
What Customers Want From HR

The views of line managers, senior managers and employees on HR services and the HR function

W Hirsh, A Carter, J Gifford, M Strebler, S Baldwin



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What Customers Want From HR:

The views of line managers, senior managers and employees on HR services and the HR function

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The first report from the IES HR Network Project on 'Customer Views of HR'



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Contents

Summary	x
1 Introduction to the Research	1
1.1 Context	1
1.2 Research questions	2
1.3 Research method	3
1.4 Main case studies	3
1.5 Structure of this report	7
2 The HR Context: A Literature Overview	9
2.1 HR has been busy re-positioning itself as ‘strategic’	9
2.2 There have been changes in the structure of HR functions	10
2.3 HR staff have been adopting new roles	11
2.4 Growth in metrics and human capital measurement	12
2.5 The case for high performance work practices is won	13
2.6 Impact on how customers will experience HR	15
2.7 People management in the new models of HR	16
2.8 What do its customers think about HR?	16
2.9 ... and how are organisations keeping in touch with the customers of HR?	17
3 Customer Views on the Role of HR	19
3.1 The overall purpose of HR	20
3.2 Examples of what customers said about the purpose of the HR function	21
3.3 The key roles of HR	24
3.4 A proactive HR function	28
3.5 Reflections from this study on the role of HR	29
4 Customer Views on Services in Specific Areas of HR	32
4.1 How should HR work with the line in different areas of HR?	33
4.2 The use, effectiveness and value of specific areas of HR service	35

4.3	Online survey feedback on the effectiveness of specific areas of HR services	37
4.4	How senior managers rated the use, effectiveness and value of specific areas of HR service	39
4.5	Discussions with line managers and non-managers on specific areas of HR	40
4.6	Reflections from this study on specific areas of HR work and a changing HR landscape	54
5	Customer Feedback on Overall HR Service and HR Staff	56
5.1	Online survey feedback on overall satisfaction with HR services	56
5.2	Online survey feedback on specific aspects of business impact	58
5.3	Online survey feedback on aspects of the behaviour of the HR function	59
5.4	Discussion of overall HR service quality and what affects this	62
5.5	Online survey feedback on capability and behaviour of HR staff	67
5.6	Discussions on HR staffing and the capability of HR staff	69
5.7	Which factors appear to influence overall satisfaction with the quality of HR service?	73
5.8	Reflections from this study on how customers experience HR services	76
6	HR at its Best and Worst	80
6.1	Examples of HR at its most effective	80
6.2	Examples of HR at its least effective	83
6.3	Reflections from this study on HR at its best and worst	85
7	What Improvements to HR do its Customers Suggest?	87
7.1	HR as it is now ... and as you would like it to be	88
7.2	What do customers most want HR to do differently?	90
7.3	General views on improving HR from its customers	98
7.4	Reflections from this study on how customers feel HR could be improved	100
8	Obtaining and Using Customer Feedback on HR	103
8.1	Evaluating HR: the wider picture	103
8.2	How do customers wish to give feedback on the HR function?	106
8.3	Reflections on the research instruments used in this study	109
8.4	Reflections from this study on the process of obtaining customer feedback on HR	111
9	The HR Footprint and Priorities for a Particular Organisation	113
9.1	The organisational HR 'footprint'	113
9.2	Specific areas for improvement	114
9.3	Reflections from this study on setting priorities for the HR journey	116

10	Conclusions and Implications for the Future of HR	118
10.1	What are customers telling the HR function?	118
10.2	Tensions and paradoxes for HR	125
10.3	How does HR stack up and where might it be going?	129
10.4	What have we learned from listening to the customers of HR?	132
	Appendix: Case Study Overviews	134
A1:	Sainsbury's Store Support Centre	134
A2:	East Sussex County Council	135
A3:	GCHQ	137
A4:	NHS Healthcare Trust	138
A5:	Renesas Technology Europe	140
	Bibliography	142

Summary

This IES study found that the customers of HR - line managers, senior managers and employees - want a function that is responsive, proactive and professional. It needs to be independent-minded, in close touch with the workforce and able to challenge managers when necessary. Although frameworks of HR policies and processes are necessary, real strategic value comes from spotting issues ahead of time and helping managers address them. Managers and employees want support from HR people with real professional expertise: 'people partners' who can help them address their people issues in the business context.

1. HR should engage more seriously with finding out what its customers need and their experiences of current HR services

HR functions should obtain much more thorough feedback from their internal customers – line managers, senior managers and employees. This should cover both what they need from HR, and their user experience of current services. Such feedback, as this study illustrates, can generate a clear overview – or 'footprint' – of the HR function in a particular organisation. It can provide fresh insights and help the HR function to focus its efforts in areas that add value to the business.

Among the survey sample in this study, only about one-third of managers and a quarter of non-managers were satisfied with HR services. Although one-third of managers felt HR was improving, a similar proportion felt it had got worse over the last couple of years. Non-managers were also about as likely to think that HR had got better as that it had got worse, although more of them - about half - could see no change in the quality of HR services.

Customers said that they valued an HR function that was fair, knowledgeable, did not hinder their work and protected employee interests. The factors in HR services that turned out to correlate most strongly with respondents' ratings of their satisfaction with HR were: being well-supported in times of change; HR giving good advice to employees; being well-supported in dealing with difficult people or situations, and HR getting the basics right. Satisfaction with HR also went hand in hand with seeing HR as a real strategic partner and as making an important business contribution.

2. HR needs to be *responsive* – clear about what it is there for and what services it offers; easy to contact; and able to respond quickly, efficiently and effectively

HR operates across a wide range of subject areas (recruitment, performance, reward, development and so on) and has been changing in the way it works, and often restructuring its administrative and advisory services. It is easy for managers and employees to get confused by the shifting structures of HR and its strange terminology. Managers and employees need a clear understanding of what HR thinks it is there to do, what services it is offering, and how to access these.

'The large majority of staff does not know what HR does, and HR does not make a conscious effort to tell them.' (Senior Manager)

It is critical to its customers that the HR function 'gets the basics right' and is 'responsive'. Responsiveness is about genuine customer focus in speed and accuracy, and also making advice and action relevant to the business and workforce context.

Most of the negative comments in this study were about pretty basic problems in accessing HR support. People issues are often urgent and stressful for managers and employees. If they cannot speak to the right person in HR, or if their query is left hanging for a few days, they rapidly lose confidence in the function.

3. Managers want an *independent-minded* HR function, which understands the workforce and can help management balance employee and business needs

All the participants in this study saw the HR function as being there to support the business through supporting all three of the customer groups we were investigating. Senior managers were strongly of the view that HR is there to support employees as well as managers: *'HR is there to support the line and employees in order to support the business'*. Both managers and employees appreciate the skilled help HR often gives in resolving serious disagreements or performance problems at individual level.

Effective HR services for employees are seen as supporting, not diluting, the responsibility of the line for people management. The ability of HR to coach line managers, especially around managing performance, is highly valued. All customer groups emphasised the importance of thorough training for new managers.

In a much broader sense, managers want an HR function with its finger on the pulse of what employees are feeling and how well they are working. Senior managers particularly look to the HR function to have an independent, and challenging, view of how to balance the interests of employees with the needs of the business. They recognise in themselves the temptation to put short-term management priorities ahead of sustaining positive relationships with the workforce. They need HR to help them strike the right balance. So an HR function that is seen as remote from the workforce loses much of its unique value to business leaders.

'As managers we get caught up in what we are trying to do in the business. HR helps us remember we are dealing with people.' (Manager)

'HR needs to be like the Jester to the King. It has to tell him what everyone knows but no-one else dares to tell him You have to be very smart to do that.' (Employee)

4. Customers do want an HR function with strategic business impact, but this is about solving problems that are strategically important for the business, not about separate HR strategies

The HR community sees itself as on a journey to becoming more 'strategic' in its influence on the business. The customers of HR want this too, but their vision of strategic HR is an essentially practical one. Being strategic from a management perspective is about working with the line – at all levels – on people issues or problems that have a strategic impact on the business.

'Overall, HR's game could be raised – it needs to be more ambitious for the business and offer a vision of how the business could be.' (Senior Manager)

Managers recognise the need for frameworks of HR policies and processes, but think HR makes these more complex than necessary and changes them far too often. For example, they do not see yet another revision of the performance review forms as improving performance. They are looking to HR for really deep understanding of how to get the best out of people, and then practical support in achieving this.

Some of the areas that HR sees as having greater 'strategic' impact, such as change management, career and talent management, and learning and development, relate to the future health of the organisation. These are areas in which managers and employees do want more support from HR. However, they want this support to be tailored and offered at divisional or departmental team level. It is often not clear who in HR has the time and skills to offer such support at local level on an ongoing basis.

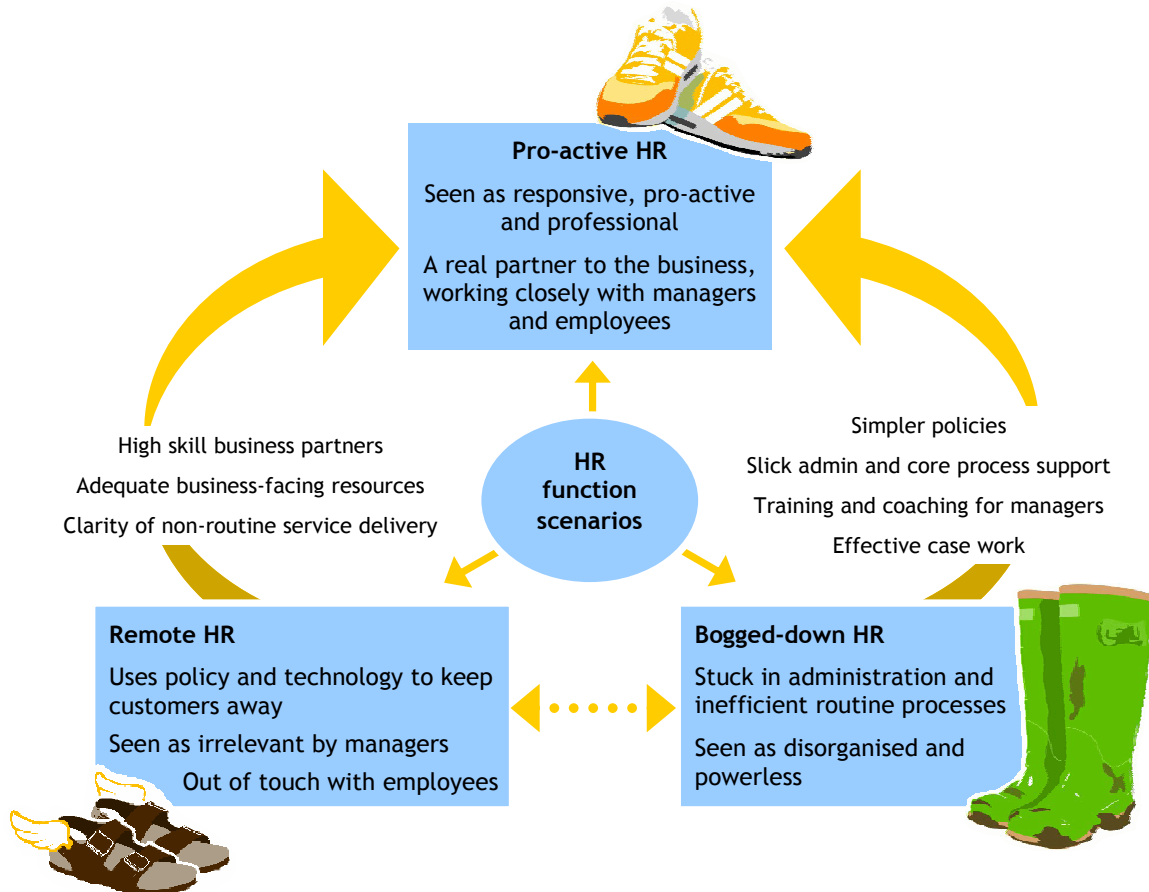
5. The customers of HR want a 'proactive' HR function, which spots issues ahead of time and works closely with managers to address them

The customers in this study used the word 'strategic' less than HR people do. They used the word 'proactive' to summarise what they wanted HR to be – neither too bogged down by inefficient administration nor too remote in an ivory tower of policy and strategy. Proactive HR would:

- enable managers and employees to do business better by being more closely involved with tackling people problems and issues
- help to '*nip problems in the bud*' by spotting them early
- bring in good ideas from outside the business
- be more assertive if managers are flouting policies or codes of behaviour
- coach and train managers to manage and motivate their people better
- work '*across the business*' to achieve more consistency of people management and to develop and deploy people better for the benefit of the whole organisation.

A proactive HR function should feel close to managers and reach out to them. As one senior manager put it: *'They could just walk around more – there is no need to be embarrassed. I am quite a proactive customer and I do push a bit. But it takes two to tango.'*

The diagram below shows three simplified scenarios that can be used to consider features of the past, present or future of the HR function in any given organisation.



Many organisations have been trying to get themselves out of 'bogged-down' HR and work towards 'proactive' HR over the past few years. However, this research shows that may have misunderstood what their customers see as the nature of a more strategic HR function. If they concern themselves only with HR strategy documents, process re-design and interactions with top management, they can drift away into 'remote' HR. Even though they may think they are having strategic impact at the top of the business, once out of touch with line managers and the workforce, those in a 'remote' HR function have little value to offer, especially to senior executives.

6. Customers want *professional* HR support from real 'people partners'

To deliver responsive and proactive HR support, customers want HR people to be proper professionals in HR. This means having real 'expertise' based both on theory and evolving good practice, in order to give consistent, fair and reliable information and advice. HR people also need understanding of the business context and the

workforce perspective, and to be confident and assertive enough to challenge managers where necessary.

HR professionalism in this sense includes all the junior HR staff who are often the telephone front line for enquiries. Many of these roles are no longer primarily 'administrative', and require increased HR knowledge, understanding and skills.

The survey in this study showed that a majority of managers and employees find HR staff approachable, trustworthy, professional and helpful. A minority think they are expert, reliable, innovative and easy to get hold of. Satisfaction with HR services is strongly related to the perceived quality of HR staff, especially whether they are expert, reliable, understand employee needs, well-informed and responsive.

Managers find the idea of an HR business partner a natural and attractive one. They do not want business generalists in these roles, but HR professionals who also understand the business – someone with real HR know-how as well as someone they can work with and who gets to know them and their staff. Some managers value their business partners highly but find them rather too thin on the ground.

Looking at what managers have said in this study, one wonders if the term 'HR business partner' is in itself a misnomer, born of HR's habit of looking at itself from its own end of the relationship. Looked at from the managers' end, what they want is not really a 'business partner' at all but a 'people partner': someone with real expertise who can help them address their people issues in the business context.

About the IES research

This study was supported by members of the IES HR Network. It was conducted in five organisations in retail, electronics, local government, health and the civil service. The study focused on three different groups of customers for HR services – line managers, senior managers and employees. Over a hundred customers of HR participated in face-to-face discussions and over 840 completed a survey questionnaire.

1 Introduction to the Research

1.1 Context

People who work in human resources (HR) or personnel management have spent a good deal of effort over recent years in rethinking how their function should be operating. In particular, there has been a strong focus on line management and leadership in business generally. This has emphasised the role of HR in supporting those managers and leaders to manage people effectively. Cost pressures on the HR function have been acute in many organisations. The function has therefore been looking to economies of scale achieved through differing combinations of centralisation of HR services, the use of computer technology and outsourcing to make its operations more efficient. The interest in business strategy, prevalent since the 1980s, has led to continuing interest in HR strategy and in the function having a more strategic impact on business performance, especially through being a player at the 'top table' in organisations. So the past five to ten years have been a period of frequent re-organisation and re-branding of HR functions in organisations. Those in HR might characterise their function as being on a journey to increase its effectiveness and strategic influence.

The Institute for Employment Studies (IES) has been active in recent research on the HR function, working with both its member organisations and with the Chartered Institute of Personnel and Development (CIPD). Most of this research looks at the HR function from the perspective of HR professionals themselves. It has included work on the changing role of the HR function (Reilly, Tamkin and Broughton, 2007; Tamkin, Reilly and Strebler, 2006) and the careers of HR people (Tamkin, Reilly and Hirsh, 2006). Related IES research has examined the link between improved people management and business performance (Tamkin, Cowling and Hunt, 2008).

In this project, supported by IES HR Network members, we have taken a different tack. We started to wonder, while HR was busy re-shaping itself, what this looked like from the perspective of the people who are at the receiving end of HR policies, support and services. Do they see the role of HR in the same way as the function itself sees this? Are the changes in HR delivering the kinds of support that managers and

employees feel they need? Do they see the HR function as effective, or at least as getting more effective? Do they see the function as being on a journey that supports business improvement? Indeed, do they even know what kind of journey HR people think they are on?

So this research looks at HR services and the HR function from the perspective of its 'customers' inside organisations.

1.2 Research questions

For the purpose of this research, we have concentrated on three groups of 'customers' of HR: line managers, senior managers and employees without a formal responsibility for others (we call them non-managers or sometimes just employees).

The project has been exploratory in nature, and we have developed a number of structured evaluation tools for HR as the project has progressed.

The research questions on which this study has concentrated are:

1. How do senior managers, line managers and employees perceive the purpose and role of the HR function, and what do they feel it should be delivering?
2. How do these customer groups experience the service they receive from HR, and is this changing?
3. From a customer perspective, what distinguishes an effective HR function, and what improvements could be made to the HR function and its services?
4. How does the HR function collect or measure the opinions of its internal customers (line managers, senior managers and employees)? What techniques do they use and how are the results used to inform and influence future HR activities or policies?

The study is concentrated on the effectiveness of HR support and how customers perceive the impact of this, rather than on the much wider issue of the effectiveness of people management as conducted by managers and leaders in organisations. So we have not been seeking to evaluate people management per se, but rather the extent to which HR support can improve it.

The study generated a rich range of data and so this report predominantly covers the research questions one to three above, with only brief summary of question four. A further report will focus on the methods of measuring the contribution of HR and how organisations use this information.

1.3 Research method

A range of research activities were conducted:

- A review of the literature on how HR effectiveness can be measured and what customers think of HR services. This literature review, by Susanna Baldwin, was published to IES members in 2006, and has informed the shorter literature survey presented as Chapter 2 of this report.
- An email survey of IES members was conducted in the spring of 2007 to get some background information.
- Issues emerging from the background research phase and early findings from our first case study, East Sussex County Council, were debated at the IES research conference in March 2007.
- The remaining four main case studies were conducted from spring to winter 2007. In the main case studies, we collected information directly from managers and employees as well as from HR. This activity is explained in more detail below.
- Additional information on how HR assesses customer views and how this information is used was collected from the email survey and from visits, telephone interviews and documentation. Five organisations, in addition to the five main case study organisations, had detailed discussions with IES on this topic and this data will be reported in a second project report on methods of collecting customer views about HR services.

1.4 Main case studies

1.4.1 The case study organisations

The five main case studies were quite diverse.

Sainsbury's Store Support Centre (SSC) is a major office in London, combining the functions that directly support Sainsbury's store operations (buying, logistics etc.) with the corporate support functions (IT, finance etc.). So it covers most of the business other than the stores and consists of a wide variety of professional functions each with its particular labour markets and HR challenges. The SSC employs around 3,000 people, and the company overall employs about 150,000, mostly in stores. The HR people working in the SSC span both the corporate HR function and the teams more directly supporting the functions of the SSC.

East Sussex County Council carries out a wide range of local government functions and employs about 17,000 people directly in over 400 locations with its central offices in Lewes. It also works with many partner organisations. Many of its employees are delivering services to quite vulnerable people. Its occupational mix is very diverse and there are often difficulties in recruiting and

4 What Customers want from HR

retaining staff in various occupational groups and professions. Most HR is delivered in-house including training, but pensions and payroll are outsourced.

GCHQ employs about 5,500 people, mostly in Cheltenham, and is part of the Civil Service. The workforce is diverse but many have scarce skills, especially in engineering and technology. Although turnover generally is not high, the organisation is vulnerable to losing key highly skilled people and also needs to keep its longer-serving employees on top of fast-changing technologies and ever-shifting external challenges.

An NHS Healthcare Trust employs about 3,000 staff across two hospitals and several other sites in a wide geographical area. The NHS faces huge challenges of organisational performance, working with a whole constellation of different professional groups. Many aspects of HR are still agreed for these groups nationally, and national professional structures are responsible for much of the technical training required. HR therefore has to pull powerful stakeholder groups together in addressing people issues.

Renesas Technology Europe is a hi-tech electronics company. It is a joint venture between Hitachi and Mitsubishi and reports into its owners in Japan. Renesas participated in this study through three sites - one near Maidenhead in England and two in Germany, near Dusseldorf and Munich respectively. The bulk of the employees are either in technical roles (R&D and technical support) or in sales and marketing (where they also tend to have an engineering background). The HR Director for Europe is based in the UK, so the small UK HR team doubles as the European HR function. The scale of Renesas is quite intimate with about 400 employees in Europe in total, including about 120 near Dusseldorf and 70 near Munich. Each of these sites has a very small HR team, working closely with each other and with HR colleagues in the UK.

The varying sizes, sectors and occupational mix of these organisations gives a good feel for their wide range of HR challenges. Their HR functions were also undergoing a range of changes. In several, a business partner model was either being established or strengthened. Several also had recently created shared HR administration teams offering a more centralised way of dealing with some of the more routine aspects of HR service. Some of the practices in these organisations were very sophisticated and progressive. There was considerable use of technology and selective outsourcing of aspects of HR service. Many of the people in HR in these organisations were extremely experienced and had a very good appreciation of the challenges facing their function. All in some way or another regarded their function as being on a journey of improvement, and the direction of travel had many common features. However, all the cases were at different places on that journey and had different strengths and weaknesses in particular HR services.

The case study appendix to this report gives short accounts of the organisational context and HR function in these organisations and summarises what they found out from participating in this research.

1.4.2 Interviews with HR

In each of the case organisations we started with interviews of a small number of HR people, normally two or three. The purposes of these interviews were to:

- understand the background to the organisation and its HR function. Some of this material is included in the case study annex.
- collect information about how customers of HR feed into the evaluation of the function and of people management, and how such feedback is used.
- agree how the research process with managers and employees would work inside the organisation and how results would be fed back.

1.4.3 Interviews and focus groups with managers and employees

In each case organisation, focus group discussions were held with groups of line managers and, separately, groups of non-managers. Some organisations chose further groupings within these two main populations, for example of technical managers on the one hand and people in more commercial management roles on the other.

One-to-one interviews were also held with two or three senior managers, usually face-to-face but some also by telephone.

All participants were sent a briefing note in advance of their interview or focus group discussion.

The interviews and focus groups with the customers of HR included discussion of:

- the role and purpose of HR
- understanding of, and use of, HR services
- specific aspects of HR service and its impact on people and the business
- how, if at all, customers give feedback on HR services.

Participants were additionally asked to describe HR in one adjective as it is now and as they would like it to be (see Chapter 7).

The senior manager interviews covered broadly the same topic areas. They did not complete the focus group questionnaire described below, but were asked instead to sort cards labelled with specific areas of HR to show how they compared in terms of frequency of use, value, and effectiveness.

One hundred and nineteen people were involved in focus groups or interviews, excluding the HR people interviewed. Of these, 56 were line managers, 47 non-managers and 16 senior managers.

1.4.4 Survey of focus group participants

All those attending focus group discussions were given a short questionnaire to complete in confidence while they were there, and these were collected in at the end of the focus group discussion. The purpose of this questionnaire was to help participants start to think about HR before the discussion began. It also enriched the overall base of data, especially with descriptions of critical incidents of HR service.

The focus group questionnaire asked about frequency of use of HR services in specific areas, effectiveness and value of such services and how people management should be shared between HR and the line. The findings of this survey are reported mostly in Chapter 4, with the 'best and worst' experiences of HR being reported in Chapter 6.

One hundred and two useable replies from the focus group questionnaire were obtained from the five case study organisations – 54 from managers and 48 from non-managers.

1.4.5 Online survey in case organisations

In four of the case organisations: East Sussex County Council, Sainsbury's Store Support Centre, GCHQ and the Healthcare Trust, staff were offered the chance to complete a web-based survey of their views on HR services. This was usually enabled via a link to an external website that supported an anonymous screen-based questionnaire, downloaded directly to IES for analysis. In some cases this kind of technology could not be used and other arrangements were made. In some organisations the promotion of the survey and access to it by employees was more effective than in others.

The online survey asked a range of questions about the effectiveness of HR services, where HR was improving, the impact of the function and the characteristics and behaviour of HR staff. The results of these questions are presented in Chapters 4 and 5. One open-ended question was included: *'What one thing would you most like your HR function to do differently?'* The results from this question are reported in Chapter 7.

Overall, 841 usable survey replies were obtained, although the vast majority of these were from two of the cases: East Sussex County Council and Sainsbury's.

The respondents were 58 per cent female, so a fairly good gender mix. Three hundred and sixty seven (44 per cent) were managers of other people and 474 (56 per cent) were not, so again a good mix between two key customer populations. We did not differentiate in the online survey between senior managers and other managers as this is hard to define consistently between organisations using a self-report anonymous questionnaire.

We asked respondents to give an occupational classification. Sixty four per cent were what we could roughly define as managerial or professional and 16 per cent classified themselves as 'technical or skilled', with 17 per cent as administrative or secretarial.

1.4.6 Analysis and reporting of data

Although both the focus group and online surveys cover quite a significant number of people, these samples are not of course representative of the customers of HR generally. The focus group sample, although smaller, is better spread between the case organisations. The results of both surveys presented in this report therefore need to be used with caution and seen alongside the qualitative information collected.

We did not feel it helpful to ask the case organisations to reveal their individual survey results in this report. However, all the material was analysed by the organisation and fed back in detail to the HR contacts in each case. Several cases also circulated a short summary of their findings to all those who had participated in the data collection or to their employees as a whole.

In looking across the organisations, we were less interested in the exact scores on each item, because some company cultures are more open to internal criticism than others. We did look, however, at which items scored *relatively* higher and lower across each of the organisations and whether these patterns were consistent. For most questions, especially those about general attributes of HR functions, there was a very high degree of consistency between the organisations concerning what people most wanted from HR and which aspects of service they felt were relatively stronger and weaker. Where there were interesting differences between organisations, as there were, for example, in which specific areas of HR work were seen as effective (see Chapter 4), we have commented on this in the text.

The two surveys were also analysed by separating the views of managers from those of non-managers. The pattern of differences between these two groups was very consistent across the case organisations and often interesting.

The data from interview and focus group discussions was analysed thematically, along with the open-ended questions from the two surveys. Verbatim comments from the open-ended questions are used extensively in this report but in such a way as to protect the confidentiality of individuals and organisations.

1.5 Structure of this report

The findings of the research are presented in a series of chapters, organised by topic area and each pulling together relevant data from the two surveys and from the interviews and discussions. So each chapter gives an overview of certain topics or issues. When data is reported we try to stick closely to what the individuals involved in this study actually said, without trying to make judgements about their views. A 'reflections' section at the end of each chapter suggests some broader issues that the data may lead the researchers and the reader to consider.

The report is organised as follows:

- Chapter 2 sets the scene with an account from the literature of some of the main changes in HR functions over the past few years and how they relate to changing ideas about people management and its links with business performance.
- Chapter 3 reports what customers said about what the HR function is for in organisations: its roles and purposes.
- Chapter 4 feeds back what customers said about services in specific areas of HR, like recruitment, training, performance management and so on.
- Chapter 5 looks at more general features of HR services and also at what customers felt about staff working in HR.
- Chapter 6 gives some examples of the critical incidents of HR service that customers described – HR at its best and worst.
- Chapter 7 looks at the difference between customer perceptions of how HR is now and how they would like it to be – suggestions from customers of how HR might improve.
- Chapter 8 gives a brief overview of how the customers of HR currently give feedback on the function and how they would like to do this. A fuller account of the findings about methods of evaluating customer perceptions of HR will be reported separately.
- Chapter 9 looks at how one might distil feedback from customers into some key themes – an HR ‘footprint’ – for a specific organisation and use this to prioritise future actions.
- Chapter 10 reflects on the research findings and what they suggest for the future direction of HR. For readers who simply wish to absorb the main themes from this study, Chapter 10 summarises these.

2 The HR Context: A Literature Overview

2.1 HR has been busy re-positioning itself as ‘strategic’

The last ten years have witnessed much debate within the HR community about the place of HR within the business. Widely-held aspirations for the function include the desire to have a ‘seat at the top table’ and to demonstrate that it provides added value to the business.

Alongside these aspirations there has been a great deal of reflection about the key roles and structure of HR, the impact of technology and outsourcing. At the heart of these reflections has been the idea of HR moving away from spending too much time on ‘routine’ work to free the function up to be more ‘strategic’ and engage in higher value activities. Ideas about what routine is vary, although most include elements of pay, recruitment, managing performance, administration etc.

The notion of ‘strategic HR’ has been a powerful draw to HR professionals, although ideas about what strategic is also vary. For some, strategic HR is about leading the business rather than being a service or support function. In this view of strategic HR, the vision is one of HR directors sitting down as part of the top management team in dealing with the business challenges and opportunities of the changing business environment. The dual potential benefits to HR functions are ones of status within the organisation – perceived by others as having as much to contribute as anyone else – and a shift in the nature of discussion about people issues – away from justifying the ‘why’ of every proposed initiative towards discussing ‘how’ each proposal will achieve objectives and add value.

For others, being a strategic business partner is more about helping managers at every level achieve their strategic goals. According to Reilly (2008) strategic input is about pulling the disparate parts of people management together (eg reward, development and performance management) in combining the efforts of HR, line managers and executive management. Strategic HR should also see employees as a source of competitive advantage and understand how their contribution can be mobilised most

effectively. Reilly (2008) argues that the interplay between business strategy and people strategy will be unique to each organisation and it is essential that each HR function:

- knows what strategic HR actually looks like in their organisation
- has the experience and can develop the capability within their HR teams to deliver strategic HR, and
- has HR customers who actually want them to be 'strategic'.

Whatever the precise definitions adopted, the structure of HR has been subject to a number of changes in recent years and these changes have been largely driven by the HR profession itself.

All these changes are built upon an earlier move away from a 'welfare' role to a more business focused purpose for HR. Reilly and Williams (2006) observe that as HR seeks to position itself more and more as a 'business function', it has put a greater distance between itself and the workers it serves. The function may no longer be regarded as an effective channel between managers and staff. Rather, Reilly and Williams suggest that HR's stronger presence in the management team may encourage a 'them and us' mentality among employees. The growing physical consolidation of HR into shared service centres has further eroded the relational aspect of the function.

2.2 There have been changes in the structure of HR functions

There have been moves to outsource functions and to use shared services, primarily as ways of cutting costs. However, a recent IES review of research (Miller et al., 2007) found little evidence to date that either outsourcing or the use of shared services provide sustained benefits beyond any initial cost reduction. Lawler and Mohrman (2003) have concluded that structural changes to the HR function have not led to it becoming more strategic in its contribution to organisational performance. A number of criticisms have emerged, centring on issues such as the segmentation of the HR service into many operating parts and questioning the extent to which such changes facilitate customer focus and operational integrity. Segmentation leads to the creation of many interfaces between service units and, therefore, to the risk of issues or information being lost between units or communication generally not being as good as it could be (Reilly and Williams, 2006). Furthermore, while in principle the shared services model may look as though it can be tailored to meet the needs of the particular organisation, in practice organisations may find it is less tailored or flexible than they may wish.

The so-called 'three-legged stool' model of HR, often attributed to American business guru David Ulrich, has generally been held to be best practice for large or complex organisations. As its name suggests, this model has three components: shared service centres, business partners and centres of expertise. Ulrich has argued against a single generic model for HR structure on the grounds that structure should *follow* strategy rather than *lead* it and should take account of how the business itself is organised. He

believes that HR should take one of three generic forms to satisfy the needs of different businesses. These forms are:

1. an HR 'functional' organisation model, in which specialists provide both theory and practice aligned to a single business.
2. an HR 'shared services' organisation model, providing both transaction and transformational work aligned to a diversified business.
3. the 'embedded HR' model, that is, a model in which HR personnel act as generalists, business partners and account managers aligned to a business unit of a holding company as dedicated HR.

This approach seems to blend a number of different factors in the alignment of HR structure with the operation of the business. These factors include the structure of the organisation, the business strategy and an organisation's stage of development.

A considerable body of literature has examined the alignment of HR structure with:

- **Business strategy.** Some researchers have explored whether aligning HR structure with business strategy improves performance. Miller, Broughton, Tamkin, Reilly and Regan (2007) found that most studies have failed to find support for this argument.
- **Company structure.** The structure of the organisation – whether it is centralised or decentralised, a holding company etc. – has been suggested by some to influence the type of HR function that is appropriate.
- **Stage of company development.** Whether it is a start up, mature, in decline etc., has implications for the types of activity in which an HR function needs to be involved and therefore it is suggested that this too has a bearing on HR structure.

2.3 HR staff have been adopting new roles

Much of the recent debate has focussed on the different roles that HR practitioners can play within the HR function and this debate has mostly been conducted within the framework of Ulrich's various models of HR roles. His model of four HR roles: strategic partner, administrative expert, employee champion, and change agent have become very well known (Ulrich, 1997). In 2005, Ulrich and Brockbank proposed a revised framework based on a synthesis of HR roles, which were as follows:

- employee advocate (ensuring reciprocal value of employer-employee relationships)
- functional expert (designing and delivering HR practices)
- human capital developer (building future workforce)
- strategic partner (help line managers reach their goals), and
- HR leader (credible to own function and others).

There has been much debate about these various models proposed by Ulrich. According to Ashton and Lambert (2005), while Ulrich's original four roles have been influential, whether and how they are put into practice varies: the change agent and strategic partner have proved attractive, the employee champion much less so. Often these roles have been used as labels without much understanding of what they stand for. Ashton and Lambert have argued that Ulrich's model '*should arguably never have been taken as a blueprint for the HR functional structure*'. In fact, Ulrich never intended that they should be. He was not describing a set of roles to translate into specific jobs, but a set of activities that potentially could be designed into a range of HR job types or structures.

More recent data from an IES survey of HR functions for the CIPD (CIPD, 2007) shows that not all organisations have actually adopted these changed HR structures, but many have adopted at least some of Ulrich's HR roles. So these models have been very influential. The same survey also casts some doubts on whether HR functions really have been getting smaller as a result of these changed forms, and whether they have actually realised the cost reductions hoped for. These doubts are confirmed by Crail (2008), who reports on the IRS Employment Review's HR practice survey of 151 organisations. This found that HR departments are more likely to have grown over the past two years than shrunk.

2.4 Growth in metrics and human capital measurement

Alongside the aspiration to be more strategic and the changing functional structure and practitioner roles, we have also witnessed over the last five years a greater desire to be able to measure things about people within the business and also the contribution of HR. This includes using HR metrics as a means of showing where the HR function stands in performing its tasks relative to either its own past performance or relative to other firms. Hence the strong interest in benchmarking and, in the public sector at least, HR functions wanting to report themselves as having a lower than average ratio of HR staff numbers to the number of employees.

The increasing sophistication of some approaches to metrics has gone down well in some sectors, but in others it can be seen as getting a bit abstract and quite top-down. This means that local HR work can be seen as low value work. Another concern is whether HR professionals are becoming more interested in collecting official performance metrics than in taking time to ask questions of their key service users. The IRS survey (Crail, 2008) of HR practice in the UK found that organisations used an average of just over five measures each in measuring HR effectiveness. The most popular measures used were staff turnover and absence data neither of which provide direct feedback to HR from its customers. Such measures also tell us little about the effectiveness of HR, as they are heavily influenced by external factors. Techniques such as benchmarking, strategy mapping and the balanced scorecard are cited considerably more often in academic papers and published reports than in customer

surveys or similar feedback mechanisms. These former, 'hard' performance measures, rarely or only peripherally incorporate consultation with managers and employees, and hence are unlikely to give a comprehensively accurate picture of 'what customers want' from their HR function.

On the other hand, in a survey by the CIPD of almost 1,200 senior HR practitioners (Emmot, 2003), line managers' views were the most frequently cited measure of HR performance, with 70 per cent of respondents indicating that this form of assessment was used in their organisation. 'Business outcomes' was ranked second, with employee surveys the third most popular measurement tool – just over half of the sample reported using these. Only a quarter spoke of relying on cost-benefit analyses. These figures present a contrasting view to that suggested by the dearth of published or otherwise available material on the subject of 'soft' performance measures, and suggest – perhaps not surprisingly – that HR-related communications between the department, managers and employees tend to be informal, or, at least, unpublished outside the individual organisation concerned.

We look in more detail at the assessment of the contribution of HR as a function later in this report in Chapter 8.

2.5 The case for high performance work practices is won

The increasing interest in the organisational outcomes from people management practices has led to increasing evidence that progressive HR approaches can bring benefits to organisations. The impact of high performance work practices (HPWP) on organisational performance appears generally to be positive and the general consensus in the literature is that high performance HR systems have economic benefits for organisations' financial performance (Wood, de Menezes and Lasaosa, 2001; Ichiniowski, Shaw and Prennushi, 1997; Patterson, West, Hawthorn and Nickell, 1998). The stream of research on high performance work practices and employee engagement has been good news for HR people who have used the research in helping them counter the negative attitudes of some executives towards the impact of people management on organisational performance.

There is some evidence to suggest that it is not the practices *per se* that make a difference but the degree to which they align with each other to create meaningful 'bundles' of practice (eg Huselid, Jackson and Schuler, 1997; Den Hartog and Verburg, 2004). Buchan (2004) has suggested that single or uncoordinated HR management interventions are less likely to have success than are 'bundles' of linked and coordinated activities.

High performance work practices can be considered to be an emerging organisational model and there is a lively debate in the literature about how it operates in practice. For example, Guest (2000), in work for the CIPD, identified 18 key practices associated with high performance or high commitment HR management. One of the criticisms of

the high performance concept is the lack of agreement of just what constitutes the relevant groups or bundles of practices. For example, work by Thompson in the aerospace industry (Thompson, 2000) has identified over 30 practices. Alternative groupings are provided by Tamkin (2005), Sung and Ashton (2005) and Tamkin et al. (2008).

How do high performance work practices bring benefits? Across a range of organisations and sectors, progressive approaches to people management has been shown to increase productivity, improve employee satisfaction and decrease staff turnover, and is associated with improved leadership, employee commitment and a variety of other organisational outcomes. These are hypothesised to occur through both direct and indirect routes: for example through increasing the skills and knowledge of employees, enabling them to use those skills and their knowledge, and by bringing about changes that render it more likely that they will have a positive attitude towards their work.

A study published by the CIPD (Purcell, Kinnie, Hutchinson, Rayton and Swart, 2003) examines the ways in which HR practices may impact on performance. The authors seek to move the debate on, from *whether* HR practices do have an impact, to understanding *how* they have an impact. The researchers assert that for people to perform above minimal requirements they must:

- have the *ability*, ie the requisite knowledge and skills
- be *motivated* to work well
- be given the *opportunity* to deploy their skills and contribute.

HR practices serve to turn these three elements into action, and managers have a key role in implementing policy and practice. A key factor in the Purcell model is the extent to which HR practices motivate employees to engage in 'discretionary behaviours', that is, behaviours that are not necessarily specified within a job description or person specification but, when performed, contribute towards enhanced individual, team or unit performance.

The debate in HR at present is centred around the quality of implementation of people management practices not just policy and process design. So the key question now in HR terms is how does HR really make this shift in people management happen? The problem for HR in using all this research to justify moving full steam ahead into 'new' more strategic HR delivery models is that not all business leaders want their HR function to play a more strategic role. Some are more comfortable with an HR function offering professionally competent operational services and efficient administrative support activities. Executives may see the nature of the people management debate differently. Even for those managers who are acutely aware of employee contributions to productivity, sales and customer satisfaction, it does not necessarily follow that they see it as the HR function's role to provide strategic input in facilitating the line's

engagement with staff. HR still needs the permission of its business leader customers to implement strategic HR practice.

2.6 Impact on how customers will experience HR

Leading on from the general trends and arguments about the HR function, its internal customers might justifiably expect to benefit from some specific aspects of the changes:

- better administration
- clear advice on routine matters, such as case work in employee relations
- business partnering, which is in many ways seen as the key to delivery.

The expected impact on HR's customers is less clear in policy development and in-depth advice through centres of expertise. There are also some other issues with the evolving new HR models:

- Some areas of HR, for example learning and development, organisation development, talent management and career development, do not so readily fit the three-legged stool structure.
- The pressure to cut costs, which has driven the introduction of a new HR structure in 70 per cent of early adopters (CIPD, 2007), has meant that the key issue of whether managers have some choice over the level of HR service provided has not been properly discussed. As Reilly and Williams (2006) note, all too frequently a standardised service is offered, not the 'mass customisation' expected. Thus instead of choice, management customers get a take it or leave it offer and HR advice may become generic rather than tailored. From a customer point of view, this can exacerbate feelings of loss of their 'own' integrated HR operation.
- The gap between strategic HR and routine HR can become very wide. Previously day-to-day contact with operational matters gave HR managers contact with a range of customers. Distance from this day-to-day contact may lead to business partners having a poor sense of how employees or line managers will respond to business changes or new people practices. If business partners have no independent sense of the organisational health of their part of the organisation then their value to senior managers can become undermined.
- The disappearance of HR as an employee champion is ironic given the current moves and focus on employee 'well-being'. Having 'run away' from its old-fashioned welfare role and wanting to be seen as taking its lead from business strategy, employees in particular may be confused about whether HR really wants to interact directly with them over matters other than administration.

2.7 People management in the new models of HR

All the changes in HR described above are contingent on line managers managing their people properly and interfacing with HR processes (eg in recruitment). Hence the capability and motivation of line managers to do this has become central to the way HR wishes to move. It is interesting to reflect on how HR supports this by giving:

- line managers less support, ie forcing them to do it
- clear sources of support they must use, eg service centres
- close coaching/development to practise the skills they need.

The emergent view of the CIPD based on several strands of recent research (Robinson and Winkler, 2008) is that line manager involvement in people management needs to be both broadening and deepening. They advocate that it is important not just to train line managers but also to work with them to ensure they are clear on the role they play and to support them on how to cope with problems. It seems that distance is the key issue when it comes to HR supporting line managers – whether HR needs to come closer or keep its distance from line managers. Giving line managers more training and having a proper process does not alleviate the need for close working support from HR.

2.8 What do its customers think about HR?

There is very little evidence of what senior managers, line managers and individuals want from HR these days. The changes in the HR delivery model have been largely driven by the HR function itself. Management acceptance of these changes to date does not necessarily mean there are swathes of keen supporters of HR in boardrooms. It could be that HR is still seen as a cost rather than a value creator and the reduction in HR cost or headcount often promised as part of introducing the new HR model was the key factor in welcoming the change. It is not clear yet to what extent managers do see HR as strategic partners or management servants in implementing management wishes.

What do customers think of what they get from HR and what do they perceive as the function's strengths and weaknesses? We have already suggested that HR professionals often do not take the time to ask questions of their key service users in a structured or systematic way. HR would be wise not to rely solely on its own perceptions. Research by Wright, McMahan, Snell and Gerhart (2001) comparing HR and line evaluations of the effectiveness of HR functions found that HR executives consistently rated the function's effectiveness higher than did line executives, and the greatest differences were observed on the more important and/or strategic aspects of HR. Thus HR managers relying on their own perceptions could be getting an overly rosy view of what one of their key customer groups thinks.

For those that do know what their customers think, however, they do not necessarily act upon it. The almost notoriously poor reputation of HR suggests that while the function may be to an extent aware of customer requirements, it fails to put this knowledge into practice. Reinforcing this view, IRS (Crail, 2006) presents survey data drawn from HR representatives who claimed that communications from another customer group – employees – rarely influenced their priorities. Over four-fifths reported not taking a lot of note of what workers thought. Citing a survey by the Rialto Consultancy, the Involvement and Participation Association (IPA, 2005) argue that HR needs a ‘brand overhaul’ to deal with the negative perceptions surrounding it, and to develop a more relevant value proposition to the business.

According to what little literature there is on customer views of HR, few line managers currently have favourable perceptions of the HR function. Whittaker and Marchington (2003) attribute this situation to the department’s poor comprehension of business realities, the constraints it places on line management autonomy, and its unresponsive or slow approach to tackling pressing issues. HR policies appear good in theory, but it seems difficult to implement them in practice. Our study aims to add to the knowledge base both on what customers want from HR and their current experiences of HR service provision. If HR is indeed on a positive road to increasing its strategic impact, one would expect its customers to be able to see this for themselves.

2.9 ... and how are organisations keeping in touch with the customers of HR?

The growing popularity of balanced scorecards to assess organisational performance is, you would have thought, an opportunity to give human resource management more prominence, since scorecards typically focus on three major organisational stakeholder groups: investors, business customers and employees. Certainly we have seen an increase in the prevalence of annual employee attitude surveys and these can provide very useful snapshots, over time, of how employees are feeling about the organisation and the way it is managed. They do not, however, necessarily tell you very much about the effectiveness of the contribution of the HR function.

Ulrich (1997) suggested conducting an HR audit as part of a balanced scorecard approach to evaluating the effectiveness of the HR function. Such audits still seem to be something of a rarity. Ulrich has quite rightly suggested that, while employees may know what they want, they may not know what is best for the firm. He advocated surveying top executives, as they have more extensive knowledge of what might be best for the firm. Whilst we agree that senior executives have the authority and, one hopes, the ability to balance different stakeholder interests in HR, we still think that they cannot experience HR services in the way that employees and more junior managers do. In our research, therefore, we will seek to establish whether different customer groups do want different things from their HR functions and whether they experience the impact of HR activities in different ways.

However HR keeps in touch with its customers, there is a need for each HR function to show the strategic impact it is making and how it is contributing to business improvement. The vast literature on how HR sees its own future and the very limited amount on what its customers want, leads one to suspect that HR may be at risk of going off on its own journey somewhere and leaving its business customers behind.

3 Customer Views on the Role of HR

As Chapter 2 has illustrated, the HR function has spent considerable energy over the past five to ten years in seeking to redefine its role and position in organisations. HR managers and professionals have wanted to feel more at the centre of things. There has been much soul searching about how HR can make the most positive impact on organisations without being a large, expensive and slow-moving overhead. Downward pressure on the costs of HR and the potential efficiency gains of using ICT have kept up the impetus for the function to transform itself.

‘Strategic’ HR is, in many organisations, the Holy Grail of this quest, with impact in the Board room, at senior levels and on business strategy. Closeness to business is seen as important too, and manifest in the model of HR Business Partners. Latterly, as many HR functions have moved into changes in organisation structure, the narrative about the role and purpose of HR has been somewhat subsumed into a language more reflective of structure than of purpose: the administrative chunk doing routine things, an expert chunk doing policy and some more specialised service provision and a business partner chunk working with managers to solve their problems.

The customers of HR – senior and line managers and individual employees – have been affected by the changes the HR function has been making to itself, but do not seem to have been much involved in the underlying reframing of the HR story. So do they see the purpose of HR as ‘strategic’ in the same way that the HR profession now sees it? What roles for an HR function do its customers see? In this chapter we look in general terms at what HR’s customers are saying about why they think organisations need HR functions and what roles the HR function should be fulfilling.

Most of the information in this chapter comes from the interviews and focus group discussions. Some of the themes are taken up again in Chapter 4, where we look at what customers said about the desired role of HR in specific work areas (recruitment, performance etc.) and in Chapter 5 where we look at what general aspects of HR service delivery customers said were most important to them. Some of the themes in this chapter, not surprisingly, relate to the improvements customers wish to see in HR services, which we report in Chapter 7.

We start this chapter with what the three customer groups – line managers, senior managers and employees – said about the overall purpose of HR (section 3.1) and with examples of how they articulated this (section 3.2). We then look at the key roles that the customers of HR felt the function should be playing in practice (section 3.3). The idea of a ‘proactive’ HR function was especially prevalent and section 3.4 explores what customers meant by this. We conclude (section 3.5) with some reflections on what kind of an HR function customers seem to be asking for.

3.1 The overall purpose of HR

3.1.1 A lot of activity – but to what ends?

Viewed from the perspective of its customers, it is quite difficult to express clearly what the HR function is for. In many of our focus group discussions, when we asked about the *purpose* of the HR function, the initial comments were really just a list of all the curious mix of activities HR people undertake: sorting out pay, issuing contracts, dealing with people who cannot get on with their bosses, placing recruitment adverts etc. Seen from the customers’ point of view, HR can all too easily appear to be the odd job man of the organisation, mopping up all sorts of activities. Indeed, in some of the case organisations, HR had other jobs as well: the car park, the Christmas party, office stationery and so on. In these cases, some customers did say that perhaps HR could have more value if it was not doing all these odd jobs.

After this tricky start, every focus group then did work its way into a conversation about what is going on underneath all this activity: what is HR really there to do?

Although as we shall see, views were varied in their detail, the broad thrust of the customer story was remarkably consistent across our many discussions, across public and private sector organisations and – perhaps most importantly – fairly consistent between the three main stakeholder groups we talked to: employees, line managers and senior managers.

So in some sense our first finding is that HR is not really in proper dialogue with its customers about what it is there for, and perhaps should both listen more carefully to what the business wants it to be, and explain its purpose more clearly.

As one senior manager put it: *‘The large majority of staff does not know what HR does, and HR does not make a conscious effort to tell them’.*

3.1.2 HR is a business support function

All the stakeholder groups in this study clearly saw HR’s fundamental purpose as to make the business work better. Customers clearly see HR as a function that should support the delivery of the business – that is a support function. Perhaps customers are clearer about this start point than HR people have become.

‘Support’ in the eyes of customers is not to be confused with being menial or routine. Support covers big and difficult issues – such as motivating people and managing change – as well as day-to-day issues, such as efficient pay administration. Support is about working with people, not just about shifting paperwork in back offices. As we will see below, support needs to be proactive: spotting issues ahead of time and not waiting to be called in by managers.

3.1.3 For and about employees as well as managers

HR supports business by helping managers get things done. But business support also covers ensuring that employees are well handled by the business. One, perhaps surprising, finding of this study is the extent to which managers and senior managers felt that the HR function was there to look after the needs of employees as legitimate customers of HR. This argument ran as one might expect: good organisations need proper people management and good employment practices, so employees need to be properly looked after in order for the business to perform well. Much of this ‘looking after’ is done by managers but some is done by HR, especially when employees have problems or are unhappy in their work or relationships. There was truly not one dissenting voice in the whole study from the premise that employees are legitimate customers of HR as well as managers.

As one senior manager put it: *‘HR is there to support the line and employees in order to support the business.’*

3.1.4 Directly touching most people in the business

It may be helpful here to report what the online survey found out about the degree of contact people have with HR.

Forty-four per cent of the line managers completing the survey had frequent contact with HR and 55 per cent occasional contact; very few claimed no direct contact at all.

Of course, employees expect to have less contact with HR than managers, but 16 per cent reported frequent contact with HR and 70 per cent occasional contact. Only 14 per cent of non-managers said they had no direct contact with HR.

Employees quite often said that they would go to their manager first with an issue and only then go to HR if it was something the manager could not resolve. However, it is important to employees at that point that the HR function is accessible to them.

3.2 Examples of what customers said about the purpose of the HR function

The illustrations below give a brief glimpse of what the three stakeholder groups said about the purpose of HR.

3.2.1 Examples from managers

‘As managers we get caught up in what we are trying to do in the business. HR helps us remember we are dealing with people.’

‘Some of our managers are still not people oriented. There is still a big gap for people learning to be managers.’

‘To know employment law, to be experts.’

‘To provide support in difficult situations.’

‘To get the right people.’

‘To develop training programmes.’

‘I do the HR stuff myself. But am I on the right lines? Have I missed anything?’

‘Processing stuff, for instance around recruitment and pay and rations.’

‘Giving professional advice based on their knowledge of current legislation, workforce planning, motivation, learning and so on.’

‘Getting the right people in and supporting them to keep them ... driving the resource capacity of the business.’

‘Professional HR specialism in the areas managers can’t easily do.’

‘Training line managers for the people bit ... especially new managers.’

‘Central processes for the things done more efficiently in a centralised way, for example personnel records and dealing with new entrants.’

‘Understands our business plans.’

‘Follows up on actions with us, for example development plans.’

‘Gets close to people as well as to the business.’

‘We want them to be a conscience and a coach but not to take over.’

‘It’s about working with you to make the best use of people.’

‘The manager should manage, but HR should be there to advise and support.’

3.2.2 Examples from non-managers

‘We have seen a shift from tampons and tissues to hard HR ... from fluffy to a focus on business issues.’

‘Telling us what our rights are.’

‘Answering our questions.’

‘Making sure our salaries are right and we get what we are entitled to.’

‘Mediating where necessary to ease tensions between individual managers and staff.’

‘Helping us find new staff.’

‘Enable the effective use of human resources, and to plan for future requirements.’

‘Advise various people about employee relations.’

‘Advise on training options.’

‘Fairly represent staff and the organisation – impartial.’

‘Good mediators to deal with confrontational issues.’

‘Provide information about our terms and conditions.’

‘Support the organisation in policy development.’

‘Get the right people.’

‘Look after people.’

‘Help the organisation to be safer and work better.’

3.2.3 Examples from senior managers

‘HR is there to provide support for all other teams – primarily by setting the people proposition and processes, but also by helping people deliver on these.’

‘HR has a role in challenging managers, for example by giving them feedback from employees. HR could be more challenging.’

‘HR is there to facilitate issues around people. It provides principles and policies (within legislation), makes sure managers are aware of these and facilitates processes (for example in recruitment/selection, reward/remuneration). Individual areas are responsible for those things, but HR teams guide us along the path and assist us.’

‘HR needs to remind us of our values including respect for the individual. We have to do what we are preaching.’

‘HR is there to support the organisation in terms of policies, guidance, advice, information and service to make sure the organisation and its members are doing the job in the most efficient way.’

‘HR should set down the arrangements of policies and processes, deal with small volumes of exceptional case work and put managers in the position of managing effectively. Policies need to be slick and to be explained to staff.’

‘At the margins HR needs to be a specialist function dealing with grievances, performance cases etc. HR needs to manage our legal risks, protect employees and link with the Unions.’

‘HR is there to provide a service for the rest of the organisation, enabling its primary purpose. It should help them to do this as efficiently and effectively as possible. HR is not an end in itself.’

‘Managers should be saying what the business needs. HR should be in partnership with the line, informing them about best practice.’

‘HR is there to support the line and employees in order to support the business.’

3.3 The key roles of HR

As these examples illustrate, customers spoke about a range of roles for HR. In this section we summarise how they saw those varied roles, which included:

- administration and support with core processes
- policy and its communication
- specialist services and legal protection
- advice to managers and employees
- fair play and mediation
- preparing for the future
- improving the people management skills of managers
- challenging management.

3.3.1 Administration and support with core processes

In all the cases, managers and employees recognised the important administrative role of HR. Although this type of work may not be glamorous, the customers of HR do understand the importance of accurate and responsive administrative support and in some senses value it more than HR people do. Indeed, when we look later on at the best and worst customer experiences (see Chapter 6) we will see that the worst ones were often administrative mistakes – small beer perhaps to HR professionals but maddening to its customers both emotionally and in terms of business impact.

The administrative role carries tensions for HR, which its customers are well aware of. Managers commented on the dangers of a more efficiency-conscious HR function getting its own numbers down by passing administration – usually form-filling of various kinds – back to the line. But there are also dangers in HR being trapped in too many administrative tasks, especially when these stray into office support services. Some managers commented that reductions in clerical and secretarial staff in their

own departments, as well as 'devolution' from HR to the line, left them dealing with a lot of routine personnel matters themselves. They did not see this as an effective use of their time.

There are some core processes – recruitment is a good example – where the support given by HR is not just administrative but adds value through professional judgement, for example through advertising, setting criteria and short-listing. So there is not a hard line in the minds of customers between administration, expert service provision and advice to managers.

3.3.2 Policy and its communication

HR has an accepted role in designing and agreeing policy and HR processes. Customers often called this role the provision of 'frameworks' for people management. They wanted to know that their organisations were adopting 'best practice' approaches and expected their HR professionals to be looking at good practice elsewhere and bringing fresh ideas into their business.

Senior managers gave rather more emphasis than other customers to the policy role of HR, especially with regard to harmonizing policy and processes across different divisions, departments or locations.

Managers and employees tended to think that HR simply did too much policy work – tinkering with policies unnecessarily and making them too complex. Managers did not see policy as the main lever through which HR could improve employment practices.

Customers emphasised the importance of HR communicating and explaining policies and processes to everyone in the business, especially when policy was changed.

3.3.3 Specialist services and legal protection

In some areas of work, the line and employees see the need for HR to have an expert role. This can be in the provision of a specialist service (for example in recruitment, occupational health or training) or in expert advice (for example in difficult employee relations cases). Legal matters in general were an area in which customers saw HR as having a particular role in keeping the business within the law.

Where these roles were well defined and well executed, they were much appreciated by HR's customers. The value here is about having knowledge that managers lack and also sometimes about being able to procure specialist services effectively. Perhaps HR people sometimes underestimate the amount of specialist knowledge they have access to, and the degree to which this is valued.

Some support that customers perceive to be of a specialist nature – selection would be a good example – may be delivered to them by what HR would perceive as 'generalists'

(for example their divisional business partner). We will see later in this report, that managers and employees do expect all HR professionals to have a reasonable degree of professional knowledge in the same way they would expect of professionals in IT, finance etc.

HR often needs to promote specialist services as part of its role. One employee saw HR as the *'marketeters of training and development'*, for example, not just as providers of courses that managers request.

3.3.4 Advice to managers and employees

The role that came up more than any other was probably that of adviser to managers. Managers and senior managers wanted an HR function they could go to when they needed advice. The debate among the HR community has often highlighted the need to extract HR professionals from what one might see as more mundane or day-to-day advice. The customers in this study saw this issue rather differently.

Issues that seem routine to HR people – simply because they occur quite frequently – were perceived as very important by managers and employees. For example, a selection decision is the kind of thing many HR people would wish the line to take themselves. In many situations, managers would concur. However, a difficult selection decision or one for a critical post is just the kind of issue over which a manager might particularly appreciate the advice of an experienced HR professional. The same was often true of managing difficult people. Customers frequently saw the impact of such situations as strategic in business terms, because of the impact of a good or bad person appointed (or lost) to the business. So what is mundane to HR is sometimes strategic for its customers.

As one senior manager put it: *'Without HR advice one is absolutely lost; HR is a minefield and it's easy to step on one if you don't know what you are doing.'*

Managers also wanted 'advice' about deep seated and complex people issues, notably motivation and retention of groups of highly skilled employees and also helping teams of people get back on track after reorganisations. These are not issues amenable to quick fixes and managers expect, not unreasonably, that the experts on people should be able to help them to improve things. They did not often use the term 'OD', but that is some of what they were talking about here.

Both managers and employees talked about the advisory role of HR as applying to groups of people – teams, departments or divisions – not just the whole organisation at one extreme and the individual at the other. This idea of HR support for a team and its managers seemed very natural to customers of HR, but this is not a model often voiced by HR people themselves.

The involvement of HR in giving advice to managers has important knock-on effects on the role of HR more widely. It is where trust is developed and personal contacts are made. If HR does not get involved where managers want advice, then it will not

be called into meetings about business strategy and so forth. Customers regard these different kinds of discussions as all taking place within the same relationship and good advice is often the seed that helps that relationship grow.

Although advice to employees is a less frequent need, the general arguments were much the same. On the occasions when employees needed advice, they felt that their HR function should be able to give them clear, timely and positive information or advice. The managers in this study felt that the role of HR in giving impartial advice to employees was extremely important.

3.3.5 Fair play and mediation

Both managers and employees felt they needed occasional support from HR to mediate between people – most often a manager and an employee – when their relationship was in difficulty or a problem could not be resolved. This is often what drove employees to seek advice from HR.

Although in some ways this is only a particular kind of expert advisory service, the ability to balance the needs of employees and managers has major implications for the way HR positions itself. The terms ‘employee champion’ or ‘employee advocate’ were not used by customers, but terms like ‘fair play’, ‘balancing needs’, ‘mediation’ and ‘negotiation’ were often used. One employee, for example, called HR ‘*the custodian of fair play*’. All the customer groups wished to see an HR function somewhat independent of the line and able to take a balanced view of the needs of employees and managers, whether at aggregate or individual level.

3.3.6 Preparing for the future

One area of advice and support managers and employees identified concerned the future. HR was seen as having an overall interest in ensuring the workforce is of the right size, shape and quality to meet business needs. So HR was seen as having a particular role in helping managers plan for the future and in helping them bring through the right people to meet future needs. Again, this was seen as a partnership with the line – not a separate service – but an area in which line managers and senior managers felt they needed an especially proactive function.

As we will see in the next chapter, the role of HR in looking at future workforce supply is more universally accepted than its role in looking at issues of workforce demand, productivity and organisation design.

3.3.7 Improving the people management skills of managers

Managers often highlighted the link between giving them good advice and increasing their people management skills. Employees also mentioned the role of HR in making sure managers were competent.

In practice, several managers felt that working through a difficult issue with an HR colleague was their best way of learning. A frequent example here was dealing with individual performance problems. If HR had given them close support on one occasion, they said that next time they would feel more able to deal with a similar issue with much less support, or by themselves. So, in effect, the advisory role is also a management development role.

3.3.8 Challenging management

The ability to challenge managers was quite often mentioned as a distinct and useful role, especially by senior managers. Challenge could take a number of forms. At quite a deep level, challenge could be about helping managers understand that something they were planning to do would have consequences for employees that would not be helpful. Managers wanted an HR function with its finger on the pulse of the workforce to help them manage employees' interests, especially where these might conflict with business pressures. An HR function remote from the workforce would not be able to fulfil this role.

At a more individual level, there was the recognition that some managers are not very good with people and might make poor decisions or handle people inappropriately. HR had a role in telling managers when they were wrong and helping them put matters right. Dealing with the small numbers of managers who behave really badly was a role for HR that several of the employee focus groups had very high on their priorities. This does of course require a function with confidence and clout, especially when senior managers are involved.

In this study we did not systematically ask people for metaphors they might use for the role of HR in the organisation. We wish we had done so. After a discussion of the need for HR to challenge senior managers, one employee offered this suggestion:

'HR needs to be like the Jester to the King. It has to tell him what everyone knows but no-one else dares to tell him...You have to be very smart to do that.'

Customers of HR acknowledged a kind of 'policing' role but preferred to see this as advice and challenge rather than as enforcement. They saw HR more in terms of helping managers do the right things for the business and for people, than making managers follow a set of rules. As one senior manager put it:

'HR still sees itself as custodian of the rulebook in some battle of the rules.'

3.4 A proactive HR function

In several of the roles we have explored here, customers talked about their desire for a 'proactive' function. This idea of proactivity was mentioned in nearly every focus group and interview and by employees just as much as by managers or senior managers.

What did people mean by their use of the term 'proactive'?

- generally a more positive offer of HR support: an 'enabling' role in relation to managers and employees in the business – helping them do business better.
- closer involvement with the business in tackling HR problems/issues, for example attracting recruits in difficult labour markets, managing poor performers.
- spotting people issues both by being close to the workforce and by using feedback from employees (surveys and so on) to identify problem areas. One group of managers spoke of HR '*nipping problems in the bud*' by spotting them early and then working with the business to resolve them.
- benchmarking good practice externally and bringing policies and services closer to good practice.
- being more assertive if HR policies or company behaviours are being flouted by managers.
- helping managers to motivate their staff and taking a strong role in coaching managers in their people management skills.
- helping to look 'across the business' at possible improvements to support managers who can only see their part of the business. Several people mentioned that this ability to see across the business was unique to HR – both in consistency of application of policies and in deployment of the skills of the workforce.

So a proactive HR function is essentially one that does not wait to be asked to help. It is always looking at what needs to be done to improve people management in the business. Some customers and HR people in this study did note that managers do not always tell HR people enough about their future business plans to make this easy.

3.5 Reflections from this study on the role of HR

3.5.1 A business support function with a mind of its own

The evidence presented in this chapter seems to be raising some important messages for HR people about how their customers see the role of the HR function. It is perhaps surprising that the three groups of customers in this study – line managers, senior managers and employees – heartily agreed with each other about the purpose and roles of HR.

First and foremost they see HR as being there to support the delivery of the business – so it is evidently, to its customers, a business support function. It is the support function that deals with people issues. Perhaps customers are clearer about this start point for their thinking than HR people have become. 'Support' should perhaps be a firmer touchstone for HR than it is.

It is important for HR to understand that supporting the business is not at all a menial role in the eye of managers and employees. It is both important and difficult to really support a business on its people issues. Support is strategic as well as operational. It requires leadership as well as delivery. Even in the delivery of the more administrative or routine elements of HR, managers and employees see the contribution of HR as very important. As we will see vividly in the data presented in Chapters 4, 5 and 6, poor support on routine matters can lead to major damage for individuals and the business alike.

Managers and employees heartily agree with current HR thinking that people management is the responsibility of line managers and it is HR's role to support them in doing this, but not to replace them.

The customers in this study come down very firmly in favour of HR as a function that needs a mind of its own, especially in balancing the interests of employees within a wide view of the needs of the business. This means HR must be able to challenge managers and provide independent advice to employees as well as managers. Again, the feedback from managers in Chapters 4 and 5 will show they value HR's support for employees just as highly as the support they get themselves.

3.5.2 A close and proactive people partner

Much of what the customers of HR say about the advisory role is very close to the idea of HR as a business partner. Their comments about the administrative services are also familiar. But there are some subtle differences between what the customers of HR are saying here and what HR professionals have been saying about their function:

- While many HR functions are segmenting administration from advice and in turn from strategy, customers wish to experience these roles in a much more fluid and seamless service. Reliable administration and accessible, professional advice build the kind of relationships that make it likely that managers will then involve HR in more strategic work. So even if the function is segmented for structural convenience, this segmentation should not be over-apparent to its users. Authors who have emphasised the need for strategic HR (Guest et al., 2001; Huselid et al., 1997; Buyens and de Vos, 2001) tend to see this strategic role as more separated from effective basic support than did the customers in this study.
- Customers want their partners in HR to feel *close* to them, in terms of access, relationships and business understanding. It is this very closeness that, in their view, leads to the strategic involvement of HR in business issues. It also makes it possible for HR partners to understand the business and to know the workforce. This echoes other research where speed to respond to business issues is seen as important, and often missing, in HR functions (Ashton and Lambert, 2005). If the HR strategic journey creates a bigger emotional and intellectual distance between the HR function and its customers, then it is unlikely to gain the trust and credibility it so desperately seeks.

- HR brings a distinctive value because its knowledge base is different from that of the line. Customers – both managers and employees – want a function that knows about HR and also knows about people. So customers do not want ‘business partners’ in the sense that they are just other business people to talk things through with. They want ‘people partners’ who partner them on their people issues and bring distinctive expertise to this role.

The customers of HR in this study found it difficult but interesting to think about what the HR function is really there for. They painted a remarkably consistent picture of what they wanted from HR: a business support function of high potential value, delivering this value through its proactive attention to important and up-coming people issues, efficient administration, and knowledgeable and impartial advice for both managers and employees. A close and knowledgeable ‘people partner’, who understands both HR and the business, is their ideal of the kind of HR representative they wish to work with.

4 Customer Views on Services in Specific Areas of HR

When we talked to line managers and employees about the role of HR, as reported in the previous chapter, they usually started thinking about its different areas of work: recruitment, performance management, training and so on.

In this chapter we report on what customers said about services in specific areas of HR. As well as giving feedback to HR people about these specific aspects of HR work, this material also gives us a feel for the more general aspects of the way HR operates that are picked up in Chapter 5.

In both the online and focus group surveys and in the focus group discussions and senior manager interviews we asked questions about some specific areas of HR. The list we used of these areas was as follows:

- performance management and reward
- training and development
- recruitment and selection
- employee communications and employee relations
- workforce planning and job design
- personnel records and information
- promoting equal opportunities and diversity
- promoting employee well-being.

We start with looking at how customers see the line and HR working with each other in the different areas of HR (section 4.1). Sections 4.2 and 4.3 summarise the focus group and online survey findings on specific areas of HR and section 4.4 reports how senior managers prioritised areas and rated their effectiveness. Section 4.5 pulls in the more qualitative data from focus groups and interviews on how customers see HR

operating in each of its main areas of work. This chapter concludes with some reflections on how managers and employees see their areas of need, as well as which they feel are more effectively met at present.

4.1 How should HR work with the line in different areas of HR?

Following on from a fairly general discussion of the role of HR in Chapter 3, we look first at what the focus group survey respondents said about the mix of HR and line responsibility for different areas of HR activity. For each of the areas listed above we asked who was 'best placed' to deliver: HR, the line manager, HR and line manager jointly, or others (eg outsourced, e-enabled).

The majority of line managers saw performance and reward, training and development, recruitment/selection, communications/employee relations and workforce planning all as areas where the line should deliver jointly with HR. About one-third of line managers felt that they (ie the line) should take the primary responsibility in performance and reward and workforce planning – in other areas it was less than this and more favoured a shared responsibility.

As we will see in the later sections of this chapter, workforce planning is a rather confused area for managers. Some managers wanted more support from HR in workforce planning, and the related areas of succession, talent management and career development. Other managers felt that it is their job to plan the workforce, and that the primary focus of HR should be on what we might call the 'supply side': recruiting and training the people line management requires.

There were just a couple of areas in which line managers saw HR as taking a leading role rather than a supporting or shared one. Nearly three quarters of line managers saw personnel records as an area where HR should be the primary deliverer. In promoting equal opportunities and diversity, about the same number of line managers saw this area as a joint responsibility of the line with HR, as the number seeing it as mostly for HR to deliver. Although over half the managers saw employee well-being as a joint responsibility, nearly one-third thought HR should take the lead here.

In some areas, non-managers had similar views to managers about who should do what. These included training and development, employee well-being and personnel records.

In several other areas, employees wanted to see a stronger role for HR than their managers did. In recruitment, a bigger majority of non-managers wished to see joint delivery between HR and the line, and they were less likely to advocate line managers alone delivering recruitment. A similar pattern was evident for workforce planning. Employees were also more likely to see a stronger role for HR than the line in promoting equal opportunities.

In Chapter 3 we discussed the strong role that non-managers see for HR in ensuring fair treatment for individuals. These findings support that same argument: employees advocate a stronger hands-on involvement of HR in areas where key decisions are made about individuals.

Interestingly in the area of performance and reward, employees gave line managers a rather stronger role than managers gave themselves. About half the non-managers responding to this question thought performance and reward should sit with the line, and about half that it should be a joint responsibility between HR and the line.

The focus group discussions and the interviews with senior managers largely supported this emphasis on joint accountability of the line with HR, although what this means varies from one area of HR work to another. For example in performance and reward, line managers look to HR to set frameworks but then feel by and large that it is their job to make individual judgements. Both line managers and non-managers do, however, want expert HR people to challenge decisions that are unfair. Managers also greatly value support in dealing with poor performers.

In recruitment, line managers and senior managers clearly valued the expert input of HR when making difficult recruitment decisions as well as in process design and administration. Several senior managers commented on the particular value of involving HR where judgements are made about people's ability:

'For example HR helps with interviews – they can have a rounded view of someone's behavioural skills – I tend only to look technically, so selection is an area where HR adds value.'

Non-managers also felt that HR people could bring expertise and objectivity to the selection process.

When talking about the role of HR generally, participants often highlighted specific roles in specific areas of work, for example one manager said:

'In recruitment HR takes the leg work out and helps by sifting candidates. In performance management HR needs to make sure the process is rigorous and fair and that managers are consistent.'

In general, very few respondents felt that any areas of HR should be mainly outsourced or e-enabled. The exception was in training, where 16 per cent of respondents to the focus group survey (split fairly evenly between managers and non-managers) felt that outsourced provision would be best. Only one person favoured e-learning as the primary model for delivery. Given the very strong attention that the HR profession has been paying to both e-HR and outsourcing, it is interesting that these modes of delivery do not eclipse the central role that people in HR are seen to have in partnering the line.

In one case organisation, a focus group of managers felt that the shared responsibility between HR and the line for so many aspects of people management left them with a

serious lack of clarity as to who should be doing what. This was particularly acute in recruitment – an area of dissatisfaction for managers in this organisation. They felt that sometimes the lines of responsibility were so ‘fuzzy’ that neither the line nor HR considered it their responsibility when recruitment delays occurred, even though this had serious consequences for business delivery.

4.2 The use, effectiveness and value of specific areas of HR service

The focus group survey asked about the same areas of HR work with an additional three questions:

1. Frequency of use – *‘How often do you use the following HR services?’*
2. Effectiveness of service – *‘To what extent do you think the services provided by HR are effective?’*
3. Value of service – *‘Which of the services HR provides are of most value to you in doing your job well (ie how important are they to you)?’*

For each question three possible categories of response were given from high to low, explained in terms relevant to the question.

Table 4.1 below shows the percentages of line managers and non-managers separately, giving both the highest and lowest category of response in each case. The middle response for each item would be 100 per cent less the sum of the two figures shown.

The key points are as follows:

- Both managers and non-managers put performance/reward and training/development as areas of relatively high use of HR services. In addition, recruitment is an area of frequent use for managers, although obviously low for non-managers once they themselves have been recruited.
- Workforce planning and promoting equal opportunities come out as areas of low use by the line and also by other employees. HR’s service in promoting well-being is also an area of low use by managers.
- Both managers and non-managers see HR as most effective in the areas of equal opportunities and personnel records.
- Managers see HR as also quite effective in performance/reward – an area of considerable use and high value. Employees also see performance/reward as an area of significant use and high value but, for them, it comes out as an area of relatively low effectiveness. So in performance/reward there appears to be a gap for employees between what they think is important and what they get from HR.

- Training/development was the area of highest value for both managers and non-managers, but not of the highest effectiveness.
- Views on the area of well-being are interesting. Managers had varied views about its value with 38 per cent putting it as of high value but also 24 per cent putting it as of little value – the most polarised view on the value of any work area. For non-managers, well-being came out as a high area of value but low in terms of effectiveness – so another gap for employees between what they would wish to see and what they get in practice. Managers also saw the effectiveness of HR delivery in the area of well-being as relatively low.

Table 4.1: Feedback on specific areas of HR work from focus group survey

Area of HR Service		How often used? %		How effective? %		Of most value to you? %	
		Frequently	Not at all	Very	Not at all	High value	Little value
Performance management and reward	Managers	30.8	11.5	17.3	17.3	53.8	9.6
	Non-managers	15.6	44.4	0	21.1	50.0	21.4
Training and development	Managers	29.6	9.3	13.5	7.7	63.5	1.9
	Non-managers	14.6	29.2	17.1	12.2	57.4	8.5
Recruitment and selection	Managers	32.1	15.1	21.6	19.6	43.1	11.8
	Non-managers	4.3	69.6	15.6	6.3	36.6	39.0
Employee comms and employee relations	Managers	17.3	32.7	11.8	25.5	23.5	11.8
	Non-managers	6.5	41.3	22.0	14.6	31.1	13.3
Workforce planning and job design	Managers	5.6	64.8	4.3	54.3	17.3	36.5
	Non-managers	2.2	80.4	3.1	28.1	27.5	40.0
Personnel records and information	Managers	13.0	29.6	26.7	11.1	23.1	19.2
	Non-managers	6.3	43.8	30.8	12.8	33.3	26.7
Promoting equal opportunities and diversity	Managers	9.3	50.0	22.4	16.3	17.6	25.5
	Non-managers	6.5	71.7	29.4	14.7	22.7	25.0
Promoting employee well-being	Managers	7.5	58.5	16.0	28.0	38.0	24.0
	Non-managers	6.5	58.7	13.5	18.9	42.2	15.6

Note: Each item above was scored on a three point scale. The table shows responses in the highest and lowest categories for each item for managers and non-managers separately. N=102 for this survey, although responses to some questions were lower, especially in commenting on a service that the respondent did not use.

Source: Focus group survey, *Customer Views of HR*, IES, 2008

Table 4.2: Summary of the high and low scoring items shown on Table 4.1

	Managers			Non-managers		
	Use	Effectiveness	Value	Use	Effectiveness	Value
High scoring areas	Recruitment	Records	Training/devt	Perf/reward	Records	Training/devt
	Perf/reward	EO/diversity	Perf/reward	Training/devt	EO/diversity	Perf/reward
	Training/devt	Perf/reward	Recruitment		Comms/ER	Well-being
Low scoring areas	WF planning	WF planning	WF planning	WF planning	WF planning	WF planning
	EO/diversity	Well-being	EO/diversity	EO/diversity	Perf/reward	Recruitment
	Well-being	Comms/ER		Recruitment	Well-being	Records

Source: Focus group survey, Customer Views of HR, IES, 2008

4.3 Online survey feedback on the effectiveness of specific areas of HR services

A similar question was used in the online survey about the effectiveness of areas of HR work but scored on a five point scale, so the results are not entirely comparable with those above. Also, although a much larger sample (over 800), the online survey sample was more dominated by public sector respondents (over three-quarters) and was drawn from only four of the five organisations participating in focus groups.

Table 4.3 below shows the scores on the effectiveness in specific areas of HR work from the online survey. The key patterns are as follows:

- In general, line managers were rather more satisfied on each area of HR work than non-managers, with the exception of recruitment/selection. Employees were considerably more critical in the area of employee communications/ employee relations than were line managers.
- As with the focus group survey, promoting equal opportunities was seen as the most effective area of HR by both managers and non-managers. Around half the sample saw it as effective or very effective.
- Training and development also comes out relatively high, although that still means that less than half the sample judged it to be very effective or effective (49 per cent of managers and 46 per cent of non-managers).
- Again, as with the focus groups, workforce planning/job design is not seen as an effective area. Only 22 per cent of managers and 17 per cent of non-managers judged it very effective or effective.
- The online survey sample was quite critical of performance management/reward in relation to other aspects of HR work – more so, especially for managers, than the

focus group survey. Only 27 per cent of managers and 22 per cent of non-managers thought HR was effective or very effective in this area. This does not seem to be because low scoring organisations are more strongly represented in the online survey. It seems likely that the managers who came to focus group discussions were simply more supportive of HR in this challenging area.

- Across several of the areas of HR work – recruitment, employee communications, personnel records, well-being – the overall measures of perceived effectiveness in the online survey were pretty similar. However, looking at these same items broken down by organisation, there were bigger differences. Interestingly, the highest and lowest scoring case organisations on each separate work area were different from one work area to the next, ie each case organisation might be better on some areas of service but not on others. Some of the sectorial stereotypes one might expect are also challenged by this data: the private sector case scored highly on equal opportunities and a public sector organisation scored highest on workforce planning.

Table 4.3: Effectiveness of specific areas of HR work from online survey

Area of HR service		Mean score	Standard Deviation	% effective or very effective
Promoting equal opportunities and diversity	Managers	3.46	0.91	54
	Non-managers	3.38	0.93	49
Training and development	Managers	3.29	0.97	49
	Non-managers	3.19	1.05	46
Promoting employee well-being	Managers	3.13	1.01	40
	Non-managers	2.93	1.09	35
Personnel records and information	Managers	2.98	1.02	36
	Non-managers	2.95	0.92	30
Employee comms and employee relations	Managers	2.99	0.98	36
	Non-managers	2.73	1.03	26
Recruitment and selection	Managers	2.83	1.07	32
	Non-managers	2.89	1.06	34
Performance management and reward	Managers	2.87	0.93	27
	Non-managers	2.74	0.93	22
Workforce planning and job design	Managers	2.80	0.92	22
	Non-managers	2.71	0.88	17

Note: Scores were 1=very ineffective; 2=ineffective; 3=neither effective nor ineffective; 4=effective; 5=very effective. N= approx 800 (varying slightly for each item), approx 360 managers and 440 non-managers.

Source: *Online survey, Customer Views of HR, IES, 2008*

4.4 How senior managers rated the use, effectiveness and value of specific areas of HR service

The senior managers we interviewed in each case organisation did not fill in the focus group questionnaire. Instead they were asked to undertake a card sorting exercise. They were given cards labelled with the same eight areas of HR and asked to sort them in three successive ways: how much they used this area of HR, how effective it was and how valuable they thought it was to them. Most senior managers used 'high', 'medium' and 'low' piles of cards to conduct this exercise.

Although the numbers of senior managers interviewed were limited, this card sorting exercise was a very effective way of eliciting discussion. It would be a useful method to use inside an organisation with a larger population of senior managers.

Overall the views of senior managers followed the same broad pattern we have seen above for the line managers:

- The most used areas of HR service for senior managers were recruitment, performance/reward and training/development. This was the same 'big three' as for the line managers who filled in the focus group survey.
- Also like the line managers, the senior managers we interviewed placed highest value on these three areas. One interesting difference was that the role of HR in performance/reward was given higher value in a case organisation in which HR has been much more active in helping the line to manage performance. In other cases, the senior managers were clear about the high value of HR work in recruitment and training, but not so clear about what they really wanted from HR in the area of performance management.
- Senior managers agreed rather less about how effective their HR functions were in these key areas of recruitment, performance/reward and training/development. In only one of the cases were senior managers very positive about the effectiveness of HR service in performance/reward – the same case referred to above where it was given high value. In some of the cases, senior managers were fairly satisfied with recruitment, but this was less so in the cases recruiting technical people in challenging labour markets.
- In one case, the senior managers talked quite a lot about HR's role in employee communications/employee relations, but this was not as uppermost in the minds of senior managers in the other organisations.
- Reflecting the line managers again, the senior managers on the whole put personnel records/information, workforce planning, equal opportunities and well-being into their 'lower value' pile. However, some of the discussion about these topics was very thought provoking. A few senior managers felt that HR's work in providing workforce information was of potentially very high value, but that this needed to

go much further than keeping records. On equal opportunities, one or two senior managers felt that their businesses had become very complacent and were not thinking enough about labour market trends and the need for a more diverse workforce, especially in science/technology occupations where skill shortages are prevalent.

- Workforce planning was generally seen as a lower priority area, was less used and not seen as effective. Again, however, some senior managers really wanted HR to add value in this area, but generally were not very clear about what they wanted in practice. This view was more prevalent in the public sector cases, perhaps because of recent central government demands to see evidence of workforce planning in publicly funded organisations. Several senior managers in the private sector cases felt strongly that planning was the line's business and HR's role was primarily to support resourcing and training.
- The conversation was rather similar for well-being. As with workforce planning, senior managers were not too clear about what it meant. A few felt that well-being (in a broad sense) was a really important area for HR to get more involved in as it linked with motivation and retention. Oddly, however, one case that is deeply concerned with attraction, motivation and retention did not seem to have senior managers making the link between these issues and employee well-being.

4.5 Discussions with line managers and non-managers on specific areas of HR

The results presented so far in this chapter have come from fairly specific questions in the two surveys we used and from the card sorting exercise done by senior managers. In this section, we build in the much wider range of comments on particular areas of HR work that were elicited from the focus group discussions and interviews. This qualitative information gives us a better feel for which aspects of service customers think about when giving their views on the effectiveness of HR in specific work areas. It also gives us some hints as to possible areas for improvement that we will pick up again in Chapter 7.

In addition to giving feedback on the quality of HR service, these discussions also make one wonder if the various areas of HR work that the function itself articulates, map all that well on to current issues of its customers. We will reflect a little more on how customers see this 'landscape' of HR areas of work at the end of this chapter. For now, we will look at what was said about each of the main areas of HR in turn, and also about some that were not on our list.

We start with the three areas that were of highest interest to customers: recruitment/selection, training/development and performance/reward.

4.5.1 Recruitment and selection

From the perspective of line managers, recruitment is a particularly critical area of HR service, and we will see in Chapter 5 that it is statistically strongly linked with their overall satisfaction with HR services. It was also an area with a substantial gap between its perceived value on the one hand and perceived effectiveness on the other. If a line manager can't get staff into the organisation when needed, then they simply cannot deliver their business. This obviously affects profits in the private sector. In the public sector case organisations, unfilled vacancies could mean a vulnerable person not receiving health or social care – a potentially life-threatening situation, as well as one breaching statutory duties.

Senior managers were equally concerned if their organisation could not fill its vacancies. They were often aware that they got a better service from HR on recruitment because they could go direct to senior HR people and get a more personal service. The service was much less personalised for line managers lower down the organisation, especially those recruiting more junior staff and in locations remote from main offices where HR people were often located.

Slow recruitment also puts pressure on other employees, so non-managers were sensitive to the effectiveness of HR services in recruitment. Individuals also often spoke about their own experiences of being recruited. The same aspects of recruitment services came up with great consistency across stakeholder groups and organisations.

Working closely with managers and keeping in touch

More than in other processes, recruitment activities shuttle repeatedly between managers and HR as the process moves along. The manager may frame the vacancy, and may consult HR during this phase, and HR then often places an advertisement. The manager wants to know if applications are coming in, even if HR does the initial sift, and so the moving back and forth continues right through to the individual's first day at work. Managers who were not satisfied with recruitment services complained of both a lack of urgency in HR doing its parts of the process, and of long periods of silence when they wondered what was going on at the HR end of things.

The issue of keeping in touch was the same for potential recruits as for managers. Employees who had favourable recruitment experiences often commented on how HR had kept them in touch with progress at each stage, especially during periods of little visible activity – for example when references were being obtained or legal checks carried out.

Effective administration is critical in recruitment

Effective recruitment relies on both effective process design and precision in delivery. So, for example, some recruits wondered why they could not get application packs more quickly, possibly via a web-link from the site advertising the vacancy. Now that

technology is playing a significant part in recruitment, spotting ways of using it more powerfully might further improve how the service is experienced by managers and potential employees.

Small administrative mistakes or inaccuracies, for example in informing candidates and managers about interview appointments, can throw the whole recruitment process out and waste a lot of time.

Administration is also critical after the selection decision has been made, and this was often a weak spot. Accurate and speedy issuing of contracts of employment was a particularly sensitive step for customers, and was often a frustrating bottleneck. This has become more critical as the contractual step opens the system's gateways to getting an office, a computer, a car parking space and so on. So a hold up at this stage is increasingly disabling.

Professional advice from HR on selection

Managers appreciated the help they sometimes had from HR in thinking about criteria for selection and in balancing different kinds of need in the selection process. Several managers and senior managers said that HR people took a more balanced view of candidates than they did themselves, especially with regard to looking for both generic skills and technical skills, and also balancing the individual against strengths and weaknesses within the rest of a team. HR people are so accustomed to thinking about selection in these ways that they perhaps undervalue their own skills and underestimate how unfamiliar some of this thinking is to line managers who may not recruit very often. Generic role descriptions for a type of job, including selection criteria, can be a useful first step and the line manager can then tailor them to the specific vacancy as appropriate.

Tailored solutions in difficult labour markets

Most of the case organisations faced some labour market challenges. These were most common in shortage professional groups, like engineering and IT, but also occurred with lower paid jobs in areas of low unemployment (care assistants in the rural parts of south east England would be a good example of this). Managers need support from HR in knowing how to define vacancies to tap into the available labour supply and attract the right kinds of people. HR also often needs to consider innovative or targeted approaches to the labour market to reach the best candidates. Managers found that the use of recruitment agencies had variable effects on their quality of service. Some were very satisfied, but others felt that the agencies just went through a standardised service unless HR insisted on a more tailored approach and was energetic in seeking to improve the quality of candidates applying. So outsourcing recruitment does not let HR off the hook in terms of labour market intelligence and service to its internal customers.

So recruitment emerges as an area in which both administrative effectiveness and tailored professional support need to come together to support managers.

4.5.2 Training and development

As we have already seen, training and development is an area highly valued by both managers and employees. For technical employees in particular, training is a key part of the employment relationship as it maintains their interest and employability. In several cases, employees talked a lot about how delays or lack of access to technical training frustrated them and soured their feelings about work and their employer. New or inexperienced managers felt exposed if they did not get the basic management training they needed soon after appointment. So although training was an area of relatively high perceived effectiveness, most participants in this study felt improvements could be easily achieved with some modest changes to the HR service.

Customers were also very interested in improving career development, an area where the HR service is not clear at all. We return to this topic in section 4.5.6 below.

Clear service offer

Employees and managers wanted essential training to be clearly on offer so that they could see if any standard courses or materials might meet their needs. For example, one part of a case organisation had a well-communicated 'toolbox' of offerings for employee development, suitable for the range of jobs in that part of the organisation. This division was consequently seen by managers and employees in other parts of the organisation as being more serious about development. In another case, employees praised the training function for emailing them in a targeted way when they had an upcoming course or event that might be of interest to them.

Managers also wanted to be clearer about when and how they could obtain a more tailored development service for individuals or groups of employees. For example, one manager had brought in his HR business partner to facilitate an awayday for his team. He felt it greatly improved the day but also cemented a good relationship between team members and their HR business partner. Other managers in the same organisation did not seem to consider using HR and training professionals in this way. It is not always obvious who you go to for tailored learning interventions. Is it the business partner, the training department (often rather a separate wing of HR) or OD (which is a great mystery to customers, and again may be another department)?

Closer dialogue on learning needs for groups of staff

The most satisfied managers we interviewed had experienced a close dialogue with their HR business partner or someone from the training department about the training needs of their division, department or team. This was the start point for putting in an appropriate range of learning interventions, including support for on-the-job

development or a suite of courses for progression in professional skills. The lack of dialogue on training needs for groups of staff was often criticised by junior managers and employees. Only a few managers in this study, most of them senior, had experienced a serious discussion of the training needs of their people with HR. It is not clear whether this service is not really on offer to most managers, or whether only a few are proactive in seeking better service from HR in the training area. The significant organisational distance between the 'training' (or learning and development) function and the 'personnel' function (the rest of HR) may in itself be a real barrier here.

The main source of frustration to employees in the area of training, was that once a training need had been agreed with their manager – often through their appraisal – they still had to argue with HR to get that need met and for provision to be available within a reasonable period of time. Both managers and employees wanted clearer planning and budgeting for courses that should normally be available for all employees in a particular function at a particular career stage. In some cases, no-one seemed very clear how to access training budgets and customers did not know that there was unspent money for training that they could request. In one case, employees said *'training has been cut back too far'* when HR said that budgets had recently been increased. In this organisation, employees described training as a *'battleground'* for them, as they felt it was always a fight to get the training they needed, even when their immediate manager had agreed it was needed.

Supporting new models of learning

To some extent, customers agree with newer HR thinking that more learning should be through in-company events or on-the-job coaching provided by HR/training professionals or other employees. However, the process for making such internal, flexible provision a reality was unclear. In busy organisations, the time needed to coach others was not built into job design or staffing levels. HR needs to work more closely with managers to help them implement a coaching culture. This requires more than just training managers in coaching skills; it has a major impact on staff resources and also requires an HR function able to offer concrete support with more flexible learning interventions.

In training, HR needs to work more closely on planning training priorities with managers, for training offerings to be clearly communicated, and then for the processes for funding and delivery to be quicker and more transparent.

4.5.3 Performance and reward

Although the area of 'performance and reward' is often grouped in this way by HR people, the customers of HR do not primarily see support on performance as being very much about reward. The area of performance is in turn seen as several fairly distinct areas in which people expect support from HR: the design of the formal

performance management system; managing poor performers, and then a much wider set of issues about the link between motivation and performance.

Sensible pay levels and cleaner pay systems

On reward, both managers and employees looked to HR to offer expert input on the right levels of pay in relation to the labour market for different groups of staff, especially in shortage occupations. This was much more important than using the complexities of performance pay and bonus systems – indeed the more complex the system, the less satisfied people were.

As one senior manager said: *'Our HR people are too worried about systems in the area of reward and don't have deep enough knowledge. We let the union run rings round us and don't have a serious understanding of business needs'*.

In another case organisation, employees did not understand how the link between performance and reward was really implemented. These links were seen as *'less than transparent and distorted by the budgeting systems'*. So it does not help to have an HR function that designs fancy approaches to pay, if implementation is opaque and confusing.

A positive counter-example in one case organisation was a flexible benefits programme which was seen by managers and employees as leading the field, and they were proud of their HR function for this innovation. The programme was very clear, very well communicated and efficiently administered. Stakeholders had been consulted at policy and design stages and employees all knew about it.

It goes without saying that payroll administration is critical to employees. If mistakes are made they should be quickly resolved and apologies given. This was sometimes more difficult for employees with outsourced payrolls. They asked for more help from HR in getting the outsourced payroll or pension provider to give the level of service required.

A stable, simple approach to performance reviews

Customers of HR do see the need for a performance review system, but do not see why HR keeps re-designing it, or why it has to be complex: *'The peer review process is too complex and does not deliver the required result. HR also want control through forced distributions, and ranking does not feel right'*. HR's mechanisms for linking performance and reward were often seen as distorting performance reviews: *'The PDR system is not really two-way. The outcome is sewn up beforehand. It feels like playing along for an hour'*.

As many HR people would say themselves, the real challenge is to get managers conducting really good performance reviews. But HR itself is often the major source of noise in the system, distracting managers both with complex systems and frequent system changes.

But where should HR go from here in the area of performance management? Views varied about the kind of service from HR that would really improve employee performance. Obviously managers needed skills in this area, but formal training did not seem to solve the problem. Some people wanted to see HR in a kind of 'policing' role, telling off managers who do not do good performance reviews or who do not send in their paperwork etc. Others said that senior managers really need to take the lead here on the quality of performance management and not pass the buck to HR. So although performance management generally emerged as an area of dissatisfaction with HR services, this study does not give us a very clear vision of what the customers of HR really want by way of support. The case organisation in which customers were more satisfied with HR's support on performance, was the one with business partners much more embedded in the business and working more closely with managers and their teams. Managers there seemed more confident in tackling issues of performance, partly at least because they had an experienced HR person quite close to them who could advise them.

Support with managing poor performers

By contrast, many more managers and employees across most of the case organisations sang the praises of HR when it came to dealing with individual cases of poor performance or difficult disagreements about performance. The difference here was that HR was much clearer about the service it was offering and also had real skills to deliver it. The norm was not for HR to 'take over' cases of poor performance, but to mediate between a manager and an employee to improve mutual understanding and move on to a solution. Sometimes this service was offered by the local business partner and sometimes by specialists in the central HR services team. As long as it was clear who to go to, and the individuals in HR were skilled, it did not seem to matter how this was organised.

In this area of poor performance, the impartial positioning of HR, which we discussed in Chapter 3, was really visible and valued. The coaching role of HR with the line was also very evident here. Several managers said that, having had close support from HR over one case of poor performance, they felt more confident next time to manage it mostly alone.

The challenge of motivation

The really big issue in performance, for managers and employees alike, was the much wider and more challenging agenda of how to motivate the workforce to give its best. Here managers were looking to HR for a much deeper understanding about how to motivate people of diverse kinds in particular work contexts. Some managers said they wanted advice and support from HR based on a '*theoretical knowledge base about what motivates employees*'. The word 'theoretical' throws down something of a gauntlet

to a function that has mainly been concerned with policies and processes rather than well-founded theories.

In the absence of better advice, managers in some organisations tended to look to HR to increase pay levels to overcome issues of motivation.

Several managers linked the motivation agenda with needing to understand the workforce better: *'We need to get to grips with the aspirations and drivers of our people.'*

Some managers, especially those doing their own technical work as well as leading a team, felt that motivating their people was in some sense 'additional' to their day job of getting the technical work done. One said: *'Some people need to be caressed into doing work'*. These managers felt they did not spend enough time talking to their people about *'what was on their minds'*, and did not feel they had the time to do so. It is not quite clear what they wanted HR to do about this, but their issues were really about whether junior and middle management jobs allowed the time needed to motivate staff.

Employees saw this same set of issues from the other end of the management relationship. In some of the case organisations there were a small number of managers – often very senior – who demotivated whole departments or divisions through their poor treatment of people. Staff gave specific examples of colleagues who had left because of such managers. Everyone – including HR – knew who these bad managers were, but nothing was done to deal with them. Staff did look to HR to challenge these managers and/or the managers they reported to. This requires both clout and skill on the part of HR managers, especially when the offenders are very senior.

Once you step beyond the highly valued help HR often gives on individual cases of poor performance, the area of performance and reward overall is one in which the contribution of HR needs clarification. Customers want less complex formal systems for pay and performance, but deeper help from HR on performance and motivation issues.

4.5.4 Employee communication and employee relations

Employee relations got less air time from the customers of HR in this study than did recruitment, training, performance and reward. But we will see later (in Chapter 5), that satisfaction with this area of HR is strongly correlated with satisfaction with HR service overall, so it does look like an important influence on how people feel generally about HR. It was also an area of relatively low employee satisfaction with HR services, which should be of concern. Services in both communications and employee relations varied considerably across the case organisations and the nature of the services was not well understood by customers.

Clear communication channels for employees

In some cases, HR had a remit for general communication with employees, and it often had responsibility for employee feedback, for example through employee satisfaction surveys. Where surveys or employee representative groups were used actively, employee communication was seen as better.

Communication with employees was most effective where briefing through the line was really done at every level and quite frequently. Managers felt it was helpful to have their HR business partners at such divisional or departmental briefings. This made it easier to update everyone on employment-related issues at the same time as they were talking about current business issues. It also made HR business partners more visible to the whole workforce, and gave HR people the chance to get a better feel for employee issues. So, again, a close partnership between the line and HR seems the most effective model of delivery.

Communication about changes in HR services and in periods of business change

HR is not very good at communicating with managers and employees about changes in HR processes. The new policy goes out to everyone as a policy document, but this does not always explain why something has been changed, which its users wish to understand. Face-to-face explanations and Q&A sessions were valued where they took place.

HR is also not always good at explaining changes in its own structure and staffing. Perhaps through not wishing to burden managers and employees with too much information, customers of HR felt that their HR functions had not really explained why they were changing or what the change in HR was intended to achieve. At a more mundane level, users were not always told the names of who was doing what in a reorganised HR function. We will see in Chapters 6 and 7 that customers want to know who to contact in HR and having named individuals is much more satisfactory for them than just an anonymous phone number.

As we will see later, employees and managers are especially sensitive about communication at time of business change, for example during and after restructuring. So, effective employee communication is central to change management. The role of the HR function in communicating with the workforce during a period of change was not always clear. It often started well but then seemed to die away.

Expert help with difficult people

We have already noted that the expert support of HR in dealing with performance problems was much appreciated. So was the similar help given with a wide range of other disagreements or difficulties with relationships at work.

Perhaps then we should not be surprised that the employee communications and employee relations bundle came out as strongly related to overall satisfaction with HR. It seems likely that its importance lies in the way customers associate this area both with communication about change and support for managing difficult people or situations – two of the most critical influences on overall satisfaction with HR.

The more traditional employee relations work of negotiating on pay and conditions of employment etc. was hardly mentioned in this study. Presumably these functions are still important, but they were not uppermost in the minds of HR customers. Perhaps they take the role of HR more for granted in these areas.

Once we get beyond recruitment, training, performance and employee relations, customers of HR start to struggle with the meaning and relevance of the other work HR gets involved in.

4.5.5 Personnel records and equal opportunities

Two areas – personnel records and equal opportunities – came out as good aspects of HR service, but ones that customers really did not see as of such high value.

Of course, customers did want excellent personnel administration, but did not often seem to consider how much this might rely on excellent records. They would certainly notice if records were *not* good!

A few managers, especially senior managers, were much more excited by personnel information, and thought the function should do much more to inform managers about trends and issues with the data it holds – not just hold the records. Human Capital Management, and the associated interest in HR Metrics, has been a hot topic in HR for the past few years. Judging by this study, the HR debate on these subjects has not yet reached the ears of managers in any way to which they can really relate. Stimulating debate around providing information on the workforce would be a useful way into this agenda.

The response we got about equal opportunities was rather similar. Everyone accepts that organisations need to act within the law here, and most managers and employees thought treating people fairly was important. However, the phrase ‘equal opportunities’ has taken on a kind of ritual quality in the public sector and a kind of abstract quality in the private sector. Yes, HR attends to these issues, but not in a way that is vivid or engaging for its customers.

Again, one or two senior managers felt very differently. Their driver for putting equality and diversity much higher on their priority list was demography and the labour market. So, for example, one senior manager in a company that could not easily attract engineers felt that a much more radical attempt to attract women into engineering was necessary. For him, this extended far beyond recruitment and into working with schools to encourage more girls to take up engineering.

In one organisation, the employee focus group felt that diversity policies had been in place for a long time and the organisation had become quite complacent. They said HR's work in this area was *'taken for granted'* and had *'lost visibility with managers'*. *'We have not pressed forward this agenda so energetically in recent times.'*

Managers employing disabled staff often needed specialist support in knowing what someone would need by way of special provision and in getting it organised. In one organisation, this service was excellent and very much appreciated by line managers. Again, it was a matter of HR knowing exactly what it was offering, having individual members of staff with really good specialist knowledge taking each case on, and carrying it right through to implementation in a speedy and error-free way.

4.5.6 Preparing for the future

We used the term *'workforce planning and job design'* in this study for the area of HR work concerned with the future. Both managers and employees saw the need for HR to help managers plan ahead on the employment front. The term *'workforce planning'*, however, was not one they readily understood. The issue of *'job design'* was also problematic. Customers responded to these terms with low levels of interest and low confidence in the ability of HR to support the business.

Looking ahead at business needs and organisation – does HR have a role?

Workforce planning should start with an analysis of the changing needs of the organisation. However, the managers in this study quite often felt that thinking about the people needed by the business was their job – the job of HR was to help them find and develop the people to meet those needs.

Looking back to the 1970s, we would see a personnel profession deeply involved in discussions about productivity. The word *'productivity'* was not used by one person in this study, although economists would say that productivity is the biggest people issue facing the UK economy today. The HR function seems to have drifted away from this agenda.

Managers made rather similar comments about organisation and job design. Some senior managers said very explicitly that they did not see the point in involving HR in matters of organisation.

There seems to be a chicken-and-egg issue here. The HR function has largely become detached from what we might see as the *'demand'* side of things (productivity, staffing levels and organisation design), and so is seen as mostly involved with the workforce *'supply'* side of things (recruitment, training, reward etc.). This can doom HR to come in too late in the business discussion of the future to have much impact. But managers do not at present think HR has much expertise to offer in setting staffing levels or designing how work should be done. The route out of this dilemma may lie at local level. If business partners or OD practitioners can help managers think better about

the size, shape and organisation of their teams and departments, then they may involve HR more in strategic discussions of workforce demand. Some managers in this study did want more support from HR in workforce planning at local level, so there might be a partly open door.

Employees were obviously less involved in workforce planning, but one group did feel that their company had outsourced or off-shored a lot of work simply because they worked on headcount rather than the real costs of getting work done. So employees are not oblivious to the impact of workforce planning decisions.

Preparing people for the future: careers and deployment

A more positive agenda for HR appeared around a collection of issues that managers and employees saw as very closely related to each other. They talked variously about bringing in the right kinds of people for the future, balancing internal promotion with external recruitment, developing the potential of people through career opportunities and deploying people to best effect across the organisation (for example by more cross-divisional career moves).

Some HR people would use the term 'talent management' for this bundle, although it was not primarily about 'talented' people but all employees, and very few customers used the term 'talent management'. Some managers did use the expression 'succession planning' for at least some of this agenda. More strictly, it is really about using the internal labour market, combined with active career development, to improve future resourcing and to make the best use of the potential and interests of employees.

HR at present does not seem to have a very good language for talking about this set of issues. This is a pity given that it is an area in which managers and employees both want more active support from HR.

Employees were particularly interested in how HR could work with managers to open up more career opportunities across the business, not just upwards in the same area. As one said: *'Facilitating moves from their area to another is something managers are not well placed to do'*. Another pointed out that applying for a job in a different function was not a realistic thing to try, as the organisation only accepted people for more senior roles if they had already worked in that function for a long time.

Managers also found deployment and career development tricky. In one example, a manager took great exception to the fact that he was deemed to be responsible for finding someone a job in a different department when they came back from maternity leave: *'When someone comes back after a longer break I'm not sure it should be me trying to get them a job. It should be HR'*.

While some of the private sector cases had no clear processes for internal deployment, some of the public sector organisations had impossibly complex ones. And yet

managers felt that the ability of the organisation to use people well and develop their careers was a key lever for attraction and retention: one they were failing to use.

The role of HR in preparing people for the future is seen as that of facilitator of better processes, and also as a broker of deployment and career opportunities in some instances.

The role of HR in supporting the change process

The HR function is also an important player in supporting certain kinds of change. We saw this especially in examples of restructuring or redundancy. HR was often closely involved in the details of implementation of restructuring, especially where employees moved from one employer to another, or from one location to another. When HR was involved properly, it was often seen as very effective. However, the participants in this study did not feel overall that they were well-supported in times of change, and this correlated closely with their overall satisfaction with HR services. As we will see in Chapter 5, HR was also apt to withdraw once people were in their new jobs, whereas managers thought the hard work only started once the new team was in place.

4.5.7 Employee well-being

We used the term 'well-being' in this study to try and capture customers' issues around how people felt about their work and employer, as well as their physical and mental health. Rather like 'workforce planning', the term was not that useful from a customer perspective.

Employee health and welfare services

The case organisations had varied types of employee health services, often also covering aspects of individual welfare. This is an area of recent development in HR services. Several examples of health and welfare services were both very effective and very well communicated to staff. Communicating the nature of the service, who it is for and how to access it is very important. This is both because the provider is often outsourced and the nature of the issue might well be very personal. In some cases, HR felt it did not get the credit for a good health service because employees did not actually know that the provision was organised by HR. As with other aspects of HR, managers often wanted a very rapid service, for example when trying to establish if an employee should be off work or not.

Social activity in the workplace

Some of the HR functions in this study had become responsible for a whole calendar of social events. There were very varied views from managers and employees about whether things like Christmas parties and family picnics were worthwhile activities

for a hard-pressed HR function. Also, some people liked to socialise with colleagues and others preferred to keep work and social life more separate.

Some individuals did feel that social activities might improve morale and they saw the 'social lever' as motivating and engaging, just as some others saw the reward lever as the one to pull. Although social activities might help with a sense of cohesion, most employees in this study did not see social activity as substituting for good job design, appropriate levels of workload, good management and a positive climate in the workplace.

Welfare and well-being

Beyond the tangible aspects of employee health and safety (including stress etc.), both managers and employees found the subject of 'well-being' quite slippery. In particular managers were rather unclear about how they saw the psychological state of their employees as affecting motivation and engagement.

Both managers and employees could easily give examples of factors that undermined well-being: the noise level in open plan offices was a very common complaint. But it was not obvious that senior managers in the organisation really had the will to address such issues or that HR had the power to get them addressed. Another common influence on well-being was the behaviour of managers, and we have already discussed the role of HR in such situations under performance and motivation. Several case organisations had strong systems for employee feedback and consultation, and these kinds of issues were also seen as being dealt with through those mechanisms. HR was normally involved, but so was senior management.

Retention

Staff retention was an issue for several of the organisations, and both managers and employees often raised examples of good people who had left because they were poorly managed, or unfairly dealt with (several times over pay relative to other employees). HR was in some ways held accountable for retention, but it was not an area where managers were clear about what kind of support they could get from HR. A number of employees reported how little effort the organisation made to retain people at the point when it was obvious they were going to leave.

One employee, who was about to leave the organisation, was entertained at the great efficiency shown by HR in organising his exit as soon as he resigned: '*Never before have the wheels of bureaucracy moved so swiftly*'. He found it curious that the same energy was not shown by HR in resolving the minor contractual issue that had caused him to leave.

By contrast, HR often managed very clear services for employees who were made redundant and were seen as giving value in this area, both for the individuals concerned and the reputation of the organisation.

Employee health and safety is a fairly well understood aspect of HR services. Wider concerns with employee 'well-being' however, need to be seen in relation to motivation, performance and retention to make sense to HR's customers.

4.6 Reflections from this study on specific areas of HR work and a changing HR landscape

In this chapter we have explored how the customers of HR see its contribution in various areas of HR activity.

The first learning point is that HR has been talking a lot about its role in general terms – strategic partner to the business and so on – but this study shows that the roles of HR play out differently in different areas of activity. In some, like recruitment, clear administrative processes are a vital part of the HR service, but administration needs to work seamlessly with professional advice on attracting candidates and selection. In performance management, by contrast, managers' greatest need is for guidance in areas beyond the formal process of performance review.

Managers, senior managers and employees share similar views about the priorities for improving people management, but again the type of challenge is different in different areas of HR:

- Recruitment and training are well established and highly valued areas of HR service where customers gave a *'could do better'* verdict on service. Customers are clear about how HR could improve its value to the business in these two key areas without too much difficulty. There is room for improvement both in effective administration and in professional advice of a tailored kind. In recruitment, managers are looking for more imaginative and tailored ways of recruiting in difficult labour markets. They also want the recruitment process to be faster. In training, they want a much stronger dialogue about training needs for groups of staff in particular functions at key career stages. So there are important messages here about customers wanting a more tailored approach to both recruitment and training when some HR functions are on a journey to make these more 'transactional' or standardised.
- Working closely with managers and employees over matters of poor performance or difficult relationships is a very highly valued aspect of what HR currently delivers. Overall, managers feel better supported than employees when they hit really difficult problems at work. They also do see the support they get from HR as improving their own capability to deal with difficult individual issues.
- Getting high performance from the workforce as a whole is the biggest challenge for managers, and reaches far wider than HR's design and administration of the formal appraisal system. It even reaches wider than training or coaching managers in how to manage for performance. Here the customers of HR are calling on the

function to offer a much deeper understanding of the nature of performance and its links with motivation; and then to work with managers locally on these challenges.

- The way HR links performance and reward together may be blocking HR's own thinking about what it really takes to improve performance and to motivate people. Managers and employees want simpler reward systems and pay levels that seem appropriate in a labour market context. They do not see the deeper motivational challenges as being primarily addressed by changes in monetary reward.

The way HR breaks up its activities makes sense to its customers in some areas – notably recruitment, training and the individual aspects of employee relations. In several other areas HR has the right kind of ideas of what might be important, but does not use language that is easy to understand or that presents a clear service offer. Workforce planning, talent management and employee well-being are all areas that do connect to the things customers were concerned about, but these phrases do not convey this connection. This is not just about jargon, but also about how such areas are grouped together and the links between them that are thought to be important.

Beyond the familiar territory of recruitment, reward, performance management and employee relations (at a casework level) we need to think more clearly about the appropriate ways in which HR can support:

- communication with employees
- improving productivity and organisation design
- helping managers prepare people for the future through career development and more effective deployment of people across the organisation
- the way managers and employees are supported through periods of change and into effective teams beyond the change
- improving employee motivation and hence performance and retention.

These challenges may require a re-drawing of the map of how HR sees its activities and certainly a new, more transparent vocabulary for explaining what it has to offer. There are also issues about which of these areas count as 'specialist' and may be best handled by specific teams of experts, and which might be best supported by a more generic local business partner model.

5 Customer Feedback on Overall HR Service and HR Staff

In the previous chapter, we have reported on the rather detailed feedback we obtained from customers of HR on services in specific areas of HR work. In this chapter we start to pull our findings together by reporting on the more general feedback from customers on HR services, the function and also on HR staff.

We begin with the online survey findings on overall service satisfaction (section 5.1), feedback on the business impact of HR (section 5.2) and the way the function is seen as relating to its customers (section 5.3). We then put these survey findings into the context of what the focus groups and interviews revealed about customers' general thoughts on HR services (section 5.4).

In the second part of this chapter, we look at customers' views on HR staffing and the capability of HR staff, through the survey (section 5.5) and discussions (section 5.6).

In section 5.7, we look at all the things about HR that customers rated in our online survey in relation to the correlation of each item with overall service satisfaction. This starts to explore which factors might really matter most to customers. It also illustrates the kind of methodology organisations could use for themselves to explore what makes the difference to customer views of HR.

The chapter ends with some general reflections from the research authors on how customers judge their HR functions.

5.1 Online survey feedback on overall satisfaction with HR services

The online survey included a battery of questions about the general quality and impact of HR services. It also included a question about overall satisfaction with the quality of HR services and asked respondents whether they felt their HR function was better or worse than two years ago. Table 5.1 summarises the findings from these questions.

Table 5.1: General assessment of HR services and business impact from online survey

		Mean score	Standard Deviation	% agree or strongly agree
HR develops policies and services that support our business objectives	Managers	3.47	0.85	56
	Non-managers	3.24	0.85	41
Information on HR policies and services is easily accessible	Managers	3.32	1.03	54
	Non-managers	3.21	1.04	49
Information on HR policies and procedures is clear	Managers	3.11	1.02	46
	Non-managers	2.98	0.98	35
HR gives good advice to employees	Managers	3.07	1.05	38
	Non-managers	2.79	0.97	23
HR gives good advice to line managers	Managers	3.12	1.09	42
	Non-managers	2.97	0.83	21
HR gets the basics right (administration of contracts, pay etc.)	Managers	2.70	1.14	31
	Non-managers	2.82	1.19	37
I am well-supported by HR in times of change	Managers	2.77	1.11	27
	Non-managers	2.41	0.98	15
I am well-supported by HR in dealing with difficult people or situations	Managers	3.12	1.12	41
	Non-managers	2.67	0.92	14
Overall, I am satisfied with the quality of HR services	Managers	2.79	1.07	31% agree or strongly agree 43% disagree or strongly disagree
	Non-managers	2.66	1.02	24% agree or strongly agree 46% disagree or strongly disagree
Overall rating of HR function compared to two years ago (1=much worse to 5=much better) N=757, 346 managers, 411 non-managers	Managers	2.96	1.10	34% better or much better 36% worse or much worse
	Non-managers	2.91	0.85	23% better or much better 27% worse or much worse

Note: For all but last question, scores were 1=strongly disagree; 2=disagree; 3=neither agree not disagree; 4=agree; 5=strongly agree. N= approx 800 (varying slightly for each item), approx 360 managers and 440 non-managers.

Source: Online survey, Customer Views of HR, IES, 2008

5.1.1 Overall satisfaction with HR services

Looking first at the general assessments, it is rather disappointing that the overall level of satisfaction with HR services does not appear to be very high, with mean scores below the neutral point of the scale – so more managers and employees were dissatisfied than satisfied. Non-managers were rather more dissatisfied than managers. Managers had more polarised views – so although a higher percentage were satisfied or very satisfied (31 per cent compared with 24 per cent of non-managers), 43 per cent of managers also expressed negative views.

There were differences between organisations here, although more in the score for managers than for non-managers. Even the highest scoring organisation on this question overall had 32 per cent of respondents satisfied or very satisfied with services and 30 per cent dissatisfied.

5.1.2 Is HR getting better or worse?

The online survey asked respondents to '*rate your HR function compared to two years ago*'.

The responses to this question were rather similar to the general question on satisfaction, although the scores were slightly higher.

Managers again had more polarised views than non-managers: 34 per cent felt the function was better but 36 per cent worse.

Even the highest scoring organisation on this question had 27 per cent of respondents saying it was better and 25 per cent saying it was worse. Another had 39 per cent noting improvement but 33 per cent saying it was worse.

So for all the grand plans of HR functions – or maybe because of the restructuring such grand plans have brought about – managers and employees do not generally see HR as a function that is clearly improving.

5.2 Online survey feedback on specific aspects of business impact

Looking at the more specific items on the same table (5.1) related to the impact of HR on the business we see:

- Managers again had more positive views on most items than non-managers. The interesting exception is the item '*HR gets the basics right*' to which non-managers gave a more positive response than managers. However managers have more 'basics' over which they interact with HR and so may have more chance of a negative service experience.
- Respondents, both managers and non-managers, gave more positive responses on HR supporting business objectives and the accessibility of information on policies/

services. Managers were also fairly positive about the clarity of information, although the employee score was rather lower.

- Managers were more critical of the quality of advice to employees, and the ability of HR to get the basics right.
- Neither managers nor non-managers felt well-supported by HR in times of change – an issue that we will find is rather important to overall satisfaction with HR.
- Managers felt moderately well-supported by HR in dealing with difficult people or situations, but this was the lowest scoring item for non-managers. This might relate to a couple of different issues both discussed by employees in their focus groups: the accessibility of HR services to individual employees on a one-to-one basis and whether HR then ensures ‘fair play’ in situations where an employee is having trouble with their manager or someone else in a more powerful position.

5.3 Online survey feedback on aspects of the behaviour of the HR function

Another battery of questions in the online survey asked about a range of aspects of the HR function (rather than its services or its staff). These items, shown on **Table 5.2** (below) tend to be about the kind of interaction or relationship the function is perceived as having with its customers.

5.3.1 Feedback on the behaviour of HR

These items were scored on a four point rather than a five point scale, so the scores cannot directly be compared with the scores on some other parts of the online questionnaire.

The feedback on these areas of behaviour shows:

- Generally, the scores indicate that positive behaviours are ‘*true to some extent*’ but not generally or consistently shown – so there is certainly some way to go before HR is seen as behaving in the way it might aspire to.
- Again, managers gave higher scores on most items than non-managers.
- For managers, the highest scoring items were HR is: ‘*fair in dealing with people*’, ‘*protects employee interests*’ and is ‘*knowledgeable of best practice*’. The lowest scoring items for managers were: ‘*HR helps you perform your job well*’ (only 24 per cent felt this was generally or consistently true) and ‘*HR is a real strategic partner in the organisation*’ (only 26 per cent felt this was generally or consistently true). Given that being a real strategic partner in the organisation is the intended direction of travel of the HR function in all the case study organisations, there is clearly some way to go.

Table 5.2: Assessment and importance of behaviour of the HR function from online survey

Our HR function:		Do you agree?		How important to you?	
		<i>1=not true; 2=true to some extent; 3=generally true; 4=consistently true</i>		<i>1 = not important; 2 = important to some extent; 3 = important; 4 = essential</i>	
		Mean score	Standard Deviation	Mean score	Standard Deviation
Is fair in dealing with people	Managers	2.70	0.76	3.76	0.51
	Non-managers	2.49	0.78	3.72	0.54
Protects employee interests	Managers	2.47	0.87	3.50	0.64
	Non-managers	2.18	0.87	3.60	0.61
Treats you as an important part of the organisation	Managers	2.29	0.92	3.40	0.68
	Non-managers	1.93	0.87	3.39	0.71
Gives you the opportunity to say what you think of its services	Managers	2.30	0.86	3.20	0.68
	Non-managers	2.12	0.86	3.21	0.74
Values staff feedback on its services	Managers	2.23	0.81	3.33	0.66
	Non-managers	2.14	0.84	3.35	0.71
Is improving its services	Managers	2.10	0.90	3.59	0.61
	Non-managers	2.11	0.83	3.47	0.64
Helps you perform your job well	Managers	1.93	0.83	3.46	0.68
	Non-managers	1.74	0.77	3.22	0.77
Is NOT a hindrance to your work*	Managers	2.16	0.91	3.62	0.63
	Non-managers	2.29	0.83	3.49	0.69
Uses technology effectively to provide staff with information	Managers	2.18	0.80	3.23	0.69
	Non-managers	2.22	0.80	3.18	0.73
Is knowledgeable of best practice in HR	Managers	2.35	0.77	3.64	0.57
	Non-managers	2.33	0.74	3.57	0.65
Is a real strategic partner in the organisation	Managers	2.05	0.82	3.37	0.72
	Non-managers	2.08	0.81	3.26	0.73
Makes an important contribution to the organisation	Managers	2.30	0.83	3.45	0.61
	Non-managers	2.24	0.79	3.34	0.68

Notes: N= approx 800 (varying slightly for each item), approx 360 managers and 440 non-managers.

* The item on being a hindrance is reversed in the table above with respect to the questionnaire phrasing in order that, as with other items, a low score is a negative view and a high score is a positive view (i.e. not a hindrance)

Source: Online survey, *Customer Views of HR, IES, 2008*

- Forty-four per cent of managers felt that HR did not hinder their work but that means 56 per cent did feel it hindered their work at least to some extent. On this item, non-managers were a bit more positive – 49 per cent felt that HR did not hinder their work.
- For non-managers, the highest scoring items were the same as for managers – being *'fair in dealing with people'* and *'knowledgeable of best practice'*. Their lowest item was *'HR helps you perform your job well'*. It is arguable that this is much less applicable to non-managers than to managers. A more troubling low score is perhaps that only 26 per cent of non-managers felt that HR generally or consistently treated them as an important part of the organisation – the figure for managers was much higher at 42 per cent. Non-managers also were more pessimistic than managers about whether HR protects the interests of employees (49 per cent of managers but only 37 per cent of non-managers felt this was generally or consistently true).
- It is interesting to note that across this battery of questions there were more consistent patterns of difference between the case organisations. On most items, the difference between the lowest scoring and highest scoring organisation was about 0.5 of a point on the four point scale. The two organisations scoring more highly on most items had more professional HR functions and were pursuing a more business-oriented approach. Those with a more rule-based, bureaucratic style of HR function tended to come out lower on this group of questions. This should not be surprising as these questions were really about relationships with customers.

5.3.2 How important are these aspects of behaviour?

On the same set of behaviours, the online survey respondents rated the importance to them of each item. These results are shown alongside the ratings of whether the behaviours are shown in Table 5.2.

Respondents tended to say that most things were between important and essential.

Both managers and non-managers shared the same list of things they said were particularly important that HR should be:

- fair in dealing with people
- knowledgeable
- not a hindrance
- improving its services
- in addition, and second only to fairness, non-managers prioritised HR protecting employee interests. This came at a lower position for managers, although still very important.

Managers and non-managers gave less priority to the item about HR using technology to provide staff with information and also were less concerned about giving feedback on HR services. HR being a real strategic partner in the organisation did not come out high either on this set of scores.

In section 5.7, we look at whether these rankings relate to factors that correlate with whether managers and non-managers actually say they are satisfied with HR services. We will see that the things that customers say matter to their overall satisfaction may not be those that actually influence their satisfaction the most.

5.4 Discussion of overall HR service quality and what affects this

When customers of HR spoke about the influences on their overall perception of the function, several themes came up quite consistently. They covered general aspects of how the function works and its relationships with its customers, which we cover here. They also referred often to the staff in HR and those comments are covered in section 5.6.

5.4.1 HR services in transition

In several of the cases, customers were aware that their HR function was on a 'journey' and that services and staffing in HR had been changing. So perceptions of service quality are strongly coloured by what they see as having changed over the past few years in the factors we describe below. Positive comments about change in a couple of cases referred to the stronger business-orientation of HR and/or improvements in the professional expertise of HR staff. As one senior manager said: *'It used to be a closed door, a separate function. Now it wants to be more involved, helpful, co-operative'*.

In another organisation, a senior manager felt that HR had improved greatly and *'come a long way in a short space of time'*. HR now needed to take a *'wider strategic perspective'* of succession and employee and organisational development agendas.

Remembering that, overall, the participants in this study did not see their HR functions as improving, what factors did customers see as holding back the performance of HR? Negative comments were often about a sense that HR was becoming inaccessible or impersonal as a result of structural changes to the function. Slippage in the basics of administration, recruitment etc. often occurred when the HR function was being reorganised and we have already seen that the ability to *'get the basics right'* is an important prerequisite for satisfaction with the function.

Past services were not necessarily seen as better: *'There is a long way to go and we have a lot of history to overcome'*. HR people often say that their customers hark back to a fictional 'golden age' in which HR services were wonderful. That is not at all what the

customers in this study were saying. However, they did not see all changes as improvements.

5.4.2 Customer and business orientation

We saw strong messages in Chapter 3 about HR as a function that is primarily there to support the business through supporting its managers and staff. It should, therefore, come as no surprise that customers commenting on HR services overall were estimating whether they felt their HR functions were genuinely customer and business oriented.

One group of line managers couched this in terms of whether HR was attending to the real issues that managers were facing: *'Showing they are conscious of the position you are in as a manager'*. They were critical of their HR function when it produced complex processes and the end result did not meet business needs.

In another case, managers had similar views and wanted their HR function to: *'concentrate on important things like pay, training and conditions and less on endlessly reorganising their department and publicising pointless strategies and charters'*.

A focus group of managers summarised this as wanting HR to: *'understand our business and staff needs and importantly remember they are there to support us and not in existence for HR's own sake'*.

Employees in another organisation felt that HR was producing systems that were far too complicated: *'A long time ago personnel was a quiet backwater. Now HR may have got a bit too big for itself – a self-perpetuating industry, creating work for themselves'*.

The customer-orientation of HR was seen as poor when managers saw quite a lot of routine administrative work falling to them, which used to be done by an HR or personnel function. This was mostly about filling in forms and collecting background information. One senior manager, referring to the number of forms managers fill in, said: *'HR sees managers as providing services to them – I want to see HR providing services to me'*.

When senior managers talked about overall HR service, they reinforced the point we discussed in Chapter 3 on the role of HR in providing challenge, especially to senior managers. For them, part of being business oriented and also knowing them properly as customers was exercising this challenge role when they needed it. One senior manager pointed out the skill needed by HR to manage the fine balance between supporting and challenging managers — if HR is too challenging it can upset senior people and then they will not listen.

5.4.3 Sensitivity to concerns in stressful situations

In several of the cases, there had been recent periods of staff reductions. These had left the workforce generally feeling vulnerable and made it harder for managers to

maintain high morale. Staff also sometimes endured quite long periods of uncertainty about whether they would have a job in future or not.

As one employee said: *'In the present climate HR should do more to understand the emotions that are felt by staff who are insecure about their future. Timetables should be kept and each individual should be made to feel important'*.

In another case, one function in the organisation had been outsourced a while back and then recently brought back inside the organisation. So staff there had gone through two changes of employer in a brief period of time. The employees and managers in this function were significantly less satisfied with HR than those in other parts of the business. This may not be because HR handed the change poorly, but rather because the customers there were simply more needy in the period after the change.

Perhaps HR functions need to consider more carefully how they provide more intensive support when groups in the workforce are operating under increased levels of stress.

5.4.4 The pros and cons of seeking fairness

The customers of HR say they want a function that is *'fair in dealing with people,'* and this factor was rated as of very high importance in our online survey. The survey also shows that customers do, in general, believe that HR acts fairly.

The focus groups and senior manager interviews often discussed the issue of fairness and revealed it to be a sensitive one.

There were several examples of where a lack of fairness and transparency was irritating to employees. For example in one organisation, some people were allowed by their managers to work from home and others were not, but there was no clear policy or proactive stance from the HR function. This was seen as unfair and made some employees feel very hurt and angry.

Managers gave several examples of where the ability of HR to deal with issues of fairness was extremely valuable to them. This was often in cases where the viewpoint of an employee needed to be weighed against the viewpoint of a manager. Fairness in this context is about objectivity and the use of evidence. A manager who had used the support of HR over a dismissal described the way HR acted as *'scrupulous'*, and saw this as critical to getting the right outcome.

But fairness can be taken too far and start to override some of the other things people want from HR: a business-oriented service, one that can be tailored to context and a function that can respond quickly. Some senior managers felt that concerns about fairness sometimes made the HR function too *'timid'*. In some of the public sector cases, the desire to be fair was seen to lead to HR procedures that were over-complex. One senior manager suggested that better benchmarking data across the organisation would help everyone to know whether employees were being treated fairly or not.

5.4.5 Visibility and accessibility

A lot of our general conversations with managers and employees revolved around the kind of relationship they now have with HR and, in particular, whether the function is visible enough and accessible.

Negative comments were often about the increased remoteness of HR from its customers, especially where HR administration had moved into a telephone-based service and customers could not 'pop in' with their enquiries. In one case where HR had moved to a different building, a line manager said: *'If it's the bit that deals with individuals then moving it away is a backward step. Seeing cases face-to-face is important. If you speak to HR on the phone, the whole office is listening'*. The need for confidentiality arose in several discussions. People need to be able to come into an HR office away from open-plan areas and phones to discuss sensitive issues.

Lack of access was only partly about physical remoteness. It was just as much about not knowing who to go to in a reorganised HR function and the difficulty of getting through to the right person.

'We used to know who exactly dealt with what, but now there are so many people in HR that it is difficult to know who to talk to about different issues. I also used to know them all by name and they knew me, but this is very different now.'

It is also important for HR people to understand that knowing someone in HR is also about feeling known and that this person will understand your business issues: *'Establish one known person who is fully aware of my department and its specific issues as opposed to many different people who generally lack such awareness'*.

In one organisation, customers felt HR gave a much better service in the operational part of the business, where there was still an HR person in each physical unit.

We asked managers and employees to compare HR in their own organisation with other places they had worked recently. Again, the issue of personal contact was the one mentioned most frequently. One group of employees felt that smaller companies they had worked for generally had a much more accessible and personal HR service. They said, however, that seeing HR when they had joined the organisation gave them a better start than in other large companies where this had not been the case. Likewise, employees who had worked for organisations with very largely outsourced HR had felt the service there was poor, especially in areas like salary administration and absence management.

One concrete and positive example of HR visibility was in a case in which some HR business partners attended regular divisional briefings. These were led by directors and other managers, but having HR there was seen as enormously helpful both by managers and employees. It helped employees to get to know their HR partners, and helped managers do a better job of explaining any changes in HR policies or processes.

5.4.6 Communication of the HR service offer

Managers, employees and senior managers said they did not really know what HR could offer. This was often coupled with uncertainty about when an employee could go straight to HR and who in HR dealt with particular types of issues. We did not find many examples of business partners acting as true one-stop-shops for HR and taking responsibility for getting back to customers with answers. A more common scenario was an individual employee or manager ringing a general help line number and then having some difficulty establishing what support they could get.

The senior managers we interviewed felt that their personal access to HR support was, on the whole, good because they could go straight to someone they knew – several said they would just ring the HR director if they had a problem. However, this behaviour on the part of senior managers, and the desire of HR to support them, could in itself lead to a rather ad hoc view of what HR services should be.

'The service offer is not terribly well communicated. I tend to ask when I want things and can do this as a senior manager.'

The issue of understanding HR services on offer is seen as related to whether people get to know their HR partners and whether the HR partners get to know the work that people do. One senior manager had their HR support person to come and spend three days with the work team, getting to know the people and their jobs. He felt this enabled his HR business partner to give a much better service as a result.

In general, managers and employees want much clearer communication from HR about the services they have on offer to their different customer groups:

'There is more they could do to further raise their profile and help us to understand their range of services and what they could offer.'

5.4.7 Effective implementation of changes in HR policy

An associated communication issue was how everyone gets to understand a significant change in a particular HR policy or process. Changes, for example, in appraisal systems were frequent. New documentation was sent out and put on intranet sites. This did not always explain why the change was being made or what the organisation hoped people would do differently.

An employee focus group, for example, said that a new performance management system was: *'... not sold by HR – they did not let one process bed in before the next. The new process just arrived with no forum for queries'*.

Some senior managers felt they did not have a clear message about the strategic direction of HR. They could not see clear communication channels to keep line managers fully abreast of what they needed to know about HR. This contrasted sharply with communication about business performance and direction that was, in

some of the case study organisations, strongly co-ordinated through a cascade of briefings on a frequent basis.

If HR wishes to be seen as a function with expertise in supporting change, then it does need to show some professional competence in managing its own changes in structure, strategy and processes.

5.4.8 Resourcing levels in HR

Customers are keen for HR services to be available and effective, and for some kind of business partnering relationship to be a central plank of HR service delivery. However, recent changes in the HR function in several cases had been accompanied by significant reductions in HR staffing. This made HR feel quite inaccessible even when the theoretical model of partnering was espoused.

In one case, for example, where business partners were in post, a new recruit compared HR in his new employer with his previous experience in a smaller organisation: *'It is better resourced elsewhere and gives close support at the right point. I was shocked to find HR so far away'*.

A manager said in relation to staff cuts in HR: *'It is when HR is not running to speed you realise how important it is. Once it is trimmed you notice the absence of support'*.

There were concerns, in most cases, that the concept of HR as a partner to the business was absolutely right, but that the function was possibly too thinly spread to deliver on this aspiration.

5.5 Online survey feedback on capability and behaviour of HR staff

In the last section of quantitative evidence from the online survey, we look at what respondents said about the capability and behaviour of HR staff. These results are shown on **Table 5.3** (below).

- Although, as in other areas of the survey, managers give rather higher scores than non-managers, HR staff rate rather higher with customers than the effectiveness of HR services. This strongly supports the feedback that we had in focus groups that customers appreciate the people in HR even when they are critical of the function or its service provision.
- Both managers and non-managers gave the highest scores to HR staff being approachable, trustworthy, professional and helpful.
- Managers and employees shared four lower scoring items for HR staff: innovative; expert; reliable and easy to get hold of. The difference between 'professional' and 'expert' is especially interesting. The respondents seem by their response to the

term 'professional' to imply something more about general conduct than specialist expertise. We will see later that expertise is really what customers want.

- Managers also gave a low score on understanding business needs and non-managers to understanding employee needs – so each party feels some lack of understanding of their own needs.

Table 5.3: Views on HR staff from online survey

Our HR staff are:		Mean score	Standard Deviation	% agree or strongly agree
Approachable	Managers	3.66	0.98	71
	Non-managers	3.31	1.04	51
Trustworthy	Managers	3.60	0.94	60
	Non-managers	3.23	0.89	37
Professional	Managers	3.46	0.97	58
	Non-managers	3.23	0.91	41
Helpful	Managers	3.44	1.01	56
	Non-managers	3.19	1.01	42
Responsive	Managers	3.11	1.06	43
	Non-managers	2.94	1.01	32
Well-informed	Managers	3.09	0.97	38
	Non-managers	2.96	0.91	26
Easy to get hold of	Managers	3.04	1.13	43
	Non-managers	2.93	1.05	34
Understanding of employee needs	Managers	3.03	1.03	36
	Non-managers	2.84	1.02	28
Understanding of business needs	Managers	2.96	0.99	31
	Non-managers	3.08	0.87	30
Expert	Managers	2.96	1.03	34
	Non-managers	2.81	0.94	23
Reliable	Managers	2.92	1.08	37
	Non-managers	2.86	0.99	29
Innovative	Managers	2.59	0.98	16
	Non-managers	2.70	0.98	15

Note: Scores were 1=strongly disagree; 2=disagree; 3=neither agree nor disagree; 4=agree; 5=strongly agree. N=approx 800 (slight variance for each item), approx 360 managers and 440 non-managers.

Source: Online survey, *Customer Views of HR*, IES, 2008

5.6 Discussions on HR staffing and the capability of HR staff

In this section we pick up what the focus groups and interviews told us about HR staffing and the capability and effectiveness of HR staff.

5.6.1 The organisation of staff in HR: continuity, cover and joined-up service

We have already mentioned some concerns among customers about the accessibility of the HR function and its overall staffing levels (section 5.4). Several more specific issues about the resourcing of the HR function came up too. These affected perceptions of the responsiveness and professionalism of the people in HR.

Several issues were about the continuity of HR support. In one case, the HR service centre experienced high levels of staff turnover for a while after its reorganisation. Some managers and employees were quite distressed to lose colleagues they had sometimes known for many years, who left the organisation as a result of their jobs moving into a centralised HR administration team. The period of high turnover of administrative staff, and the accompanying use of agency staff, meant that managers and employees were often dealt with by new staff – often a rapid succession of new staff on the same issue. This led to a sharp dip in confidence in the staffing within HR, as obviously new people could not get up to speed immediately with the detail of policies and procedures.

In several other cases, customers linked the difficulty they had in getting phone calls answered by both administrators and subject specialists to the prevalence of part-time working in HR. Managers and employees were often expected to wait two or three working days for the individual they contacted to get back to them on a specific issue. This was not considered appropriate when many matters were urgent for those involved. If, as may be desirable, HR wants to lead the way on flexible working, it really should adopt a more serious customer focus and arrange proper cover and ways of passing cases from one person to another when part-timers are out of the office. The same applied sometimes when staff were on holiday or attending training.

Reorganisation of HR itself can directly affect the continuity of service. HR staff in one organisation were described as *'endlessly having to shift desks and responsibilities, which makes it difficult for employees to know who to go to'*. Such frequent job changes can also raise question marks about whether HR staff are properly trained to do what they are being asked to do.

Customers would prefer much more of a 'one stop shop' from HR where the same person would take a query or process right through. Some described their experience as the *'sausage-machine effect'*, where you are passed from one person to another to another as you move through different activities.

There are major issues for customers about whether HR 'joins up' its own services or expects its customers to run around various points of contact until they get the help they need. This is a behavioural issue for HR people just as much as it is an issue of structure per se. Managers were often very irritated at having to deal separately with both business partner and administrative HR teams. In implementing a business partner model, it often seemed unclear whether managers could go to the business partner for everything and in turn expect their business partner to interface with administrative colleagues on their behalf. This single contact model would have been preferred by managers but did not seem to be the one used by HR in practice.

Where there were also centres of expertise in particular aspects of HR, these were rarely mentioned by customers and did not seem to be well understood. Senior managers often knew there were pay experts, for example, who designed payment systems. Specialist services in health and employee relations casework were also often clearly signposted. Other HR specialists were often fairly invisible to customers and certainly it was not clear how to use them directly.

This set of issues about how HR is organised internally turned out to be very important to customers. So it is not just the capability of individual members of HR staff that seems to matter. The capability and effectiveness of the function is very much affected by how its resources are brought to bear on a customer's needs.

5.6.2 Responsiveness – speed and flexibility

The word 'responsive' was often used in discussions to indicate both something about the speed of helping a customer and also the ability and willingness to tailor service to their circumstances. The responsiveness of HR staff came out as a medium score on the online survey and we will see in section 5.7 that it is strongly correlated with overall service satisfaction scores. So improving the responsiveness of HR staff ought to improve customer satisfaction with HR services.

Speed of response was often seen as important in nipping problems in the bud and avoiding something becoming a major problem or a big issue for an employee or manager. As one manager put it: *'Big issues arise when little problems are not dealt with early on'*. Employee focus groups said much the same thing.

Managers in several cases were more satisfied with the speed of response from their business partners in HR than from the administrative HR teams.

Some line managers felt there was still a very long way to go in HR moving at the right pace to match the pace expected in other areas of the business. One said, *'their sense of urgency is not business's sense of urgency'*.

Some senior managers felt they got a very responsive service, especially when they had taken the trouble to get to know their HR partner. In general, senior managers did

want a brisker, less fussy style of working from HR: *'Pacier please. It's still gold plated and we still go round the houses'*.

Employees often discussed the variation in service they got from one part of their organisation to another. This was, in part, seen as due to differences in the competence levels of individuals in HR, but was also affected by their interest in internal customers, how well managers and HR people got to know one another and by variations in HR workload across the business. It was often the case that HR was seen as better resourced in some parts of an organisation than in others, greatly affecting its ability to be responsive, especially to junior managers and employees.

Getting correctly routed to the right person in HR also had a big effect on response. In one organisation, the speed of response by HR staff was described as *'pretty quick provided you rang the right person'*. If not, it was described as *'potentially appalling'*.

5.6.3 Approachable, helpful people

Many focus groups emphasised how friendly and helpful most of the people in HR were. This was not taken to be the same as professional competence, but nonetheless was a really important factor in customer relations. Indeed, one often felt that the helpfulness of individual members of HR functions was used to ameliorate deficits in the way the function was organised and HR processes designed.

It is easy for HR people to underestimate how difficult it is for employees or junior managers to come and ask HR for help. In one case, for example, the HR team were small and seemed very friendly. Yet employees did not go to the HR office very readily. This seemed in part because the HR people always appeared very busy and in part because employees were a little unsure of when they should be raising an issue with HR rather than only with their manager. HR people have a part to play in setting the right tone in their own department – professional but approachable.

5.6.4 HR professionalism and expertise

We have seen that customers participating in the online survey rated HR staff quite positively on professionalism but somewhat lower on being *'well-informed'* and *'expert'*. When we look at which factors seem to correlate with service satisfaction, we will see that scores on *'expert'* are more closely linked with satisfaction than those on *'professional'* or *'well-informed'*. The comments in discussions reinforce the view that customers really do want HR people who have considerable in-depth knowledge and whose professional opinion they can trust.

Senior managers felt that the quality of HR competency varied considerably from one person to the next. Expertise was not just about technical know-how, but very much about application as well. One said that areas of HR competency to attend to are *'pragmatism, initiative and how to apply expertise'*. Another senior manager in the same

organisation valued the '*clear professional view*' he experienced from his HR business partner team.

Applying HR expertise also requires significant business understanding – both general and specific to the part of the business they are working with. In one case, some HR people were highly valued by managers, but others were seen as '*quite out of touch*' with the business. This was seen as greatly reducing their value.

In several cases, managers and employees spoke about the need for HR professionals to be more '*assertive*', especially in challenging senior managers when they were behaving inappropriately or not considering the people consequences of business decisions. It was seen as important that the HR director, in particular, should be able to challenge in this way, and have the credibility with the management team to be able to do so. This was seen as a personal rather than a positional attribute.

Some manager focus groups discussed whether HR business partners need to be HR professionals in the sense of having specific HR knowledge or qualifications. On the whole, they did not favour the solution – popular in some HR quarters – of employing business and management generalists as HR business partners. Managers felt that people from a general background were too reliant on other people in HR for necessary expertise, and had to refer too many queries: '*sometimes they don't know more than us*'. What they are looking for is someone with general professional expertise in HR – not a specialist level of knowledge but what you would expect from a proper rounded professional.

In one case organisation, most of the people in HR were not HR professionals and managers did not feel this was appropriate for the future. They were seen as very nice people and helpful but not all that competent.

Expertise was frequently associated by managers with the ability to know about good practice outside the organisation and adopt new approaches if appropriate.

As we saw in Chapter 4, managers are also looking for HR people with a deeper understanding of people issues, for example around performance and motivation, and not just a detailed knowledge of HR procedures. The demand for a stronger theoretical under-pinning to HR capability is extremely challenging to a profession that has very little theory to offer.

5.6.5 HR capability of staff in administrative HR roles

Most of the discussion of HR expertise above was in the context of the professional and managerial level HR roles: business partners, HR managers and directors, and sometimes technical experts.

Customers are now more often experiencing HR advice through some kind of service centre team, staffed largely by more junior administrative people. Most of the cases we visited had moved towards this approach to some extent, although often not very

radically. It was becoming more common, however, for managers and employees to ring a single phone number with a range of enquiries. Such enquiries could be purely administrative (eg errors in pay, holidays), about routine processes (eg how to set a recruitment in train), about difficulties with a person (eg a performance problem) or a wider issue (eg low morale, high turnover, restructuring). The people answering such calls were quite often fairly junior clerical or administrative staff with very little specific training in HR.

Managers and employees recognised the demands on such people and felt they needed upskilling to cope with these front-line roles. Their deficits were in general HR principles, the specifics of organisational procedures, basic legal matters, and they also might have had very little understanding of the business context.

Senior and line managers found the quality of service from centralised administrative teams very variable. Standard questions were often handled well, although the service could be a bit impersonal. With complex queries, however, the system often fell down and customers were given inconsistent advice or experienced long delays. Some customers thought that junior HR staff were often worried about their ability to give correct advice on legislation and/or frightened of upsetting managers by telling them that they were doing something wrong.

Customer experience would appear to indicate that some upskilling of front-line enquiry staff is needed. Also, however, rapid referral to more experienced HR professionals is needed. It is clear from Chapter 4 that this often worked well with individual employee relations cases or health issues, but the service offer and the way service is organised seems much less clear in other areas.

5.7 Which factors appear to influence overall satisfaction with the quality of HR service?

Although the online survey sample in this study is not diverse or well-balanced enough for complex statistical analysis to be justified, we were interested to see whether the two overall judgements above – the quality of HR service and whether the function was improving – related to specific items across the rest of the online survey. A correlation analysis was used to see the relationship between how individuals scored their satisfaction with particular services or features of HR on the one hand and their overall satisfaction with HR on the other. So we are looking to find out which aspects of HR service may be leading to customers feeling generally satisfied. In technical terms, we used a nonparametric correlation analysis to identify items that were significant at the 0.01 level. **Table 5.4** shows the items in different sections of the questionnaire that had the highest correlations with overall satisfaction with HR services. A high score indicates a high association between that item and overall satisfaction with HR services. The left-hand column is for line managers, and the right-hand column for non-managers.

Table 5.4: Factors that correlate the most with overall satisfaction with HR services

Type of factor	Managers		Non-managers	
	Item	Correlation coefficient	Item	Correlation coefficient
General Improvement	How would you rate your HR function compared to two years ago?	.633	How would you rate your HR function compared to two years ago?	.582
Specific areas of HR	Employee communications & employee relations	.590	Employee communications & employee relations	.648
	Recruitment/selection	.568	Promoting employee well-being	.540
Business impact	I am well-supported by HR in times of change	.738	I am well-supported by HR in times of change	.739
	HR gives good advice to employees	.693	HR gives good advice to employees	.675
	HR gives good advice to line managers	.667	I am well-supported by HR in dealing with difficult people or situations	.636
	I am well-supported by HR in dealing with difficult people or situations	.647	HR gets the basics right	.578
	HR gets the basics right	.582		
Behaviour of the function	HR helps me perform my job well	.678	HR is a real strategic partner in the organisation	.617
	HR makes an important contribution to the organisation	.655	HR makes an important contribution to the organisation	.591
	HR is a real strategic partner in the organisation	.601	Treats me as an important part of the organisation	.588
Our HR staff are	Expert	.735	Understanding of employee needs	.675
	Reliable	.719	Responsive	.637
	Understanding of employee needs	.678	Expert	.607
	Well-informed	.663	Reliable	.605
	Responsive	.660	Professional	.605
	Professional	.643	Well-informed	.581

Source: Online survey, *Customer Views of HR*, IES, 2008

This table shows the items in the online survey with the highest correlations with the item: 'Overall I am satisfied with the quality of HR services'. Almost all the items on the questionnaire were significantly correlated with satisfaction at the 0.01 level. That means almost all the items seem to be significantly higher in people who are more satisfied with HR. Those shown below showed the strongest association.

- The overall satisfaction with HR services was, perhaps not surprisingly, strongly correlated with whether respondents felt it had been improving over the last two years.
- In terms of specific areas of HR (as discussed in Chapter 4), the correlations were significant but not as high as on some other items. For managers, the two most important areas of HR were employee communications/employee relations and recruitment/selection. For employees, the highest correlation was also with employee communications/ER but the second was promoting employee well-being. It is interesting that training and development, accorded high value by both managers and non-managers, seemed less highly correlated with overall satisfaction with HR services. It may be that experiences in other areas of HR work are those people have in mind when asked to give an overall view of the effectiveness of the function. One also wonders whether negative experiences may have a more direct effect on the way people answered this survey than positive experiences.
- Among the batch of questions concerning impact/outcomes of HR we see the same four items as important to both line managers and non-managers:
 - I am well-supported by HR in times of change
 - HR gives good advice to employees
 - I am well-supported by HR in dealing with difficult people or situations
 - HR gets the basics right.

The quality of advice to employees was, in turn, correlated to being supported in times of change, suggesting that good advice to employees – at the times when they need it most – is an important aspect of supporting them through change.

In addition, managers also appear to value good advice to themselves, but interestingly they also seem affected by the quality of advice to employees. This reinforces what managers said about the role of HR in supporting employees (see Chapter 3).

- Under the general behaviour of the function, being a *'strategic partner'* and *'making an important contribution to the organisation'* were associated with service satisfaction for both managers and non-managers. Managers also showed a high score for *'HR helps me perform my job well'*. Employees' satisfaction linked with the item *'treats me as an important part of the organisation'*.
- For this battery of questions we also asked respondents to score the importance of items directly, as already reported on Table 5.2 earlier in this chapter. When asked directly what was important, respondents rated the fairness of HR very highly and also being *'knowledgeable of best practice'*, *'not a hindrance'* and *'improves its services'*. Employees also said that HR *'protecting employee interests'* was very important to them. This was important to managers too, but came at a lower position on their ranking of all the factors. We can compare these scores with which factors were

correlated with satisfaction scores. We see that fairness and not being a hindrance seem less important to overall satisfaction than respondents feel them to be. It should reassure HR people that the items about strategic partnership and contribution to the organisation are important both to managers and non-managers: so customers do really seem to value HR functions that they see as business oriented.

- Overall satisfaction with HR services was strongly associated with at least six of the characteristics of HR staff. The 'top 6' were the same for both managers and non-managers, although in a slightly different order. The highest correlations were shown for:
 - expert
 - reliable
 - understanding of employee needs
 - well-informed
 - responsive
 - professional.

In thinking about overall satisfaction with HR services it appears that the respondents are perhaps affected by their more immediate experiences of getting advice and dealing with difficult situations or periods of change. This overall pattern is very consistent with what the discussions showed about both the importance of the advisory role of HR and the times at which people most need that advice. Managers also value HR giving good advice to employees. Both groups also do need 'the basics' to be right.

One might expect the quality of advice to depend on the expertise, understanding of the workforce and professionalism of HR, and these factors do seem to correlate with overall satisfaction with HR services. Being responsive also seems important – more so than simply being able to contact someone in HR.

5.8 Reflections from this study on how customers experience HR services

The customers of HR in this study were not very satisfied with services overall and did not, in the majority of cases, feel they were getting better. This echoes the findings of other studies such as Ashton and Lambert (2005).

The restructuring of HR functions, sometimes associated with cost-reductions, seems to have had quite a disruptive effect on the customers of HR. In the short-term there is the natural disruption as people change jobs. This makes it harder to contact HR, and also leads to slippage in the 'basics' of HR administration, which are very important to people.

More worrying perhaps, is the on-going dissatisfaction with getting routed to the right people in HR and a continuing lack of clarity about what the service offer really is. HR does not always have continuous cover for urgent matters and the flexible working patterns of staff sometimes seem to take precedence over offering prompt service to HR customers. Managers and employees want a 'responsive' HR function and ease of access is the first step in obtaining this.

Somewhere along the line, HR is not altogether managing its own change effectively from the perspective of its customers. In practical terms most of the HR functions in this study simply told their customers too little about why they changing, how the new structure would work, what exactly was on offer to managers and employees, and which people in HR to contact with particular types of enquiry.

The split between administrative teams and customer-facing business partners makes it harder for customers to know where to go, unless the HR function 'joins up' these wings on the customers' behalf. Senior managers often get round these problems by going straight to a business partner or HR Director with even routine queries, but obviously more junior managers and employees do not have the luxury of such personalised service. Although most of the cases also had HR specialists responsible for policy and difficult problems in specific areas of HR, this aspect of the function was rather a mystery to its users.

Concerns about quality of service are also affected by the perception that HR has passed quite a lot of administrative form-filling work to managers, which they do not see as a good use of their time and do not see as the kind of people management activity they should be focussing their efforts on.

Turning to more positive findings, the customers of HR are seeking a business-oriented function and one which meets the needs of both managers and employees – consistent with what customers said about the role of HR in Chapter 3. Although, when given a long list of positive things, customers say they want the lot, our analysis shows that there is a key bundle of deliverables that make a difference to how satisfied people are with HR services:

- getting the basics right
- supporting managers and employees in difficult situations or dealing with difficult people
- supporting people through change
- understanding the needs of the business and of employees
- treating employees as important
- giving good advice to managers and employees
- helping managers perform their job better.

When these core deliverables are in place, customers are likely to say they are satisfied with HR, services are improving, and also that HR is acting as a strategic partner to the organisation and making an important business contribution.

Vere (2005) in a study of what line managers want from HR came out with most of the same requirements as this study, with a particular emphasis on fostering good people management as an important lever for improving employment practice overall. Buyens and de Vos (2001) tended to emphasise the more future-oriented aspects of HR service that were also very important to the managers in our study.

Most of what our study shows as high priority for customers are aspects of the advisory role of HR and this is where it is seen as giving most value, even by senior managers. Policies and processes are necessary and important, but HR is sometimes seen as over-indulging in complex policy work when people in the business want more practical help with difficult problems. Managers are not always clear about what approach to policy will work best – they tend to want both simple policies and the ability to tailor to local needs, which can of course lead back to complexity.

There is very little difference between what senior managers, line managers and employees think an HR function should be doing. Employees obviously want their own needs understood and good advice for themselves, but they also want a business-oriented HR function. Managers are as keen to see good support for employees as employees are for themselves. This alignment of stakeholder demands should make it easier for HR to focus on how it can deliver real support to the business.

Most of the criticism of HR services was about the way the function is organised rather than the people in the function. Many HR people are seen as exceptionally helpful. There are some clear messages, though, about what customers expect from HR people. They want people who are:

- responsive, reliable, professional – having a strong customer-service orientation and giving consistently sound information
- ‘expert’ in the sense of knowing about HR, knowing about good practice, being well-informed and having a deep theoretical understanding of how to manage people at work
- able to apply their expertise in the business context and with an understanding of employee needs – a business-oriented approach
- fair – an aspect on which HR staff scored highly
- confident and assertive enough to challenge managers where necessary.

In relation to business partners, managers do not want business generalists – they want HR professionals who also understand the business. They seek real HR know-how as well as someone they can work with.

Where a wide range of queries come into a front-line of HR administrative staff, it is important that these people are given enough training in HR to understand how best to help their customers and when to refer an issue to someone with more specialist knowledge. If skill levels are too low, responses are inconsistent and resolution of issues is delayed.

Overall then, the customers of HR share much of the vision that HR people have defined for themselves. The big gap at present is that managers and employees want a close and approachable advisory function with real expertise and that is not yet what they are getting. When the HR function is performing less well, it can be seen as simply rather disorganised and inefficient: 'bogged down' in the day-to-day basics. But an HR function that feels 'remote' is also problematic: one that seeks to act through rules, procedures and computers rather than relationships with its customers. One of their biggest fears is that even when they have really good business partners in place, they are too thinly spread to give the kind of support implied by the term 'partner'. So the danger is that the HR journey may lead from a function too bogged down in administration to a much slicker function, but one too remote from its customers other than, perhaps, very senior managers.

6 HR at its Best and Worst

In Chapters 4 and 5, we have reported on the majority of information collected in this study through the two surveys and the focus group discussions and interviews. In an attempt to get a really vivid view of customers' experience of HR, we included a couple of open-ended questions in the focus group survey of line managers and employees. We asked all the employees and line managers attending our focus group discussions to write a brief account of a time within the last year when they considered HR had been '*very effective*'. We followed this with a similar request about when they considered HR had been '*not very effective*'. Senior managers were asked the same questions in their interviews.

This chapter aims to allow the voices of HR customers to come through as we present verbatim accounts of HR at its best and worst in the recent past.

6.1 Examples of HR at its most effective

Seventy six individuals out of 97 focus group attendees (78 per cent) were able to describe an occasion when HR was '*very effective*'. This will be reassuring to those in HR who feel they only ever get negative feedback. The reasons given by those who could not identify when HR had been effective varied. For some it was because they had had no significant contact within the one year timescale we specified. For others it was because they had had no positive experiences.

While the details of these accounts varied, depending on which of the case organisations individuals worked for, the same basic issues came up time and again. The topics most often commented on in relation to effective HR support were (in order of frequency):

- **Supporting line managers – with day to day people management, recruitment and diversity issues.** We have already reported that managers saw recruitment, in particular, as an activity of strategic importance to their business area. They did not see it as a purely administrative process, although effective administration was also important. So, asked when HR was most effective, it should not surprise us that

managers often chose to describe occasions on which the HR function had provided proactive professional support on normal people management issues. In line with our findings on the role of HR (reported in Chapter 3), the closer the support to the business it seems, the better.

- **Managing organisational change and associated communications.** Advice is seen as an important aspect of supporting change within the business. Our manager and employee focus group attendees told us that the quality and consistency of the advice HR gives to its employees, as well as its managers, is considered key to successful change management. How well HR is seen as supporting people in times of change was also an important factor in customers' overall view of the function. HR support for change was described as effective when it kept going right through to the end of implementation. Examples of changes varied from individual job moves, office moves of groups of staff, to complex business-wide restructuring.
- **Advice on poor performance, poor attendance and serious employee relations cases.** Managers and employees described the impact of effective HR support across a range of performance, attendance and employee relations matters. They saw such support as resulting in improved employee motivation. Beneficial impact was sometimes reported even by employees not directly involved in the case. Close support to line managers in dealing with these issues therefore helps not just the line manager to resolve the issue(s), but also gives positive reinforcement to other employees that the organisation 'cares' about effective performance and behaviour.
- **Administration of contracts, pay, pensions and benefits.** Poor HR administration is regarded by some commentators as the Achilles heel of HR functions. So it was reassuring to find that, where HR administration is effective, employee customers and managers really valued this aspect of HR support. Where HR administration was described as very effective appeared to be in contexts where technology was only part of the service and it was the skills of the HR administrators that shone through. Examples described to us were wide ranging, and included promptness (eg of special payments and paternity leave), knowledge about non-standard issues (eg work permits and legislation in other countries) and proactive dissemination of information (eg of benefits).

Some of these positive examples are given verbatim in Figures 6.1 and 6.2 below.

Figure 6.1: Verbatim examples of HR at its most effective – employees say ...

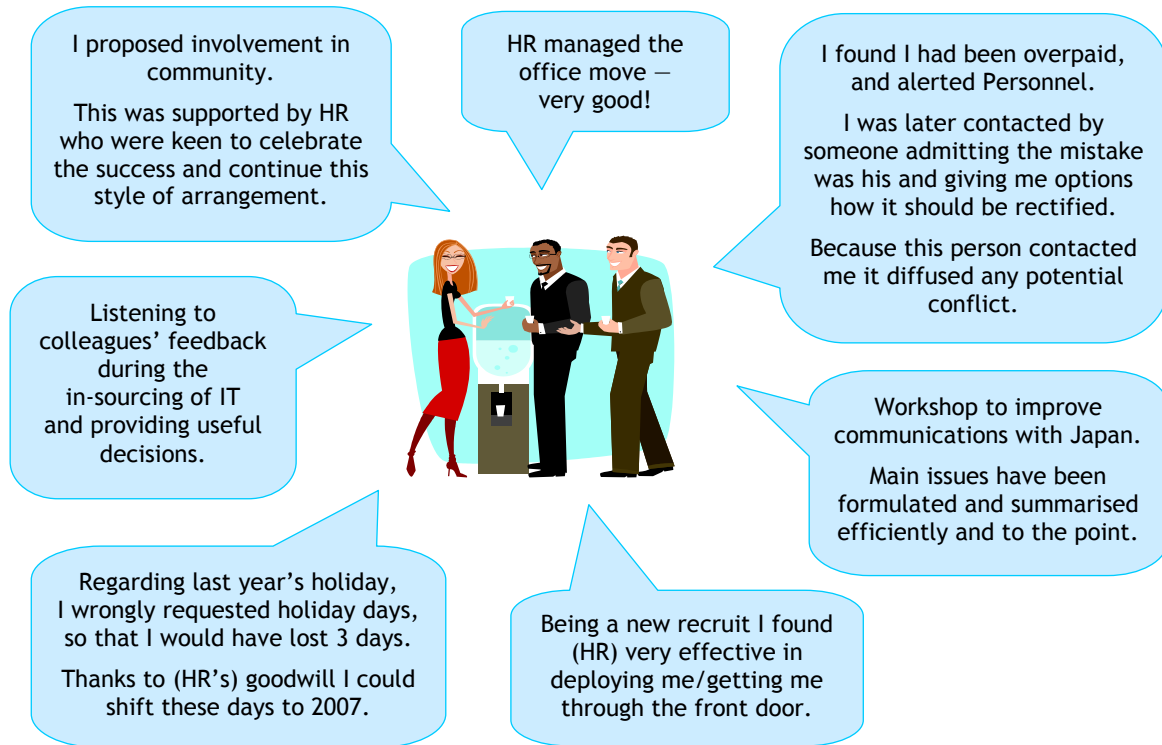


Figure 6.2: Verbatim examples of HR at its most effective – line managers say ...



Source (both figures): Focus group survey, Customer Views of HR, IES, 2008

6.2 Examples of HR at its least effective

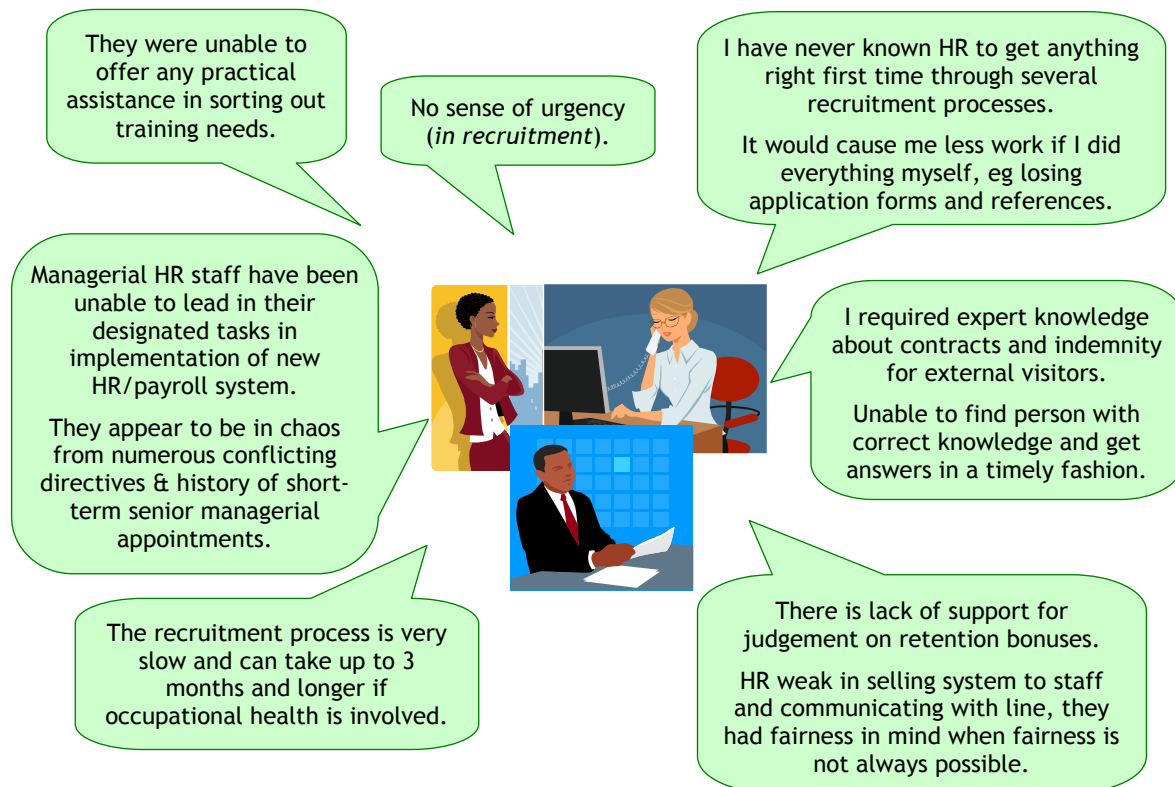
Eighty individuals (82 per cent) of our employee and line manager focus group attendees were able to describe an occasion within the last year when HR was '*not very effective*'. Two of the topics are the flip side of our previous section describing when HR was '*very effective*'. This would seem to reinforce how key these aspects are to customers' views about the HR function. The four topics most often commented upon in relation to HR at its least effective were:

- **Lack of urgency, especially in responding to queries.** This was the biggest bugbear of both our manager and employee groups, attracting the largest number of examples of ineffective HR support. In terms of content the examples were wide-ranging and encompassed perceived delays covering nearly every HR process from notification of changing hours, chasing recruitment documentation and asking advice on performance issues. These 'delays' included not being able to speak to the right person as well as the right person not giving the issue the priority the customer thinks it merits.
- **Poor support for line managers – in recruitment and employee development.** As previously outlined, managers often viewed recruitment as an opportunity to bring into the business the kind of skills and experience that could not easily be built from within. This was especially the case in the context of skills shortages. So managers often saw recruitment as a strategic opportunity to build and re-energise the organisation's capability in a changing marketplace. HR was perceived as ineffective when it operated as though recruitment and development were merely tactical or mechanical matters. The more remote the HR support, the less effective it felt to those involved as customers.
- **Managing organisation change including associated communications.** As previously mentioned, how well the HR function is seen to support people in times of change was really important to managers' and employees' overall views of the function. Examples of where HR was ineffective in supporting change management included where HR dropped out of the picture after the initial announcements and piloting of new initiatives and not sticking with it through full implementation. Only advising managers and not staff was also viewed as ineffective support, since it resulted in confusion, demotivation and bigger performance dips than necessary.
- **Inefficient, inflexible and slow HR processes.** Line managers in particular felt that HR produces too much red tape – at least more than is strictly necessary. Some felt that the scales have tipped too far in the direction of standardisation, consistency and 'fairness'. In the context of accelerating business competition, even in the public sector, organisations need people management processes that deliver people who are skilled, creative, motivated and flexible. By contrast, what some feel they are getting is bureaucratic and inflexible HR processes. Examples described to us ranged from processes that took too long (eg three months to recruit a new hire),

Figure 6.3: Verbatim examples of HR at its least effective – employees say ...



Figure 6.4: Verbatim examples of HR at its least effective – line managers say ...



Source (both figures): Focus group survey, Customer Views of HR, IES, 2008

processes that demotivated staff (eg no feedback on unsuccessful requests for training), processes poorly executed (eg inappropriate automated letters) and those processes that simply did not deliver their objectives (eg out of date performance pay criteria).

6.3 Reflections from this study on HR at its best and worst

A number of issues emerge from reflecting on what managers and employees see as their best and worst experiences as customers of HR.

- The literature encourages us to see managers as key to employee engagement. In this case, HR's role shifts from being an enforcer of organisational rules and processes to being a coach to the line and a facilitator of decision making. Certainly in this chapter, we have seen that the closer the HR advisory support to line, the more effective managers see it as being. Managers almost want an HR 'buddy'. This fits in well with the current trend towards HR advisors and business partners. However, the potential difference here is that managers want their buddies/advisors to support them with fairly operational matters when such matters are problematic or especially sensitive. In such cases, managers see these issues as having strategic impact on the business. This is rather different from the HR view that business partners should mostly be providing consultative and strategic support to senior managers. The line managers see 'strategic' issues being those that have a major impact on the business, and this may be a rather different definition of strategy than the one HR works to.
- Continuing support on key issues, like managing change, is a big message for HR advisors. Leaving the arena too early, before the job is finished, is criticised.
- Employees can be very appreciative of HR, although in our online survey they were rather less satisfied with HR services than managers were. Both managers and employees in this study saw a role for HR in encouraging employee involvement and the development of an organisational culture that promotes trust and caring about both people and performance. This is at odds with the view that HR functions should disregard employees as customers and focus on the needs of senior managers.
- The opportunity for personal contact with HR is valued highly, whether on the phone or face-to-face. HR functions might like to reflect on this before going wholesale down technology-based routes. Technology can sometimes bring cost savings by freeing up HR time, but the trade-off might be a much less visible and also a less valued function. There is also a case for investment in upskilling HR staff to make the most of personal contact methods that remain part of the HR service delivery offering.

- All the data we collected reinforces messages about the need for HR services to be prompt, for staff to be knowledgeable, and for communication to be proactive. Processes often need to be tailored to fit particular contexts.

In the next chapter we focus in more detail on what customers want to be better, including their practical suggestions for change.

7 What Improvements to HR do its Customers Suggest?

In Chapter 6, we have looked at the critical incidents of HR service – good and bad – that colour customers’ perceptions of their HR functions. Inevitably, such incidents are often mundane. They show you what gives customers immediate satisfaction or drives them mad. Such a view does not necessarily indicate deeper changes that customers might wish to see, or their more reflective thoughts about the nature of HR support to the business.

In this chapter, we draw on some specific questions we asked about where HR should be heading:

- We asked all the individuals attending focus groups or interviews to give us one adjective that they felt described HR as it is now, and one describing HR as they would like it to be.
- The online survey asked all respondents to say: *‘What one thing would you most like your HR function to do differently?’*

The responses to these questions are reported here in sections 7.1 and 7.2 respectively.

We follow these specific analyses with views from the more general discussions about the future of HR in our focus groups and senior management interviews.

In this chapter, we try and refrain from accepting or rejecting what customers are saying about the future of HR. Customers of course may not be right or wise. But it is important for HR people to have a chance to hear what their customers say about their fantasy HR functions.

Again, it is good news that customers did have pretty clear and shared views about some of the desirable features of future HR functions. Absolutely no-one said they wanted a future without HR and only a couple said the whole function should be outsourced!

7.1 HR as it is now ... and as you would like it to be

We asked the employee and line manager focus groups and senior managers interviewed to pick just one adjective to describe how they saw HR now, and another adjective to describe how they wanted HR to be.

Figure 7.1: HR as it is now ... and as customers would want it to be

Customer descriptions of where HR is now. There is much they appreciate, but also some things they find less effective. 'HR now is ...'				
Employees		Line Managers		Senior Managers
Satisfactory	Labyrinthine	Variable	OK	Large
Wanting	Helpful	Pressurised	Sufficient	Rule-based
Inconsistent	Approachable	Haphazard	Quiet	Wants to be fair
Reactive	Professional	Helpful	Quite good	Middle of the road
Improved	Functional	Bureaucratic	Just there	Useful
Complex	Visible	Complex	Ineffective	Supportive
Big	Flexible	Approachable	Isolated	Caring
Bulky	Listens	Thorough	Cold	Excellent
Tries to be enabling	Necessary	Needs improving	Mechanical	Defensive
Administrative	Diligent	Has its hands tied	Inaccurate	A bit <i>ad hoc</i>
Mediocre	Impersonal	Supportive when asked	Struggling	Too passive
Sometimes helpless	Not visible			
Not a decision-maker				

Descriptions of where customers want the HR journey to go next. 'I would like HR to be ...'					
Employees		Line Managers		Senior Managers	
More proactive	Excellent	Proactive	Approachable	Still supporting and caring, but also listening	More widely known
Transparent	Supportive	Not a policeman	Lighter touch	Bringing professional skills	Higher profile
Streamlined	Enabling	Competent	Reaching out	Not sitting behind rules	Business focussed
More efficient	Slick	Available when I need it	Flexible	Supporting the business to make difficult decisions	Adding value
Industry-leading	Responsive	Supportive over hard decisions	Professional	A developer of the workforce	Flexible
More consistent	Easy to use	Centre of excellence	Capable		Proactive
Better trained	Helpful	Simpler processes	Feeling		Dynamic
Approachable	Flexible	Business-linked	Consistent		More visible
More powerful	Gutsy	Understandable	Effective		
Using people better across the divisions	Creative		Inspiring		
Assertive with managers	Reflective		Reliable		
	Influential		Efficient		
	Innovative				

Source: Focus group discussions and interviews, Customer Views of HR, IES, 2008

Figure 7.1 (above) lists all the adjectives they said, although some people used longer phrases which are not all included. Although we have listed each word or phrase only once in this figure, there were several that were used over and over again. At the top of the diagram we see how they described their HR function as it is now. Below we see how they would like HR to be.

7.1.1 How HR is now

Although most focus groups voiced some criticisms of HR, some individuals came up with very positive adjectives for how HR is now, as did some of the senior managers. Some already see their functions as *'excellent'*, and many see HR people as *'helpful'*.

The predominant flavour though is of a function that is trying hard, seeking to be helpful, but sometimes just missing the mark. A lot of the comments fall into the 'OK but could do better' category. The phrase *'middle of the road'*, used by one senior manager, catches the mood of many.

The most commonly used words by employees in the *'how you see the HR function now'* section were *'satisfactory'* and *'reactive'*, whereas line managers preferred *'variable'* and *'bureaucratic'*.

Themes that come across in a number of ways include:

- Getting service but having to ask for it. Some employees used longer phrases for this: *'OK, but you just get what you ask for, but not more'* and *'The employee has to make the first move. It's there but only on request'*. Such comments were often linked with a sense of HR feeling rather remote or inaccessible.
- Inconsistency in quality or level of service, sometimes hinting at some disorganisation and sometimes at problems of workload (eg *'haphazard'*, *'struggling'*).
- Rule-based HR, sometimes seen as bureaucratic and sometimes as complex, especially in the public sector cases.
- A tendency to be rather low profile and perhaps lacking in power and influence: *'sometimes helpless'*, *'not a decision-maker'*, *'has its hands tied'*.

7.1.2 How customers would like HR to be

The most commonly used word by all groups in the *'how customers would like the HR function to be'* section was *'proactive'*. This links back to, and reinforces, the emphasis on 'pro-activity' we saw at the start of this report when discussing what customers said about the role of HR (see section 3.4). HR customers also often talked about the need for HR to be *'professional'* and *'more visible'*. This supports the emphasis on professionalism that we have seen in Chapter 5.

Although there are strong similarities between the different customer groups, there are also perhaps some subtle differences.

- Employees tended to focus on a service that would be easy to access and efficient at the basics. It was also important to employees that advice from HR is consistent and that HR staff are well trained. Some employees wanted to see a stronger HR function, perhaps linked with the proactive role employees described for HR (see Chapter 3). One employee, for example, felt the HR function should be *'gutsy – grabbing a problem and doing something about it'*.
- Line managers shared employees' desire for a reliable, efficient and competent HR function. They also wanted both clear, simple HR processes and the flexibility and speed of HR response needed by the business. There may be some tensions between simplicity on the one hand and flexibility on the other and we will come back to this issue later on. Line managers seek a strong HR function. One articulated this as wanting HR to be *'a strong and respected adviser.'* As we saw earlier, line managers also look to HR to understand the needs of employees: *'understanding the perspective of employees'* was how one manager put this.
- The senior managers we interviewed tended to want an HR function that would challenge the business as well as service its more operational needs. Like the line managers, they wanted a function with real professional expertise, but also sensitive to its particular business needs. This business focus could be seen in comments like *'making us better at our business'*. Some senior managers saw a strong link between business focus and customer focus ie meeting the needs of the business by attending to managers and employees as the customers of HR: *'A move from administration to a customer service mentality'*.

7.2 What do customers most want HR to do differently?

The online survey included one open-ended question: *'What one thing would you most like your HR function to do differently?'* This question was answered by 613 people in total. In reporting what they said, we have grouped the comments into the major themes they covered and illustrated these by verbatim examples. Many of the responses were concentrated on six thematic areas, as outlined below. Some answers covered more than one theme. The themes were:

- contact and communication between HR and its customers
- getting the basics right, especially administrative efficiency
- relationships with customers and advisory support
- fairness and attention to the needs of employees
- business orientation and business fit
- reducing bureaucracy and complexity of HR policies and processes.

There were also some suggestions about specific areas of HR.

7.2.1 Contact and communication between HR and its customers

By far the largest group of comments wanted it to be easier for managers and staff to contact the HR function. They wanted the function to be more visible, and to respond to queries more quickly.

For managers, the issues were often getting hold of HR people when they needed help. For example, HR staff did not always pick up work or enquiries when their colleagues were away. Managers in some organisations – especially those where business partner models are not yet well embedded – wanted specific or personal contacts for a department or group of staff. They felt this continuity was important to them and also that it would help to have particular people in HR who understood the needs of their part of the business.

For non-managers, the issues were more basic. They wanted to know who to contact in HR and for face-to-face contact to be an option.

Frequent reorganisations in HR have often made it difficult for customers to keep up to date on who to contact about what. Having named contacts for topics, specialist services or parts of the business is really what everyone wants – so they can deal with a real person at the other end of a phone. Speed of response was important once contact had been made.

The issue of communication about HR services was closely connected to the issue of contacting HR. Many customers were not at all sure what HR could offer them and wanted a clearer message about the services they could use.

Many respondents said they wanted their HR function to be more visible. This was both about the people in HR themselves being visible and also about visibility of HR services and how to use them.

‘Be available, it is frequently impossible to speak to the person you need because they are on a half day or picking up children or only work two days a week.’

‘Make clear the channels of communication and explain clearly what their role is.’

‘Interact with everyone, not just managers.’

‘Make themselves known more regularly to all the people in their area.’

‘More direct face to face contact – less hiding behind jargon and technology.’

‘Raise their profile within the organisation, and make more time for colleagues.’

‘Be more approachable. I have no idea who my HR representative is for my department – who do I go to if I need any help?’

‘Get out on the shop floor, talk to people and get to know them.’

‘Show themselves! I have no idea who they are. I wouldn’t know them if they passed me. They never take any ownership of problems. You can never contact them because no one appears to man the phones.’

‘Would be nice to know who they are and also what they are able to do for us as a team. NOT sufficient when asked a question to be referred to [the intranet system].’

‘They need to communicate more with teams, even when there is nothing bad happening. The only time we hear from HR without any prompting is when there are to be job cuts. Also when contact details change they rarely communicate.’

‘Respond to messages, letters or in fact any communications straight away, and to give an up to date review of where something is. I had many weeks of hearing nothing with a recent issue, it erroneously gave me the impression that they were trying to brush me aside.’

‘Make me aware of what they can do for me ’

‘Keep us informed of staff changes and who to contact and what their remit is.’

‘Implement a call logging system so that enquiries and requests don’t get lost.’

7.2.2 Getting the basics right

This group of suggestions concerned routine or administrative aspects of HR service. They were mostly about getting things right first time, whether the context was pay, records or job application processing. Managers were especially sensitive about administrative efficiency and effectiveness. We have already seen that speedy recruitment was a priority for managers, so it is not surprising that improving administrative effectiveness in recruitment was a very frequent suggestion.

Linked with the point about communication above, most respondents to the online survey felt that policy documents were accessible. However, some respondents suggested that the large amount of policy information on intranet sites could be made easier to navigate. Information on policy changes could also be clearer.

‘Get the basics right. Unless people are paid correctly, it looks as though the organisation doesn’t care for them at all. HR have consistently paid the wrong amount, or none at all, for several of my team, and myself.’

‘Attention to detail and caring about what they do.’

‘Check letters before sending them out and stop relying on standard letters’

‘Support recruitment without constant errors, duplications and delays.’

‘Silly mistakes are often made. I feel they are not very efficient or conscientious at times.’

‘Improve their handling of basic recruitment functions – efficient and thorough handling of ads, application requests, organising interviews, getting references, letters of confirmation etc.’

‘Make all HR admin simple, easy and strictly necessary/relevant.’

‘I would like to see them spend less time patting themselves on the back and nominating themselves for awards, and spend more time dealing with the backlog of work they’ve amassed, and spending the time concentrating to eliminate some of their many errors.’

‘To create a better impression on new staff by providing all necessary information promptly, not losing/mislaying documents, responding promptly to enquiries, completing processes in a reasonable timescale and generally making them feel valued.’

‘I would like them to send me a job description and written contract - I have been seconded to this job and have been doing it for three months, still not got a revised contract.’

‘Give consistently correct information that can be relied upon.’

‘To improve communication on policy changes – make more timely, simpler to read, no smoke and mirrors.’

7.2.3 Relationships with customers and advisory support

For issues that go beyond a simple enquiry or routine administration, customers were looking for an HR function that really listens to what they are saying and works closely with them to solve problems. Quality of advisory support was sometimes linked with the point about consistent contact points as mentioned above. Consistency of advice was very important – customers want to know that different members of the HR function would give the same advice in the same situation. Some managers asked for more strategic advice from HR, but this was at a team or departmental level.

Stronger presence of HR in team meetings etc. was seen as leading to better quality relationships with HR and a better understanding in HR of the particular issues applying to that group of employees. In some of the case organisations, the quality of support was seen as affected by having too few staff for the workload. The devolution of people issues to the line was also sometimes seen as a withdrawal of HR advice.

Most of the comments about closer customer relations and advisory support came from managers.

‘Help the customer by listening to what they need.’

‘Seek feedback to proactively engage at all levels – less focus on process and procedure for its own sake.’

‘Take more ownership of issues and work jointly with colleagues. Often they provide advice but the colleague is then left to get on with it alone.’

‘Handle complaints properly without looking for excuses to ignore them.’

‘Business partners to actively support line managers with managing their colleagues.’

‘Understand our business and staff needs and importantly remember they are there to support us and not in existence for its own sake.’

‘Be available when needed. Resource is so over-stretched, I’ve often seen HR ... carry out a task as quickly as possible, just to tick it off the list.’

‘I think HR are very under-resourced, they are fine when they are there, but are stretched very thin. I would prefer to be helped by someone in HR than referred to a policy document.’

‘Improve on consistency between personnel officers. In dealing with complex cases can get different advice depending on who you contact. This has a huge impact on way situations are managed.’

‘Give proper advice on dealing with staffing problems. They don’t help managers just tell them information is available on intranet.’

‘Listen to those of us at the sharp end regarding processes.’

‘Help rather than insisting the manager does everything. HR write the policies but do not help the managers implement them.’

‘Give a straight answer to a question and ultimately be consistent in the answer they do eventually give!’

‘Support, guide and advise line management - including upskilling and training.’

7.2.4 Fairness and attention to the needs of employees

There were a group of comments about how HR needs to improve the balance of attention it gives to its various customers. The comments here were about balancing the needs of employees with the needs of managers, treating individual employees with respect and valuing them, ensuring fairness and, where appropriate, confidentiality.

‘When changes occur listen to what others have to say and not just the manager!!!’

‘I would like them to treat staff as individuals who have skills to benefit the business, and not just as work units to be slotted into any empty space in the organisational chart.’

‘Be more professional when colleagues want to discuss things in confidential situations. No confidence that any confidential conversations will remain so without them informing line managers in informal situations!!!’

'To stop discussing colleagues on mobile phones whilst walking round the office. They deal with delicate situations and should take the care to ensure that any discussions really do take place behind closed doors.'

'To recognise that "favouritism" exists and work to change this, recognising that employees who are not particularly the boss's 'type of person' are still able to make a full and important contribution, which should be fully recognised.'

'To make the interests of the staff a priority, as distinct from the current ethos whereby the interests of the employer are paramount.'

'Treat staff as human beings, not an easily replaceable, expendable commodity.'

'Our HR seems to be there for the access of managers ... rather than the staff underneath them.'

7.2.5 Business orientation and business fit

Slightly different from the comments about the degree of contact with HR or the quality of advice, were a group of respondents who talked about whether HR policies and activities really fitted the business, and whether HR works in such a way as to support the business.

Interestingly, employees made just as many comments as managers about the need for HR to be business-oriented.

'Support the business by making business needs paramount, rather than HR rules.'

'Ensure policies facilitate the business rather than hindering it.'

'Ensure that HR processes ... are designed to meet business needs, and not simply those of HR. Recognise also that the integrity of people policies (reward, promotion etc.) is ultimately a top management function.'

'Rather than saying what can't be done, give advice on what CAN be done.'

'Be more proactive and plan ahead and by that I don't mean admin reminders – I mean senior engagement to help our division.'

'Have policies for [particular occupational group] that reflect their jobs in the market rather than force policies onto them that reflect roles across the business.'

'Offer more practical support to front line managers and devolve as much as possible to departmental level so that there is a known point of contact and better understanding of the specific needs of different departments.'

7.2.6 Reducing bureaucracy and complexity of HR policies and processes

A related set of comments suggested that better business value would result from simpler, more stable HR policies and procedures, and a lot less form-filling.

‘Create forms professionally, with skill and care. There are so many forms, and each has to be filled in slightly differently – there’s not consistency. There is so much bureaucratic nonsense that makes things take an age to fill in.’

‘Produce an exhaustive policies database, divided by relevant business area and covers all queries likely to be raised by colleagues.’

‘Revamp all HR processes to be slicker, involve less paperwork, and deliver the right people with the right skills in the areas where the business most needs them. HR are epitomised by “enthusiastic amateurs” at the moment.’

‘Challenge constantly its processes and procedures against our values of “Keep it Simple” and “Getting Better Everyday”.’

‘Stop constantly introducing “new and improved” processes – they are almost always no better than the ones they replace and always cost time, effort and money that could be better spent elsewhere.’

‘Recognise that policies and procedures are not always the best way to improve the workplace.’

‘I’d like it to stop designing forms (eg for appraisal) that are a complete nightmare to work with + to use plain, simple English for everything + to stop designing/initiating such convoluted, bureaucratic and, ultimately, unproductive processes for everything.’

‘Use a little common sense in their dealings rather than hiding behind “The Rules”.’

7.2.7 Improvements in specific areas of HR

In addition to the themes above, there were some comments relating to particular HR processes. These comments tended to address areas of concern that varied between the case organisations. For instance, in one organisation, the comments were mostly about effective deployment across the business and development of new recruits. In another organisation, the focus was on tailoring training provision to specific workplace groups or business functions. In another, there was deep-seated frustration with successive revamps of the performance management system and its link with pay. Recruitment was often mentioned, especially improvements needed in the speed and accuracy of HR support to recruitment. Career development was mentioned quite frequently both by managers and non-managers, and linked to the ability of the business to deploy its staff appropriately. There were a surprisingly small number of comments about reward: in relation to performance review processes, in administrative efficiency and occasionally in paying the right amount for skilled people in tight labour markets.

Recruitment

'I want practical support from knowledgeable HR staff regarding the whole recruitment process. I want a named HR support worker who will undertake the tasks eg writing, placing adverts, booking temporary staff following discussion with me.'

'Recruitment and selection support could be improved. Never know who is dealing with different parts of the process- so a dedicated person would be useful.'

'Address recruitment and retention delays. It creates an extremely bad first impression of the organisation when processes consistently fail.'

Performance management

'Stronger and more consistent performance management.'

'Stop protecting 'dead wood' staff.'

'Get out of the [performance review process] mire. Process takes precedent over managers' responsibility. Ditch the peer review process.'

'Reduce the divisive & demotivating effect of our performance related pay system.'

'Stop tweaking the [performance review] format so that there have been constant changes over the last ten years. Gives the strong impression of change for the sake of change and/or that the last people in post didn't know what they were doing.'

'Find a performance/promotions framework that doesn't require large amounts of effort and actually reflects staff strengths, rather than their ability to fill out forms "the corporate way".'

Training

'Make requested training available.'

'To be honest in terms of what funding is available for professional training opportunities.'

'Organise more training/courses to support me and my team in developing in our roles. Linking these training courses directly to our values/capabilities so there are specific courses someone can go on if there is an area identified that they need'

'Provide training to all staff not just a select few.'

Careers and internal moves

'Support with career development, tailor made training plans, job shares, shadowing, home/ flexible working, for everybody (not just managers who are too old to learn anything anyway).'

'Engage in career planning to enable both the individual to develop and the organisation to benefit from the individual's skills.'

‘Deploy staff more intelligently. Listen to new entrants and utilise their skills to put them in the best position on arrival.’

‘Get rid of promotion boards and allow promotion to be managed by the business units to suit business needs and get rid off the faff of temporary promotions/progressions.’

‘To get in place succession planning and ensure people are trained up and experienced to move up into roles as they appear, rather than recruit externally.’

7.3 General views on improving HR from its customers

The focus group discussions with managers and non-managers, and also the interviews with senior managers, included wider discussions about what would improve HR from their perspective.

As we saw in Chapter 3, on the role of HR, there is a lot of common ground between employees, line managers and senior managers in the direction they wish HR to be going.

7.3.1 The employee perspective

The non-manager focus groups had a wide variety of suggestions for improvements in HR. Nearly all discussed making the function more visible and accessible, and for the service offer to be clearer and service standards better defined. Better communication about HR processes or policy changes was another frequent topic.

Employees were more positive in the focus group discussions than they appeared from the survey findings. Signals of existing improvement they mentioned included some specifics (eg better induction) but also they noticed if HR staff were more *‘on the ball’*.

They raised a number of business-oriented issues, which was interesting. These included: improving retention and decreasing the costs to the business of high turnover; better deployment of skills across the organisation by improving internal job movement; a stronger role in following up organisational change and making sure people were well established in new job roles and teams.

The quality of people management was a hot topic for some non-manager groups. They wanted HR to have stronger role in problem resolution, especially when managers and employees were having trouble with each other.

As we saw in Chapter 4, employees sought a more proactive approach to training and development, succession planning and more active benchmarking of reward. They also wanted simpler and more effective performance management systems, especially where they linked to pay.

7.3.2 The line manager perspective

Line managers in some of the case organisations were positive about improvements they had already seen in HR – so again rather more positive than the survey findings show for a larger sample. Examples of such positive comments include:

'HR are more engaged now than in the past.'

'They were more obstructive in the past and less engaged.'

'We get answers faster than in the past.'

Like employees, line managers wanted stronger input around employee development, career movements across business units, and management development (especially of new managers).

The line managers were looking for further improvements in the quality of response from HR service centres or administrative teams.

They wanted a closer, more personal service from their advisers (business partners or equivalent), especially around their most challenging issues of motivation and team performance.

7.3.3 The senior manager perspective

Senior managers wanted HR to be more accessible and to offer a professional service to all managers and employees – so they want the function to be working closely with the business at all levels and to be visible.

'They could just walk around more – there is no need to be embarrassed. I am quite a proactive customer and I do push a bit. But it takes two to tango.'

Meeting business needs requires a good balance between taking a professional view and being sensitive to the particular business context. Senior managers did not want overly rule-based HR.

Beyond the basics, senior managers are looking for an HR function that is more confident, more influential and more challenging. Again, the idea of a 'proactive' function emerged:

'Suggesting ways to improve the activities of the company from an HR perspective and having the resources to take this forward.'

'Overall HR's game could be raised – it needs to be more ambitious for the business and offer a vision of how the business could be.'

Some senior managers already saw HR as on this journey: *'It has more teeth, is more professional and has a bigger agenda, including culture change.'*

Other senior managers also felt HR was improving:

'It used to be a closed door, a separate function. Now it wants to be more involved, helpful, co-operative.'

'HR has been transformed – from a level of low confidence to one where the advice is credible, help is forthcoming from HR staff who know the basics and try to support this with data and systems.'

Senior managers were particularly sensitive to the quality of their own HR business partners in forming such judgements. Where there was no equivalent to a business partner or local HR presence, senior managers were less convinced about its business contribution.

Some of the senior managers we interviewed were aware that a more proactive role for HR would mean some changes for them too.

'It's also a learning curve for managers to support HR as a partner not just as a support function.'

Perhaps this is a good starting point for the future development of the function.

7.4 Reflections from this study on how customers feel HR could be improved

Asking customers of HR directly about improving HR services was fruitful. It gave a different picture than one would draw if only asking them about satisfaction with current services. Questions about satisfaction tend to yield fairly mechanical replies. Those about an improved function for the future led to more imaginative, deeper and quite vivid responses.

We used two particular types of question: an adjective to describe HR as it is now and as you would like it to be, and then a different question about one thing you would like HR to do differently. Both these types of question were useful.

There were some strong common themes about areas for improvement that largely reinforce some of the topics we covered in Chapters 5 and 6. These include:

- Access to and visibility of HR to everyone.
- A quick, accurate and responsive service in administration and routine processes.
- Really close and personalised advisory support, especially at team or departmental level.
- Fair treatment for employees and confidential advice when needed. The need for employees to feel valued and supported by HR is recognised by other research (Gratton, Hope Hailey, Stiles and Truss, 1999; Robinson, Perryman and Hayday, 2004; Greenberg and Lind, 2000) but has perhaps been overlooked somewhat in the

debate within the HR profession, which has focused more on the needs of line and senior managers.

- Much clearer and simpler HR policies and processes in those organisations where HR is still rather bureaucratic and rule based. This echoes the bureaucratic tendency of HR in the eyes of its customers observed by Guest, King, Conway and Michie (2001).
- A strong focus on business issues and a willingness to tailor advice and solutions to specific business needs.
- A stronger move into the more challenging areas of proactive skill and career development; supporting organisational change and helping managers to manage for performance and motivation.
- Senior managers in particular hope that HR will raise its game and become both more influential and more challenging.
- Threaded through these suggestions is the expectation that HR people will have strong professional knowledge and that the function will be well organised to deliver. This includes having the right level of HR resource, which customers questioned in some of the organisations. Guest et al. (2001) and Donkin (2006) have highlighted the importance of HR people communicating well with their customers and, in particular, using less jargon.
- The adjective 'proactive' was often used to describe what customers wanted from HR. This seemed to combine several of these points, especially a close advisory function, the ability to challenge, and a stronger involvement in the more future-oriented areas of developing the workforce and improving performance.

Some customers summarised what they wanted:

'Be well resourced and able to provide sound professional back up – well-informed and empowered staff. Strategic thinking with equality and diversity embedded.'

'Have a consistent, agreed approach to employment practice across the organisation: including following policies, procedures, employment law and giving advice to staff and managers.'

As in the previous chapters of this report, it is quite striking that each of our three customer groups appreciated the needs of the others. So, for example, the senior managers in this study were strong advocates of HR giving proper support to employees and also good advice to more junior managers. So the 'employee champion' or 'employee advocate' role is widely recognised. The role of HR in mediating between the needs of the employee and the needs of the organisation is seen by HR's customers as threading through everything that HR does. It is not seen as a separate activity or part of a structure for HR, but a unique feature of what HR gives the business. For their part, employees often spoke about the need for HR to address real business

issues. So, although they obviously wanted personal support when needed, they did not see this as in conflict with HR contributing to business success, and being strongly business oriented.

This vision of future HR support does contain within it some interesting tensions and paradoxes. These include the tension between being an excellent provider of routine services and also a strategic influencer; offering close support to the line but expecting them to own the bulk of people issues; going for simple policies but meeting business needs for flexibility and tailored solutions. There is also a tension that becomes increasingly evident between having a lean HR function and trying to cover all these bases.

In Chapter 10, we will return to some of these tensions as we reflect on what customers are saying about HR and whether the kind of vision they seem to suggest is a realistic one.

8 Obtaining and Using Customer Feedback on HR

This empirical study has been about two things: the views of managers, senior managers and employees about HR services; and the best ways of getting and using feedback on HR services from its customers.

This report concentrates on the first research strand: what customers think HR is for and how they feel about the services they get and the HR staff whom they have contact with.

We have also collected a considerable evidence base on the second strand of research: how HR services are evaluated and measured, and what that evaluation is used for. This information has come from the cases reported here, largely through interviews with people in the HR function. We also collected information on evaluation from additional case organisations in which we interviewed HR people but did not get feedback on HR services from employees and managers. This second strand of the research will be reported separately.

In this chapter, however, we will pull out just a few aspects of the second research strand that may be of interest to the readers of this report.

8.1 Evaluating HR: the wider picture

8.1.1 Seeing customer feedback in context

Our preoccupation in this report has been with what the customers of HR think. We have to remember, however, that customer feedback is only one way of evaluating the contribution that the HR function makes to the business. It does not appear to be a very rigorously used input to the evaluation of HR services, and so we hope this report encourages more organisations to take the collection of customer feedback rather more seriously and, as a result, to take more notice of what customers are trying to say.

There are tricky issues in the wider domain of assessing the contribution of HR. One of the most difficult to address is that most people outcomes, including the attitudes of employees on people management, are affected by at least three different things:

1. the way managers manage employees, including the capability and attitudes they have as managers
2. HR policies and procedures
3. the direct activity of people in HR, including specialist services they deliver and their advice to managers and employees.

So any serious attempt to evaluate HR needs to unpick the different influences on the employment experience. Even in this study, it may well be that some of the views expressed about HR services are influenced by the quality of people management more generally.

8.1.2 The range of evaluation approaches used

The HR people interviewed in this study were using a variety of approaches to evaluate the impact of HR on the business. The commonest were:

- A range of 'hard' people indicators such as turnover, absenteeism etc. HR functions have been using such indicators for a long time, but it is not at all clear that they are very sensible measures of how well the HR function is operating. They are often affected primarily by external labour market conditions. It is also not clear whether an indicator, like turnover, going up or down is a good thing or a bad thing – or indeed what a 'good' level of turnover might be. In the hard indicator category, most of the data used was of labour supply with little measurement of productivity except in well-defined operational areas of business.
- Organisations have become slightly fixated by measuring the numbers of people in HR compared with the numbers in the workforce. This measure seems to be some kind of indicator of how macho the HR director is: the higher the number of employees for each person in HR the better. This study does cast some serious doubts on the attention paid to this particular indicator. It ignores all the outsourced provision, including training delivery. It ignores all the administrative work that HR has shifted back to managers – and we have seen how managers feel about that. It also ignores whether the service they give is any good. Obviously, the size and cost of HR needs to be looked at carefully when planning future services – but inputs are of little use as a measure without outputs.
- A range of 'softer' people indicators, often around skill and capability of the workforce. The attitudes of employees also come into this category, usually collected through staff attitude or satisfaction surveys. Again, measures such as job satisfaction, employee engagement etc. may mostly reflect the quality of management rather than the impact of the HR function. Other measures, such as

employees feeling well rewarded, may be more directly a consequence of HR policies, but often still filtered through management processes. Questions about how well staff feel they are led are also often included. These can be measured through employee surveys and/or informed by 360 degree feedback on managers. The quality of management may reflect, in some part, the contribution of HR through management and leadership development, but perhaps not in a very direct way.

- Direct measures of HR service. We found some organisations that did collect metrics on time to answer enquiries etc. These were normally collected by HR as part of its processes, or in response to short questionnaires sent out to users of HR services. In some cases, service level agreements are coming into play in HR, but this does not yet seem very highly developed, except for parts of HR service that are outsourced.
- Evaluations of particular HR processes or interventions are conducted from time to time. In the area of training and development, for example, courses or programmes are quite often evaluated.
- Qualitative feedback asking directly about HR services – rather than people management – had sometimes been collected via surveys and/or focus groups – using methods very similar to those used in this study. This was not done so frequently or as rigorously as one might imagine. Most of the examples we saw simply asked about satisfaction with various services. A few also asked about what customers felt was important or should have priority. Such data was not usually analysed in a very searching way.
- Where organisations had employee consultative processes, such as works councils or employee councils of various kinds, these groups were quite often chaired or facilitated by HR. As such, they could be useful mechanisms for feedback on employment issues or problems perceived by the staff, or to give some feedback on HR policy changes or recent HR initiatives/activities. A lot of the time, these bodies were seen as quite passive and low key but they could *'spring into life when a big thing is happening, like a business restructuring'*. The quality of the chair also seemed to affect how well such groups influenced HR activities. When the chair was more proactive and energetic, such groups were more visible and more influential.
- Informal methods of seeking feedback on HR were also used. For example, an employee described a recent discussion of a particular HR process in a team meeting attended by an HR officer. This was an unusual experience for that employee, but was welcomed and had influenced the HR process subsequently. Several senior managers said they often gave HR informal feedback, but this was not the same as a proper discussion of what services they wanted.

8.1.3 How measures of HR were used

There seems to be a wide degree of variation in whether evaluative material on HR is used in any practical way. A lot of organisations seem to measure hard indicators, but not necessarily do anything with the answers.

The kind of data produced by this study gave HR leaders clear feedback on which areas of their activity were well regarded by customers and which were not. In one or two case organisations, the feedback we gave on the basis of our research was used to frame clear priorities for improving HR services.

In one case organisation, all senior managers regularly received employee survey data that was specific to the business division. HR found that some senior managers used this really actively to set priorities in their unit while others did not do much at all. HR had observed that, not surprisingly, employees were more cynical about the survey in divisions where the results did not appear to lead to action.

The more sophisticated examples we found had a wider range of measures and better ways of integrating them. So, for example, a balanced scorecard for HR in one organisation included measures of: the capability and attitudes of the workforce; several areas of impact of HR linked to strategic business priorities; several particular areas of HR activity (eg leadership development); and the quality of direct services from HR. In most of these areas of measurement, a mix of hard and soft data items was included. The selection of measures was also linked to some clear business priorities eg the need to manage change better, to improve leadership and so on.

In some organisations we found formal fora for discussing HR activities with senior management. These included HR Advisory Groups – committees of small numbers of senior managers meeting with HR leaders. Sometimes, regular business reviews or business planning processes covered all aspects of the organisation, and would therefore include structured discussion of evaluative data on HR as an input to planning its future priorities.

8.2 How do customers wish to give feedback on the HR function?

As part of this study, we discussed with senior managers, line managers and employees how they felt they would like to give feedback to the HR function.

The online survey found that the opportunity to give feedback on HR was not of very high importance to users, compared with other aspects of the HR service that affected them personally. The survey also showed that managers and employees did not think they were given much opportunity to give feedback. A slightly different question asked if HR valued staff feedback. This again got a fairly low score on experience, ie employees did not feel that HR valued staff feedback very much. But it did get a

rather higher score on importance ie it was of some importance to employees that HR valued any feedback they gave.

In several of the cases, customers contrasted the attitude of HR to getting feedback with that of other corporate support functions, like IT services. These other services were seen as more often asking for structured feedback from users. Some employees felt that asking for feedback showed that support functions valued the opinion of their customers. Others thought that they were sometimes bothered too much with internal service functions asking for feedback every time you used them.

A very consistent set of themes emerged when we discussed the issue of feedback on HR services with customers.

The chance to give fuller feedback to HR

Most customers did want an occasional opportunity to give more thoughtful, overall feedback to HR. They contrasted this with the discussions they often had with HR people after a specific interaction. Such discussions were often too anecdotal they felt, and too often resulted from a problem or mistake in HR service, so they did not give a proper overall account of user satisfaction.

Senior managers in particular often contrasted the frequent informal discussions they had with senior colleagues in HR with the kind of interview they had in this study, which was much more challenging and wide ranging. They also felt that being asked about the purpose of HR and what they really wanted from the function was as important as giving feedback on current services.

The desire to be constructive

It is a great tribute to the people who work in HR functions that employees and managers in several of the case organisations were quite concerned about how to give feedback on the function without seeming to criticise individual members of HR staff. They were worried about hurting people in a personal way. Some were also concerned that the study might be used by senior line managers as a rod to beat the HR function with! There are some interesting cultural issues here about levels of trust and ways of using feedback constructively. It does indicate though that the process of giving feedback is not to be undertaken lightly.

Some felt that having the information collected by someone external to the organisation made it easier for customers to give a balanced and objective view, and also avoided any personal embarrassment.

Using staff surveys for feedback on HR

On the whole, customers did not want to fill in surveys about HR too often. They often made the point that regular employee surveys are much more about the quality

of managers than about HR. They wanted to keep this strong emphasis on management that was important to them. Several employee groups said that adding one or two specific questions about HR services to the employee attitude survey would be a good compromise.

Systematic face-to-face discussions

On the whole, all the customer groups said they preferred to give feedback via the kind of systematic focus group discussion or interview they experienced in this study. There seemed to be little difficulty in doing this on a small group basis.

The main reason for preferring a discussion to a survey is that customers wanted to be able to explain why they felt the way they did and to differentiate more precisely which aspects of service they found helpful and which they did not.

Several of the senior managers we interviewed said that they also felt they should have such systematic discussions more often with their colleagues in HR – it would improve their understanding of the function as well as give HR people more insight into their users' needs.

Feedback after significant HR interventions

Customers had a slight horror of being asked for feedback every time they phoned up HR and asked a question.

However, there were several suggestions that HR should obtain structured feedback from customers after periods of intensive use. This is already often done for training interventions. Other suggestions were: asking managers and new recruits about the effectiveness of major recruitment campaigns; getting feedback after periods of restructuring; reviewing the implementation of specific changes to HR policy or procedures (eg a new pay system, a new appraisal system etc.).

Consultation over HR direction and HR policy change

Some people wanted a more dynamic dialogue with HR rather than just the opportunity to give occasional feedback.

One manager, for example, said he needed to be kept better informed about current changes in the HR function through a regular process of briefing and discussion.

Managers in one organisation said that the consultative processes about changes in HR policy only ever involved senior people and did not consider carefully enough their operational impact on the business. They asked for what they called an 'HR User Group', which would contain a cross section of managers and employees. They suggested the role of such a group would be to look at the detail of key changes to HR processes to make sure they will be effective, and to provide recommendations to HR

about any operational implications before the policy change is signed off by senior management. The group could also advise on how best implementation might be achieved. They felt this approach might avoid having to deal with adverse operational impacts after HR policy changes are 'rolled out'.

If you ask for feedback, use it

Several focus groups were vociferous on the subject of the use of feedback data. Especially in the case of surveys, customers wanted to be sure that HR would disseminate their findings and then use the information employees had supplied to improve their services. The feeling was that asking for information and then not using it would lead to a rapid loss of credibility.

8.3 Reflections on the research instruments used in this study

This study has concentrated on seeking the views of the customers of HR on services. As such, we have learned some lessons about methods and useful questions to ask. Some of those learning points are summarised here.

We used a mix of methods: focus groups, one-to-one interviews and two questionnaires. Combining an in-depth, face-to-face method with some kind of survey method did prove useful. The focus groups tended to give a more positive impression of HR services than the larger survey sample.

The online survey worked well where it was well publicised and staff had easy access to the internet. In some cases, the HR function really did not tell all staff about the survey or it was quite difficult for them to click on the direct link to the questionnaire. We did not experience any concerns about confidentiality and staff were quite keen to have the chance to give feedback on HR services.

Surveys are obviously not so realistic in very small organisations and issues of confidentiality are also much harder to handle when numbers are small.

We divided the customers of HR into three rather crude categories: line managers, senior managers, employees. These three groups had very similar views about the purposes of HR, but they had rather different viewpoints as users of HR services. This is probably both because they ask for different kinds of help and because they have a different interface with HR. For example, senior managers often went straight to a very senior HR person even with a mundane query, and obviously employees would not usually do this. The views of senior managers about the potential business impact of the HR function were extremely interesting, so a larger sample of senior managers would be preferable. In one organisation, we analysed the survey by business division, which was useful for the organisation concerned. Even though we asked for a representative sample at focus groups, they tended to be managerial or professional

staff. We have learned little about what more junior or less skilled employees think of HR.

In several questions, we asked about specific areas of HR services. This might have been better if some were more clearly separated; for example separating performance management and reward as two distinct areas would have helped. The term 'workforce planning' needed better explanation as did 'well-being.' The list did not refer explicitly to talent management, succession planning or career development. A bundle related to 'preparing people for the future' might be a viable way of covering these topics. The deployment of people across the business was also of interest but not included as a topic area.

Asking about specific areas of HR services turned out to be important as customer needs and customer experiences were different in different areas. Asking just about HR services overall would not have given such insight into what people want from HR and what they get in practice.

It is helpful to find out what customers see as important as well as which services they feel are effective. Where we asked this, respondents did tend to say that everything was important. With the senior managers, we used a card sorting exercise, which seemed more helpful to them in differentiating which aspects were important relative to others. We have also found it possible to identify factors correlating with overall service satisfaction (see Chapter 5.7). This type of fairly simple statistical analysis was not used by the organisations we spoke to, and perhaps could be explored more widely.

It was very helpful to include questions about the capability and behaviour of HR staff as well as questions about HR services. These factors seemed to be important influences on satisfaction with HR. They may also be more amenable to practical action than some other aspects of the HR function. We did not differentiate in our questions between administrative HR teams and advisory HR teams (or business partners), which were often distinct. Some respondents suggested that they would wish to give feedback on these two parts of HR more separately.

Some of the open questions we used in the focus group or online surveys were especially powerful and enlightening. It would be worth asking these questions even if nothing else was done to evaluate HR services. The most open powerful questions were:

- very brief descriptions of particular, recent positive and negative experiences of HR services (as reported in Chapter 6)
- asking for an adjective that describes the HR function as it is now and a second describing HR as you would like it to be (as reported in Chapter 7)
- asking what one thing you would change about HR (as reported in Chapter 7).

Some of the people in focus groups offered metaphors for their visions of HR. This approach, or even drawing pictures of HR as it is now and you would like it to be, might be quite informative, stimulate debate and help HR identify areas for improvement.

8.4 Reflections from this study on the process of obtaining customer feedback on HR

Managers and employees were willing and interested to give critical but constructive feedback on the HR function, its services and its staff. Fears that people would not be interested or that they would give aggressively negative feedback were quite unfounded. Perhaps HR is too shy as a function of engaging its customers properly in giving feedback. Perhaps it also underestimates how deeply managers and employees think about the nature of HR and what they need from the function.

Customers often have anecdotal conversations with HR about its services, usually when something has gone wrong. Even senior managers did not feel they had proper, comprehensive conversations with HR about what they really wanted from the function as well as current quality of services.

Other research has found that feedback to the HR function is often informal and often only from more senior managers (Edgar and Geare, 2004). Wright et al. (2001) argue that senior managers are in the best position to provide feedback, as they have a broader awareness of stakeholder interests in the business as well as being customers of HR themselves. Huselid et al. (1997) suggests that employees would provide the most honest feedback on HR services and programmes. Although this study shows that the views of senior managers are very interesting, the perspectives of more junior managers and employees are important too and were of concern to senior managers. We would argue that all three of the customer groups we studied had important messages for HR, not just about whether they were satisfied with services, but also about how HR impacted on their working lives and so on organisational performance.

Most people would prefer occasional in-depth group discussions about HR services to completing surveys, although they often suggested adding one or two questions about HR services to employee satisfaction surveys. We found that focus groups gave a rather more positive impression of HR services than the larger sample of customers filling in the survey, so occasional surveys might be useful. Good response rates do seem to be possible as long as the survey is short and very easy to access.

Mechanisms for giving feedback are another way of reinforcing the closer working relationship that many customers seem to want with HR. A more active dialogue about service needs and service quality, on a local as well as corporate basis, could play a part in making 'partnering' feel real to customers and making HR feel less remote. We also found, in line with recommendations from Ulrich (1997), that it is

helpful to encourage customers of HR to think about the impact of what HR does, not just its content.

In some organisations, customer feedback on HR is used as one part of a strategic approach to assessing people aspects of the business. In such approaches, measures of the quality of HR services are seen alongside measures of the workforce and of the quality of people management.

9 The HR Footprint and Priorities for a Particular Organisation

9.1 The organisational HR ‘footprint’

Throughout this report we have cheated somewhat by showing aggregate pictures of customer perceptions. We have done this to preserve the confidentiality of the case material. But we have also done it so that the huge amount of common ground between the cases is seen by the reader without the distraction of contextual differences.

And the common ground is indeed striking in requests for improvements: better access to HR, closer working with the line and the pursuit of a more transformational HR agenda.

However, it is also evident that, within this common ground, each of the case organisations had a characteristic pattern, what we might call its ‘footprint’, about the direction of change requested by its customers. These patterns tended not just to be one thing in each organisation, but a combination of two or three dominant strands. Some of the strands were about general features of HR service (as we covered in Chapter 5) and some were about specific areas of HR (as we examined in Chapter 4). These strands were nearly always reinforced when we looked at the data on suggested improvements (as in Chapter 7).

One of the interesting things about these ‘footprints’ is that they do *not* show a smooth progression from administrative to strategic HR. It was evident in some cases, for example, that a sophisticated approach to business partnering could run alongside a rather chaotic administrative function. The different aspects of HR delivery – efficient administration, speedy core processes, advice to the line, case work, supporting change etc. – are more like balls all being kept in the air than a steady climb up a hill from basic HR to strategic influence.

In feeding back the research findings to each case organisation, looking at the data overall usually enabled a clear summary of their ‘footprint’ to be communicated. The case study appendix distils some of each organisation’s strengths and weaknesses

from our research investigations. Some anonymous examples of such footprints are given in the box below.

Some examples of organisational ‘footprints’ for HR improvement



Very helpful HR people but with low levels of professional expertise and a tendency to design overly complex policies. Some excellent specialist services around employee welfare. Need here is for simpler HR procedures and an advisory function much closer to the business – at the time of research, business partners not really in place.



A small but efficient HR function, good at recruitment and administration. Most policies/processes fit for purpose. The challenge here is to become more proactive and influential in a business that finds it hard to keep and motivate its highly skilled workforce and where people management tends to be weak.



A strong business orientation to HR and quite a lean function. The administrative side struggles at times and may need upskilling. Business partners are seen as very professional but too thinly spread to support the line and they need to be more visible in some parts of the business. Work to be done in deploying and developing employees better across the business, which tends to operate in functional silos.



A recently reorganised HR function. Central HR administration is still getting up on its feet and needs a stable, well-trained HR workforce to deal with routine matters. Recruitment is a key process and one which needs to be much slicker. A small number of experienced HR professionals are in post but have little time to give different business areas the bespoke support they want.



An HR function trying to raise its game from a history of being a low status, back room function. Employees see HR as being an agent of management and do not yet feel their issues are taken seriously. This HR function needs to start working with managers in the business on their practical problems and attend to employee issues, both at collective and individual levels. Clarifying the HR service offer is important as neither managers nor employees know much about what HR does and who can help them.

9.2 Specific areas for improvement

In giving this type of organisational feedback, we found it especially useful to present a table showing what our three stakeholder groups had suggested as areas for improvement. This summarises the themes in their HR ‘footprint’ in terms of action for the next stage of the HR journey.

Table 9.1: Examples of action areas suggested by customers of HR in various case organisations

Employees	Line managers	Senior managers	Example aspects of the HR journey
<p>More uniform visibility/ accessibility in all parts of the organisation</p> <p>Communicate more frequently with employees eg when HR policies change</p>	<p>Increased consistency in the quality and resourcing of business partner support</p> <p>A less mechanical and more personal approach</p>	<p>Greater speed of response to HR customers – more dynamic</p>	<p>Improving access to HR and relationships with customers</p>
<p>A clearer offer of the standard of HR services to be expected</p> <p>More consistency and a common standard of HR Service across the organisation</p>	<p>Newly appointed managers should all be given a quick run-through of what the HR services are and what support they and their staff should/should not expect</p> <p>Use a service level agreement</p>	<p>Better communication of services on offer. Higher profile, wider role, more visible.</p> <p>Two sides of A4 on what HR does for staff</p> <p>Clarity about the various functions provided by HR</p>	<p>A clearer service offer from HR</p>
<p>Attention to detail and prompt administration</p> <p>Better internal quality control systems within HR</p> <p>Take up problems with outsourced suppliers on behalf of employees</p> <p>Answer queries within specific time limits</p>	<p>Better service from administrative HR</p> <p>Reliability and consistency in basic services</p> <p>More quality control and checking of basic services</p> <p>More active management of HR contractors</p> <p>Address recruitment delays</p>	<p>Slicker, faster basic services</p>	<p>Improving the quality of basic services and administrative support</p>
<p>Improve clarity and simplicity of HR processes</p> <p>Help make HR guidelines and policies easier to find on the intranet</p>	<p>Clearer processes with more scope for flexibility in application</p>	<p>User group to look at detail of proposed HR policies and procedures to identify operational issues in advance of any changes</p>	<p>Simpler processes</p>
<p>Staff better trained so they give more consistent advice to employees</p>	<p>Consider better pay and training for HR staff delivering the basics so they will care more about delivering a good service</p> <p>More knowledgeable in employment law</p> <p>BPs with real HR expertise</p> <p>Clarify what is done by central HR and what locally</p>	<p>Provide a stable HR team</p> <p>Professional expertise but sensitive to business needs</p>	<p>Organisation and resourcing of the HR function</p>
<p>Better deployment of people across business divisions and improved career advice for individuals</p> <p>Support people for longer during periods of change</p> <p>Tackle the quality of people management</p>	<p>Clearer approaches to talent management across all parts of the business, including more proactive career advice and career ‘roadmaps’ for all areas</p> <p>Support managers better to motivate their staff</p>	<p>Challenge the business</p> <p>More ambitious HR function: raising its game</p> <p>Making good people more visible across the business – robust succession/talent pool</p> <p>Better support with workforce planning and organisation design</p>	<p>Increasing strategic impact on the business</p>

Source: IES, 2008

Table 9.1 (above) shows this type of presentation. The content in this table is a pastiche of real comments drawn from the various case organisations. It is not a complete picture of areas for improvement by any means, but rather an illustration of how an individual organisation can build up such a table for itself.

In some of the case organisations, we invited the HR people we interviewed to suggest their own areas for improvement and added another column to the table showing their ideas alongside those of their customers.

In Table 9.1, we show suggestions from employees, line managers and senior managers in different columns. The material is arranged so that, in each row, comments relating to a similar footprint theme appear alongside one another. We have suggested in the final column the theme that the row represents.

Some of the HR leaders who took part in this study used this kind of summary table to share their research findings with their colleagues and prioritise their own goals for the forthcoming period – so it played directly into the planning and performance management process for the HR function.

Some aspects of the HR footprints and areas for improvement were not surprising to people in HR. One frequent surprise for HR people was just how difficult customers found it to understand the nature of HR services and the lack of access they often felt to HR. One HR team were very surprised that employees hesitated to come and see them. The HR people involved in the study did want to spend more time advising the line on non-routine matters but often found more routine issues crowding out such conversations.

Some HR people offered interesting metaphors for their improvement journey. One said that the current HR function was *'like the person stoking the furnace on a ship'* and ought to become the *'person up on the bridge helping the captain chart their course'*.

9.3 Reflections from this study on setting priorities for the HR journey

At first sight, the range of data collected in this study for each case organisation seemed a little daunting. However, we noticed that the specific information about areas of HR service was very useful for people involved in delivering those services. We also found that different organisations had different patterns of strengths and weaknesses by area of HR, as described in Chapter 4. So in one case, for example, recruitment was the issue uppermost in managers' minds, whereas in another it was motivation.

We also found characteristic patterns of response in each of the organisations about the more general features of HR service and staff, which we examined in Chapter 5.

Putting these consistent themes together, and adding the suggestions for improvement (as described in Chapter 7), we found that, in each individual case organisation, there were two or three strong strands of desired improvement that came out from all the stakeholders. It is well worth trying to establish these in any given organisation as they can form a platform for practical change. Some of the case organisations have already used their findings in this way.

10 Conclusions and Implications for the Future of HR

In this study, we have looked at the HR function and its services from the perspective of its internal customers: senior managers, line managers and employees. We have examined what they want the role of the HR function to be, what kind of service they want in its specific areas of activity and in more general terms, and what they hope for the future.

In this chapter, we try and stand back from the detailed data in this report and pull out some of the key messages for people in HR and business leaders who help to shape the place of the HR function in business.

We will look at:

- some of the messages for HR people from their customers (section 10.1)
- some of the tensions and paradoxes these raise for HR (section 10.2)
- a SWOT analysis for the HR function and implications for HR strategy (section 10.3)
- what we have learned from taking a customer perspective (section 10.4).

10.1 What are customers telling the HR function?

It should be most encouraging for HR professionals that their customers do see many of the same needs and trends as HR people themselves have been discussing.

However, because customers are looking at HR from the other end of the service – from the outside in if you like – these needs and trends do have a different meaning and may imply different solutions. Listed below are some of the main messages from this study and what the customers of HR may mean by them.

Managers and employees *do* want effective support on people issues

When IES proposed this study, some people felt quite nervous. Some researchers we spoke to early on, and quite a few of the HR managers and directors in employing organisations we approached, felt that asking customers what they thought of the HR function was simply asking for trouble. The kind of trouble they were expecting was a general cynicism about the potential value of the HR function, or very negative views about its competence and effectiveness. This general nervousness has turned out to be misplaced.

Although it *is* true that some managers and employees are still very critical of the service they get from their HR functions, this criticism stems from the firm and positive conviction that handling people issues well is really important to business performance. There was almost no sign in this study of people who felt the HR function was a waste of space and that line managers could 'go it alone'.

One of the most striking features in this study is that both managers and employees see it as crucial that the HR function stands outside of line management and can take a balanced and objective view of people issues, both at aggregate and individual level. Some senior managers went so far as to see the independence of view of a good HR function as its single most important source of value. This finding is consistent with other evidence of what HR people find CEOs want from them (Reilly et al., 2007).

Another fear at the start of the study was that the customers of HR would hark back to some imaginary 'golden age' in which the HR function looked after everything to do with people, and managers therefore did not have to manage people. We found really very little sign of such nostalgia. In particular, the move to what we might call more 'strategic' HR is broadly welcomed, along with the view that line managers must be the real people managers in organisations.

However, when we look a little more deeply behind these headline findings, there are signs that HR has not been listening to its customers quite carefully enough about what kinds of support they really need on people issues; what 'strategic' HR might mean to them, and what a modern, professional people function needs to offer.

HR is a support function and has real customers

One especially thought-provoking response we had to this study at an early stage was from the HR Director of a major plc who said that HR did not have customers, and that he did not see HR as a support function, but as a much more important strategic function. So, for him, asking managers – let alone employees – what they wanted from HR was irrelevant. He knew better than they did what was good for them. Although one can see where he was coming from given the history of HR, such comments illustrate how far HR can drift into a fantasy world in which it sees itself as somehow superior to business management, telling business leaders what they should do and as far too clever and important to spend time talking to line managers or employees.

This study should remind all HR Directors that, in the eyes of people outside the function, HR is self-evidently there to support other people in the business to deliver frontline or operational business activities. So it *is* absolutely a support function – in a positive sense – and it does indeed have real customers: the people who actually deliver the business and the managers who lead those people. That does not mean it is an unimportant business function or that it cannot take a lead in looking longer-term or more strategically at people issues. The strategic and operational contributions of HR are both part of its supporting role to the business and should not be seen as in opposition to each other. But there is a real danger that HR people start to think that being ‘strategic’ is in some way a substitution for developing responsive relationships with internal customers. It is helpful for a profession to develop its own ideas about what it should be doing, but a support function loses touch with its customers at its peril.

Customers need to know what is on offer and from whom

Line managers and employees we spoke to found it quite difficult to articulate the real purpose of HR or its practical service offer. Senior managers were often rather clear about the purposes they saw for HR. Their views were rather more concrete than HR’s own version of the story. Even senior managers, however, felt that the service offer from HR to its different customer groups was unclear. This confusion is partly because HR has been changing its structure, policies and activities and maybe does not like to bother people too often with news about itself. This study shows that it is easy for managers and employees to get left behind or muddled by changes in the HR function. HR needs to attend to the way it markets the function internally.

HR often now describes itself in terms of the way it has segmented its formal structure (service or administration centres, centres of excellence, business partners). Such structures give customers a new and more complex set of routes to go into HR. Managers often find they are shuttling between business partners, administrative teams and policy experts trying to get their query answered and feeling that the HR function should be doing this joining up for them. Employees are not always clear on what range of matters it is appropriate for them to contact HR and they often do not know who in HR to go to. Research for the CIPD (Reilly et al., 2007) found that the segmentation of the organisational structure of the HR function also gave HR people problems in delivering an integrated service.

Although there is a very public debate at present within the HR community about the role of business partners, this seemed a rather natural part of the structure for customers. Indeed, where business partners or HR account managers were not in place, customers felt the lack of a clear contact point for their part of the organisation. Less clear to customers is how centres of excellence and subject experts now operate. Their role in policy development is assumed, and some specialist services are easy to understand if they are signposted clearly (eg health, in-depth casework). But how specialist expertise in tailored employee development, reward, talent management,

workforce planning, OD, motivation etc. is brought to bear on managers' issues is most unclear.

Within more specific processes (such as recruitment, pay review etc.) the roles of the manager, employee and HR need to be clear and the sequence of interactions between them also well understood. HR people who use HR processes all the time are apt to forget that these processes can be quite complex and involve a rapid sequence of different people doing different activities to make the whole thing work.

HR functions need to provide better guidance on what is on offer, to whom and from whom, and to make sure there are named contact points wherever possible. HR should do more of the 'joining up' itself and not expect its customers to go back and forth.

Getting the basics right is vital

In most of the case organisations, recent restructuring of HR had, to some extent, separated out the administrative or routine aspects of HR work from an emergent business partner function or advisory role.

There may be a danger in some HR functions that the administrative or routine work is seen as relatively unimportant by HR leaders, perhaps for no better reason than it tends to be done by relatively junior staff. This view could not be more wrong. Customers in this study sent some important messages about what happens to them when the basics are not right. Many of the negative critical incidents described (see Chapter 6) were of incorrect information on people, documents going missing during recruitment, slow or incorrect issuing of contracts of employment, pay changes not being correctly implemented, people waiting a long time to get on agreed training courses and so on. Although in the context of 'strategic' HR these events seem like small fry, to those involved such administrative problems are stressful, urgent and deflect them from getting work done. They also colour customers' overall views about the effectiveness of HR.

In several of the case organisations, there had been a significant switch from 'popping into' HR to contact by telephone or email, even if the administrative section was still in the same building. The stress of administrative problems is amplified when face-to-face contact is not encouraged or is made impossible by outsourcing or relocating HR administration. This sense of remoteness can make users feel very powerless if they cannot speak to the right person in HR. For users who are reliant on being able to reach administrative teams by telephone, it is vital that phones are always answered and messages promptly acted on.

Reilly et al. (2007) found that this more impersonal communication between HR and its customers was also a problem for HR professionals who were concerned that it could 'dehumanise' the function.

HR departments have often been positive about flexible working for their own staff. However, this can lead to situations where queries languish for days while part-time staff are not in the office. HR needs to lead the way in multi-skilling and in ensuring that urgent queries or cases are covered when someone is going to be out of the office. Speed of response is critical to an effective interface with HR customers.

Getting the basics right is also about designing processes for common HR activities that are really slick and efficient. In areas such as recruitment, training and pay the time and energy of managers and individual employees should focus on getting the right decision. They should not have to chase the HR department for routine paperwork, nor should HR expect managers or employees to spend a lot of time re-entering into personnel records information that they have given before. Where computers are used for 'self-service' aspects of HR management, it is important that managers and employees find such systems intuitively easy to use, or they become very time-consuming and frustrating. Quite a prevalent view in this study was that HR departments have simply passed a lot of administrative work back out to managers, under the guise of using new technology. This may make the HR 'ratios' look good, but is doing nothing for business efficiency overall.

Some of the work that HR sees as routine is of high anxiety to managers. Managers do want to know that they are acting within the law and expect clear legal advice from HR. Professional handling of individual cases of disagreements between managers and employees is also critical. Many of the people in this study praised their HR functions for the steady, balanced and truly professional help they were given in resolving such problems. Every 'routine' problem of this kind that HR helps to resolve saves the business many thousands of pounds.

Getting the basics right, both in administration and in core routine processes, is vital to gaining the trust of the organisation in HR and to people seeing it as an effective function.

Strategic impact is about business solutions not complex policies

It is probably around the issue of 'strategic' HR that customers and the HR function may use the same words but with significantly different meanings.

From the customer perspective, the need for HR policies and processes is well-understood. These are what managers often called 'frameworks' – the way they get some key things done such as setting pay levels for individuals, conducting regular reviews of performance, issuing contracts of employment and so on.

But in some organisations, the devising of HR policies and designing of HR processes seems to be almost the only way in which the function thinks it can become more strategic. Implicitly, HR is acting as though if it could only design a better set of rules for line managers to use, then employment practices would radically improve. Basically customers do not believe this. For them, HR adding strategic value is about

HR helping them solve issues that have strategic implications for their business. This is a practical matter, involving shared problem-solving. It is absolutely not about having an HR strategy manifest in a suite of policies and processes, it is about HR supporting the business strategy. These two are much more different viewed from the customers' end of the relationship than HR people may appreciate. Customers want simpler and more transparent HR policies and procedures, not ever more complex ones. They also, perhaps irritatingly, want room for flexibility in HR policies, an issue we discuss further below.

Customers of HR do want HR people to keep a look out externally for 'best practice' policies and processes and bring good practice into the business from outside. But they do not want this to lead to over-complicated policies or to policies that do not meet business needs. Perhaps this should make us think again about the nature of 'best practice' in HR and the skills required to design simpler and business-relevant HR policies.

The other repeated messages about strategic HR from customers are the need to spot problems before they become crises, and to help managers and employees deal better with change. In both these dimensions of strategic HR work, the function needs to be very close to the business and have a strong finger on the employee pulse as well as on the concerns of managers. Customers of HR use the term 'proactive' much more than 'strategic'. It may be a more relevant concept, carrying with it the ability to have strategic impact through both challenging management and looking ahead at emerging issues.

Managers want HR to be their trusted partners on people issues

So how do these views on HR service and strategic impact feed into the idea of HR 'partnering'?

Essentially managers do see themselves as working in partnership with HR on many aspects of people management. In key areas, like recruitment and development, managers see themselves as doing some tasks and HR as doing others, but in a closely collaborative way.

Partnership is also about the advice HR can give managers on the people management tasks they do. They often value the ability of HR professionals to see people and their contribution to the business in a different way. For example, a lot of managers felt that having HR's professional judgement involved in critical appointments had strategic impact on their part of the business, and was something they wanted from an HR function acting as their partner. So even 'routine' activities can be seen by customers as a strategic aspect of business partnering. Managers also wanted help with problems that have no tidy solution – how to develop potential better, how to motivate and retain skilled staff, how to best organise their department or team. These are closer to what HR people see as the 'strategic' or 'transformational' agenda, but managers see it

less grandly – they simply want a trusted function that can help them with their real people issues.

This spread of demands does raise challenges about what might be done by people in ‘business partner’ roles and what by more specialist teams that can come in on a project basis. Managers have a marked preference for dealing with people who understand the needs of their part of the business; so a relatively broad remit for business partners is probably to their taste. Business partnering for managers is also about establishing a trusting relationship with one or more HR people – the better that relationship the more they will consult their HR partner on the issues that really concern them. One model for HR business partners is as an account holder – a kind of post-box for managers to procure services from other parts of HR. This may well be necessary in the case of specialised services, but does not seem to appeal strongly to line or senior managers as the main model for business partnering. They want to work with someone they know on a fairly wide range of people issues. Another model – a more purely strategic one – sees the business partner as working almost exclusively with top level business leaders on their strategic issues. This is too abstract a role to satisfy even the senior managers in our study who wanted help from their business partners in implementing strategic people interventions and processes as well as formulating them.

So, for line managers, senior managers and employees, the ideal HR business partner is a sort of HR ‘buddy’ with whom they have a close and sustained working relationship. This does require business partners to stay in their roles for long enough to get to know the people and the business. Managers and senior managers often thought about HR business partners having a divisional or team-focussed relationship, not just a relationship with them personally. So they wanted their business partners to be visible to everyone in the team and for their partner to know the staff. This probably implies small teams of business partners servicing the divisions or functions coming under a particular business leader and working at a range of levels within their part of the business.

Taking a customer perspective, the term ‘business partner’ does start to feel increasingly odd. This is because it is how HR people wish to see themselves – as partners to the business. When managers articulate this relationship, they of course see it the other way round. HR people are not their business partners because the business is what they deal with themselves and their business partners are their business colleagues. They see good HR people as their ‘people partners’.

Customers want their HR people to be ‘professional’

A repeated theme in our discussions with customers was the need for a ‘professional’ HR function. This study, including the online survey, enables us to unpick several threads of what people may mean when they talk about ‘professional’ HR.

At least three themes are evident:

1. Professional conduct and a professional attitude to customers – this is linked with the emphasis customers placed on HR being ‘reliable’ and ‘responsive’.
2. ‘Knowledgeable’ on HR issues, law, practices etc. – this is linked with HR being ‘well-informed’ and ‘expert’. The need for well-informed HR staff in this sense applied as much to service centre staff as to high level professionals or HR managers.
3. Professionalism also links with understanding business and employee needs and being able to apply professional knowledge in the business context. This implies being able to exercise that critical balance in situations where there is a tension between management and employees, and also knowing how to implement policy in a way that meets business needs.

All three of these aspects of being ‘professional’ are important to HR’s customers. The second, around knowledge and expertise, came out very strongly as related to overall satisfaction with HR. Customers do want HR people who know about things that they do not know about themselves. This has real implications for the debate about whether HR business partners need HR professional expertise. The customers in this study were strongly of the view that they do.

The term ‘expert’ in this context seems to mean something rather different from how it is used by HR people. When HR people talk about ‘experts’ they often mean someone narrowly focused in one area of HR. When customers talk of ‘HR expertise’ they most often mean a really rounded professional with considerable understanding of most of the core aspects of HR. They see this properly ‘professional’ knowledge base as a reasonable expectation – much as they would expect it from a qualified accountant. Some customers also used the term ‘theory’ in relation to this knowledge base. They would expect HR professionals to have a shared body of theory, based on evidence, from which to practice. A challenge indeed!

10.2 Tensions and paradoxes for HR

This vision of the support customers want from HR does contain within it some significant tensions and paradoxes. Here we will highlight just a few of them.

Operational and strategic

Much value is added by executing administration and quite routine HR work efficiently and effectively. Many frequently occurring elements of HR, such as recruitment and training, require a careful fit of solutions to business needs. They are therefore not really ‘routine’ in the sense of being the same every time, only in the sense of being normal and frequent activities. These activities often require a highly skilled advisory input from HR. As Reilly and Williams (2006) have pointed out the

crude separation of HR into administration on the one hand and strategy on the other leaves a huge gap for managers where operational advice should be.

Although some HR functions wish to give all routine work that cannot be done by a computer back to the line, the paradox is that they may thereby close the door to building the trusting relationship that ultimately gives them strategic influence. So for customers, there is no hard line between basic or routine HR and strategic HR. Managers also see help with routine matters as having strategic business benefit. They see HR strategies as delivering nothing much at all.

Proactive and responsive

In a similar way, customers see no conflict between wanting HR that is both responsive to their requests for help and proactive in spotting issues and challenging management. 'Proactive' was the dominant term used by employees, line managers and senior managers for the kind of HR function they wanted. This is about taking the initiative and also looking to the future and sensing trends, inside or outside the business. There are clearly practical tensions, however, for HR people in trying to find the time to be proactive when they are busy being responsive.

Supporting the line but not of the line

One of the clearest messages from this study is that it is very important to managers – especially senior managers – that HR balances the needs of employees with the needs of managers. This is not in order to 'be nice' to employees (as the term 'employee champion' is sometimes taken to mean) but to achieve the best outcomes for the business as a whole. So HR has to be independent of the management of the business to a degree and certainly able to challenge senior managers. And yet, HR is evidently serving the needs of managers much of the time and sits on management teams in the business. The paradox here is that it is this independence from management that was the USP of HR for some of the senior managers we interviewed. An HR function that aligns itself too strongly with the interests of management may become less valuable to the managers it serves.

Understanding the needs of employees and mediating between management and employees threaded through everything customers talked about in this study. This research therefore strongly supports Ulrich's more recent view of HR not so much as a 'champion' of employees but as a 'bridge' between management and employees, making sure employees wants and needs are heard and understood. (Ulrich and Brockbank, 2005). Supporting employees, according to the customers in our study, should not be seen as a separate activity within HR and indeed would be less valuable if separated from mainstream HR, except in a few specialist and confidential services like health and welfare.

Supporting managers to own people issues

It has been a conscious part of HR strategy in some organisations over recent years to force line managers to become proper people managers by withdrawing some measure of HR support. Although in this study most managers at all levels were very positive about their role as people managers, one suspects that a really responsive HR function would risk some measure of role creep and be asked to take on some tasks that line managers should properly do themselves. There is also a tension between having a lean HR function – which does seem to have real benefits – but not to make it so lean that managers do not get the support they need at local level. Managers do want HR people to coach them in many areas, especially in managing poor performance, but again such coaching relies on a really close relationship between HR and the manager. A more overt discussion with the line about how these boundaries are best managed and the size and nature of local HR support seems timely.

The importance of a close advisory relationship between HR and the line was a major issue emerging from recent research for the CIPD (Reilly et al., 2007) and CIPD's own recent reflections on the changing role of HR in organisations (Robinson and Winkler, 2008).

Technology enabled but personal

We have got nearly to the end of this report with scarcely a mention of technology. Given that the use of technology has been a core plank of HR transformation in many organisations, this is astonishing. The silence from customers on the joys and opportunities of e-enabled HR was almost deafening in this study. There are several reasons for this:

- A lot of what HR does through technology is not seen by its customers or they regard it as normal business practice eg using computers to send out standard correspondence or operate payrolls. Customers get irate if these systems do not work or if human errors put in faulty information. But mostly, they work OK and so customers are not very excited. Customers are interested in the end result and so talk little about the means of getting there.
- HR is very concerned with information and metrics. It is interesting that customers were fairly satisfied with personnel records and are not, perhaps, as interested in workforce information as they should be. HR has a job to do here in helping organisations use data about people more effectively, and the somewhat abstract and overblown field of human capital measurement may not be helping.
- The services customers most value from HR are essentially the advisory ones in which professional judgement and face-to-face contact are important. In such areas technology makes little difference other than as an aid to communication.

- On a more cynical note, managers suspect – and they are probably right – that computers are often used as the means to pass administration back to them. Paperwork has simply been replaced by computerised forms on screens. So to customers, technology may be part of what is wrong with HR, not a springboard to a bright new future.

The trick for HR is therefore to make the service feel personal and to use technology to speed up processes, handle data better and save managers and employees time. Customer don't care about the computer, they care about the outcome.

Providing policy but not rule-based

There was a strong plea for simpler HR policies and procedures, especially in areas of pay and performance. Some managers and employees think HR people make unnecessary work for themselves and build up their own empires, producing policy that is too complicated and fiddled with too often.

But managers also want tailored solutions to business problems. Sometimes they can achieve this within a clean set of policies. In other areas, like pay, the demand for tailoring often leads to increasingly complex policy that is ultimately self-defeating. The challenge for HR is to design simple policies that leave room for local tailoring without leading to serious inconsistency of approach. This may mean giving managers more flexibility but within a somewhat tighter policy framework.

Consistent but bespoke services

Every HR function faces the challenge of getting the balance right between offering standardised services (which reduce basic cost) versus offering managers in different business areas different service options (to maximise choice and flexibility). This challenge is at its most acute when it comes to administrative and advisory HR support. Managers expected the level of service from HR to be roughly comparable across the organisation and did resent it when some areas seemed better supported than theirs. Employees were also sensitive to fairness both in service levels and in the consistency of decision-making. However, meeting business needs may require some parts of the business to get more support from others, especially when they are going through reorganisations. Although the customer story in this report seems at first sight quite consistent, it does hold within it tensions of which HR people are well aware. These include the tension between being an excellent provider of operational services and also a strategic influencer; offering close support to the line but expecting them to own the bulk of people issues; going for simple policies but meeting business needs for flexibility and tailored solutions. There is also a tension that becomes increasingly evident between having a lean HR function and trying to cover all these bases. These tensions are not simply resolvable and will not go away – HR in each organisation needs to find its own balance between competing priorities.

10.3 How does HR stack up and where might it be going?

This study has given some evidence of how HR is performing from the perspective of its customers. Table 10.1 summarises this evidence in terms of a SWOT analysis. Of course, not all this analysis will hold for the HR function in any particular organisation, but the table shows some major themes that HR people might need to consider.

Table 10.1: SWOT analysis on the HR function

<p>Strengths</p> <p>People are seen as central to business success.</p> <p>Business is dependent on, and values, HR function delivery in key people processes (eg recruitment, training, pay).</p> <p>HR advice seen as adding value in areas of line judgement eg selection.</p> <p>HR is seen as an effective mediator in difficult individual cases of poor performance or problem relationships at work.</p> <p>Many HR staff are seen as knowledgeable, helpful and trustworthy.</p>	<p>Weaknesses</p> <p>HR has been keen to define itself as ‘strategic’ but does not fully understand how its customers see its potential strategic contribution.</p> <p>HR can be too ready to achieve apparent efficiency gains by shifting administrative tasks to managers and employees. It can also cut back too far on operational advice to managers.</p> <p>HR often lacks a true customer-service mentality in accessibility, speed and responsiveness.</p> <p>HR does not explain to its customers what it can offer, how its organisation works and too often communicates in HR jargon. Marketing and communications roles can be missing from new models of HR.</p> <p>Business credibility of HR people very variable.</p>
<p>Opportunities</p> <p>The line are expressing a demand for help with strategic people issues, especially around the future, talent/career management and managing change – a strategic role for HR is there for the taking.</p> <p>Many managers do want to become better people managers and want HR to challenge them and improve their skills.</p> <p>Learning and development offers ‘quick wins’ through improved planning, allocation of training effort and timely delivery.</p> <p>Recruitment is a key activity for many managers. HR should be able to further improve the speed and efficiency of the process, and target the labour market imaginatively.</p> <p>Improved technology and data systems still have considerable future potential to reduce administration and improve information.</p> <p>HR has a unique ability to work across organisational boundaries to improve the effectiveness and fairness of HR practice.</p>	<p>Threats</p> <p>Demand for real business partner work is stimulated but HR people are too thin on the ground to give effective support at local level.</p> <p>HR is overly focussed on policy development and perceived as remote from the business. HR strategies may not relate to real business issues.</p> <p>HR administrative teams or service centres lose customer confidence because they are too hard to get hold of and/or lack the expertise to answer queries effectively.</p> <p>HR reduces its direct contact with employees and so loses its unique position as trusted advisor to both parties in the employment relationship.</p> <p>In the most challenging areas of people management, such as organisational performance and employee motivation, the HR profession has a weak base of knowledge and little by way of evidence-based practice.</p>

Source: IES, 2008

In considering how the function might move forward, Figure 10.1 shows three main scenarios that might play out. These are intentionally crude summaries, but quite recognisable in the 'footprints' of HR functions we discussed in Chapter 9. These scenarios can represent features of the past, present or future of the HR function in any given organisation.

Figure 10.1: Balancing the risks and opportunities for HR



Source: IES, 2008

The bottom right hand scenario – 'bugged-down HR' – is where some of the HR functions in this study had been in the past, and some still showed some features of this scenario. Imagine a rather harassed HR person with a big pile of papers in front of them and a lot of phones ringing. The paper might now be on a computer screen but that is really no different. People in 'bugged-down' HR departments are working with complex policies and inefficient processes.

Much of what HR has been doing the past few years – with varying levels of success – is to try to get out of this bog. Clearer processes for handling individual case work seem to have been successful where they have been clearly resourced. Core processes, like recruitment, have been clarified and simplified, often through adopting a more standardised approach. Technology can help with many routine HR activities, but only if it takes work out of the system rather than just moving it from a screen in HR

to one on a manager's desk. Outsourcing can help too, but only if the service is tailored enough to meet real business needs.

Some functions escaping from 'bogged-down HR' run the risk of merely shifting themselves to 'remote HR' in the bottom left hand corner. This is where you get to if you think that being strategic is about hanging around with senior managers and writing policies. In this scenario, HR has reduced its staff numbers and largely withdrawn from contact with the line and employees. Imagine a very tidy HR office with a very suave HR director at an empty desk and a notice on the door saying 'Keep Out'. Remote HR is a more comfortable place to be than 'bogged-down HR' for a while, but ultimately the business will realise that the function is adding no value at all.

'Remote' HR functions simply need to get out a bit more. A business partner model is a very tangible way of doing this, as long as the business partners have an appropriate role defined for them and the required skill set to support the business. Some models for business partners may indeed push HR towards becoming more 'remote'. This can happen if business partners only talk to very senior managers or if they only act as procurers of HR services and do not get involved in actually working with the line and employees. We have seen in this study some very good business partner models in operation, but they were sometimes just a little too thinly resourced to maximise their business impact. Both the role of business partners and the size of the business partner resource need much more conscious attention in the context of the needs of each particular business and how the other parts of HR are operating.

Giving more tangible support to the business also means mustering specialist services where needed, in areas such as complex employee relations, employee development, change management and so on. The role of the 'specialists' in HR, or 'centres of excellence' as they are sometimes called, needs to be clearer if they do not want to appear remote.

And so we come to the aspirational scenario. We have chosen to call this 'proactive HR' because it was a phrase used so very often by the customers in this study. If administration can be brought under control, policy simplified, individual casework professionally handled and skilful business partners are out and about, then the HR function should be humming with purposeful activity. In this scenario, we need to visualise less what is going on inside the HR office and imagine instead what senior managers, line managers and employees are doing with HR outside the HR office. They will be confidently approaching a range of HR people they know for specific advice and working together on difficult issues. Managers will be improving their people management skills by working alongside HR professionals. Specialist services will be working with them where that provides a more professional and effective solution. HR will have its finger on the pulse of both the workforce and the business, be raising issues with the line and helping them address the future. Cloud cuckoo land? Not necessarily. Some of the organisations in this study were making good

progress towards this vision. Others became clearer from their customers' feedback about where adjustment was needed.

10.4 What have we learned from listening to the customers of HR?

This study has been a stimulating experience for those involved. Simply having the opportunity to listen to so many people speaking about HR from outside of the function has affected us deeply. Almost because the debate inside the HR profession has been so lively over recent years, one loses the habit of seeing what HR people do from the perspective of others in the business. Even simply using the word 'customer' does force rather a rethink – like looking through the opposite end of a telescope. HR may not like the word, and some of the employees we interviewed did not like it either, as it implied they were somehow users of HR out of choice. But our overall experience is that thinking explicitly about employees, line managers and senior managers as customers of HR provides a different and important lens through which to view the function and its business impact.

Of course, we do have to remember that it is only one lens. This study has not, for example, considered other groups of stakeholders outside the organisation: shareholders, communities and wider society.

Looking through the internal customer lens reminds us that people issues at work are urgent, often worrying for those involved, and can have a huge impact on business performance. Such issues are familiar to HR people, but to their customers they can be really frightening and unfamiliar. Customers remind us that the things HR regard as routine really do matter to people.

Looking at HR from the outside also places far more emphasis on practical outcomes, the management of people and relationships, and far less on HR strategies and grand plans. Customers – including senior managers – have a more workmanlike view of HR, which may be healthier than the grandiose vision that HR has developed for itself. Although they occasionally use the word 'strategic', it is not HR strategies they are talking about, but help in executing business strategies and the impact that HR support can have on business performance. For senior managers, HR support includes a strong emphasis on the future of the business. So areas like talent management, organisation development and the management of change are certainly included in what senior managers want from HR. Even in these areas, however, it is good processes and practical support they want, not long HR strategy documents divorced from real business needs.

Customers in this study sometimes said what we expected, but sometimes they didn't. Their strong emphasis on meeting the needs of employees and the desire for an HR function that challenges the line, including senior management, were not quite what we expected.

Customers are not very interested in e-HR and in how the function restructures itself. They simply want it to work. We learned that structural change in HR often disables its customers who are left trying to work out who does what, where the people they know have gone, and what services they can expect to access. HR functions can adopt a range of structural forms, but it is their job – not the job of their customers – to join up these parts and help people find their way to those who can assist them.

We found out that in-depth discussions with customers of what they want and get from HR are quite rare. We also found that collecting evidence from customers is not very difficult. One day of structured activity on a large office or factory site is enough to get a good feel for the strengths and weaknesses of an HR function as perceived by its different customers. Adding a survey dimension improves rigour and pulls in more of the people who are more critical. In a function so concerned with metrics, spending a little time talking to customers seems a modest and productive investment to set alongside other measures of HR performance. It is also what customers expect from a responsive, proactive and professional function – their proper 'people partners'.

Appendix: Case Study Overviews

A1: Sainsbury's Store Support Centre

Sainsbury's Store Support Centre (SSC) combines the functions that directly support Sainsbury's store operations (buying, logistics etc.) with key support functions for the whole company (IT, finance etc.) and normal Head Office functions for a plc. So it consists of a wide variety of professional functions, each with its particular labour markets and HR challenges. The SSC employs around 3,000 people. Sainsbury's in total has about 150,000 employees, mostly in stores. Employees are known as 'colleagues' in Sainsbury's.

The HR people working in the SSC span both the corporate HR function and the teams that more directly support the functions that work in the SSC. About 50 HR people support the SSC directly, including a small administrative team and about 20 business partners.

At the time of conducting this research, Sainsbury's had been implementing an energetic business improvement programme to regain competitive ground in the retail sector. This had a strong emphasis on managing people for performance, and on senior managers communicating frequently with all the colleagues in their part of the business about business goals and progress. It was interesting that this gave HR plenty of opportunity to support performance management and to participate in regular briefings held by senior managers for the people in their divisions. Some of the best examples of HR support were at team or divisional level rather than applying to the whole organisation at one extreme, or just to individuals at the other.

The senior managers, line managers and colleagues involved in this research had a clear and shared view of the general purposes of HR and its need, in particular, to support both line managers and individual colleagues in order to support the business. The customers of HR felt that it had a unique contribution to make in helping to manage people issues across the divisions in a structure that tends to have functional silos.

Managers valued HR most when it was working with them in addressing their real people issues in the business – recruitment, organisation, development, motivation etc. This applied both to senior managers and to those in more junior management roles. Managers felt that HR impact on their real people issues came through close contact with HR, especially with their business partners. They often used the term ‘proactive’ for what they wanted from HR. By this they meant a close appreciation of business issues, early spotting of problems and coaching line managers to manage their people better.

HR was less valued where it was more concerned with paperwork and a policing role.

Senior managers also wanted HR to be more challenging and provide a lead in areas where HR expertise might be relevant. These areas included workforce planning, succession and organisational design.

The online survey showed that HR in Sainsbury’s was seen as business oriented and relatively strong in supporting managers on performance issues and in the area of employee relations and communications. The HR function was also seen as valuing feedback. So HR was felt overall to be developing in the right direction to meet business needs, and improving its service.

HR in the SSC was seen by its customers as quite tightly resourced for the range of business areas it serves. The small administrative team was not always easy to get hold of and the business partners, although much appreciated, were seen as rather thinly spread in some parts of the organisation.

Training and development was an area in which both colleagues and managers wanted a more tailored service from HR, especially in closer dialogue about the learning needs of professional groups or business teams. Where senior managers had initiated such a dialogue they felt they had been able to procure development that was more relevant to business needs and a better fit to their people at different career stages.

The demand for more proactive employee development was not limited to training. The need to widen career opportunities and provide better career development support was also a live issue for colleagues and their managers. They saw HR as having an important responsibility to help the business make better use of people’s skills and potential across the organisation. Individuals felt it was difficult to move across internal functional boundaries.

Recent restructuring had involved HR in supporting change. Colleagues and line managers wanted to see support from HR sustained right through the change period so as to lead to high performance afterwards.

A2: East Sussex County Council

East Sussex County Council (ESCC) carries out a wide range of local government functions and employs about 17,000 people directly in over 400 locations with its

central offices in Lewes. It also works with many partner organisations. Many of its employees are delivering services to quite vulnerable people. Its occupational mix is very diverse and there are often difficulties in recruiting and retaining staff in various occupational groups and professions. Most HR is delivered in-house including training, but pensions and payroll are outsourced.

HR had been significantly restructured in the period just prior to this research. At the time of this research, there were over a hundred staff in HR although considerable numbers of these were in dedicated training teams (for example training in social care) and others were supporting systems aspects of HR (eg the implementation of SAP). The investment in improved systems had led to major cost savings. However, at the time of this study, the number of HR staff who were providing customer-facing administrative and advisory support was very small.

The other main change noticed by its customers had been the centralisation of HR, whereas in the past each main department (eg education, social services etc.) had its own HR team. This had practical consequences for managers and employees who felt more remote from HR than in the past and that, at times, it was hard to get hold of people in HR. It also had more subtle effects on managers who still wanted to deal with people in HR who understood the very specific needs of their part of the organisation. Such feelings had coincided with a dip in service and high staff turnover in the new HR shared service team, so the HR function has been working hard since the research feedback to invest in better training for all HR staff and in processes to ensure quality of service. In a sector that traditionally has employed professional and experienced HR people, it is interesting that new HR structures place an increased challenge on the more junior roles that are often the first point of contact for advisory support.

Customers need to understand these new ways of working, so ESCC has also been improving information about HR services and who to contact about what. The concept of service level agreements is well understood in local government and was being applied to HR services. Relative to the other case studies, customers of HR thought that technology was being used well by HR in ESCC and that the function was quite innovative.

Perhaps inevitably, periods of change and cost reduction may differentially affect HR support for employees more than the support given to managers. Employees did feel that HR sought to protect their interests and act fairly, but that HR was now not very approachable for employees. Employees also did not feel well-supported in times of change – important in a sector in which change and reorganisation of services is a way of life.

Recruitment was an area seen as critical by line managers responsible for service delivery and of some dissatisfaction. Speed of service from HR was often important as was reliability and accuracy in the more routine aspects of the recruitment process.

Managers of staff out in the field, away from County Hall, felt especially vulnerable as they were physically remote from HR and found this difficult if a problem arose.

HR in ESCC was seen as having areas of real strength by its customers. The online survey showed that, relative to other cases, training and development was highly appreciated. HR was also seen as relatively effective in workforce planning and in promoting employee well-being.

A3: GCHQ

GCHQ employs about 5,500 people, mostly in Cheltenham, and is part of the Civil Service. The workforce is diverse but many have scarce skills, especially in engineering and technology. Although turnover generally is not high, the organisation is vulnerable to losing key highly skilled people and also needs to keep its longer-serving employees on top of fast-changing technologies and ever-shifting external challenges.

In terms of history, GCHQ has had a rather bureaucratic approach to HR with a strong emphasis on setting procedures and rules for people to follow. There are some areas where policy is constrained by wider Civil Service approaches, although government departments do have considerable latitude in HR. It is also a feature of HR at GCHQ that it has employed relatively few people with specific background and qualifications in HR – most of its staff have come out of a ‘generalist’ administrative background or from operational work in the organisation. This has left HR somewhat exposed professionally, but also has benefits. Some people in HR have a strong understanding of parts of the business they have worked in, and extensive networks into the management in the organisation. GCHQ has also encouraged HR staff to undertake professional study and obtain qualifications in HR once they have joined the function.

Being a small government department and with many staff working in the same location, GCHQ can hope to support quite an intimate relationship between HR and the workforce, although this is much more difficult for people working in other locations.

The customers of HR in this study saw the people in HR as very helpful, although they did want to see a function with a stronger professional knowledge base as well as a good understanding of business needs. Paradoxically, although the HR function had many good relationships with managers, it was not seen as sufficiently business-oriented.

Customers also wanted to see a more ‘joined up’ HR function both in terms of its thinking and in making it easy for employees and managers to find the right person to speak to on a given subject.

The HR function in GCHQ was in a period of change during this research. The administrative support structure and support for core processes was fairly clearly in place, but this was not yet the case for some form of ‘business partnering’. Managers out in the organisation often had people in their business units taking a strong role in

various aspects of people management as part of resource or business management, although not formally part of the HR function. Since the IES research has been conducted, GCHQ has appointed a team of five HR business partners who between them cover the whole of the organisation. This is expected to strengthen the relationship between HR and the business, and improve the line's access to advice on broader people issues.

GCHQ has many groups of people expert in different areas of work. As in many technical environments, people management by the line, especially the management of performance, has not been highly developed and is a major challenge for HR to support. This study showed that line managers felt that they wanted strong support from HR in those areas, like performance management, which have been devolved to the line. Improving the capability of the line was perhaps the greatest challenge for HR.

The second and related challenge was to move towards HR policies and processes that were simpler, faster and more flexible. The performance management system and its link with pay was seen as an especially complicated area of policy and not as helping to achieve business outcomes. The move away from such complex policies was exactly what senior managers, managers and employees were asking for. People in the HR function sometimes felt that managers were reluctant to use the discretion that HR policies actually gave them – again indicative of managers' lack of confidence at this point in time. Some customers of HR suggested that stronger face-to-face communication of HR strategy, policy and process, especially when they were changing, would help people use HR services better.

Many of these needs would be supported by an HR function with stronger outreach into the line management of the business, possibly through the emergent business partner roles.

HR in GCHQ was most appreciated by managers and employees in areas where it offered a clear service with real expertise, and which followed an issue right through to implementation. Good examples were in dealing with difficult individual cases of employee relations and in the provision of tailored support for employees with disabilities. Workforce planning, talent management and job design emerged as areas of growing interest to senior managers, where they looked to HR for future support.

A4: NHS Healthcare Trust

This NHS Healthcare Trust employs about 3,000 staff across two hospitals and several other sites in a wide geographical area. The NHS faces huge challenges of organisational performance, working with a whole constellation of different professional groups. Many aspects of HR are still agreed for these groups nationally, and national professional structures are responsible for much of the technical training required. HR therefore has to pull powerful stakeholder groups together in addressing people issues at Trust and unit level.

The NHS is a complex environment. The business constraints are enormous in terms of targets set from above and heavy pressure on financial resources. This Trust was still between a rock and a hard place in delivering its organisational goals at the time of this research. This study showed that things could be made simpler and more effective for managers and employees if they had a clearer idea of what HR could do for them. HR felt rather separate from business – rather a ‘backroom’ function. Neither managers nor employees really saw the connection between what HR did and business performance.

Customers felt that roles and responsibilities were not clear in several core areas of employment processes, such as recruitment. Delays were sometimes caused by line managers waiting for HR to act or vice versa.

At the time of this study, there was a relatively new HR Director and the quality of HR staff was perceived as much improved, especially at senior levels. HR had been reorganised into a more centralised shared service on the one hand and a very devolved business partner structure on the other. Business partners reported to general managers in the business with a dotted line into HR.

Personnel information systems were improving and the HR function was seen as fair in its dealings with people and relatively easy to contact. The shared service and business partners were not yet responding to requests for information or advice as quickly as their customers would have wished.

As mentioned above, recruitment was a particular area in which managers needed a more responsive service from HR. More clarity of roles (especially between the line and HR) and a slicker process would, they felt, speed up the time it took to fill vacancies.

Some employees felt that HR had become too much an instrument of management and did not always consider the implications for employees of business decisions. In a sector that is so often reorganised or redirected towards new priorities, the role of HR in helping managers balance the needs of the organisation with the concerns of employees is inevitably challenging.

The HR function was aware of the rather low morale of the workforce after a period of very uncomfortable changes. They saw the need to improve employee relations by helping managers deal with disagreements and conflicts in a more professional way.

One of the key learning points from this case organisation was that managers who had got closer to HR and used the function more, were more appreciative of what good HR support could do for them. So it was the combination of better professional skills in HR and closer relationships with the line, which would build confidence in the value of HR to the organisation.

A5: Renesas Technology Europe

Renesas Technology Europe is a hi-tech electronics company. It is a joint venture between Hitachi and Mitsubishi, and was formed in 2003. Renesas Technology Europe reports into Renesas Technology Corp. in Japan and so through this interface to its Japanese owner companies, which are obviously very large organisations. Renesas participated in this study through three sites – one near Maidenhead in England and two in Germany, near Dusseldorf and Munich respectively. The scale of employment in Renesas Europe is quite modest with about 400 employees in Europe in total, including about 120 near Dusseldorf and 70 near Munich. To the workforce in Europe, the creation of Renesas felt like a merger of existing sites that had previously belonged to one or other of the two parent companies. The bulk of the employees are either in technical roles (R&D and technical support) or in sales and marketing (where people also tend to have an engineering background).

The HR Director for Europe is based in the UK, so the small UK HR team doubles as the centre for the European HR function. Each of the Dusseldorf and Munich sites has a very small HR team – of just a couple of people – working closely with each other and with HR colleagues in the UK. This HR function does not have a segmented structure (the ‘three legged stool’ or equivalent) as the small teams are inevitably multi-skilled. There is also a flexible boundary between professional advice and administrative support. Although this fluidity would not be so workable in the much larger case organisations, it did provide a much more ‘joined up’ HR service from a customer point of view, and HR people with a much wider knowledge base and contact with the business.

Recruitment, especially of electronic engineers, is very challenging in both the UK and Germany, but it was an area where managers often felt that the HR function supported them very effectively, both in finding suitable candidates and in helping them select the best people. Effectiveness here was about providing a tailored solution, including the use of specialist recruitment agencies, and offering useful professional advice on selection.

Another area of positive HR service was a flexible benefits policy. Managers and employees liked the ‘leading edge’ nature of this approach. They especially appreciated the consultation during policy design and the clarity and effective administration of its implementation. Communication had been the key to this success, especially clear communication of how the package worked in practice.

Managers in Renesas were rather more satisfied with the provision of training and development than employees were. Some employees saw access to training and development as too constrained or not fast enough. Even though budgets for training and development have been increasing, employees found that getting spend agreed was often difficult. Keeping skills up-to-date and extending both technical and management skills is an important factor in retaining people in this sector, so it affects motivation and retention as well as workforce skills.

Indeed, the biggest challenge for managers lay in motivating their staff and maintaining high morale in such a competitive and volatile industry. In a relatively new company, still establishing its brand, reputation and culture, employees still felt a little uncertain about the future, amplifying the importance of maintaining their confidence and morale. Some managers did not feel they spent enough time on the people management aspects of their job. This was particularly the case for managers who were doing their own professional work as well as leading a small team.

One or two instances were raised of poor people managers having a negative impact on motivation and sometimes causing good people to leave. Managers looked to HR to help them manage people better. Employees wanted HR to challenge senior management to deal with the small number of poor managers who had a disproportionately negative impact. Over these more challenging aspects of HR, the European Director role was crucial in working with senior management and in encouraging HR colleagues to be more assertive and influential with their local customers.

Both employees and managers wanted the HR function to feel proactive, close and available to help with these more complex issues. People in the HR function were slightly surprised that not all employees felt they were easily approachable. There were very positive examples of the HR function helping relationships between managers and individuals or teams, as well as more formal processes for handling poor performance or grievances. As in other cases, the HR function needed to communicate to the workforce what kind of support they could offer across a range of HR issues.

Although managers and employees wanted a close and flexible HR service, the HR function in the UK has a European role as well as a local one. This sometimes affected both speed of response and the degree of latitude that seemed appropriate in responding to local issues. It reflected a wider set of tensions between local decision-making, the wider European perspective, and the much larger and more distant Japanese parent companies. Some employees were very aware of Renesas HR practices in other countries, as they worked in a matrix way with colleagues in other locations. Those with closer links inevitably made comparisons, especially between the UK and Germany, and wanted relatively consistent treatment of employees across locations. The three HR teams in this study were in very close touch in order to resolve local issues or problems without creating disparities in treatment.

The study showed there were some areas in which perception of people issues did not always match reality. For example, employees may have perceived staff turnover as higher than it actually was. The HR function tended to say rather little about what it does. Managers and non-managers were interested in having more dialogue with the HR function about its role, priorities and impact. They preferred that this be done occasionally face-to-face rather than through surveys. This, they felt, would give a more significant level of two-way communication, a better understanding of what they valued in effective HR support, and clearer suggestions for possible improvements.

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