Human Resources 101

Module 1: HR's Strategic Role

University of California
San Francisco

Human Resources Training Series
HR Development & Training

Human Resources Series

1. HR's Strategic Role
2. Effective Recruitment & Selection Techniques
3. Benefits
4. Labor & Employee Relations
5. Compensation Fundamentals
6. Health, Wellness, & Disability Management
7. HR Development

Agenda - HR's Strategic Role

1. HR's Evolving Role
2. Strategic Planning & the Change Management Process
3. HRIS
4. Organization Design
5. Measuring Organization Performance
6. Measuring Human Performance
7. Ethics

HR's Role

- Roles are evolving from administrative (personnel function) to strategic partner.
  - Consultative Role: Coach managers to manage their resources within the laws & ensure maximum potential.
  - Change Management Role, systems design.
  - Administrative Role, e.g. records maintenance.

HR's Role in New Economy

- Focus on Business Objectives
  - Structure activities around key business objectives
- Focus on the Environment
  - Scenario planning on workforce issues to anticipate changes in the environment.
- Focus on Core Values
  - Ensure that core values are embedded in key HR elements, e.g. hiring, job requirements, rewards.

Role of Human Resources: General

Emerging Roles [1] Examples of Strategic Partnering

- Effectively managing & utilizing people
- Tying performance appraisal & compensation to competencies.
- Developing competencies that enhance individual & organizational performance
- Increasing the innovation, creativity & flexibility necessary to enhance competitiveness.

[1] Taken from "In Depth: Human Resources – Changing Role of Human Resource has Vast Implications", Robert A. Bundy

Role of Human Resources: General

- Examples of Strategic Partnering, Cont'd
  - Applying new approaches to work process design, succession planning, career development & interorganizational mobility.
  - Managing the implementation & integration of technology through improved staffing, training & communication with employees.

Change Management

- Change Management is a Critical HR Professional Skill
- Change Defined:
  - "the adoption of a new idea or behavior by an organization." [2]
- HR's role in the change process is to help forecast future changes, develop systems and policies for managing human capital before, during & after the change.

[2] Organization Theory & Design, Daft.

Change Management

HR Management's Role in Strategic Organizational Change comes in 2 phases:

- Planning
- Implementation

Change Management - Planning

- Horizon scan & strategic planning process:
  - Identify potential change drivers through SWOT analysis: (Strengths, Weaknesses, Opportunities, Threats)
    - Economic
    - International
    - Technological
    - Social
    - Employment
    - Demographics
    - Political
  - Use SWOT (Strengths, Weaknesses, Opportunities, Threats) to identify organizational changes or human resource needs for the future.

Change Management - Planning

- Identify business strategies for Dealing With Each, (High Level Directions/Initiatives)
- ID Key Actions for each strategy
- Identify Targets
- Create Communications/Management Strategy

Change Management - Implementation

- Lewin's Three-Step Procedure of Change:
  - Unfreeze present level of behavior
  - Movement from present to new
  - Refreezing process
- Kotter's Change Management Model
  - Unfreeze
    - Establish Sense of Urgency
    - Form Powerful Guiding Coalition
    - Create the Vision
    - Communicate the Vision

Change Management - Implementation

- Movement
  - Empower Others to Act
  - Plan for Short Term Wins
  - Consolidate Improvements
- Re-Freeze
  - Institutionalize

Change Management - People

- 4 Phases of Transition: [3]
  - Denial – diagnosis: common to observe withdrawal; focusing on the past; increased activity with reduced productivity. Management: confront with information; reinforce reality of change; explain what they can do; give them time.
  - Resistance – diagnosis: anger, blame, depression, resentment, continued lack of productivity. Management: listen, acknowledge feelings, be empathetic; help people to say good by to the old; sometimes ritual is important. Offer rewards for change, be optimistic.
  - Exploration – diagnosis: confusion, chaos; energy; new ideas; lack of focus. Management: facilitate brainstorming, planning, help people to see opportunity, create focus through short term wins.
  - Commitment – diagnosis: enthusiasm & cooperation; people identify with organization; look for new challenges. Management – set long term goals; reward those who have changed.

[3] Leading Change, Crisp Publications

Human Resources Information Systems

Role of HRIS [4]

- Strategic Management:
  - Environmental scanning results, quality & productivity improvement monitoring.
- Workforce planning & employment:
  - Tracks promotion, transfers, hiring, and termination rates for each employee by job group.
  - Records the number and percentage of protected categories of employees.
  - EEOC data
  - Applicant info & utilization reports to help monitor affirmative action programs.

[4] SHRM Learning System Module 1: Strategic Management

Human Resources Information Systems

- Human Resource Development:
  - ID career paths
  - Records for education, skills, & completed training
  - Course registration/administration.
  - Evaluate Performance.
- Comp & Benefits:
  - Track salary survey results
  - Facilitate benefit administration
  - Track tuition reimbursement
  - Track retirement planning
  - Track COBRA & HIPAA documentation.

Human Resources Information Systems

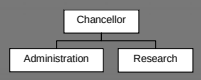
- Employee & Labor Relations:
  - EE discipline records
  - Labor distribution data
  - Union service data
  - Attitude survey results
- Occupational health, safety & security
  - Accident & illness trends
  - Insurance & workers' comp claims
  - Illness & injury medical exam & follow-up procedures.
  - ID's high risk conditions
- Monitors accidents & their costs by type and location.

Organizational Design

3 Indicators of Organizational Design

- Define Work activities – core functions
- Reporting Relationships – who reports to whom
- Departmental Grouping – 5 Options

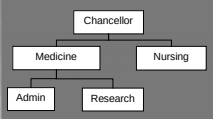
Option 1: Functional



Strengths:
Allows economies of scale within functional departments
Enables in depth skill development
Enables organization to accomplish functional goals
Works best in small to medium sized organizations
Works best with 1 or a few products.

Weaknesses:
•Slow response time to change
•Slow decision making, hierarchy overload
•Poor horizontal coordination among departments
•Less innovation
•Restricted view of organizational goals.

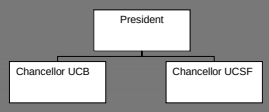
Option 2: Divisional



Strengths:
•Good for fast change in unstable environment
•High client satisfaction due to product responsibility & contact points are clear
•High coordination across functions
•Units can adapt to differences in products, regions, clients
•Best in large organizations with several products
•Decentralizes decision making

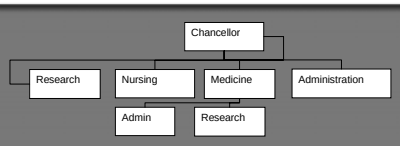
Weaknesses:
•Eliminates economies of scale
•Leads to poor coordination across product lines
•Eliminates in-depth competence & technical specialization
•Makes integration & standardization across product lines difficult.

Option 3: Geographic



Strengths & Weaknesses similar to divisional

Option 4: Hybrid



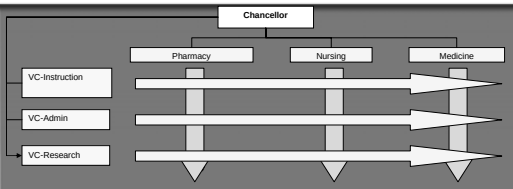
Strengths

- Adaptability & coordination in product divisions & efficiency in centralized functional departments
- Better alignment between corporate and division level goals
- Achieves coordination within & between product lines

Weaknesses

- Potential for excessive administrative overhead
- Leads to conflict between division & corporate departments.

Option 5: Matrix



Strengths:

- Achieves coordination to meet dual demands from environment
- Flexible sharing of human resources across products
- Works for complex decisions & frequent changes in unstable environment
- Provides opportunity for functional and product skill development
- Best in medium organizations with multiple products.

Option 5: Matrix (Cont)

Weaknesses:

- Dual authority, can be frustrating & confusing.
- All need good interpersonal skills & extensive training
- Time consuming, involves frequent meetings & conflict resolution
- Requires collegial rather than vertical type relationships
- Requires dual pressure from environment to maintain power balance.

Measuring Organizational Performance: Balanced Scorecard

- Balanced scorecard helps individual business function measures with organizational strategies.
- 4 Major categories for the balanced scorecard:
  - Innovation & Learning
    - Measures skill and motivation of employees.
    - Example measure – employee engagement.
    - Value proposition – link to organization productivity.
  - Internal Processes
    - Core processes are identified along with key measures.
    - Example measure – employee productivity.
  - Financial
    - Profit or budget performance against goals.
  - Customer
    - Quality, effectiveness of delivery, and overall customer satisfaction.

Measuring the Performance of Human Capital

- HR Audit – Example Areas to Investigate
  - Organization of HR Department
  - Organization Development (Staffing Forecasts)
  - Recruitment & Selection
  - Compensation
  - Employee Benefits
  - Employee Relations & Communications
  - Personnel Policies/Workplace Rules
  - EEO/Regulatory Compliance
  - Training & Development
  - Labor Relations
  - Safety, Health & Wellness

Human Capital Metrics [5]

- Absence rate
  - [# days absent] / [Avg # employees x # workdays]
- Cost per Hire
  - Total cost of hiring process / # employees hired
- Health Care costs per employee
  - Health care costs / # Employees
- HR expense factor
  - HR expense / Total Operating Expense
- Human Capital ROI
  - [Revenue – Operating Expense – (Compensation Cost + Benefits Cost)] / [Compensation cost + Benefits Cost]
- Human Capital Value Added
  - Revenue – [Operating Expense – (Compensation cost + Benefit Cost)]
- Turnover Rate
  - [# Separations during month / average # of employees] x 100

[5] SHRM Member web site

UCSF Code of Conduct

- Trustworthy Conduct – including dependability, loyalty, & honesty in communications and actions.
- Respectful behavior – treating everyone with civility, courtesy, tolerance & acceptance, and recognizing the worth, dignity and unique characteristics of each individual.
- Accountability – taking personal responsibility for one's actions & decisions.
- Fair & just actions – utilizing equitable processes in decision making.
- Compassion – caring for others, both within & apart from the UCSF community, & providing the highest quality service to patients & humanity.
- Good citizenship – striving to make the UCSF community function well now & in the future.
- Responsible management – including prudent use of University resources in a fiscally responsible manner.

Human Resource Values

- The core values and beliefs that support our vision are:
  - *Ethics and Integrity:* Committing to the highest standards of behavior demonstrated by being open, fair, honest and consistent in dealing with the campus community and the public;
  - *Supportive Work Environment:* Developing a work environment that enables productivity and develops human potential;
  - *Diversity:* Respecting individual differences and ways of thinking, and celebrating individual differences;
  - *Customer Service:* Providing high-quality services that are measured by satisfaction from those we serve;
  - *Innovation and Quality:* Recognizing and rewarding creativity and "out of the box thinking that results in positive change and creates a new standard of performance;

Human Resource Values

- *Teamwork and Collaboration:* Working together collectively to achieve goals and purposes common to the organization's strategic directions, and where the result is greater than the sum of its parts;
- *Champions of Change:* Taking risks that encourage new methods and tolerate honest mistakes when peak performance and limited resources are combined for a positive outcome;
- *Effective Communications:* Listening and speaking in a manner that is timely, honest, thorough, open, and sensitive within our organization as well as between individuals;
- *High Performance/Maximum Accountability:* Providing the ability to make choices and take responsibility for them so that individuals can be measured by the goals they set and their commitment and ability to achieve them.
- *Fun:* Enjoying the work, relationships and time we share together as colleagues focused on a common mission.