

# SMALL Business Times

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## *High-performance organizations need high-performance HR departments*

By DANIEL SCHROEDER, *For Small Business Times*

**Question: I've been working in human resources for 11 years. During this time, my work has become more diverse. I've been asked to do more creative things. Looking around, there also seem to be more people working in the field who have different kinds of backgrounds — organization development, industrial/organizational psychology, etc. I'm curious if you've seen the same and what the business implications of this are.**

**Answer:** I agree with your impression that human resources management (HRM) has become more sophisticated over the past decade. Some of this has to do with the emphasis on change and reengineering that came upon the scene in the early 1990s and was reflected in best-selling books by Michael Hammer, James Champy, and Tom Peters, among others.

As organizations pursued broad, structural modifications (e.g., total quality management, self-directed work teams, work redesign, etc.), HR professionals were asked to engage in a wider range of activities in support of those initiatives. Specialized skills and capabilities in areas such as process consultation, team building, action research, and data analysis were needed. This is where the emerging disciplines of industrial/organizational (I/O) psychology and organization development (OD) enter the equation.

Not all of our readers may be familiar with the distinctions between those disciplines, so let's spend just a moment describing them. HRM has its roots in traditional management science, which emphasizes effective utilization of organizational resources—physical, financial, technological, and human. Historically, HRM practitioners have spent most of their time and effort building and implementing programs having to do with employee selection, training, compensation and benefits, and labor-management relations.

I/O psychology is that branch of psychology that focuses on the behavior of individuals in organizational settings. Although trained to the doctoral level (and license-eligible in some states), I/O psychologists are not mental health-care providers. They are restricted from providing these services. Instead, I/O psychologists, using various methods, study and measure individual and group behavior in the workplace. You may have run across an I/O psychologist if you ever had to complete an employment test or fill out an attitude survey. I/O psychologists possess sophisticated data analytic capabilities.

OD is an interdisciplinary behavioral science that is concerned with the environmental conditions necessary to promote ongoing individual and organizational growth. It emerged on the business scene in the 1960s as companies began to explore group dynamics and group relations. Today, OD practitioners play a critical role in teaching organizational members how to continuously improve what they do. OD practitioners develop improvement strategies in areas such as organizational structure, processes, design, culture, values, and change.

Depending upon the emphasis that a given company places on its "people practices," it may employ professionals from each of those disciplines (i.e., a specialist approach). Smaller firms that employ fewer "people professionals" may ask that they have skill sets that cut across these disciplines (i.e., a generalist approach). In either case, a company may augment the capabilities of its internal staff by engaging consultants for specific services or for specific projects. At ODC, our staff is comprised of consultants from each of these three disciplines. This allows us to efficiently meet the needs of a given organizational client — by definition, we are an interdisciplinary consulting team.

As for the business implications of this evolution in the sophistication of the approaches of people professionals, I have to believe that this can be an exciting time. When organizations couple the pursuit of business objectives (e.g., financial, technological, engineering) with people objectives (e.g., retention, development, succession), they need the input of progressive human resources professionals who possess the kinds of skills that are discussed herein. My view of things is that this is exactly what is happening at the present time. And there is evidence to support my view. For the past few years, careers in the disciplines discussed in this article have been consistently listed as “hot” by bodies that track that kind of thing (e.g., U.S. Department of Labor).

In short, high-performance organizations require high-performance human resources processes and high-performance human resource practitioners. In an age characterized by increasingly sophisticated technology and information, it is incumbent upon those of us in the human resources disciplines to do our best to

improve our practices in light of the changes that are occurring around us. This means reading the professional literature, being active in professional groups, and pursuing ongoing education/certification.

Ultimately, in my opinion, the goal for today’s human resources professional is to move toward an integrative practice that draws upon each of the disciplines discussed above. The mission should be to have a toolkit stocked with leading-edge tools and the understanding of how and when to use them.



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