

An HR intervention

HR professionals need to fully understand their business environment, write Rose Holdsworth and Wendy Lundgaard.

The AHRI Foundations of HR will be relaunched in 2009 with an even greater focus on linking the AHRI Model of Excellence to the course structure and content. The program is focused on developing a strong business-driven ethos while acknowledging a balance between driving business needs and ensuring people are supported on a 'hearts, mind and satisfaction' basis.

Since the mid-1980s the most important change in the human resources management arena is the increased emphasis being given to developing a much more strategic perspective for the various HRM activities and doing this against the backdrop of the organisation's values, vision and strategic goals and objectives. Closer alignment to business needs is a vital measure of the success of any HR strategy and its supporting initiatives.

A relevant strategy will integrate human resource activity such as workforce planning, recruitment, selection, and staff development and performance management to the specific needs of the business in the short term while building capability for the longer term. Without that longer term view and a clear relationship to the organisational goals and objectives these activities can have limited impact, and are unlikely to achieve the desired business goals.

Further, in today's human resource environment, the HR department is expected to understand and implement culture change that will impact positively on the outcomes that a business wants to deliver. This expected 'cultural' knowledge goes deeper than simply knowing what training course or recruitment process to use. Human resource specialists need to understand how to change behaviour to impact the overall culture of their business. They do this by ensuring that they understand:

- the business environment in which they are operating
- the industry forces that impact on the ability of the business to succeed
- how their initiatives will deliver the human capability for the business to compete in its nominated markets.

Further, and just as importantly, in order to be able to deliver these business-focused HR initiatives, HR professionals and line managers need to understand the implications of what they do, the initiatives they introduce, and that the way they deliver those initiatives must support the organisational goals and minimise risk. For example, if you want to change your organisation from a transactional focus to a sales focus then the people infrastructure needs to be built to support reinforcement of sales behaviours. Organisations that set off down the sales and service road but continue to reward behaviours that contradict sustainable sales outcomes are literally 'getting what they pay for'. It further reinforces the notion that 'what gets rewarded gets done'.

The role of HR in contributing to the organisation's future success is a big ask because, unlike other departments, the HR professional is accountable for the organisation's most variable and unpredictable asset – people. Indeed, if we examine HR's main accountabilities through a fiscal lens it is to 'appreciate the people asset' while being fiscally responsible regarding the level of investment needed to build this asset class.

AHRI Competency Model ©

AHRI's continuing involvement in the HR Competency Study with professors Dave Ulrich and Wayne Brockbank of the University of Michigan has led to the development of an AHRI Model of Excellence that describes the core competencies an HR manager must have in order to contribute to organisational success.

As a profession, HR needs to refocus its outcomes and thinking to a more commercial paradigm than has historically been expected (or delivered). The most important of the seven AHRI competencies is to be 'business driven'. This competency stresses the need for HR managers to base people management decisions on business outcomes and the environmental forces that impact on your economy, your industry and more specifically on your business. HR cannot deliver relevant and business driven initiatives without this knowledge.

The other six competencies gain both context and support from this central competency. The way that you think and act needs to be focused on delivering your business imperatives.

Building the new practitioner AHRI has rewritten its Foundations of HR program with a view to strengthening the industry's understanding of just how important linking business goals and objectives with the way an organisation's people assets are managed and focused on achieving tangible outcomes. Starting to build strategic thinking at the entry level of the profession is vital to ensuring that the rhetoric of our competency model becomes hard-wired into the thinking and behaviours of the new wave of HR industry practitioners. A way that helps to visually link tactical outcomes to the business strategy is shown in Figure 1. If we break the diagram down into its logical components, we note that HR strategy and its activities can only make sense through delivering people-related actions to resolve organisational issues.

For example, if we want to grow the sale of high-end white goods by 30 per cent over the next two years, what does that mean for HR strategy? Among other things, it means that we may want to either introduce or ramp up sales training, review the recruitment and selection strategy to ensure that sales skills are prioritised as key selection criteria, and that reward and recognition programs include incentives to provide a motivation for staff to close more sales. The key is to not only link HR strategy to the business needs but to ensure that all HR activities are linked in both principle and practice with each other.

A multitude of roles

So, apart from being a strategist, understanding business linkages, we also find that CEOs and management expect HR professionals to be advisers and coaches. They are expected to offer not just solutions to business needs, but to be able to identify the impact on the business before it happens. Merely understanding the functions of HR is not enough any more, and hasn't been for some time now. What is more important is to understand how those functions actually relate to the rest of the organisation.

One of the key roles of the HR professional is to constantly monitor the external and internal environments to reveal some of the factors that influence HR initiatives in the organisation and not merely focus on the people implications and responses. This is a first step in the strategic planning process. The new HR professional must:

- understand the market and the implications of market activity on their business and industry
- be seen by other business unit specialists
- as someone who is able to talk the language of business develop solutions that are relevant to helping the business understand its environment and deliver its outcomes.

The new Foundations of HR program promotes, as the name implies, the fundamentals of balancing strategic business needs with people issues. Further, it places an emphasis on acknowledging that HR needs to not only deliver their own people strategies and activities but link those to the activities of other business units who will be also adding value to the achievement of the business strategy. This is worked around a simple model of People, Process and Systems

The model presupposes that there is a strong understanding of organisational development principles integrated with a heavy capability in behavioural change practices. The PPS logic is simple: change something in one asset arena and support it with relevant changes in the other two. Sound simple? It is, but how many organisations do not bother to ensure that the links are being made. It would be like changing the tyres on a car but not bothering to fasten the wheel nuts.

AHRI is proud to introduce this program. It is committed to delivering a much closer link to the competencies that are expected from business-driven HR practitioners and the practical development of those competencies.

Rose Holdsworth is a CAHRI and senior consultant in education and professional development at AHRI. Wendy Lundgaard is a CAHRI and director of Win-win Workplace Strategies.

Source: *HR Monthly*, May 2009, pp. 32-33.