

Transforming HR Professionals into Business Partners

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Abstract

The HR profession makes meaningful progress in contributing to the performance of their companies. HR professionals face increased accountability for making sure that HR practices and functions align with and drive business results. HR transformation initially focused on making HR operations more efficient and effective through process standardization and technology. The next generation of HR transformation is more tightly linked to corporate strategy and to creating business value through HR services that address a company's most pressing strategic challenges. A true HR transformation is an integrated, aligned, innovative, and business focused approach to redefining how HR work is done within an organization so that it helps the organization to deliver on promises made to customers, investors, and other stakeholders. A successful HR transformation increase the value human resources add to the business. The biggest challenge for HR professionals today is to help their respective organizations succeed.

Keywords: corporate strategy, HR transformation,

1. Introduction

Organizations readily acknowledge that their employees are their most valuable assets. Given the current workforce demographics, there is a critical need for workforce planning and succession planning. This represents an opportunity and challenge for human resources (HR) professionals to undertake a leadership role in assisting their organizations. Of course, to do this successfully will require management support and sufficient resources. If human resources professionals are successful in focusing the workforce and succession planning efforts of their organizations, it will go a long way toward moving them in the direction of being seen as strategic business partners.

Working with thoughtful and innovative HR professionals who have helped their organizations and the HR profession makes meaningful progress in contributing to the performance of their companies (Dave,2009). HR professionals face increased accountability for making sure that HR practices and functions align with and drive business results. To fulfill their HR leadership role, they need to be active participants in the process of setting business strategy. They can then set direction for transformation, design a process that focuses on HR results, engage people in the process, execute to ensure transformation happens, and make sure it endures. HR professionals should also be aware of the principles of HR transformation. HR professionals who continually complain about lack of access to business leaders will never gain access. In contrast, HR professionals who understand the transformation principles present and then implement them will be in a much better position to add significant value.

Line managers increasingly look to HR for thought leadership, insightful recommendations, and practical processes for these issues. If and when they understand the principles of HR transformation, they can be more confident that HR will add value to business success and help them reach their goals.

2 Meaning of HR Transformation

HR transformation initially focused on making HR operations more efficient and effective through process standardization and technology. The next generation of HR transformation is more tightly linked to corporate strategy and to creating business value through HR services that address a company's most pressing strategic challenges (HROA Report,2007). That means anticipating critical workforce trends,

shaping and executing business strategy, identifying and addressing people related risks and regulations, enhancing workforce performance and productivity, and offering new HR services to help a company improve and grow.

A true HR transformation is an integrated, aligned, innovative, and business focused approach to redefining how HR work is done within an organization so that it helps the organization to deliver on promises made to customers, investors, and other stakeholders. This work begins by being very clear about the rationale for doing HR transformation. The rationale for HR transformation is too often from inside the organization, whereas the rationale should actually come from outside the organization. HR transformation is not a single event – it's a new pattern of thought and behavior(Allan Boroughs, 2009).

3. Transforming HR Professionals into Business Partners

A successful HR transformation increase the value human resources adds to the business (Dave,2009). The biggest challenge for HR professionals today is to help their respective organizations succeed. Therefore, HR professionals often focus internally on the function of HR rather than externally on what customers and investors need HR to deliver. If HR professionals are to truly serve as business partners, then their goals must be the goals of business.

HR transformation should begin with a clear understanding of the business context because the setting in which do business offers the rationale for the HR transformation will do. Many HR leaders launching an HR transformation have an all-hands meeting to share the vision and goals of the new HR organization(Ulrich 1997).

HR transformation by focusing on the business first. In monthly staff meetings, in performance reviews, and in casual hallway conversations, when begin business conversations by talking about the business, it sends a message: HR transformation is not about doing HR; it is about building business success. HR professionals should master: meeting current commitments, clarifying future strategy, developing core competencies, and building organizational capabilities. Real business transformation begins by responding to the general business conditions and specifically serving key stakeholders. When HR professionals start by thinking about the outcomes of their work as defined by the business context, they change their conversations with line managers and are better able to justify why an HR transformation should occur (Mare Sotkiewicz 2007).

4. Ways to Transform HR Practices

There are three ways to transform HR practices so that they have the maximum impact:

- **Align:** For HR practices to have impact, they need to be aligned to the organization's strategy.
- **Integrate:** When HR systems work together with a unified strategic focus to achieve the same outcomes, they have substantial impact on business results.
- **Innovate:** To innovate, need to keep abreast of the most recent HR practice innovations in industry and in the broader HR community.

The key issues in HR transformation: (i) Perception of HR and gaining management support for transformation.(ii) The role of information technology in improving HR.

5. HR Transformation: Dimensions Overview

A four dimensions for HR transformation to ensure that HR drives business success and avoid the pitfalls of the efforts.

5.1 First Dimension: Business Context: HR transformation begins with a clear rationale for why transformation matters. HR professionals must learn to understand and diagnose business context settings as business leaders. They need grasp general economic conditions, specific industry trends, customers and competitors moves, and regulatory and technological environments. They need to position, HR transformation as a response to real and future business problems. They need to use data about external realities and not intuition to justify the transformation. They need to partner with marketing, finance, and other staff groups to obtain data that will inform the rationale for seeking transformation. When HR transformation connects to the context of the business, it is more likely to be sustained because it responds to real needs. This means linking HR efforts directly to the business strategy and to the environmental factors that frame the strategy.

5.2 Second Dimension: Outcome of the HR Transformation: This phase clarifies the expected outcomes from the transformation. HR transformation has two types of outcomes. First, the stakeholders (employees, line managers, customers, investors, competitors, suppliers, community) expectations identified. HR transformation should play a significant part in determining stakeholder results. If the HR transformation is successful, then number outcomes can and should occur for each stakeholder. Second, HR transformation can be tracked by the capabilities an organization creates. HR transformation should also change the fundamental identity, culture, or image of the company. Outcome of HR transformation as defining and building capabilities.

5.3 Third Dimension: HR Redesign: HR transformation requires change in HR strategy around departments, practices, and people. HR redesign has three components,

- The HR function or department may need to be redesigned
- HR practices may be transformed to be more effectively or more fully aligned, integrated, and innovative.
- HR professionals may be upgraded to possess the competencies required to do their work.

Besides organization design, HR transformation can focus on work processes, governance, and physical setting. Process improvements means that HR can help reengineer business processes. These transformation efforts means flow charting and streamlining how work is done in areas related to customers, suppliers, operations, or service(Losey 2005).

5.4 Fourth Dimensions: HR Accountability: HR transformation requires that many people participate in defining a delivering the transformation. Transferring ownership to line management and on strategies for building HR's capability to create sustained change. Performance accountability becomes a firm capability when employees realize that they must meet their performance expectations. Accountability comes when strategies translate into measurable.

6. HR Professional Competencies

The most effective HR professionals appreciate, articulate, and help shape a company's culture. HR professionals respect the past culture and also help to shape a new culture. Successful HR professionals facilitate change by helping make culture happen and by developing disciplines to make change happen throughout the organization (T.V.Rao 2010).

HR departments are under increasing pressure to provide more strategic, value added services to support core corporate strategy. HR professionals are embracing the need for change; their success is largely dependent on support from other parts of the organization and from the supply side of the market. Companies need to remember that successful HR transformation is as dependent on skills such as change management, risk assessment, sourcing strategy and governance as it is on HR specific skills. Business leaders must ensure that any transformations project has access to these skills.

7. Generations of Global HR Transformation

The first generation of global HR transformation began to take shape in the mid-1990's gradually evolving from HR strategy presentations to full-blown transformation initiatives and enterprise-wide implementations by the middle of the decade. First generation HR transformation focused on changing the existing relationship between employees, managers, HR. With technology as a key enabler and process re-engineering as a mantra, this first generation effort sought to help make employees more self-sufficient, whilst asking them to take more responsibility to their own careers. It also sought to help remove HR from the middle of the employee/ manager relationship by making managers more responsible for handling their employees' HR needs. Over the past ten years, HR transformation has led to a major restructuring of HR operations and process – transforming the way HR services are delivered yet, there is still much work to do (Deloitte, 2008).

First generation HR transformation was focused inward finding ways to manage and delivering existing HR services more efficiently. First generation HR transformation represented a fundamental shift in HR role, from transactions and administration to strategy and business transformation. First generation HR transformation initially seemed pretty straightforward to the strategists and visionaries, but it turned out to be much more difficult to execute than most companies imagined. There were a number of reasons for this.

The next generation of HR transformation will look outside the function to help companies achieve their desired results and growth in an environment where competition is global and talent is scarce. Next generation HR transformation should focus on developing specific services that are directly linked to strategic challenges such as increasing revenue through new market entry or mergers and acquisitions.

This shift will require HR to build services in new or non- traditional areas, such as workforce planning, talent management, mergers and acquisitions, global workforce security, change management, and global mobility. The next decade will provide HR with significant opportunities to help make a difference to the company; it will be interesting to see how HR steps up to the challenge (William 2008).

8. General Pitfalls in HR Transformation

On business in mind, it is easier to see some predictable and general mistakes often made when starting an HR transformation.

- Action before rationale. HR transformation needs to be grounded in the context of business demands.
- HR isolation. HR transformation needs to be aligned with business transformation. It needs to be done in a way that focuses on adding value to the business rather than simply optimizing HR as a function.
- HR in increments. HR practices need to be integrated with each other around key business results if they are to have lasting value.
- HR by individual fiat. HR transformation needs to be connected to the overall success of the organization, not just an individual champion.
- Placing HR structure before business strategy. HR transformation can only be complete as it helps implement the business strategy and drives business results.
- Efficiency equals transformation. Efficiency improvements can and usually are key elements of transformation, but efficiency alone does not make for transformational change(T.V. Rao 2010).

9. Barriers to Transformation

The barriers to transformation are numerous and challenging and most HR departments are under no mandate to transform (Equaterra, 2006). Without management support, HR transformation stands little chance taking place, said Glenn Davidson.

The following are the barriers to transforming HRM

- HR professionals do not have the influence or authority to make decisions or changes related to IT. IT may be a critical part of any transformation effort.
- Many HR departments may be pursuing transformation without being able to utilize or incorporate one of the most powerful potential tools – advanced IT.
- Heavy dependence on consultants leads to diminishing professional development.
- HR is reducing it-self to outsource able function. Consultants will replace HR.
- Rest will be managed by technology.
- Some line managers without professional preparation have done a marvelous job.
- Outsourcing has become the order of the day. Outsourcing oriented.
- E-learning, fast skills development, leadership development, soft skills development has become critical.
- Short term goal focused.
- Weak in research
- Credibility gap high; cannot fulfill all promises.
- CEO's treat it as important errand function.
- Talent shortage; talented people don't get into HR.
- Lack of adequate resources for transformation.

10. Conclusion

HR transformation comes from the context of business and from the expectations of stakeholders. Where they identify which capabilities are most critical to their organizations future success. Re-designing HR means understanding what work is strategic and what work is transitional. In transforming HR professionals, the first step is to be clear about what is expected for success in the field, by considering HR roles and HR activities.

HR transformation depends on the quality of HR professionals. HR professionals learn how to create value, how to decline value to the organizations. HR professionals may assess themselves against the standards, invest in their future and measure they development and follow-up on it. As a result HR professionals transformed the organization for its long term success. Integrating organizations and process design in HR with the embedded capabilities and the solution and developing a technology model that contains proven solutions into an integrated whole. Success in HR transformation will come through re-evaluation of the existing HR process and operating model. HR requires more accountability, risk taking, rapid learning which has direct impact on business productivity, and profitability. HR professionals must invite change keeping in view the future generation to come.

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