

# The HR Review – The Road To Strategic HR



Most organizations have a strategic plan to guide them in successfully meeting their mission and responding to change – organizational, technological, global and legal. Organizations routinely map out financial plans to ensure they achieve their goals and minimize risk exposure; workforce plans are not as common – but just as important.

Strategic Human Resources (HR) planning is an important component of HR management, linking it directly to the organization's strategic plan. It's a desirable destination. The practical question: how do you get there? The answer: follow the HR Review road.

## **THE DESTINATION: STRATEGIC HR PLANNING**

Workforce issues have never been more front and center in the success formula for several reasons:

- **Organizational Change.** As organizations change – either growing or scaling back – their HR needs change right along with it. The organization must develop new paths to respond to these changes, at the same time managing the legacy systems and cultures that continue to function.
- **Technological Change.** There are mounting challenges – both internally and externally driven – to the current model for HR service delivery within organizations. For example, the rapid development of technological solutions like software to automate routine functions, provides organizational options that did not historically exist. The pressures on management to deal with these changes are causing focused reflection on how HR implements its services.
- **Global Change.** The world is changing at an unprecedented rate. Employers have access to global markets, are subject to global competition – and have the opportunity to look globally for the talent to meet organizational demands.
- **Legal Change.** Labour and employment laws emanating from both courts and legislators are constantly evolving. It's tough for organizations to ensure their policies, procedures and documents (e.g. employment contracts) keep pace – but failure to do so can expose the organization to significant risks.

The result: many employers are examining the value of HR as a strategic partner in their organization. Moving HR from a transactional function to a strategic lever is a key initiative that will raise the organization to modern standards and establish a competitive advantage. The general purposes of strategic HR planning are:

- **Adequate HR.** It ensures the organization's HR is adequate – the right people with the right skills at the right time – to meet its strategic goals and operational plans.
- **Trends.** Strategic HR planning helps the organization remain well-informed about social, economic, legislative and technological trends that impact HR in the organization's industry and geographic region.
- **Agility.** It keeps the organization agile so it can manage change if the future is different than had been expected.
- **Legal Risk Management.** Strategic HR planning helps the organization monitor – and minimize – its exposure to HR-related legal risks.

## THE ROAD TO STRATEGIC HR: THE PROACTIVE HR REVIEW

The road from the “personnel office” to “Strategic HR” can be a bumpy one requiring thoughtful analysis and intervention. A proactive HR Review will help the organization develop a relevant and progressive HR strategic plan and ensure it keeps running smoothly for years to come. An HR Review consists of a few main elements:

**The Reviewer.** The organization must first decide who (which usually leads to how) will conduct the HR Review. This is a key decision and could be decisive in the project's ultimate success or failure:

- **In-House.** It's tempting try to save some money by conducting the HR Review “in-house” – but the internal team must have the skillset and experience (different from the routine HR management role), the time and the necessary objectivity to do the job.
- **Consultants.** Going external can have many advantages – like acting as a driver of change to guide the organization through the sometimes painful process of creating and implementing a Strategic HR Plan, with the insight of legal expertise. The key lies in choosing the “right” consultant.
- **Methodology.** There are several methodologies to conduct an HR Review – or parts of it – each with its own pros and cons; for example, elements like the resistance reduction features and the emphasis on results can vary. When reviewing the reviewer, it's important to understand and assess the proposed methodology.

**The Review.** Whomever the reviewer is, or the methodology she uses, in our experience these are the key steps of any HR Review process:

**1. Define the Project.** It's important that the reviewer and the organization (all of the key stakeholders) are clear on and agree to the project scope, objectives and plan organization. This might require meetings with key stakeholders and a review of the organizational background to determine who will be involved, identify any anticipated challenges or obstacles, and agree on the desired outcomes.

**2. Gather the Information (aka Research).** Project plan in hand, it's time to dig in and gather the information to analyze – the organization's current structure, including staff roles and internal reporting structure. The process might include some or all of the following components, depending on the circumstances:

- **Documents.** The reviewer might look at relevant internal documents, such as the organization's mission statement, policies, procedures, information on current HR programs and functions, data and reports on the current workforce profile, and employment contracts. She might also review external documents, like applicable legislation and research of comparable organizations.
- **Key Employee Input.** It's vital to get the insights of key organization members on their current roles and existing redundancies or gaps. The reviewer will need

to identify the “key informants” – executives, managers and internal users of HR’s services– who can contribute. The reviewer then needs to decide the most appropriate and efficient way to get the information from them. Depending on the organization’s size, scope and nature, the reviewer could use one or a combination of information gathering tools, including: one-on-one interviews, job analysis forms, e-mail surveys and focus group meetings.

**3. Analyze It.** The reviewer must now compile and organize the information collected, assess it, and determine the main themes that emerge to use in developing the organization’s strategic priorities.

**4. Report.** The reviewer will create and deliver a final report capturing the components from each step in the process, and including the strategic plan, and an implementation plan detailing the recommended changes, priorities and timelines. For example, the report might recommend the creation of new job descriptions, refined competencies for existing job descriptions, or changes to the existing reporting structure.

**Implementation.** The HR Review report usually contains recommendations the organization wants to implement. Follow-up actions, some of which have legal implications, could include recruitment, training, promotion, and/or termination. The organization should consciously decide whether it wants to take on the implementation itself, or retain a consultant – typically the same one who conducted the HR Review.

Evolving to Strategic HR may seem a daunting task, but the HR Review process offers employers a well marked road to get there.

Last Updated: October 1 2014

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