Strategic commentary

Four steps for HR to support CEOs in leading large-scale shifts in corporate strategy

Matt Hassler

In late 2019, the Business Roundtable – a prominent association of CEOs from America's leading companies – made a bold statement about a revolutionary shift in corporate focus. The purpose of an organization is no longer primarily to provide shareholder value, but that "we share a fundamental commitment to all of our stakeholders," including employees, customers, suppliers and partners and the communities in which they work. The announcement set a strong tone for today's business philosophies and put HR professionals at the forefront in spearheading this vision.

As we settle into 2020, here are four actionable ways HR executives can help their C-suite become leaders of positive organizational change amid transforming corporate expectations:

1. Understand the financial impact challenges have on an organization.

    HR leaders know the impact employees have on a company's bottom line, but it is not always easy to translate. Matters including turnover and employee engagement do not have a dedicated line on the income statement, but their business impacts must be realized. Simply replacing an employee, for example, presents increased costs in the form of lower production rates or higher wages for overtime until the open position is filled, resources expended for interviewing and hiring, additional administrative time for training and onboarding, existing employees' time and resources to help acclimate the new employee, potentially resulting in compromised production from the team overall and lower production rates from the new employee at the outset, as there is a natural learning curve that accompanies the transition.

    This is just one challenge, but knowing and effectively communicating the financial impacts of the intricacies an HR team faces is the first step to discovering powerful solutions and driving positive change within a company.

2. Use data to understand strengths and weaknesses.

    As organizations grow, it can become difficult for executives and HR professionals to make accurate observations of their company's culture and talent. While data is widely used to measure every aspect of organizational performance, there is often very little information on specific HR-related metrics available to leaders. Bad information leads to bad strategy, but there are steps HR executives can take to arm their team with valuable data such as:

    ▪ *Performance tuning with coaching and feedback –*

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Increasing the frequency of manager and employee interactions and fine-tuning the focus of those interactions can provide better data. Performance management should always be an ongoing and organic process, so HR leaders must ensure managers can provide regular feedback and coaching. This includes using easy-to-use performance-tuning technology that can also record their interactions.

- *Frequent targeted employee surveys* – HR leaders must also leverage employee surveys for a regular pulse and to chart changes in organizational culture more in line with when they happen, not a year later. These ongoing data points help management teams understand if efforts to improve performance and culture are working.

3. Create champions out of operational leaders.

If HR professionals have collected valuable data about their employees with performance tuning and frequent employee surveys and they understand the financial impacts of the challenges their organization faces, the next step is to develop an action plan. It is the company's managers and operational leaders, however, that will need to execute this plan.

From the very beginning, it is crucial to include the leadership team and managers in all efforts for their ultimate buy-in. If they support and believe in the data HR executives collect and understand how improvement strategies will impact the company, they will become champions of new initiatives and will increase the chances of a positive outcome.

4. Execute against specific measurable goals.

Measuring the return of an HR-based initiative can be a big feat, as there are several variables involved. Whatever challenge is being tackled, it is important to thoroughly understand and lay out the end-goal, as well as the

metrics that will be tracked to measure results. Data collected from a company's employee population is invaluable in this process.

Equipped with a deep financial understanding of organizational challenges, actionable data from their workforce and active champions of specific, measurable goals, HR professionals can empower their executive teams to effectively lead in a new age of corporate awareness – a necessary tool to meet the expectations of future generations of employees and to outperform competitive companies.

About the author

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