

Business Flexibility and the HR Director

Common HR goals in commercial business are to support client needs with productive human activity inside the firm. The business owner expectation is that long-run share price will improve, based on consistent evidence of sales growth, gross and net margin improvement. And brand loyalty from a satisfied, if not delighted customer base.

As products and services increasingly become digital, the component value generated and the sales channels used alter over time. An initial concern for the HR Director is how to ensure the HR goals (productive human activity inside the firm) continue to be met. Even as the digital transformation occurs in the products and services sold.

External threats undermining the HR goals may come from economic shocks (wage-price inflation), government legislative change (employment law changes and worker migration levels both ways), industrial action, a workplace skills shortage (an education supply mismatch with industry needs), or perhaps industry disruption from entirely new competitors (job offshoring or process automation replacing production jobs say).

Internal threats undermining the HR goals may come from departmental warfare, muddled strategic thinking, organisational politics, or simply the 'growing pains' to achieve scale and critical mass in the chosen markets.

For all types of threat to the HR goals, improving the business flexibility (FL) will help. Why? Because improved business flexibility helps the business cope with general uncertainty firstly. And the emergent threat second.

Sometimes, fostering a range of viable HR approaches can be as valuable as concentrating on executing one HR approach supremely well (HR approaches in one sector may not translate well into another).

Improved business flexibility also enables business scalability. FL is needed via changes in HR processes, organisational structures and management styles (command to coordinated to collaborative). A question for the HR Director is whether enough HR flexibility is being built up soon enough to match the growth aspirations of the organisation's owners. If not, the HR Director working with a flexibility consultant can identify steps and actions to alleviate the 'growing pains', before they translate into missed sales, damaged departmental relations and increased staff turnover.

Another issue for HR Directors in hybrid organisations is how to accommodate the permanent staff who want more of the freedoms that their contract staff have. Whilst accommodating those contract staff who want more of the security that the permanent staff have. Keeping the worker status HMRC-compliant as projects lengthen beyond two years, as management control evolves and as project team members converge in their working habits, will likely test business FL against HMRC compliance in practice. However, the combination of contract design (both employment contract and supplier contract) and management alignment should help.

For the HR staff, what guidance and support should you give the staff preoccupied with career planning uncertainty within your organisation? The lead on this might come from the operational staff's line managers. However, sometimes the direct relations might be strained. Or the staff concerns might be of a general HR nature. For example, questions about the central HR budget for training and how it can be accessed. There needs to be a degree of business flexibility to handle external threats (including competition and changes in customer expectations), which translates into

a flexible commitment to staff training to help manage through the necessary internal changes. The alternative is increased workforce turbulence (increased hiring of 'new blood' managers from outside, alongside increased staff turnover from staff who feel passed over for development and promotion). In summary, boost the internal training budget to keep staff skills high, current, overlapping and well distributed. On a related note, staff focus to become more productive may also suffer as concerns rise that AI, robots or automated systems will replace their job sometime soon.

With shared parental responsibilities and extra-mural training, flexible working hours may increasingly be what employees want. Meanwhile, there may be pressure from the business owners (private equity firms?) to have the workforce work flexible hours each week for a capped, 37.5 hour paid week. Can the HR Director intervene by fostering some explicit FL trading between the employer and the staff member? Also, in the global competition for talent, should introducing flexible working practices be balanced by improving other types of business FL to cope?

Another issue for the HR Director may be how reduce the cost of absenteeism and sickness within the existing workforce. One idea is to get the senior team to view the problem differently using FL thinking. Fix the cause in constructive ways, instead of the symptoms. Some examples of constructive ways include; job design, reward structures, more effective recruitment and improved team dynamics. Staff engagement, clever design outputs and project commitment is a symptom that what you're doing is right.

With the rapidly improving Internet of Things in the workplace, the more that human productivity monitoring systems appear in workplaces, the more stress can be expected for employees and the more stress-related absenteeism can be expected. The solutions probably involve business flexibility to some extent. For example, balanced monitoring to credit employee initiative and innovation, not just improved production efficiency. The question for the HR Director is what KPIs are being developed and introduced for business flexibility to monitor this balance?

A final thought. If management expectations as well as reward drive actual workforce motivation, then managers should consider spending more time on managing staff by spending more time on job design and redesign to cope with external and internal change. The question for the HR Director is how often are staff job descriptions reviewed and updated, given that they form the foundation of workplans, objectives setting, performance appraisals and perhaps bonus allocations?

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