

Understanding the role of HR in a growing business

Case Study: An HR Audit of a High Growth SME



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Introduction

Over the past decade, our customer has become the industry expert in the provision of human security.

Following a period of rapid growth, their workforce had more than doubled, with several changes at senior manager level. Our customer now faced the challenge of ensuring that their HR function was still fit for purpose in their growing business.

They wanted to both maximise the effectiveness of the HR function within their current model and to ensure the organisation was fit for future growth.

They needed a partner that understood growing businesses and could provide them with advice and guidance based on their exact circumstances.

That's why they partnered with The Curve Group to undertake a full audit of their current HR function and to assess their future HR requirements in line with their overall business strategy.



Approach

After defining an agreed and clear scope, we set up one-to-one meetings with employees across a range of various levels that followed a semi-structured interview approach.

Alongside this, we reviewed and considered all touch points across an employee's journey including:

- Internal communication methods and process
- HR Policies and Employee Handbook
- HR system use and adoption
- Office set-up and environment
- Current organisational structure
- Functional team roles and responsibilities
- Employee data

Early in the process, we identified a number of key areas of concern - both to the efficiency of the current HR function and to the future growth of our customer's business. Two key areas of concern were the organisational culture and historical role of the Board. As such, we added these areas to be investigated further during the interview process.

Findings

Decision-Making

As with many growing businesses, one of the key challenges our customer was facing was the dilution of decision making power between senior managers and those appointed to lead the business.

Ongoing active involvement of the Board and owners created confusion as to who the decision-makers were. Individual functions were in constant flux as to their goals and the role of the leaders, impacting the organisational design and overall role of HR.

Culture

Whilst feedback showed that HR were effective when approached, the function was not proactively engaged in supporting managers and leaders in the business. With decision making typically outside the context of daily functional activity and not effectively communicated, unclear instructions led to different teams replicating work.

The culture of centralised decision making, unstructured communication channels and gossip generated from regular company sponsored social events, meant that HR were sidelined from actively supporting the business. Instead, business units took advice from their Board sponsor or were simply unclear as to their actual objectives.

Office Environment

With teams spread out in different areas across the office, cross-team communication was low, contributing to a silo mentality between business units. This was highlighted by the wide variety of internal communication tools that were all being used differently by different teams.

Efforts to bring the business together through regular funded social events and weekly stand-ups with senior managers made employees feel valued, but failed to provide clarity on the day-to-day business activities.

Employee Relations

Policies covered all the key areas and were compliant with current legislation, but were not easily accessible by managers across the business. This, together with the unclear role of HR, meant that employee relation issues were often only raised with HR after escalating to a crisis point - with no clear accountability.






On-boarding

The HR function was efficient and clear when it came to the core administration areas that fell under it, and new starters were quickly and effectively on-boarded.



Recommendations

From the analysis, initial scope and brief, we recommended key actions that would maximise the effectiveness of our customer's HR function within their current model and ensure they were fit for future growth.

- 1**
The role of HR
HR needs to be relaunched as an internal business partner. The HR team should proactively engage with business units so that their role is less reactionary and more visible to the wider business. 
- 2**
Communication Channels
Clearer communication channels need to be consolidated and agreed across the business. This would reduce confusion and replication of work. 
- 3**
Roles & Responsibilities
Roles and responsibilities across the business should be clearly captured and communicated. This includes clear definition of authorisation, sign-off levels and decision making roles. 
- 4**
Centralising HR
Rather than reporting to an operational senior manager, HR should report into a central function to ensure they can prioritise based on the whole business. 
- 5**
Training & Development
People management development and clarity on how HR could support managers would reduce employee relation issues arising due to inconsistent people management practices, and confusion as to the exact role of HR. 

Conclusion

Overall the business needed to bring some more structure to its ways of working, after growing significantly in the previous years. HR had a clear role to play in supporting this more structured approach. This could all be achieved without losing the company culture that meant employees felt engaged and cared for, but the reduction in confusion and clearer decision making would support improved staff engagement.



The Curve Group

Established in 2004, we are the UK's largest privately-owned Recruitment and HR provider. We deliver agile, ethical and configurable people solutions across the entire Recruitment and HR spectrum. Our mission statement, or quest as we would say, is to create extraordinary people solutions that transform working lives.



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