

Strategic Management Skills

for HR Professionals

Toolkit



Designing and Facilitating Global and Local Training,
Assessing Skills, & Coaching Senior Leaders

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Strategic Management Skills for HR Professionals

**Line and senior managers expect
HR professionals to be able to:**

**Demonstrate
personal credibility.**

Know the business.

**Develop plans that support
the business.**

**Sell strategy and
orchestrate change.**

Master HR practices.

Developing Relevant Plans

HR Strategic Planning Process

Deliverables

Step 1 Review business strategies.	<p><i>Which of these goals is critical to my internal or external customer? Shareholders? Associates?</i></p> <p><i>Which of these are most critical to achieving our mission as a company?</i></p>	<ul style="list-style-type: none"> • Listing of strategies to which you can make a sizable contribution.
Step 2 Gather data and ideas.	<p><i>How can I help to achieve this initiative or goal?</i></p> <p><i>What are best practices?</i></p> <p><i>What would we recommend in a “perfect world?”</i></p> <p><i>For what have our “clients” been asking?</i></p> <p><i>What are competitors doing?</i></p> <p><i>What is the trend in my industry or a similar industry?</i></p>	<ul style="list-style-type: none"> • Listing of project possibilities. • Understanding of client needs and expectations from first hand sources or feedback.
Step 3 Select ideas using culture criteria.	<p><i>On what criteria will my stakeholders expect results?</i></p> <p><i>What is our tolerance for risk?</i></p> <p><i>What is our budget?</i></p> <p><i>What other resources are available?</i></p> <p><i>What have we tried in the past? What is our history?</i></p> <p><i>What is our “people culture?”</i></p>	<ul style="list-style-type: none"> • Prioritized list of initiatives to undertake, linked to specific business strategies.
Step 4 Establish HR objectives.	<p><i>What can I monitor in order to know we are reaching this goal?</i></p> <p><i>What does success look like?</i></p> <p><i>Have I considered measures of ROI?</i></p>	<ul style="list-style-type: none"> • Written objective for every initiative including measures of ROI.
Step 5 Create implementation plan.	<p><i>What intermediate steps do I need to take to accomplish this objective?</i></p> <p><i>Who do I need to involve?</i></p> <p><i>How much time will it take?</i></p> <p><i>What budget do we need?</i></p> <p><i>Who needs to say “yes” to this initiative?</i></p> <p><i>Who could say “no” and why?</i></p> <p><i>How can we best approach this stakeholder for approval and support?</i></p>	<ul style="list-style-type: none"> • Written implementation and action plan with verbal or written approval from stakeholders.

Selecting HR Initiatives

Cultural Criteria

- Risk tolerance
- Past experience with similar initiatives
- Budget allocated
- Time allocated
- Involvement needed by non-HR staff
- Readiness of stakeholders at all levels

*Failure comes
when we don't select solutions
that match our culture.*

Establishing HR Initiatives

Measures

- Quantity
- Quality
- Time
- Cost

*You build credibility by being
specific about what you will do—
and then doing it.*

Action in Goals

- | | | | |
|--------------|-------------|---------------|---------------|
| • Administer | • Handle | • Participate | • Revise |
| • Analyze | • Identify | • Perform | • Rewrite |
| • Arrange | • Improve | • Present | • Set up |
| • Compile | • Increase | • Process | • Sell |
| • Conduct | • Initiate | • Program | • Standardize |
| • Coordinate | • Invent | • Publish | • Streamline |
| • Create | • Launch | • Reduce | • Supervise |
| • Design | • Lead | • Reorganize | • Teach |
| • Distribute | • Maintain | • Research | • Train |
| • Estimate | • Negotiate | • Resolve | • Write |

HR Measures of Efficiency

Adapted from Dave Ulrich "Measuring Human Resources: An Overview of Practice and a Prescription for Results"

Absenteeism rate by job category and job performance	Number of training days and programs per year
Accident costs	Offer-to-acceptance ratio
Accident safety ratings	OSHA audits
Average employee tenure (by performance level)	Percentage of and number of employees involved in training
Average time for dispute resolution	Percentage of employee development plans completed
Benefits costs as a percentage of payroll or revenue	Percentage of employees with access to appropriate training and development opportunities
Benefits costs/competitors' benefits costs ratio	Percentage of new material in training programs each year
Compliance with technical requirements of affirmative action	Percentage of payroll spent on training
Compliance with federal and state fair employment practices	Percentage of performance appraisals completed on time
Comprehensiveness of safety monitoring	Response time per information request
Cost of HR-related litigation	Sick days per full-time equivalent per year
Cost of injuries	Speed of salary action processing
Cost per grievance	Time needed to orient new employees
Cost per hire	Time to fill an open position
Cost per trainee hour	Total compensation expense per employee
HR department budget as a percentage of sales	Total HR investment/earnings
HR expense per employee	Total HR investment/revenues
HR expense/total expense	Turnover by recruiting source
Incidence of injuries	Turnover costs
Interview-per-offer ratio (selection ratio)	Turnover rate by job category and job performance
Lost time due to accidents	Variable labor costs as percentage of variable revenue
Measures of cycle time for key HR processes	Worker's compensation costs
Number of applicants per recruiting source (by quality)	Worker's compensation experience rating
Number of hires per recruiting source (by quality)	
Number of course taught by subject	
Number of recruiting advertising programs in place	
Number of safety training and awareness activities	
Number of stress-related illnesses	

HR Performance-Driver Measures

Adapted from Dave Ulrich "Measuring Human Resources: An Overview of Practice and a Prescription for Results"

Access to business information to facilitate decision making	leadership competencies
Adherence by the workforce to core values, such as cost consciousness	Extent to which HR does a thorough job of pre-acquisition soft-asset due diligence
Average change in performance-appraisal rating over time	Extent to which HR leadership is involved early in selection of potential acquisition candidates
Change in employee mindset	Extent to which HR measurement systems are seen as credible
Climate surveys	Extent to which information is communicated to employees
Consistency and clarity of messages from top management and from HR	Extent to which the average employee can describe the firm's HR strategy
Customer complaints/praise	Extent to which the average employee can describe the firm's strategic intent
Customer satisfaction with hiring process	Extent to which the firm shares large amounts of relevant business information widely and freely with employees
Degree of financial literacy among employees	Extent to which top management shows commitment and leadership around knowledge-sharing issues throughout the firm
Degree to which a "shared mindset" exists	Percentage of employees making suggestions
Diversity of race and gender by job category	Percentage of female and minority promotions
Effectiveness of information sharing among departments	Percentage of intern conversion to hires
Effectiveness of performance appraisal processes for dealing with poor performers	Percentage of workforce that is promotable
Employee commitment survey scores	Percentage of repatriate retention after one year
Employee competency growth	Percentage of employees with experience outside their current job responsibility
Employee development/advancement opportunities	Percentage of consistent and equitable treatment of all employees
Employee job involvement survey scores	Performance of newly hired applicants
Employee satisfaction with advancement opportunities, compensation, etc.	Planned development opportunities accomplished
Employee turnover by performance level and controllability	The ratio of HR employees to total employment
Extent of understanding of the firm's competitive strategy	Requests for transfer per supervisor
Extent to which required employee competencies are reflected in recruiting, staffing, and performance management	Retention rates of critical human capital
Extent to which employees are clear about the firm's goals and objectives	Success rate of external hires
Extent to which employees are clear about their own goals	Survey results on becoming "the" employers of choice in selected, critical positions
Extent to which hiring, evaluation, and compensation practices seek out and reward knowledge creation and sharing	
Extent to which HR is helping to develop necessary	

Creating Implementation Plans

Sample Plan

Company Strategy/Goal: *Provide outstanding customer value by delivering products and services at competitive prices.*

HR Initiative/Objective: *Launch new recruiting software system by June 200X using a budget of no more than \$35,000.*

Action Item	Priority	Involvement	Time	Budget	Start Date	Completion Date
<i>Develop a listing of system needs.</i>	<i>A</i>	<i>Business Unit Managers Recruiters HRIS Staff</i>	<i>5 days</i>	<i>--</i>	<i>1/8/0X</i>	<i>1/13/0X</i>
<i>Research potential software vendors.</i>	<i>A</i>	<i>HRIS Staff</i>	<i>5 days</i>	<i>--</i>	<i>1/20/0X</i>	<i>1/25/0X</i>

Prioritizing

- Time: sequence or amount needed to complete
- Effect or impact on goal to which it is linked
- Importance of and needs of stakeholders involved
- Resources available
- Personal energy available

Time in Plans

- Over estimate when planning by 25% if you have no past experience upon which to call.
- Estimate based on a six-hour work day.
- Plan to have no more than three projects or goals to be accomplished with the same timeframe.
- Track actual time on achieving goals in order to estimate more accurately for future similar goals.

Selling Strategy and Orchestrating Change

Stakeholders

- Employees
- Direct reports
- Peers
- Customers
- Bosses/Superiors
- Shareholders/Investors/Owners
- Vendors/Suppliers
- Regulators
- Union Representatives

Getting Agreement

**Open the discussion.
(Preview)**

**Give your interpretation
of company strategy.**

**Share department initiatives
and action plans.**

**Ask for reaction and
listen to response.**

**Make edits during discussion
as needed.**

**Ask for sign off or support.
(Be specific.)**

Establish follow up actions.