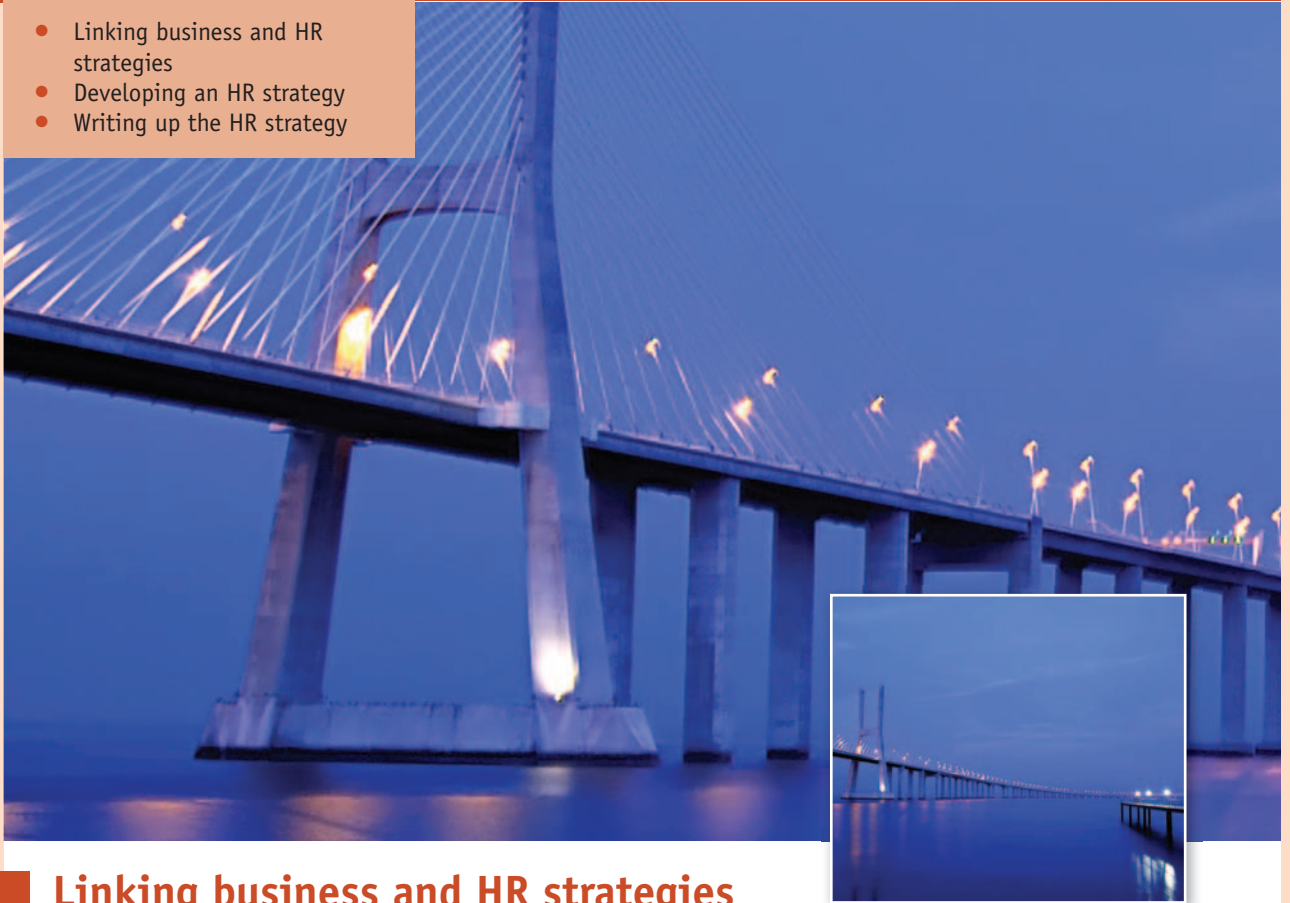


# UNIT 1 HR strategy

- Linking business and HR strategies
- Developing an HR strategy
- Writing up the HR strategy



## Linking business and HR strategies

*A strategy sets out the larger and longer-term plans of an organisation. In many organisations, HR has its own strategic plan.*

### 1 a In pairs, discuss the following questions.

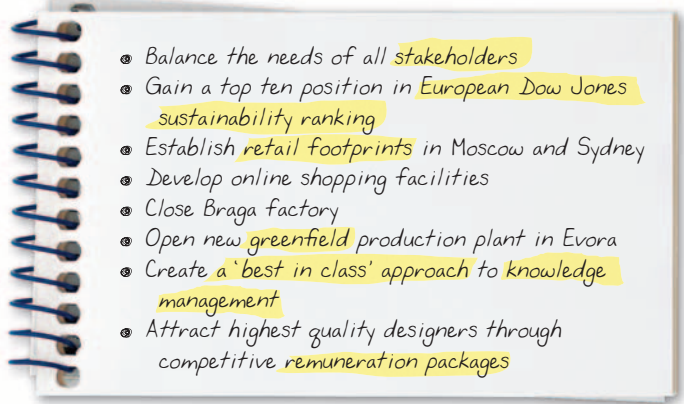
- 1 What subjects would you expect to find in a corporate strategy document?
- 2 What subjects would you expect to see in an HR strategy document?
- 3 Why is it important to link the HR strategy to the corporate business plan?

*Maracujã is an international fashion designer based in Lisbon. The business is vertically integrated, meaning that it controls all aspects of the business from the design and manufacture of the clothes to retail and marketing.*

### b ▶1.1 Listen to a conversation between the HR Director, Laura Carvalho, and her Organisational Development Manager, Chris Ellis, and answer the following questions.

- 1 Why does Maracujã need to review its HR strategy?
- 2 Which part of the strategy do Laura and Chris agree will be the most important to review?
- 3 How is the management board currently changing the business?
- 4 What does Laura ask Chris to investigate for the HR Department?

- 2 a** Read the notes Chris has made on Maracujá's corporate strategy. Use the glossary (pages 122–127) to check the meaning of the highlighted words. In pairs, discuss which issues you think will be most important for the HR strategy.
- b** HR can use a number of different approaches when creating a strategy. Match the approaches (1–8) to their main characteristics (a–h).



1	personnel	a	a paperless HR function in which technology is used to offer self-service HR
2	outsourced HR	b	the responsibility for many HR activities is given directly to managers in other departments
3	business partner	c	HR is seen as part of an overall quality management system
4	performance management	d	HR people act as advisors and project-based experts
5	e-HR	e	the focus is placed on providing traditional, transactional HR functions such as payroll, and recruitment and selection
6	continuous improvement	f	all (or most) of the HR functions are provided externally
7	devolved HR	g	HR encourages a performance culture by measuring results and building skills
8	consultancy	h	the focus is less on traditional HR functions (e.g. payroll) and more on playing an influential and strategic role

- c** Look at the strategic corporate objectives in Exercise 2a. Which of the approaches to HR strategy in Exercise 2b would be most appropriate? Why?

- 3 a** Chris is preparing a summary of the advantages and disadvantages of four approaches to strategic HR. Read the information in this extract and then complete the headings (a–d) with the correct approach (1–8 in Exercise 2b).

(a) _____	(b) _____
<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>♦ Strong management of central function</li> <li>♦ Easy to manage and operate</li> <li>♦ (1) _____</li> </ul>	<p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>♦ Limited influence</li> <li>♦ HR may be seen as self-serving bureaucracy</li> <li>♦ (2) _____</li> </ul>
<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>♦ HR plays an active role in strategy</li> <li>♦ Participates in change management</li> <li>♦ (3) _____</li> </ul>	<p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>♦ May reduce involvement with majority of workforce</li> <li>♦ Added value may be hard to quantify</li> <li>♦ (4) _____</li> </ul>
(c) _____	(d) _____
<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>♦ Creates greater ownership among managers</li> <li>♦ HR plays an important role in developing performance management systems</li> <li>♦ (5) _____</li> </ul>	<p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>♦ Performance culture needs to have high level support to work</li> <li>♦ There is a possibility of employee resistance</li> <li>♦ (6) _____</li> </ul>
<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>♦ Increased perception of HR as being business focused</li> <li>♦ HR provides quality management tools for managers</li> <li>♦ (7) _____</li> </ul>	<p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>♦ To work, the organisation needs a total quality management culture</li> <li>♦ May spend too much time measuring and reporting</li> <li>♦ (8) _____</li> </ul>

**b** Complete the extract from Chris's summary in Exercise 3a by matching the following advantages and disadvantages (a–h) to the points (1–8) in the table.

- a If results become the main focus of the culture, employee development and motivation may become weak
- b HR may be perceived as an administrative cost only
- c HR may participate in inter-departmental quality circles
- d HR staff may lack the skills to perform a strategic role
- e HR's influence and presence are increased
- f May lose sight of the 'human' aspect of HR
- g Organisational focus is shifted from effort and input to output and results
- h People understand what HR does

**c** ▶ **12** Chris is presenting the results of his investigation to Laura and other colleagues in the HR Department. Listen and decide if the following statements are true (T) or false (F).

- 1 Laura thanks the HR Department for their hard work.
- 2 The first approach Chris discusses is a traditional model of HR.
- 3 Chris agrees that HR does not have a strategic role in the personnel approach.
- 4 According to Chris, HR's main role in a performance management approach is to support managers.
- 5 Everyone agrees that a performance management approach is the best option.

**d** Read the extracts from the meeting (a–h) and say which of the phrases in bold are used to:

- 1 express mild agreement
- 2 express strong agreement
- 3 signal that the speaker is moving on to a new topic
- 4 soften a disagreement
- a **Well**, as you know, I've been ...
- b **Right**, I've looked at a number of ...
- c **Exactly**. It's clearly not the most ...
- d **There's no doubt that** these services ...
- e But really, Chris, **if you don't mind me saying** ...
- f **Yes, I'm inclined to agree with you**. Certainly, our ...
- g Good, **that sounds more like it**.
- h Hm, **I'm not convinced**. I still think ...

**4**

Work in small groups. Take turns to present the advantages and disadvantages of a strategic approach to HR for your organisation or an organisation you know well. Try to use the phrases in Exercise 3d.

## Developing an HR strategy

Laura has decided to adopt the business partner model and is developing the HR strategy document.

- 5 a** Complete the document headings (1–6) with the words and phrases in the box.

Context    HR vision and mission  
 Implementation and monitoring  
 Introduction    Key deliverables  
 Purpose

- b** Is the language in the document more formal and impersonal or more informal and friendly?

- c** Read the document again and find the singular or plural noun(s) from:

- the verbs:  
act    aim    come out  
deliver    expand    introduce
- the adjectives:  
effective    excellent

- 6 a** Read the following questions. In pairs, say which four questions you think a good introduction should answer, and why. Then read the beginning of Laura's introduction on the right to check your answers.

- 1 How will the HR strategy help the corporate strategy?
- 2 Who has written the HR strategy?
- 3 How long did it take to write?
- 4 What factors does the strategy take into account?
- 5 Why is it important to connect different parts of the business?
- 6 What does the management board think about the HR strategy?

*Maracujá*

HR strategy document

(1) \_\_\_\_\_

The aim of the HR strategy is to support and enhance the corporate strategy by realising key deliverables through HR services and actions.

(2) \_\_\_\_\_

The new strategy exists within a framework of the company's rapid expansion.

(3) \_\_\_\_\_

To work in partnership to provide you with HR excellence.

(4) \_\_\_\_\_

The strategy comprises four key elements:

- ♦ Service delivery
- ♦ Employee commitment
- ♦ Change
- ♦ Strategic actions

(5) \_\_\_\_\_

This section outlines the measurable outcomes that the strategy will produce.

(6) \_\_\_\_\_

The effectiveness of the introduction and impact of the strategy will be thoroughly assessed by HR, the management board and the cross-functional team.

The aim of the HR strategy is to support and enhance the corporate strategy by realising key deliverables through HR services and actions. The strategy has been developed in consultation with senior management and staff and takes account of lessons learnt from strategic planning in the past. As a global company, it is important that we connect all aspects of the business whilst retaining the ability to respond quickly to market changes.

- b** Read the first draft of part of the Context section of Laura's strategy document. Then read the revised version in the second draft. What changes has she made to the second sentence? Why?

**1st Draft:** The new strategy exists within a framework of the company's rapid expansion. Global economic growth within the clothing sector, and the modernisation initiative which the management board created, have driven change.

**2nd Draft:** The new strategy exists within a framework of the company's rapid expansion. Change has been driven by global economic growth within the clothing sector and the modernisation initiative which was created by the management board.

- c** Rewrite the last two sentences in the Context section below, using the passive voice of the verbs and making any other necessary changes. Then compare your sentences with the key on page 109.

Whilst we anticipate some potential constraints, we expect that we will achieve the company's change programme. This will result in us closing the Braga factory and relocating the manufacturing operation to Evora.

- d** Use the glossary (pages 122–127) or a dictionary to check the meanings of the words and phrases in the box. Then use the words and phrases to complete the four extracts of the HR strategy document below.

business partner   consultancy   flexible working   human capital management  
 human resource profile   internal customers   succession planning   transition

#### Service delivery

It is HR's intention to support a range of services that meet the needs of  
 (1) \_\_\_\_\_. This will be achieved by ensuring that the  
 (2) \_\_\_\_\_ meets the business's needs and that recruitment processes  
 maximise Maracujá's ability to attract high quality candidates.

#### Employee commitment

The strategy sets out our commitment to (3) \_\_\_\_\_.  
 As well as fostering a learning environment, a structured (4) \_\_\_\_\_ system will  
 be introduced as part of our career development programme.

#### Change

HR will lead the company and employees through (5) \_\_\_\_\_ and relocation.  
 We will provide (6) \_\_\_\_\_ practices to support managers and employees with  
 families during the period of change.

#### Strategic actions

The HR Department will play a full and active role in supporting and helping to develop strategy. We will  
 extend our role as a (7) \_\_\_\_\_ through increased strategic participation and  
 by extending our (8) \_\_\_\_\_ and advisory services.

- 7** Plan the outline of an HR strategy document for your organisation or an organisation you know well. Then choose one of the sections to write up. Use the approaches and language you have studied in this section to help you.

## Writing up the HR strategy

- 8 a** The strategy document contains a section on key deliverables. In pairs, discuss the following questions.
- 1 Why does a strategy need deliverable outcomes?
  - 2 What sort of key deliverables would you expect to find?
  - 3 What ways of measuring outcomes could be used?
- b** Read the extract below from Maracujá's HR strategy document and find highlighted words or phrases which have a similar meaning to the following definitions.
- 1 a formal phrase which means *together with*
  - 2 an investigation which finds out whether or not it is possible to do something
  - 3 a review of what the staff in an organisation can do
  - 4 something that is produced
  - 5 the practice of paying a company in another country to provide a service
  - 6 to do something in the best way possible
  - 7 organised and completed
  - 8 the way in which something is used

Delivery element: Resourcing		
Outcome	Outputs	Responsibility / to be carried out by
The workforce profile fully aligned with current and future corporate needs.	<ul style="list-style-type: none"> <li>♦ Analytical report with recommendation of workforce profile to be produced by end of calendar year.</li> <li>♦ New resourcing plan to be written by end of financial year.</li> <li>♦ Equality survey to be <b>conducted</b> and published annually.</li> </ul>	<ul style="list-style-type: none"> <li>♦ HR director</li> <li>♦ HR</li> <li>♦ External consultants</li> </ul>
Employee <b>utilisation</b> maximised to <b>optimise</b> efficiency of labour costs / productivity ratio.	<ul style="list-style-type: none"> <li>♦ Analyse current labour costs and produce report to achieve 10% savings within two years.</li> <li>♦ Conduct <b>skills audit</b> of current staff to identify under-utilised staff and skills shortages.</li> <li>♦ Carry out <b>offshoring feasibility study</b> of India and China.</li> </ul>	<ul style="list-style-type: none"> <li>♦ HR</li> <li>♦ Line managers</li> <li>♦ HR <b>in conjunction with</b> Global Strategy Manager</li> </ul>

- 9 a** The strategy document should conclude with an implementation and monitoring plan, which explains how the strategy will be introduced to the company. In pairs, discuss which factors and groups of people you think should be included in an implementation and monitoring plan.

**Factors**

Accountabilities    Deadlines    Desired outcomes    Goals  
 Key indicators    Performance targets    Revenue    Seasonal variations

**People**

Accounts Department    All employees    Consultants    Customers  
 Employee development group    HR Department    Line managers  
 Management board    Shareholders

- b** ▶**1.3** Listen to the beginning of a meeting of the HR Department and say which four factors and which four groups of people they mention.

- c** ▶**1.3** Listen again. Are the following statements true (T) or false (F)?

- 1 The purpose of the meeting is for Laura to explain her ideas to the department.
- 2 HR managers will approve the implementation plan.
- 3 The group decides not to include key indicators in the plan.
- 4 The group would like to include both managers and employees in the plan.
- 5 The group will only discuss the plan with the board after it is finished.

- d** The meeting includes several examples of proposals and counterproposals. Match the beginnings of the extracts (1–6) to the endings (a–f).

1 <b>That's true, but</b> it's not just	a some straightforward accountabilities and deadlines?
2 <b>I think, like</b> the deliverables section, <b>we should</b> build	b too complicated.
3 <b>Maybe we can</b>	c the management board.
4 <b>As long as</b> it doesn't get	d about appearances.
5 <b>So why not just</b> include	e use both.
6 <b>Good idea, but let's not forget</b>	f a matrix with a number of components.

- e** Look at the phrases in bold in each extract. Which are used to make a proposal? Which are used to make a counterproposal or qualified agreement?

- 10 a** Read the extract on the opposite page from Laura's completed implementation and monitoring plan and decide if the following statements are true (T) or false (F). Ignore the gaps for now.

- 1 HR only will be responsible for measuring the success of the HR strategy.
- 2 The success of every objective will be measured through a specific action or event.
- 3 HR promises to find new employees for positions in eight weeks or less.
- 4 The employee review scheme will be completed by the end of Q4.
- 5 The strategy may cause problems for employees with young children.

- b** ▶**1.4** Laura is presenting the HR strategy to the board. Complete the missing information from the implementation and monitoring plan (1–8) using the words in the box. Then listen and check your answers.

100%    8%    80%    attitude    framework    ongoing    open    profile

### Implementation and monitoring

The effectiveness of the introduction and impact of the strategy will be thoroughly assessed by HR, the management board and the cross-function employee development team. This will be achieved by using the monitoring process below, which identifies how success will be demonstrated and sets milestones for each goal.

#### Goal: To recruit and retain a skilled workforce

Outcome	Indicators	Outputs	Responsibility	Deadline
Employee skills and workforce capacity fully meet the needs of the business.	♦ Duration of (1) _____ vacancies	♦ Vacancies are filled within a maximum of two months.	HR / Line managers	By end of Q2
	♦ Labour turnover	♦ Labour turnover reduced to (2) _____.	HR / Line managers	By end of Q4
	♦ Skills–supply demand match	♦ Full company-wide skills audit.	HR / Line managers	By end of Q2
Learning processes meet the development needs of the company.	♦ Competence (3) _____	♦ A company-wide process defines skills and performance standards.	HR / Line managers	Develop over the next 12 months
	♦ Employee review scheme	♦ The ER scheme has (4) _____ employee coverage and produces measurable learning objectives.	HR / Line managers / Directors	Current and ongoing

#### Goal: To support ethical working practices

The business supports family friendly policies.	♦ Policy documents	♦ Family friendly policy documents provide evidence.	HR	Current
	♦ Employee (5) _____ surveys	♦ At least (6) _____ of the workforce say the company has flexible, family friendly working hours.	HR / External consultancy	Carried out annually
The business upholds and promotes equality.	♦ Equality survey	♦ Regular surveys are conducted to check equality of opportunity in the workplace.	HR	Carried out annually
	♦ Employee statistics	♦ The employee (7) _____ is socially representative and variations are rectified.	HR	(8) _____ monitoring

11

Work in groups. Plan and write an implementation and monitoring plan like the one above. Then take turns to present your plan to the group.