

HR, is it strategically supporting your organisation?



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There is an increasing emphasis among business leaders on leveraging organisational capabilities in order to be more competitive. They are recognising that technology, operations, access to finance, and even strategic positioning statements are less of a differentiator than their ability to respond quickly to opportunities.



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As business leaders demand more of their leadership, they are looking for guidance on how to become more competitive. You are not alone and, by you focusing on your HR Director, you are affirming the value of Human Capital to sustain competitiveness.

There is the 20-60-20 rule: 20% of professionals are exceptional, adding value that helps organisations progress, 20% have a fixed mindset and lack either competence or commitment to deliver real value, and 60% are in the middle.

Strategic HR thinkers have a specific approach to their work. You need to make sure that your HR manager is capable of the following; otherwise you are going to be frustrated and disappointed in his/her performance:

 They delegate and/or outsource as much of the administrative HR tasks as possible. For example, your HR manager should not be responsible for enrolling employees in medical aid or pension plans; this can be done by a junior employee or outsourced completely

- 2. They understand the businesses they work in. They know what the business drivers are, the direction that the business is moving in, how the business operates and hey use their knowledge of people management practices to enable all of these things
- 3. They have a forward focus, looking at how individuals need to develop so that they can further their careers, so they can contribute to the business in the long-term and so that they can ensure effective succession into senior roles as people leave or retire

As HR professionals engage to deliver real value, their conversation needs to focus on: delivering talent, developing leadership and increasing organizational capability:

- **Talent**: delivering competence (right people, right place, right time, right skills); commitment (engagement); and contribution (growth mindset, meaning, and well-being) of employees throughout the organisation.
- Leadership: ensuring leaders at all levels who think, feel, and act in ways that deliver sustainable market value to employees, customers, investors, and communities.
- Capability: identifying the organisation capabilities (called culture, system, process, resources, etc.) that enable organisations to win over time. These capabilities would vary depending on the strategy, but might include service, information (predictive analytics, metrics), innovation, collaboration, risk, efficiency, change (adaptability, flexibility), culture change, learning, strategic focus, etc.

When HR professionals bring unique insights about talent, leadership and capability to the boardroom, they add enormous value. Experienced HR professionals are better at delivering in each of these areas than line managers who move into HR roles.

The structure of the HR department should be tied to the business structure, and in diversified organisations HR should run like a professional services firm. This approach offers the benefits of centralisation (efficiency, economy of scale) and decentralisation (effectiveness, local responsiveness). In fact, many large diversified organisations have separated HR into three groups: the HR generalists who focus on talent, leadership, and capabilities; centres of expertise that offer analytics and insights; and service centres that do the administrative work. All can be governed under the HR umbrella; just the way finance and accounting or marketing and sales work together.

I suggest a wholistic approach to helping the middle 60%. This includes redefining the strategy (outside-in) and outcomes (talent, leadership, and capability) for HR, redesigning the organisation (department structure), innovating HR practices (people, performance, information, and work), upgrading the competencies for HR professionals, and focusing HR analytics on decisions more than data.

It is not easy to move a profession forward. The top 20% don't always share their knowledge and experience with peers, the bottom 20% get too much attention and the 60% gets discouraged when respected colleagues, unintentionally, disparage them and their efforts.

ABOUT DEIRDRE ELPHICK-MOORE

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