

The road *ahead*

What should the role of HR be in a recession? Should it forget the lessons of the last ten years and revert to the safe territory of 'hirer and firer', assembling assessment criteria and writing redundancy cheques? Or is now the opportunity to demonstrate that HR deserves its seat at the Board by acting as a true business partner and delivering real value in difficult times?

At February's meeting of the HR networking group, the London HR Connection, members heard from Orion Partners' Jane Saunders who shared her perspective on the way forward for HR in an economic downturn.

Jane's hypothesis was that "In challenging times, the more value HR can bring to your business, the more your business will value HR".

Research into customer perceptions of the value delivered by HR suggests that the function is not always starting from a position of strength with regard to several key business objectives. But, if HR can understand where the value lies in the worst of times it can create long term benefits, challenge the status quo and break with the past. Key to success will be HR's ability to communicate clearly and put any change into context.

In challenging times, there are many areas which require HR attention:

After a merger or acquisition:

New operating models need to be developed to drive synergy and HR resources need to be assessed so that people issues can be dealt with effectively.

New priorities for business growth:

What sort of capabilities and behaviours are needed to support a changing business strategy?

Talent management:

People with the right HR skills need to be retained, developed and engaged.

Driving competitiveness:

The HR delivery model needs to ensure that processes are centralised and follow best practice – where appropriate outsourcing could be considered as an alternative delivery channel.



Jane's recommendation was that HR should focus on four key areas:

1. Prioritise on what really matters and focus on hard choices

It's essential that HR practitioners distinguish between the 'critical' and 'nice to have' priorities. They need to manage programmes as a 'portfolio' rather than random projects, clearly articulating investment goals and ensuring effective project management.

2. Embed cost disciplines

HR should regularly review its processes to systematically identify and eliminate waste – it needs to demonstrate cost versus value. Regular weeding rather than a scorched earth approach to garden maintenance!

3. Seize new opportunities

Investment in building new capabilities will drive new business opportunities. Focus on top talent ensuring that the talent plan is regularly reviewed in light of the changing business environment. In a downturn good people often find themselves on the market and an effective HR function should consider bringing these people on board so that they can drive the growth agenda when the economy improves.

4. Accelerate transformation

Transformation programmes can take time and many run out of steam or are placed on hold. A downturn, however, can be the ideal opportunity to re-invigorate the change agenda and ensure that change critical to long term success remains a key focus.

In summary, in a difficult economic climate HR has a critical role to play but the function needs to demonstrate that it has a clear agenda and stick to it. HR professionals need to ensure that their function is 'fighting fit' and retains its independence. But, most of all it needs to partner the business with a sense of humour and a sense of pride.

Member Feedback:

"Very timely discussion about the HR role and priorities in the current economic climate - speaker was challenging, provocative and there was an opportunity to learn what other HR practitioners were doing," said Judi Kennedy-Clarke from Wellcome Trust. Landsbanki's Karen Davis added that it was *"a very useful and thought provoking session."* This was endorsed by Lloyd's Harriet Hoyle who said that it was *"very useful. Jane was a good speaker and offered some practical advice."*

Jane Saunders can be contacted at www.orion-partners.com. The London HR Connection is a professional network providing regular informal lunches – away from the daily grind – for anyone with a vested interest in HR, to network with their peers and hear from experts on challenging and stimulating topics. For membership information and details on our forthcoming events, please visit us at: www.londonhr.org

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