

Creating Human Resource Management Value in Challenging Economic Times

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"As organizations go through rapid change because of the current economic climate and increased competition, it is critical that HR leaders ensure that they are creating value for their organizations, real value. This means different things to different people, but in the end, HR professionals have to help their organizations become more competitive, and that is the bottom line."

Observations of V.P. of HR

Fortune 500 Organization

Organizations in the United States and throughout the globe currently face extremely challenging economic times. Even before the current worldwide economic meltdown, international and domestic competition in the last decade had drastically increased in nearly every segment of the U.S. economy.¹ Organizations trying to endure in this challenging environment are attempting to maintain or increase market share through some mixture of decreasing costs, providing better customer service, increasing productivity, and improving quality through a wide variety of change and improvement initiatives including restructuring, implementing new technologies, achieving product and process innovation, related cycle-time and product-to-market time reductions, customer relationship management programs, and supply chain improvement efforts, among others.²

Of all the controllable factors affecting firm performance, organizational survival, and/or firm success in this very difficult economy, **an enterprise's workforce should be thought of as the most significant and underperforming organizational asset.**³ Organizations are increasingly recognizing that in order to be successful in this terrible economy they need to make better use of their "human assets" and properly leverage these assets to execute the organization's strategy, support work flow and value creation, and achieve better performance.⁴ Organizations are now realizing that simply looking at costs of programs or benefits of HR programs is not enough and that a return on investment perspective must be utilized.⁵ We have

seen a number of trends that suggest that organizations are placing unprecedented pressure on their HR professionals to "step up" and take much greater responsibility for helping achieve organizational performance and for impacting the bottom-line on a number of different fronts.⁶

On the cost front, HR leaders are being asked to contain and cut costs as organizations attempt to protect their profitability in a time when revenues are down and costs are up. On the time front, HR professionals are being asked to perform their tasks more quickly and speed up the cycle time for recruiting, training, and management development, among others. On the issue of productivity, HR leaders are absolutely being asked to do more with less, across nearly every HR function.⁷ Recent research with HR leaders made it clear that the workload of the HR function is increasing, with a full 88% of all HR leaders in a recent study reporting that they believe their workload will continue to increase.⁸ Note that these findings were reported **before** the recent economic meltdown which has only increased the demands placed on an organization's HR leaders and decreased the resources available to meet these challenges.

Discussions have emerged in the HR discipline which raises the question, "**what should HR leaders be doing to add value to their organizations?**" Again, these questions have only intensified as organizations fight for survival in these unparalleled and taxing economic times. The entire notion of "value-added-ness" suggests that organizations with limited time and resources in these challenging economic times need to target the activities that are most critical to the organization's success. It also suggests in tough economic times, HR professionals and organizational leaders must decide if such "value-added-ness" activities should be principally focused on the short-term, medium-term, long-term or finding the proper mix of these focuses. At the same time that value-added activities need to be increasingly performed within an organization, HR must identify what non-value-added activities they currently perform need to be eliminated.

In this sense, the entire HR process can be summarized by saying that organizational and HR leaders must create a structure and operating culture which encourages HR managers to perform the activities that are most critical to the organization's success. These leaders must identify the activities and practices that they believe are most likely to add value to and affect its organization's bottom-line (**in time and in sufficient magnitude**) to influence its survival. In addition, these leaders are being challenged to identify and eliminate the barriers that inhibit HR's impact on organizational performance and the bottom-line that they are now being held increasingly responsible.

In this article, we will discuss what HR leaders who have been operating in rapidly changing, ultra-competitive, **and** harsh economic conditions consider being the most important value-added functions for their organizations. In this sense, these HR leaders are telling us how they provide value for their enterprises when the organization is depending on them most for results. At the same time, we will also ask them to share what they feel are the primary barriers in tough economic times that get in the way of enacting value-added activity. After this discussion, we will provide self-assessment check sheets that will encourage the reader to determine what HR activities they believe are most important for their success and what barriers are preventing them from maximizing their needed impact on the organization's performance and bottom-line.

OUR RESEARCH STUDY ON VALUE-ADDED HR PRACTICES

To explore the issue of value-added HR practices in difficult economic times, we surveyed a cross-section of 297 HR leaders from over 100 different U.S. service and manufacturing organizations who described their organization as experiencing challenging economic times and intense competition. All of the leaders who participated in this study were currently employed in the HR discipline with an average of nearly 20 years of professional experience. Participants in this study were asked a series of structured, open-ended questions that dealt with their perceptions and experiences associated with HR value creation and the barriers that exist in doing so. In this article, we will discuss two questions:

1 Based on your experience, could you identify the primary things you do as an HR professional to create value for your organization?

2 Based on your experience, what would you consider to be the top things that get in the way, or prevent, HR leaders from creating value for their organizations?

Responses to these open ended questions were content analyzed and percentages were tabulated for each category of employee response. Exhibits 1 and 2 contain the findings to these research questions which we will now discuss.

EXHIBIT 1	
HR VALUE CREATION	
Progressive Strategic HR Thinking & Planning	65.3%
Effective Training & Development	57.6%
Staffing for Success	52.3%
Results-Oriented Performance Management and Appraisal	40.6%
User-Friendly Customer Service and Timely Solving	36.4%
Aligned Compensation & Incentives Systems	34.4%
Progressive Compliance	27.5%
Strong Communications' Culture	24.3%
Ensuring That All Managers HR Managers	16.6%
Fostering an Ethical Culture and Ensuring Information Security	12.8%

EXHIBIT 2	
BARRIERS TO HR VALUE CREATION	
Lack of Top Management Support	52.7%
Excessive Workload/Lack of Time	44.5%
Lack of Resource and Constricted Budgets	41.9%
Ineffective HR Strategic Planning and Alignment	37.2%
Lack of Management Buy-in at All Levels	36.8%
Too Much Time Spent Fire Fighting	29.9%
Lack of HR Knowledge Among Leaders	25.4%
A Poor Communications Culture	23.7%
Old Ways of Thinking About the HR Function	20.6%
Lack of Teamwork/Cooperation	19.4%

HR VALUE CREATION IN TRYING TIMES

The participants in this study offered some very interesting insights into what they consider to be the activities that they believe create value for their organizations. We will discuss each of these activities in turn and add an observation on each count.

Value-Added Activity #1: Progressive Strategic HR Thinking & Planning (65.3%)—One of the greatest challenges that most HR leaders face is moving from a primarily administrative role to one that connects to the financial/strategic performance of the firm as a whole. To accomplish this, HR leaders need to work hard to gain an understanding of how the firm creates "value," how the workforce contributes to this "value" creation, use internal and external environmental scanning to understand potential gaps and challenges the HR function must quickly respond, and develop metrics to measure the contribution of the workforce and HR to

this value creation.⁹

Recommendation #1: *Take a long hard look at your organization's approach to strategic HR planning and it's alignment with your organization's strategic goals and plans.*

Value-Added Activity #2: Effective Training & Development (57.6%)—There is no substitute for HR leaders ensuring that their organization has a workforce that is properly oriented and trained to perform their jobs at the highest level. At the same time, it is critically important that organizations experiencing rapid change have development plans in place to equip their personnel to compete at the next level or to quickly adapt to needed adjustments in strategy. This is especially true of management personnel. Training and development budgets that have been reduced in tough economic times must be used to make sure that employees are able to carry-out the duties and responsibilities needed to leverage their work in a synergistic fashion that allows the firm to offer a unique value proposition to their customers.

Recommendation #2: *HR leaders can add real value to their organization by ensuring that their workforce has the requisite education, training and development to compete.*

Value-Added Activity #3: Staffing for Success (52.3%)—Progressive staffing suggests that organizations hire the best talent available using efficient and effective selection processes. Bad hiring practices create a myriad of short-term and long-term problems for an organization. In addition, it is imperative that organizations develop effective work schedules that provide the proper number and type of personnel in appropriate locations given the demands of the current work situation. In trying economic times, organizations can ill afford to be over or understaffed in critical areas.

The cost of ineffective staffing practices has both immediate and long-term negative consequences for the organization's customers and the bottom-line.

Recommendation #3: *Staffing is the lifeblood of any organization and this is especially true in challenging economic times which require an analysis and review of both hiring and work scheduling activities.*

Value-Added Activity #4: Results-Oriented Performance Management and Appraisal (40.6%)—In rapidly changing environments, performance management requires effective performance planning, which is essential to help employees target their value-added activities and to make sure workers are spending their efforts principally on activities that help the organization compete. In addition, ongoing feedback and coaching is critical to help employees make rapid adjustments and improve performance. The formal appraisal process can be used to document and discuss employee development, compensation, and additional performance planning. HR professionals must make the case that it is important to measure dimensions of employee and unit performance that drive the financial results of the organization.

Recommendation #4: *Many organizations find it useful to conduct a thorough appraisal of their approach to performance management and appraisal to determine if it is truly a value-added activity and what adjustments can and should be made to enhance the process.*

Value-Added Activity #5: User-friendly Customer Service & Timely Problem Solving (36.4%)—The human resource function requires a great deal of effective customer service to be truly effective. There are many stakeholders in the organization and effective HRM contributes to stakeholder satisfaction and promoting perceptions of "shared interests." These things are necessary to promote the synergistic teamwork needed to properly leverage the organizational assets and achieve strategic competitive advantage. Whether it is hiring, dealing with a compensation issue, an EEO concern, planning an employee recognition event, or conducting an effective orientation program, having a customer service mindset is paramount. To be an effective HR leader, our participants also believe that it is critically important to have

problem solving prowess. To a great extent, this requires the HR leaders to have a full understanding of how the business, particular unit, or position needing help operates and fits in with the strategic plan and such knowledge allows it to quickly "problem solve" or "adapt" HR and organizational activities to meet the needs of the organization and deal with the people challenges associated with running a business in the 21st century. The HR functions credibility within the organization is only achieved when it is perceived as being able to provide innovative and "state-of-the-art" programs and provide timely and helpful information not available from other quarters of the organization.

Recommendation #5: *HR leaders need to take proactive steps to create a customer service mindset among HR personnel to better help the organization deal with HR challenges and solve HR and business problems in a timely and effective fashion.*

Value-Added Activity #6: Aligned Compensation & Incentives Systems (34.4%)—When an organization is attempting to become more competitive, their compensation and incentive system is one of the most important levers that can be used to shape or redirect employee behavior in needed directions. Value-added compensation systems and their corresponding reward processes can help an organization make rapid adjustments to a changing competitive landscape when properly executed and aligned with organizational objectives. Participants made it clear that many reward systems have significant room for improvement in this regard. They suggest it is imperative to make sure the compensation and incentive systems are aligned with other HR function activities such as staffing programs and training activities and with the needed workforce performance requirements of the business strategy.

Recommendation #6: *Review the effectiveness of your current reward system to determine if it is meeting the current demands in an optimal fashion.*

Value-Added Activity #7: Progressive Compliance (27.5%)—One of the cornerstones of effective HR management is the ability of HR leaders to ensure that the organization is in compliance with *current* government rules and regulations as they pertain to the organization's work force. In trying economic times, compliance may not be at the top of an HR leader's list of most important value-added activities. However, to lose sight of this key activity in the heat of battle can create serious legal and financial problems for an organization. Compliance must be taken into account when considering long term competitiveness, and to not do so is detrimental to an organization's long term success. In addition, it is an area ripe for process improvements.

Recommendation #7: *Maintain your organization's compliance with great diligence, but look for ways to do so more effectively and cost efficiently.*

Value-Added Activity #8: Strong Communications Culture (24.3%)—Participants in this study believed that it is critically important that the organizational members know what is going on around them. In trying economic times, uncertainty, fear and doubt can creep into any workforce and this can have detrimental effects on morale, focus, stress, and teamwork. Creating a high-performing organizational culture requires that HR place a priority on keeping 360-degree communications flowing and to use this communication to share and reinforce the values of the firm while also keeping employees in "the know." Ensure that managers and employees know the current state of your organization, needed changes in activities, industry challenges to which the organization must respond, needed operational information, and most of all your organization's overall values.

Recommendation #8: *Assess the current state of your organization's information flow to determine if your workforce is both informed and empowered with the information they need to properly contribute to the organization.*

Value-Added Activity #9: Ensuring That All Managers Are HR Managers (16.6%)—There is no substitute for having organizational leaders, from top to bottom, serving as liaisons and

representatives of the organizations HR policies and practices. In this sense, HR leaders create real value for their organizations when they help develop managers at every level of the organization who are capable of enacting the organization's HR practices and policies on a daily basis. Our research suggests that many HR activities are devolving back to line managers and there is a strong question as to whether these managers are perceived as ready to execute these HR responsibilities in an effective manner.¹⁰ HR leaders can create elegant policies and approaches but without the effective implementation of such programs by line-managers the organization will not be able to effectively leverage its "human assets" to achieve strategic competitive advantage.

Recommendation #9: *Ensure that your organizational leaders at all levels have a clearly defined job description that incorporates the HR policies and practices of and make sure that managers are trained to perform, measured, and rewarded based on their engagement in these practices.*

Value-Added Activity #10: Fostering an Ethical Culture and Ensuring Information Security (12.8%)—In trying economic times, employees at all levels of an organization might be tempted to engage in unscrupulous, unethical behavior that can greatly harm the organization's "brand" or organizational image—hard fought to achieve and easily destroyed. HR leaders need to set a high standard for ethical business behavior and enforcement. They can and should be the "conscience for the organization" in this regard. At the same time, HR leaders and professionals are the guardians of confidential employee information which must be treated with great care. Both of these responsibilities are critically important activities because of the potential legal exposure, moral and cultural impact on the organization and overall reputation of the enterprise.

Recommendation #10: *Make sure that HR leaders set the standard for ethical behavior within your organization, serve as a safe haven and problem solving agent for employees with ethical concerns, and set the highest standard to safeguard employee confidential information.*

BARRIERS TO VALUE-ADDED-NESS IN TRYING TIMES

While participants were quick to identify value-added HR activities, they were equally quick to identify organizational barriers that can hinder and even derail their efforts at improving HR's contribution to organizational success. HR leaders identified the following list of barriers that we will now discuss with a critical HR lesson attached.

Barrier #1: Lack of Top Management Support (52.7%)—Some writers have suggested that lack of top management support is one of the most critical factors working against the adoption and/or effectiveness of HRM programs.¹¹ This suggestion seems to be supported by our data. The most frequently cited barrier to HR success identified by survey participants was a lack of top management support. Lack of support can include exclusion from strategic planning, an unwillingness to include HR leaders in other critical decision making processes, not holding managers at all levels responsible for implementation of their HR responsibilities, failure to provide supportive statements of HR activities, contradicting or ignoring HR implementation or program efforts as applied to their own staffs, and refusal to supply needed resources to implement HR initiatives. There are many causes of a lack of management support. Our experiences suggest that most are connected to either a short-term "quarterly performance" mentality where HRM is seen solely as an "expense;" lack of hard measures to be able to demonstrate the return on investment of strategic, tactical, and operational HRM activities and efforts; lack of personal credibility of senior HRM leaders; reluctance to invest in "human assets" as they are perceived as a higher risk investment, and HRM's failure to articulate how it can contribute to the strategic or unit goals of the organization.¹²

Lesson #1: *Without the support of top management, HR will be unable to optimize its ability to maximize performance.*

Barrier #2: Excessive Workload/Lack of Time (44.5%)—HR leaders find themselves exceedingly busy on a daily basis, short staffed, and being asked to work on a myriad of pressing issues/problems, with increasing regularity. In this harried environment, it is easy for HR professionals to find themselves buried in their work but a critical question must be asked according to the participants in this study: "Busy doing what?" In many cases, these participants suggest that it is easy to find them not having the time to address important longer-term issues, jumping inefficiently from problem to problem, and being caught up in time consuming low value-added activities that rob them of the time and energy needed to make tactical or strategic contributions of greater value.

Lesson #2: *The proportion of time spent on activities needs to be brought into line with their strategic importance and the impact of these activities have on the bottom-line: Being busy without proper focus doesn't mean adding value.*

Barrier #3: Lack of Resources and Constricted Budgets (41.9%)—It is a common occurrence, in these trying economic times, that HR budgets are being slashed, even when top management is generally supportive of overall HR initiatives. At a time when organizations are desperately in need of increased productivity, greater innovation, better quality, and improved customer service, many organizations are cutting HR programs that support these very outcomes. Budgets are being cut and even eliminated for such important activities as leadership development, employee training, recruitment and retention of key personnel, and rewarding essential performance. Organizations are reducing HR staff headcounts and outsourcing activities, which save money in the short-run but rob the organization of the ability to effectively leverage its HR talent and internal capabilities. Value-added HR programs and activities need an appropriate budget and the resources to get the job done.

Lesson #3: *Excessive cuts in HR programs saves money in the very short term but prevents significant return-on-investments from accruing that can have a huge impact on the bottom-line of the organization.*

Barrier #4: Ineffective HR Strategic Planning and Alignment (37.2%)—One of the common outcomes of the lack of top management support and being excessively busy with day-to-day operations is that HR people do not fully develop a strategic vision and game plan to best support the organization's overarching business model. In addition, this is likely to happen when organizational leaders who lack any real HRM training are placed in positions of leadership in the HRM function. Without an effective HR game plan, organizational performance can easily be compromised.

Lesson #4: *It is imperative for HR leaders to work with top managers and develop a strategic HR vision and plan that best supports and is aligned with the organization's strategy.*

Barrier #5: Lack of Management Buy-in at All Levels (36.8%)—One of the greatest challenges that modern HR leaders face is getting managers at all levels take the HR function seriously and as part of their own responsibilities. This is especially true in trying economic times where a short term focus on one's own unit performance is likely to be dominant. As a result, many organizations take great pains to develop effective HR policies and practices that are never fully implemented because of a lack of management buy-in. Examples include: ignoring staffing and EEO compliance guidelines, ineffective employee orientation, failing to properly train, coach, and manage the performance of employees, conducting ineffective performance appraisals, and not utilizing pay-for-performance systems. It is exceedingly difficult for an HR department to add real-value to any organization when managers ignore or even resist effective HR practices and their application to the daily operation of their organization.

Lesson #5: *HR leaders must need to enhance their personal credibility and increase "line of*

sight" between their activities and organizational performance and shorter term bottom-line results if they want managers at all levels to buy in and support their programs and to seek out HR support.

Barrier #6: Too Much Time Spent Fire Fighting (29.9%)—Although discussed separately by survey respondents, this barrier is clearly connected to issues broached concerning Barrier #2. A critical part of HR's job is to solve problems that damage organizational performance, especially in challenging economic times. Having said this though, HR leaders can easily find themselves in perpetual fire fighting mode that robs them of their ability to create competitive advantage with their people. When an organization does not have top management support, proper funding for HR activities and personnel, an effective HR strategy, and lacks management buy-in, it is not surprising that fire fighting consumes a great deal of time and energy on the part of HR leaders. Fire fighting is generally created by an organization's failure to properly plan and executes critical HR practices, ineffective strategy implementation by line managers, or disjointed organizational decision making. This frequently occurs when organizational leaders keep changing direction, HR program requirements, or goals.

Lesson #6: *It is easy for HR leaders to find themselves in a perpetual state of crisis that degrades their ability to create real value with the organization's most important resource.*

Barrier #7: Lack of HR Knowledge among Leaders (25.4%)—While leader "buy-in" with the HR function is critically important, this is hard to achieve when organizational leaders at all levels have not been properly educated on the specific HR practices and skills that are necessary to support all other functions across the enterprise. When managers at all levels have not been properly trained and educated on how to interview, train, coach, appraise, handle conflict, and the like, an organization cannot achieve maximum performance. Lack of HR skill and acumen among managers can have disastrous consequences for an organization and, as discussed previously, line managers are not frequently perceived as skilled or competent enough to execute their HR responsibilities required supporting the organizational workforce strategy.

Lesson #7: *Managers need to be educated, trained, and coached so that they fully understand how to implement the HR practices which can impact their performance and the bottom-line.*

Barrier #8: A Poor Communications Culture (23.7%)—Poor communication creates problems in any organization but this is particularly true in the HR arena. Ineffective communication channels, information overload, an unwillingness to share accurate information, fear, and disrespect are all conditions that can cause a communication breakdown around important HR issues in any organization. When you consider the aforementioned barriers, it is easy to see how communication breakdowns can stifle and even kill off the most well conceived value-added HR initiatives. Value-added HR management must practice effective 360 degree communication in order to impact the organization's bottom line in tough economic times. At the same time, it is imperative that managers at all levels of the organization provide accurate and honest feedback to HR leaders in addition to being willing to accurately share critical information coming from HR leaders.

Lesson #8: *If your organization does not have a culture of effective 360 degree communications, your ability to create and implement value-added HR practices in difficult economic times will be greatly degraded.*

Barrier #9: Old Ways of Thinking About the HR Function (20.6%)—It is not surprising to observe that HR leaders believe that there are still far too many managers who look at the HR function as simply "the people who bring the watermelon to the picnic" or who are "constantly nagging about EEO, safety, compliance, and other bureaucratic minutia." It is one thing when an organization has managers who are not properly informed about, or have the requisite knowledge of, critical HR practices. It is another when managers within the organization do not

fully comprehend and understand the role that HR can, does, and should play in the organization's overall performance and this is particularly true at the top of an organization. These old ways of thinking contribute to the lack of top management support barrier mentioned previously.

Lesson #9: *Organizational leaders at all levels must be made aware of all the potential competitive advantages associated with value-added HR activities and how they can be integrated with current business practices.*

Barrier #10: Lack of Teamwork/Cooperation (19.4%)—HR just might be the ultimate team sport and when a lack of teamwork or cooperation exists it becomes difficult, at best, to implement HR policies, practices, and procedures. A lack of teamwork can exist at two levels. First, within the HR function itself there may be different agendas, conflicting goals, personalities and egos, and the like within the HR function that are dysfunctional to the enterprise as a whole. Second, there can be a marked lack of teamwork and cooperation between the HR leaders and leaders within the organization as a whole. In both cases, this barrier can be removed with effective leadership and getting managers to focus on the super ordinate goals of enhancing overall organizational competitiveness and performance.

Lesson #10: *HR leaders should take the lead in fostering high levels of teamwork and cooperation within their own department and the organization as a whole.*

A CALL TO ACTION

When an organization finds itself in trying economic times, it must seek out every possible opportunity for rapid improvement. Organizations can ill afford not to use every tool at their disposal to improve performance. At this point, the HR function and related HRM activities carried out by line managers at all levels in the organization is in one of the best positions to make the difference in organizational survival. We would challenge you to take the time and use the checklists provided in Exhibits 3 and 4 to assess if your HRM function is having the maximum impact it can on organizational performance and the bottom-line in these challenging economic times.

An Assessment of HR Value-Added Activities in Challenging Economic Times

When managing our human resources, how often does our organization...

	Never	Rarely	Sometimes	Usually	Always
1. Take a long hard look at our strategic HR planning and its alignment with our organization's strategic goals and plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ensure that our workforce has the requisite education, training, and development to compete?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Analyze and review our hiring and work scheduling activities to make sure it enables the organization to hire the best talent available using the most efficient and effective methods?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Conduct a thorough appraisal of our approach to performance management and appraisal to determine if it is truly a value-added activity and what adjustments can and should be made to enhance the process?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Take proactive steps to create a customer service mindset among HR Personnel and to help the organization deal better with HR challenges and problems in a timely and effective manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Review the effectiveness of our current compensation and reward system to determine if it is meeting the current demands of our organization in an optimal fashion?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Maintain our organization's legal compliance with federal, state, and local laws but look for ways to do so more efficiently and effectively?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Determine if our workforce is cognizant of the state of our organization, changes that need to be implemented, industry challenges, and other important operational information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Ensure that our organizational leaders have a clearly defined job description that incorporates its HR responsibilities and that managers are actually measured on their engagement in these in their formal performance review?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Make sure HR Leaders set the standard for ethical behavior, serve as a safe haven and problem solving agent for employees with ethical concerns, and safeguard employee confidential information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

EXHIBIT 4

Exhibit 4: An Assessment of Barriers to Essential HR Value-Added Activities in Challenging Economic Times

When attempting to implement essential HR value-added human resources activities in your organization, how often are these efforts hindered or derailed because of...

	Never	Rarely	Sometimes	Usually	Always
1. A lack of top management support for the HR function or specific programs it is implementing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. HR leaders being excessively caught up in time consuming low value-added activities that rob them of the time and energy needed to make tactical or strategic contributions of greater value?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. An insufficient HR budget and lack of other resources to get the job done?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. A poorly developed HR strategic vision and game plan that best supports and is aligned with our organization's overarching business model?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Managers at all levels ignoring and even resisting effective HR practices and their application to the daily operation of our organization?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. HR leaders are constantly finding themselves in a perpetual state of crisis that degrades their ability to create real value with the organization's most important resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. A lack of HR skill and acumen among line managers that prevents them from fully understanding how to implement needed HR practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. A poor communication culture that prevents managers from providing accurate and honest information/feedback to HR leaders and HR leaders from sharing critical information with managers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Organizational leaders at all levels are not aware/fully aware of the potential competitive advantages associated with value-added HR activities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Lack of high levels of teamwork within the HR function and between HR and the organization units?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sit down in a quiet place and use these checklists to think through how HR function is adding value and how that level could be increased. At the same time, think long and hard about the organizational barriers preventing your HR activities from having a maximum impact. Our previous research on high performance business leaders makes it clear that career success and survival in every discipline depends on constantly improving performance.¹³ Obviously, this is even more likely to be the case in an extremely difficult economic environment. At this juncture HR leaders are in a perfect place to help their organizations deal with these trying economic times, but know this, without your leadership, your organization will not be able to properly leverage its most important resource, your people.

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