



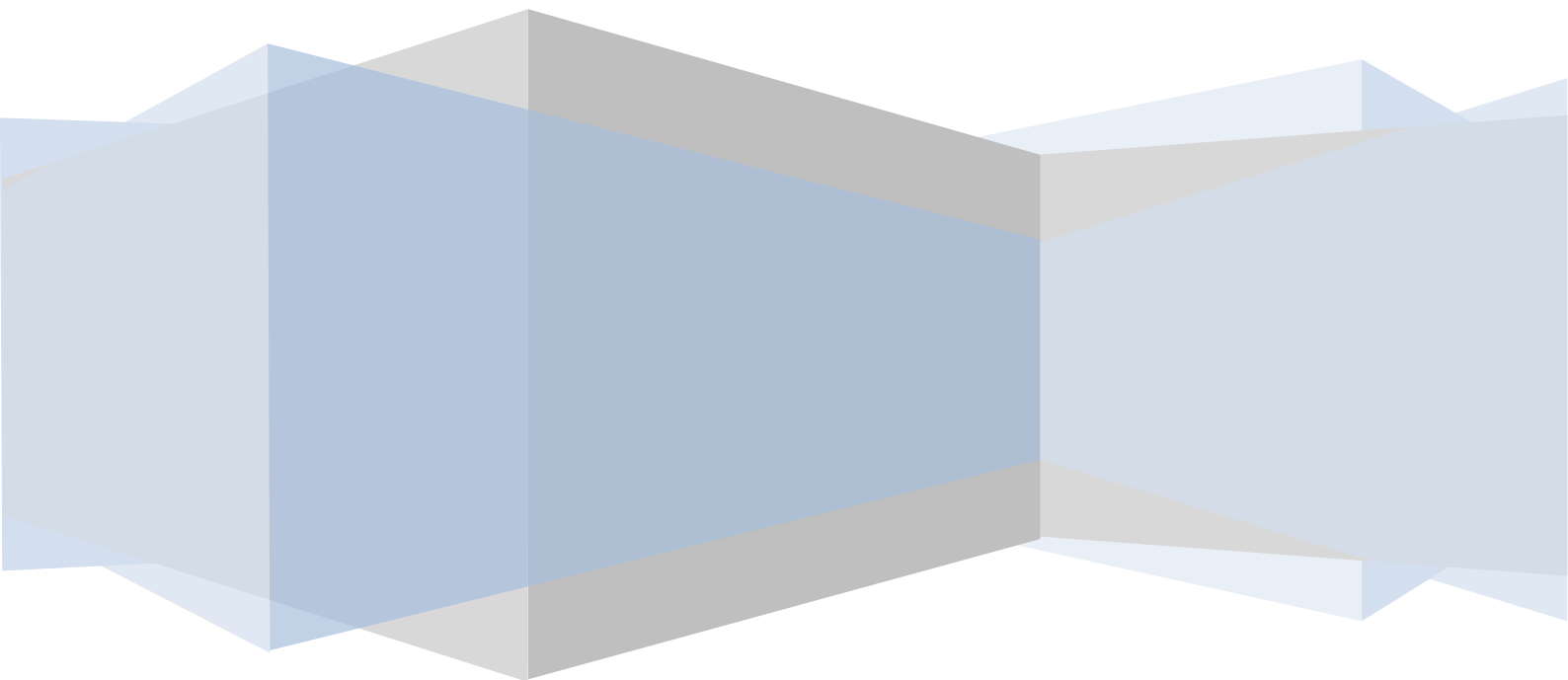
Consultatum AB
människor och strategier i samverkan



Developing your HR Strategy – Step 1

Ulvhag On HR Advent Calendar 2011

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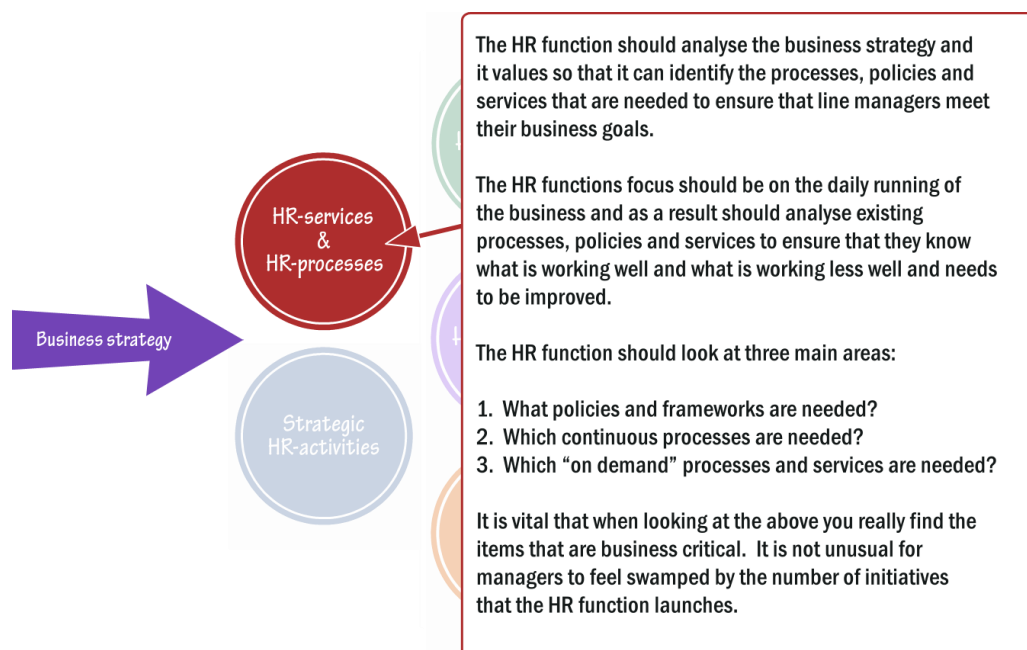
Developing your HR strategy

The business strategy must be the starting point for all HR strategy work. Because the business strategy is revised on a yearly basis this means that the HR strategy must also be revised yearly. If you here about companies that are involved in large HR transformation projects you can usually make the assumption that they have kept up to date with the business for a number of years i.e. they haven't on a yearly basis thought about

1. What the HR function should deliver
2. How this should be delivered
3. How to improve cooperation with line managers and the HR function

An HR function that is abreast of the changes in the company only needs to make small adjustments to its delivery model every year. The only reason this might not be true is when the HR function introduces a HRIS that allows them to do things in a very different way.

Developing your HR strategy – what's the first step



Ulvhag-modellen® for development of HR strategies and HR functions



The HR function should analyse the business strategy and its values so that it can identify the processes, policies and services that are needed to ensure that line managers meet their business goals.

The HR functions' focus should be on the daily running of the business and as a result should analyse existing processes, policies and services to ensure that they know what is working well and what is working less well and needs to be improved.

The HR function should look at three main areas:

1. What policies are needed?
2. Which continuous processes are needed?
3. Which "on demand" processes and services are needed?

It is vital that when looking at the above you really find the items that are business critical.

It is not unusual for managers to feel swamped by the number of initiatives that the HR function launches. Just because you can do it does not mean you should. Process efficiency comes from a great implementation by managers rather than HR people thrashing out the very best process they can.

Much of strategic HR is about putting your resources in the right place

As the HR function rarely has unlimited resources it is important to identify the services and processes that ensure that the business runs smoothly.

These can be continuous processes such as:

1. Competence development
2. Leadership development
3. Health and safety

Or on demand processes and services such as:

1. Recruitment
2. Rehabilitation
3. Competency gap analysis



Which strategic activities must the HR function deliver to ensure business goals are reached?

When the HR function analyses the business strategy and its values it will be necessary to shift focus from the day to day business and think about what is strategically important for the future in terms of business goals.

In this way the HR function can identify projects and activities that will be necessary because the company is planning to do something new or is planning to work in a different way.

The HR function therefore needs to look into the following areas:

1. Which processes, policies or services are missing if change is to be supported in an optimal way?
2. What support is needed because the company is planning to do something completely new?
3. What support is needed because the company is planning to do things in a different way?

Even if these activities are critical to the company's future success, the HR function must first ensure that any possible support to these activities will not be at the cost of the HR functions' ability to deliver the bread and butter HR processes and services.

It is also important for the HR function to consider how well it is positioned within the organisation to deliver the support that it would like. Do HR professionals within the HR function have the competence, acceptance and trust that is required to provide this support?

The HR function must identify the activities which are of strategic importance for the business. The activities are of course similar to projects in the way that they are defined. They have clear beginning and a clear end.

The activities are directly associated with the company strategy and it is vital that these activities deliver the intended results if the business is to succeed in delivering its strategic plan.

Examples of such activities are:

- Supporting a difficult organisational change
- Hiring 30 new sales people before a certain date to ensure sales of a new product



It can also be important for the HR function to review an existing HR process or service as it no longer delivers the quality that it was designed to deliver. These must also therefore be considered to be strategic HR activities

Examples of such activities are:

- Developing a new salary review process
- Improving a recruitment process

