

How to Tune Up Your Human Resources Department

In my 34 years working in and around human resources, I've found that most HR departments are mired in power struggles, bureaucratic programs, and miscellaneous special projects when they should be focused on one objective: **maximizing organizational performance.**

It's tempting to blame this sorry state of affairs on HR alone. But the fundamental reason has to do with lack of leadership by companies' senior managers - the CEOs, COOs, and company presidents whose jobs are to focus the various departments on accomplishing the organization's goals.

As a remedy, here are five steps to help direct and get more value from your HR department.

Step 1: Set a clear mission. The department's mission should put responsibility for business outcomes front and center: "HR's responsibility is to ensure that our human resources are more talented and motivated than those of our competitors. HR's performance will therefore be measured by comparing the company's sales, profits, and productivity with those of our top two competitors."

Step 2: Get rid of the distractions. Outsource costly, labor-intensive chores like benefits, payroll, and salary surveys so that HR can focus on attracting, motivating, and retaining superior employees. Suppress the urge to assign special projects to HR, things like implementing TQM or reengineering, or programs to imbue the "seven habits." Kill this stuff before it has a chance to grow in HR's fertile soil.

Step 3: Assess HR's technical knowledge. Check to see if your HR people have been keeping up with the literature in the field; if so, are they applying their knowledge to benefit your company? Can they defend HR's programs, citing research from reputable journals?

Look at what the HR staff is reading. Do you see peer-reviewed journals like *Administrative Science Quarterly*, or books like *Personnel Selection in Organizations*? If the meatiest thing you can find is *HR Magazine*, you're in trouble. Ask questions of staff specialists like, "What is [competitor's name] doing to recruit management trainees?" "What's the latest research in gain-sharing plans?" or "What is the difference between test reliability and validity?" You don't need to know the answers to these questions, but HR certainly should.

Step 4: Find the right leader for HR. If you have a strong HR staff, promote a high-potential manager from a line organization. He or she will bring the credibility HR needs to make changes. If the staff is weak, you'll need to go outside to hire someone who has an advanced degree in business or industrial or organizational psychology and strong management experience. Don't be tight fisted here; there's a whole lot of money at stake. Don't make the mistake of transferring in a mid-level manager who is a "great people person" but has a marginal track record for achievement.

Step 5: Hold your HR manager accountable. You've set the goal. Now insist that it be met. Do not accept measures of activity - things like positions filled, training hours delivered, and appraisals completed on time. Require measures of accomplishment that reflect business success: sales or revenue, profits, productivity, customer retention, and so on.

If you implement these five steps, you'll see some dramatic changes. HR will abandon traditional programs that have no demonstrable impact on organizational performance, and it will create programs that boost results.

You'll also see your HR manager - under the spotlight and required to deliver - actually fire ineffective HR employees and replace them with more talented people who understand HR's true role. Ultimately, you'll see the real fruits of HR's new approach reflected in your bottom line.

By Gary Kaufman