



Human Resource Strategy

making the most of people

Can't we just focus on HR best practice?

HR professionals sometimes tell us they are not in a position to engage the CEO and his senior team in developing an HR Strategy and ask if they can achieve the same results by installing best practice HR processes.

It is obviously not uncommon for CEOs and their senior teams to focus their attention on current, pressing problems in the business and operational areas. It is also true that important and urgent short-term issues have a habit of crowding out important and urgent long-term issues. Changing organisation behaviour is complex and definitely falls into the long-term category.

But that is not the only reason why some senior teams do not easily engage themselves in these questions. Diagnosing the way an organisation works often involves confronting some personal behaviour issues that some people find difficult.

The way an organisation works - its culture - derives largely from the values and behaviour that are generally accepted within the organisation. In most cases, that is driven by the values and behaviour of the CEO and the top team. In stable organisations the way the top team works is often a microcosm of the way the rest of it works. Many people model themselves on their leaders; ambitious people frequently try to out-do them. Success and recognition from doing what the boss wants is a powerful reinforcer of behaviour.

This has obvious implications for developing an HR Strategy, particularly in regard to values, behaviour and acceptable management practice. HR professionals need to make a judgement about how far they can proceed without leadership from the senior team. There are also implications for HR policies, practices and procedures. If proposed new practices are not consistent with the culture of the organisation they will not take root, no matter how good the practices are technically.

Whilst it makes great sense to learn from the experience of others, processes that are derived from surveys of best practice or simply copied from another organisation are likely to be less useful than those designed specifically for the needs of the business. Best practice processes can be sound technically and look impressive but, remember, they were designed by other people with different problems operating in different circumstances.

If they are transplanted without appropriate re-thinking and modification, they are unlikely to work as well as in their native habitat. They may be inconsistent with other policies and procedures and they may be based on assumptions about values and principles that may not be valid for the importing organisation. As a result they may be ineffective or be ignored. They may even be counter-productive, for example, incentive plans that undermine established teamwork between individuals or departments or sacrifice long-term profitability or corporate reputation. To be both effective and relevant, HR processes should be derived from an HR Strategy that is designed for the particular organisation.

HR Strategies also need good, professional and effective HR practices to turn their intent into reality, otherwise the strategy loses credibility and becomes irrelevant as managers, with the best will in the world, fill the gap with their own inconsistent, local solutions.

What do dedicated HR professionals do in the absence of a clear HR Strategy to provide them with goals and guidance? Doing nothing to improve ineffective or dysfunctional current processes until an HR Strategy turns up is clearly not an option. There are several areas that can be explored.

What is not working and needs fixing? Be clear what the underlying problems are before starting to put in new solutions. Why is it not working? Are the reasons technical or functional that can simply be resolved, or are the reasons to do with the impact they have on the organisation? Are the processes being rejected by the people who are responsible for making them work? Or, perhaps, by those who should benefit? If so, why is that, and would different processes be similarly rejected? Are there any underlying causes that need to be addressed?

What assumptions can safely be made about the organisation culture - the values, behaviour and management style? Test these assumptions with directors or senior executives who are in a position to know. Has the culture anything to do with why the current processes are not working? What characteristics would new processes need to have in order to flourish?

What assumptions can be made about other relevant aspects of corporate strategy? What characteristics would new processes need to have to help deliver the business goals and satisfy all legitimate stakeholders? What other policies and processes will they need to fit in with?

What can be learned from experience elsewhere? This is where a study of best comparative practice is helpful - to broaden understanding of the impact of policies and procedures and to see a range of alternative approaches.

If this process sounds awkward and disjointed it is because it is. It is tackling the process from the wrong end. Effectively one is creating a 'virtual HR Strategy' to provide a framework within which to build appropriate practices. This virtual strategy needs to be checked and approved at the highest level. Getting that approval might turn out to be a way into engaging the CEO in the process of developing a real HR Strategy with the senior team. Until they do that, the new HR practices will be little more than administrative improvements, operating with limited legitimacy.

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