

## Link up for success

HR can help a chief executive create value through alignment of people, strategy and operations. By Eugene Fernandez

**HUMAN RESOURCES** professionals need to be the conduits that link people, strategy and operations in a way that pushes business success. Up to 40 per cent of the world's leading global chief executives have been removed from their posts because they were unable to make a connection between company goals and how the companies actually operated in the marketplace. Many were removed because of a failure to "execute".

Good execution depends on the interrelationship between strategy, people and operations. However, chief executives encounter difficulties in attempting to align the processes involving people with strategy. Where should they go for help? Their HR professionals.

The war for talent and the battle for retention are having a severe impact on businesses. Line managers recognise this battle, but they see HR as a cost centre and overhead. This perception is a remnant of the 1990s, but since then many HR departments have gained important efficiencies through outsourcing and shared services, allowing time for a more strategic approach.

HR's move to the rational end of the spectrum has seen a proliferation of data with hundreds of ratios measuring virtually every aspect of HR. These ratios are benchmarked against other organisations. There are also HR audits and a myriad of surveys measuring employee satisfaction and engagement. All this data can cloud HR's real value and impact on the business.

HR practitioners need to place

more effort on strategies for organisational effectiveness by trying to understand the impact of HR strategies on the business. Focusing on the impact shifts the gaze away from a focus on outputs such as turnover, training days completed, headcount, succession candidate numbers, performance interviews and the percentage of employee engagement reports submitted.

A question needs to be addressed. How does all of this affect organisational effectiveness and what are the outcomes? There are six strategies that HR professionals can apply to help chief executives execute for business success.

### 1 FOCUS ON EFFECTIVENESS STRATEGIES

HR can start where the business makes money then move to how HR can build the human capital to enable this.

### 2 LINK KNOWLEDGE TO HUMAN CAPITAL

HR can help chief executives to see how the knowledge and information that they need to assist in strategy implementation is tied intimately to human capital. They can also help chief executives keep an eye on the present while helping them to think about the potential of human capital. This can only be done if HR, in the short term, provides evidence that it is effective by demonstrating the impact of its strategies on the business.

### 3 BUILD CRITICAL CAPABILITIES

Advocate, enable and build the critical capabilities that add value to the business. These include innovative or creative risk-averse



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mindsets, a strategically focused culture, increased resilience and capacity for change, the integration of merger and acquisition activity with dynamic human capital strategies, and striving for peak performance.

### 4 ENABLE BUSINESS ALIGNMENT

Align people, values and behaviours to the performance of the business. Examples of alignment include the application of a performance management and feedback system that is linked to actions that support strategy and to demonstrable good leadership practice and behaviours.

### 5 CHALLENGE KEY PROCESSES

Business processes need to be challenged to test their effectiveness in executing business strategy. HR can achieve this by encouraging knowledge forums, assisting in the capture of intellectual capital, enabling deeper reflective thinking processes and working at building enquiry and dialogue.

### 6 BUILD EFFECTIVE LEADERSHIP

HR can help chief executives visualise leadership outcomes and disperse this within an organisation. They can engineer role modelling by senior management by being involved from conception to implementation, where they are co-opted to mentor and sponsor others. HR can connect leadership behaviour to cultural change and link this to increasing a capacity to survive and thrive.

Human capital is becoming more important for increasing value. It should be the domain of the HR professional, and requires both supporting and challenging peers at the executive table to champion and live the practices that sustain business success. ●

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