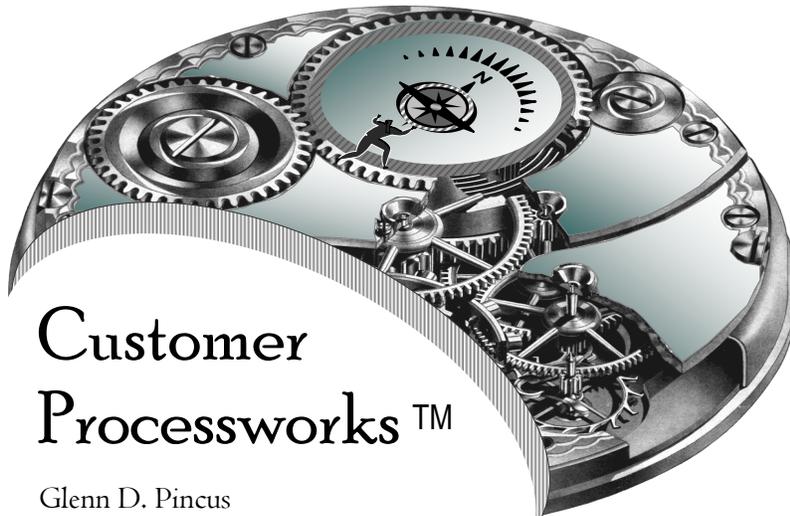


Elevating the Business Role of the Human Resources Department



Customer Processworks™

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Introduction

While “our employees are our greatest asset” has become a modern cliché, shifts in the last several generations from agricultural and industrial eras to information and knowledge economies have made this phrase a fact...whether most companies recognize it or not.

It is our contention that in today's hyper-competitive marketplace, continuing to leave human resource planning, selection, and development activities to product development, manufacturing, sales, customer service, and other line operations is no longer tenable. Operational units have their hands full creating, selling, and supporting products and services while fighting the fire of global competition. Developing and carrying out strategies to get the most out of individuals and organizations simply can't be a priority for them. Besides, what makes these managers great engineers, marketers, logisticians, and salespeople are not the qualities required to optimize human capital. Many of these managers know this and readily admit, “Managing people is the hardest thing I do.”

In this paper we therefore discuss how to involve HR more directly and strategically with business units, so the latter are able to perform beyond what they would otherwise be capable of achieving. Our recommendation is a simple four-step process for HR:

- (1) Understanding Company Strategy and Operations*
- (2) Developing a Supporting Human Resource Strategy*
- (3) Implementing the Human Resource Strategy*
- (4) Measuring Results and Refining Implementation*

(1) Understanding Company Strategy and Operations

HR completes a discovery activity in which HR management learns and/or helps clarify larger organizational and individual department vision, mission, values, guiding principles, culture, customer satisfaction expectations and targets, product, marketing and competitive strategies, roles and responsibilities, performance targets, and organizational structures. It is also important at this stage for HR to become knowledgeable about process, job, and organizational design and management principles.

(2) Developing a Supporting Human Resource Strategy

Based on this information, HR is in a position to develop overall organizational and individual department strategies for getting the most out of management, employees, and how they do their work for the company. Specific strategic elements to be developed, implemented, and monitored by HR include: *

- Designing High Performance Organizations
- Determining Employment and Growth Needs
- Managing Sourcing Processes
- Creating Individual, Team, and Departmental Development Plans
- Creating Organizational Effectiveness Monitoring and Response Plans

* These activities are above and beyond the usual compensation, benefits, legal, regulatory, record-keeping, and other functions for which Human Resource Departments have responsibility.

(3) Implementing the Human Resource Strategy

Implementing these strategic elements includes activities like those described in the following sales department example:

Designing High Performance Organizations

- Identifying key customer segmentation, qualification, marketing communication, selling, and related processes
- Determining organizational structures based on products, services, customer segments, geography, and core processes
- Defining job and team specifications

Determining Employment and Growth Needs

- Identifying current and long-term staffing needs
- Establishing triggers for increasing, decreasing, and replacing staff

Managing Sourcing Processes

- Recruiting, evaluating, and helping management select additional needed personnel
- Evaluating and upgrading current staff

Creating Individual, Team, and Departmental Development Plans

- Providing orientation and longer-term training for departmental leadership, management, and employees
- Instituting mentoring/coaching/remediation processes

Creating Organizational Effectiveness Monitoring and Response Plans

- Determining key organizational process indicators (absenteeism, turnover, close rates, time to sell, cost of sales, employee satisfaction, etc.) and output indicators (sales, profitability, customer satisfaction, etc.)
- Developing systems to track and review these indicators

(4) Measuring Results and Refining Implementation

- Evaluating process and output organizational effectiveness measures
- Facilitating continuous improvement activities

These activities are of course conducted in close partnership with senior company and departmental management.

The Benefits

Elevating the role of the Human Resources Department in day-to-day business operations benefits the organization at large and HR itself in the following two ways:

- A strategic, involved HR operation benefits the overall organization by optimizing people, process, and organization in a consistent, professional manner only rarely and sporadically accomplished in the majority of companies today. This in turn provides competitive advantage to any business relying heavily on knowledge, information, analysis, and communication in the daily conduct of business.
- By aligning its strategy with corporate objectives, HR accrues value in the course of moving from a rear-echelon, support activity into true partnership with day-to-day design, production, sales, distribution, and service activities. This greater involvement in line activities in turn informs human resource management more thoroughly, frequently, and accurately so that all aspects of human resource operations can be better aligned with company needs and priorities.

Conclusion

The combination of an information/knowledge economy and blistering global competition demand that more effective and consistent attention be paid to human capital. Only Human Resources is in a position to play this role. But doing so requires HR to first undergo a transformation in which it develops the competence and credibility to work more closely and strategically with the business units. Once it reaches this point, however, HR will find the remainder of the organization to be highly grateful for the help. Because the difficult, distracting, and time-consuming people- and organizationally-related tasks many managers avoid, do incompletely, or flat out handle poorly can henceforth be managed effectively and consistently by in-house experts.