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What *Should* Your HR Function Be?

Many organizations struggle to define what HR should be.

What makes it so hard?

As a 30-year veteran in the HR world, I'm happy to shed some light on the topic from my own experiences. In short, I think HR as a function is grossly misunderstood by many and by the time you realize something is "not right," it is too late.

What does "bad HR" look like? Here are a few real-life examples:

- ◆ The CEO who **delayed implementation of a needed new organization design** because he was avoiding the "tough" discussion with leaders who would be negatively impacted, either due to role elimination and/or not receiving the "big" role they believe they deserved
- ◆ The CEO who **refused to terminate a C-Suite executive for inappropriate behavior** because the executive was deemed "essential"
- ◆ The executive who **argued vehemently that a poor performer must receive a merit increase** because he possesses "institutional knowledge" and denying a merit increase may trigger this employee to quit
- ◆ The COO who **withheld short term disability benefits coverage to hourly operations employees** despite this benefit being offered to others in the organization claiming it to be a "cost-reduction" decision
- ◆ The CEO who **continued to pay executives annual bonuses despite missing their fiscal targets** year over year
- ◆ The executive who **avoided dealing with conflict** within his own team thinking it would just magically work itself out and believed the team needed to "figure it out" on their own





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Bad HR can percolate for years before you recognize or acknowledge there is a problem. I like to use the analogy of a hot air balloon that suffers a minor leak; it might take a while to recognize it, but rest assured, you will “hit bottom” and fall to the ground at some point. It might just be a slow, steady decline versus the traumatic crash!

Change does not typically occur until there is a pressing **crisis** to deal with or the “crash” has already happened. It could be a wide range of events, including poor financial results, a high-profile employee lawsuit, an integration of two organizations that are wildly different, rapid growth, or a simple change in executive leadership.

Regardless of the business trigger, what do you do once you realize you need “real” HR?

First, it’s critical to realize that HR plays a unique role if allowed to do so. The HR function has access to and is accountable for the “big picture.” They must understand the business strategy and the role each function plays to deliver on that strategy. Then they can design and deliver HR strategy, HR processes, and HR practices that are aligned with those business needs.

The hidden value of HR is leveraging this business acumen and HR functional expertise to deliver on the “softer” elements, like being able to hear what is *not* being said, reading the room for peoples’ reactions, and sensing employees’ concerns. It’s this intuition and sensitivity that, if harnessed, can be a CEO’s secret weapon to success.

Good HR becomes your confidante, a trusted advisor, ideally gaining both your business respect and your personal trust. It includes telling you what you already know and simply need to hear or at times, telling you something you don’t want to hear but need to hear. Sometimes it is simply sharing what you cannot or will not see on your own. This kind of tough love is hard to find and should be cherished when you find it. HR is the best equipped member of the executive team to do this. They manage multiple relationships, balancing the need to keep the confidence and respect of their peers, while at times, also coaching both the CEO and their peers.

Talk to any CEO that has experienced a “real” HR partner and confidante, and they will tell you that they would not function any other way!



“ Good HR becomes your confidante, a trusted advisor...”

And so what **does** “strategic HR” look like?

- ◆ The HR leader **reports directly to the CEO** and is integrated as a core member of the Executive team
- ◆ HR is **led by an individual with both functional HR expertise and strong business acumen; they possess courage, ability to influence, and ability to coach the CEO** on executive team dynamics and conflict resolution
- ◆ An **organization design is in place that outlines clear roles & accountabilities**; it is clear who “owns” what and who gets to make what decisions
- ◆ The **annual performance management process is designed to hold individuals accountable** for results and **rewards are differentiated** accordingly
- ◆ A **job banding framework is in place** that aligns roles of similar scope and complexity; it is used for designing salary structures, incentive targets, and career development
- ◆ There is a **talent management process in place** that consistently identifies high potential employees, which enables succession planning and the creation of development plans for key talent

How does your organization stack up? How about your engagement with your HR leader?

The tough lesson is—act before the crisis! Don’t be the slow-leak hot air balloon! Now is the time to upgrade your HR function, ensure you have HR leadership that possesses business acumen, HR functional expertise, and the courage to influence!