

## Human Resource Management (HRM) – Harrods

Harrods has been in business for over 160 years. It employs 4000 employees with an additional 3,500 agency and concession employees. In 2010 Qatar Holdings purchased Harrods from Mohamed Al-Fayed. The new owners are strongly committed to all of Harrods' employees. They recognise that engaged employees are essential to the continuing success of the business. Such employees are likely to be happy and consistently high performers who want to progress their careers with Harrods. Managing employee relationships is the role of the Human Resources department. Harrods' Human Resources department adopted a variety of methods to increase employee engagement. Human Resource Management is a process of valuing and developing people at work. It covers all aspects of developing employees, including three important steps:

1. Recruitment and selection - attracting suitable new employees.
2. Performance - enabling employees to perform their roles to the best of their ability by keeping them informed and providing relevant training opportunities.
3. Development - developing all employees to build their careers with Harrods through identifying career progression opportunities.

In 2009 the MacLeod Report, 'Engaging for Success', was published which has been very influential in Human Resource Management. One of its major findings was to highlight how businesses benefit by involving employees in all aspects of decision making. This involvement is commonly referred to as employee engagement or participation. This prompted managers at Harrods to investigate its employee relations, in particular its employee turnover.

Employee turnover measures the rate at which employees leave their employer, usually over a one year time period. The statistics indicated that Harrods needed to take action to improve employee engagement and reduce its employee turnover. A high employee turnover rate has significant cost and performance implications to a business. These include the costs of recruitment, the loss of expertise and the increased need for training new employees. Following this investigation, Harrods carried out its first comprehensive employee survey to find out what they thought about working at Harrods. The employee survey has now become an integral aspect of Harrods' Human Resource Management programme. The survey results were used to create strategic plans for change focused on improving employee engagement and trust.

The opportunities for managers and employees to be engaged in sharing their views and ideas is summarised in the table.



Engagement method	Description
Internal employee magazine	'Your Harrods' - a popular and creative magazine for employees with a new starter list, interviews with key people, personal snapshots, charity features, an Agony Aunt column and interesting competitions.
Morning briefing	Informing shop floor teams about what is going on that day and the latest sales statistics.
Intranet	Enables sharing of information with employees. Employees are able to select which aspects they focus on (rather than having information pushed on them).
Quarterly employee forum	A group made up of employee volunteers. Enables employees to present issues and contribute to company strategy.
Other forms of employee voice	'Bright Ideas' scheme which encourages employees to share innovative ideas to further improve Harrods.

### Questions

1. What is the role of the Human Resources department?

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2. Explain the term 'employee turnover' and give examples of why high employee turnover could have a negative impact on a business.

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3. Describe some of the different communication methods used to create employee engagement at Harrods. Which of the communication methods at Harrods do you think would have the most impact?

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4. Analyse why it is important for businesses like Harrods to evaluate its employee communications using, for example, an employee survey.

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### Task

In a small team create a presentation, either on computer or on flip-chart paper, which explains the role of the Human Resources department. For each item mentioned explain how important this role is to overall success of the business.

### What have you learned?

Create some revision cards of the main learning points from today's session.