

Insight

Strategy Monkeys

Richard Hodge

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There's only one strategy, and that's the business strategy. Everything else is doing things to achieve the business strategy – R. Hodge

The Strategic Calling

Listening to a presentation in a Personnel Leadership meeting, you hear a practical, detailed proposal about how to implement an improved talent management process. There's a pause, and then someone says,

“... We need to think about this 'strategically' ...”

You're attending a conference. A consultant is speaking in plenary session. She complements HR on its approach to policies and procedures, but she reckons that the Function should be – you guessed it

“... more strategic ...”

Does this 'Strategic Calling' energise you?

Or, does your heart sink at the prospect of another endless, self-indulgent search for a pretty, big-picture concept that ultimately fails?

If you find yourself in the latter group, you're not on your own.

The Problem with HR Strategy

Don't get me wrong, having a coherent, integrated set of goals orientated towards a single, agreed-upon organisation vision, and a plan to make it happen is critical.

Being able to see the wood without the trees, or laser in on the key issue amongst a plethora of challenges is important too, as is spotting the next effective application of new thinking or new technology.

All Things to all People

But the Strategy Monkeys never say any of this.

They prefer to use the banner title, and the problem with Strategic HR, as a banner, is that it means all things to all people.

That's why HR software companies and consultants like it so much. It is a rallying call that energises everyone into cheering enthusiastically without realising that they're cheering for both everything and nothing in particular.

Forget About Whether it Works

The other problem with Strategic HR is that, it tends to avoid detailed, practical assessment of what is viable and how it can be achieved.

It chases best-this and best-that concepts that leave behind what the organisation actually needs, what it can handle or what it should be spending money on.

It becomes a discussion of how wonderful life could be if it weren't – well – so obstinately uncooperative.

HR for HR's Sake

Nothing could contrast more with typical organisations, which are full of hard-headed, practical doers and achievers.

Sure, they can spot an opportunity, but they also know how to seize it. Sure, they can figure out how to assault a market, but they also get on with the assault.

HR Strategy, at its most destructive, becomes the very problem it seeks to resolve. It becomes exactly why the Line doesn't respect us.

HR Business Partners who pursue HR for HR's own sake, and who latch on to concepts and convoluted HR processes with no idea of their practical impact on Line Managers everyday lives.

HR becomes stifled by too many lunch meeting creatives and too few accomplishment-focused implementers who believe in the bottom line.

There is one strategy: the Business Strategy

Michael Porter in his 1980 classic, Competitive Strategy, claims that strategy is about market positioning.

Kaplan & Norton believe that a strategic approach is company vision/values based.

Henry Mintzberg believes that strategy can take different forms such as business planning, or a ploy to outmanoeuvre a competitor.

In 2007, The Economist, a respected UK magazine, was more straightforward. It claimed that "nobody actually knows what strategy is".

Let us start, then, where I hope everyone can agree. Whatever "strategy" is, it applies primarily at the organisation level, and there is one, and only one, Organisation Strategy which drives all organisational activity.

Therefore, it follows that HR "strategy" is nothing more, or less, than the HR activity which supports the Organisation Strategy.

For example, Apple HR hire, train and reward innovation....because the Business Strategy is to "develop brand new, innovative products which blend art and technology".

Strategy is Doing

Not only is HR strategy a manifestation of the Business Strategy it is also what HR "does" to deliver the strategy. Not what HR thinks about, or discusses, or distributes a survey over, or analyses in its latest number-crunching software.

It is what HR achieves.

As early as the '60s, Kaplan & Norton stated that "93% of strategies which fail, don't fail because the strategy is wrong, but because the execution is poor". Similarly, in 2011, Pietro Michelli, senior academic at Cranfield Business School explained how "separating strategy formulation from strategy execution doesn't work and can be harmful".

Which is to say that: doing and thinking are utterly mutually interdependent. Whatever HR Strategy is, it incorporates the ability to execute effectively as well as the ability to formulate effective ideas.

A Practical Translation

Many calls for HR to be more strategic are simply grasping for a way to tell us to do more in support of the organisation's strategy.

There is no magical formula in it; nothing that we need go to a conference to find out about or buy a book to discover.

The term "strategically" is used to capture the Line's frustration with us in some specific areas, such as:

- Not applying the same business-orientated mind set as other functions.
- Being satisfied with reacting instead of predicting and acting in advance.
- Not exercising perceived higher-level, consultancy-type skills.

These things are as much about what we do as about how we think. Which, given the nature of business people should hardly surprise us.

Come to the table on Business Issues

Organisations are interested in HR that impacts productivity, revenue generation, customer experience, growth, product innovation and whatever else the business thrives on.

When the Line asks us to be more strategic they are asking us to contribute to decision-making and direction-finding in these areas. They want HR to help lead the organisation on commercial and operational issues.

They are also fed up with HRBPs fixating on "best in class" HR processes and procedures.

Leaving aside the matter of who arbitrates "best in class", from an organisation strategy perspective, this type of HRBP is asking the wrong questions - unless the company is providing HR processes.

Organisations need HR solutions which are relevant to their market and mission. Whether they are "best in class" is irrelevant.

Learn to be an Oracle

The call to be strategic in HR can also mean predicting and mitigating organisation needs before they occur.

Sending someone on a training course is humdrum L&D; identifying a future skill gap and a course to develop the skill before it is needed is strategic L&D.

Filling a management post with an internal candidate is humdrum talent development; creating a succession of 3 candidates with the required experience in advance is strategic.

Skill Up

Lastly, some calls for Strategic HR represent frustration with what is perceived as the administrative skills base of HR.

Time and leave management, payroll and pensions administration, and employment procedures such as redundancy and dismissal etc. are regarded as the dominant HR preoccupation.

When the organisation wants different disciplines such as Talent Development this can be expressed as a desire for Strategic HR.

Similarly, if the Line perceives that the skill set of HR people is orientated towards administrative disciplines, they express the desire for conceptual thinking, analytics, creativity and leadership skills as wanting HR people to be more "strategic".

Do something about it

Every HR strategy call is a cry for action.

To support the organisations goals such action has to be broken down into clear, detailed objectives, measures, actions and timescales. Fuzzy notions about being the "best" and supporting "excellence" and "fairness" probably don't cut it.

Equally, the "strategic approach" to HR cannot be an excuse for neglecting attention to detail and not taking commitments to delivery and milestones seriously. Once actions are defined, they need concrete, deliverable plans thought through to within an inch of their life.

Knowing what to do and planning how to do it is only half the answer...working your ass off is critical!

Using performance contracts week in, week out to guide, review and reward activity, and where necessary hold individuals to account is the engine room of strategy. It is, in my opinion, is what strategic activity is about ...it is delivery focused.

So what?

There will be those who argue that having a delivery focus reduces options, applies limitations and constricts creativity and visioning.

The argument often unfairly compares Payroll "doers" who supposedly can't grasp strategy with OD "visionaries" who bring the big Talent concepts to the party.

I would argue that Talent visionaries should have to deliver no less concretely than Payroll managers. Only when the both are held to the same performance standard can we make judgements about value.

None of what organisations need from either is well served by vague, aspirational calls to be "strategic", or by grand unrealised programmes and the latest HR management fads.

Whatever one's position on Big Concepts, I am simply suggesting that in the real world, HR strategy has to be married to practical viability and robust execution. Strategy has to result in concrete deliverables that help realise the Organisation's goals.

Being "strategic" in HR is no more, and no less, complicated that.