

Strategic Human Resource and People Management:

Back to the future?

IES HR Directors Retreat 2019



Strategic Human Resource
Management, in Practice:
Case Studies and Conclusions –
From HRM Strategy to Strategic
People Management

Executive Summary

Duncan Brown, Wendy Hish and Peter Reilly

April 2019



Dr Duncan Brown, Head of HR Consultancy, IES



This year's retreat, why are we in Brighton?

- Reflect and learn
- Discuss and debate
- Move forward, putting research and theory into practice
- Focusing this year on...
- **...People Management & HR Strategies**

Our exam questions in the research - and today

- Policy:
 - How strategic in reality are HRM policies and HR functions?
 - What impact do HRM policies have on organisational performance?
 - How can this influence best be leveraged?
- Practice:
 - How/how well do employers implement and 'land' HR policies?
 - How do we address the rhetoric/reality gap?
- Purpose
 - What is the purpose of strategic HRM and
 - Do/how do employees as well as employers benefit?

Our Agenda

- The concept – its meaning, evolution and application
- The practice – the process and the politics
- The key issues – Wellbeing, Engagement, etc.
- The future – the research and moving forward

Strategic Human Resources and People Management:

The Research:

- What it means
- How we take it forward

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The Research (1)

- The **aims** were to:

- assess the reality of strategic HRM in UK employers/HR functions today;
- document/assess how it has evolved, how it is changing;
- summarise recent research, bring together research and practice in this area;
- address some of the key questions raised by prior work.

- Research **questions** included:

- In our rapidly changing times, do employers still have written HR strategies? What are they called, how do they formulate them?
- What do HRM and people management strategies contain and focus on?
- How and how well are people management activities integrated vertically with the business strategy/horizontally with each other?
- How well are HRM policies implemented and delivered in practice?
- How do employers measure and assess the effectiveness and strategic impact of their HRM policies and practices?
- How has the concept and practice of strategic HRM evolved over this time, and how does it need to change in the future?

The Research (2)



- What we did, the **work**:
 - literature review
 - four case studies
- Three **core questions** raised:
 - **policy**, how strategic are HRM policies and HR functions? What impact do HRM policies have on organisational performance and how can this influence best be leveraged?
 - **practice**, how well do employers implement and 'land' HR policies?
 - what is the **purpose** of strategic HRM and do employees as well as employers benefit?
- Big thanks to Wendy, Peter and Michael

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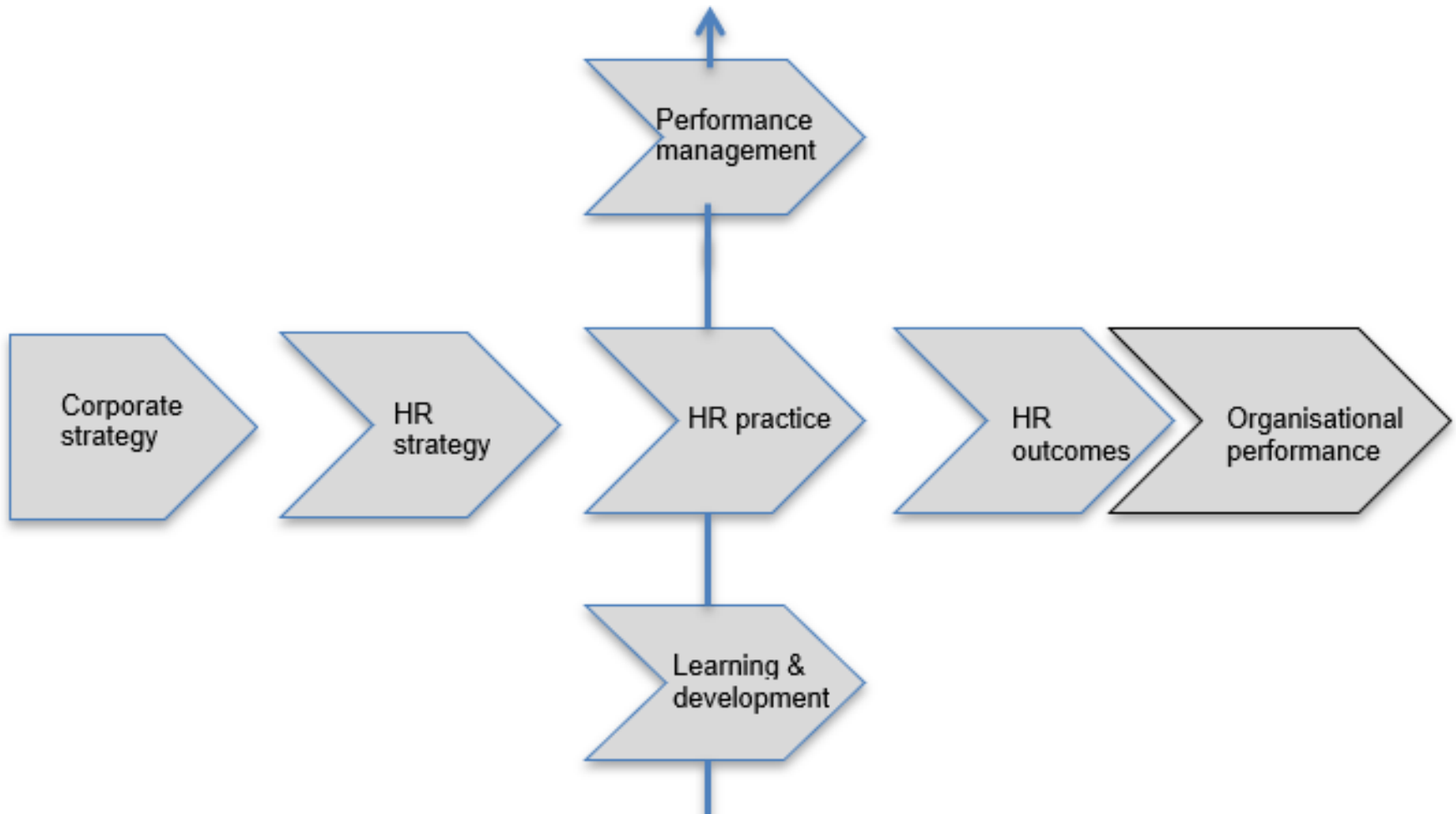
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The crack research squad...

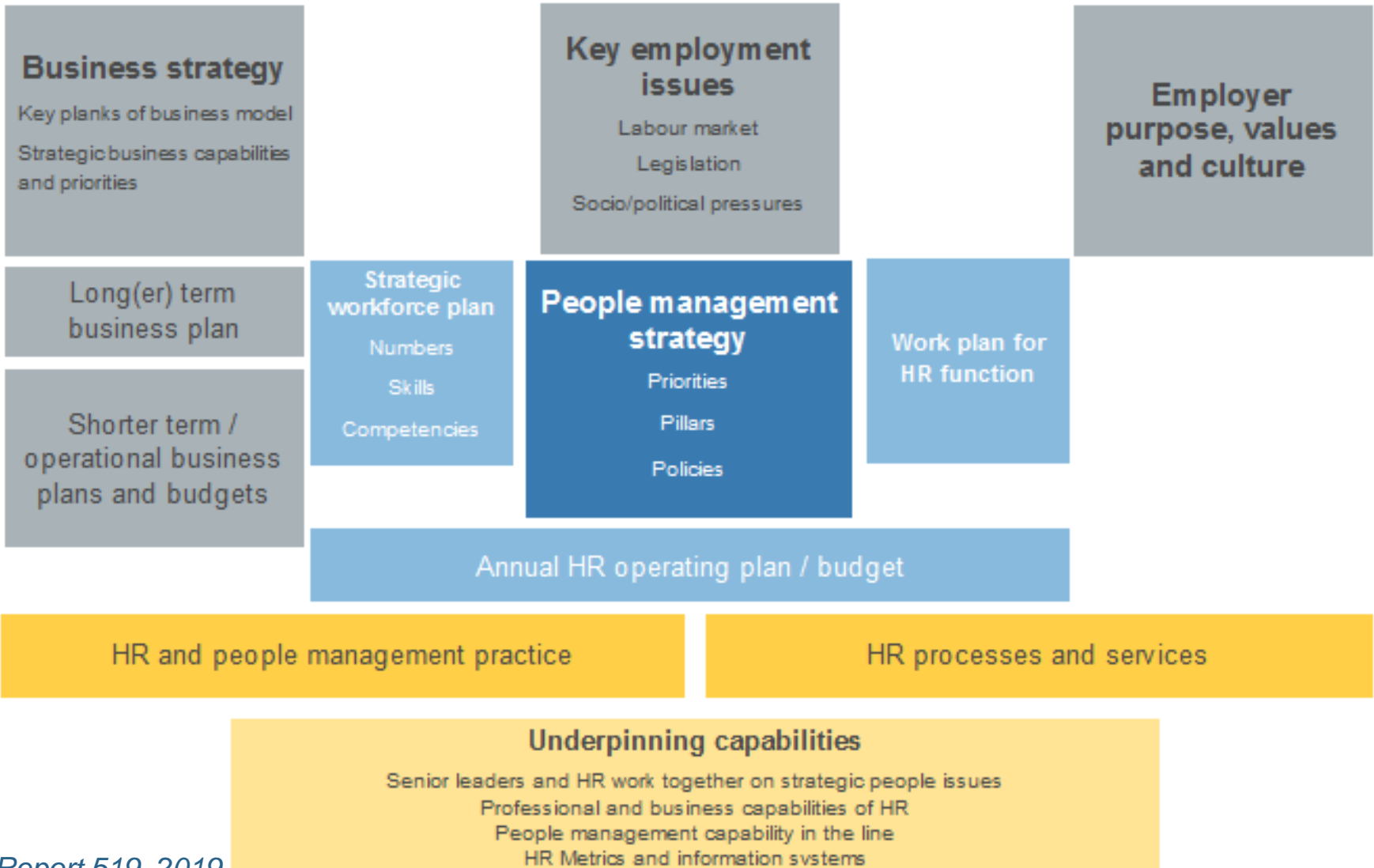


HRM Strategy As Was

(after Beer (1984), Guest (1987), Lawler (1991), etc)



Strategic Human Resource Management in Practice



Findings: the Policy

Context – the drivers and influencers

- Rather than driving out strategic planning, the rapidly-shifting environment is 'driving in' multi-stakeholder business strategies.
- And highlighting the importance of a strategic approach to people management.
- The influence of major employment issues inside and outside of the organisation – labour market, legislation, media, etc
- Also the strong influence of corporate values and culture

Content - the people management strategy itself

- Balance between how people are managed in the employer and the HR function and its work.
- Prioritisation, 'focus' and 'delivery' appear to be the new watchwords.
- The employment/workforce strategy is key in such a tight labour market: employers are taking workforce planning seriously at last!
- The need for interplay between the strategic and operational, balancing business alignment with flexibility.

Capability and implementation

- A focus on line managers and their people management capability by the HR function.
- Communications and political skills critical
- The HR function needs forums and models of working with senior business leaders on strategy and implementation.
- They need a model of how to support the business and line managers, and need the orientation and capability to deliver on this.
- Staff communication and involvement is increasingly important to delivering on the people management strategy.
- So are metrics: How the metrics are used is at least as interesting as the metrics themselves.

The Case Studies: Common 'pillars' and priorities

Figure 1: The Five Strategic Pillars at MHCLG



Source: MHCLG(2018) People Plan 2018-20

More findings: the practice and the purpose

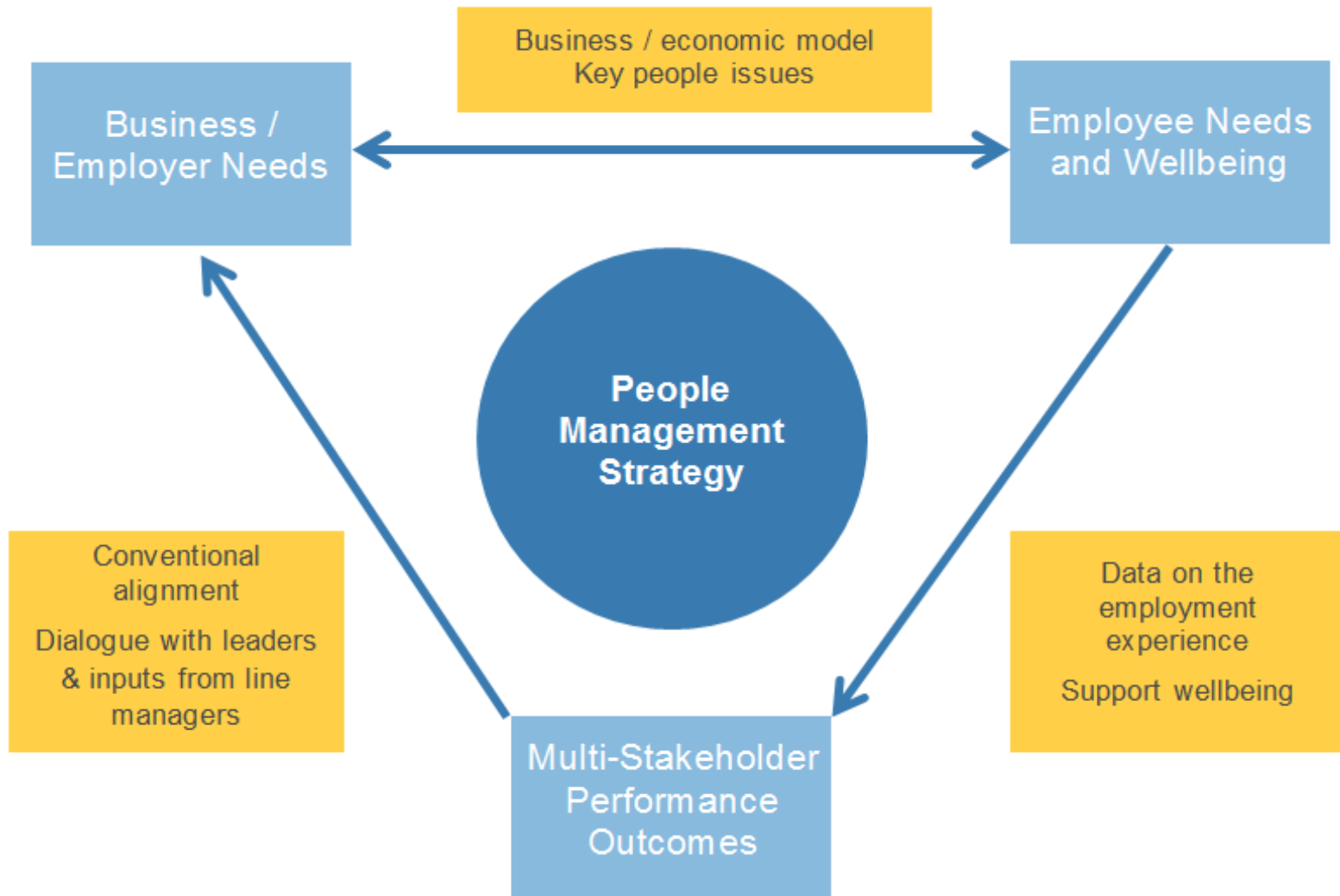
Purpose

- The 'heart and the soul' of people management is alive and well: the purpose, values and culture of these employers are critical determinants and components of the people management strategy
- A strong focus on developing appropriate leadership behaviours and values.
- Employee wellbeing recognised as a critical route on the road to high performance.

Practice: Managing the Balance

- balancing the HRM plan and the implementation;
- balancing longer-term thinking and short-term action;
- balancing external and internal drivers;
- balancing 'best-practice' HR with 'best-fit' approaches;
- balancing employer and employee and other stakeholder interests;
- balancing central control with local discretion in people management.

People and their wellbeing key to leveraging performance outcomes



Implications for practice

- HR needs to **prioritise** its working and the people management agenda
- HR has to **co-create** the people management strategy with leaders and its other stakeholders
- The **involvement** of managers and employees in HR planning, processes and services is critical
- Essential to define and deliver the most appropriate **structure** of HR and its service model.
- We need to recognise that strategic people management is underpinned by a set of **capabilities** that need to be defined, developed and practised

Implications and advice for practice

Case Study	Highlighted Points and Tips for Others	Quotes
Ministry of Housing, Communities and Local Government	<ul style="list-style-type: none"> ● Attract and develop leaders who genuinely understand and 'get' people, culture/values ● Be brave, be 'able to speak truth to power'. ● Be really strong on consultation and involvement ● Be strongly evidence-based, with progress particularly on the HR operational side Tailor the approach to suit your organisation. 	<p>'The real value of the People plan was in the discussion and process of developing it... our Leaders really "got" people and then the People Plan has been the programme of actions to deliver it.'</p> <p>-Christine Hewitt</p>
London School of Economics and Political Science	<ul style="list-style-type: none"> ● Get an HRM strategy but keep it closely linked to immediate and operational needs. ● Recognise the need for your HRM strategy to be a process rather than just a plan; ● Engage people to deliver on the plans – senior managers to shape and fund the activity, and staff to respond with higher levels of engagement and performance. ● Shape and tailor your HRM strategy to suit the employer in your own specific setting. ● Recognise how you develop and deliver the HR strategy is as important as the content. ● Keep it in 'the sphere of the possible', ensure 'HR policies are realistic & grounded'. 	<p>'Never make your HR strategy too strategic.... operations needs to be closely linked to strategy.'</p> <p>-Indi Seehra</p>
Anchor Homes	<ul style="list-style-type: none"> ● Make sure the people agenda is not seen as a specialist agenda, ● Make sure business strategies and plans fully incorporate people issues. ● 'Focus on the priorities/challenges from both a customer and workforce perspective.' ● Ensure that the HR function stays close to business and listens to managers ● Adopt a transparent leadership style and communicate with, listen to and involve staff. ● Balance necessary control with giving people the chance to feel like individuals 	<p>'Have a Board that understands the people agenda as well as finance. Make sure that the Board scrutinises progress, not just setting direction and agreeing procedures.'</p> <p>-Jane Ashcroft</p>
Revolution Bars	<ul style="list-style-type: none"> ● Develop a good understanding of the environment and industry ● Stay close to the executive team, be clear about their priorities ● Ensure your people plan provides 'vertical' alignment with business priorities and 'horizontal' integration across all people management and development activities ● Be curious: get into and really understand every aspect of the organisation, its operations and culture, this is essential if you want to be able to influence and change. ● Be approachable and honest, be accessible to managers and staff at all levels, listen to the 'bad' and the 'good', put processes in place to do this and react to what you learn. 	<p>'HR Directors must always be connected to the realities of the organisation. While you need to stay close to the executive and their priorities, you have to understand the behaviours and habits throughout the organisation if you are going to influence cultural norms to support this type of transformational change and ensure that the overall objectives of the company are achieved.'</p> <p>-Fiona Regan</p>

Discussion (in pairs): What are my next steps?

- What are my three key learnings from the day?
- What are the strengths and weaknesses in our HR/People Management strategy?
- What do my priorities need to be: in policy, practice and purpose?
- What do I do next?

Our next steps

'Stakeholder management and having a clear vision for the future, whilst being willing to be tactical about how to get there, has been vital in ensuring that the People Plan has continued to be supported and its focus and impact evolved'

- Address some of the specifics in future Network events
- Extending the research
- Applying the research:
 - Ed Griffin, Director HR Consultancy and Research
 - Dan Lucy, Deputy Director HR Consultancy and Research
 - Zofia Barjorek: Health and wellbeing, HR and technology, HR and the line
 - Catherine Hogan: Talent management, employee engagement, leadership and HR effectiveness
 - Duncan Brown: Reward, performance management, HRM Strategy and the HR Function



Duncan carries out HR Consultancy and Research work at IES, a leading independent research-based charity which supports improvement in HR and employment practice.

He has more than 25 years' experience in HR consulting & research with Aon Hewitt, PwC and Towers Perrin. He spent 5 years as Assistant Director General at CIPD.

His clients have included major companies such as National Grid and Lloyds Banking Group, public sector bodies such as the Cabinet Office and National Health Service, and not-for-profits such as Cancer Research and the United Nations.

Duncan is a leading commentator on HR, publishing many articles and books. He has participated on Government taskforces concerned with fair pay, engagement, pensions and human capital reporting. He advises a number of remuneration committees

Human Resources magazine placed him in its listing of the top 5 most influential thinkers in UK HR.

Duncan has an MA from Cambridge University, an MBA from the London Business School and is a Chartered Fellow of the CIPD. He is a Visiting Fellow at Kingston University where he obtained his PhD in reward strategy and is a visiting professor at Greenwich University.

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