

CHR

Introduction

The global business environment is changing constantly and so are the job responsibilities of HR department. There are various factors which are influencing businesses today such as technological changes and market competition. For businesses to keep up with this changing environment it is important that HRM is performing its duties effectively (Noe, et. al, 2017). The role of HR is associated with recruitment of new people who will be hired and become a part of product development strategies. This paper is aimed at analyzing the factors which affect HR function, the strategies and practices of HR and how HR plays a role in change management of organization.

Factors Affecting an Organisation & HR Function

Comparison of Swot and Pestle Analysis

SWOT and Pestle analysis can be used by organizations for analyzing and understanding business environment. Swot analysis is a planning tool which provides knowledge about strengths and weaknesses of an organization. It can help in coordinating the capabilities and resources of businesses in the competitive environment. The strengths and weakness of the organization are the internal factors which can be controlled by the organization while threats and opportunities are external factors. These external factors are the result of competitive market environment which is caused by the future gaps. These factors have great potential of affecting failure and success of business and an organization may lack control on external factors (Gürel and Tat, 2017). Swot analysis can greatly help in understanding the health of an organization, how strategies must be placed in organization, what are the threats and opportunities, it can

empower management on how to think and act strategically for moving forward and attaining organizational goals.

On the other hand is pestle analysis which includes evaluating business environment based on political, economical, social, technological and environmental factors. It can be called a diagnostic tool which can be used for scanning and collecting information related to external environment of the business. Pestle analysis can help greatly in understanding the broader environment and issues associated with external environment (Cadle, et. al, 2014). The data is gathered around these five factors which then help in analyzing, researching and then prioritizing factors which a business must pay more attention towards. Conducting pestle analysis will provide an organization with extensive knowledge and help in developing ideas and strategies. Both of these methods are simple frameworks and cost effective methods which provide expertise in analysing findings. Swot analysis is best for exploring external factors that is opportunities and threats in a more general sense while pestle analysis is best for scanning external factors in more depth.

Pestle Analysis of Heritage Textiles

Pestle analysis is conducted for gathering data related to external factors of an organization. Here it is being used for analyzing political, economical, technological and legal factors of heritage textiles. These factors influence the business of an organization.

Political: Heritage textile is affected by the political factors of the country in which it is operating. The foreign investments regulations such as import duties and offers for foreign investors that are imposed by the government influence the business. Government regulations related to taxes also creates challenges for Heritage textile.

Economical: Economical factors like resources mobilization, per capita income, and exploitation of natural resources, national income, employment generation, industrial development and infrastructure development affect Heritage textile. As textile industry fulfils necessities of the people, there is huge value-addition at different stages of processing (Underhill, 2016). Heritage textile also generates employment economy as it creates employment opportunities.

Technological: Technological advancements in the textile industry influence the business of the Heritage textile. As technologies are advancing, the cost of machinery is increasing and so is the cost of skilled workers. For remaining competitive in the market, heritage textile has to keep up with technology and purchase new textile machinery.

Legal: Laws related to textile industry also influence the business of Heritage textiles. The laws which are associated with factory administration, foreign exchange regulation, industrial disputes and monopoly control affect the legal business environment for the company. If there are unfavourable labour laws made then textile industry suffers.

Impact of Factors on HR function

Conducting Pestle analysis ensures that organizations become ready for the change. It is one of the effective methods which help organization to understand external environment.

Understanding of political, economical, technological and legal factors by HR of the organization is essential as it impacts strategic planning decisions. The function of HR is associated with hiring new people, determining their performance, processing their documentation and such other functions. If a company lacks effective HR functions then it will struggle with solving worker disputes, maintaining safe working business environment and recruiting new people (Leatherbarrow and Fletcher, 2014). The political factors have huge

impact on the functions of human resources. Talent management is used by HR in order to keep employees motivated for putting high rate of performance. This requires HR to form a welcoming environment where every employee has a chance for improving performing.

The advent of globalization has changed the way people were hired in organization. Market environment is changing constantly and HR needs to keep up with these changing conditions. Economic factors may include hiring of remote workers such as overseas workers who are cheaper and save organization's time and money. The technological factors also influence functions of HR. The use of latest technology for workplace communication allows HR to send and receive emails instantly. Employees and HR are connected through specific message platform which provides convenience in contacting and interacting (Maheshwari and Vohra, 2015). Technology has made the recruitment process easier for the HR. Organization's HR can use online platform for putting up a job and has a lot of choice for selection. It has made recruitment process less time consuming. The legal factors which influence the job of an HR are related to the legal contracts done with employees. HR has a legal responsibility of keeping employee information confidential. HR is also responsible for verification of the new employees.

Organisational and HR Strategy & Practice

Key forces Influencing HR agenda

There are many different key forces which influence and shape the agenda of HR. These forces include economic trends, markets and competition. The expectations of the customers are constantly increasing. More and more competitors are offering same kind of services at cheaper prices which makes an organization to look into their services and products. This affects HR as for getting new ideas for products and services, hiring of new talented and skilled people is

required so that customer's expectations can be fulfilled (Glaister, 2014). The HR collaborates with the management in order to ensure that talented people are available and they are working effectively for delivering set objectives.

HR is also responsible for providing the right environment to the people to learn and develop their skills. HR will have to analyse and decide what investment needs to be done in human capital so that they become able to provide best customer services across different channels. In order for an organization to develop, HR will have to provide informal culture and open environment for helping employees in bringing out their true potential. Technological change is also a key force which influences agenda of HR. Human connections are increasing through technology which requires HR to adapt to rapid technological developments in order to ensure organization's goal attainment.

Key Stages of Strategy Formulation and Implementation

The process of strategic management is a philosophical approach towards business. For business operations to take place smoothly, it is important to formulate and implement a strategy. The first stage in strategy formulation and implementation is to clarify the vision. This stage includes defining long term and short term goals, how these goals will be accomplished and then customizing the staff accordingly. In the second stage, information is collected which is relevant to the goal and vision (Bamberger, et. al, 2014). This information is then analyzed for understanding the needs of the business. third stage involves formulating a strategy for which information is reviewed and analysis is completed. It helps in defining the resources of the business. In next stage the strategy which has been developed will be implemented and duties and responsibilities will be clarified for everyone in the organization. In last stage, strategy

which has been implemented will be evaluated through performance measurements, conducting review of external and internal issues. This will help in making any changes if needed.

According to the stages of strategy formulation and implementation, two models can be discussed in reference to it. One model of strategy execution framework was suggested by Michael Porter which is called Porter's five forces. This model is built around the forces which affect the profitability of market or the industry. The porter's five model helps in developing strategy by determining threat of new entry, threat of substitution of services or products, bargaining power of customers and suppliers and competitive rivalry which exist between the countries (E. Dobbs, 2014). These factors help in developing a best strategy for the business. Another model is VRIO framework which helps organization to strategically plan a process according to the vision statement. The objective of this framework is to provide competitive advantage for the business in marketplace. This model involves determining value, rarity, imitability and potential of organization to develop new products.

Role of HR in Strategy Formulation, Implementation and Business Planning

With time the boundaries of responsibilities related to human resource department has grown from just recruitment to other jobs such as formulation and implementation of strategies. Related to the formulation of the strategy human resource department has to work on ensuring that employees have adopted it their daily routine. This will require organization to educate the employees about why specific strategy has been implemented by top management. For successful formulation of the strategy collaboration of HR and managers is required. HR has to work on providing employees information on how certain strategy can help in their personal and career development (Bamberger, et. al, 2014). In order to successfully implement the strategies which have long term impact on the organization, the role played by the employees is extremely

important. HR needs to convince the employees why certain strategy is best for the business and how it will provide benefits to them. For successful strategy implementation, company needs to gain support from employees. For this an HR will need to provide opportunities of proper training and developmental opportunities so that employees support is gained and they are ready for transition.

Role of HR in Business Ethics

The role of HR is important in effective delivery of messages which an organization needs to convey about their ethical behaviour. Ethical situation of an organization explain their credibility related to operations of the business. The HR can use his or her expertise related to internal communications and change management, and by collaborating with people who are responsible for determining ethical performance of the specific organization. Human Resource can help in integration of ethics related to processes like training, rewards, recruitment, retention, employer brand, induction, motivation and appraisal (Noe, et. al, 2017). HR plays a vital role in monitoring ethical values which are embedded in the organization. For knowing this, he can conduct staff surveys, exit interviews and appraisals so that valuable information is gained related to ethical values embedded in the organization. For example, Google as an organization can be called one of the most ethically advanced companies as its employees demonstrate best ethical practices. For development of employee incentives systems within an organization, HR and ethics function can work together in order to reward employee who have shown best ethical behaviours. The role of HR is central when it comes to supporting workplace culture as ethical practices will result in best company culture.

Responding To Change

Triple Bottom Line

The triple bottom line is a theory which suggests that organizations are focussed on social and environmental concerns because they want to earn profits. This framework says that instead of one bottom line, there are three bottom lines which include profits, people and planet (Alhaddi, 2015). It seeks to determine level of commitment of corporation related to corporate social responsibility and the influence of it on the environment. The business performance of Heritage textile can be gauged by looking at the bottom line of the company which consists of profits. The company business practices are sustainable which suggest correlation with TBL. This indicates that the company looks beyond profits and sees environmental and social issues as important factors for measuring business cost. The company also interacts socially which according to this model helps company to just not focus on financially benefits but also look at the bigger picture of doing the business.

Role of HR in Business Planning

Human Resource Development plays an important role in aligning individuals with career planning, helping them to initiate and manage a change, provide training and development opportunities for ensuring that people are equipped with right skills for delivering the job. In business planning, HR plays the most pivotal role related to selection and staffing, developing job design and organizational design and does human resource planning. Organizations set goals for achieving and employees help in fulfilment of those goals. It is the responsibility of the HR to select the right people for right position. In case of new hiring, an HR needs to find talented people who can understand business environment and work effectively in direction provided by

the company. The HR ensures that business plans of the organizations are fulfilled by attainment of goals in right manner (Momin and Mishra, 2015). Business planning often involves doing changes in the processes and systems of workplace. Although the employees are aware of their individual responsibilities but HR helps them in understanding of group initiatives and news changes which have been implemented throughout the company. HR has an important role in business planning related to training and development of employees. Proper development and training of employees can add to strategic growth process of organization and help the company to attain objectives more quickly.

Role of HR in Change Management

Changes occur in businesses organizations and HR plays a significant role in understanding and acceptance of this change by employees. For coping with change, organizations often employ new people which are the responsibility of HR. For example companies such as Yahoo and Intel deal with change in unique way. They recruit new people who become change agents. There are companies who support environment of nurturing and rewarding new talent (Analoui, 2017). This system of rewards is one of best change management strategy. The HR has a supporting role in organization change management for instant companies such as Infosys and TATA group manage change successfully by devising personal policies which are worker friendly and aimed at getting best potential out of the employees.

Sources of Business and Contextual Data for Business Planning

There are various sources of business and contextual data which can be used for business planning purposes. CIPD suggests that people analytics which is also known as workforce analytics and HR analytics utilizes the data of the people in the process of analyzing for solving the problems of business. It uses the data of the people which has been collected by HR systems,

(for instance absence management and payroll) and information related to business such as operations performance data. These data sources allow HR practitioners as well as the employers to gain knowledge about the workers, practices and policies of HR, by paying attention towards the human capital element of the employees (Shah, et. al, 2017). This also helps in making decisions which are evidence based. There is also factsheet which can help in determining the significance of people analytics. This helps in understanding whether the workforce of an organization can generate value or not. Factsheet provides qualitative as well as quantitative HR data that includes data sets in form of cause and effect relationships. The factsheet also allows looking at different levels of people analytics capability and determines information of the key people who are responsible for people analytics in the organization.

Recommendations for Heritage Textiles

Heritage Textile needs to work on its HR strategies, training and development opportunities and change management. The role of the HR is important even in textile industry. HR strategies for Heritage textile must be designed in such a way that allows hiring of skilled people who are aware of ethical and sustainability practices of the business in textiles. Data sources which can be used by the company are HR information system and Human Capital Management Solution which provides data. Once new people have been recruited using data sources, organization must focus on providing training and help in skill development of the workforce (Shah, et. al, 2017). For this Heritage Textile can use data sources such as people analytics and CIPD profession map. People analytics can help in understanding and articulating aspects about workforce. Technological changes are common in textile industry, thus effective change management is required for which data sources can be people analytics and human resources information systems.

Conclusion

Based on the analysis it can be concluded that Swot and Pestle analysis are important tools for determining the business environment information. Information which has been collected through this analysis requires to be used successfully for devising best strategies and implementing them successfully. During this, the role of HR is pivotal who not only recruits new people but also plays a part in business planning. His role is also important in ensuring of ethical and sustainable business practices.

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