

Valuable commodity

Employees could be your company's greatest assets

Question:

In your last few articles, I've noticed you say human resources can play a powerful part in building corporate culture. My experience is different. I haven't seen human resources play that kind of role. I haven't seen human resources offer much dynamic programming. Why do you see it differently?

Answer:

Call me an idealist, but I believe human resources (HR), at least potentially, can be the most powerful part of an organization. After all, HR has the responsibility for the people who work for the organization. And, as some organizations proclaim, "Our people are our most important asset."

I believe this slogan is true. I believe that it is more than some fancy words. I believe that an organization's people are its primary source of differentiation in the marketplace. For instance, how would you answer the following question: "What is the one thing you have that your competition does not?" If you think like I do, your answer was, "Our people, our employees." Your people

are a very valuable commodity, by the way, especially when you consider that simply having them on the books can account for 40 percent or more to operating overhead.

So, how are you leveraging this most precious asset? What are you doing with your people to ensure that the return on your investment is as great as it can be?

This is where dynamic HR programming comes into the equation. Unfortunately, though, as you indicate in your question, the stereotype of human resources is that it is not a functional area that drives the organization. Frankly, human resources has something of an image problem. In an article I wrote for SBT a few years ago, I identified the Top Ten reasons why HR gets no respect. Like the list David Letterman goes through every evening, I wrote my list for humor value. But, I was trying to make the point that when it comes to the adage about perception being reality, too often the reality for HR is that it is seen as ancillary to the organizational success equation.

Why is that?

Well, there are any number of reasons, but perhaps the most powerful explanation is that in some organizations, HR is ancillary. Think about it. I imagine that many of you who are reading this article work in organizations where HR does not have a seat at the executive table. Finance does. Operations does. Sales/Marketing does. Where is HR? Not there. Or, if it is there, it is there by proxy. That is, it is represented by one of the other functional areas.

As an example, it is not uncommon for me to meet the top HR officer of a company and learn that he or she has the title of VP of finance and HR. Upon inspection, I learn that his or her education and work experience has been in accounting. He or she might have had a few courses in HR,

but that's about it. In other words, accounting is the substantive area of expertise, and HR has been picked up along the way. In and of itself, this says that HR is a lesser area.

Beyond that, let me observe that HR can also put itself behind the proverbial eight ball by engaging in practices that yield bad impressions. For instance, sometimes HR gets itself in trouble by playing "king-maker," anointing certain people and derailing the careers of others. While this puts HR on the organizational radar screen, it also tells people that HR is not to be trusted — they are politicians, "cloak and dagger" purveyors, etc.

Another example, and one quite different than the one just offered, is the case where HR is the "feel good" squad for an organization. In this example, HR is the function that orchestrates the company picnic, places motivational posters and material around the company, etc. Confronted with this approach, employees begin to wonder, "What's next? Are we going to be asked to sit around a campfire, hold hands, and sing Kum-bay-ah?"

Additionally, there is the brutal reality that some of the subject matter HR concerns itself with is just not very strategic. Let's face it, filling out W-9 forms, submitting time and attendance information, completing accident reports, participating in insurance transactions, documenting performance appraisals, etc. does not inspire the feeling that, "Boy, HR is really driving things around here. They really make it happen."

So, some of the necessary activity for which HR is responsible, which is the basis for employees' interaction with the function, simply comes across as ho-hum, mundane, paper shuffling.

Finally, let me observe that part of the

problem sometimes has to do with the people who fill the HR roles within the organization. Sometimes, the people who occupy these positions have not ever been responsible for managing anything. They have never run a project or a function. They have never been part of line operations. They have grown up in staff assignments. That is what they know. That is their comfort zone. So, to ask them to operate strategically or systemically pushes them beyond their capabilities. Put simply, some HR providers do not have what it takes to adopt a strategic stance. This may sound harsh, but in some cases it is true.

So, to sum up, I guess I can see where you are coming from in your question. If you put me on the spot (I'll do it for you),

I'd have to say that when it comes to HR facilitating the kind of dynamic programming I've written about in some of my recent articles, the Pareto principle (i.e., the 80-20 rule, the law of the vital few) is applicable. About 80 percent of the time HR is doing what you outline in your question — taking care of tactical concerns, daily work, routine transactions, etc. Only about 20 percent of the time is it operating strategically.

From where I sit, that's simply not good enough. HR can do better. It must do better.

Really, the choice is an obvious one. HR can continue to focus on daily work that is not perceived to be value-added activity and move inevitably toward irrelevance and obsolescence. Or, it can

change its focus to become more strategic by engaging in "people practices" activities that harness the full potential of the organization's most important asset — its employees.

If you're like me, you'll agree that option No. 2 is the only way to go.



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