

# HRM policies

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## WHAT HUMAN RESOURCE POLICIES ARE

HR policies are continuing guidelines on the approach the organization intends to adopt in managing its people. They define the philosophies and values of the organization on how people should be treated, and from these are derived the principles upon which managers are expected to act when dealing with HR matters. HR policies therefore serve as reference points when employment practices (described in Chapter 57) are being developed, and when decisions are being made about people. They help to define 'the way things are done around here'.

HR policies should be distinguished from procedures, as discussed in Chapter 58. A policy provides generalized guidance on the approach adopted by the organization, and therefore its employees, concerning various aspects of employment. A procedure spells out precisely what action should be taken in line with the policy.

## WHY HAVE HR POLICIES

HR or employment policies help to ensure that when dealing with matters concerning people, an approach in line with corporate values is adopted throughout the organization. They serve as the basis for enacting values – converting espoused values into values in use. They provide frameworks within which consistent

decisions are made, and promote equity in the way in which people are treated. Because they provide guidance on what managers should do in particular circumstances they facilitate empowerment, devolution and delegation. While they should fit the corporate culture, they can also help to shape it.

## DO POLICIES NEED TO BE FORMALIZED?

All organizations have HR policies. Some, however, exist implicitly as a philosophy of management and an attitude to employees that is expressed in the way in which HR issues are handled; for example, the introduction of new technology. The advantage of explicit policies in terms of consistency and understanding may appear to be obvious, but there are disadvantages: written policies can be inflexible, constrictive, platitudinous or all three. To a degree, policies have often to be expressed in abstract terms, and managers do not care for abstractions. But they do prefer to know where they stand – people like structure – and formalized HR policies can provide the guidelines they need.

Formalized HR policies can be used in induction, team leader and management training to help participants understand the philosophies and values of the organization, and how they are expected to behave within that context. They are a means for defining the employment relationship and the psychological contract (see Chapters 15 and 16).

Although written policies are important, their value is reduced if they are not backed up by a supportive culture. This particularly applies to work-life balance policies.

## HR POLICY AREAS

HR policies can be expressed as overall statements of the values of the organization. The main points that can be included in an overall policy statement and specific policy areas are set out below.

### *Overall policy*

The overall policy defines how the organization fulfils its social responsibilities for its employees and sets out its attitudes towards them. It is an expression of its values or beliefs about how people should be treated. Peters and Waterman (1982) wrote that if they were asked for one all-purpose bit of advice for management, one truth that

they could distil from all their research on what makes an organization excellent, it would be, 'Figure out your value system. Decide what the organization stands for.' Selznick (1957) emphasized the key role of values in organizations, when he wrote 'The formation of an institution is marked by the making of value commitments, that is, choices which fix the assumptions of policy makers as to the nature of the enterprise, its distinctive aims, methods and roles.'

The values expressed in an overall statement of HR policies may explicitly or implicitly refer to the following concepts:

- *Equity*: treating employees fairly and justly by adopting an 'even handed' approach. This includes protecting individuals from any unfair decisions made by their managers, providing equal opportunities for employment and promotion, and operating an equitable payment system.
- *Consideration*: taking account of individual circumstances when making decisions that affect the prospects, security or self-respect of employees.
- *Organizational learning*: a belief in the need to promote the learning and development of all the members of the organization by providing the processes and support required.
- *Performance through people*: the importance attached to developing a performance culture and to continuous improvement; the significance of performance management as a means of defining and agreeing mutual expectations; the provision of fair feedback to people on how well they are performing.
- *Work-life balance*: striving to provide employment practices that enable people to balance their work and personal obligations.
- *Quality of working life*: consciously and continually aiming to improve the quality of working life. This involves increasing the sense of satisfaction people obtain from their work by, so far as possible, reducing monotony, increasing variety, autonomy and responsibility, and avoiding placing people under too much stress.
- *Working conditions*: providing healthy, safe and so far as practicable pleasant working conditions.

These values are espoused by many organizations in one form or another, but to what extent are they practised when making 'business-led' decisions, which can of course be highly detrimental to employees if, for example, they lead to redundancy? One of the dilemmas facing all those who formulate HR policies is, how can we pursue business-led policies focusing on business success, and also fulfil our obligations to employees in such terms as equity, consideration, work-life balance, quality of working life and working conditions? To argue, as some do, that HR strategies should be entirely business-led seems to imply that human considerations are

unimportant. Organizations have obligations to all their stakeholders, not just their owners.

It may be difficult to express these policies in anything but generalized terms, but employers are increasingly having to recognize that they are subject to external as well as internal pressures, which act as constraints on the extent to which they can disregard the higher standards of behaviour towards their employees that are expected of them.

### *Specific policies*

The specific policies should cover the following areas as described below: equal opportunity, managing diversity, age and employment, promotion, work-life balance, employee development, reward, involvement and participation, employee relations, new technology, health and safety, discipline, grievances, redundancy, sexual harassment, bullying, substance abuse, smoking, AIDS, and e-mails.

### **Equal opportunity**

The equal opportunity policy should spell out the organization's determination to give equal opportunities to all, irrespective of sex, race, creed, disability, age or marital status. The policy should also deal with the extent to which the organization wants to take 'affirmative action' to redress imbalances between numbers employed according to sex or race, or to differences in the levels of qualifications and skills they have achieved.

The policy could be set out as follows:

1. We are an equal opportunity employer. This means that we do not permit direct or indirect discrimination against any employee on the grounds of race, nationality, sex, sexual orientation, disability, religion, marital status or age.
2. Direct discrimination takes place when a person is treated less favourably than others are, or would be, treated in similar circumstances.
3. Indirect discrimination takes place when, whether intentionally or not, a condition is applied that adversely affects a considerable proportion of people of one race, nationality, sex, sexual orientation, religion or marital status, those with disabilities, or older employees.
4. The firm will ensure that equal opportunity principles are applied in all its HR policies, and in particular to the procedures relating to the recruitment, training, development and promotion of its employees.
5. Where appropriate and where permissible under the relevant legislation and codes of practice, employees of under-represented groups will be given positive training and encouragement to achieve equal opportunity.

## Managing diversity

A policy on managing diversity recognizes that there are differences among employees and that these differences, if properly managed, will enable work to be done more efficiently and effectively. It does not focus exclusively on issues of discrimination, but instead concentrates on recognizing the differences between people. As Kandola and Fullerton (1994) express it, the concept of managing diversity 'is founded on the premise that harnessing these differences will create a productive environment in which everyone will feel valued, where their talents are fully utilized, and in which organizational goals are met'.

Managing diversity is a concept that recognizes the benefits to be gained from differences. It differs from equal opportunity, which aims to legislate against discrimination, assumes that people should be assimilated into the organization, and often relies on affirmative action.

A management of diversity policy could:

- acknowledge cultural and individual differences in the workplace;
- state that the organization values the different qualities people bring to their jobs;
- emphasize the need to eliminate bias in such areas as selection, promotion, performance assessment, pay and learning opportunities;
- focus attention on individual differences rather than group differences.

## Age and employment

The policy on age and employment should take into account the following facts as listed by the CIPD:

- Age is a poor predictor of job performance.
- It is misleading to equate physical and mental ability with age.
- More of the population are living active, healthy lives as they get older.

The policy should define the approach the organization adopts to engaging, promoting and training older employees. It should emphasize that the only criterion for selection or promotion should be ability to do the job; and for training, the belief that the employee will benefit, irrespective of age. The policy should also state that age requirements should not be set out in external or internal job advertisements.

## Promotion

A promotion policy could state the organization's intention to promote from within

wherever this is appropriate as a means of satisfying its requirements for high quality staff. The policy could, however, recognize that there will be occasions when the organization's present and future needs can only be met by recruitment from outside. The point could be made that a vigorous organization needs infusions of fresh blood from time to time if it is not to stagnate. In addition, the policy might state that employees will be encouraged to apply for internally advertised jobs, and will not be held back from promotion by their managers, however reluctant the latter may be to lose them.

### **Work-life balance**

Work-life balance policies define how the organization intends to allow employees greater flexibility in their working patterns so that they can balance what they do at work with the responsibilities and interests they have outside work. The policy will indicate how flexible work practices can be developed and implemented. It will emphasize that the numbers of hours worked must not be treated as a criterion for assessing performance. It will set out guidelines on specific arrangements that can be made, such as flexible hours, compressed working week, term-time working contracts, working at home, special leave for parents and carers, career breaks and various kinds of child care.

### **Employee development**

The employee development policy could express the organization's commitment to the continuous development of the skills and abilities of employees in order to maximize their contribution and to give them the opportunity to enhance their skills, realize their potential, advance their careers and increase their employability both within and outside the organization.

### **Reward**

The reward policy could cover such matters as:

- providing an equitable pay system;
- equal pay for work of equal value;
- paying for performance, competence, skill or contribution;
- sharing in the success of the organization (gain sharing or profit sharing);
- the relationship between levels of pay in the organization and market rates;
- the provision of employee benefits, including flexible benefits if appropriate;
- the importance attached to the non-financial rewards resulting from recognition, accomplishment, autonomy, and the opportunity to develop.

## **Involvement and participation**

The involvement and participation (employee voice policy) should spell out the organization's belief in giving employees an opportunity to have a say in matters that affect them. It should define the mechanisms for employee voice, such as joint consultation and suggestion schemes.

## **Employee relations**

The employee relations policy will set out the organization's approach to the rights of employees to have their interests represented to management through trade unions, staff associations or some other form of representative system. It will also cover the basis upon which the organization works with trade unions, for example, emphasizing that this should be regarded as a partnership.

## **New technology**

A new technology policy statement could state that there will be consultation about the introduction of new technology, and the steps that would be taken by the organization to minimize the risk of compulsory redundancy or adversely affect other terms and conditions or working arrangements.

## **Health and safety**

Health and safety policies cover how the organization intends to provide healthy and safe places and systems of work (see Chapter 55).

## **Discipline**

The disciplinary policy should state that employees have the right to know what is expected of them and what could happen if they infringe the organization's rules. It would also make the point that, in handling disciplinary cases, the organization will treat employees in accordance with the principles of natural justice.

## **Grievances**

The policy on grievances could state that employees have the right to raise their grievances with their manager, to be accompanied by a representative if they so wish, and to appeal to a higher level if they feel that their grievance has not been resolved satisfactorily.

## **Redundancy**

The redundancy policy could state that it is the organization's intention to use its best endeavours to avoid involuntary redundancy through its redeployment and retraining procedures. However, if redundancy is unavoidable those affected will be given fair and equitable treatment, the maximum amount of warning, and every help that can be provided by the organization to obtain suitable alternative work.

## **Sexual harassment**

The sexual harassment policy should state that:

1. Sexual harassment will not be tolerated.
2. Employees subjected to sexual harassment will be given advice, support and counselling as required.
3. Every attempt will be made to resolve the problem informally with the person complained against.
4. Assistance will be given to the employee to complain formally if informal discussions fail.
5. A special process will be available for hearing complaints about sexual harassment. This will provide for employees to bring their complaint to someone of their own sex if they so wish.
6. Complaints will be handled sensitively and with due respect for the rights of both the complainant and the accused.
7. Sexual harassment is regarded as gross industrial misconduct and, if proved, makes the individual liable for instant dismissal. Less severe penalties may be reserved for minor cases but there will always be a warning that repetition will result in dismissal.

## **Bullying**

An anti-bullying policy will state that bullying will not be tolerated by the organization and that those who persist in bullying their staff will be subject to disciplinary action, which could be severe in particularly bad cases. The policy will make it clear that individuals who are being bullied should have the rights to discuss the problem with a management representative or a member of the HR function, and to make a complaint. The policy should emphasize that if a complaint is received it will be thoroughly investigated.

## Substance abuse

A substance abuse policy could include assurances that:

- Employees identified as having substance abuse problems will be offered advice and help.
- Any reasonable absence from work necessary to receive treatment will be granted under the organization's sickness scheme provided that there is full cooperation from the employee.
- An opportunity will be given to the employee to discuss the matter once it has become evident or suspected that work performance is being affected by substance-related problems.
- The employee has the right to be accompanied by a friend or employee representative in any such discussion.
- Agencies will be recommended to which the employee can go for help if necessary.
- Employment rights will be safeguarded during any reasonable period of treatment.

## Smoking

The smoking policy would define no-smoking rules including where, if at all, smoking is permitted.

## AIDS

An AIDS policy could include the following points:

- The risks of infection in most workplaces are negligible.
- Where the occupation involves blood contact, as in hospitals, doctors' surgeries and laboratories, the special precautions advised by the Health and Safety Commission will be implemented.
- Employees who know that they are infected with AIDS will not be obliged to disclose the fact to the company, but if they do, the fact will remain completely confidential.
- There will be no discrimination against anyone with or at risk of acquiring AIDS.
- Employees infected by HIV or suffering from AIDS will be treated no differently from anyone else suffering a severe illness.

## E-mails

The policy on e-mails could state that the sending or downloading of offensive e-mails is prohibited, and that those sending or downloading such messages will be subject to normal disciplinary procedures. They may also prohibit any browsing or downloading of material not related to the business, although this can be difficult to enforce. Some companies have always believed that reasonable use of the telephone is acceptable, and that policy may be extended to e-mails.

If it is decided that employees' e-mails should be monitored to check on excessive or unacceptable use, then this should be included in an e-mail policy which would therefore be part of the contractual arrangements. A policy statement could be included to the effect that 'The company reserves the right to access and monitor all e-mail messages created, sent, received or stored on the company's system'.

## FORMULATING HR POLICIES

The following steps should be taken to formulate and implement HR policies:

1. Gain understanding of the corporate culture and its core values.
2. Analyse existing policies, written and unwritten. HR policies will exist in any organization, even if they are implicit rather than expressed formally.
3. Analyse external influences. HR policies are subject to the influence of UK employment legislation, European Community Employment Regulations, and the official codes of practice issued by bodies in the UK such as ACAS (Advisory, Conciliation and Arbitration Service), the EOC (Equal Opportunities Commission), the CRR (Commission on Racial Relations) and the Health and Safety Executive. The codes of practice issued by relevant professional institutions, such as the CIPD, should also be consulted.
4. Assess any areas where new policies are needed or existing policies are inadequate.
5. Check with managers, preferably starting at the top, on their views about HR policies and where they think they could be improved.
6. Seek the views of employees about the HR policies, especially the extent to which they are inherently fair and equitable and are implemented fairly and consistently. Consider doing this through an attitude survey.
7. Seek the views of union representatives.
8. Analyse the information obtained in the first seven steps and prepare draft policies.

9. Consult, discuss and agree policies with management and union representatives.
10. Communicate the policies, with guidance notes on their implementation as required (although they should be as self-explanatory as possible). Supplement this communication with training.

## IMPLEMENTING HR POLICIES

The aim will be to implement policies fairly and consistently. Line managers have a key role in doing this. As pointed out by Purcell *et al* (2003), 'there is a need for HR policies to be designed for and focused on front line managers'. It is they who will be largely responsible for policy implementation. Members of the HR can give guidance, but it is line managers who are on the spot and have to make decisions about people. The role of HR is to communicate and interpret the policies, convince line managers that they are necessary, and provide training and support that will equip managers to implement them. As Purcell *et al* emphasize, it is line managers who bring HR policies to life.