

ARE YOU A 21ST CENTURY EMPLOYER?

Personnel to HRM

Back in the early 80's during the Maggie era personnel was not seen as an integral part of a business. It initially played a welfare role but quickly developed into playing an important role in industrial relations, but still worked as a short-term reactive solution provider.

Over the past 20 years, and as a result of the heavy employment legislation that bombarded us in the 80's, the core issues were established, such as methods of recruitment and selection, training, remuneration, working conditions, consultation, etc that has allowed the shift from industrial relations to employee relations to develop. Also, with the shift in the trade union image from the earlier industrial conflict, this has helped to establish more partnership agreements with the emphasis on the need for harmonious employment relations with employers opening up the opportunity for greater involvement with employees.

Therefore, personnel metamorphosed into human resources management where it could focus on partnership agreements with more emphasis on the management of employees and where the function generally now is seen as a strategic function participating in corporate strategies as the core values are in place that only need tweaking when employment legislation and best practices prevail. It has also meant that that HR is seen as a valued part of management and on executive boards in many larger organisations, thereby fully integrated into the business.

Human Resources as a Strategic Player

However, for HR to remain a strategic player it has to continue to add value and focus on making things happen, rather than merely being part of the team.

Therefore the changing nature of organisations has placed an increased emphasis on the importance of effective human resources management that plays a key role in ensuring the promotion of business success and managing change. This also includes having in place performance management practices that can be developed to ensure that the company has the right human resource capabilities and that the key 'high-flyers' are identified and retention practices put in place to ensure they stay with you as a career path has been identified.

In this changing 21st century employees have a different perspective on their working environment and jobs. They want to be treated as individuals, be happy, valued and have a good relationship with their boss and colleagues. They also want to trust the company they are working for.

In Michael' Armstrong's Personnel Management Practice, 3rd edition he wrote about the future of organisations and the quote is:

"organisations will have a more flexible approach which treats organisational members more as individuals who get their satisfaction from opportunities to use and develop their skills in a more fluid 'organic' environment, who are rewarded according to their individual contribution, who are less concerned about careers within a job hierarchy, who accept that traditional methods of managing are no longer appropriate. Personnel management will have to adjust itself to tomorrow's world...it will have to redefined and expanded from the role of being a control-orientated supplier of labour to an overall human resource planning, development and utilisation agency"

He also quoted that Charles Handy had said that future developments in the nature of work will be: (remember that this was in the late 1980s here and this is just an abstract):

“... ”

- an increase in out-workers and sub-contracting facilitated by information technology in the shape of computer networks and electronic mail
- more requirements for specialists and professionals
- new forms of social organisations to complement the employment organisation....”

Any of this ring any bells? – how foresighted these guys were!

Employees and the psychological contract

I mentioned above how human resources management has changed but so have the views of employees. They now have a perception of the ‘deal’ they expect and you need to develop a healthy ‘psychological contract’ that includes creating and maintaining good HR practices from recruitment and selection to training, from appraisal and communication practices to pay and benefits, all of which have an impact on the psychological contract. If we look back to the old rhetoric of the hygiene factors in Herzberg’s motivational theory where the satisfiers were motivated by achievement, recognition, advancement, responsibility and the work itself and this still exists as key issues to employees.

This new relationship is seen as crucial to gaining the commitment, motivation or ‘buy-in’ of employees necessary to deliver high-performance outcomes. This ‘psychological contract’ refers to the unwritten perceptions of the employment relationship and the degree of trust, motivation and commitment involved.

Therefore, how do you attract and keep them in this 21st century approach?

Research has shown that over 36% of new employees on their first day in a job will continue to actively search for another one and over 69% are keeping an eye on the job market for new opportunities.

The average cost to place an employee in a job is about £5,500, so if you get it wrong, it is very costly not only from this initial cost but also in lost management time in managing the employee’s poor performance and therefore will seriously bite into your bottom line!

So you need to think about this right from the start by not only having the right processes on board to follow when recruiting new staff, but you need to think about the company image you want to portray. Therefore, when advertising think about how it can attract the right people. Your advert is a window to your business – therefore in effect you are selling it to prospective employees. So look at the advert and ask yourself “If I was reading this, would I apply? Recruitment advertising is just like retail advertising – you need to catch the attention and making sure it looks and says something different.

In this day you need to get it right from the start – applicants have a plethora of jobs to choose from and your vacancy will most certainly not be the only one they are applying for. They are also looking for a high-quality deal from a future employer.

Therefore ‘employer brand’ is becoming an important feature of recruitment and retention. Therefore, think about the image you want to portray when advertising for new positions:

- do you come across as friendly ?
- do you specify the job correctly?
- how do you differentiate from other companies?

- do you portray a good image?

Once you have recruited this new employee not only do you have to comply with your legal obligations, but also how do you keep them happy?

Beside the HR practices, the Company should have values and ensure they let the employees know about them so that they know how to act and behave. However, these values only become real and meaningful when they are practised and managers lead by example through their decisions and behaviours, otherwise employees become disillusioned and the values are meaningless.

They want to see a strong and inspiring management team with visible leadership that lives its values with good career opportunity in the company. Therefore, companies must develop new ways to increase the loyalty and commitment of employees. This includes attention to reward strategies based on recognition of contribution rather than status or position; systematic training and development including the skills for working in cross-functional teams.

This also means managers must have the skills and ability to both recognise the potential of people-management practices and then be able to apply them within a coherent strategic framework. Therefore, we must not forget that an essential component should be the education and development of managers to include such skills as counselling, coaching and leadership.

I am sure all of us cringed at David Brent's hideous characteristics in the tv series 'The Office' who considered himself to be the epitome of a progressive caring, sharing, charming, team-playing manager always stating that his people are his greatest asset, but in reality he was uncouth, sexist, selfish and totally inadequate. However, the truth is none of us had to look too far to find someone to relate his outlandish management with!

One of the reasons for turnover is due to ineffective manager/employee relationships and previously stated, it is imperative to have the right managers on board.

If you cannot accommodate employee needs they will not be loyal to you and will be looking for a new job.

Are you a responsible employer?

If you want to be a responsible employer see if you identify with these 5 key characteristics:

- Treating individuals fairly
- Responding to the changing needs of individual employees over time
- Providing good quality products and services
- Listening to employees
- Understanding the importance of values

So besides having to cope with the onslaught of continuing employment legislation you have to think about this new 'psychological contract' that provides recognition.

The Future

As human resources professionals this is an exciting time as I believe that never have we had an opportunity like this for us to excel and show how our broad business acumen in people management can also be such an asset to a company. We can look at the whole picture, show entrepreneurial skills,

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be non-bureaucratic and flexible and play a key role in ensuring the promotion of business success and managing this change.

A 21st century employer is one in which people really are the greatest asset and people management goes beyond lip service to be the heart of a business to ensure it pays off. With the right managers on board who 'buy in' to this 21st century approach you will gain a strong sense of commitment from your employees who will be motivated and inspired and will stay improving your business success and that all important bottom line.

Overview

Briefly then, despite the continuous onslaught of employment legislation that has never been so intense since the Thatcher era, the work market place is changing with employees having an expectation and a perception of their working environment, jobs and the factors of their employment. This different perspective employees now have contains the 'deal' they expect and means that good HR practices including recruitment and selection as well as good management practices will have an impact on this new 'psychological contract' that provides recognition and in turn provides employers with committed employees that are motivated and inspired that stay improving business success and that all important bottom line.

HR has to be a strategic player adding value and focusing on making things happen, rather than merely being part of the team ensuring that people policies and processes are integrated into the business strategy.

Some of the key issues that employees will be looking for will be:

- Development programmes
- Flexi working
- Other ad-hoc unusual benefits
- Performance Management
- Work Life Balance