Integration and Transformation of HR as a Strategic Partner in Business Operations

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ABSTRACT

HR has undergone dramatic changes over the last few years. These include downsizing of the HR workforce, structural reorganizations, delegations of HR authority to line managers, and an influx of technology. Organisations are redefining the role of HR professional to be more consultative than rules-oriented. Increased emphasis and the need to improve the efficiency of HR services are leading to innovative approaches to redesigning HR delivery systems. This paper focuses on understanding the functions of HR and how it can transform itself and contribute in business operations and become a business partner. Since there is growing concern over how to meet organizational needs with fewer HR professionals. Competencies help organizations to focus on the characteristics their employees must possess in order to be successful. Thus, organisation do not have to "reinvent the wheel" since many existing models can be tailored to fit individual organizational needs.

INTRODUCTION:

Human Resource (HR) professionals in the Federal sector workforce are in a state of transition. "Outsourcing of human resource functions is expected to increase in 2008 after remaining relatively flat since 2005,"The cumulative total contract value of human resources outsourcing (HRO) transactions reached $ 21.2 billion in 2006 and is expected to be $25.4 billion by the end of this year," according to the study by the Everest Research Institute. Accenture, Convergys and IBM have gained significant HRO market share in terms of total contract value while Hewitt remains the market leader in terms of annual contract value, the study notes". The root of all myths lie in the way, that HR has been perceived by top line executives as 'advocates' and by shop floor workers as 'management's stooge'. It is the prerogative of the HR professionals to remove these misconceptions by acting as a vital link between the strategic and operational functions in an organization. HR professionals should be considered valuable and sought by their peers for their knowledge and solutions, substantial changes in how they work and contribute. As the progression of development in HR field continues from the reputation of administrative managers to strategic consultants, this transition has been a challenge for many practitioners (Laabs, 1997). The business of HR is changing innovative approaches are redesigned for HR delivery systems. HR's challenge is to help the organization realize success at the same time, it is also necessary to protect and leverage the investment in human capital by the way of training and development in order for organizations to benefit from employee's efforts and contributions (Byham & Riddle, 1999). . For example, HR will continue to fulfil an intermediary function between management and employees. However, evolving roles will require that HR professionals be responsible first and foremost for understanding and furthering business needs.

DEVELOPMENTAL OPPORTUNITIES FOR HUMAN RESOURCE PROFESSIONALS

HR professionals should have aspirations: unlike all other department (sales, marketing, finance, operations) HR practitioners always remains in HR. HR should aspire to be a CEO understanding the business, communicate business, and communicate the value. Most of the CEO's of the companies have broken conventions and that is the reason they are there. HR people who develop business competencies and embrace the new roles--in the process redefining themselves and their profession--can aspire to greater and much more rewarding careers than were possible for HR people a generation ago.

Human Resource Strategy Must Be Anchored towards Business: HR should talk business and not only people they should learn business of the company. In pursuit of the credibility and perceived value of the HR professional, the necessary understanding of the various business and operational disciplines is necessary for the practitioner to move from the HR administrator towards business partner. This element has become an important segment in HR leadership that the lack of business

knowledge of HR professionals has started to compel organizations to insert non-HR executives to lead HR functions (Bates, 2001). An understanding of the business climate in which the organization exists is necessary for the HR professional. Even the basic concepts related to the reading and interpreting of balance sheets and financial statements are necessary in order for the HR professional to assess the necessary people-related initiatives required (Davidson, 1999). According to Tom Keebler: "HR's reliance on technology to achieve greater efficiency and cost savings during the recession allowed it to maintain and even grow HR technology budgets in a challenging business environment.

Measures and metrics: HR should be more matrixes driven. The ability of the HR professional to establish and maintain appropriate measures and benchmarks are necessary not from the management of performance, but to communicate successes realized through its efforts and contributions. The impact of HR practices on business results can and must be measured. HR professionals must learn how to translate their work into financial performance they must create value by increasing intellectual capital within the firm, add value, not only reduce costs. Through these activities the HR professional will be considered to be a business partner versus the HR outsider (Walker & Stopper, 2000).

The Analyst: Research indicates that HR is still bogged down by administrative activities and transactional-based business (Davidson, 1999). By gaining diagnostic insight through the use of data and measures HR determines the future path of its programs and initiatives (Laabs, 1997). Through these analytical processes the professional will expect needs within the organization and plan for changes in industrial, demographic, regulatory, or other changes affecting the organization and its workforce (Bates, 2001). Once the necessary analysis skills are completed the HR can use the necessary problem solving, application of record keeping, technology, and solicitation of outside resources in order to meet current or impending challenges (Davidson, 1999).

HR can take to engage their employees, clearly articulate the goal: HR professionals should join with managers in championing HR issues of an organization They should invest in an HR department as part of its strategy to deal with the human issues of the enterprise, it should also make sure that the HR department has a "business plan" to achieve the same.

HR professionals should be challenging, confrontative as well as supportive: It is the job of HR to define the kinds of sharing behaviours expected of people. Benchmarking and sharing practices are not enough. Real value comes from implementing these practices fully and quickly than everyone else and building on them to create a unique advantage. The primary HR role is to create an environment in which employees are committed to the success of the enterprise that employs them. It's about developing forms of attachment with people that make them a

want to work there and contribute willingly. It involves using teamwork and establishing peer review systems that provide employees with a meaningful voice in decisions that affect them. It involves engaging employees in the change process and giving them a voice in shaping their future.

Globalising HR Processes: Global staffing and global leadership development are the two components of global human resources with the greatest potential for powerful leverage for global firms. In both the areas, a major paradigm shift is required in comparison to the traditional perspective. Global Staffing: While it may be obvious that global firms will need more and more employees with "global brains", translating this attractive vision into operational reality, is not simple. Making a rational business case concerning the future need and use of global managers is one of the critical decisions the global HR function and business leaders must make together. (1) developing a global mind-set inside the HR organization, including a deep understanding of the new global competitive environment and the impact it has on the management of people worldwide; (2) aligning core human resource processes and activities with the new requirements of competing globally while simultaneously responding to local issues and requirements; and (3) enhancing global competencies and capabilities within the HR function so it can become a borderless business partner in rapidly exploiting business opportunities worldwide.

Human Capital Manager (HCM): No capital is as important for bottom-line profitability as human capital. The importance and impact of human capital in an organisation has been understood and reiterated time and again. Every organisation today is working towards ensuring that their human capital is valued, thus adding to their bottom-line profitability. The evaluation of human capital is in effect, a measurement of an organisation's productivity and effectiveness. Organisations are increasingly trying to evolve the right metrics on evaluating the value generated by human capital. Key Performance Indicators (KPIs) that are directly cascading from the business's financial targets. human capital evaluation must be a clearly articulated role expectation for the chosen 'champions'. 'Splintered attention' as Peter F Drucker once put it, is not going to help,"

HR should be more towards e-HR: HR executives are increasing their commitment to talent management and the HR technology supporting it, according to Towers Watson, the global professional services company. Their 13th annual survey of HR service delivery trends and practices found that human resource departments are more confident than ever in the value and efficiency resulting from enhanced talent management systems. The migration of HR processes from being manual and administrative to more automate and self-service in nature. David explains, "The growth of e-learning as opposed to traditional instructor-led training is indicative of the globalization of organizations, along with multi-geography teams comprising different nationalities and cultures.

The Human Resource Department Must be Known as an Organization that Anticipates Change and Understands what is Necessary to Implement it : The HR function must understand the process of change. It must work closely with line managers who are leading change and assist those who must implement change but seem reluctant to do so. HR can help managers appreciate that people do not resist change much as they resist both being changed and the top-down approach often being used to introduce change. HR should help managers understand that involving employees in the change process energizes them, draws on their know-how, and helps produce a sound result. HR people should be viewed as thoughtful and enthusiastic advocates of the changes and new ideas that contribute to the success of the business.

Human Resource Executives must accept that Constant Learning and Skill enhancement are essential to their being Contributor to the Business : The speed of change makes the half-life of much business knowledge so short that constant learning and skill enhancement are necessary. The competen-

cies required to effective human resource executives include not only functional expertise (compensation, management development, etc.) but also business knowledge, financial understanding, consulting skills, and interpersonal skills. People in HR positions must continuously expand their know-how and avoid the mistake of carrying old skills, notions and styles nostalgically forward. HR must lead the discovery of new ways for mobilizing the talents and energies of employees so they are able to contribute more. HR must promote the idea that for people to be effective as employees, they have to be managed effectively as people.

The Effectiveness of HR depends on its staying focused on Issues rather than on Personalities: Much resentment and hard feeling can be avoided by keeping issues rather than individuals, the topic of discussion. Regardless of how one may feel, it is less argumentative to keep the discussion objective and at a matured level, rather than finger pointing or buck-passing. Similarly, it is valuable to learn to disagree without being disagreeable. A recommendation made by a colleague that has negative human resource consequences can simply be opposed or it can be acknowledged and countered with other recommendations that accomplish the same objective but don't have the negative aftermath. It is particularly important to stay open-minded because invariably there is more than one good solution to a business issue.

Competency based behavioural interview: The goal of any selection interview is to learn enough about a candidate to be able to predict future-on-the-job performance and behaviour. That information can then be used to make an informed hiring decision or recommendation. Behavioural interviewing is a technique based on the idea that candidates' past and present behaviour. It is the best predictor of how they will behave in the future. But behavioural traits don't appear on a resume — they can only come from an interview. Furthermore, interviewers need to obtain repeated examples of behaviour to confirm they really exist. Behavioural interviewing helps get at the "how" and "why" behind a candidate's performance. Competency-based behavioural interviewing uses "competencies" to describe behavioural qualities. Examples include analytical, problem solver, team player and customer-oriented. Behavioural competencies should be used to describe job requirements as well as to evaluate candidates after an interview. This in turn will help HR plan towards business partnership.

Web-based HR Business Partner Portal: help HR staff improve their performance and proactively partner with the line. This portal contains customizable presentations, sample communications, line manager interaction guidebooks, diagnostic checklists, and other Human Resources Business Partner (HRBP) support materials.

Quarterly benchmarked feedback: organizations receive on how HR is performing, segmented analysis customized to their organization, individual HRBP performance feedback, and an online resource centre with decision support tools to improve the performance of individual HRBPs. HRBP Corporate Leadership Council Managing Director Nicholas Connolly said, "Through our 2007 research, we have identified an improvement of up to 14% in business-unit profits when HR effectively supports line managers. However, fewer than 10% of line managers indicate that their HR Business Partner provides effective support.

HR professionals will need to start small in their efforts to demonstrate hands-on competency in business matters. "Go visit your customer, spend a day shadowing your customer. What kinds of things are they dealing with? How can you help" measure and analyse how well employees are matched with the talent needs of these managers? "HR people need to be very savvy in terms of the relationships they strike up," says Lynda Ford of the Ford Group, an HR consulting firm in Lee Centre, N.Y. "Build internal relationships" not only to learn the business but also to improve your image.

Business cases for HR transformation. A business case is a "tool by which HR can engage with business colleagues," using hard return-on-investment data and clear articulation of the nature of change. Practitioners talk about the need to address real business issues, the importance of timing your business presentation and ensuring that HR customers buy into any changes, including cost/benefit analysis, definitions of risks and assumptions, and a delivery plan for HR services. HR needs to identify tangible benefits and show who receives them. (2005).

Understanding global culture: HR professionals will have advanced acumen in international business practices, international labour laws, multicultural sensitivities and multiple languages. HR professionals will need to be knowledgeable of other cultures; languages and business practices to help their companies find and enter more markets.HR people will have to understand other cultures and help people work with, and transfer among, various cultures. Cultural understanding and sensitivity will become much more important for the HR professional of the future, whereas multiple language ability isn't going to become a necessary competency.

PCMM(People Capability Maturity Model) for Competence evaluation
The primary objective of the People CMM is to improve the competency of the entire workforce. This can be defined as the level of knowledge, skills, and process abilities available for performing an organization's current and future business activities. This application of this model will in turn help the HR Professionals to understand the business and workforce better.

HR AS STRATEGIC BUSINESS PARTNER
In order to brand HR as strategic business partner, HR leaders would need to possess certain qualities**.** While past accomplishments may be noteworthy, the HR leader should focus on future challenges and business strategies. To develop an influential department, the leader must have the following qualities

1. **Clarity of thought and sense of direction**. HR leaders must be able to see the bigger picture and may work as one of the major growth engines for the organisation.
2. **Business acumen**. The word acumen means "keenness and depth of perception, especially in practical matters." Business acumen is thus, an art that may be cultivated with regular practise. It is an art of linking an insightful assessment of the external business landscape with the keen awareness of how to enhance profitability and then executing the strategy to deliver the desired results.
3. **Patience**. In an interview for Fast Company magazine, Steve Ballmer, chief executive officer of Microsoft, emphasized the importance of patience for succeeding in business. He explained that products and businesses go through three phases: vision, patience, and execution. And he said the patience stage is the toughest and most uncomfortable.
4. **Fairness.** In a turbulent global economy, the dilemma among the business and HR fraternity continues especially in cases when the decision is either to indulge in unfair practices, implement short-term strategies and quick fixes,

or to take a patient, long-term approach towards sustainable development. Though there is always a freedom of choice, the consequences are usually correlated to the path that either the business or HR chooses.
5. **Self- discipline**. HR leaders will normally be confronted with situations requiring negotiation. Self-control is the essence of negotiation. In his piece of work titled, "The art of self-control a key to success" published by Harvard Business School Publishing, author William Ury (cofounder of Harvard's Program on Negotiation) states, "When negotiating, especially when discussions are emotionally charged, the best strategy comes in not reacting. Focus on your own objectives and how you can best achieve them, and step back from the situation as needed to gain new perspective. The greatest obstacle is not the opposition; it is ourselves."
6. **Risk-taking ability**. Risk taking is an integral part of business and life. It is thus, quite relevant for HR leaders to take calculated risks in dealing with people and impacting the bottom line of the business.

CONCLUSION AND RECOMMENDATION
Indeed HR is in a Transition stage the practitioner will have to develop others within the organization to provide results that is rewarding to all stakeholders. Although risk taking is not considered to be typical of HR professionals, the practitioner have to realize the similarities they have with other business professionals in the spirit of entrepreneurialism. Competencies can offer the HR practitioners an opportunity to define excellence and demonstrate the value they bring to their organizations. This will inevitably be rewarded with that ever-elusive 'seat at the table'. They must work to baseline existing HR service delivery system and performance. Measure the impact of HR on business and focus on HR objectives that support business goals and gain the maximum from HR spend.

A key HR role will be managing increasingly scarce human and intellectual capital. HR functions will take 360 degrees turn thus evolving and taking a key position in Strategic Decision Making. With functions like recruitment and payroll taking a backseat to more demanding functions like employer branding, talent grooming and succession planning, this dream could actually come true. HR professionals along with knowing their theory inside out have to also gain a deeper and more wholesome understanding of their internal and external environment. As for getting a seat at the table, only time will tell how well professionals in this function manage to administer their new roles However, it is an uphill task for HR professionals to fight perceptions that the HR department is still back-office in nature, and strategic HR is limited to compensation and benefits related matters. HR managers are caught on the back foot in times of recession when their budgets are hacked. If HR deploys HR tools as business processes, they can clearly show the result. No company can ignore savings in hard cash. If a chief HR manager has to do this, it will change his core audience. The ultimate goal of this transformation is "the integration of HR becoming good business people and business people becoming good HR people.

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