

2016-2017 HCMS Scholarship

Question:

Critically discuss how HR professionals can contribute to building business resilience in the challenging economic environment.

2nd Runner Up
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Introduction

Definition of business resilience

Business resilience can be defined as the ability to adjust easily to change. The key to resilience rests in maximizing the ability of systems and processes to effectively support a business under any adverse, fast changing, or unexpected condition. It is also defined as the ability an organization has to quickly adapt to disruptions while maintaining continuous business operations and safeguarding people, assets and overall brand equity. (Rouse, 2014)

Many companies generally reckon that only the top management should be involved in business resilience. They are rarely willing to invite HR professionals to engage in business resilience as they reckon that HR professionals are just responsible for workforce planning, recruiting, training and compensation. Nevertheless, HR professionals are equipped to face and deal with the dynamic changes of business environment. Hence, it is better for companies to invite HR professionals to engage in business resilience rather than just require HR professionals to carry out their daily practices.

Roles of HR professionals in building business resilience

Today's organizations cannot afford to have an HR department that fails to contribute to lead modern thinking and contribute to enhance company

profitability. Due to the need of building up business resilience in challenging economic environment, HR professionals, who are considered necessary by managers and executives, is a strategic partner, an employee sponsor or advocate and a change mentor (Ulrich, 1997).

HR professionals act as strategic partners

As strategic partners, HR professionals aim to support the overall organization-wide strategic business plan and objectives. HR professionals should be knowledgeable about the working process in different departments. This strategic partnership impacts HR services such as the design of working condition, hiring, and strategic compensation. The HR professionals need to think like the businessperson, they need to cooperate with finance and accounting departments. Therefore, HR professionals need to be accountable and responsible for cost reduction and to evaluate and measure the effectiveness of all HR programs and processes (Heathfield, 2016). A successful and functional strategic partnership is effective to prevent a business recession occurs in a company. HR professionals can establish cross-training programme to coordinate different departments to be strategic partners.

HR professionals can cross-train employees on key skills and capabilities so that they can take on new responsibilities (IBM Global Services, 2009). Cross-training aims to train employees in a wide range of skills, so employees are knowledgeable the roles and responsibilities of positions on the team. When business recession occurred, cross-trained employees could fill in any positions of a team. Cross-training is useful for HR professionals to create strategic partnership with other departments and plan how to respond when business resilience occurs. By cross-training employees among all departments, Birchcrest Tree & Landscape's HR professionals run a lean and efficient HR planning. Employees are able to move into other departments when there is a need in another business area. For example, those employees who install hardscapes or do planting work are cross-trained to do tree work during winter or times when there is less landscape work. In addition to the effectiveness of cross-training, Dave Dailey, the owner of Birchcrest Tree & Landscape, commented that "While other landscape companies pay the maximum unemployment rate, ours runs low to average" (Payton, 2015). It is a successful case that Birchcrest's HR professionals have solved the problem of high unemployment rate in the landscape industry. The Birchcrest's HR

professionals have not only eliminated the need for seasonal workers but also have saved money to maximize its profitability. Hence, the strategic partner role of HR professionals can contribute to build business resilience in challenging economic environment.

HR professionals act as employee sponsors or advocates

As employee sponsors or advocates, HR professionals can enact their integral role in organizational success through utilizing their knowledge toward and advocacy of people, which includes expertise in creating positive work environment. Hence, employees will become happy and motivated, which further increasing their productivity. To perform this role, HR professionals can start by goal setting, communication and empowerment through responsibility, building up employee ownership of the organization, establishing organizational culture of which people have relative competency, commitment to serve the customers with higher quality. Besides, HR professionals have to provide overall talent management strategies, employee assistance programs, and profit sharing strategies (Heathfield, 2016). HR managers can use above methods during challenging economic environment to reduce the impact and sustain the business.

HR professionals can adopt the flexible work arrangement. This arrangement is an employee assistance programme, which consists of flexible working hours and home-base work. This will be the first step HR professionals can do. Rather than imposing standardized office hour, companies may adopt flexible time stipulated as 10am to 5pm by the Hong Kong Labour Department. Adopting shorten office hours actually benefits labour productivity since employees entrusted with higher autonomy will have stronger sense of belongings to the organization and they are willing to engage with the organization towards its business goal (Hong Kong Labour Department, 2015). Work-at-home provides employees to work effectively and attracts diversified workforces, such as women, foreigners, or even the disable, to work. Hence, flexible work arrangement can reduce the chance of employees transmitting the disease at the office, which provides sense of health-caring under the uncertainty.

HR professionals act as change mentors

As change mentors, HR professionals should be knowledgeable and able to implement successful change strategies in the challenging economic environment. They should link the change induced by the strategies, to the

strategic needs of the organization, in order to minimize employee dissatisfaction and the attitude of resistance to change. HR professionals should always consciously help to create the right organization culture, measure employee satisfaction and results of organization initiatives. It is especially important before crisis. It is because building a concrete foundation can relieve the burden of company in the challenging condition.

HR professionals can constantly evaluate the effectiveness of its department function in order to match the role of sponsors for different departments and work practices. A clear role of a department can enhance the efficiency of business resilience. Promoting the overall success of her organization after evaluation is important, especially in tough and hard time of the company. HR department should first identify the organizational mission, vision, values, goals and action plans and helps determine the measures that will tell her organization how well it is succeeding in all of these (Heathfield, 2016). It can contribute to the team spirit and morale which positively affects in building business resilience in challenging economic environment.

Contributions of HR professionals in building business resilience

Transition the Human Resources Department to a Profitability Factor

Human resources department can be the profitability factor that helps the business to produce profits by following ways.

HR professionals can be involved in different departments' activities, like participating and being the consultants in sales strategies and customer visits. In such involvement, it helps them to learn the methods on improving the process and contract negotiations by familiarizing the working of departments. Thus, they can provide some influential suggestions that help the business to earn profit.

Moreover, HR professionals have a strong value to ensure the stability of talented employees. To intensify their duties, HR professionals can hold all employees to have "critical numbers" achievements for business (Furlong & Moore, 2016). With affirmed contribution of employees, the risk of business uncertainty is lower. Even in adversity, HR professionals can maintain the stability of employees' contribution and make use of them to bounce back the business.

And so, HR professionals are vital on building resilience into human capital to

keep the profitability during challenging times. It is the business ability to respond and adapt rapidly to threats posed to its workforce. In the crisis, HR professionals can address the people-related components of business continuity planning, so the human capital can be kept in work and maintain continuous operations. IBM had identified that the higher ability to maintain business operation of human capital can help lowering risk in crisis. Thus, HR professionals make the knowledgeable employees to be productive asset and contribute to company profit.

HR professionals make profit to the company

By cooperating with other departments, HR professionals act as profit contributors to boost company's profitability efficiently and successfully. The followings are three examples.

First, a department of General Electric Company formed a group of HR professionals, who developed the processes and training programmes in different aspects like customer service and process improvement. They concentrate on issues which are critical for performance of their employees and external customers. By cooperating with different departments like sales and operations, they became the activator to form alliances, partnerships, and agreements. The work of HR professionals improved the relationships that increased sales volume and decreased the costs. In other words, it is translated into "Preferred Provider Status". Two years later, this group of HR professionals generated the sales of \$4 million and the profit margin excess 30% (Furlong & Moore, 2016). It shows that HR department can relieve the financial burden of company during challenging economic environment.

Second, a HR team cooperated with the auditor and discovered that the collection of accounts receivable had increased from a preferred 30 days to 45 days during the past two years. Therefore, the company decided to replace the post of chief credit officer, and the HR department established criteria to find qualified talents with the ability to reduce the ratio back to 30 days. The HR department recommended suitable candidate to hire. Within half year, the company's Days Sales Outstanding (DSO) ratio was reduced to 35 days (Furlong & Moore, 2016). Therefore, capital liquidity can be enhanced which provide sufficient capital to business resilience.

Third, as HR professionals can help company to recruit the right people into the

right positions and develop relevant training programs, they help employees to improve their skills. The organization's profitability can be enhanced as the ability of employees are fully utilized. Due to the increase of profitability, the company obtains sufficient capability to cope with the challenging economic environment.

Engagement in people-focused approach to business continuity planning

The roles for determining and addressing the human dimensions of business plan stretch across companies, including policies and communication, employee education and support, and virtual infrastructure.

The first issue is for policies and communication. Companies need to analyze and record policies and activities that will be the most important to employees before crisis (IBM Global Services, 2009). For example, it is necessary to specify employees' sick leave during disaster. Also, they need to outline the crisis communication strategies through different channels such as voicemail and email.

Secondly, organizations need to address employee education and support. They can invest education programs to explain how to effectively prepare for and react to various types of disasters, such as provide training to build business resilience to respond to disaster. Moreover, companies can create a support network for employees, including counseling, medical and health services.

Thirdly, it is necessary for companies to review whether their virtual infrastructure working capabilities can satisfy employees' needs. By upgrading online equipment, communications technologies, remote support and intranet, companies can obtain competitive advantage to prepare for the unexpected adverse economic situation and respond to it as soon as possible.

Having a people-focused approach is useful for the development of business continuity plan. As a result, company can have the ability to overcome the challenging economic situations.

Conclusion

HR professionals have important roles in building business resilience. By building business resilience in challenging economic environment, HR

professionals can contribute to company profits, and engage employees to take their responsibility through people-focused approach in business continuity planning. Being a member of human resource management, I hope that HR professionals can contribute to the building of business resilience when facing the coming crisis and help companies to stand firm in the challenging business environment.

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