

HR as a Strategic Partner in Business: An Effective Analysis in Current Scenario

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Abstract – HR helps in different business companies in execution of their plans and business models. HR formulates the strategy with resource management. The HR they mainly occupied with the strategic plan in decision making. In this paper, the researcher has basically inspected how HR will be a strategic partner in business.

Keywords: HR, Business Model, Decision Making

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1. INTRODUCTION

Human resource has been at the proverbial crossroad—between demonstrating strategic value and providing traditional HR services. It has somehow, been more confined to deal with routine jobs and never been viewed as a contribution to the business like other professions.

Despite with significant advances in HR technology, shared services, employee self-service, and outsourcing the function remains as a bottleneck. As the business environment grows more global and complex, the need for the quality of leadership on people and organizational issues becomes profound.

Decades of a `RITUAL`, administrative focus, lack of business acumen, little accountability and an inability to demonstrate value, leave many HR organizations unturned to take on the challenges. The pressure is growing phenomenally. All the eyes are on HR to see what happens next. It is a real testing time for HR. It has two corners lined for it either to SHAPE IN OR GET SHIPPED OUT.

The minds are hurdled with many questions

Will the function become a purely strategic business partner or the transactional work will be outsourced?

Or

Will it serve indefinitely as second fiddle or an administrative back office?

Or

Will it evolve into a cut, copy and paste of various specialties ranging from coaching to payroll administration or from compliance to training?

The future of the HR will be marked not so much by the specific programs and practices it runs, but by the overall impact it brings to the business in the areas of talent and the overall organizational performance.

It will be recognized by the value it creates in terms of employee's commitment to business and shape the focus on customers need. Though, there is no SANJEEVANI available for human problems but, one cannot deny the fact that the BUSINESS survives, thrives and is driven profitability because of HUMAN contribution.

HR's survival and success depends on the underlying four "bold roles". These bold roles though overlap but are dependent on each other. They lay foundation for elevating organizational values and make the influence of HR leaders more visible. The four key roles:

- Managing a consistent supply of needed talent.
- Driving an organizational performance, through strategic collaboration with Line managers.
- Building integrity through value creation and trust in the workplace.
- Serving as the R&D function for human capital.

2. REVIEW OF LITERATURES

Jeff Ericksen and Lee dyer (2010), in their article extend strategic human resource management thinking to theory and research on high reliability organizations using a behavioral approach. After considering the viability of reliability as an organizational performance indicator, the authors identify a set of eight reliability variables and suggest that they are especially valuable to reliability-seeking organization.

As per (Boudreau, Lawler, 2009) the Human Resource Department of any organization has three main areas of function that can be identified. These three roles over the last several decades show evolution of Human Resources (HR) department and its important key role in an organization.

Cascio & Boudreau (2008): HR leaders can make advances in their strategic role by enhancing any of the three measurement activities. It appears that there is value in a holistic approach to HR measurement in which Efficiency measures form a foundation for HR credibility; Effectiveness measures provide tangible evidence of results at the program level; and Impact provides a view of where results have their greatest effect.

Danish Maqsood Khan (2014), HR includes support for people, policies and regulations implementations inside the organization. With reference to this role they are usually engaged in taking care of individual employee administrative matters relating to payroll, leaves, insurances and other benefits.

Bowen and Ostroff (2004) and Wall and Wood (2005) have commented that, along with the research that has established a connection between the content of HR practices and organizational performance, more explanation is required about the processes that underpin the link.

As per Rasmusen & Ulrich, (2015); Ulrich and Dulebohn, (2015) and Lawler and Mohrman, (2003), Sheehan et al, (2016): To be successful in creating and maintaining a long term competitive advantage in the dynamic conditions of contemporary business environment, researchers agree that it is a necessity to look upon HR as an strategic partner.

Boudreau and Lawler (2009) states: "It is one thing to say that HR should be a strategic partner, it is quite another thing to define what that looks like and what it takes to make it happen."

Lawler (2011, p. 171), reflects on the strategic progress of the HR professional for the 50th Anniversary edition of Human Resource Management, stated that " my research and experience tells me that for the last 20 years or so, HR has not progressed significantly in terms of its strategic role in corporations".

3. BACKGROUND OF CHANGE AND REINVENTION

The HR function has continuously evolved since its origins in the early 1900s. Its purpose and role, not surprisingly, have been shaped and refined by the demands and needs of the time. The first personnel departments delivered recruiting, recordkeeping, training, and welfare, and provided union relations.

As the awareness of the impact of worker morale on productivity evolved, "personnel specialists" expanded into the areas of motivation and incentives.

Today, the shift is even more visible, with many HR organizations moving to eliminate, automate, or outsource much of the transactional work. As this occurs, and "retained" HR has less back-end responsibility, there is greater opportunity to focus on more strategic, higher-value services. For some, these transformations mark a major turning point for HR, allowing the function to innovate while reducing costs without totally ignoring the human aspect of business. For others, the true benefits have yet to materialize as HR struggles to make the transition.

Workforce globalization, health care and pension and long term benefits reform, governance and compliance are all new issues faced by HR.

With all these pressures and complexity from within the business, there are other forces that are putting forth the pressure externally.

Viewing the major forces:

The Economy: - While some believe that the economy will improve and optimism will return, it's likely that the pressure to reduce HR costs will continue. In addition, the competition for talent—while always strong—will become more severe. The bottom line for HR is a greater focus on proving its business value. This means managing and delivering more with less. This will call for creating an infection for innovation in employees to continuously think of ideas , strategy to combat menace of uncertain trends of inflation, creating unexpected imbalance in what was planned and what will come than what should come .

Globalization and Workforce Demographics: - Today's workforce is more global, virtual, and diverse than at any other time in history. It is about to become more so. Today's talent— whether customer service representatives, radiologists, engineers, software developers, or administrative assistants—can be sourced anywhere in the world. For HR, this will mean managing new types of relationships and adapting to a highly diverse population in terms of needs, business requirements, and cultural expectations.

Business Environment: - Shifting regulatory requirements and warp-speed technological innovations are creating havoc with business processes and complicating the competitive landscape. To keep pace, HR will need to be more nimble and adept at anticipating and responding to changing business needs with viable processes. It will

have to anticipate need of change much faster before it becomes a compulsion and puts the organization out of gear. The driving MANTRA would be, one MISS in the strength of strategy can doom the Business. This would certainly call for new and multiple competencies with explicit focus on business processes and change management need to be revisited in terms of timeliness and delivery of results. It will play the role of a smart change agent.

Technology: - Global labor migration has doubled in the past 40 years, and electronic immigration is increasingly common. Technology is redefining the workplace and workday. In addition, low-cost communication and rising education levels in emerging countries make it a business benefit to consider greater outsourcing and off shoring of transactional work.

A true saying ----

“People spend two to three thousand hours a year in an organization, and that should be the setting where those social and community needs are met...when those needs are met, incredible value occurs, both to the person whose needs are met and to the organization.”

4. HR'S TRANSFORMATIONAL OPPORTUNITY (NOW OR NEVER)

Given these internal and external forces, the climate is right for HR to take hold of its future and make some bold decisions. This is the TIME to ACT & REACT.

Talent and people issues could not loom larger for businesses today. There is a widespread acceptance of the importance of talent, not only because of the re-emerging talent war, but also due to the growing recognition that human capital is the most critical instrumental key in business success. The success of any business accounts to its HUMAN ASSET.

After nearly two decades of reinvention plans, most HR organizations continue to struggle with fulfilling what all agree is the “holy grail” of the function: the strategic business partner role. Few have a clear sense of what the role entails—beyond the oft-repeated “knowing the business” mantra—but all HR professionals know that adding more value is critical to the function’s survival.

However, in order to capitalize the opportunity the HR must work on two important aspects:

Firstly, the HR must revisit its current focus on functional initiatives (e.g., benefits, compensation, staffing, and training) to more integrated strategies designed to solve specific business problems (e.g., talent, performance). This will require breaking down traditional HR silos to create teams that look at and are accountable for holistic business solutions. More often than not in tight rituals of rules, else the organizations lose its valuable employees. Ironically, the time and the

cost of hiring new one is an additional burden. It is at this point HR needs to plan innovative steps to manage such situations.

Secondly, the HR needs to track its success not by simple static metrics like program delivery or cost cutting, but by value creation—that is, an outcome the business is willing to pay for to get more of. Only by driving hard for value and outcomes can HR truly be a valued contributor to the business. Today, too much of what HR does is fragmented and without accountability. We need to project in terms of tangible factors also.

Shift in Paradigm

The Future HR not only believes in traditional working but also works on the below aspect:

Human capital R&D:- The HR of the Future is taking the lead in advanced data mining and predictive modeling of human capital processes to identify new business insights. Moving beyond traditional scorecards or dashboards that provide a static snapshot of progress, these HR functions are taking a true R&D approach—through systematic, fact-based, and scientific methods to uncover new relationships and opportunities for human capital to drive organizational performance.

Talent Hub- The HR of the Future is redefining and reflecting its focus in the area of talent by managing a smooth “human capital supply chain” to ensure the organization’s talent Hub is always resonating with a ready supply of talent to address business needs. This encompasses the daunting task of harnessing the capabilities of a more diverse, global, and virtual workforce. Leading HR organizations are breaking down barriers of bureaucratic steps in decision making process and taking a holistic approach to address the sourcing, development, and mobility of their top talent and reinventing new approaches to internalize the needed skills for both today and tomorrow.

High performance: - The HR of the Future is taking accountability for driving performance at the organization, team, and individual levels. By managing performance as an end-to-end process and focusing on business outcomes, HR has an opportunity to integrate the various components that impact performance into one framework.

This certainly calls for a much rigorous approach to establish performance expectations, linking opportunity to potential, and ensuring rewards are tailored by population. This includes newer HR areas like space management and organizational design that impact employee engagement and productivity.

Organizational steward: - The HR of the Future is assuming a renewed role in building a sense of community, trust, and integrity, and even spiritual meaning for the organization. Since people want

more meaning out of their work life, more and more companies are striving to build a stronger connection with employees and their communities.

What HR brings to the table is not merely employee advocacy experience, but a unique ability to weave together the various components of stewardship, build a stronger bond between employer and employee, and prove the long-term benefits of investing in employees.

All that sounds sweet requires hard core effort. Not only the organization faces the threats but the HR on the other hand has to come up with the upcoming challenges.

Four Bold challenges where HR is shaping

- Performing predictive analytics.
- Delivering a steady talent supply.
- Driving organizational performance through strategic collaborations.
- The values in employees' mindset coupled with integrity and trust in the workplace.

What makes these challenges particularly BOLD is not much the focus in itself, but the fact that the Future HR will drive and be held logically accountable for these areas in spirit and visibility in results.

Rather than decrease in HR's role, these four challenges expand the functions, scope and consequential impact, pushing the HR to operate more like a business. All four areas bring a holistic approach to address human capital challenges with a clear linkage to fact-based results and metrics to produce a more strategic, business-focused HR organization.

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