

2013-2014 HCMS Scholarship

Question:

What can be done to secure the future for HR practitioners by taking into account such important factors like change, sustainability and growth?

2nd Runner Up

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HR function has continuously evolved in the past decades, from a marginal business function performing personnel management, payroll and administrative work to a critical strategic partner involved in planning and management. The HR's value has become so widely recognized that the HR profession gained undeniable weight in business operations. To further secure the future for HR practitioners, continuous effort should be made to ensure their value and contribution to the firm's well-being. The following essay will analyze what can be done specifically by practitioners and their required competencies so as to perform better and remain competitive in the industry. The factors taken into account include external and internal changes, sustainability and growth which are closely inter-related. External changes, for example, prompt the need of change within the organization which is critical for a firm's growth and sustainable operation. Thus, rather than discussing these factors separately, an analysis is done based on the current roles HR practitioners play in the industry.

Strategic Role

Mr. Gas of Euro Disney, who spent several years in senior HR roles before becoming the CEO said, "Slowly but surely, companies are realizing the

importance of people, and the role HR can play in strategy". In order for HR practitioners to secure their futures, they must position themselves as a strategic partner rather than performing only supportive functions. Currently, however, only slightly more than half of CEOs believe that the head of HR is a key player in a company's strategic planning, although 70% of them want them to be key players. This means that HR practitioners may have to strive harder to live up to everyone's expectation.

As strategic partners, HR professionals should participate in the mission identification process and contribute unique information needed for organization growth or change. Due to the rapidly changing business environment, firms have to react proactively and accommodate external changes to maintain their competitiveness and sustainable growth in the industry. Therefore, HR practitioners should equip themselves with broad business knowledge apart from only supplying competitive intelligence and information relating to human resource strengths and weaknesses. This not only makes them more convincing as executive members, but also allows them to introduce practical insights and comprehensive overviews to the strategic planning process. Related to this is sustainability planning which comes to spotlight in recent years. Sustainability planning can appear in many different contexts, including environmental sustainability, corporate sustainability and sustainable development, which ultimately results in positive organizational outcomes. These can be in various forms such as positive brand image among stakeholders, financial or cost advantage and environmental protection. The process of promoting sustainability involves shaping the organization's behavior and culture which is a personnel related issue that HR again becomes an ideal partner. However, a recent research shows that HR involvement in creation and implementation of strategic sustainability programs contributes only to 6% and 25% respectively. This shows that HR practitioners should indeed demonstrate their value by being more proactively involved in the strategic planning for companies' betterment.

A brilliant strategy cannot be proved on paper, but through its exemplary result in practice. Hence, HR should ensure that they are efficient executors. A fundamental example is that HR practitioners should ensure that their practices are aligned with the business goal and other functional units so that strategies are implemented promptly and eventually lead to the company's success. Since this implementation process always encounters initiative

problems and process or cultural changes, details of execution and improvement will be further analyzed in the next section, “Change Champion”.

HR practitioners should monitor and control executions and make corresponding adjustments. In a performance-based culture nowadays, it is particularly important to demonstrate added value to the company in a systematic way by establishing metrics or KPI that quantify the financial values brought to the company. Such indicators also benefit the tracking and monitoring implementation process as HR practitioners can make necessary adjustments once the results deviate from plans.

Change Champion

To counter both anticipated and unanticipated changes that happen rapidly in recent years, firms should be able to adapt, learn and respond swiftly. An agile, flexible and responsive organization performs best when executing strategic changes in response to changes in environment. HR practitioners, who are change agents possessing knowledge and capability to successfully initiate and accomplish various kinds of change in a systematic and sustainable way, are therefore exceptionally valuable. Through analyzing the challenges and the way to deal with changes, HR practitioners can better perform their role and therefore, secure their future.

Organizational changes always come with the change of practice. Hence, it can be foreseeable that any internal changes may face resistance due to employee dissatisfaction as their personal interests are affected by the change. HR practitioners should thus have good communication and persuasion skills to promote the desired outcomes of the change. By reshaping vision and reasoning the need of change, HR practitioners can create an aspiration, and hence reduce dissatisfaction and resistance among employees. For example, by informing employees the company plans in an easy-to-read format, uncertainty and distrust among them may be removed. Furthermore, HR practitioners may put forward needed structures, processes and approaches to support change management. For example, the “Real Time Strategic Change” proposed by Robert W Jacobs, is a principal-based approach to achieving rapid, sustainable, organization-wide change.

Compared to new initiative and process change, transformation of organizational culture goes much deeper and slower. Recently many

organizations want to implant sustainability concepts into their company's value and culture. This involves changing many company practices and cannot be done solely by the company on its' own, but also requires engaging employees in sustainability-related activities. A recent research conducted by SHRM, BSR and Aurosoorya shows that employees at non-managerial levels consider sustainability far less important than the top managers or executives who are responsible for formulating strategies and practices. This disconnection between different levels can be improved by engaging non-managerial employees in the change practices, such as providing them with examples of how they can benefit the company and by recognizing their efforts to increase their commitment.

Traditional HR and Administrative Role

As mentioned earlier, practitioners should adjust HR practices in accordance to strategic changes in daily operation, such as by redoing the appraisal form or job description to reflect desired competencies and behaviors, re-conducting the training needs analysis or including them in the remuneration package, etc. Even if the current practice already aligns with strategic goals, HR practitioners should also evocate company growth by motivating employees to actively engage in their work and contribute to the company. According to a report from Gallup 2011-2012, only 6 percent of employees in East Asia are "engaged" in their work. This means that HR practitioners have many opportunities to improve business outcomes. Compensation and benefit policies are the strongest predictor of sales growth, followed by empowerment, information sharing, selective hiring and training and development. By striking a balance between the above factors and financial expenditure, the optimal set of practices in utilizing human capital and improving company overall performance can be introduced, in turn securing HR's future.

HR practitioners should also make continuous investment in HR technology, such as ERP, MOOC, automation of payroll calculation and HR mobile app development which can streamline the process, and hence deliver comparative value at a lower cost and shorter time. Although this may sound very appealing to enterprise, the result can only be achieved when HR practitioners possess proficient learning abilities to adopt and accommodate the technology. To maximize its effect, HR practitioners also need to synchronize it's usage throughout the organization by simplifying the tools and

content so that employees can easily access them. Whenever necessary, HR practitioners need to organize training sessions regarding the new technology that the company is currently using so as to ensure all employees understand the new system. By making good use of technological advancement, HR practitioners can demonstrate their value through increasing company's efficiency and reducing cost.

As for regulation and political changes, for instance, increases in minimum wage and controversial issues like insourcing migrant workers and change in MPF mechanism, HR practitioners should on one hand, be aware of the changes to avoid violation of labour law, while on the other hand, anticipate their impacts to the organization and formulate respective strategies in advance.

Talent Management

Human capital is the most valuable asset in companies. The roles of HR include spotting potential employees and retaining their talent, which is critical for an organization's growth and development. However, as pointed out in Predictions in 2014 report, global human capital shortage become the number one issue in CEOs' list while the situation in Hong Kong is predicted to be more severe due to low birth rate. HR practitioners can further secure their future through addressing this concern in several ways that are summarized below.

As the Baby Boomer generation enters the retirement age, it generates huge impacts on the recruitment process and also the current aged talents. It is foreseeable that life insurance and recruitment expenses will increase in coming years. To achieve efficiency, HR should conduct analysis of an organization's entire workforce frequently, identifying critical positions and the impact of business development on workforce requirement. This helps HR spot the gaps before they emerge.

HR has to start recruiting or developing talents to fill the positions in time. Despite the new social recruiting methods and talent network, like LinkedIn and Tweeter, which can facilitate the recruitment process, 57% of employers in Hong Kong still experience difficulties in finding right candidates due to shrinking of workforce. Facing the difficulty, HR may have to lower the bar for hiring staff or offering a competitive remuneration package to attract applicants while providing training afterwards to equip them with the desired competencies. However, in the long term, this may not bring much value to the

company. Instead, HR can better deal with the problem by launching internship programs to attract and retain young talent after their graduation. Apart from that, by promoting positive employer brands through sustainability programs, the firm can have competitive advantage in attracting top talents, improving employee retention and developing future leaders since talents are more willing to work in companies that value sustainability and support good working ethics.

HR may consider extending retirement age. As aged employees generally have ongoing loyalty and lower turnover rate, it is worthwhile for HR practitioners to evaluate the value of aged workforces. HR may also consider hiring housewives with high qualification by offering them flexible working hours. The most effective way is to establish a sustainable supply chain of talents through internal training and development, where employees can acquire competencies and skills. This not only allows employees to have better performance in their current position, but also prompts career advances, allowing sustainable corporate growth from the firm's perspective. This can create a pool of internal candidates for the selection process, reducing the time and cost of hiring and raising morale of the team by increasing talent mobility.

Conclusion

To summarize, facing the rapidly changing environment in political, technological, economic and social aspects, HR practitioners should secure their future by having continuous improvement in the above four roles which can deliver additional value to the company. As a strategic partner, professionals should be well equipped with business knowledge and take larger roles. As a change champion, practitioners should have good communication techniques to engage employees into adopting changes in accordance with corporate strategies. As for traditional HR and administrative roles, HR practitioners can make good use of technology advancement to streamline process, while being aware of the impacts of regulation changes to company practices. Finally, in managing talents, HR practitioners may have taken multiple approaches to ensure sustainable supplies of talent. It is foreseeable that HR practitioners will face increasing challenges brought by external changes in coming years, thus it is time for HR practitioners to keep up their pace or even go a step further as these challenges will be critical in proving their importance in businesses, so as to effectively secure their future.

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