager.

Robertson, I, T. Cooper, C, L. (2010), "Full engagement: the integration of employee engagement and psychological well-being", *Leadership & Organization Development Journal*, Vol. 31 Issue: 4, pp. 324–336. Emerald Group Publishing Limited. (This article will be available in your online student resources.)



READING LIST

- (2004), "HRM – the devolution revolution: What line managers really think about their increasing involvement in managing HR", *Human Resource Management International Digest*, Vol. 12 Issue: 3, pp. 27–29. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Brockway, S, (2007), "The art of business partnering: Making the move from an operational to a strategic role a success", *Strategic HR Review*, Vol. 6 Issue: 6, pp. 32–35. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Goodge, P. (2005), "Ready for HR partnering?: The shape of things to come", *Human Resource Management International Digest*, Vol. 13 Issue: 4, pp. 32–36. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Hindle, J. (2005), "HR outsourcing in operation: critical success factors", *Human Resource Management International Digest*, Vol. 13 Issue: 3, pp. 39–42. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Hiltrop, J, M. (1996), "Managing the changing psychological contract", *Employee Relations*, Vol. 18 Issue: 1, pp. 36–49. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Miranda, S. SPHR, GPHR. (2005), "Creating the indispensable HR function", *Strategic HR Review*, Vol. 4 Issue: 3, pp. 32–35. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Robertson, I, T. Cooper, G, L. (2010), "Full engagement: the integration of employee engagement and psychological well-being", *Leadership & Organization Development Journal*, Vol. 31 Issue: 4, pp. 324–336. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Summary

Changes in scope, responsibilities and the organisation of the HRM function have been driven by evolving debates, the external context and a desire for competitive advantage.

These changes have contributed to the evolution of a more strategic role for HRM with line managers increasingly taking on many transactional HRM aspects. To successfully contribute and play a more strategic, value-adding role, HR professionals need to develop an understanding of the business context and the skills needed to ensure they contribute as a partner.

The next chapter discusses recent research and debates on the future of HR, analyses the impact of emerging workforce trends on the future of the HR professional, and discusses the implications of projected changes from a personal development viewpoint.

Chapter 2

The Future of HR

Introduction

This chapter reflects on the debates about the future of HR. Some consider HR to have reached an “inflection point” (Cheese 2015)³⁰ and now professionals need to adopt new ways of thinking to shape the business agenda. Deloitte (2017)³¹ reports on how “change at an accelerating rate ... creates new rules of business and HR.”

Reflecting on a range of recent research, this chapter will enable HR professionals to consider how they can adapt and develop in order to meet their organisation’s goals and the future needs of HR.

Learning outcome

On completing the chapter, you will be able to:

- 2 Appraise contemporary debates regarding the future of the HR profession, identifying implications for professional practice and development**

Assessment criteria

- 2 Appraise contemporary debates regarding the future of the HR profession, identifying implications for professional practice and development**

- 2.1 Discuss recent research and debates on the future of HR
- 2.2 Analyse the impact of emerging workforce trends, including technology, on the future work of the HR professional
- 2.3 Discuss the implications of projected changes from a personal development viewpoint

30 CIPD (2015), *Peter Cheese on HR’s inflection point*. [online]. Retrieved from: <https://www.relocatemagazine.com/articles/mjohnson-11-d1-2015-7826-cipd-2015-peter-cheese-on-hrs-inflection-point> [Accessed on: 25 October 2017]

31 Berson, J., Pelster, B., Schwartz, J. and van der Vyver, B. (2017), *Rewriting the rules for the digital age*. [online]. Retrieved from: <https://dupress.deloitte.com/dup-us-en/focus/human-capital-trends/2017/introduction.html> [Accessed on: 25 October 2017]

Level 5 The HR Professional

2.1 Discuss recent research and debates on the future of HR

“HR leaders need to be guided by strong principles yet also informed by the best available evidence on what is most likely to be effective in practice.”

CIPD (2016)³²

Views and debates on HR continue to evolve. **Thought leadership** and research contribute to the ongoing discussions on contemporary issues facing HR, help shape the future of the profession and provide examples of external approaches. Being aware of the debates and best practice within HRM and being able to critically consider these and reflect on evidence will inform and improve your own decision-making. It will also build your own knowledge of the profession.

Pfeffer and Sutton (2006)³³ highlight how managers often make decisions without any evidence and/or by:

- casual **benchmarking** against organisations they are familiar with;
- doing what has worked in the past;
- following their beliefs without examining the basis for these;
- using poor or incomplete information to support and justify their thoughts.

The “**soft**” nature of HR (i.e. more reliant on instinct than hard evidence) contributes to a potential loss of credibility when making decisions or proposals for action. HR professionals often find themselves in a situation where arguments for a course of action may be instinctively correct, but there is no hard data to support this, which impacts credibility. Adopting an evidence-based approach and keeping abreast of research is an important part of helping to address this challenge.

Research

Each year, the three main HR professional bodies commission research into the contemporary issues facing HR. This research has been influential in shaping thinking on how an organisation’s HR can be maximised and managed to best effect. Recent research has led to:

- Evidence on the link between effective HRM practices to business outcomes (Purcell et al. 2003)³⁴. Their research led to work by CIPD (2010)³⁵ on sustainable organisational performance.

³² *In search of the best available evidence*. CIPD Positioning Paper December 2016. London: CIPD

³³ Pfeffer, J. and Sutton, R. I. (2006), *Evidence-based management*. Harvard Business Review

³⁴ Purcell, J., Kinnie, K., Hutchinson, M., Rayton, B. and Swart, J. (2003), *People and Performance: How people management impacts on organizational performance*. London: CIPD

³⁵ CIPD (2010), *Sustainable organisation performance: what really makes the difference*. London: CIPD

- Identification of a changing psychological contract in light of wider external changes in the business environment (Guest et al. 2011)³⁶.
- Development of new ideas in HRM e.g. **employer branding**, employee engagement and **human capital** reporting.

Table 1 summarises the focus of recent research carried out by the three main HR professional bodies.

SHRM	CIPD	AHRI
Job satisfaction and engagement	Human capital analytics	Expectations and experiences of work
Influence of recognition on workforce culture	HR professionalisation and the future of the HR profession	Inclusion and diversity
Wellness	Ethical HRM	Absence
Flexible work arrangements	Developing managers for engagement and wellbeing	Maximising the impact of HR
Reward and benefits	Trust and resilience	
Leadership development	Neuroscience	

Table 1: Research themes carried out by HR professional bodies



Meister (2017)³⁷ draws on much of this to consider how HR leaders can develop an employee experience that mirrors their company's customer experience. Research into³⁸ the expectations and engagement of **millennials** stresses the importance of meeting individual needs.

The research impacts on emerging practices, for example:

- **HR analytics** influences practice by raising awareness of possibilities and benefits.
- Measuring the impact of HR and the future of the profession highlights the importance of ensuring an added-value contribution.
- Neuroscience has impacted on approaches taken to learning and development, ensuring that practices are more effective.
- Wellness has contributed to debates over working hours and treatment of employees at work.

OVER TO YOU

Activity 1: Hot topics

Consider the focus of recent research as outlined in table 1. What similarities and differences do you see? Why do you think these topics have come to the fore? How representative are they of the issues in your organisation or region? What would you like to see answered through this research?

Discuss with a study partner, if possible.

³⁶ Guest, D. & Clinton, M. (2011), Human resource management, the psychological contract and trust, in Searle R (eds.), *Trust and Human Resource Management*. London: Edward Elgar, pp. 87–108

³⁷ Cited in 2017 Deloitte Global Human Capital Trends (n.d.), *Rewriting the rules for the digital age* [online]. Retrieved from: <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/central-europe/ce-global-human-capital-trends.pdf> [Accessed on: 25 October 2017]

³⁸ PwC Global (n.d.), *Millennials at work: Reshaping the workplace* [online]. Retrieved from: <http://www.pwc.com/m1/en/services/consulting/documents/millennials-at-work.pdf> [Accessed on: 25 October 2017]



Surveys and other sources of information on best practice

The three main professional bodies also report on surveys conducted among professionals with a view to knowledge sharing, promoting thinking and discussion. For example, annual surveys in each of the main disciplines; employee relations, employee resourcing, reward and learning and development all outline trends and report on economic issues and the labour market.

Trends include:

- A more constrained labour market as a result of skills shortages in certain sectors.
- Increasing flexibility in working practices, including a rise in flexible, part-time roles as well as a move to casual employment. A rise in the **gig economy**.

Publicly-funded research at a national level enables exploration of issues at a more local level. An advantage of this form of research is that it will take a wider view than just considering the views of professional members, as well as being focussed on local needs. This form of research is often used to influence and inform policy and decision-making at a national or governmental level.

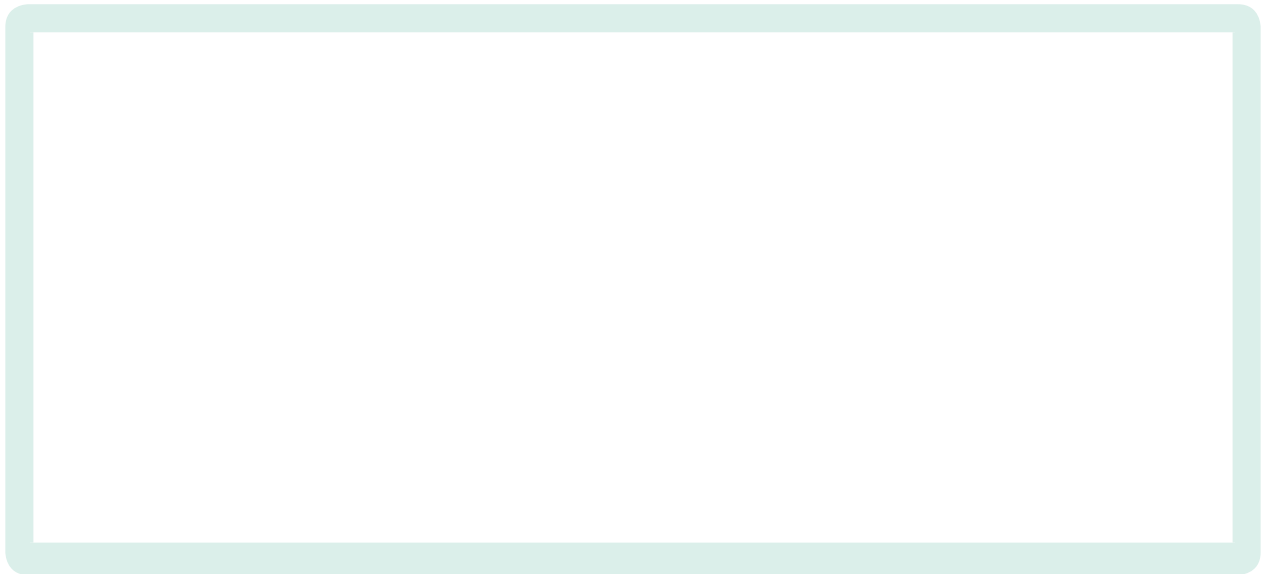


OVER TO YOU

Activity 2: National research

Why is it important to keep abreast of publicly-funded national research? Identify at least one example of research being undertaken nationally on an aspect of HR.

Prepare a short outline of this, the aims and anticipated reporting timescales, and share this with your study partner or tutor, if possible.



On a global scale, the International Labour Organization (ILO) has expressed concern about the ability of the labour market to generate enough jobs, and about the quality of jobs created.

Thought leadership

Thought leaders are typically considered to be **reliable** industry experts who offer and share experiences, insights and opinions on current and future issues within the industry. Thought leaders also seek to influence networks and communities to stimulate wider discussion.

Bevan (2016)³⁹ summarises the role of a thought leader as being:

“*To prod, poke and interrogate the latest HR thinking and evidence and to come up with ideas and research themes which employers in all sectors and both in the UK and beyond will find both provocative and engaging ... to highlight some of the most pressing and challenging gaps in the evidence and research questions that need to be addressed in the next decade.*”

In their book, *The Rise of HR: Wisdom from 73 thought leaders*⁴⁰, Ulrich, Schiemann and Sartain seek to answer the questions which shape the future of HR. Among the questions they pose are:

- What will customers and investors expect of our organisations, and how will HR leaders help grow value for these external stakeholders?
- What can HR do to deliver and optimise talent?
- How can HR professionals build organisations with capabilities in innovation, collaboration, culture, and execution?
- How can changing technology and advanced analytics be applied to human capital management?
- How will the HR function be governed in the future?
- What competencies will be critical to success as an HR professional tomorrow?

³⁹ Bevan S. (2016), *A new focus for HRM Thought Leadership at IES* [online]. Retrieved from: <http://www.employment-studies.co.uk/news/new-focus-hrm-thought-leadership-ies> [Accessed on: 25 October 2017]

⁴⁰ Ulrich, D. William, S. and Sartain, L. (2015), *The Rise of HR: Wisdom from 73 thought leaders*. London: CIPD

 OVER TO YOU**Activity 3: The future of HRM**

Undertake research to identify the range of thoughts on any one of the questions shown in the case study. The resources provided by either the CIPD, SHRM or AHRI may be helpful to you.

Prepare a short two-minute presentation of your findings to share with a study partner, or with your tutor, if possible.

Keeping up-to-date with recent research and debates

The topics explored and debated via research and thought leadership reflect current trends. To remain up-to-date with the debates:

- take time to regularly review the websites of the three main professional bodies and review recent research findings;
- listen to/watch podcasts and videos;
- network with fellow professionals at industry events, or informally;
- prepare and share short summaries with colleagues and fellow professionals – online and offline.

 OVER TO YOU**Activity 4: Summarising recent research**

Select a recent piece of HR research and prepare a short mind map summarising your key findings and how these could be used to further HR practice in an organisation of your choice.

If you are not familiar with mind maps take a look online for some examples – e.g. at www.mindmapping.com.

Discuss with your study partners or tutor if possible.

2.2 Analyse the impact of emerging workforce trends, including technology, on the future work of the HR professional

The changing labour market

Understanding labour market trends is critical to informing an organisation's resourcing strategies. Trends in both the wider macro-economy, or in individual product markets, ultimately determine the number of staff required to service customer demands. Keeping up-to-date with trends and changes enables HR professionals to plan for and manage challenges. Official national statistics can be used to help inform decisions.

Globalisation has led to increasing interdependence between organisations. Many organisations operate on a global rather than local basis, and global markets expand, which, in turn, impacts on others as competition increases. This may lead to decisions to diversify or withdraw from markets with a resulting impact on the staffing resources. The ILO is a useful source of data.

The ease with which organisations can recruit employees depends on the nature of the market they are targeting (local, national, global). Taylor (2013)⁴¹ categorised labour markets as being either tight or loose.

! NEED TO KNOW

Tight vs loose employment markets

Tight	Loose
More job opportunities available than active job seekers.	Many applicants seeking a smaller number of opportunities.
Leads to increased competition for skilled workers.	Relatively easy to source new employees.
Increasing emphasis placed on the ability and need to develop and retain employees.	

Table 2: An explanation of tight and loose markets



⁴¹ Taylor, S. (2003), *Employee Resourcing*. CIPD London

Other changes within the labour market include:

- Changing demographics, including ageing populations and declining birth rates. The World Economic Forum⁴² highlights how 60% of people live in countries with a stagnant or shrinking workforce, which leads to a tightening of the employment market. This impacts on both talent management and resourcing practices.
- An increasing divide between highly-skilled roles and those which require low or no skill. Often referred to as the hourglass model⁴³. This has also contributed to rising wage inequality. This impacts on both reward decisions made by organisations and actions taken to promote **equal opportunities**.
- Increased diversity within the labour market as a result of migration. One consequence has been an increase in the number of women in employment.
- A changing mindset with recent generations no longer expecting to stay in one career or job for life.
- The ongoing impact of technology which is changing the nature and form of work.

The PESTLE framework helps identify factors which may impact on a labour market.

OVER TO YOU

Activity 5: Analysing your own labour market

Using the PESTLE framework, analyse you own local labour market. What are the implications for HR strategies?

You may tackle this question in relation to a specific organisation or generally in relation to your own local area.

Changing expectations of work

Research by the professional services network PricewaterhouseCoopers⁴⁴ identified that by 2020 millennials will form 50% of the global workforce. The career aspirations and attitudes to work and knowledge that characterise this generation will have a big impact on the workplace. A particular characteristic of the millennial generation is their affinity with technology, having grown up with

⁴² www.weforum.org

⁴³ Jacobs, K. (2015), "Job quality in an hourglass labour market", *HR Magazine* [online]. Retrieved from: <http://www.hrmagazine.co.uk/article-details/job-quality-in-an-hourglass-labour-market> [Accessed on: 25 October 2017]

⁴⁴ PwC Global (n.d.), *Millennials at work: Reshaping the workplace* [online]. Retrieved from: <http://www.pwc.com/m1/en/services/consulting/documents/millennials-at-work.pdf> [Accessed on: 25 October 2017]

this and expecting instant access to information in a variety of forms. This generation is ambitious and expects needs and career goals to be met. They are driven by feeling that they can make a contribution. Millennials expect flexibility and are uncomfortable with rigidity and bureaucracy.

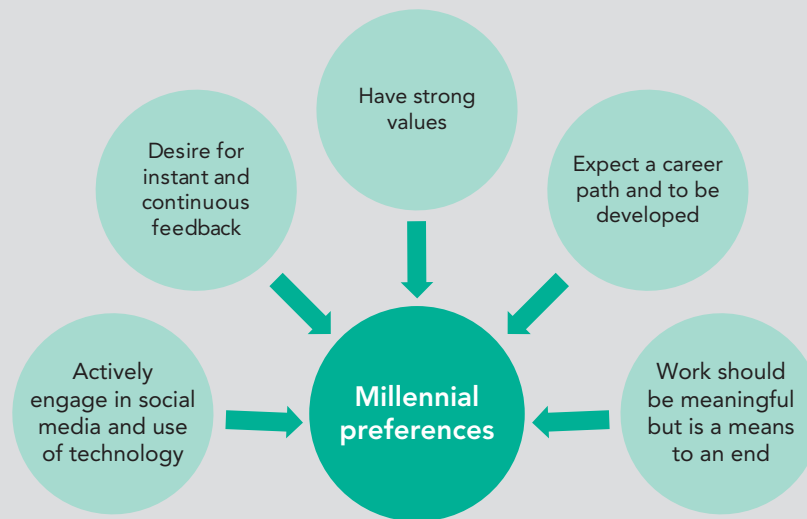


Figure 1: The millennial generation



OVER TO YOU

Activity 6: Managing the millennials

Using the following resources from Hernaus and Vokic, and Walmsley, develop a mind map summarising how management and HR practices may need to change in order to adapt to the demands of the millennial generation.

Hernaus, T. Pološki Vokic, N. (2014), "Work design for different generational cohorts: Determining common and idiosyncratic job characteristics", *Journal of Organizational Change Management*, Vol. 27 Issue: 4, pp. 615–641. Emerald Group Publishing Limited.

Walmsley, P. (2007), "Playing the workforce generation game: Meeting the HR challenges of changing workforce expectations", *Strategic HR Review*, Vol. 6 Issue: 5, pp. 32–35. Emerald Group Publishing Limited.

(These articles will be available in your online student resources.)



Changes in labour markets and staff expectations of work:

- lead to government response in terms of changing education and training policy;
- place increased emphasis on attraction and retention strategies, including flexible working, reward strategies, talent and career management.

Employee value proposition and employer branding

Changes in demographics and to the nature of work due to technological improvements have reinforced the importance of taking steps to attract, retain and engage staff.

Two concepts assist with this:

The **employee value proposition (EVP)** describes what an organisation stands for and offers as an employer. The EVP is an employee-centred approach, which is informed by both the current internal labour market and the wider external market. An EVP must be unique, relevant and attractive in order to support attraction, engagement and retention. Benefits of a clear EVP include: attraction, engagement and retention of key talent.

Employer branding developed as a response to tight labour markets. It builds upon marketing concepts in which a powerful brand differentiates an organisation's products and services from its competitors. This allows prospective employees to be targeted, contributing to competitive advantage. Employer branding activities apply similar techniques to an organisation's labour market in order to attract potential and current employees.

Managing a migrant, transitional workforce

Global population trends and globalisation have both contributed to increased migration. The **Organisation for Economic Co-operation and Development (OECD)**⁴⁵ reports that permanent migration has continued to increase with around 5 million people migrating in 2016.

⁴⁵ OECD (2017), *International Migration Outlook 2017* [online]. Retrieved from: <http://www.oecd.org> [Accessed on: 25 October 2017]

Recent research by both OECD and McKinsey (2016)⁴⁶ found that:


- Migration as a result of the growth in global trade and development of **multinational corporations (MNCs)** rose by 10%.
- While humanitarian migration continues due to war or environmental factors, 90% of migration is for voluntary reasons.
- Many migrants move from middle- to high-income countries, with 1 in 5 migrants living in one of the 20 largest cities in the world.
- Migrants in many countries continue to be employed in routine roles, which are at risk as automation continues to change the workplace.

In some **more economically-developed countries (MEDC)**, declining birth rates and increased longevity will lead to a reliance on migrant and transient workers in order to meet workforce demands. In **less economically-developed countries (LEDC)**, an increasing pool of younger workers is more likely to migrate both for economic and educational reasons. Resourcing requirements as a result of technological developments have increased demand for skilled and educated workers.

The rise in MNCs has also increased the number of migrant and temporary workers. Perlmutter (2009)⁴⁷ highlights the range of approaches organisations may adopt when considering how employees will be managed including:

Ethnocentric	Polycentric	Regiocentric	Geocentric
Centralised strategy with key decisions taken, and key roles filled by home country. Terms and conditions determined centrally.	Role of the home country reduced with each country relatively independent. Local standards applied to local markets. Key positions are taken by local managers.	Main decisions made at a regional level and applied regionally.	Universal standards, global vision, collaboration.

Table 3: Approaches to managing a migrant, transitional workforce



Managing increasingly diverse workforces is essential in order to maximise the opportunities that this offers. Mor Barak⁴⁸ identifies the consequences of not addressing the challenges of this as:

- contributing to a conflict between groups of workers;
- responding to the needs of migrant workers and managing transitional workforces;
- limiting access to talent;
- potentially restricting business opportunities.

⁴⁶ Woetzel, J., Madgavkar, A., Rifai, K., Mattern, F., Bughin, J., Manyika, J., Elmasry, T., Di Lodovico, A., and Hasyagar, A. (2016), *Global migration's impact and opportunity* [online]. Retrieved from: www.mckinsey.com/global-themes/employment-and-growth/global-migrations-impact-and-opportunity [Accessed on: 21 November 2017]

⁴⁷ Perlmutter, H.V. (1969), "The Tortuous Evolution of Multinational Enterprises", *Columbia Journal of World Business*, Vol. 1, pp. 9–18.

⁴⁸ Mor Barak, M. E. (2005), *Managing Diversity: Towards a Globally Inclusive Workplace*, 2nd ed. Thousand Oaks CA

The impact of technology on HR

Information and communication technologies have advanced significantly over the last 10–20 years. The impact on most workplaces has been disruptive. It has changed not only how work is completed but, from an HR perspective, the way people can be potentially managed.



OVER TO YOU

Activity 7: The impact of technology

Think about an organisation you are familiar with. In what ways has technology changed its ways of working? How would this impact on HR?

Technology has increased productivity and service approaches including quality. HR practices have been impacted by technology, such as:

- Ways of managing and responding to staff performance management and development e.g. enabling access to learning and the availability of online resources. Technology both heightens the importance of **knowledge management** and sharing as well as providing a means for these to be managed.
- **Human resource information systems (HRIS)**, such as software that assists in the management of HR data (e.g. payroll, job title, candidate contact information). This offers many benefits in providing a centralised database which is secure. HRIS functionality facilitates the planning and scheduling of work. The use of this data to produce meaningful metrics and issues about **data protection** is discussed further in Chapter 3.
- Communication is eased through the use of email and for many MNCs through the use of web conferencing.
- Reaching a wider pool of applicants during recruitment campaigns through the use of social media.
- The increasing use of social media gives advantages in that it enables an employee to be heard, lending itself to ad-hoc communications and collaboration, and also ensuring that organisational communication can be shared quickly. However, many organisations are concerned about potential damage to their reputation and the need to manage their brand. The increasing use of social media also highlights some ethical dilemmas around the viewing of applicant profiles during the recruitment process.
- Facilitating changing working patterns e.g. 24/7 working, virtual working and enabling global teams. This has, however, led to a need to manage work-life balance and is often considered to have contributed to rising stress levels and increased working hours.

 OVER TO YOU**Activity 8: The use and challenge of social media**

Read the article below by Tulgan.

Prepare a short briefing paper which sets out the opportunities and threats that are associated with the use of social media in the workplace. Can you suggest ways of minimising the threats?

Compare your thoughts with a study partner, if possible.

Tulgan, B. (2007), "Finding roles for social-media tools in HR", *Strategic HR Review*, Vol. 6 Issue: 2, pp. 3–3. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

2.3 Discuss the implications of projected changes from a personal development viewpoint

Cultural awareness and communication challenges

One impact of globalisation is both an increasingly diverse customer base and labour pool. As an HR professional, it is important to be able to effectively manage diversity. This requires more than simply acknowledging differences in people. It involves recognising the value of differences, challenging discrimination, and promoting inclusiveness in order to create a fair and safe environment where everyone has access to opportunities and challenges.

This poses a number of challenges for HR, including being able to clearly communicate across the workforce and ensure that cultural differences are respected and understood. HR professionals need to be aware of their own prejudices and assumptions, they need to be adaptable and flexible and able to challenge stereotypical behaviours.

📄 CASE STUDY: BENEFITS AND CHALLENGES OF MANAGING A DIVERSIFIED TEAM

Agrawal's research into the benefits and challenges of diversified teams in the Indian pharmaceutical and biotechnology manufacturing sector identified that:

- A diversified team helps to achieve organisational objectives more than a non-diversified one, and drives innovation.
- The key cultural challenges impacting on performance are language, style of working, distrust and lack of cooperation.
- Managers should create an environment where the team can enjoy their own cultures and practise their beliefs.



Source: Agrawal, V. (2012), "Managing the diversified team: challenges and strategies for improving performance", *Team Performance Management: An International Journal*, Vol. 18 Issue: 7/8, pp. 384–400. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

✍️ OVER TO YOU

Activity 9: The HR contribution to managing diversity

Consider Agrawal's writing about managing diverse teams, in the article below. Can you suggest what HRM practices could help overcome these issues and help create a supportive environment?

Agrawal, V. (2012), "Managing the diversified team: challenges and strategies for improving performance", *Team Performance Management: An International Journal*, Vol. 18 Issue: 7/8, pp. 384–400. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

In your response you may have considered:

- The need to educate everyone about diversity, including any relevant laws and regulations. All managers need to understand discrimination and its consequences.
- Recognising cultural biases and prejudices and taking necessary action.

- Ensuring that HR communication is appropriate and that everyone has access to it (e.g. HR policies, announcements, changes to HR processes, learning and development opportunities, etc.).

At an individual level, this requires HR professionals to question and challenge their own assumptions and behaviours and to be flexible in their approach to work. Adaptability here includes being open and responsive to new situations and ideas and being able to work with uncertainty.

Coaching and facilitation in the workplace

In Chapter 1 we considered how HR is increasingly adopting a business partner role and many of the traditional HR functions are being devolved to line managers. As a consequence, HR increasingly finds itself using coaching and facilitating others to identify and consider solutions to business challenges. This maximises the professional's knowledge as others build up their capability and competence in a supportive collaborative manner. Coaching creates an environment in which options can be explored, with HR acting as a sounding board or thinking partner. In turn, this encourages ownership and accountability and encourages broader knowledge sharing and collaboration.

HR as a role model

The CIPD⁴⁹ defines a **role model** as someone who:

“Consistently leads by example, acts with integrity, impartiality and independence, balancing personal, organisation and legal parameters.”

Role modelling promotes desired or expected skills, attitudes and behaviours in the workplace. Role models, by being “the change you wish to see”, support organisational learning, influencing and communicating expectations of appropriate behaviour.



OVER TO YOU

Activity 10: Role models

Who are your role models at work? What is it that you admire about them and what impact do they have on your own approach to work?

⁴⁹ Bentley, M. (2016), *HR skills: being a role model* *HR skills: being a role model* [online]. Retrieved from: <http://maximumperformance.co.uk/hr-skills-being-a-role-model/> [Accessed on: 25 October 2017]

You may have identified some of the following characteristics of a role model, including:

- leading with purpose and integrity, having a clear personal and professional vision;
- being consistent and open in approach, aligning behaviour with organisational values in order to set an example in the workplace;
- having the courage to challenge;
- being self-aware and reflective, showing honesty and admitting mistakes;
- demonstrating confidence and leadership.

Challenges to acting as a role model may include tensions in reconciling the organisational and individual needs, and ensuring that behaviour is always consistent.



OVER TO YOU

Activity 11: Ethical attitudes vs ethical behaviour

Read the article by Kantor and Weisberg. This article reports on research investigating the extent to which managers in an organisation were perceived as role models of ethical behaviour. It concluded that: "if managers act as role models, employees are more likely to increase their motivation and commitment at work."

Do you agree with these findings? Why?

Kantor J. Weisberg, J. (2002), "Ethical attitudes and ethical behavior: are managers role models?", *International Journal of Manpower*, Vol. 23 Issue: 8, pp. 687–703. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Creating shared purpose

Research undertaken by the CIPD⁵⁰ explored the practices which contribute to ongoing sustainable organisational performance. Having a shared sense of purpose was identified as one of the key priorities. All organisations need a clear direction which everyone shares. This helps to ensure that everyone pulls together to achieve the overall organisational purpose.

A shared organisational purpose goes beyond simple statements of vision and mission or organisational goals. It is not enough to simply communicate this to employees, in effect adopting a top-down approach. A shared sense of purpose gives an organisation its identity, with each stakeholder understanding what this means for them, increasing engagement and job satisfaction. Research by CIPD found that organisations with a shared sense of purpose outperform those without.

A shared sense of purpose is achieved through:

- Clarity of organisational purpose and an understanding of how individuals contribute to the organisation. This needs to be considered when communicating expectations.
- Alignment between the vision and goals of an organisation (what is to be achieved) and its values (how it is achieved). Ensuring that HR actions support, facilitate and fit within the business context.
- Values being more than just words, but being visible in behaviours and actions taken at all levels.
- Openness and involvement in decision-making at all staff levels, taking a partnership approach.



OVER TO YOU

Activity 12: The need for a sense of purpose

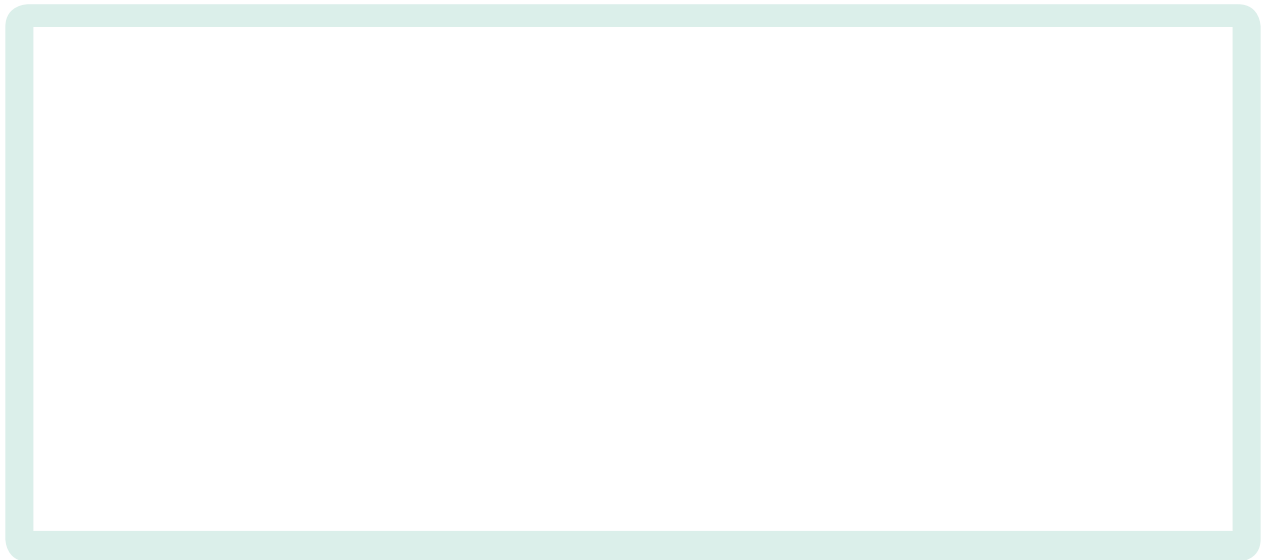
Read the article by Bajer. What reasons does Bajer give for needing a sense of purpose in a work context?

What are the two different purposes proposed by Bajer? Develop a short summary of each, highlighting the impacts these have on engagement in the short and long term.

From an HR perspective, what actions can be taken to move towards a “what can I give culture”?

Bajer, J. (2016), “What’s the point? The search for purpose at work”, *Strategic HR Review*, Vol. 15 Issue: 1, pp. 25–28. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

⁵⁰ Miller, J. (2011), *Sustainable organisation performance: What really makes the difference?* London: CIPD



Gaining support and commitment

Effective stakeholder management ensures that the needs and priorities of various stakeholders are understood. From an HR perspective, stakeholders include: employees, line managers and senior managers. By adopting a stakeholder approach, building and maintaining good relationships, not only do we gain the support and commitment of others, but we build the credibility of the HR function and our ability to deliver an effective service.

The process of stakeholder management includes the following steps:

- Key stakeholders for the HR function in most organisations are: senior management, employees, line managers and, more indirectly, customers, suppliers and the wider local community.
- Analysis. Recognising and acknowledging stakeholders' needs, concerns, interests, etc. A stakeholder mapping tool such as the Johnson and Scholes⁵¹ stakeholder matrix is useful to help position the various stakeholders and to consider their influence and power.
- Engagement. Focussing on developing an understanding of each other's needs, agreeing expectations and common ground.
- Communicating information. Agreeing what will be communicated and how, the level of detail, and expectations regarding confidentiality.

Building and maintaining effective working relationships involves:

- respecting the views and ideas of others;
- consulting with individuals about issues that may concern them;
- providing appropriate information and advice;
- establishing your personal credibility as a professional;
- managing expectations – under-promise, over-deliver;
- reviewing your own effectiveness as an HR professional;
- providing and receiving useful and effective feedback;
- ensuring that information which is sensitive is kept confidential;
- considering your own actions on others.

⁵¹ Johnson, G. and Scholes, K. (1999), *Exploring Corporate Strategy*, 5th edition. Prentice Hall Europe

Gaining the support and commitment of key stakeholders also requires being able to persuade and influence others about the merits of your point of view. The push/pull model of influencing provides a useful summary of techniques which can be used:

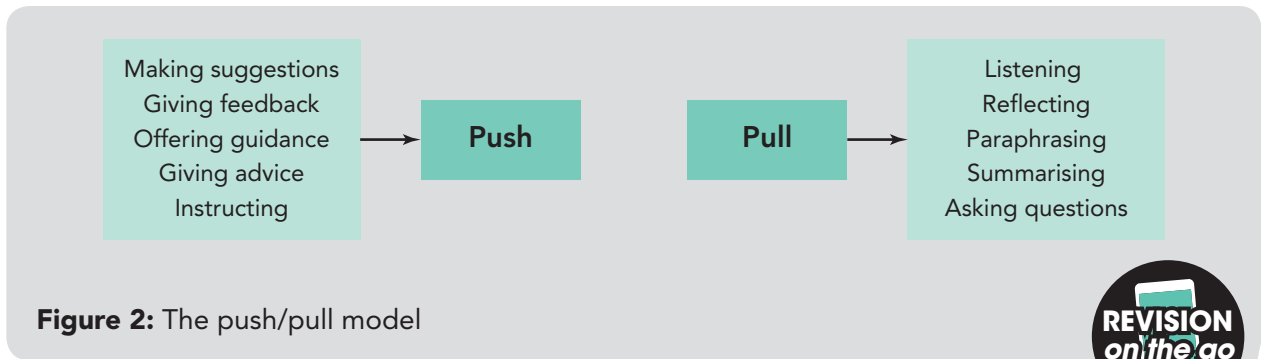


Figure 2: The push/pull model



OVER TO YOU

Activity 13: Developing as an HR professional

Reflecting on this section, complete the template below as a self-assessment of your own current development needs. What will you do to close any identified development gaps?

Skill/Behaviour	How do I rate myself? (1 = low, 6 = high)						Justification for this rating	Gaps, benefits, actions, opportunities
	1	2	3	4	5	6		
Cultural awareness								
Cross-cultural communication								
Coaching and facilitation skills								

Acting as a role model			
Creating shared purpose			
Gaining the support and commitment of others			

READING LIST

- Agrawal, V. (2012), "Managing the diversified team: challenges and strategies for improving performance", *Team Performance Management: An International Journal*, Vol. 18 Issue: 7/8, pp. 384–400. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Bajer, J. (2016), "What's the point? The search for purpose at work", *Strategic HR Review*, Vol. 15 Issue: 1, pp. 25–28. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Cole, G. (2016), "Smoothing the passage to India: How cultural knowledge enhances HR management", *Human Resource Management International Digest*, Vol. 24 Issue: 4, pp. 41–43. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Hernaus, T. Pološki Vokic, N. (2014), "Work design for different generational cohorts: Determining common and idiosyncratic job characteristics", *Journal of Organizational Change Management*, Vol. 27 Issue: 4, pp. 615–641. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Kantor, J. Weisberg, J. (2002), "Ethical attitudes and ethical behavior: are managers role models?", *International Journal of Manpower*, Vol. 23 Issue: 8, pp. 687–703. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Tulgan, B. (2007), "Finding roles for social-media tools in HR", *Strategic HR Review*, Vol. 6 Issue: 2, pp. 3. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Walmsley, P. (2007), "Playing the workforce generation game: Meeting the HR challenges of changing workforce expectations", *Strategic HR Review*, Vol. 6 Issue: 5, pp. 32–35. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Summary

This chapter has explored how changes in the wider environment both locally and globally have contributed to the trends and developments in HR practices. Changing social demographics and expectations have brought with them a need to amend working practices if organisations are to attract, retain and motivate a high quality workforce. The changes in turn impact on the skills and approaches taken by the HR Professional. In the next chapter our attention turns to how the contribution of HR can be evaluated and measured.

Chapter 3

Evaluating and Measuring HR's Contribution

Introduction

There is growing recognition that professional and progressive HR adds sustainable value to an organisation and can contribute to its long-term success. This chapter explores how HR can measure and evaluate its own contribution in order to increase its value within an organisation. We consider the key criteria which can be used when rating performance and discuss the main evaluation methods which are used.

Learning outcome

On completing the chapter, you will be able to:

- 3 Discuss the value and contribution of HR in order to drive development of both HR service delivery and personal contribution**

Assessment criteria

- 3 Discuss the value and contribution of HR in order to drive development of both HR service delivery and personal contribution**
 - 3.1 Assess the contribution made by the evaluation and measurement of HR at both an organisational and professional level
 - 3.2 Compare different methods of evaluating and measuring the contribution of HR
 - 3.3 Analyse the impact of human capital reporting and intellectual capital accounting practices on HR practices

Level 5 The HR Professional

3.1 Assess the contribution made by the evaluation and measurement of HR at both an organisational and professional level

Without **sufficient**, reliable and **valid** information, business decisions cannot be made with accuracy or impact. Effective and appropriate use of information helps an organisation to develop a competitive advantage.

“Analytics present a tremendous opportunity to help organizations understand what they don't yet know... By identifying trends and patterns, HR professionals and management teams can make better strategic decisions about the workforce challenges that they may soon face.”

Huselid (2014)⁵²

The effective use of data and information enables the HR function to identify areas for improvement. It also helps ensure that organisational issues are fully considered and can support a business case for change.

HR analytics

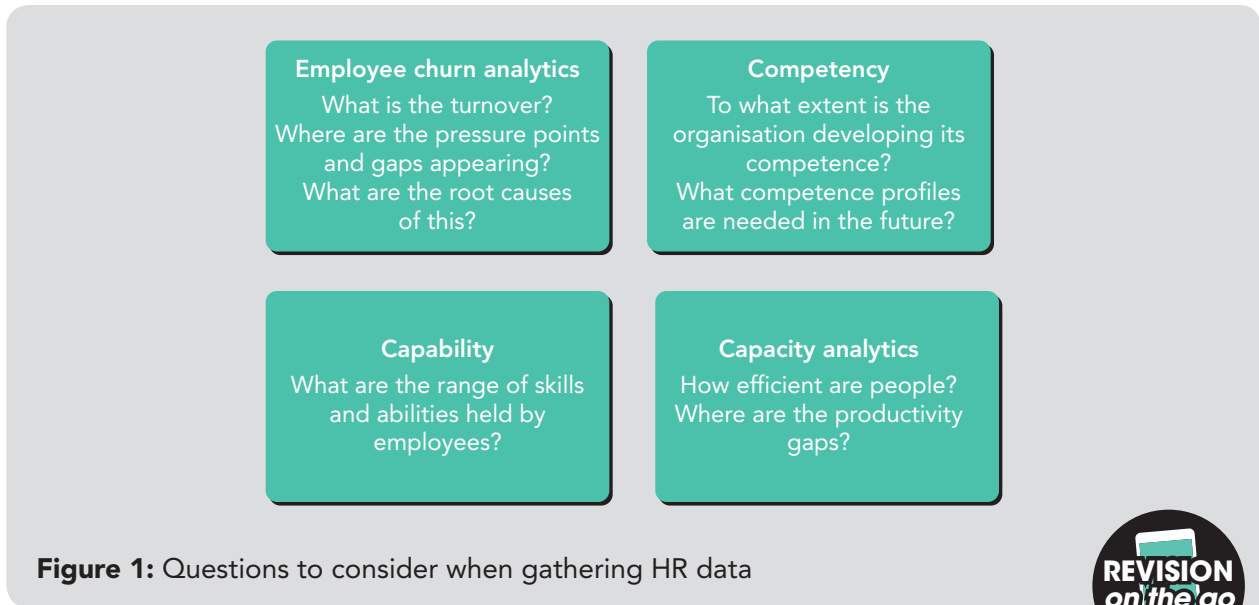
An area of increasing importance within HR is the use of HR analytics to gain insights into the workforce and HR policies and practices in order to inform more effective decision-making.

Two types of data are combined to generate these insights:

- People data collected and stored within HRIS e.g. absence, payroll, education and training records;
- Business data e.g. **key performance indicators (KPIs)**, operational performance, market data, **employee churn**.

⁵² Cited in Edwards, M. and Edwards, K. (2016), *Predictive HR Analytics: Mastering the HR Metric*. Kogan Page

Typical questions which may be answered are summarised below.



OVER TO YOU

Activity 1: A use for analytics

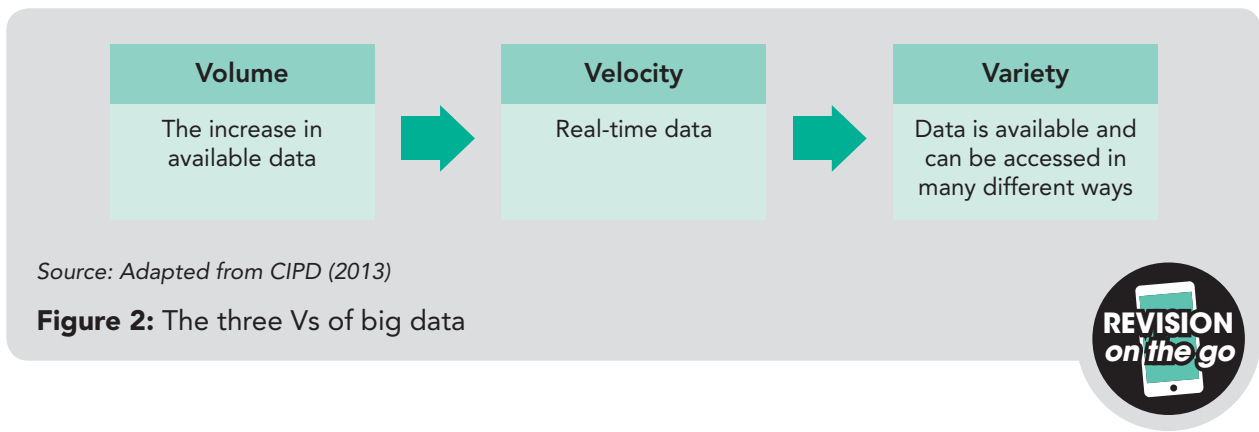
Suggest other questions or areas which could be answered through the use of data analytics. Share your thoughts with a study partner, if possible.

Results may lead to:

- a descriptive picture of an aspect of the organisation or practice e.g. the current state of attendance or staff turnover;
- prescription – applying statistical techniques to suggest future options;
- prediction – allowing future planning by predicting trends.

Big data

Technological improvements have led to increasing amounts of data about the workplace. Retailers and manufacturers are already using predictive capacity to help target both current and future customers. The term **big data** has been coined to refer to the increasing volume of data which is now available, the speed with which this can be gathered or communicated (velocity) and the variety of ways in which this data can be made available.



Evaluation

Given the increase in the data available and the possibilities to both analyse and communicate this, the following criteria serve to help evaluate the approach taken:

Effectiveness: data should be up-to-date and relevant to the issue being considered;

Efficiency: data should be stored and communicated in an appropriate manner;

Fairness: the data collected should be accurate, valid and sufficient to enable decisions to be taken. It should not be collected and stored just for the sake of it, but it should be used for a specific purpose only.



OVER TO YOU

Activity 2: Improving perception

A survey by The Economist Intelligence Unit⁵³ of 418 global executives reported that 85% of respondents felt that their HR team was unable to provide meaningful and insightful metrics.

Why do you feel this is the case? What steps could be taken to overcome this concern?

Discuss your thoughts with a study partner or your tutor, if possible.

In responding to the questions in Activity 2 you may have considered that:

- Data may be spread across a number of different systems or be incomplete, leading to difficulties collecting this or inaccurate conclusions.

⁵³ Cited in *Rethinking Human Resources in a Changing World* [online]. Retrieved from: <https://home.kpmg.com/content/dam/kpmg/pdf/2016/06/pl-rethinking-human-resources-in-a-changing-world.pdf> [Accessed on: 25 October 2017]

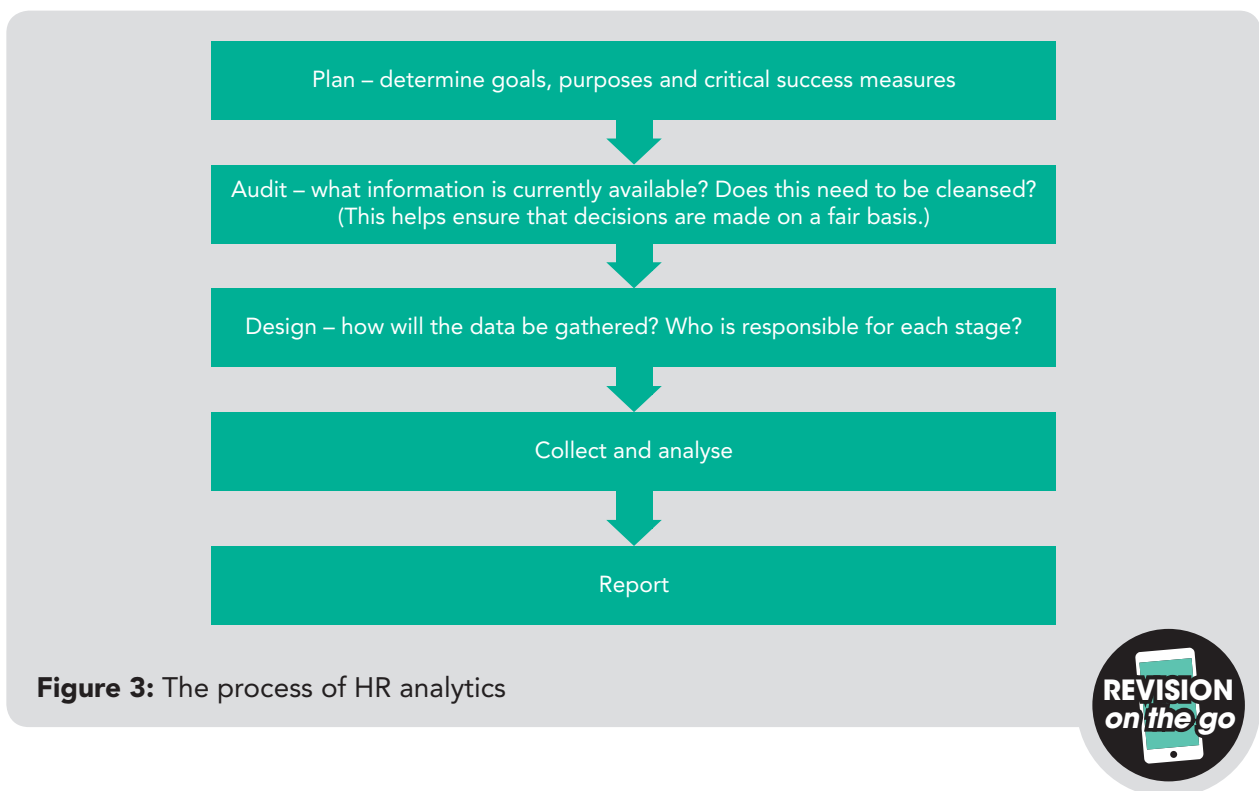
- Data collected may not be what the organisation wants or needs.
- A lack of skills may restrict analysis or results are not presented in a clear and actionable manner.

Evaluation of both the process of data collection and the use and impact of it is essential to ensure that:

- The process followed remains effective and efficient. Considerations here would include whether there was clarity before collecting data and whether the methods enabled all relevant data to be collected.
- The data collected is used fairly and for the specified purpose.

The data analytics process

The data analytics process is summarised below.



OVER TO YOU

Activity 3: Taking analytics forward

Using the articles by Levenson and Harris, Craig and Light as source material, complete the table below, summarising three different uses of analytics, an appropriate method to use in each case and making a note of possible issues which need to be considered. In the final column add your own assessment of your ability to use this.

Levenson, A. PhD. (2005), "Harnessing the power of HR analytics", *Strategic HR Review*, Vol. 4 Issue: 3, pp. 28–31. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Harris, J, G. Craig, E. Light, D, A. (2011), "Talent and analytics: new approaches", *Higher ROI, Journal of Business Strategy*, Vol. 32 Issue: 6, pp. 4–13. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Use	Appropriate method	Issues	Self-assessment

Perspectives on HR analytics

Table 1 summarises some of the different views on the use of HR data.

Organisational	Line manager	Employee	Risk
Ensures HR remains relevant and focussed on organisational needs, supporting business decision-making.	Provides data to inform decision-making. Soft data (relating to views and opinions) may be viewed as subjective and therefore discounted.	Reliance on/increased use of analytics may appear mechanistic and removed from employee needs.	Predictive analytics could help identify and mitigate risks, such as potential service delivery failure or reputational damage.

Table 1: Use of HR data



HR data

 **OVER TO YOU**

Activity 4: The importance of HR data

How will an understanding of this topic benefit any current or future HR role? What use might you make of this?

In response to Activity 4, you may first have thought about record-keeping in order to contact employees, ensure they are paid to the correct bank account, contacting next of kin, etc. Your thoughts may have included understanding employees' previous levels of education and training, and work undertaken to help inform decisions on employee development or promotion. Or you may have considered aspects such as levels of engagement, customer satisfaction, reward information, turnover and absence. Each of these may be areas for action.

Martin, Whiting and Jackson (2010)⁵⁴ identify seven main reasons to keep accurate records in HR:

- to satisfy legal requirements;
- to provide the organisation with information to make decisions;
- to record contractual arrangements and agreements;
- to keep contact details of employees;
- to provide documentation in the event of a claim;
- to provide information for consultation requirements;
- for due diligence in the event of a business transfer.

Sources of data

Table 2 summarises the two main sources of HR data.

External	Internal (organisational)
Data provided by external bodies e.g. sector or national bodies, research organisations, professional bodies, etc., may inform decisions or allow comparisons to be made on practices on reward approaches, advice on specific skills or demographic shortages, etc.	E.g. data collected internally on absence, performance, training and development, reward, turnover, etc.

Table 2: Sources of HR data

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OVER TO YOU

Activity 5: Investigating employee development

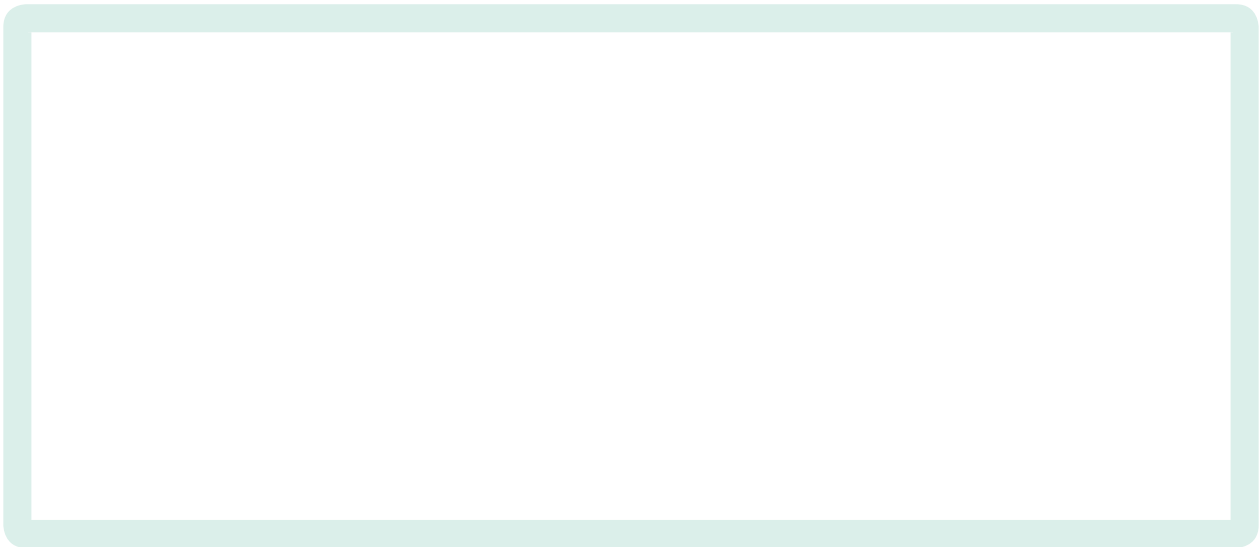
You have been asked by your organisation to investigate its approach to employee development. Your organisation wishes to be seen as an employer of choice. It is keen to ensure that its provisions and perks for employees exceed those of others in the sector.

What external sources of data might you look at and why?

From an internal perspective, what sources of data might prove useful?

Compare your thoughts with those of a study partner, if possible.

⁵⁴ Martin, M., Whiting, F. and Jackson, T. (2010), *Human Resource Practice*. London: CIPD



Categorising data

Data can be categorised as shown below:

Primary data: data gathered for the first time and for a specific purpose;

Secondary data: gathered previously for another purpose and reused or reanalysed;

Quantitative: can be counted or expressed numerically and usually represented in graphs and charts;

Qualitative: data which cannot be quantified and often associated with attitudes, opinions and perceptions.



OVER TO YOU

Activity 6: Categorising sources of data

Complete the table below, providing an example of data collected for each of the purposes identified by Martin, Whiting and Jackson.

For each, indicate if the nature of this is quantitative, qualitative, primary or secondary.

Data use	Example	Nature of the data
Satisfying legal requirements		
Providing the organisation with information to make decisions		

Recording contractual arrangements and agreements		
Keeping contact details of employees		
Providing documentation in the event of a claim		
Providing information for consultation requirements		
Due diligence in the event of a business transfer		

Data-gathering methods

In order to support decision-making, it is essential to gather relevant data. There are many different methods of data collection. Table 3 outlines some of these methods, their uses and known limitations.

Method	Strengths	Limitations
Questionnaires and surveys	Cheap to administer and can reach large numbers in a standardised manner. Data can be easily analysed.	Low response rates. Questions need to be simple and understandable. No opportunity for follow-up clarification.
Interviews	Enables in-depth exploration of ideas and feelings, providing insight.	Time-consuming. Analysis more complex. Discussion may drift or be influenced.
Focus groups	Enables group discussion and investigation. Individuals may feel more comfortable in a group setting.	Needs to be carefully managed to avoid one person dominating the discussion. Can drift or unintentionally mislead.
Observation	Explains what is happening. Experiences the feelings and mood.	Time-consuming. May lead to role conflict.

Table 3: Strengths and weaknesses of data collection methods



Data collected needs to be reliable, sufficient and valid to ensure that it accurately informs decisions.

Sources of information

Data can be obtained from a number of sources:

Organisational: data held within the organisation is both employee- and organisational-specific. For example, this provides detail on employee capabilities and performance.

Sector and national data: may be available in the form of survey responses providing an indication of specific trends. This can be used to help benchmark approaches, such as pay levels, detail on benefits provided, etc.

Online databases: sources of data may include banks of information from which to research and inform actions, as well as databases at a national level providing socio-demographic data.

Professional bodies: reports on trends within a specific industry. These can be used to good effect to help identify possible approaches and to benchmark own practice against.

CASE STUDY: MORALE IN THE FACTORY

Over the last few months, there have been indications of a morale issue on the production lines. Some members of staff have resigned and the number of grievance issues being dealt with by line managers appears to have increased. Walking around the factory, the mood is restrained and workers appear to be doing just what is needed and nothing more. Performance levels have started to fall, with quality defects increasing.



To investigate the problems, the HR manager decides to send out a staff survey and will follow this up with interviews with managers and selected staff members.

OVER TO YOU

Activity 7: Selecting appropriate data collection methods

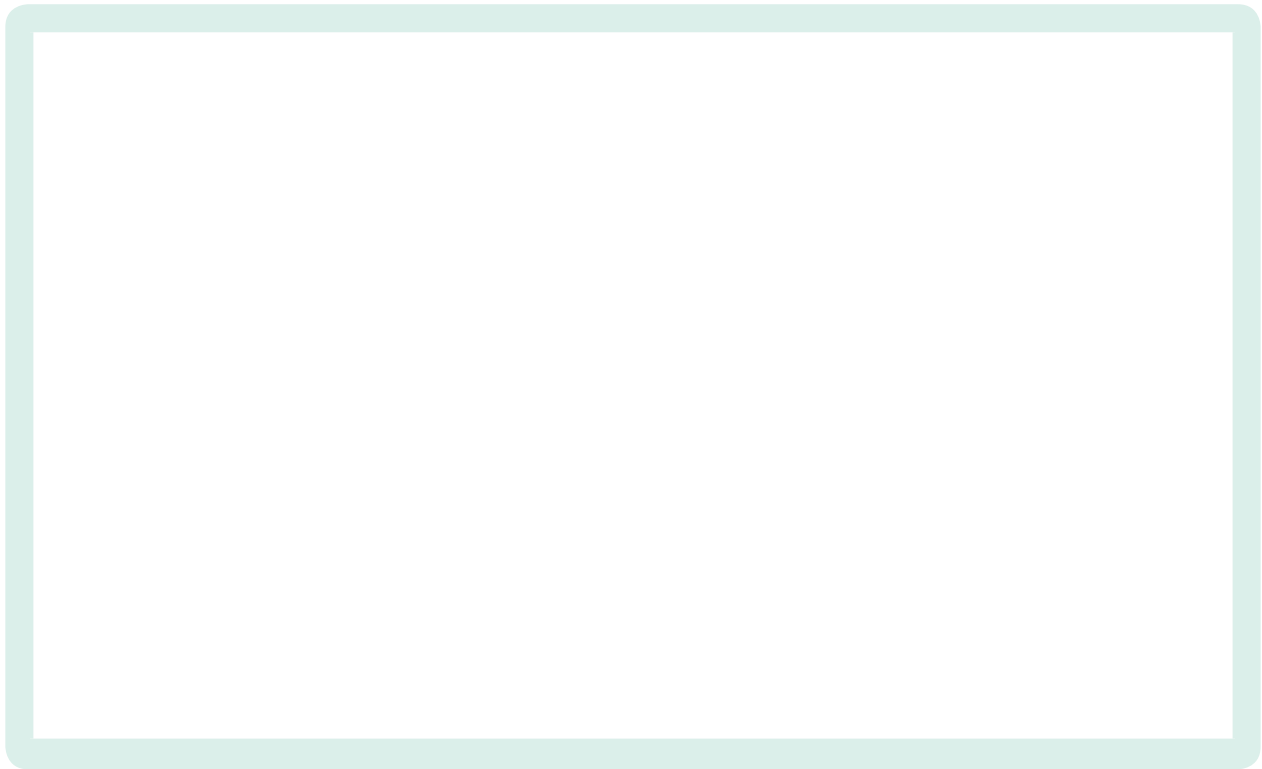
Using the preceding case study:

What are the appropriate methods to help investigate this issue?

What other methods can be used?

How would you advise that the HR manager ensures that the data is valid, sufficient and reliable?

Discuss your thoughts with a study partner or your tutor, if possible.



Data analysis

It is always beneficial to consider how the data you intend to collect will be analysed before starting a data-gathering exercise.

Some of the ways quantitative data may be analysed include:

Percentages e.g. 65% of absences are for two days or less.

Averages – there are three ways of expressing measures of central tendency:

- the mean (average) e.g. the average length of service is six months;
- the median (mid-point) is often used in salary comparisons as it identifies the midpoint of data e.g. the median salary is US\$35,200 (£26,551);
- the mode (most common value) is useful when identifying the most and least popular options.

Trends e.g. there is a trend for sickness absence to rise during school holidays.

Ratios measure one set of data against another, making it easier to compare figures e.g. in the production department the ratio of men to women is 8:1.

Tables usefully summarise data. Cross-tabulation combines tables and can be used, for example, to see if there are any differences in the way groups of respondents answer specific information, which can be then used to cross-tabulate the information.

Qualitative data also provides a richness of information. It can be themed, making use of quotes to help illustrate the strength of feelings or to enable the employee voice to be heard.

Presenting data

When presenting data, consider organisational culture and preferences e.g. standard templates, etc. Think about your audience and the best way to present information. Many senior managers prefer quantitative data because it is less subjective, but this may not be suitable when presenting data to the wider workforce.



OVER TO YOU

Activity 8: Presenting HR data

Line managers may request information on a regular basis from HR. What information are they likely to need and why?

Data about staff absence could be presented in percentage form rather than as a long list of all occurrences of absence. A simple answer could be given on the issue of holiday entitlement.

The skill to presenting data lies in knowing how to show it and ensuring that it is user-friendly. Visual presentation enables data to be shared clearly, concisely and meaningfully.

Some useful forms of visual presentation include:

Tables	Provide summaries and help categorise data.
Bar charts	Useful for presenting and comparing data e.g. presenting employee breakdown by department. Can help highlight differences although subtle distinctions may be lost.
Line graphs	Show the relationship between two sets of data e.g. months of the year and staff absence. Line graphs can usefully show trends and changes over time.
Pie charts	These show the components as a total of percentages and have an immediate visual impact. However, small differences in percentages may not be seen and large numbers of components cannot be easily displayed.
Flow charts	Help present a process, enabling a visual picture of what happens and when, or to present options.

Table 4: Forms of presenting data

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Analysing and presenting data

There are numerous ways to analyse data – the key is to choose the methods that deliver information that you can use to support HR practices and make informed decisions.

When presenting data, ask the following questions:

- Who is my audience?
- What information do they need and why?
- What is the best way to communicate this information?

Visual presentation (graphs, tables, etc.) allows data to be presented clearly, concisely and meaningfully.



Return on investment and return on expectations

It can be difficult to provide quantifiable data about the impact of specific HR actions, such as how to measure the value of improved morale. Using quantifiable metrics improves the credibility of HR as a profession, and allows HR to demonstrate the specific, measurable ways that it contributes to an organisation.

Return on investment (ROI) is a measure of the impact and/or efficiency of the investment. It can also be used to measure past performance. Related HR examples include measuring the impact of a health and safety awareness campaign in terms of reduction in staff absence costs as a result of falling workplace accidents.

The ROI of an intervention can be calculated using the formula:

$$\frac{\text{the value of the specific programme}}{\text{the costs of implementing the programme}} \times 100$$

CASE STUDY: ROI

A training programme is undertaken to multi-skill employees and embed quality assurance into every role. As a result, there is a reduction in the number of agency staff brought in to cover for missing employees. This led to savings of US\$50,000 (£37,726) over a 12-month period and a reduction in defect/scrap product, saving US\$20,000 (£15,090) in a 12-month period. The cost of the training was US\$15,000 (£11,318).

The ROI is:

Value: US\$50,000 (£37,726) + US\$20,000 (£15,090).

Cost: US\$10,000 (£7,546) = US\$7,000 (£5,282) x 100 = 700%.



Care needs to be taken when interpreting this data as not all of the savings (value) may be attributed to the intervention.

ROI is an:

“holistic measurement of all of the benefits (both qualitative and quantitative) realized from a program or initiative brought about through a package of interventions”

Kirkpatrick and Kirkpatrick (2007)⁵⁵

To assess this, the expectations of key stakeholders need to be clarified and converted into observable, measurable outcomes. One value of **return on expectation (ROE)** is that it helps clarify outcomes at an early stage, ensuring that the programmes are appropriately targeted. ROE allows intangible aspects to be considered e.g. increased morale or engagement. The benefits of determining the ROE is that this allows everyone to focus on what matters to an organisation and helps focus on the end goal. This contrasts with ROI, which is measured after the event and takes a retrospective approach.



OVER TO YOU

Activity 9: The value of ROI

Read the article by Phillips and Phillips. Do you agree with their view that measuring ROI is “one of the most convincing ways to earn the respect and support of the senior management team”?

Phillips, J. Phillips, P. (2009), “Measuring return on investment in HR”, *Strategic HR Review*, Vol. 8 Issue: 6, pp.12–19. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

⁵⁵ Kirkpatrick, D.L. and Kirkpatrick, J.D. (2007), *Implementing the Four Levels: A Practical Guide for Effective Evaluation of Training Programs*. San Francisco: Berrett-Koehler Publishers, Inc

3.2 Compare different methods of evaluating and measuring the contribution of HR

Methods of evaluating and measuring the contribution of HR

HR needs to be able to quantify the added value of its contribution. The starting point for this is to consider the aims of the function and levels of service expected. Being clear on these will enable HR to measure its contribution and help demonstrate its value. Evaluating and measuring the contribution of HR also allows HR to take actions to improve its effectiveness and to continually develop its practice.

Boudreau and Ramstad (2006)⁵⁶ provide a useful framework to help ensure a strong and healthy approach:

Logic: methods and measures should make logical sense within the business context.

Analytcs: data analysis should be valid. For example: simply basing the link between induction and retention on anecdotal evidence is not correct. Care should be taken not to jump to conclusions.

Measures: select meaningful measures, e.g. quicker is not always better. Quality of outcome may have more impact.

Process: measuring performance should be part of a wider process of improvement.

Tools and techniques for measurement and evaluation

Method	Advantages	Disadvantages
Benchmarking	Assists with continual improvement by comparing to external best practice or by identifying internal efficiencies.	Data may not be readily available or may be incomplete. May become too focused on copying the practices of competitors without examining the strategic fit.
Survey and goal-based evaluation	Measures how employees view the delivery of HR services and provides feedback on qualitative issues e.g. motivation and engagement. Helps support focused conversations about career development and goals as well as evaluating individual performance. Enables trends to be monitored over time.	Reliability of data e.g. is this a truthful view? Are questions open to interpretation? The process of performance management may be emphasised over the quality of the discussion and through personal bias.

⁵⁶ Boudreau, J. W. and Ramstad, P. M. (2006), "Talentship and Human Resource Measurement and Analysis, from ROI to Strategic Organizational Change", *Human Resource Planning Journal*, Vol. 29, Issue 1, pp. 25–33

Method	Advantages	Disadvantages
Balanced scorecard (Kaplan and Norton 1992) ⁵⁷	<p>Focuses on critical success factors identified by the organisation, enabling strategic planning.</p> <p>Provides a common base of data for year-on-year comparison as well as interdepartmental review.</p>	<p>Metrics need to be collected at the most appropriate time and be consistently gathered at the same point to ensure reliable comparisons are drawn.</p> <p>Focuses internally rather than considering the wider external environment.</p>
Service-level agreement (SLAs)	<p>Provides clarity on expectations, enabling appropriate resourcing and promoting effective working relationships.</p> <p>Supports improved service delivery.</p>	<p>SLAs need to be mutually set and agreed, not imposed.</p> <p>Targets may not be measurable or may be unclear.</p>
KPIs	<p>Enables all team members to see clearly what it is that they are working towards.</p> <p>Acts as an early-warning signal, enabling discussion on required improvement actions.</p>	<p>May move from being a measure to a target, side-stepping the reasons why requirements are not being met.</p> <p>A narrow focus on some KPIs does not provide a holistic view.</p> <p>Can become outdated as needs change.</p>
HR audits	<p>Ensures HR provision meets legislative and business requirements.</p> <p>Helps align services with business delivery, enabling remedial actions to be taken or more resources to be allocated to help support further progress.</p>	<p>Bureaucratic and administrative focus.</p> <p>Risk of bias if conducted internally.</p> <p>Only as good as the information or evidence produced.</p>

Table 5: Advantages and disadvantages of evaluation methods



Data and information

There is an important difference between data and information. Raw data holds little value until it is interpreted and given meaning (becoming useful information).

⁵⁷ Kaplan, R.S. and Norton, D.P. (1992), *The Balanced Scorecard – Measures that Drive Performance* [online]. Retrieved from: <https://hbr.org> [Accessed on: 25 October 2017]

! NEED TO KNOW

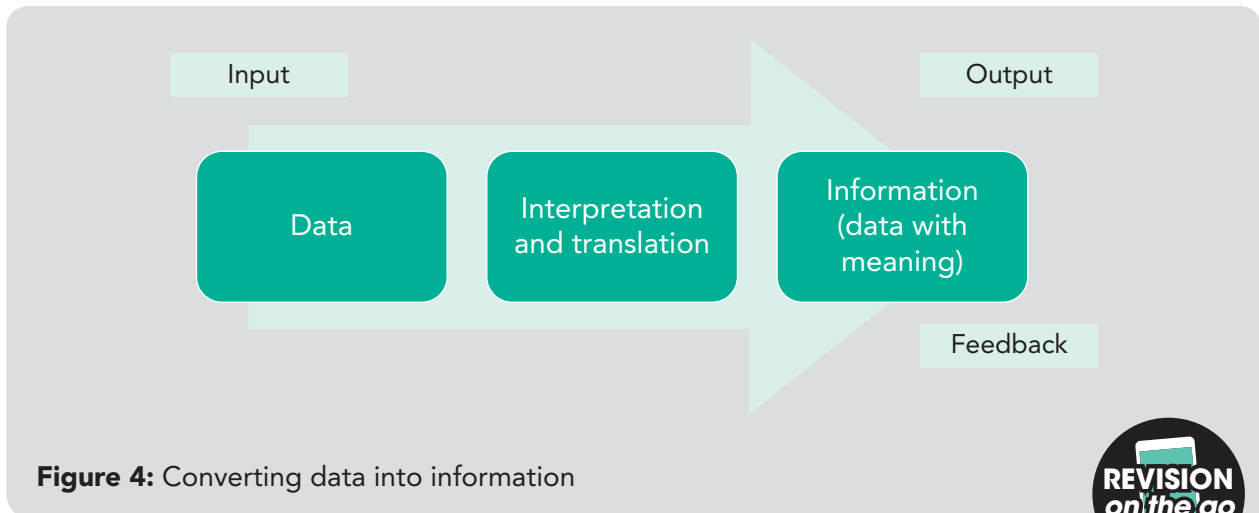
Data vs information

Data is a series of observations, measurements and facts.

Information is data selected and organised to enable interpretation for a specific purpose.



This process of converting data into meaningful information is summarised in Figure 4.



HR dashboards

“ We are bombarded daily by information from all quarters; the skill is to be able to pick out what's important – and act on it. That's where an HR dashboard can help **”**

Asselman (2012)⁵⁸

Dashboards allow workforce metrics to be displayed in a visual and easy-to-read manner. Typically created to combine information from multiple sources, they allow the key metrics to be displayed in one place and monitored at a glance, helping ensure operations remain on track. Having all key metrics in place, updated with real-time information, enables action to be taken swiftly and moves from a reactive to a proactive response. A dashboard allows a number of measures to be considered together, enabling interdependences to be more easily considered.

For those in HR, the tendency may be to focus on operations. However, to have a wider value, metrics should clearly align with organisational strategy. As a guide, no more than six metrics should be considered (too many and the impact is diluted).

⁵⁸ Asselman, S. (2012), *Screen Grabbers People Management* [online]. Retrieved from: <http://www2.cipd.co.uk> [Accessed on: 25 October 2017]

 OVER TO YOU**Activity 10: HR dashboards**

Read Denton to help consolidate your understanding of HR dashboards. Using this as a source, write a short memo to your manager proposing the introduction of an HR dashboard. In your memo set out the advantages of this to both the HR function and organisation. What metrics would you suggest including?

Denton, Dr K. (2012), "Corporate intranets place information on the dashboard: Big-picture feedback puts HR in the driving seat", *Human Resource Management*, Vol. 20 Issue: 4, pp. 31–35. Emerald Group Publishing Limited.

(This article will be available in your online student resources.)

Data protection

Data protection legislation and policies are designed to protect individual employees. While legal requirements on how data is handled may vary from country to country there is an overarching ethical and moral case for data protection. Sensitive data collected and stored on employees should always be kept:

- secure and protected from unauthorised access, loss or protection;
- accurate and up-to-date;
- for no longer than required.

 OVER TO YOU

Activity 11: The legal requirement for data protection

Identify the legal requirements placed on you in an HR role from a data protection viewpoint. How do these impact on practices?

Data protection issues have an impact on most HR activities. Some of these impacts are outlined in the Table 6.

Recruitment and selection	<p>Ensure that only information relevant to the position is sought during the recruitment and selection process (e.g. banking details are only required from the successful candidate).</p> <p>Only store information for as long as required to make a decision and ensure that this is then appropriately destroyed for those who are unsuccessful.</p>
Absence management	<p>Information on medical issues and treatment should only be sought with the explicit consent of the individual employee. The information should be kept for no longer than required and be used solely to help inform decisions about fitness for work.</p>
Employment records	<p>Employees should be aware of the information held on them and the purposes for which this is kept.</p>

Table 6: Examples of the impact of data protection on HR activities





OVER TO YOU

Activity 12: Working with data protection

You have been asked by your CEO to brief line managers on the requirements to record and store employee data securely and appropriately. Prepare some key points to help with this briefing.

The need to protect individual rights and personal data also presents a number of challenges and tensions. Balancing the need for information with an individual's need for personal privacy requires organisations to ensure that data collected and stored has a clear purpose and that this is expressly communicated. Data should only be used for specific purposes and should not be kept for longer than necessary.

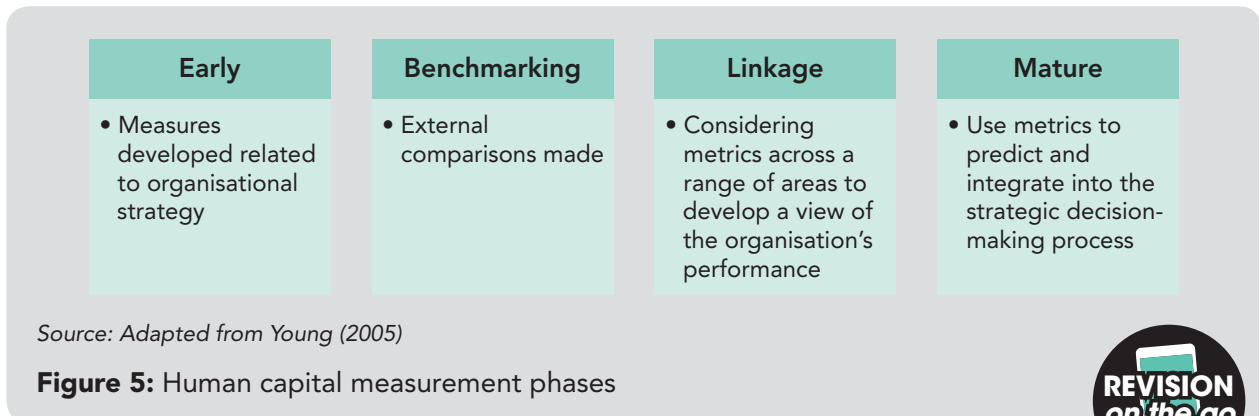
3.3 Analyse the impact of human capital reporting and intellectual capital accounting practices on HR practices

Human capital reporting

Human capital reporting aims to provide quantitative and qualitative data on a range of measures to help identify HR or management practices which will drive business performance. Focussing on the knowledge, skills, abilities and other capabilities of an organisation, it provides a holistic understanding of the organisation's value and assets, enabling informed strategic decision-making. Higher levels of engagement and lower levels of turnover are typically found in organisations where employees feel valued.

Bontis et al. (1999)⁵⁹ defines human capital as the “combined intelligence, skills and expertise that gives an organisation its distinctive character.”

Young (2005) suggests there are four phases to effective human capital measurement:



OVER TO YOU

Activity 13: 10 steps to successful human capital reporting

Drawing on the article by Young, identify the practices matching each of the four phases of human capital measurement.

Young, Dr S. (2005), “10 steps to successful human capital management”, *Strategic HR Review*, Vol. 5 Issue: 1, pp. 24–27. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

⁵⁹ Bontis, N. (1998), “Intellectual Capital: An exploratory model that develops measures and models”, *Management Decisions*, Vol. 36, Issue 2, pp. 63–76

Measuring human capital

Bontis et al. (1999)⁶⁰ identified four tools which are used to measure human capital:

Human resource accounting	Accounting practices, which include measuring the cost of acquiring and replacing employees and considering the cost of non-monetary behaviour and actions (e.g. sharing knowledge with others, contributing to the development of culture, etc.).
Economic value added (EVA)	An approach which considers performance and all the ways in which corporate value can be lost or added. EVA focuses attention on an action in order to maximise shareholder value.
The balanced scorecard	Systematic measurement of four key perspectives: financial, customer, internal business processes, learning and growth.
Intellectual capital	Intellectual capital includes the intangible resources which contribute to the organisation's delivery.

Table 7: Ways to measure human capital



Measurement challenges include problems around integration and migration of data, data being held in various sources, a reluctance to share data and concern over data protection.

Internal and external reporting

The value of data collected as a result of human capital measurement will be of varying value to different stakeholders:

- Leaders will be interested in where value is being created and how sustainable this value is.
- Managers want to make use of the data in order to improve performance.
- Shareholders are interested in how the value being created will affect financial performance.
- Customers wish to be assured that quality products and services are being provided.

Reporting mechanisms need to reflect the stakeholders' needs. Information presented should be related to needs, presented in an understandable manner with appropriate explanation, be reliable, complete and accurate and inform decision-making.

Human capital reporting and links with the resource-based view of the firm

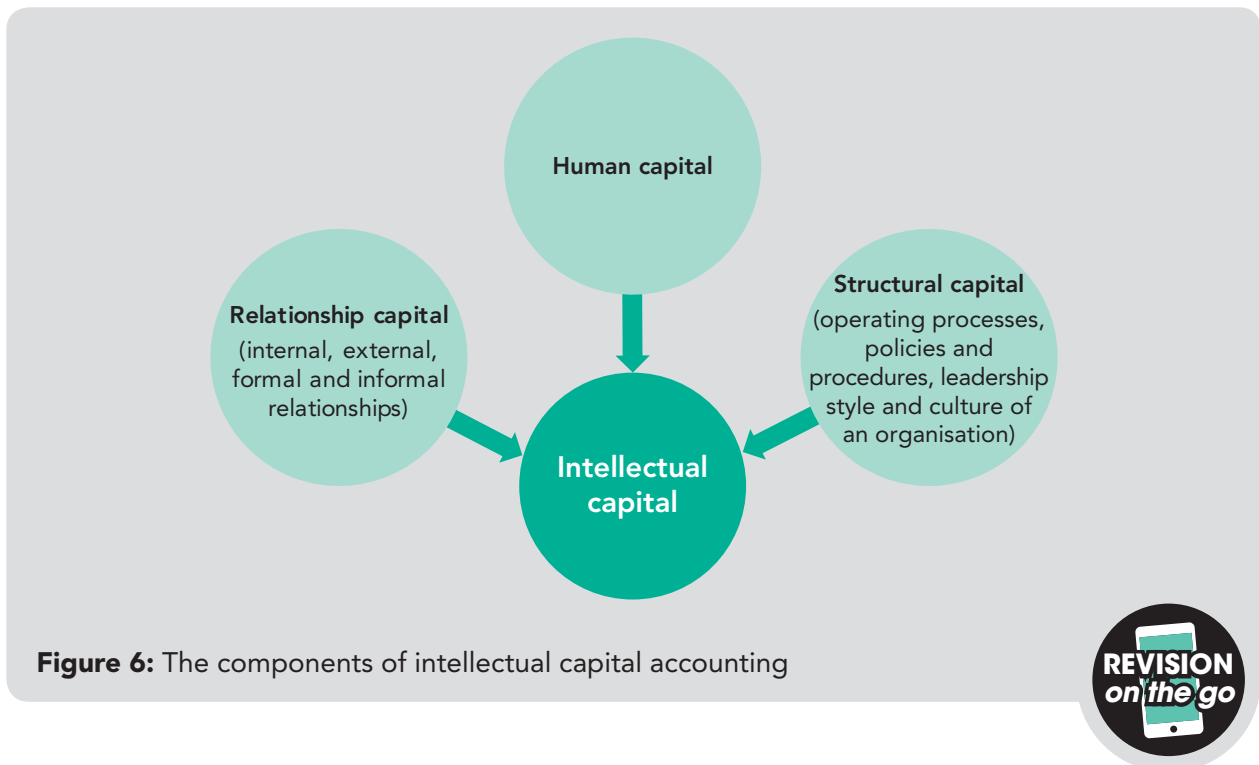
The resource-based view (RBV) links the resources of organisations to competitive advantage (Barney 1991)⁶¹. In the same way that the RBV emphasises the collective impact of people, so too can human capital measurement contribute to this through the focus on understanding the value of an organisation's HR.

⁶⁰ Bontis, N. (1998), "Intellectual Capital: An exploratory model that develops measures and models", *Management Decisions*, Vol. 36, Issue 2, pp. 63–76

⁶¹ Barney, J. B. (1991), "Firm Resources and Sustained Competitive Advantage", *Journal of Management*, Vol. 17, Issue 1, pp. 99–120

Intellectual capital accounting

Intellectual capital includes the intangible resources which contribute to the organisation's delivery. This comprises three elements, shown in Figure 6.



Human capital refers to the organisation's know-how i.e. the various skills and capabilities of employees. The following also needs to be considered:

- Relationship capital considers the different relationships. Externally, this may include those with customers and suppliers and other external partners.
- Structural capital – Stewart (1997)⁶² summarised this as “that which is left when employees go home for the night”. Included here are the processes, policies, intellectual property, etc.

Knowledge is now recognised as a key driver of productivity and competitiveness. Each of the aspects outlined above contributes to this and forms part of what makes each organisation unique, and gives it competitive advantage.

For HR, this means:

- through analytics, pinpointing areas where the organisation is adding value;
- supporting development in areas of innovation;
- facilitating knowledge-sharing and encouraging all to freely share this knowledge for the collective good.

READING LIST

Denton, Dr K. (2012), “Corporate intranets place information on the dashboard: Big-picture feedback puts HR in the driving seat”, *Human Resource Management International Digest*, Vol. 20 Issue: 4, pp. 31–35. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

⁶² Stewart, T.A. (1997), *Intellectual Capital. The New Wealth of Organisations*. New York: Doubleday Dell Publishing

Harris, J, G. Craig, E. Light, D, A. (2011), "Talent and analytics: new approaches", *Higher ROI, Journal of Business Strategy*, Vol. 32 Issue: 6, pp. 4–13. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Levenson, A. PhD. (2005), "Harnessing the power of HR analytics", *Strategic HR Review*, Vol. 4 Issue: 3, pp. 28–31. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Phillips, J. Phillips, P. (2009), "Measuring return on investment in HR", *Strategic HR Review*, Vol. 8 Issue: 6, pp.12–19. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Young, Dr S. (2005), "10 steps to successful human capital management", *Strategic HR Review*, Vol. 5 Issue: 1, pp. 24–27. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Summary

Effective use of HR data and information enables a business to gain an insight into their workforce capability and the impact on its people management practices. Using data proactively helps business make more informed decisions, which, in turn, leads to increased competitive advantage, helping HR align its practices and demonstrate added value. This chapter has explored the nature of data and how this can be used to both describe and explain what is currently happening in the workplace but also to predict and inform future actions.

Being able to support our decisions with clear evidence is a hallmark of many professions. In Chapter 4 we will explore the nature of **professionalism** in HR and consider HR's role in supporting and maintaining an ethical and fair approach to people management.

Chapter 4

Leading and Developing a Professional and Ethical Approach to HRM Practice in the Workplace

Introduction

In recent times, examples of poor ethical practice within organisations are increasingly being reported, including allegations of poor employee treatment or a failure to maintain health and safety standards. These examples highlight how standards, values and morals are increasingly challenged in the drive for increased competitiveness in an uncertain business environment. At its heart, HR is concerned with managing relationships with groups of people in order to support organisational goals.

This chapter considers what it means to adopt an ethical and professional stance to HRM and explores the dilemmas and tensions that this brings. We will consider our own behaviour as an employee and the importance of leading by example.

Learning outcomes

On completing the chapter, you will be able to:

- 4 **Discuss the implications of adopting a professional and ethical approach to HRM in the workplace from both an organisational and individual practitioner viewpoint**

Assessment criteria

- 4 **Discuss the implications of adopting a professional and ethical approach to HRM in the workplace from both an organisational and individual practitioner viewpoint**
 - 4.1 Discuss HRM as a profession
 - 4.2 Discuss ethical perspectives and theories in order to develop a business case for ethical HRM
 - 4.3 Discuss the ethical rationale for maintaining values and standards within the workplace
 - 4.4 Appraise a range of day-to-day HRM activities within the workplace, identifying potential ethical and professional tensions and proposing solutions

Level 5 The HR Professional

4.1 Discuss HRM as a profession

The nature of professionalism

Defining professionalism

Varying definitions of the term professionalism exist. Freidson (2001)⁶³ defined this as “an occupation which has assumed a dominant position in a division of labour that controls its own work and is organised by a special set of institutions sustained in part by a particular ideology of expertise and service.” Autonomy and the ability to self-direct own work were highlighted by Freidson as two features which characterised the work of a professional.

Ritzer and Walczak⁶⁴ similarly view professions as:

“occupations that have the power to have undergone a development process enabling it to acquire or convince others.”

Table 1 summarises some of the defining features of a professional.

Characteristics	Ethical in orientations, focussed on practical solutions.
Traits	Personal commitment to high standards of practice and morality, able to influence, role models, challenges, driven.
Accountability	Self-regulating, sets own rules, takes personal responsibility for own work often within an established external professional code of conduct or standard of performance.
Autonomy	Sets own rules, takes ownership, self-managing.
Body of knowledge	Organised via professional bodies with defined entry standards and requiring members to uphold high standards of ethics . Requirement to continually maintain and update own knowledge. Personal commitment to high standards of practice and morality.

Table 1: Traits of a professional



⁶³ Freidson, E. (2001), *Professionalism, the Third Logic*. Chicago: University of Chicago Press
⁶⁴ Ritzer, G. and Walczak, D. (1986), *Working, Conflict and Change*. Prentice-Hall

 OVER TO YOU

Activity 1: Characteristics of a professional

The classical professions are considered to include medicine and law. Reflecting on these, what can you add to Table 1? Compare your answer with your study partner's, if possible.

Professional identify

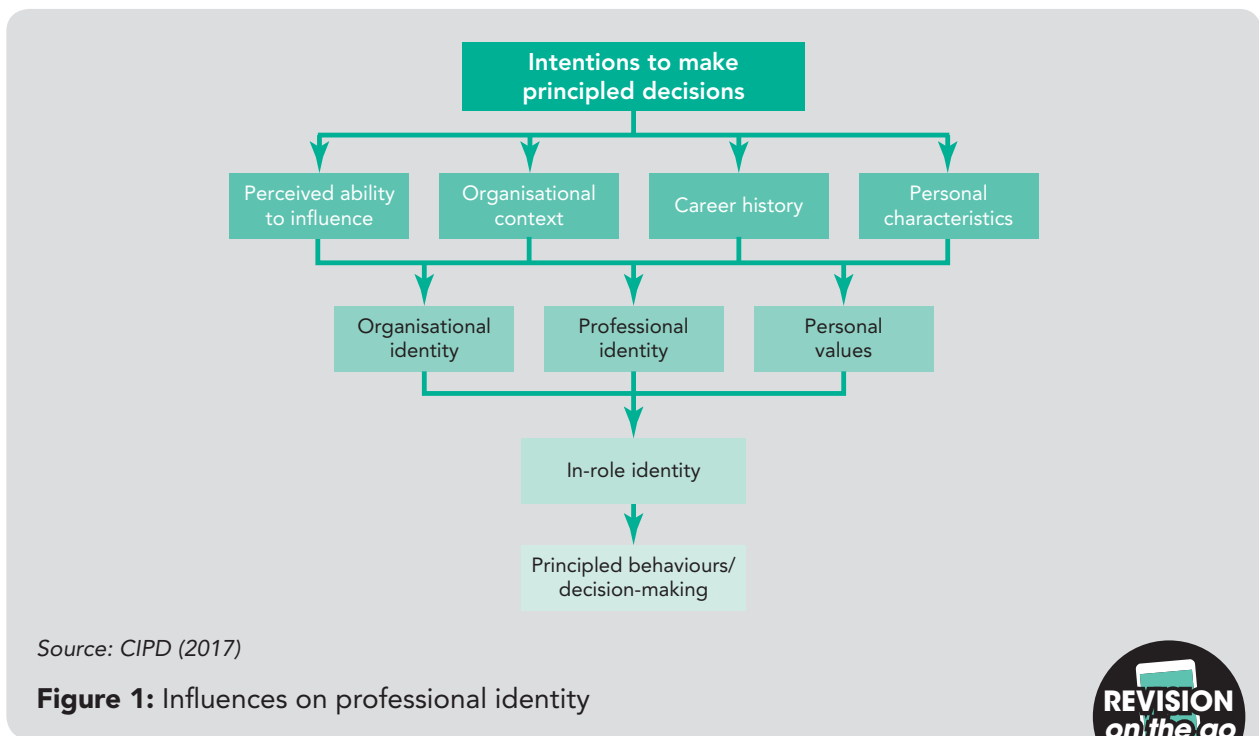
The definition of a professional focuses on the development of an individual's professional identity based on attributes, beliefs, values, motives, and experiences. Professional identity is defined by three aspects:

Personality: key features here include resilience, open-mindedness, determination and the ability to maintain professional boundaries;

Values: wishing to do the best possible within the specific context in question;

Norms: often defined and influenced by respective professional codes of conduct or competence frameworks.

This identity changes with experience as shown in the diagram below.



Source: CIPD (2017)

Figure 1: Influences on professional identity



 OVER TO YOU**Activity 2: Professional identity**

Read Peticca-Harris and McKenna, which shares a case study illustrating the relationship between professional identity and being a manager. Using Avesson's seven images of self-identity (presented within the article), assess your own professional identity.

Peticca-Harris, A. McKenna, S. (2013), "Identity struggle, professional development and career: A career/life history of a human resource management professional", *Journal of Management Development*, Vol. 32 Issue: 8, pp. 823–835. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Professional norms

Many professional bodies consider that ethical standards, along with technical competence, are what defines a professional. They help members of a professional body stand apart from others with similar qualifications and experience.

In many professions, HR included, there may be situations where decision-making is not straightforward and it is not easy to judge what is right or wrong. When examples of poor conduct and questionable ethical practice come to light, the reputational damage can be great, leading to a loss of public and investor confidence.

 NEED TO KNOW**Codes of conduct**

These perform the function of clarifying what is regarded as right or wrong in situations where there are a number of grey areas.



 OVER TO YOU**Activity 3: The influence of professional codes of conduct**

Review the codes of professional conduct developed by the three main HR professional bodies:

SHRM – www.shrm.org

CIPD – www.cipd.co.uk

AHRI – www.ahri.org

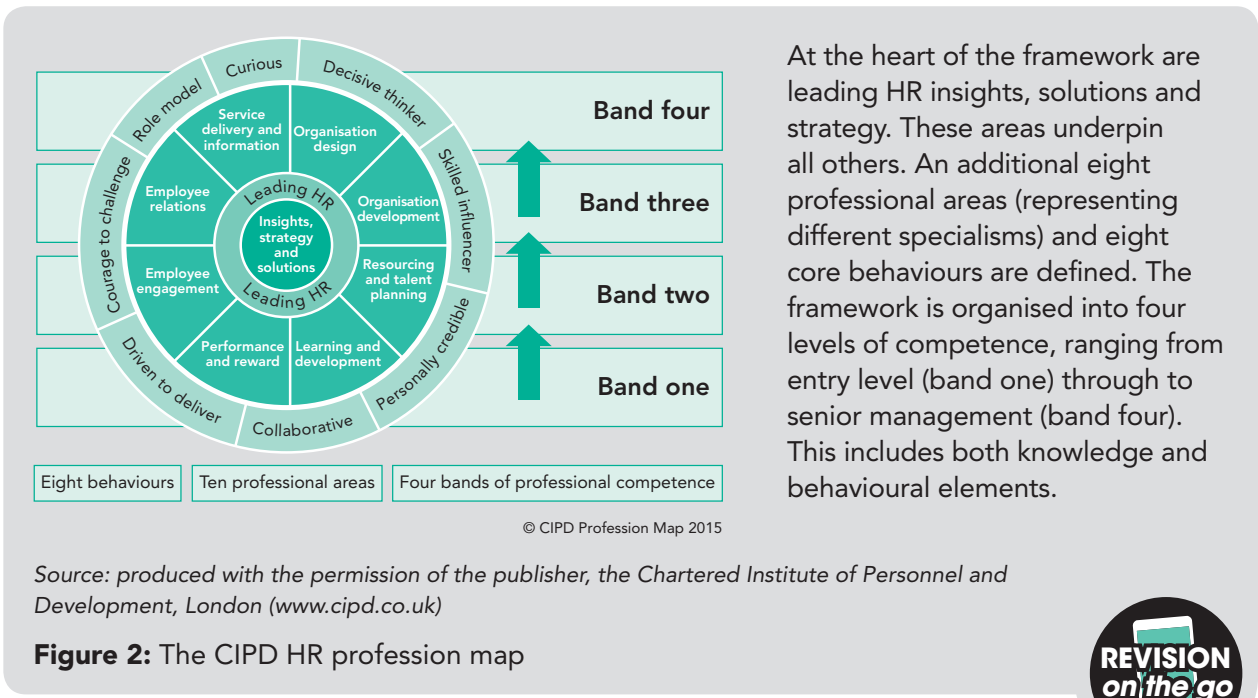
Reflect on these and identify:

- How they may impact on your own work.
- How they differ or compare.

Share your thoughts with a study partner, if possible.

Professional frameworks of standards and competence

Professional HR frameworks set out the knowledge and behaviours professionals should demonstrate. These provide clarity around what is expected as a practitioner in the field, both underpinning qualifications in the field of HR and also serving as a basis for professional membership decisions. These frameworks provide a means to ensure that skills, knowledge and behaviours remain relevant and up-to-date. This gives benefits for both personal and professional career development.



The SHRM competency model found here: <https://blog.shrm.org/sites/default/files/compmodel.jpg>, is similar to the CIPD framework in that SHRM also defines four career levels (early, mid, senior and executive). It identifies specific behaviours, defining competence at each level.

Working with a professional code places an external obligation on HR professionals to uphold the requirements of the profession. The CIPD Code of Professional Conduct requires members to “always act in a way which supports and upholds the reputation and values of the profession” (CIPD 2015)⁶⁵. This can lead to tensions between what the organisation wishes to achieve and how it acts in accordance with aspects of the relevant code.

The business case for ethical HRM

The link between the HR function and ethical and fair treatment can be traced back to the origins of HRM and its primary function of promoting and supporting employee welfare. Today, legislation and regulation provide a minimum level of protection. However, there is still a need to ensure that employees are treated ethically.

4.2 Discuss ethical perspectives and theories in order to develop a business case for ethical HRM

There are three main theoretical stances on ethics:

Ethics as duties – a **deontological** or universal perspective, which believes that actions are ethical if they are “right” and unethical if they are “wrong”. This philosophy believes there is a set of principles which can be applied universally. A related HR example may be an organisational policy within a food manufacturer which requires staff not to report to work if they are suffering from certain illnesses.

⁶⁵ CIPD (2017) *Code of Professional Conduct* [online]. Retrieved from: <https://www.cipd.co.uk/about/what-we-do/professional-standards/code> [Accessed on: 25 October 2017]

Ethics as consequences – a **teleological** or utilitarian perspective in which acts can be justified on the grounds of being “good” for the majority. The following case study illustrates this perspective.

CASE STUDY: AN ORGANISATIONAL RESTRUCTURE

“Parts for All” manufactures a range of fixtures and fittings and operates across five factories in your region. A difficult trading year has led the board of directors to identify that significant cost savings need to be made. Each of the factories is equally profitable, however, one of the factories is in an area where a number of new manufacturing sites are about to open. Two of the factories are, in contrast, in rural areas where there is little alternate work.



OVER TO YOU

Activity 4: An organisational restructure

You have been asked for your advice on which factory should be closed and how this decision should be made. What would you advise is considered?

Discuss your thoughts with a study partner, if possible. How does this situation help illustrate the theory of ethics as consequences?

This theory may lead to decisions being taken on the basis of their impact on the majority of people rather than just a few.

Ethics as virtues – a utilitarian perspective which suggests that decisions are made on the basis of the type of person we wish to be, the virtues of this person and the actions they would take. Both the CIPD HR profession map and the SHRM model of excellence outlined earlier are examples of **virtue ethics**, illustrating the behaviours expected of the HR professional.

 OVER TO YOU

Activity 5: Exploring ethical perspectives

Complete the table below to build a picture of the three main ethical perspectives. Compare your thoughts with those of a study partner, if possible.

Perspective	Outline of theory	Theorists	Issues and challenges	Examples of this in operation
Ethics as duties				
Ethics as consequences				
Ethics as virtues				

The business case for ethical HRM

Public accountability has changed the way many organisations conduct their affairs. Many organisations are finding that the moral dimensions of their actions and decisions are being held up to public scrutiny.

 NEED TO KNOW

Business ethics are defined as the moral principles which guide the way a business acts. This involves:

- the impact of decisions made;
- the fairness of those decisions.



Corporate social responsibility (CSR)

CSR can be viewed as a form of corporate self-regulation which started in the 1960s. It occurs when a business performs actions that are considered in the social good or that can have a positive effect on society. Today, it has been integrated into a business model.

Business ethics and CSR can bring a number of benefits to a business, including:

- attracting and retaining customers;
- attracting and retaining employees, reducing turnover and increasing motivation and performance;
- attracting investment.

“ There can be costs incurred through introducing a code of ethics, but the experience of most is that these are more than compensated for in the longer-term. Motivation and performance can increase amongst staff if they are treated fairly. Customer loyalty may be boosted if promises are met ”

Webley (2012)⁶⁶

Kotler (2009)⁶⁷ referred to the impact of establishing an ethical code of conduct as the “societal marketing concept”, summarising the impact of communicating beliefs and values to the wider customer and stakeholder group. Included within this is the need for ethical behaviour, openness, transparency and the fair treatment of employees and customers.



OVER TO YOU

Activity 6: The business benefits of ethics

Read Holme and prepare a short summary of the benefits of adopting an ethical approach to business.

Holme, C. (2008), “Business ethics – Part One: Does it matter?”, *Industrial and Commercial Training*, Vol. 40 Issue: 5, pp. 248–252. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

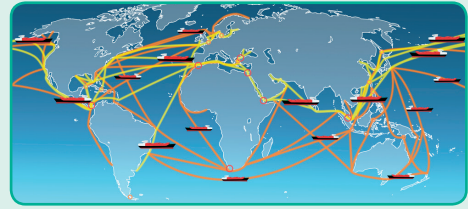
⁶⁶ Webley, S. (2009), “Ethics at Work” *CIPD* [online]. Retrieved from: www.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2013/01/29/ethics-at-work-2009-07.aspx [Accessed: 22 November 2017]

⁶⁷ Kotler, P. (2009), *Marketing Management by Philip Kotler, Kevin Keller, Dr Mairead Brady and Malcom Goodman*. Prentice Hall

CASE STUDY: A NEED FOR AN ETHICAL CODE OF CONDUCT IN AN EXPANDING MARKET

Your organisation is considering a planned and phased expansion into a number of overseas markets. This will include:

- The offshoring of production and manufacturing in order to make cost savings through proximity to raw materials and also to take advantage of cheaper labour costs.
- Locating sales and marketing teams in each of the 10 major countries served by the organisation. These teams will have autonomy over their working decisions with a remit to drive sales at a local level.



OVER TO YOU

Activity 7: The contribution of a code of ethical conduct

Evaluate the need for a code of ethical conduct in the case study and how it could contribute to the organisation's future plans.

Carroll's CSR pyramid (1983)

CSR has become a key area of ethical practice and in many organisations HR plays a prominent role in implementing it. Carroll⁶⁸ proposes that CSR obligations can be divided into four levels as shown in the diagram below.

⁶⁸ Carroll, A. B. (1991), "The pyramid of corporate social responsibility: toward the moral management of organizational stakeholders", *Business Horizons*, Vol, 34, Issue 4, pp. 39–48

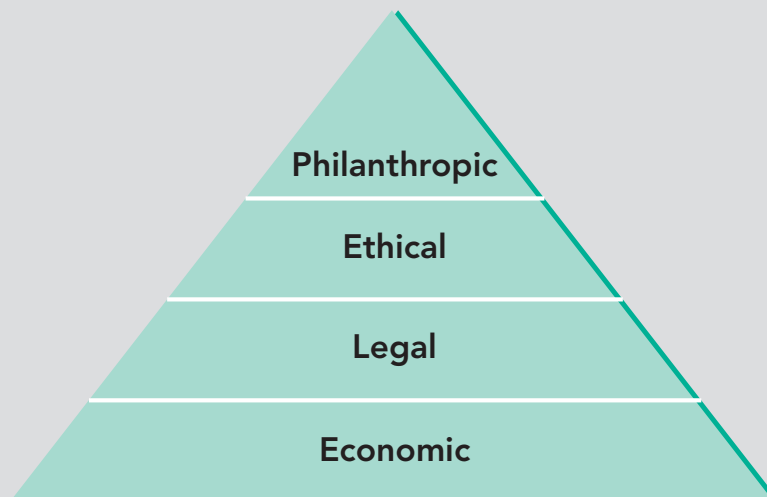


Figure 3: Carroll's CSR obligations



Organisations will seek to maximise their profits in order to meet shareholder or owner expectations (economic responsibility). Organisations must adhere to specific national and sector rules and regulations (legal responsibility). Ethical responsibilities go beyond what is required and refer to expectations placed on an organisation by its wider internal and external customers. At the top of the pyramid, philanthropic responsibly refers to wider contributions to society and is mainly undertaken for public relations purposes.

OVER TO YOU

Activity 8: CSR

The authors below highlight the contribution of being “proud of your origins and embracing actions that contribute to the national welfare.” Review their article to inform a discussion between your study group members on the benefits of CSR activities.

Puncheva-Michelotti, P. Michelotti, M. (2014), “The new face of corporate patriotism: does being “local” matter to stakeholders?”, *Journal of Business Strategy*, Vol. 35 Issue: 4, pp. 3–10. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Impact on HR delivery and practice

There is no one right approach to HRM and the HR professional will experience many ethical dilemmas. The HR function is often regarded as responsible for an organisation's ethical position and actions. This requires those working within HR to consciously cover their own actions and behaviours and to lead from the front. Working as a partner to the organisation requires HR to bring an ethical viewpoint into the formulation of company policy and strategy.

4.3 Discuss the ethical rationale for maintaining values and standards within the workplace

Ethical issues

Employment law provides protection to individual employees and sets minimum standards which should be met. These laws cover aspects such as the nature of employment contracts, equal opportunities and rights at work, including dismissal and termination of employment. Maintaining minimum standards in regards to health, safety and welfare are also often included.

While legislation sets out expectations which must be met, there are many examples of organisations who do more than simply comply with statutory compliance, but adopt a best-practice approach in order to help gain a competitive advantage. Advantage may occur either as a result of becoming an **employer of choice** or by leading to practice which drives organisational success. This may be justified either through:

- **Stakeholder** approach – organisations being duty-bound to do the best they can for their employees.
- Shareholder approach – this being the best way to keep stakeholders functioning and preserve the share value.

Debates continue over the ethics of exceeding minimum standards. Clearly, doing more than simply complying is a key feature of being an employer of choice and evidence demonstrates that a best-practice approach leads to competitive advantage.

The role of HR

HRM plays both a supportive and leading role through:

- Ensuring that legal or regulatory obligations are met by challenging decisions and acting as an employee champion to ensure rights are upheld (e.g. ensuring all employees are treated in a fair and non-discriminatory manner). Here, HR acts as the conscience of the organisation.
- Ensuring that the organisation's reputation is upheld through its policies, leadership and handling of different situations.
- Maintaining values and standards in the workplace and ensuring understanding of relevant codes of conduct/ethical practice through training, communication and performance management systems.
- Taking actions to develop and maintain employee loyalty.
- Promoting and supporting actions to maintain effective corporate governance by developing management capability and ensuring that actions align with values and culture.



OVER TO YOU

Activity 9: Supporting the introduction of an ethical code of conduct

Referring back to the case study: "A need for an ethical code of conduct in an expanding market". Justify the supporting human resource policies that are needed to ensure the success of this code. To help with this activity you may find the article by Hussein (2009) informative.

Share your thoughts with your study partner, if possible.

Hussein, M. (2009), "Hiring and firing with ethics", *Human Resource Management International Digest*, Vol. 17 Issue: 4, pp. 37–40. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Managing ethical dilemmas and tensions



OVER TO YOU

Activity 10: Ethical challenges

Reflect on your HR function or one you are familiar with. Which activities are potentially ethically problematic?

Two frameworks which can help manage these dilemmas include the CIPD’s ethical lenses and Carroll’s ethical principles⁶⁹. The CIPD’s ethical lenses provide perspectives from which different situations can be explored. Carroll’s principles help provide a reasoning to understand the stance taken. These are summarised below.

Ethical lenses	Carroll’s ethical principles
<ol style="list-style-type: none"> 1 Fairness: Everyone in an organisation should be able to agree to an action. 2 Merit: Talent and hard work should be rewarded. 3 Markets: Jobs and their rewards should follow from voluntary exchanges. 4 Democracy: No one should be subject to something without being able to have a say. 5 Wellbeing: Work should be good for us. 6 Rights and duties: Everyone has rights, and also duties to not violate other’s rights. 7 Character: We should all work to develop our ethical character. 8 Handing down: We are responsible for looking after and passing on our world to the next generation. 	<ol style="list-style-type: none"> 1 Categorical imperative: Only adopt principles of action if they can be adopted by everyone else. 2 Conventionalist ethic: Further self-interest as long as this does not violate the law. 3 Golden rule: Do unto others as you would have them do to you. 4 Hedonistic rule: If it feels good, do it. 5 Disclosure rule: Only take an action or decision if you are comfortable with it and you wouldn’t mind if others were aware of it. 6 Intuition rule: You do what your “gut feeling” tells you is right. 7 Means-end rule: You should act as if the end justifies the means. 8 Might-equals-right rule: Take whatever advantage you are powerful enough to take. 9 Organisation ethic: Be loyal to your organisation. 10 Professional ethics: Do only that which can be justified to your professional peers. 11 Utilitarian principles: The greatest good for the greatest number.

Table 2: Reasoning and perspectives for managing ethical dilemmas.



 OVER TO YOU

Activity 11: Resolving an ethical dilemma

You are a human resources manager in a service sector organisation which has a productivity bonus scheme. Six months ago, the scheme was suspended due to the financial position of the organisation and at the same time, a number of redundancies were made. New contracts have been won recently and overtime has been reintroduced to cope with the increase in demand.

⁶⁹ CIPD (2015), *Perspectives on ethical workplace decision-making* [online]. Retrieved from: www.cipd.co.uk [Accessed on: 25 October 2017]

An announcement was made last week that, despite the increase in business, no bonus payments will be made for the last year. It is hoped that the organisation will review the scheme and reintroduce it in a modified version over the coming months. Today, your director has asked you to pay the bonus to one employee only. The director has explained that this employee has been working extremely hard, single-handedly keeping the section going after two colleagues were made redundant. The director has told you that this employee “deserves the extra money, and he will leave otherwise because he is fed up. I don’t want anyone else to find out about it.” How would you approach this situation? Identify from both the ethical lens and Carroll’s principles the stance you would take and why. Share your thoughts with your study partner, if possible, discussing the similarities and differences in approach.

Whistle-blowing

Whistle-blowing occurs when an individual raises a concern about danger or illegality, which may affect others. This may relate to alleged misconduct of another employee or a third party.

Having a clear policy on whistle-blowing protects workers for “telling truth to power”. It benefits the organisation by helping protect its reputation and reducing the risk of the unlawful activity. The typical content of a whistle-blowing policy would include:

- organisational commitment and reassurance to employees;
- definitions and examples of activities which could be considered whistle-blowing, and those which are not;
- the nature and level of support available to those who make a disclosure;
- details of how this disclosure will be investigated.

Challenges in implementing and managing whistle-blowing policy

One of the main challenges is ensuring that managers support workers who raise concerns. Managers may be tempted to cover things up or act dismissively. Training will help ensure understanding and that concerns are dealt with appropriately. Resources need to be allocated to ensure effective monitoring.

A policy is only as alive as an organisation that makes it. HR needs to ensure that managers and workers have access to information about the policy and the safeguards that are in place. This might include general information on the intranet, handbooks for guidance for managers, as well as including it in cascade meetings (meetings where official briefings and messages are filtered down by a hierarchy of line managers through the organisation, using the organisational structure). Confidential updates on issues that have arisen and actions taken should also be considered. The benefits of such policies include: providing clarity on exceptions, giving guidance to help manage and resolve issues, and a mechanism within which these can be raised.



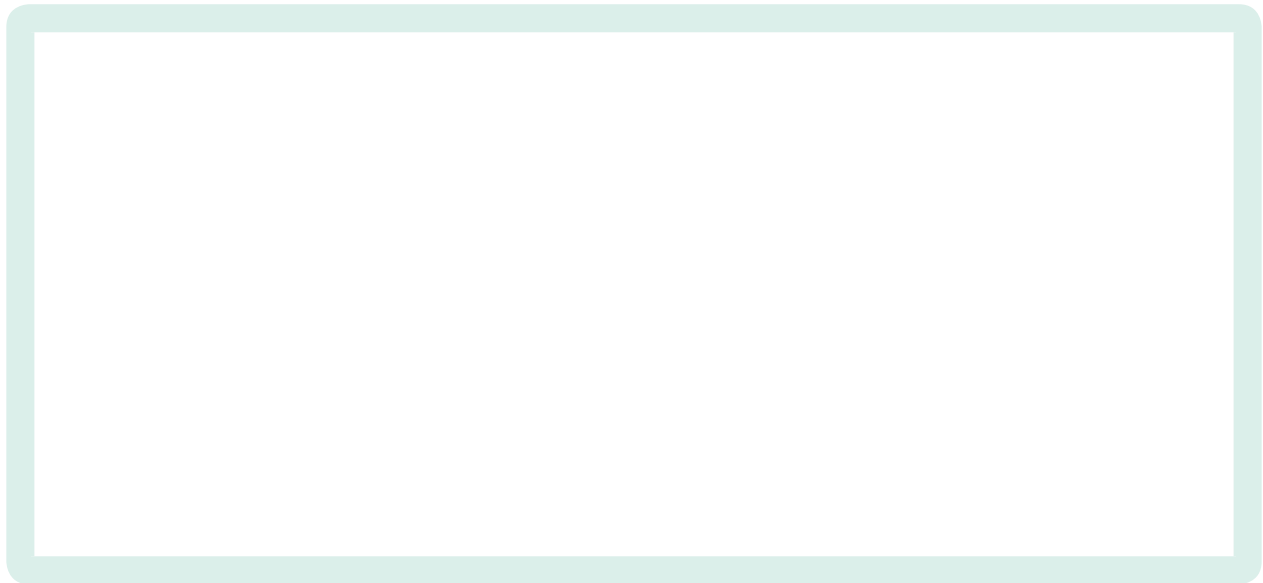
OVER TO YOU

Activity 12: Whistle-blowing

Kemp discusses the challenges of encouraging staff to speak up on ethical issues. In her article she refers to legislation in the UK, the United States of America (USA) and Europe which is designed to encourage and support staff to raise concerns.

How does legislation in your country support and protect whistle-blowing?

Kemp, H. (2014), “Supporting staff to fight corruption: Companies rise to the challenge by setting the right example”, *Human Resource Management International Digest*, Vol. 22 Issue: 6, pp. 33–36. Emerald Group Publishing Limited. (This article will be available in your online student resources.)



4.4 Appraise a range of day-to-day HRM activities within the workplace, identifying potential ethical and professional tensions and proposing solutions.

“Given that HR reaches into all corners of the organisation, there is an opportunity for HR to provide leadership in crafting policies and advising on practice which creates a positive environment for competitive recruitment and solid retention of staff. In many ways one might see ethics as good professional practice as much as good business.”

Rees and French (2011)⁷⁰

Fair and ethical practices

There are no set rules to ensure ethical practices. Decisions which are morally right in one context may not be in another. The ethical dilemmas you may encounter include:

- Recruitment and selection: An ethical process would ensure that everyone is treated equally and, that recruitment materials are a fair representation of the role and do not paint an unrealistic picture. Selection techniques should be fair and relevant to the role.
- Communication: Communication should be accurate and timely.
- Management of absence: Consideration needs to be given to how absence is managed if this is the result of workplace conditions. Personal health information should not be held for longer than necessary and only used for the purposes obtained.
- Working practices: The introduction of flexible working practices may lead to reduced levels of job security.
- Reward management: Challenges which may be faced include justifying differentials, developing a reward policy which leads to negative behaviour or inhibits teamwork or applying decisions selectively.

⁷⁰ Rees, G. and French R. (2010), *Leading, Managing and Developing People*. CIPD: London

In the absence of an organisation-specific code of ethics, the HR professional should:

- balance what is morally right with the organisation’s need to make a profit;
- treat all employees with consistency;
- treat others as you wish to be treated with honesty and fairness;
- make decisions based on logical and ethical considerations.

Equality and diversity

One aspect of ethical behaviour which has most prominence in organisations relates to equality and diversity. Table 3 summarises the differences in these two concepts.

	Equal opportunities	Diversity management
Meaning	Treating everyone in the same way	Refers to the broader make-up of an organisation’s workforce and ensuring that an inclusive approach is adopted to embrace this wider mix
Justification	Via a moral case: discrimination is wrong because it is unfair	Via a business case and based on being driven by the local employment market
Methods to raise awareness	Rules and instructions	Training/awareness campaigns

Table 3: The differences between equality and diversity



Some HR practices are by their very nature discriminatory e.g. making a selection decision involves discriminating between candidates. So it is important to ensure that the criteria only judge between candidates on the basis of meeting the job description – not on other characteristics such as gender, etc. Ethical tensions arise when discrimination is unlawful or unfair. In many countries legislation prohibits discrimination on the grounds of specific protected characteristics. The exact make-up of these varies from country to country. However, a wider list includes: age, gender, sexual orientation, religion, disability and race.

Discrimination may take one of three forms:

- **Direct discrimination:** having a preference for one individual over another on grounds related to specific characteristics.
- **Indirect discrimination:** putting in place a provision or practice which some can meet more easily for reasons that relate to their characteristics, and unrelated to the job in question.
- **Positive discrimination:** an organisation may be justified in making decisions in favour of an under-represented group.

 OVER TO YOU**Activity 13: Acting fairly in selection**

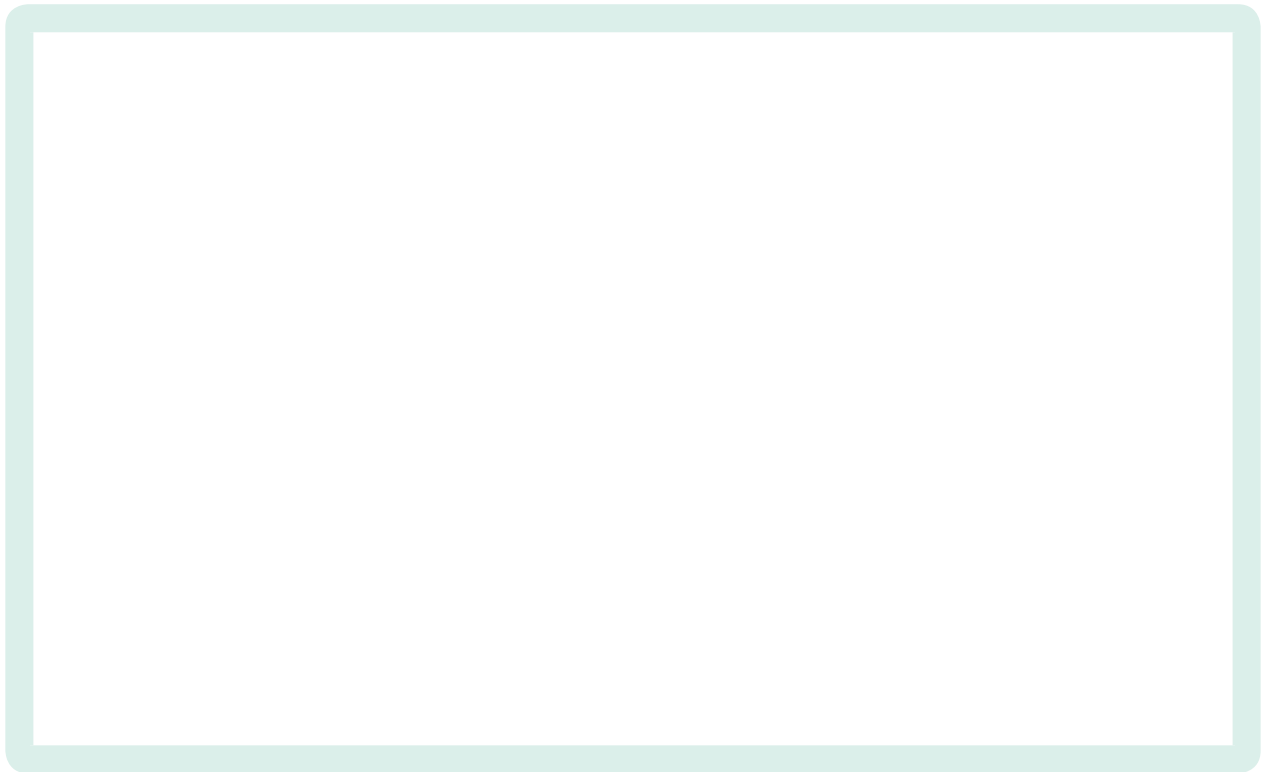
In your capacity as an HR professional you are asked to assist with interviews for the position of general manager. During the shortlisting process you felt that some candidates were being overlooked on potentially discriminatory grounds. After you voiced your concerns, one woman was selected to be invited to interview. Today is the interview day and in total five candidates are to be interviewed. How will you ensure that all candidates are treated and considered fairly?

Stakeholder conflicts

Managing stakeholders effectively is an essential part of HR practice, especially in light of the need to balance ethical tensions. Stakeholder management requires understanding who stakeholders are, their needs, engaging with these and ensuring that appropriate and relevant communication takes place. As discussed in Chapter 1, stakeholders have different interests and needs, and resolving these from an HR perspective may be about trade-offs and compromises. The Johnson and Scholes stakeholder matrix (covered in Chapter 1) provides a useful tool to assess the respective interest and power of different stakeholders.

 OVER TO YOU**Activity 14: Managing stakeholder needs**

Consider the stakeholders of the HR department. The organisation has identified a need to raise performance in order to secure its financial future. How might the different stakeholder needs conflict and impact on actions taken by HR?



Competing interests can be managed by HR by ensuring that organisational values are upheld and that employees' needs and rights are considered alongside those of any other stakeholder. For example, the organisation may wish to allow an employee accused of gross misconduct to leave the organisation rather than face disciplinary action. HR needs to consider the ethics of this and ensure that the wider view is taken so that employee rights and organisational policies are upheld. This requires confidence and clear communication.

Think global, act local

As companies continue to expand globally, pressures arise between the need to retain both a global and local culture. The risk of cultural errors and their subsequent potential impact on success and profitability needs to be considered against the need to retain global identity and economies of scale.

Convergence approaches consider that best-practice approaches can be applied everywhere, irrespective of different environments, whereas **divergence** approaches assert that approaches should reflect local and national needs.



OVER TO YOU

Activity 15: The impact of glocalisation

Hurn claims that "Globalisation will not succeed if a 'one-size fits all' approach is maintained. National, cultural, religious and social differences are likely to prevail and business will need to take these into account. There is an imperative for successful international managers to respond accordingly by recognising the need for 'glocalisation', that is a combination of global integration tempered by the requirement for local responsiveness."

From an HR perspective, do you agree with this view? Identify the areas where you feel that local needs take precedent over global needs.

Hurn, B J. (2013), "Response of managers to the challenges of globalisation", *Industrial and Commercial Training*, Vol. 45 Issue: 6, pp. 336–342. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Glocalisation

Glocalisation refers to the practice of considering both local and global business considerations.

This brings with it a need to:

- understand the different regulations and legislation in place in each country;
- ensure that local preferences are met;
- ensure policies are sensitive to local needs.



READING LIST

- Holme, C. (2008), "Business ethics – Part One: Does it matter?", *Industrial and Commercial Training*, Vol. 40 Issue: 5, pp. 248–252. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Hurn B, J. (2013), "Response of managers to the challenges of globalisation", *Industrial and Commercial Training*, Vol. 45 Issue: 6, pp. 336–342. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Hussein, M. (2009), "Hiring and firing with ethics", *Human Resource Management International Digest*, Vol. 17 Issue: 4, pp. 37–40. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Kemp, H. (2014), "Supporting staff to fight corruption: Companies rise to the challenge by setting the right example", *Human Resource Management International Digest*, Vol. 22 Issue: 6, pp. 33–36. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Peticca-Harris, A. McKenna, S. (2013), "Identity struggle, professional development and career: A career/life history of a human resource management professional", *Journal of Management Development*, Vol. 32 Issue: 8, pp. 823–835. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Puncheva-Michelotti, P. Michelotti, M. (2014), "The new face of corporate patriotism: does being "local" matter to stakeholders?", *Journal of Business Strategy*, Vol. 35 Issue: 4, pp. 3–10. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Summary

The drive for increasing competitive advantage brings with it a number of ethical and professional challenges for HR. Ethics is a very broad area and not purely an HR responsibility. HR does, however play an important role in leading the organisation's ethical stance. Ensuring fair and ethical treatment contributes to high engagement. Within this chapter we have considered HR's role in policy development and implementation and how professional codes of conduct can help HR role model the behaviour it seeks to encourage.

In the final chapter of this study guide you will have the opportunity to reflect on any personal development needs you have in this area.

Chapter 5

The Critically-Reflective Practitioner

Introduction

A characteristic of professional practice is the capacity to reflect on an action in order to gain insights into your own behaviours and capabilities, which leads to the development of practice and skills. This chapter explores the concept and value of **reflective practice** within HRM. We explore approaches to becoming a critically-reflective practitioner and developing a sense of **self-awareness** of your own strengths and weaknesses as managers and colleagues within the workplace.

Learning outcomes

On completing the chapter, you will be able to:

- 5 Apply the concept of a reflective practitioner within both current and anticipated future work contexts

Assessment criteria

- 5 Apply the concept of a reflective practitioner within both current and anticipated future work contexts
 - 5.1 Analyse a range of reflective practice approaches
 - 5.2 Reflect on personal knowledge, experience and practice including a realistic self-assessment of skills and needs, both current and future, relating to your role as an HR professional

5.1 Analyse a range of reflective practice approaches

Reflection is a key element in the learning cycle, helping individuals look back at experiences and learn from hindsight. The following are key contributions which help define the nature and form of reflective practice:

- Dewey⁷¹ highlights that reflective practice is an active and deliberate “consideration of any belief or supposed form of knowledge in the light of the grounds that support it.” Examining the underlying assumptions, being self-aware and evaluating our responses lead to **lifelong learning**.
- Schön⁷² suggests that knowledge is built through reflection. Reflection is an iterative process which leads to change and further action.
- Kolb’s⁷³ learning cycle suggests that reflection enables sense-making and allows learners to explore how theories and ideas (**abstract conceptualisation**) can be applied, leading to further action and new experiences.
- Boud et al.⁷⁴ describes reflective practice as “intellectual and affective activities in which individuals engage to explore their experiences in order to lead to a new understanding and appreciation.”

Central to all of these is the notion that reflective practice involves learning through and from experience, which leads to a developed sense of awareness of own practice, underlying beliefs and assumptions, and action to be taken in the future.



OVER TO YOU

Activity 1: Clarifying terms

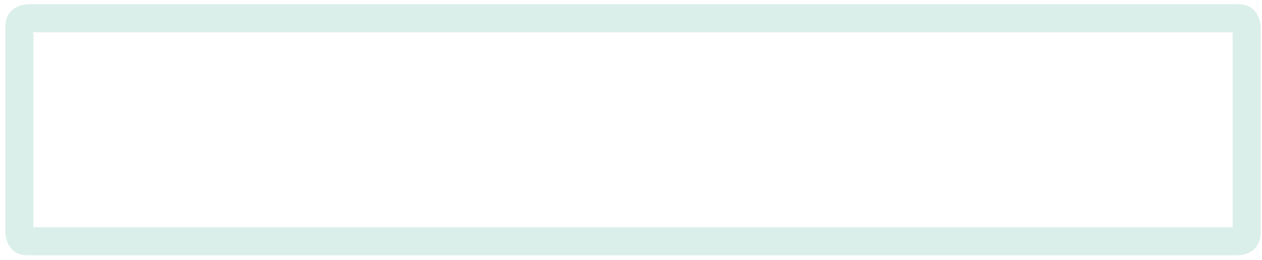
What do you understand by the terms “reflection” and “reflective practice”?

71 Dewey, J. (1910), *How we think*. Boston: D. C. Heath

72 Schön, D. (1983), *The reflective practitioner: How professionals think in action*. London: TempleSmith

73 Kolb, D. A. and Fry, R. (1975), “Toward an applied theory of experiential learning”, in C. Cooper (ed.), *Theories of Group Process*. London: John Wiley

74 Boud, D. et al. (eds.) (1985), *Reflection: Turning Experience into Learning*. London: Kogan Page



Uses and value of reflective practice

Personal

At an individual level, reflective practice helps us:

- challenge ourselves, prompting us to consider if actions were correct, executed effectively and appropriately, thereby enabling improvements to be noted;
- consider the strengths and possible applications of best practice supporting organisational growth;
- as part of Kolb's **experiential learning** cycle, by providing a framework to transfer learning;
- learn from experience for future benefit. Reflective practice develops awareness of the reasons for the actions we have taken and the impact these have, helping us to understand and recognise the impact our values, beliefs, assumptions and personality traits have on our actions and to consider other perspectives on situations;
- consider options and alternate actions and plan for these;
- stimulate personal professional development and growth.

Organisational

Within HR, as with other professions, complex issues are often faced where there are no easy or right answers. Reflective practice provides a lens through which issues and problems can be explored and new ideas generated to support achievement of organisational goals. Reflection on professional trends and external practice will enable a best-fit approach to be adopted. As an HR professional, role modelling a challenging, thinking approach encourages others to follow suit. Demonstrating a positive, proactive approach to one's own **continuous professional development (CPD)** will encourage others to follow, aiding the development of a **learning organisation**.

Professional

The requirement to undertake CPD and some form of reflective practice is a key requirement of many professional bodies. It helps:

- **Continually maintain, improve and develop professional practice.** Reflective practice challenges practices and considers how these can be developed and adapted.
- **Assist in managing change.** Reflective practice provides an opportunity to make sense of and consider changes which may occur at an individual work role level or within the organisation as a whole, and helps to keep professionals abreast of wider external and issues trends. Reflection helps consider if approaches remain appropriate and if, as individuals, we have the skills and capabilities to manage these.
- **Demonstrate commitment to professional identity.** Reflective practice helps to ensure that the highest possible levels of professional practice are achieved. In turn, this provides confidence in the approaches adopted by individuals.

 OVER TO YOU

Activity 2: Benefits of reflective practice

Write a brief summary of around 200 words on the possible value of reflection and reflective practice to you as an HR Professional. Would you consider using this process for learning and development? What issues or barriers might be encountered?

Types of reflection

Reflection-in-action occurs while you are involved in a situation. This considers immediate reactions and thoughts about the reasons why something is happening, thus enabling different actions to be chosen or facilitating on-the-spot reaction.

Reflection-on-action involves stepping back from the situation and occurs when the event is considered again after some time. We may think more deeply about what happened, what caused the situation, what choices were open and why we chose one approach over another. This form of reflection after the event can be time-consuming and requires a rational assessment of the situation. One advantage of reflection-on-action is that, with hindsight, emotional distractions are removed, which enables objective thinking.

 NEED TO KNOW

Reflection-in-action vs reflection-on-action

Schön (1987)⁷⁵ suggested that the reflective practitioner builds knowledge through reflection either as events happen (a process known as reflection-in-action) or afterwards (termed reflection-on-action).



⁷⁵ Schön, D. (1983), *The Reflective Practitioner: How Professionals Think in Action*. London: TempleSmith

 OVER TO YOU

Activity 3: Reflection-on-action or reflection-in-action?

Review the article by Walger et al. and consider the findings from the research into the use of both reflection-on-action and reflection-in-action in improving decision-making within an HR context.

Identify one example of a situation where you have used reflection-in-action and reflection-on-action as part of your own decision-making processes.

If you are studying with a class, you will work with these situations to explore both the reasoning for this and the benefits which followed.

Walger, C. De Déa Roglio, K. Abib, G. (2016), "HR managers' decision-making processes: a 'reflective practice' analysis", *Management Research Review*, Vol. 39 Issue: 6, pp. 655–671. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Reflection-for-action involves questioning the technical, practical and critical aspects of a task in order to generate thoughts and ideas on appropriate solutions. Table 1 summarises key questions which can be asked for each of these aspects and contains a worked example.

Aspect:	Key questions:	Example:
Technical	<p>What resources are available to me for this task?</p> <p>How long should this take/how much time do I have?</p>	<p>Situation: A new computerised performance management system is being introduced next month which will place greater ownership on line managers. Training on the new system is required.</p> <ul style="list-style-type: none"> • Training must be delivered in-house and there is no budget available. • This must be undertaken within the next month, before the launch date. • Line managers can only be released in small groups and for no more than half a day.

Aspect:	Key questions:	Example:
Practical	How do I adapt/make this relevant to different needs?	<p>Situation: A new computerised performance management system is being introduced next month which will place greater ownership on line managers. Training on the new system is required.</p> <ul style="list-style-type: none"> • The policy document clearly indicates differing levels of involvement and responsibility. Training could take place in appropriate groups. • Need to ensure hands-on experience of the new system and copies of sample completed documentation is provided.
Critical	What is my reasoning for this action/suggestion, etc?	<ul style="list-style-type: none"> • Differentiating by responsibility/use will allow tailored sessions and the opportunity to respond to questions appropriately. • Managers need to experience the system and feel comfortable with its use.

Table 1: Reflection-for-action questioning



Atkins and Murphy⁷⁶ suggest that the reflective process comprises three key stages:

- 1 Awareness:** During this stage we become aware of uncomfortable feelings and thoughts e.g. a feeling of doubt or nerves in a specific situation. At this stage we describe the experience in terms of our feelings and thoughts.
- 2 Analysis:** Identifying and critically challenging assumptions as well as imagining and exploring options. As part of this critical analysis, considering relevant knowledge and theoretical perspectives help shed light on the experience and offer possible solutions.
- 3 Developing new perspectives:** The result of reflection is to generate different ways of reviewing and looking at a situation.

Personal vs group reflection

Reflective practice can take place both at an individual introspective level and also as part of a group. Reflecting as a group enables working practices and approaches to be considered and provides a structure to make sense of what is happening within the group, including the impact of group dynamics. Group reflection enables a critical and constructive dialogue, obtaining and sharing views and ideas in an open and constructive manner.

⁷⁶ Atkins, S. and Murphy, K. (1993), "Reflection: a review of the literature", *Journal of Advanced Nursing*, Vol. 18, pp. 1188–1192

 OVER TO YOU

Activity 4: The value of group reflection

Does reflection need the input of others?

Read the article by Yeo, R, K. "Building commitment through reflective practice: an inside-out approach", *Industrial and Commercial Training*, Vol. 45 Issue: 1, pp. 3–11. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

In light of both the evidence given by Yeo and your own experience do you feel other people can add value to the reflective process? Summarise your thoughts in a short piece of reflective writing.

Open and closed reflection

Open reflection involves dialogue with others, sharing thoughts and using others as a sounding board. **Mentoring** and action learning sets are useful tools to promote open reflection. Closed reflection is more introspective and personal. In this form of reflection, diaries, blogs or vlogs may be used to help express thoughts.

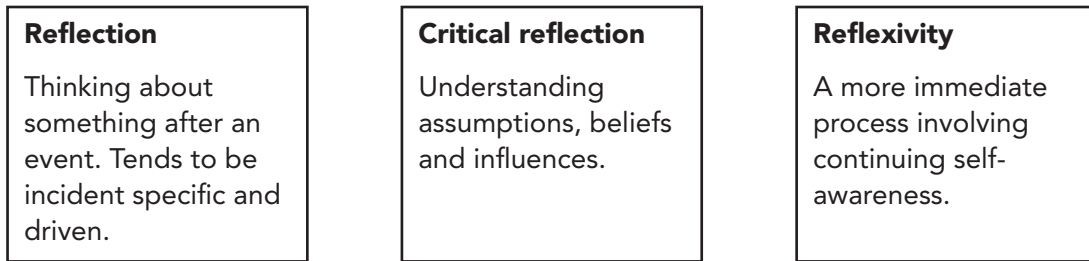
Features and principles of reflective practice

Key features include:

- Active self-evaluation and consideration of experiences, considering what, why and how? Effective reflection will focus on those aspects of practice which are of most concern and importance to the individual. These may vary over time.
- Personal ownership – reflection is an inherently personal activity and therefore needs to be driven by each individual in a manner which best works for them.
- Open-mindedness and self-challenging – a key purpose of reflection is to learn from the past and generate ideas to move forward. This can only happen when an experience is considered fully.
- Action orientated – developing new ideas and seeking to test these out.

Principles and concepts of reflection

Finlay and Gough (2003)⁷⁷ identify three component elements within reflective practice:



As a professional practitioner it is important to reflect on our actions (reflection as part of CPD), think about our HR practice (reflective practice) and be aware and take account of our influence on others/the organisation/HR practice (reflexivity).

Single- and double-loop learning

Reflective practice helps identify and question underlying assumptions and beliefs leading to a developed sense of awareness and the action needed for change. Argyris and Schön's (1974)⁷⁸ concept of single- and **double-loop learning** illustrates how we can develop our understanding of the causes of problems and how these can be solved.

Single-loop learning is the most common form of learning, in which we modify our actions in response to situations and outcomes. The intention here is to ensure we are doing things in the right way to achieve our goals (the goals themselves are not questioned). Adjustments are made to improve the situation and keep ourselves on track. A disadvantage of single-loop learning is that underlying causes of problems are left unaddressed.

Double-loop learning revisits the underlying assumptions, values and beliefs behind what we do, thus helping ensure we are doing the right things. This offers a deeper form of reflection in which we do not consider whether or not what we are doing is right, but look at patterns in our behaviours and actions.

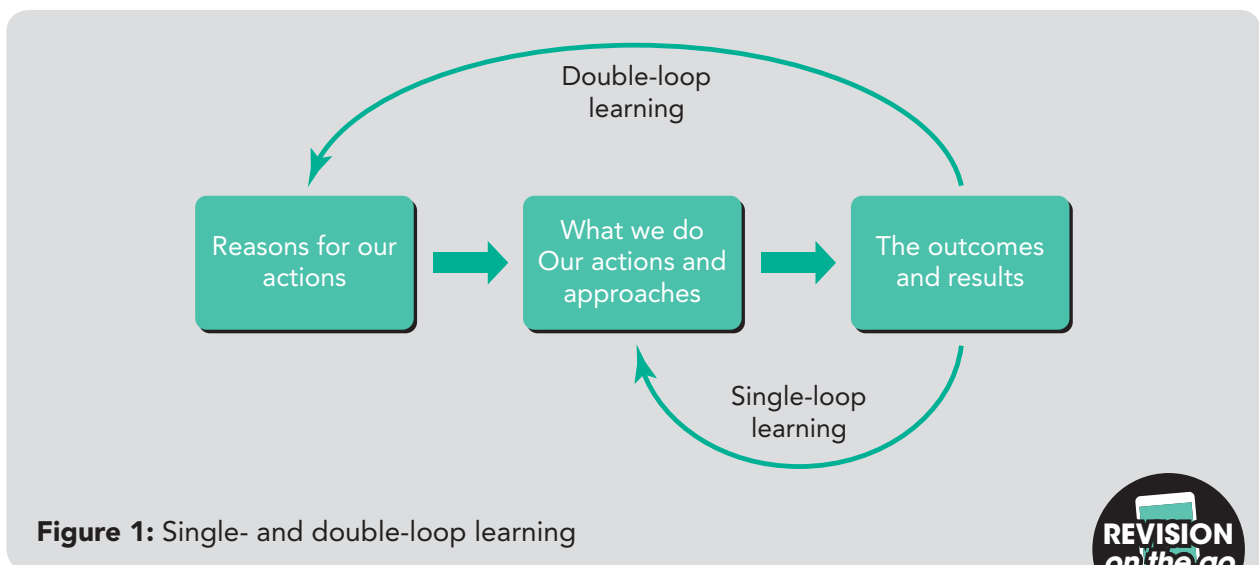


Figure 1: Single- and double-loop learning



⁷⁷ Finlay, L. (2008), *Reflecting on reflective practice* [online]. Retrieved from: <http://www.open.ac.uk/opencetl/resources/pbpl-resources/finlay-l-2008-reflecting-reflective-practice-pbpl-paper-52> [Accessed on: 22 November 2017]

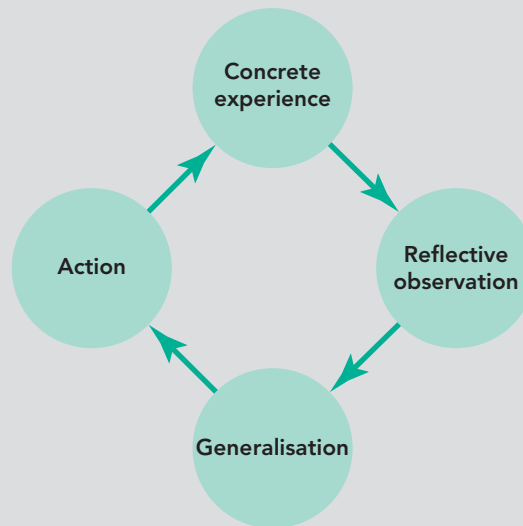
⁷⁸ Argyris, C. and Schön, D. (1974), *Theory in Practice: Increasing Professional Effectiveness*. San Francisco: Jossey-Bass

Models and frameworks of reflection

Models and frameworks of reflection provide a process to help guide and direct reflective action. In this section we will consider some of these and provide an opportunity for you to apply these to your own learning and experiences.

Kolb's experiential learning cycle

Kolb's (1984)⁷⁹ experiential learning cycle is a rational model of learning. This illustrates that learning is more than just experience (concrete experience) and thinking about what happened (reflective observation). It stresses that we need to consider and develop our understanding of how learning can be applied in other situations (generalisation) and also find ways to try out this new learning (action). Reflection is a key element of this process. While the process can be started at any one of the four points, in reflective practice concrete experience is typically considered to be the starting point, with the remaining stages of the cycle followed sequentially from there.



Source: Adapted from Kolb (1984)

Figure 2: Kolb's experiential learning cycle



OVER TO YOU

Activity 5: Using Kolb's learning cycle to reflect

Identify a recent experience. Using the questions shown below reflect on this using Kolb's learning cycle.

Concrete experience:

- What is the experience or incident you are reflecting on? Summarise this focussing on:
- Who was there?
- What happened?

⁷⁹ Kolb, D. A. and Fry, R. (1975), "Toward an applied theory of experiential learning", in C. Cooper (ed.), *Theories of Group Process*. London: John Wiley

- Where did these events happen?
- When did these events happen?

Reflective observation: here you are looking to understand not just what happened, but why.

- What worked well, what didn't?
- Why?
- How do I know that?
- What does this mean for the future?
- What do I need to do differently or change?

Generalisation:

What can I take away from this to apply in other situations?

Actions:

Now what am I going to do?

What will I change or will I work towards changing?

How will I know when I have achieved this?

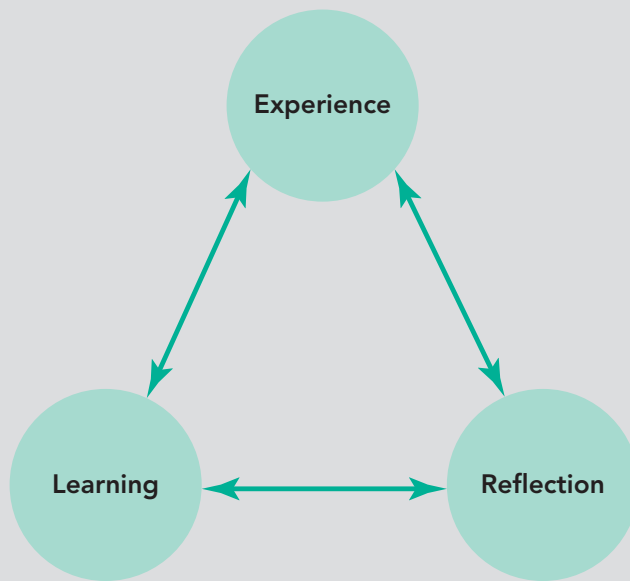


Figure 3: Boud's triangular representation

Boud's triangular representation

The interaction of experience, reflection and learning are again highlighted in Boud's⁸⁰ model of reflection. Aligning this with the key questions suggested by Driscoll (1994)⁸¹ provides a structure which considers:

- **The what:** describing the experience and what you did.
- **The so what:** describing the difference it makes, the impact or meaning it has and why it is important.
- **The now what:** considering how professional development can be considered in the light of this learning.



Source: Adapted from Gibbs (1998)

Figure 4: Gibbs' reflective cycle

Gibbs' reflective cycle

Gibbs'⁸² model acknowledges that personal feelings influence the situation and how you have reflected on it. It builds on both Kolb and Boud, breaking down reflection into evaluation of the events and analysis. The outcome is a clear link between the learning that has happened from the experience and future practice.

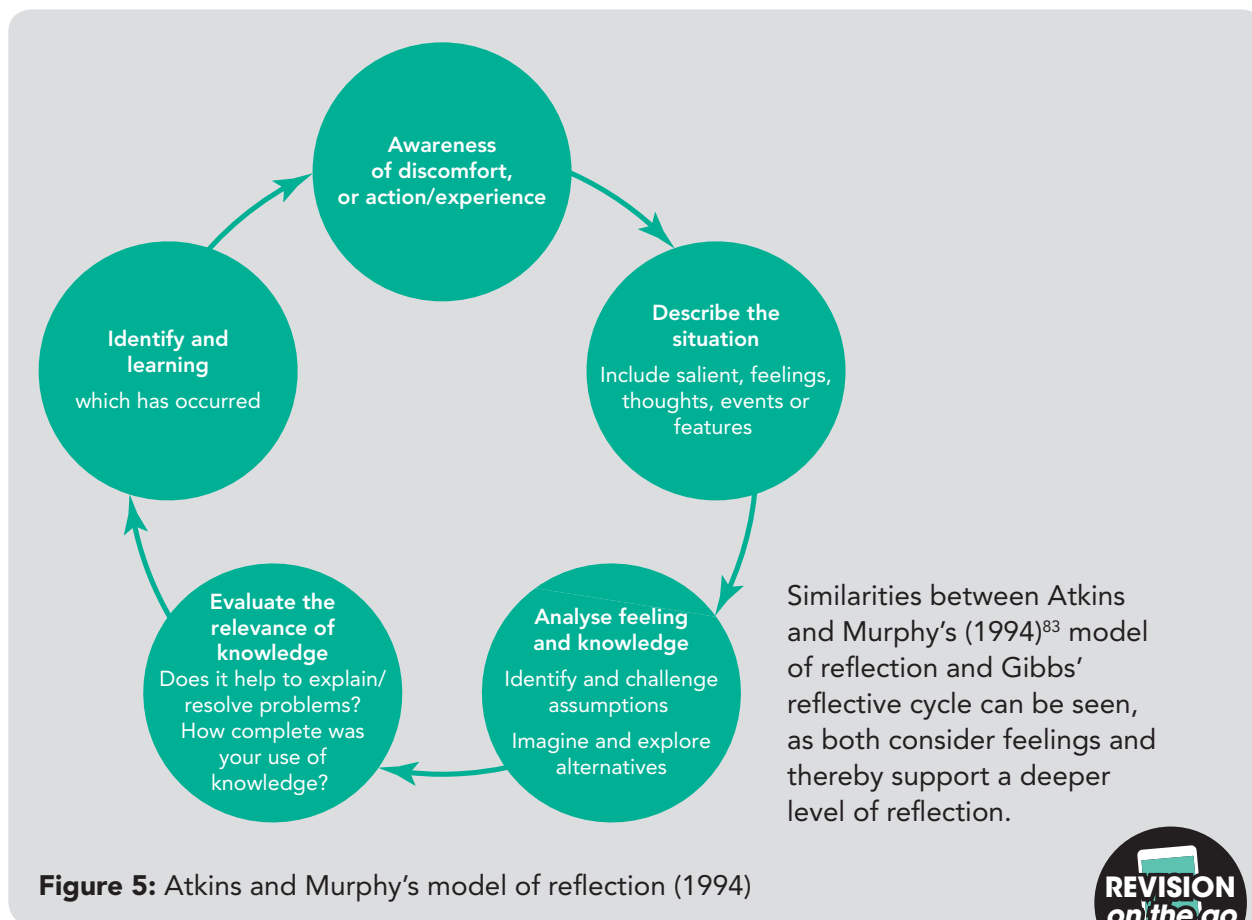


80 Boud, D., Keogh, R. and Walker, D. (1985), *Reflection: Turning Experience into Learning*. London: Kogan Page, p. 43

81 Driscoll J. (1994), "Reflective practice for practise", *Senior Nurse*, Vol. 13 Jan/Feb, pp. 47–50

82 Gibbs, G. (1988), *Learning by Doing: A Guide to Teaching and Learning Methods*. Oxford: Further Educational Unit, Oxford

Atkins and Murphy



Criteria for choice of framework

There is no one right model of reflection. Each model provides a guide or structure to help reflect. Choosing a model should be based upon both your own situation, the degree to which you feel comfortable and the situation you are exploring.

Three fundamental processes

Quinn (1998)⁸⁴ highlights that each of the models considered above involves three fundamental processes:

- retrospection – thinking back about a situation or experience;
- self-evaluation – critically analysing and evaluating the actions and feelings associated with the experience, using theories and frameworks to help gain insights;
- re-orientation – using the results to influence future approaches to similar situations or experiences.



83 Atkins, S., Murphy, K. (1994). "Reflective Practice", *Nursing Standard* 8(39) pp. 49–56

84 Quinn, F. M. (1998), "Reflection and reflective practice", in F. M. Quinn (ed.) *Continuing professional development in nursing*. Cheltenham: Stanley Thornes, p. 83

Obstacles to reflective practice

Obstacles to reflection can be either internal or external:

Internal obstacles	External obstacles
<p>Previous experience of reflection and its perceived benefit/value.</p> <p>Levels of self-awareness, emotional intelligence (EI) and capacity to self-critique.</p> <p>Willingness to participate in reflection.</p> <p>Fear of failure or negative feedback.</p>	<p>Lack of support or organisational commitment to reflection and personal development.</p> <p>Organisational culture (e.g. a blame culture will increase fear).</p> <p>Social context including cultural factors and acceptability.</p>

Table 2: Examples of obstacles to reflective practice



OVER TO YOU

Activity 6: Barriers and obstacles

Revisit and update the summary you developed in Activity 2 in light of your learning to date. Working with a study partner, if possible, share your thoughts on possible barriers and obstacles. How could these be overcome?

In your discussion you may have identified some of the following solutions:

- Experimenting with different models of reflection. Each model has a slightly different focus. For example, Gibbs focuses on feelings, Boud is more factual. Some prefer to reflect on their own, others find the use of an action learning group or mentor useful to help encourage and support.
- Acknowledging that barriers exist. The more clearly we can name the barrier, the easier it is to find solutions.
- Stick with reflection. Don't give up after the first attempt. Keep a note of success and how reflection has helped at an individual level.

5.2 Reflect on personal knowledge, experience and practice including realistic self-assessment of skills and needs, both current and future, relating to your role as an HR professional

Approaches which can be used to identify personal professional development needs include:

- Situational: considering where you are now and where you want to be;
- Diagnostic: using questionnaires or other diagnostic tools;
- Feedback: 360-degree feedback or feedback via formal performance management processes;
- Benchmarking: using professional standards or indicators.

Use of professional frameworks and standards

In Chapter 4 we considered how the professional HR frameworks set out the knowledge and behaviours which professionals should demonstrate. You may find it helpful to look back at this section before considering how these can be an aide to reflective practice as an HR professional.

The various professional standards can be used to help compare our own activities to those which are expected. As a framework for self-assessment, these provide guidance on activities and experiences which will help us meet current and future development needs.



OVER TO YOU

Activity 7: Assessing similarities and differences between frameworks

Working with your study partner, if possible, identify the similarities and differences between the various professional frameworks. Can you suggest reasons for these?

Which framework do you prefer and why?

Professional frameworks and standards

The three professional frameworks (CIPD, SHRM and AHRI) explored Chapter 4 provide a means to reflect on three core questions and benchmark individual capabilities against those of the wider profession.

What am I expected to know?

What am I expected to do as a practising professional?

What am I expected to be? Benchmark your capabilities against the HR profession.



OVER TO YOU

Activity 8: HR competencies

Read the following article.

Ulrich, D. Younger, J. Brockbank, W. Ulrich, M. (2012), "HR talent and the new HR competencies", *Strategic HR Review*, Vol. 11 Issue: 4, pp. 217–222. Emerald Group Publishing Limited.

(This article will be available in your online student resources.)

In this article, Ulrich et al. identify six key competence areas. Compare these to the three professional frameworks outlined previously. To what extent are these competencies displayed within the frameworks? This was written in 2012. Would you expect there to be any differences if the research was repeated today? Justify your views.

Undertake a self-assessment against these six competencies to identify your own possible development needs.

Self-awareness

EI helps us to see what, when, why and how our thoughts and emotions influence our actions. One of the four domains of this is self-awareness, often described as the capacity to direct attention towards the self. This involves comparing our actions and behaviours with our internal standards and values.

Duval and Wicklund's (1972)⁸⁵ self-awareness theory begins with the assumption that at any given time our attention is focussed on either ourselves or the environment, but not both. People with:

- Low self-awareness are unlikely to notice discrepancies between the current state and internal standards and values and are therefore less likely to recognise and modify their behaviour.
- High self-awareness are able to identify and build upon behaviours and relations which are helpful and address those which are not.

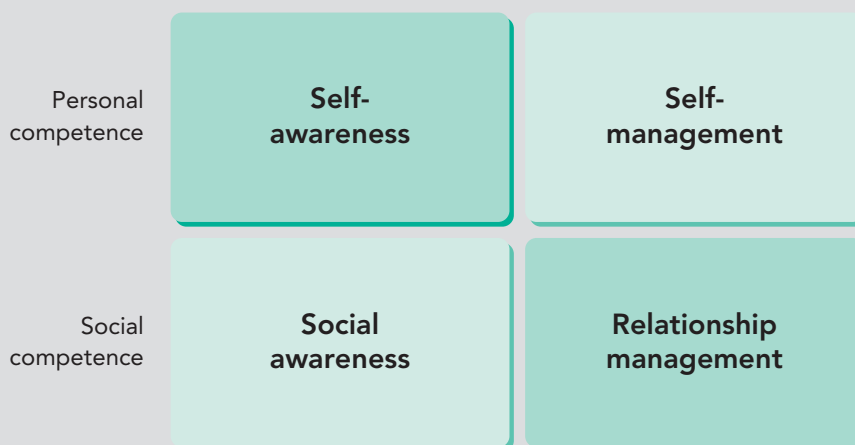
Self-awareness does not come naturally to most of us and we often spend little time thinking about how we are feeling, why we acted in a particular way or what effect our actions had on others. Tools which can support self-awareness include the use of diagnostics, seeking feedback and the use of reflective logs.

Social awareness

Social awareness is another of the EI domains and relates to the ability to recognise other people's emotions and needs. Goleman (1995)⁸⁶ identified three key aspects:

- Empathy – understanding and relating to the feelings of others. From an HR perspective this will help identify when others may need to be supported or challenged and can be used to inform approaches taken.
- Organisational awareness – being aware of the politics within an organisation will inform approaches taken and help ensure that stakeholder views are considered at all times. Knowing when and how to raise an issue leads to this being better received and having more impact.
- Service – understanding and meeting the needs of others through greater awareness and insight.

Emotional intelligence



Source: Adapted from Goleman (1995)

Figure 6: Dimensions of emotional intelligence

Benefits of EI include:

Improving interpersonal skills and relationships by acquiring knowledge and insight and by increasing self-awareness.

Capability to understand own and others' behaviour.



⁸⁵ Duval, S. and Wicklund, R. (1972), *A Theory of Objective Self-awareness*. Oxford Press

⁸⁶ Goleman, D. P. (1995), *Emotional Intelligence: Why It Can Matter More Than IQ for Character, Health and Lifelong Achievement*. New York: Bantam Books

 OVER TO YOU

Activity 9: Assessing your own emotional intelligence

The e-book *Emotional Intelligence* includes a short diagnostic to help assess your own levels of emotional awareness. You will need to register on this site: <http://bookboon.com/en/emotional-intelligence-ebook> to view it; you'll find the relevant diagnostic at Section 4.3.2 p. 29–30. Complete this to make an initial assessment of your own levels of EI. How does this impact on your ability to reflect?

Learning preferences. Each of us has a different learning style and preference. By understanding this and developing skills to learn in a variety of ways we are able to maximise opportunities and ensure that our approach to learning is personally effective. Two of the most popular models of learning preferences are shown below:

Honey and Mumford (1982)⁸⁷

Developed from Kolb's experiential learning cycle, Honey and Mumford identified four learning styles:

Activist, Theorist; Pragmatist and Reflector.

Fleming and Baume (2006)⁸⁸ VARK

Reflects our sensory preference for learning information as being:

Visual, Aural, Read/Write and/or Kinaesthetic

Table 3: Popular models of learning preferences



Emotional resilience refers to the ability to adapt to stressful situations. A certain amount of pressure is healthy. However when this becomes excessive or continues long-term this will lead to stress. Our own susceptibility to stress is determined by a number of factors including our own emotional resilience. A range of strategies can be used to avoid or manage stress including: managing our work-life balance, managing our workload effectively, and having support. As HR professionals it is important that we are able to help with the stress management of others, including role-modelling effective behaviours.

Values and beliefs. Whether we are consciously aware or not, we each have a core set of personal values – judgements we make about what is important in life. These generate our responses and behaviours, telling us what is important, appropriate, right or wrong and shape the choices we make. A number of factors contribute to our value system including our national culture, education, and experiences. Values can lead to assumptions and stereotyping. Learning to manage the impact of these helps enhance our professional behaviour.

⁸⁷ Honey, P. and Mumford, A. (1986), *The Manual of Learning Styles*. Peter Honey Associates

⁸⁸ Fleming, N. and Baume, D. (2006), "Learning Styles Again VARKing up the Right Tree!" *Educational Developments*, Vol. 7, pp. 4–7



OVER TO YOU

Activity 10: The influence of personal values and beliefs.

What are your own core values and beliefs? How do these influence the following:

- Your career goals?
- Your behaviour at work?
- Your ability to engage in reflective practice?

Sources of personal power and influence. A core skill for HR professionals is the ability to influence others to get work done. In HR, we often work with others, seeking to change, direct or influence actions. The power we use to influence people comes from three main sources:

- 1 **Positional power:** conferred as part of a role which gives a formal level of power and authority or implied by the job title (a manager is perceived as having more power to influence than a supervisor).
- 2 **Relationships:** power can also be a result of the relationships we have with others. Being able to draw on goodwill and understanding individual needs helps to get things done in many organisations.
- 3 **Personal power:** derived from knowledge, expertise, technical competencies and the ability to communicate ideas in a way that others will listen to and follow.

Approaches to personal professional development

Once you have been able to identify what your professional development needs are, the next step is to identify the most appropriate way in which to meet those needs. Table 4 summarises five broad categories of personal and professional development.

Work-based learning	Professional development that takes place within the work environment in your current role. Examples include shadowing, mentoring, coaching and participation in projects. These activities may be directed by an organisation as part of a performance management process or a job requirement or may be more informal and unplanned.
Professional activity	Includes participating in the activities of professional bodies/ trade associations to develop knowledge and skills.
Education/formal learning	Activities which lead to gaining academic or professional qualifications or attendance at external courses and conferences.
Self-directed learning	Taking the initiative to source material to help direct and meet own development needs, e.g. books, internet research, etc.
Other opportunities outside the scope of your employment	Activities which help develop transferable skills and experiences e.g. coaching a sports team, volunteering with a local charity, acting in an official capacity in an external organisation.

Table 4: Five categories of development



Reflection as a lifelong process

“*Anyone who stops learning is old, whether at 20 or 120. Anyone who keeps learning stays young.*”

Henry Ford⁸⁹

The pace and extent of change mean that our existing skills and knowledge can quickly become outdated. The phrase lifelong learning can be defined as a self-driven, self-determined approach and attitude to learning. Embracing this as an approach ensures knowledge and skills not only remain up-to-date but continue to develop, and that we remain open to new ideas and approaches.

Reflective practice contributes to lifelong learning by providing the opportunity to capture experiences and to maximise the learning from these through a questioning mindset.

Action learning is a popular and powerful development method and is widely used. Involving a group of peers working together to challenge and support each other, in order to explore real-time issues. The process encourages reflection on causes of problems and options for solutions, helping improve problem-solving processes and leading to an identified set of actions which will be taken.

OVER TO YOU

Activity 11: Defining action learning and its role in reflective practice.

Review the article by Rimanoczy, I. (2007), “Action learning and action-reflection learning: are they different?”, *Industrial and Commercial Training*, Vol. 39 Issue: 5, pp. 246–256. (This article will be available in your online student resources.)

⁸⁹ Ford, H, cited by Stenger, M. (2017), *15 Ways to Keep Your Learning Going* [online]. Retrieved from: www.opencolleges.edu.au/informed/features/15-ways-keep-learning-going/ [Accessed on: 25 October 2017]

Produce a short summary defining action learning and action reflective learning and their benefits.

Consider the following statements (adapted from Rimanoczy). Do you agree with this view? Give reasons in support of your view:

Understanding personality and learning style differences increases individual self-awareness.

Learning resulting from sessions of mutual inquiry and exchange amongst colleagues is more useful as it relates to current challenges.

In education, too much emphasis has been placed on the input of programmed knowledge, and too little on questioning one's own experience.

Delving deeper into motives, beliefs and assumptions is proven to be neither an easy, comfortable nor natural task, yet has a transformational impact.

To generate lasting learning, five levels must be considered: the professional level (the competencies to be developed, the knowledge to be transferred), the personal level (the mindset, the attitudes required to apply the knowledge), the team level (how learning will be applied), the organisational level (how the organisation will be impacted by and will support the learning) and the wider business or task level.

Tools to help with reflection

In addition to the reflective frameworks explored earlier the following can aid the reflective process:

Reflective diaries – maintaining a reflective diary over a period of time encourages self-assessment and reflection. Being able to look back at thoughts and feelings over the course of a project can provide insights into repeated behaviours and/or issues.

Self-assessment frameworks/guided questions and checklists provide a structured and focussed approach to reflect on specific incidents or competence areas.

360-degree feedback provides the opportunity to obtain feedback from a number of viewpoints. This type of feedback is useful when considering the impact actions have on others and the way in which our own personal behaviours are perceived.

Formal appraisal processes provide the opportunity to stop and reflect on and discuss the actions which have been taken over the last year, the impact these have had, and ongoing development needs.

Group dialogues – for example via action learning.



OVER TO YOU

Activity 12: Preparing for action learning

If you're studying with a class, your next session requires you to take part in an action learning set. In preparation for this read the following article:

Mumford, A. (1995), "Learning in action", *Industrial and Commercial Training*, Vol. 27 Issue: 8, pp. 36–40. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Identify a workplace issue which you wish to explore in detail with your class.

Prepare a summary of this ready to share in the action learning set.

Mentoring – a mentor can provide a vital source of feedback, critically challenge your thinking and help you explore the options available to you.

Blogging – maintaining a blog and posting thoughts of learning or articles helps develop critical thinking and writing. Blogs can be commented on by others which in turn can encourage wider discussion.

READING LIST

- Helyer, R. (2015), "Learning through reflection: the critical role of reflection in work-based learning (WBL)", *Journal of Work-Applied Management*, Vol. 7 Issue: 1, pp. 15–27. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Mumford, A. (1995), "Learning in action, *Industrial and Commercial Training*", Vol. 27 Issue: 8, pp. 36–40. Emerald Group Publishing Limited (This article will be available in your online student resources.)
- Rimanoczy, I. (2007), "Action learning and action-reflection learning: are they different?", *Industrial and Commercial Training*, Vol. 39 Issue: 5, pp. 246–256. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Schlesinger, E. (1996), "Why learning is not a cycle: 2 – developing pattern", *Industrial and Commercial Training*, Vol. 28 Issue: 5, pp. 11–17. Emerald Group Publishing Limited (This article will be available in your online student resources.)
- Ulrich, D. Younger, J. Brockbank, W. Ulrich, M. (2012), "HR talent and the new HR competencies", *Strategic HR Review*, Vol. 11 Issue: 4, pp. 217–222. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Walger, C. De Déa Roglio, K. Abib, G. (2016), "HR managers' decision-making processes: a "reflective practice" analysis", *Management Research Review*, Vol. 39 Issue: 6, pp. 655–671. Emerald Group Publishing Limited. (This article will be available in your online student resources.)
- Yeo, R, K. (2013), "Building commitment through reflective practice: an inside-out approach", *Industrial and Commercial Training*, Vol. 45 Issue: 1, pp. 3–11. Emerald Group Publishing Limited. (This article will be available in your online student resources.)

Summary

This chapter has highlighted the valuable contribution which can be made through reflective practice. The opportunity to explore our own actions and to identify development areas and new approaches helps ensure that practice continues to develop alongside emerging trends and practices. Learning from and through our experiences and using professional frameworks to drive our own personal competence will help ensure that HR makes a value added contribution to the workplace.

Glossary

Abstract conceptualisation Making sense of an experience.

Added-value HR Focussing on making a contribution to the organisation's stakeholders.

Alignment Ensuring that practices and policies fit and contribute to the organisation.

Balanced scorecard A tool for measuring organisational success and identifying actions to take in specific areas.

Beliefs An individual's opinions, views and understanding of how things are.

Benchmarking Comparing internal performance with that of competitors or other external data.

Best-fit An approach to HR which argues that effectiveness depends on how suitable something is.

Best practice An approach to HR which considers there is one right way of conducting HR.

Big data Extremely large data sets that may be analysed to reveal patterns, trends and associations.

Centres of excellence Teams or shared facilities providing specialised leadership, support or specific services across the organisation.

Code of conduct A written document setting out expected behaviours and ways of working.

Competitive advantage The ability of a firm to win consistently in the longer-term in a competitive situation.

Continuous professional development (CPD) The term used to describe the learning activities professionals engage in to develop and enhance their abilities, with a view to progressing their career.

Convergence HR policies and approaches being the same across a number of locations.

Corporate social responsibility (CSR) Actions taken to deliver economic, social and environmental benefits for all stakeholders.

Data Raw facts which have not been processed.

Data protection Rights with regards to the employee data held by employers.

Deontological The philosophical theory of the nature of duty and obligation.

Direct discrimination Treating someone differently for specific reasons.

Divergence Practices and approaches remaining distinctive at a local level.

Diversity A collective mixture of differences and similarities that may include: individual and organisational characteristics, values, beliefs, experiences, backgrounds, preferences and behaviours.

Diversity management Acknowledging, understanding and valuing difference.

Double-loop learning Revisiting learning after a period of time.

Emotional intelligence (EI) The ability to perceive and manage own emotions.

Employee churn The overall turnover in an organisation's staff as existing employees leave and new ones are hired.

Emotional resilience The ability to manage stressful situations and cope with uncertainty.

Employee self-service (ESS)

An information system which allows employees to maintain and update own data and preferences.

Employee value proposition (EVP)

Describes the mix of characteristics, benefits, and ways of working in an organisation.

Employer branding To do with competition in the labour market and how an organisational brand profile can be used positively to attract potential and current employees.

Employer of choice an organisation that is a great place to work.

Equal opportunities The right to be treated without discrimination, especially on the

grounds of personal characteristics such as sex, race, age and disability.

Ethics Moral principles governing behaviour or actions.

Experiential learning Learning from the experience of doing.

Framework A structured way of breaking up a larger activity into activities or stages which follow logically from each other.

Generalist Working across all HR disciplines.

Gig economy Temporary, flexible jobs. Companies starting to have a preference for hiring independent contractors and freelancers instead of full-time employees.

Globalisation The flow of trade and knowledge across country borders.

Glocalisation A strategy in which global practices are adapted at a local level.

Human resources (HR) The people who make up the workforce of an organisation.

HR analytics Using data about people to enable and make business decisions.

HR audit A method by which the effectiveness of HR can be assessed. Can be carried out internally or via an HR audit system.

Human resource information systems (HRIS) Business software systems that assist in the management of human resource data (e.g. payroll, job title, candidate contact information).

Human capital The collective knowledge, skills and abilities of an organisation's employees.

Human resource management (HRM) The management of HR, normally assigned to the HR department within an organisation. Primarily concerned with the management of staff, focusing on policies and systems.

Indirect discrimination Treating someone differently which occurs because a practice or policy has a greater impact on some individuals.

Information Processed data.

Intellectual capital An intangible value which considers people, their relationships and processes.

Key performance indicators (KPIs) A set of quantifiable measures that a company or individual can use to gauge their performance over time.

Knowledge economy An economy in which growth is dependent on acquiring, producing or sharing information rather than on manufacturing or production.

Knowledge management Handling the storage and transfer of knowledge in an organisation.

Labour market The market for potential employees.

Learning organisation A company that facilitates the learning of its employees and continuously transforms itself.

Learning preferences Personal preferences of learning approach.

Less economically-developed country (LEDC) Low-income countries confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and have low levels of human assets.

Lifelong learning Learning undertaken throughout life with the aim of improving employment prospects.

Mentoring An arrangement to advise or train another person.

Millennials The generation born between 1985 and early 2000s now reaching the employment market.

More economically-developed country (MEDC) Countries which have a highly-developed economy and advanced technological infrastructure relative to other less industrialised nations.

Multinational corporations (MNCs) An enterprise operating in several countries but managed from one (home) country. Generally, any company or group that derives a quarter

of its revenue from operations outside of its home country is considered a multinational corporation.

Organisational development A planned approach to change management within the organisation.

Outsourcing A contractual agreement between an employer and an external third party provider whereby the employer transfers responsibility and management for certain HR, benefit or training-related functions or services to the external provider.

Partnering Working alongside or with others.

Positional power Authority and influence bestowed by a position or office on whoever is filling or occupying it.

Positive discrimination Taking action to ensure that less represented groups are given justifiable opportunities.

Primary data Data collected for a specific purpose.

Professionalism Acting in a manner expected of those in certain positions.

Psychological contract A series of unwritten expectations held by parties in the employment relationship.

Qualitative Data which provides a description.

Quantitative Data which is numerical in nature.

Reflection-in-action Thinking or reflecting while carrying out an activity.

Reflection-on-action Thinking or reflecting at a later point in time.

Reflective practice Thinking critically about specific incidents and examining what happened, how it happened and why.

Reliable A test or data collection method is reliable if the findings are consistent.

Return on expectation (ROE) A way to demonstrate the value of training (and reinforcement) efforts to the business.

Return on investment (ROI) A performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments.

Role model An individual seen or held up as a model of approach or behaviour.

Secondary data Data already collected for another purpose and reused or re-examined.

Self-awareness Having a clear perception of own personality, strengths and weaknesses.

Service-level agreement An agreement setting out expectations and promises, normally between a service provider and a client/customer.

Shared service Providing an internal service centrally to the organisation.

Shareholder A person, group or organisation that has an interest or concern in an organisation.

Single-loop learning Taking for granted underlying influences on learning.

Specialist Someone working in a specific area of HR.

Social-awareness Understanding and being able to react to different situations.

Stakeholders Individuals and groups who have an interest in an organisation and may wish to influence aspects of its mission, objectives and strategies.

Stakeholder management Supporting an organisation in achieving its strategic objectives by interpreting and influencing both the external and internal environments, and creating positive relationships with stakeholders through the appropriate management of their expectations and agreed objectives.

Sufficient Gathering enough data to ensure decisions can be reliably informed.

Teleological Relating to or involving the explanation of phenomena in terms of the purpose they serve rather than the cause by which they arise.

Thought leadership A recognised leader of views and debates.

Transformational HRM Focussed on aligning HRM with organisational goals.

Valid Credible and/or believable data.

Values Defined principles or standards of behaviour considered important to the organisation.

Virtue ethics Ethical theories which emphasise virtues of mind and character.

Whistle-blowing Publicly revealing a perceived wrongdoing, misconduct or unethical activity within an organisation either to the public or to those in positions of authority.