



Renewing Faith and Trust in HR

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An anti-HR sentiment in the business media is on the rise.

Articles and commentary in top-tier publications such as *The Wall Street Journal* and *Harvard Business Review* as well as business networking websites

such as LinkedIn have been openly dismissive of the role human resources plays in organizations. When feature authors advocate “getting rid of human resources,” this anti-HR tide can no longer be ignored or dismissed. HR leaders need to pay attention to these headlines and be ready to demonstrate why human resources is a necessary business discipline and articulate the value that it provides.

When it is effective, human resources contributes tremendous business value. For example, talent management is an essential HR function that has never been more challenging or important than it is today. Performance management, employee relations and compensation services are vital functions that align human resources to core business operations. Human resources continues to grow in sophistication with HRIS and selective outsourcing helping to achieve business outcomes. These are just a few examples of how human resources increasingly provides value-added business services. Smart companies view these core strategic HR functions as non-negotiable, although they are open to outsourcing some HR functions.



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HR professionals need to counter the anti-HR headlines and demonstrate the connection between human resources and the bottom line. I propose that we address the “Get Rid of Human Resources” headlines by exhibiting the strategic business value of HR with the following five key actions.

1. Align HR’s Priorities and Actions With Those of the CEO and CFO

The C-suite is concerned about a range of key challenges and opportunities. When a successful business is poised for growth, these challenges include finding and retaining the talent the business requires, managing health-care costs, motivating employees during continued slow salary and incentive growth and staying out of regulatory hot water. Such issues are crucial to the business and represent areas where human resources makes vital contributions.

I find that senior executives have mixed attitudes toward human resources. Executives rely heavily on human resources and often want to see the department bring more business value to the table. To be effective, HR executives must be more conversant and fluent in discussing the financials of the business, including understanding profit and loss, cash flow and cost centers. Our CEOs and CFOs expect this as well as our ability to focus on the ultimate impact on bottom-line results. How we align ourselves with the C-suite often reflects whether we get (and retain) our seat at the table.

2. Focus on Managing Business Risks

HR executives must identify ways to motivate employees and maximize their contributions within the reality of a complex legal and regulatory framework. Few things frustrate innovation or stifle organizational growth more than an expensive lawsuit or inappropriate employment practices that tamp down employee and organizational productivity. Savvy HR executives must engage line managers in discussions on these matters to design a workplace that supports the needs of the business.

In my experience, outstanding HR leaders monitor and manage business risks, not just

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HR risks. Do policies and handbooks support or limit the workplace and the employees the company is recruiting and engaging? Do performance-management discussions support managers and employees in ways that nurture innovation? Do HR policies protect intellectual property? Is human resources attracting and retaining the right talent to fulfill the company’s goals and objectives? These questions and others like them must be explored and acted upon by HR leaders.

3. Cultivate Internal Constituencies

Human resources is not an island. We must build strong professional relationships at all levels of the organization by explaining and demonstrating how HR contributes to the business.

A strong relationship with the CEO can give HR leaders a solid foundation and the credibility to engage other leaders. Additionally, while there has been a growing professional respect and understanding between finance and human resources, the two functions need to continue to learn from each other’s perspective. A 2014 survey of 550 chief HR officers (CHROs) and CFOs conducted by Ernst & Young reported that 80 percent of respondents see greater collaboration between CHROs and CFOs, with 42 percent reporting “much greater” levels of collaboration. The survey also said that high-performing CHROs and CFOs communicate regularly — both formally during meetings and informally through one-on-one conversations. To build true business credibility, HR professionals must

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develop a stronger understanding of the broader business, especially the financial and business fundamentals of the organizations that we serve.

To keep their functional areas running smoothly (e.g., to help remedy staff issues that arise), line managers also need strong ties to human resources. I find that HR professionals are most effective when working proactively with line managers — for example, by offering multiple options for resolving people problems rather than issuing “No, you can’t do that” edicts. Human resources is most effective when it provides alternatives and solutions as opposed to putting up roadblocks.

4. Be Available to Employees

Business is about people and the numbers. HR’s key role is to connect with and support employees while serving as a management adviser. In my experience, open doors in HR build trust among employees so that they come to us with workplace issues before those issues blow up into crises.

With so much emphasis on cutting costs, avoiding litigation and protecting company interests, it is easy to forget that employees need HR advocacy during change initiatives. Line managers do not have the time, expertise, background or desire to handle these issues on their own. This is a proper role for HR expertise!

5. Find a Balanced Approach to Outsourcing

A common battle cry of the anti-HR brigade is to “Just outsource it!” Certainly, some HR activities can and should be outsourced. In fact, a key rationale for outsourcing routine tasks and processes is to free HR leaders and staff to focus on more strategic work such as talent management, change management and employee relations.

Fortunately, HR leaders are more willing to hire vendors to achieve the goals of business. For example, the market has many choices of valuable HRIS systems that help HR complete the necessary administrative work better, faster and cheaper. Using inventories and audits, HR can identify system inefficiencies to build a solid, quantitative business case for outsourcing solutions to address and solve these problems.

Make the Case!

The efforts outlined above will allow HR to be more strategically aligned with the C-suite and respond quickly and decisively to the priorities of the executive team. This will enable HR to influence the dialogue and serve as a stronger business partner while demonstrating the value that it contributes to the business. Most of all, when we apply these critical skill sets, we proactively make the business case for our profession.

HR professionals have never been more important than in today’s competitive business arena. We need to counter the anti-HR headlines and reinforce that we are an essential business discipline that will help a company grow, remain competitive and achieve its mission. **ws**

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