Strategic Role of Human Resources

Andrea Balestrieri

Sponsored By

APPA
Strategic Role of Human Resources

Introduction

Leaders from all sectors of business—private and public, large or small, for-profit and nonprofit—struggle to keep pace in a fast-moving, ever-changing world. Facilities management leaders are no different. They frequently face unexpected events, from small power outages to major catastrophes such as earthquakes, floods, fires, and tornadoes. Today’s facilities management organizations cope with diverse and far-reaching challenges as they work to keep abreast of advancing technology, strive to improve maintenance management, and endeavor to sustain excellence in the face of uncertain environments, personnel cutbacks, and shrinking resources.

Facilities management leaders are busy; their hectic work schedules are a reflection of the sweeping responsibilities they hold that affect both daily and long-term planning activities at the college or university they serve. Facilities management leaders shift gears quickly in order to tackle a variety of urgent or nonroutine problems while continuing to handle day-to-day operational issues throughout the workday. These conditions require dynamic facilities management leaders who recognize the uncertainty of today’s world and have the personal courage and professional competence to guide the organization through turbulent times while maintaining a level of humility to accept that there are no easy or perfect answers. The most successful facilities management leaders have the discipline to openly confront organizational troubles, and at the same time trust their people to preserve the organization.

Because of all of these factors, the need for the human resources function is stronger today than ever before. A strategic human resources professional has unlimited opportunities to support senior leaders, management, and frontline employees in today’s changing, competitive, and limited-resource environments. Human resources should be one of the most important assets in helping facilities management leaders get things done through their people.

Human Resources as a Strategic Partner

What is strategic human resource management (SHRM)? The concept is not new. Its roots are tied to a group of consultants and academics who began connecting the field of human resources (HR) management and the
field of organizational development to create HR leaders who were tactical and systemic in their thinking. SHRM means that the HR function contributes to facilities management’s strategy development by being an agent of change and organizational performance in addition to an employee advocate (Christensen, 2006, chap. 2).

To put SHRM in historical perspective, it is first important to understand the evolution of the HR profession. Strategic human resources work is relatively new in the history of HR administration. Like other disciplines, the HR profession had humble beginnings as part of a staffing function within purchasing. In its earliest days, the function existed to hire and fire people like a commodity. There was little focus on improving productivity, as that was considered the responsibility of management. As a result, little attention was paid to the needs of employees (Christensen, 2006, chap 2).

Through the 1950s and into the 1970s, HR expanded its role into hiring, compensation, benefits administration, labor/union relations, and employee relations, and was called personnel administration. As the name suggests, personnel administration focused on administrative and transactional responsibilities. Personnel managers were not routinely involved in daily decisions of the business; they hired people and attempted to keep employee problems under control and labor costs low.

Fortunately, trends emerging from the study and field of organizational development helped spread the growing awareness that happy employees make productive workers. A study conducted by PricewaterhouseCoopers referenced in Christensen’s book, *Roadmap to Strategic HR*, explains that only 19 percent of investors and 27 percent of analysts “found financial reports very useful in communicating the true value of companies.” The study includes three other performance indicators that affect the practice of SHRM:

1. Customers: Sales and marketing costs, distribution challenges, brand equity, and customer turnover rates
2. Employees: Intellectual capital, employee retention, and revenue per employee
3. Innovation: Revenues from new products, new product success rate, research and development expenditures and product development cycle

These indicators can be modified to fit the business model of facilities management within higher education. Business value in a facilities management organization may be defined and measured by the following indicators:
1. Customers: Service and product costs, department image, and customer satisfaction
2. Employees: Intellectual capital, employee retention, and added value per employee
3. Innovation: Reduced costs, improved processes, organization learning and growth

As a result of these findings, many personnel managers began to strengthen their HR work in employee behavior and development. This new emphasis led to renaming personnel administration human resources (Christensen, 2006, chap 2).

The goal in approaching HR work strategically is to ensure that management does not commit to major strategic changes or significant operational decisions without first consulting its HR professionals. As a strategic partner, HR has a crucial role in the implementation and execution of successful change and organizational performance. However, for this role to become a reality, HR professionals must have credibility with facilities management leaders. They must consistently demonstrate that they know the business, customers, and current and future needs of facilities management.

HR must help facilities management leaders envision the future and provide projections for how facilities management will meet its goals and challenges in the people side of business. Equally important, HR professionals must have the guts to direct leaders away from decisions or actions that will create problems in the people area. If HR professionals fail to manage the HR function in these ways, they are not operating on a strategic level and they cannot add value to the facilities management operation.

Becoming Strategic

HR, once believed to be an administrative function, is fundamental to an organization’s success. Strategic HR leaders address the rapidly changing conditions of the workplace and the needs of its employees. The HR function requires flexibility and competent practitioners. The strategic HR leader is both a professional in the field of HR and a competent businessperson.

To become strategic, an HR leader must first have credibility. Without credibility, HR will get nowhere in the organization. Credibility is earned by demonstrating the following:
• Advisor/Confidant – trusted and accessible to senior leaders and management so they can express concerns about anything (including supervisors)
• Business orientation – a keen understanding of the facilities management profession and the specifics of how things work on campus
• Visionary and anticipatory outlook – stay on top of business changes, operational requirements; offer time-sensitive ideas and recommendations that improve facilities management’s success
• Professional and technical competence
• HR program advocacy – champion for HR, but understand the big-picture requirements of facilities management and campus
• Innovator – if you know facilities management, you should be able to offer solutions to organizational issues and needs that go beyond the scope of the HR function; management will see value in good ideas
• Accurate and thorough work
• Committed to self-education and self-development

Strategic HR competencies to develop and/or sharpen:

• Expert HR technician and HR generalist
• Facilitator – not the leader, but one who can assist the leader(s) in making decisions, organizing priorities, solving problems, and executing ideas
• Communicator – talk, write, express, analyze, and think logically when writing and delivering information to small or large audiences
• Expert analyst and evaluator – ability to understand business and process analysis
• Psychologist – solid understanding of Maslow’s theory and demonstrates empathy
• Motivational leader – inspirational; champion of fairness and integrity in HR practices
• Project manager – an organized and excellent manager of time, projects, and priorities; tackle the difficult tasks and decisions first
• Marketer – know how and when to “toot your own horn.” In other words, know the good things that HR has done and communicate them regularly to the organization.
• Financial analyst – know how the operations and maintenance budget is developed every year; understand how new buildings are paid for and maintained; understand cost accounting principles, labor and benefits costs, utilities burden, benchmarks and matrices
• Computer expert – know where the HR data are and develop an HR person to get the data for your management team
Improving Human Resources Service Quality

HR leaders do not need sophisticated tools or measurement systems to demonstrate their value and improve HR service quality. There are basic yet critical practices any HR team can follow, no matter how big or small, simple or complex, or resource-rich or -scarce the facilities management organization is. The following foundational practices for improving HR service quality require little time, money, or mastering of new skills or systems to implement:

1. Identify your internal and external customers
2. Understand internal and external customer requirements
3. Define your HR management mission and strategy
4. Identify the right HR tasks to perform for your organization
5. Obtain regular feedback
6. Audit and improve service processes with appropriate use of technology
7. Ensure that HR team members update their skills to sustain service quality
8. Recognize and reward HR employees for doing the right work
9. Repeat steps 1 through 8 on an annual to semiannual basis to gain and keep organizational support

1. Identify your internal and external customers.

The first and most important step and probably the easiest to carry out is identifying internal and external HR customers. An HR team within a facilities management organization will have internal customers who include senior management, line management, line supervisors, employees, employee family members, current job candidates, and future job applicants. External customers may include members from campus central offices such as human resources, labor relations, payroll, benefits, risk management, and budget, as well as contacts outside the university such as staffing firms, vendors, labor attorneys, and government agencies. These are just a few examples of internal and external customers that rely on various efforts and services from the HR team. The list will grow depending on the amount of time spent thinking and analyzing who HR interacts with regularly and what HR needs to do in order to fulfill the facilities management mission effectively.

Questions that help identify HR’s customers:

- Who receives HR’s services?
- How do they use the service?
• What would happen if HR were eliminated from facilities management?
• What would happen if HR did not perform its function(s) correctly?
• How do HR’s errors affect facilities management?
• How or from whom does HR find out when it is not meeting customer requirements?
• How far beyond immediate customers can HR trace the efforts of what it does for facilities management? (Westen, 2006, chap. 3)

2. Understand your internal and external customer requirements.

Once the HR customers are identified, it is necessary to understand what they want. The value that HR provides to the facilities management organization will be defined by its customers and measured by perceptions about how well HR meets customer requirements and needs. You can learn your customers’ requirements through formal interviews and surveys or through small, informal focus groups and individual interviews.

Here are a few suggested questions to ask your customers:

• What top HR issues are important to you and why?
• What service does HR do really well?
• What part of HR annoys you most?
• What HR service should we stop doing?
• What HR service should we start doing?
• If you had your wish granted, what immediate change would you make to HR?

3. Define your human resource management mission and strategy.

The process of identifying internal and external customers and analyzing their requirements is a great start to defining and forming HR’s mission and strategy. It is a simple, cost-effective method for ensuring that the HR team’s mission and planned actions for achieving strategy and goals will be built around and connected to the goals and objectives of the facilities management organization. Understanding what actions HR must take to meet facilities management creates strategic alignment and adds substantial value to facilities management’s organizational performance.

The following is an example of a human resources management mission and strategy statement:

The human resources team provides professional and administrative leadership to facilities management’s business planning, management, and attainment of strategic goals and objectives. The human resources mission is to provide excellent business services and solutions in partnership with its customer.

4. Identify the right HR tasks to perform for your organization.
The process of identifying the right tasks to perform also involves recognizing that HR is often required to carry out traditional legal and compliance-related functions. Others in the value chain may view these functions as low to no value for the organization. A strategic HR professional will regularly ask if the task is the right work to perform and whether it is performed the right way. (Christensen, 2006, chap.1).

HR needs to take a critical look at how it is performing the following core functions in terms of quality, quantity, organizational (customer) need, and value:

- Staffing – managing the hiring and selection process, rightsizing, downsizing, layoffs
- Compensation – classification, salary administration, reward and recognition
- Employee relations – performance management, discipline, conflict resolution
- Labor relations – union relations, complaints, grievances, hearings
- Performance management – coaching, performance evaluations, management assessments, 360-degree performance feedback
- Health and welfare plan administration
- Payroll/Timekeeping
- Work/life programs – employee wellness programs, dependent care policies, flex-time programs
- Policy development and compliance
- Organizational and employee communication
- Organizational development and employee training
- Workers compensation and workplace safety
- HR Information System/Recordkeeping

5. Obtain regular feedback.

It is critical to understand that value may only be defined by the customer that is receiving the HR service; consequently, strategic HR professionals must measure value creation not as they understand it, but as facilities management employees define it. At many colleges and universities, the image and attitude toward HR are linked to HR processes, which for many are a substitute or measure of HR capabilities. HR must ask, What value did my work create for facilities management? Approaching process auditing with the intent for improvement from this perspective gives information that allows you to concentrate HR efforts on what is delivered, rather than how or why it is delivered.

Strategic HR leaders use a variety of informal and formal ways to obtain regular feedback from customers about HR services. The point of
obtaining feedback from customers is to ensure that HR is delivering services that create value for facilities management.

6. Audit and improve HR service processes

A good starting point in auditing and improving your processes is to determine the following:

- Who are the key customers of the process?
- What process flows add/detract value?

Often organizations will automate a process and deem the process improved. To improve the quality of an HR process, it is critical to understand how the customer uses the process and if or where the process breaks down. Careful analysis of each process is advised to ensure that process innovation occurs at the same time as automation; otherwise it will have little improvement value.

7. Ensure that HR staff updates skills.

The world of HR work changes all the time, and because the profession is increasingly assuming a more strategic role within organizations, the HR skill set continues to broaden. For example, strategic HR calls for knowledge of the business, expertise in the HR profession, mastery at delivering HR services, and being a change manager.

To meet these expectations, HR staff must be given opportunities to learn about what is critical to facilities management’s business strategies. They need to know what is going on in the functional areas of the department, such accounting, finance, and technology, in order to develop an insight into facilities management’s operational requirements. HR staff must also know HR work. Mastering HR fundamentals and being able to show innovation in the delivery of services demonstrates technical and professional credibility that is key for HR’s demonstration of value to the organization. HR staff must be committed to regularly updating their knowledge and skills in changing HR theories and practices to stay ahead of the curve. In the management of change, HR staff must develop skills to orchestrate major organizational change efforts and initiatives. They must be given opportunities to help facilities management diagnose organizational and operational problems while building partnerships with managers to implement change side by side with management (Becker, Huselid, Ulrich, 2001, chap. 7).

8. Recognize and reward HR staff.

The performance appraisal system that is in use throughout the facilities management department should be utilized to reward and recognize HR
staff performance. HR clearly has a unique opportunity to “eat its own cooking” through the process it typically administers for the facilities management department. This is an area of opportunity for HR to visibly demonstrate how employee performance evaluation can be utilized appropriately for the recognition and reward process. Setting performance standards, identifying employee development activities, giving feedback, and allocating rewards based on performance are all areas with which facilities management managers and supervisors typically struggle.

Strategic Human Resources Assessment

Human resources leaders are strategic and vital members of the management team. They must work together with management to champion an agenda for organizational performance through the department’s HR practices and plan. To develop a strategic HR plan, it is first necessary to ensure that HR has credibility and trustworthiness within the facilities management organization and with campus administration outside of the department, such as a central or main HR office. The HR leader in facilities management can approach the change to strategic partner much like any organizational change initiative and begin by understanding overall HR performance and facilities management’s readiness for change. A self-assessment, an external peer review of HR, or a combination of these two methods incorporating the following questions and criteria is a good starting point.

For those who are merely curious about what it takes to adopt a more strategic role in HR’s practices, the following questions will help determine whether to pursue the issue further or confirm that HR already performs at a strategic level within the organization.

1. *How valued is HR in our facilities management organization? What is its reputation and how strategic is it?*

Answers to these two questions should reveal information about how your HR team operates in the organization. For example, how do senior, middle, and supervisory leaders of facilities management feel about the quality of the HR function and its value? You may find that individual HR team members are highly valued and trusted by leaders, but that the team as a whole is viewed as too slow, lacking flexibility, and an impediment to operational progress, and has a reputation for being held back by policies, procedures, and other frustrations typical of bureaucracy.

2. *How does the work performed by HR align and support the strategy and goals of the facilities management organization and larger campus community?*
Answers to this question should reveal how aligned the work performed by the HR team is to facilities management’s operational strategy and needs. In addition, it should demonstrate whether management perceives HR efforts as a cost of doing business or as an asset required for successful implementation of facilities management’s goals.

3. **How much impact does the HR team have on facilities management's long-term strategic and day-to-day operational results?**

Answers to this question should expose facilities management management’s intuitive sense of which HR efforts seem directly related to successful implementation of operational strategy and goal attainment. If an HR effort is not viewed as adding value operationally or strategically, there ought to be serious discussion between management and HR leaders to clarify the benefits and need to continue the investment.

4. **Does facilities management have an HR plan? Who “owns” the HR plan? What roles do facilities management leaders have in planning for and carrying out strategic HR work?**

Most likely, your facilities management organization does not have an HR plan. If it does, you are one of the lucky ones. An HR plan should be developed from facilities management’s business plan, which is typically a by-product of the university’s future plans. This way, every effort is somehow connected to the overall larger goals of the institution. An HR plan should address what management believes is required in HR within each organizational area in order to move facilities management forward.

In other words, the HR plan should be a section of facilities management’s business plan, much as financial, customer service, technology, and communication plans are. The HR plan should be owned by the most senior facilities management leader and must outline what needs to be done from an HR perspective to support facilities management goals. In turn, HR leaders can prepare a plan that outlines what the team will deliver in support of facilities management’s overall business and HR plan.

5. **When facilities management leaders need help with people/organizational issues, to whom do they turn?**

The response to this question gets at the heart of whether facilities management’s management uses the HR team to analyze, diagnose, and solve people and organizational problems. If you have ever wondered why your budget and accounting group are the ones deciding which services to reduce or people to cut, your management team does not value HR beyond its traditional transactional function.

6. **What is the current practice versus the right balance between HR backing of the employee versus backing of the organization?**
Providing support to and/or being an employee advocate to advance concerns while also supporting the organization’s agenda is one of the more difficult tasks carried out by HR. If management senses that HR takes the side of employees, HR will be left out of important management planning and decision making. Conversely, if employees feel that the HR office is just an extension of management and cannot equitably resolve workplace problems, HR will not be trusted. The “us” versus “them” dynamic will surface between management and staff, which leads to stronger union influence, complaints, grievances, low morale, low job satisfaction, worker disengagement, and ultimately poor customer services.

Strategic HR management balances employee and organizational needs together because both are critical to the achievement of the organization’s goals and long-term operational strategy. Facilities management relies on the efforts and commitment of its skilled employees. The organization, at its core, is a collection of employees composed of management and individual contributors. For the organization to be successful, both must be present and have their needs met, and HR must deliver the right supports and services to its entire customer base.

7. What is the “political readiness” in our organization to transition HR to a more strategic role?

Political readiness is critical to any type of organizational change or transformation. The answer to this question should be used to identify potential political pitfalls that lie ahead and to help facilities management strategize for how best to respond. If there are powerful administrators or outside areas, such as central or corporate HR units, that will resist facilities management’s strategic HR focus, the change will be difficult to implement. It does not mean that change is impossible; it means that the department may need to campaign harder or longer to achieve its goals. Change that is sponsored by the senior facilities management leader will have the best chances of overcoming political resistance and sabotage.

8. Who will be the sponsor(s) for change and why?

As mentioned, the change to strategic HR should come from the top of the facilities management organization. When the most senior-level manager sponsors a change that he or she believes is best for the organization, the change implementation tends to be faster and more efficient. HR leaders must facilitate the change by working with the senior facilities management leader to bring line management and staff along.

9. Who will detract from this process and why?

The answer to this question is closely connected to the political readiness concerns already mentioned. Detractors may include middle and line
management, employees, central campus offices, and even HR team members. For example, line management may oppose HR’s strategic role because SHRM creates greater levels of accountability at all levels of an organization for its people, issues, and practices. “There are aspects associated with strategic HR that apply new pressures on them [line management] such as: how they manage their budget and head count; visibility of and pressure on their own management style; ability to maintain control of their organization; the potential for structure changes, and the need to fund new projects or initiatives for which they do not understand the return on investment” (Christensen, 2006, p. 38).

Employees may view a shift in HR practices as another management fad. They may also perceive HR’s new management partnership as an indication that HR can no longer represent their interests or does not care about workforce issues. In organizations where HR has protected employees, this way of thinking surfaces immediately. Finally, members of the HR team may also feel threatened about changing how they do business because they may feel that their jobs are on the line or that they have to develop new skills to keep their jobs. Some will not understand the need for the change and will disagree about it being the right direction for the organization.

However, these challenges can and should be overcome with careful discussion, planning, communication, and execution. Over time and with successful adoption of more strategic and value-adding HR activities and efforts, HR will earn the trust and respect of colleagues, employees, and customers, and eventually no one will question whether a change was needed or if it occurred—it will just be part of how facilities management and HR do business together.

A Seat at the Decision Table
To respond successfully to the challenges facing facility managers today, the facility management leadership team must strengthen existing relevant capabilities and create new organizational capacity. The capacity of the facilities organization to be responsive to changing requirements, to continue to learn, to collaborate, innovate and to work better together matters greatly. The Human Resource professional filling the role of a strategic partner who has a seat at the management decision table is most appropriately involved in helping to met these kind of organizational needs. Working as a true partner, jointly with facility management leaders and line managers, the HR professional can help create and enhance organizational performance and the ability to consistently achieve desired
results, and helping to ensure success of organizational strategy, goals, and objectives.

**Common Myths That Keep Human Resources from Being Strategic Partners**

It is no secret that the human resources field often comes under attack. The *Dilbert* cartoon has the “Evil HR Director,” and the popular television show *The Office* pokes fun at the paper-pushing, policy police reputation that the HR function represents to many people. Although HR may be perceived as inefficient, bureaucratic, and inflexible, HR professionals involved in the work understand that reality is very different.

The following table from David Ulrich’s book *Human Resource Champions, the Next Agenda for Adding Value and Delivering Results* identifies common myths about the HR function. How many of these myths are present in your facilities management organization? These myths must be overcome; wouldn’t it be more effective to have an HR team that works on the reality side of the table? Ulrich invites HR leaders to “talk less and do more; add value, not write value statements; build competitive, not comfortable, organizations; be proactive, not reactive and to perform, not preach.”

### Myths That Keep HR from Being Professional

<table>
<thead>
<tr>
<th>Myth</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>People go into the HR field because they like people.</td>
<td>HR teams are not designed to provide organizational or department therapy or provide social or health-and-happiness events. HR professionals must create practices that make employees more productive and competitive, not more comfortable or &quot;happy.&quot;</td>
</tr>
<tr>
<td>Anyone can do HR work.</td>
<td>HR work is based on theory and research. HR professionals must master both theory and practice to be effective.</td>
</tr>
<tr>
<td>HR only deals with the &quot;soft&quot; side of business and cannot be accountable for operational or strategic results.</td>
<td>The impact of HR work on business results can and should be tracked and measured. HR professionals must learn how to link their work to organizational strategy, performance and customer needs.</td>
</tr>
<tr>
<td>HR is a cost center and therefore can only control or reduce costs and cannot impact the bottom line.</td>
<td>In addition to reducing and avoiding costs, HR practices must create value by helping to improve employee expertise to meet both short and long term organizational and customer goals.</td>
</tr>
</tbody>
</table>
HR’s job is to be the policy police and the health-and-happiness patrol.

The HR team does not own policy compliance nor can it realistically enforce compliance — line managers do. HR practices do not exist to make employees happy; they exist to create a productive work place and committed work force.

HR is full of fads.

HR practices have evolved over time. HR professionals must see their current work as part of an evolutionary chain and explain their work with less jargon and more authority and influence.

HR is staffed by nice people.

At times HR practices should force vigorous debates and philosophies should be thoroughly discussed and debated. HR professionals should be supportive, but also able to confront and/or challenge situations and decisions with professionalism.

Managing people issues is HR’s job.

Managing the people issues of an organization is just as important for line managers as is budget and finance issues or other business domains. HR practice is owned by the most senior leader in the organization. HR and line managers are partners in championing HR issues.

(Ulrich, 1997, p. 18)

Conclusion

Ralph Christensen's book *Roadmap to Strategic HR* outlines five principles that are critical to an organization's understanding and acceptance of strategic HR:

1. Human talent is the engine behind the creation of all value.
2. Every business or operational issue (problem or opportunity) is a symptom of deeper human or organizational issues.
3. Human talent will be the resource of scarcity in the future.
4. All HR work must be directly connected to the business strategy and to customer needs.
5. Line management is responsible for human resources work in the organization

Progressive facilities management leaders accept the idea that human talent is the engine behind the creation of all value because all the work performed by the organization is designed, developed, and carried out by people. Facilities management leaders are constantly asked to change the way work is done in order to meet new technical and professional requirements. These changes impose stress, strain and tension on workplace behaviors and to organizational upward, downward, horizontal and outward structures.
Gone are the days when an organization can separate the heads from the hands. And gone are the days when facilities management leaders can separate “business issues” from “people issues;” they are one and the same. The traditional way of thinking about status, role, authority, control and organizational boundaries are tested every day and questioned for relevancy. The recognition of these changing work conditions and the understanding of how the “people issues” impact the success of facilities management is paramount to facilities management’s acceptance of strategic HR. Facilities management organizations that have the inherent capacity to change do so because management values human resource work on a strategic level.

For more on the complexities of managing organizational change, see APPA Body of Knowledge (BOK) Change Management by John Morris.

References
The Emerging Role of the HR Manager. Symposium conducted at San Diego State University, Extended Education Professional Development Center, San Diego, CA. April 1997.


