



**The High Value Strategic Agenda
for HR is Clear, but Even Harder to Realize**

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Whether you are the HR director, the experienced senior generalist or a junior practitioner, you no doubt have a strong desire to work on aligning HR practices and policies with the needs of the business and make a demonstrable impact on the organization's bottom-line.

However, how often have you as a senior leader in HR thought how much more effective your organization could be if the team you are leading could bring in that new performance planning and review system or competency framework that you know would improve the ability of the organization's managers to set objectives for groups and individuals and improve overall organizational performance? How often have you discussed with your staff how much more effective the organization will be when you implement reward and recognition and communications practices that will motivate and satisfy the workforce and reduce costly turnover?

Too often, a common complaint for human resources groups is how to get beyond the day-to-day pressing and urgent issues to where they as a group can marshal sufficient time and resources to focus on the truly strategic priorities that impact the organization's financial well being. These same initiatives are those that the business managers and employees are asking HR for assistance on as well as recruiting to fill jobs as the business grows or people move on when they find the organization not meeting their expectations or needs.

Our observations of what HR groups commonly face, based on discussions with executives and HR leaders the world over, can be summarized with the old adage that "the more things change, the more things stay the same". In today's modern and fast-paced corporation people are working harder and longer, just to maintain the status quo, forgetting for a moment the real goal for HR is a strategic partnership with the business and a seat in the corporate and divisional planning meetings where people policies and plans are reviewed as strategically, frequently and thoughtfully as the technology expenditure budgets.

HR professionals suggest that the high value initiatives that do most for the bottom-line and meet the needs of the business come from initiatives that impact on the entire employee life-cycle from selection to exit. In sum, if an organization can impact the critical turning points in the employee life cycle from hiring, norming, performing and exiting, there will be positive and measurable results in productivity, presenteeism (absenteeism), job satisfaction, organizational commitment, turnover and the bottom-line. Together, these ultimately influence brand value and reputation as well as impact the business financially. Put another way, the goal is a workforce comprised of fully engaged employees who are productive, challenged, motivated, skilled and trained and who can measure their learning and growth as readily as the organization can measure its bottom-line. Without HR focusing the organization to put these initiatives in place, morale suffers and the good staff simply exit at the first opportunity while many others just "exit" mentally and stay on the payroll.

This chart summarizes the best of the best HR practices and initiatives that turn talent acquisition into a strategic, competitive advantage and provide the business with highly skilled workers and managers who are highly productive, motivated and not looking, or leaving, for other jobs.

Chart 1: Best HR Practices & Initiatives

High Value HR Alignment Initiatives	Organizational Impacts
Recruiting and retention excellence	Customer Focus, Ethical Conduct, Retention
Flexible, Accountable, Collegial Workplace	Productivity, Motivation, Absenteeism, Job Satisfaction & Retention
Clear, consistent communications practices	Job Satisfaction, Organizational Commitment

While HR directors know what to do, it has been much harder for them to implement their strategic agendas given the constraints of resources and the urgent demands of hiring and other HR functions, just to keep up.

Herein lies the dilemma for HR groups – how to get the best leverage on their resources with the goal of implementing best practices while meeting the demands of the business for speeding up recruitment and orientation processes while administering other HR programs and initiatives that all take time and use up limited resources.

Our experience suggests the pathway to implementing best practices is a more strategic approach to recruiting and retention excellence and getting a better understanding of why people are leaving and to get these processes fixed first. This means strategically strengthening the candidate screening and reference checking processes and the exit interview process to find out the “real” reasons people are leaving. One approach to improvement is to take a page out of the executive recruitment handbook and use independent third-party reference checking which costs far less than executive search but gives the same return as executive ‘head hunting’ is designed to attain when hiring senior executives. Third-party firms with properly trained and skilled employees get better information on job prospects and do it faster for three reasons. First, third-party firms are fully focused on hunting down the references provided and thus get higher rates of success than internal HR people who find it frustrating playing telephone “tag” while more pressing and urgent issues require their attention. Secondly, experienced interviewers, unlike the internal HR group, get better interview results because they are independent and are not directly involved in the search and they have no preconceived notions and likes or dislikes which can get in the way of accurately and fully recording the comments of the people who act as references. The irony is that the interviewers do not introduce themselves as independent and they still get better data in most instances.

Equally important, experienced reference and background screeners are adept at finding discrepancies in resumes and credentials and know how to check these out thoroughly rather than ‘glossing over’ them. In our experience, we have seen many organizations coping with fraudulent academic credentials by simply asking for photocopies for the file. The rate of exaggeration in resumes is even higher based on our research. Our firm have both background checking processes and interview templates for all job levels and types that help determine if the candidate is truthful or not as we go one step beyond to determine the truthfulness of statements.

With a better background on job candidates, the company’s interviews with prospective job candidates will be less focused on exploring candidate backgrounds as to education and prior work histories and

more on what the candidate has delivered and how well they fit the firm's values, cultures and expectations for the position they will fill. Better information means better hires. Similarly, third-party interviewers get the real reasons that candidates are leaving versus the one they give the organization – money. Money is often not the main reason for exiting when effective tools are used such as telephone interviewing or online surveys allowing for anonymity if the candidate chooses. When employees are exiting, this is an ideal time to strategically inquire into what needs to be improved and what is working well now. Organizations are now realizing that exiting staff can be future employees if the company informs the third-party interviewing firm that this is an employee they would like to get back. Our firm has a service that follows up by telephone with former good employees who say to call them back in a few months. This achieves two things. One, the former employee feels valued and will either indicate they want to come back or they might even identify other top people for the company who they know are job seeking. Secondly, a good employee is a known quantity and could get up to full speed on the job quickly if they desire to return.

Our experience suggests that organizations with annual turnover rates in excess of 10% should introduce third-party telephone interviews and possibly extend this back to people who have left in the past six months.

Implementing better “front-end” and “back-end” processes for pre-employment screening and determining why people are exiting allows HR to focus resources on developing and implementing initiatives that will build flexible, collegial workplaces and achieve clear, consistent communications. As a result, immediate gains can be made with better new hires and information can be attained from exit interviews as to what needs to change quickly to improve retention rates. Measures can be put in place to prove that the new hires are staying longer which will improve turnover rates and overall organization performance. Reduction in turnover rates of the good employees will begin to show up thus strengthening the overall workforce which is key to overall organizational performance.