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# HR Policies and Procedures

## Learning outcomes

On completing this chapter you should know about:

- The reasons for having HR policies and procedures
- Overall and specific HR policies
- The content of the main HR procedures

## Introduction

HR policies and procedures are required to ensure that human resource management issues are dealt with consistently in line with the values of the organization on how people should be treated, and that legal requirements are met. HR policies should be distinguished from procedures. A policy provides continuing guidelines and generalized guidance on how HR issues should be dealt with to ensure that an appropriate approach is adopted throughout the organization. A procedure spells out precisely what steps should be taken to deal with major employment issues such as grievances, discipline, capability and redundancy.

## HR policies

HR policies can be expressed formally as overall statements of the values of the organization or they can apply to specific areas of people management.

## Overall HR policy

The overall HR policy defines how the organization fulfils its social responsibilities for its employees, 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 requirements.

- **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 which affect the prospects, security or self-respect of employees.
- **Respect:** treating individuals with respect as human beings.
- **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.
- **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, avoiding placing people under too much stress and providing for an acceptable balance between work and life outside work.
- **Working conditions:** providing healthy, safe and, so far as practicable, pleasant working conditions.

Values such as these 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? A fundamental dilemma facing all those who formulate HR policies is 'How can we pursue policies that focus on business success and fulfil our obligations to employees in such terms as equity, consideration, respect, quality of working life and working conditions?' To argue, as some do, that HR strategies should be entirely oriented to supporting the achievement of business objectives implies that human considerations are unimportant. An over-emphasis on HRM as being about supporting

the business strategy and on HR specialists as 'strategic business partners', which is a strong feature of current CIPD pronouncements, encourages businesses to ignore their responsibilities for the human rights of the people they employ. 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 HR policies

HR policies typically cover the issues summarized below.

### *Age and employment*

The policy on age and employment should take into account the UK legislation on age discrimination and the following facts:

- 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.

### *AIDS*

An AIDS policy could include the following points:

- The risk through infection in the workplace is negligible.
- Where the occupation does involve 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.

## *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 right to discuss the problem with another person, a 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.

## *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. It should be supported by a disciplinary procedure as described later in this chapter.

## *Diversity management*

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 which 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. This point was emphasized by Mulholland *et al* (2005):

*The new diversity management thinking suggests that diversity management goes beyond the equal opportunities management considerations as described by the law, and promises to make a positive and strategic contribution to the successful operation of business. So diversity management is being hailed as a proactive, strategically relevant and results-focused approach and a welcome departure from the equal opportunities approach, which has been defined as reactive, operational and sometimes counterproductive.*

### *A management of diversity policy*

The policy could:

- acknowledge cultural and individual differences in the workplace;
- state that the organization values the different qualities which 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.

### *E-mails and use of the internet*

The policy on e-mails could state that the sending or downloading of offensive e-mails is prohibited and that the senders or downloading of such messages are subject to disciplinary procedures. Any internet browsing or downloading of material not related to the business could also be prohibited, 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 the internet.

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.'

### *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.

### *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.

### *Employee voice*

The 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.

### *Employment*

Employment policies should be concerned with fundamental aspects of the employment relationship. They should take account of the requirements of relevant legislation. Recent UK Acts and EU Regulations which are important in the United Kingdom include those concerning age discrimination, the minimum wage, working time and part-time workers. The latter is especially significant because it requires that part-time workers should be entitled to the same terms and conditions as full-time workers, including pro rata pay. Note should also be taken of the UK Human Rights Act (1998), which gave further effect to rights and freedoms guaranteed under the European Convention on Human Rights. However, the rights are essentially civil and political rather than economic or social, and they only apply to a narrow range of employment. Moreover, they are not directly enforceable against an employer unless it is an 'obvious' public authority. It has, however, been held by the European Court of Human Rights that the statutory rights not to be unlawfully dismissed or discriminated against can be regarded as 'civil rights.' Provisions inserted into the Employment Rights Act must be interpreted by employment tribunals in a way that is compatible with the European Convention right to freedom of expression. This could apply to whistleblowing.

### *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 the numbers employed according to sex or race or to differences in the levels of qualifications and skills they have achieved.

### *An equal opportunity policy*

- 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.
- Direct discrimination takes place when a person is treated less favourably than others are, or would be, treated in similar circumstances.
- Indirect discrimination takes place when, whether intentional or not, a condition is applied which adversely affects a considerable proportion of people of one race, nationality, sex, sexual orientation, religion or marital status, or those with disabilities or older employees.
- 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.
- 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.

### *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. The policy should be supported by a grievance procedure (see later in this chapter).

### *Health and safety*

Health and safety policies cover how the organization intends to provide healthy and safe places and systems of work.

### *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 affecting other terms and conditions or working arrangements.

### *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. 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, irrespective of age, that the employee will benefit.

### *Redundancy*

The redundancy policy should state that the aim of the organization is to provide for employment security. It is the organization's intention to use its best endeavours to avoid involuntary redundancy through its redeployment and retraining programmes and by allowing natural wastage to take place. 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 to obtain suitable alternative employment. The policy should be supported by a redundancy procedure (see later in this chapter).

### *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 non-financial rewards resulting from recognition accomplishment, autonomy, and the opportunity to develop.

### *Sexual harassment*

The sexual harassment policy should state that:

- Sexual harassment will not be tolerated.
- Employees subjected to sexual harassment will be given advice, support and counselling as required.
- Every attempt will be made to resolve the problem informally with the person complained against.
- Assistance will be given to the employee to complain formally if informal discussions fail.
- 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.
- Complaints will be handled sensitively and with due respect for the rights of both the complainant and the accused.
- 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.

### *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 discuss the matter once it has become evident or suspected that work performance is being affected by substance-related problems.
- Employees have 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.

### *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 the 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.

## HR procedures

HR procedures set out the ways in which certain actions concerning people should be carried out by the management or individual managers. In effect they constitute a formalized approach to dealing with specific issues arising in the employment relationship. Procedures are more exacting than policies. They state what must be done as well as spelling out how to do it.

The main areas where procedures are required are those concerned with handling disciplinary and capability problems, grievances, and redundancy.

### Disciplinary procedure

The procedure should follow the principles set out in the ACAS Code of Practice, namely that:

- Employers and employees should raise and deal with issues promptly and should not unreasonably delay meetings, decisions or confirmation of those decisions.
- Employers and employees should act consistently.
- Employers should carry out any necessary investigations to establish the facts of the case.
- Employers should inform employees of the basis of the problem, and give them an opportunity to put their case in response before any decisions are made.
- Employers should allow employees to be accompanied at any formal disciplinary meeting.
- Employers should allow an employee to appeal against any formal decision made.

The procedure may indicate that that a verbal or informal warning will be given to the employee in the first instance or instances of minor offences. It will state that in the case of more serious offences or after repeated instances of minor offences, a formal disciplinary meeting will be held. The individual should be given a written notice of this meeting, which will give details of the alleged misconduct.

At the meeting the employer should explain the complaint against the employee and go through the evidence that has been gathered. The employee should be allowed to set out their case and answer any allegations that have been made. The employee should also be given a reasonable opportunity to ask questions, present evidence, call witnesses and raise points about any information provided by witnesses. The employee can be accompanied by a fellow worker or a

union representative or official. If it is concluded that misconduct has taken place, the stages of the procedure are:

- A written formal warning which states the exact nature of the offence and indicates any future disciplinary action that will be taken if the offence is repeated within a specified time limit.
- A final written warning if the offence is repeated within the time limit.

Disciplinary action such as suspension, or in serious cases dismissal, can be carried out if, despite previous warnings, an employee still fails to reach the required standards in a reasonable period of time. The employee can appeal against this action.

Some acts, termed 'gross misconduct', are so serious in themselves or have such serious consequences that they may call for dismissal without notice for a first offence. But a fair disciplinary process should always be followed before dismissing for gross misconduct. Disciplinary rules should give examples of acts that constitute gross misconduct.

## Capability procedure

Some organizations deal with matters of capability under a disciplinary procedure, but there is a good case to be made for dealing with poor performance issues separately, leaving the disciplinary procedure to be invoked for situations such as poor timekeeping. The main points covered by a capability procedure are summarized below.

If a manager/team leader believes that an employee's performance is not up to standard, an informal discussion should be held with the employee to try to establish the reason and to agree the actions required to improve performance by the employee and/or the manager/team leader.

Should the employee show no (or insufficient) improvement over a defined period (weeks or months), a formal interview should be arranged between the employee (together with a representative if so desired). The aims of this interview are to:

- explain the shortfall between the employee's performance and the required standard;
- identify the cause(s) of the unsatisfactory performance;
- determine what – if any – remedial treatment (such as training, retraining or support) can be given;
- obtain the employee's commitment to reaching that standard;
- set a reasonable period for the employee to reach the standard, and agree on a monitoring system during that period;
- tell the employee what will happen if that standard is not met.

The outcome of this interview should be recorded in writing, and a copy be given to the employee. At the end of the review period a further formal interview should be held, at which time:

- If the required improvement has been made, the employee will be told of this and encouraged to maintain the improvement.
- If some improvement has been made but the standard has not yet been met, the review period will be extended.
- If there has been no discernible improvement and performance is still well below an acceptable standard, this will be indicated to the employee, and consideration will be given to whether there are alternative vacancies which the employee would be competent to fill. If there are, the employee will be given the options of accepting such a vacancy or being considered for dismissal.
- If such vacancies are available, the employee will be given full details of them in writing before being required to make a decision.
- In the absence of suitable alternative work, the employee will be informed and invited to give their views on this before the final decision is taken.

Employees may appeal against their dismissal.

## Grievance procedure

A grievance procedure spells out the policy on handling grievances and the approach to dealing with them, as in the following example. The main stages through which a grievance may be raised are as follows:

- The employee raises the matter with his or her immediate team leader or manager, and may be accompanied by a fellow employee of their own choice.
- If the employee is not satisfied with the decision, the employee requests a meeting with a member of management who is more senior than the team leader or manager who initially heard the grievance.
- If the employee is still not satisfied with the decision, they may appeal to an appropriate higher authority. The decision made at this meeting is final.

## Redundancy procedure

A redundancy procedure aims to meet statutory, ethical and practical considerations when dealing with this painful process. A procedure typically includes the following points.

### *Review of employee requirements*

Management will continuously keep under review possible future developments which might affect the number of employees required, and will prepare overall plans for dealing with possible redundancies.

### *Measures to avoid redundancies*

If the likelihood of redundancy is foreseen, the company will inform the union(s), explaining the reasons, and in consultation with the union(s) will give consideration to taking appropriate measures to prevent redundancy or alleviate the effects of redundancy.

### *Consultation on redundancies*

If all measures to avoid redundancy fail, the company will consult the union(s) at the earliest opportunity in order to reach agreement.

### *Selection of redundant employees*

In the event of impending redundancy, the individuals who might be surplus to requirements are selected in accordance with agreed principles. The union(s) will be informed of the numbers affected but not of individual names.

#### *HR policies and procedures: key learning points*

##### **The reasons for having HR policies**

HR policies provide guidelines on how key aspects of people management should be handled. The aim is to ensure that any HR issues are dealt with consistently in accordance with the values of the organization and in line with certain defined principles.

##### **Overall HR policy**

The overall HR 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.

##### **Specific HR policies**

Specific HR policies cover age and employment, AIDS, bullying, discipline, e-mails and the internet, employee development, employee relations, employee voice, employment, equal opportunity, grievances, health and safety, managing diversity, promotion, redundancy, reward, sexual harassment, substance abuse and work–life balance.

##### **Procedures**

The main procedures are concerned with discipline, capability, grievances and redundancy.

## Questions

1. What is the distinction between HR policies and procedures?
2. What is the purpose of HR policies?
3. What principles should govern the operation of a disciplinary procedure?

## References

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