

Commoditizing the HR Profession

Is HRO the breaker of egos or does it just want to further make available services that self-proclaimed experts boast as their *raison d'être*? By Paul Davies

From the self-promoting chroniclers of medieval European monarchs to modern-day media secretaries, the appearance, the perception, and the brand have always been more important than the substance. The sophistry of those who argue that truth is a matter of spin lead us ever closer to a situation where opinion becomes indistinguishable from fact, and no disagreement can be resolved because every opinion is as good as another.

So what does this high school philosophy have to do with HRO?

In effect, outsourcing is the nemesis of professionals whose high opinion of themselves owes more to spin than reality. The stripping down of jobs into commodities that can be bought and sold to the best and sometimes cheapest bidder debunks their aspirations brutally. Corporate turf monkeys who have built their careers on exaggeration and aggrandizement are exposed, and a great deal of professional pride has to be swallowed.

Whether it is HR, IT, F&A, payroll, security, catering, whatever the category, job incumbents cling to the idea that they are unique, mystical even. And the mantra that “No one can do it like we do” is only one part of the problem. Entire industries have evolved around and are invested in the professionalization of jobs. From medical procedures that could be performed by trained nurses instead of doctors but aren't to company accounts that could be tracked by bookkeepers instead of accountants but aren't, the job protectionism of professional organizations is every bit as tenacious as that of militant trade unions.

These factors conspire to complicate, dress up, and to be honest, cover up what actually needs to be done. We produce person specifications and job descriptions 10 pages long to justify the complexity of HR, map processes with multiple safeguards and intricate approvals, and bury the whole thing under layers of best practice and legal red tape. And often we do it just because we can. Ninety percent of it is self-promotion or, in worst cases, self-delusion.

BPO and its surrogate HRO strip away the layers and lay bare the unfashionable truth: Anyone, anywhere, and in many cases, any software can do the job. Throughout manufacturing it's already happened on the shop floor. As any blue-collar worker can testify, lean

manufacturing practices and robots have simplified their jobs to basic robust components, and many white-collar workers have watched the PC demystify their role in the workplace. The professions are the last bastion of ludite protectionism, and outsourcing is in the forefront of tearing it down.

Or, could be.

In reality, too many providers skirt around the subject and pander to their customers by focusing on the transactional side of the business. The pitch goes along the lines that the professionals are being held back by too much administration. Providers can take over and commoditize this administration so that the professionals are free to do the mystical things they do best. Providers thereby confine themselves to the parts of HR that can be divorced from the professionals who make the outsourcing decision, winning the business without alienating the decision makers.

Of course, the argument in its purest form is robust. Dividing the work between what can be commoditized and what cannot is a legitimate way of looking at what can be decontented and made cheaper and what is better to be nurtured and invested in. However, the point at which the dividing line is drawn may become the future battleground of HRO.

The professional knowledge bases could be the next areas to be partitioned off and commoditized by the outsourcers. Why should off-the-shelf, boiler-plate training be expensive? Is the “magic” employed by recruiters worth their fees? Why shouldn't the documents of the labor relations world not be templated and made available as knowledge commodities instead of “professional” services?

These things are available already, but they cling to a privileged spot on the value curve—the spot that justifies their desired price point. The commodity revolution that began with transactions has the potential to creep up the curve, debunking the spin surrounding knowledge services. HRO could use its tools and adherence to low cost and simplicity to decontent professional jobs until all the spin has been stripped away and organizations are truly left with the decision makers, negotiators, and judgement callers. Everything else could be outsourced and commoditized. **HRO**



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