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Abstract

HR Strategy and Others The sections in this chapter “Human Resource Strategy and Change” will guide through some of the cornerstones of the human resources work. To share insights about these areas is both an honor and overwhelming at the same time. Each of these chapters covers a major topic, and uncounted number of books and articles from famous and really experienced experts can be found. Highly experienced professionals from diverse backgrounds will in the following elaborate about a list of exciting chapters in their role as experts and operational HR colleagues.

Being an HR practitioner who has been holding different HR roles during the professional career, it was always essential to be up to speed regarding the latest

Note: It is very important to note that the thoughts in this chapter are purely personal opinions and do not represent the position of the author’s employer, LG Electronics.

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trends and needs, in order to add as much value as possible. However, having packed calendars and being involved in numerous burning topics constantly make it really challenging to follow each and every publication, trends, and ideas. It is important to understand that it is neither intended to compete with any author of another book or article nor to discuss about right or wrong. It can be taken as given that any article is based on specific experiences and serious analyses and a lot of brain and effort has been put into them.

What is offered in the following are just some thoughts from hands-on HR experts for HR professionals, not more, not less!

In order to kick-start a certain thought process, the opening remarks present some thoughts which might appear a bit radical, but there is a strong belief that it is time for some changes in HR.

What Is HR Strategy?

General Thoughts: Zero-Based Approach

Before providing some brief thoughts about the different chapters, it is recommended to raise some fundamental questions. It is important to spend some time here and to do this at the beginning of any general thought process, as it has or should have a strong influence on topics like HR strategy, HR transformation, change management, etc.

What would happen if a company wouldn't have an HR department?

This question might sound provocative, but it guides to the real question of the core role of HR in a company. Is it only that HR professionals see themselves as important, or is there a strategic significance of their role? What would happen in a scenario in which an organization operates without HR? Would the company go bankrupt? Would it really make such a big difference?

Yes, these are "ugly" questions, which the HR community doesn't really like. But this has to be clear that either this question is anyway in some minds or should be brought up by HR!

Obviously that radical question is usually not (openly) raised. It often can be heard how important the HR function is. And of course HR colleagues are dedicating endless hours to the different areas of the HR arena. Such a general question could mean that HR is not important or jobs are in danger.

There should not arise a wrong impression! Human resources can add significant value to the success of any organization, and obviously a number of processes have to be handled anyway. But only if the HR practitioners look into that question, it can be ensured that HR provides sustainable value added to the overall success of any organization.

The zero-based approach is a healthy and fair starting point. Which of the processes do really add value? Is HR dedicating appropriate time and capacities to the relevant topics? Is the setup of our HR organization still up to date, or does HR

follow old habits? Which new topics should be picked up or tackled in a completely different setup?

There is an endless literature about the organizational setup of HR as well as benchmarking studies all over the place. In the end, the structural setup of HR and the portfolio of HR services are often very similar and have not really changed over the last few years. Yes, there are some minor differences, some job titles differ, and some new roles come and go, but the basic concept is and has been very consistent.

Of course, the explanation could be that this is exactly the right way and there is no better and more effective solution for all the organizations. But it is also a fair observation that this consistency over years and the limited changes in the HR portfolio are not in line with many developments in other areas.

A dramatic example is the development of technology over the last few years. All the Android and Apple applications have significantly changed personal lives not only of generations X, Y, and Z. Hardly anybody can live without mobile solutions anymore. The dimension of time has changed significantly, everybody is expecting and getting information and services at the flick of the fingertip, and availability of information 24/7 has become normal. In sensitive areas like banking or health, it is completely accepted that everything is provided and handled online, with helpdesks located across the world. Globalization has reached almost every industry. Huge investments out of countries like China and Russia or also smaller players like Indonesia take place in all kinds of industries.

Life in general and industries are changing, and in comparison, HR seems to be a rather slow mover.

Again, there should be no false impression! These thoughts should not sound naïve or like crazy dreams! It is obvious that not every organization has completely changed. Needless to say, legal frameworks, unions, and work councils ensure consistent frameworks and require sustainable answers and procedures. The HR world will not and cannot change overnight. A significant number of processes and products will and have to be delivered with no or little change over the next years.

But at the same time, there should be a strong belief that within respective frameworks, organizations and HR teams can be more progressive, and bolder steps toward an evolutionized HR are possible!

Do organizations really need HR Development departments and colleagues in different parts of multinational organizations or couldn't and shouldn't that be done by the leadership team? With all the technological possibilities and availability of data, shouldn't each HR department have a strong HR IT organization that is combined with strategic people topics? Couldn't or shouldn't HR bundle, offshore, or even outsource a significantly bigger part of the current portfolio? Is it true that the internal HR department with limited scale of economy can still deliver certain processes as fast, lean, compliant, etc.? These should just be a few thoughts which can be answered in different ways and could have an impact for the future of HR.

Of course a question that could come up now is "why all that?" Because HR practitioners have to do it, it is their role and responsibility, it is a pure necessity.

HR is or should be an integral part of the leadership team and has to ensure that the organization is successful. Sustainable success can only be ensured if the current status will continuously be challenged. Long-term success also requires understanding of external trends and what they could mean for HR and/or the organization. No one else will or should tell HR what the trends or needs are. The HR function is the expert and should bring that discussion to the table. Some might argue that the CEO or leadership team would not allow such a discussion. This is wrong! The CEO, the board and the management team care about the financial and sustainable success of the organization. Often, it could be the wrong approach, timing, or platform where these fundamental topics are discussed.

And there is another reason why it is not only ok but urgently necessary to ask all these questions. The external mega trends will not stop. The speed and the impact of changes will continue to grow, and even if some people or organizations think that all these have nothing to do with their organization, think again! It should carefully be watched if this is still true in the near future.

How much further will China grow and how big will the influence be on the world economy? Will Europe recover soon, or will the debt crisis have an even bigger impact? Is Africa the next Asia? Is poverty going to increase, and will the people continue to accept awfully low salaries? What about our generations X, Y, Z, etc.? Will they have a normal job as today? Maybe they will rather have several employers or “professional partners,” and they will ask for flexibility that one cannot think of today. What are the next bold steps in technology? Needless to say, it is not possible to answer all these questions, and for sure the questions and answers in the context of each organization are different.

It can just be strongly recommended to watch the trends and better start the future of HR today.

As the authors will provide detailed and comprehensive inputs about the respective topics in this chapter, at this point only some very short and sweet thoughts are shared.

HR Strategy

The most important thing of a strategy is to have one.

This might be a citation that has been used before and should be highlighted here. For sure it is reality that has been proven several times and has been used by some smart leaders.

Taking business seriously, it is an absolute must to know the current position, the aspired future perfect, and the gaps. This refers to the HR function as well as to the people’s situation in any organization. The HR Strategy is an important anchor point for the people in the organization, the management, and the HR team. It should be a regular process to review the HR Strategy. Is it up to date, are the latest trends taken into account, is the communication of the HR strategy appropriate, and have all HR colleagues been fully involved? The strategy is only as good as the buy-in of any key stakeholder.

Communication

This is probably an area which has experienced the most dramatic changes over the last few years. Trends and developments from private and personal life had a huge impact on business life. Social media platforms like Facebook, Instagram, or Yammer have mainly been developed for private use. But you cannot and should not underestimate what that could mean in professional life. People are expecting similar things anyway! Investments in modern technology and the open sharing of information are not optional but key preconditions for success!

Business Partnership

It is surprising and scary at the same time that this trend or ambition of having strong HR business partnership is already existing for so many years now but still discussed over and over again today. It is hard to believe that the model of HR business partnership is still the topic for numerous company internal discussions as well as HR conferences. Just fill the role (at least partially) with people from the business and organizationally integrate them as much as possible in the respective business area.

Organizational Development

Often, HR setups can be found within an organization department, which focuses mainly on the organizational structure. The more holistic approach of organizational development (OD) aligns the structure with the strategy, the leadership team, the learning strategy, and so on. Usual OD processes are program designs, business diagnostic, etc. In today's complex environment, these are topics of highest relevance for the success of an organization. It is strongly recommended to have a clear focus (less is more) and again check what you should handle internally and when it is time to consult with external experts.

HR Transformation

All the changes and different general trends which have been mentioned have, or should also have, an impact on the HR organization. The one-size-fits-all approach will not be possible, so it has to be explored what the right setup and portfolio for the HR organization will or should be! In many cases, HR outsourcing projects have not been successful, but it has to be said that there are highly professional business process outsourcing (BPO) providers with skilled and motivated people, who could deliver certain services with higher standard and lower cost than certain internal teams could ever do. And that has nothing to do with the fact that internal HR people are not smart, capable, or motivated, not at all! But there are situations where economies of scale can

make a difference! HR transformation is not a target but a journey. You should constantly look into bigger and smaller transformations for your HR team!

Labor Cost Reduction and Crisis Management

This area might not sound so inspirational, but let's face it, this is at least a potential part of all our businesses. Can anyone afford to be or lead an organization that does not have to look into its profitability or has never been in a crisis? If these topics do not have any relevance for the respective organization, congratulations! But don't expect that it will never come! The handling of structured labor cost reduction and a professional crisis management require specific skills and experiences. Again, the perfect match between the respective situation and the necessary measures is the key to success! As these specific situations require not only specific skills but also specific characters, it is recommended that relevant positions are filled rather on a project basis. After successful implementation, it might do good for the affected colleagues, as well as for the organization in total, to bring new people in the lead and start emotionally at a new point.

Workforce Planning and Controlling

This field is especially of high relevance in bigger corporate organizations and also often in manufacturing organizations. Of course, there are other industries and smaller organizations where the strategic impact isn't that big. However, also on a smaller scale, it could be worthwhile to invest some capacities. This is an arena which unfortunately in many organizations not only mainly dominated by finance and controlling but also often a cemetery of figures, with too few qualitative information. Less is more, and investments in technology should be made so that comprehensive and value-added information can be provided with appropriate effort.

Mergers, Acquisitions, and Joint Ventures

This is an arena which sounds rather fancy and inspirational. But exactly like all the other fields mentioned, these topics cannot be underestimated and require very specific and technical skills and experiences. If an HR team never has been part of a merger, acquisition, or joint venture and suddenly is confronted with such a challenge, you better look for professional external help! These projects may seem short term but usually require significantly more time and effort than expected. Additionally, they need both technical know-how and soft skills!