

Next Generation HR: overview and positioning paper

(Summary document)

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'Next generation HR' – CIPD's next practice research agenda

1 Why are we doing this work?

Much has been written about the evolving nature of HR over the last ten years. So why do we at the CIPD want to add to this body of work?

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There are two main drivers for embarking on this work now. Firstly, we have seen an interesting evolution not just in the practice of HR, but also in its core purpose. Whilst much has been written about what HR is doing, less has been said about the changing nature of what HR is for. Whilst HR is still generally referred to as the people function, there has been a significant expansion of the function's role and focus in many organisations that takes it well beyond its roots. This implied shift in purpose has not been openly declared, and many HR directors (and CEOs) would have widely divergent views on what HR is for. Looking at what HR does - and how it can add most value to organisations in embracing a more dynamic purpose - is critical, if we are to move beyond the interminable debates on HR structures and models, and also understand how to best develop HR professionals.

The other driver of this work is the seismic impact the credit crunch has had on economies and organisations the world over. We at the CIPD believe this places a particular accent on the purpose and role of HR. Simply put, we think organisations are going to have to focus on both high performance in the short term, and sustainable performance in the medium term. In light of this, HR has a vital role in supporting the organisation to deliver sustainable performance, understanding the needs of multiple stakeholders and also paying attention to performance over the medium and long term with the same energy as short term performance.

This has big implications for what HR does and how it does it. We want to explore emerging best practice in organisations who take HR more seriously and also work with some of them to extend their thinking in what we call Next Practice work (phase two of our research). We will then communicate the findings of our work widely, attempting to stimulate a debate with senior practitioners about the evolution of our profession in some potentially radical ways.

2 Central propositions of our work

As already outlined, we believe that the Purpose of HR has been evolving and we want to chart this evolution. In essence, we see a profession that has moved from a largely internally focused people agenda to one that has increasingly focused on the organisational and customer agenda, with the explicit purpose of driving and developing high performance organisations. The whole issue of *sustainable* performance, as opposed to short-term high performance, adds a significant new dimension to this journey.

Given this, we are interested in looking at the strategic focus and tasks that HR has been addressing that take it beyond its heartland. For example, we are interested in exploring how HR has started to add great value to the building of truly agile organizations – both the work it has done alone, and in partnership with other functions. . Similarly, HR has been doing some fascinating work driving competitive advantage by building authentic organisations –

organisations that do what they say they do for customers and employees alike, engaging the emotional loyalty of both groups in the process.

We have also seen some HR functions playing a much more dynamic role in balanced risk management. Here, they are running a consistent commentary on the way the organisation is doing business, and the nature of culture and leadership that it really displays. These roles and responsibilities are much more provocative, with HR even acting as the conscience for the organisation. From their broader perspective, HR practitioners can see past the immediate allure of certain short-term decisions that might appeal to the current executive team, and understand instead the medium term impact on the health of the business, on the integrity of the brand and on the interests of wider stakeholders.

Of course, to deliver this agenda, HR has to balance its various leadership roles in particular ways. How it does this, and how it wields insight and influence at an organisational level, will be key to our understanding of HR's evolving role as this work develops. We expect to be surprised and inspired by what we find, whilst also looking to stimulate the ongoing debate with organisations whose HR leaders also seek to move into this new space.

3 The research questions

We will use these broad research questions as a way into this territory:

- How is HR evolving its strategic focus and associated practice to support the development of SOP (sustainable organisational performance)?
- How's this impacting the nature and balance of leadership roles HR is performing?
- What new ways of working is this demanding of HR?

Through the course of this work we will be looking to explore how HR functions are stepping into this space, what work they are doing in these new strategic areas and what implications this has for the way they are leading and also partnering with other functions. Undoubtedly the nature of the CEO's expectations of HR, as well as the vision of the senior HR leaders will be instrumental. We hope the work will throw up real surprises and that some of the organisations who perhaps represent aspects of best practice, will be prepared to explore Next Practice through the life of this applied research programme.



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