



A Seat At The Table

Human Resources: Strategic Partner

A recent study by RBL Group found “the effectiveness of a company’s human resource department as a whole has a 25 percent greater impact on the performance of a business”. Human Resource effectiveness is proportional to its ability to implement policies and practices reflective of the core goals and strategic direction of their company.

In truth, one can make a valid argument that HR has become the “new path” for businesses to gain competitive advantage, particularly in human capital management strategies. In his book “Good To Great: Why Some Companies Make the Leap and Others Don’t,” Jim Collins argues that, in great companies, “people are not your most important asset. The *right* people are.” He goes on to say that companies must “first get the right people on the bus before you figure out where to drive it.” Recruiting and cultivating talent is ‘Job One’ for Human Resources. The conflict: enabling HR to take its ‘Seat at the Table’.

The Ongoing Challenge

The sad reality is numerous obstacles challenge the above assertion. For many organizations, the HR department’s “seat at the table” isn’t fully occupied.

Excuses abound, most notable being the administrative functions of the role. While comprising only a portion of the overall responsibility, these functions often dominate HR’s time. In fact, a recent study by Forrester Research Group concluded “the average HR department devotes **60—80%** of its time to the administration involved with payroll, benefits and other aspects of HR management.” Why? Because these processes are often manual, highly fragmented, very time consuming, error prone and inefficient. Thus, HR is limited in focusing on strategic objectives. The perception held by some in senior management is that HR is the “dial tone” department, responsible solely for answering questions and maintaining employee data. Not addressing the contributors to these perceptions becomes self-fulfilling prophecy, and severely compromises an organization’s ability to define and enact the cultural message it seeks.

Another hurdle: data management. HR departments have continually been plagued by the limitations of multiple systems incapable of seamlessly communicating with each other. In fact, a recent study by HR.COM found that “more than 75% of ‘best of breed’ systems are not integrated with the core human resource management systems” of the organization. The outcome: inaccurate, untimely, and unreliable data generation.

In such an environment, HR’s capacity to be viewed as a strategic business partner is critically damaged. The imperative is HR must have the ability to gauge the effectiveness of its initiatives on the organization. If the bottom line impact, and return on investment can’t be delivered, there is one outcome alone:

No Seat at the Table.



Technology Innovation and Strategic Focus

For Human Resources to streamline processes, reduce time and costs, increase visibility to data and metrics, and quantify organizational impact, innovative solutions are needed. Seeking the potential for instant value, added benefits, and forward acceleration, the right technology solution can be the answer.

The ‘right’ solution is key; a great deal of discretion must be used when implementing a technology strategy. In his book “Good to Great,” Jim Collins points out that thoughtless reliance on technology is a liability, not an asset. When used right—when linked to a simple, clear and coherent concept rooted in deep understanding—technology is an essential driver in accelerating forward momentum.” Instituting a well thought out technology plan helps HR overcome the tactical versus strategic hurdle.

Improve

Via a sound technology strategy, HR can dramatically improve efficiencies by simplifying the myriad of processes within their scope of responsibility. Once manual or fragmented procedures are dropped in favor of solutions that centralize all aspects of the process, including the management, analysis, and dissemination of data.

Reduce

The bottom line impacts of HR technology innovation are equally undeniable. The time saved from centralizing processes through a common platform translates to cost savings. Additionally, ongoing advancement of technology protocols and development standards can result in systems that are far less expensive both in ongoing usage and initial set up. Perhaps most important, deployment methodologies, such as Software as a Service (SaaS), virtually eliminate the client’s total cost of ownership by transferring the infrastructure and support cost to the provider.

Control

Data quality and accessibility are paramount. As a strategic partner, HR is tasked with decisions that directly impact organizational success. Absent accurate information, this can be an impossible task. Sound technology platforms facilitate efficient data collection and optimal data integrity, giving HR the visibility it needs to execute decisions. Technology innovation can put HR in the control tower.

Quantify

In this unprecedented economic climate, cost justification is an absolute priority. Human Resources must continually measure the impact of their policies and programs in both organizational compatibility and in economic terms.

Strategically implemented technology brings transparency to HR. Systems can store critical information that can be mined and reported, delivering effective analysis on the success of initiatives and their bottom line impact.

Have a Seat

Undeniably, Human Resources plays a significant role within an organization. However, to be looked upon as a strategic partner, HR must provide a demonstrable return on investment.

By wrapping a well thought out technology strategy around their processes, HR can improve efficiencies, bolster productivity, reduce costs and regain control. In doing so, HR can effectively measure the impact of each of their objectives and quantify their overall effect on the bottom line.

