



4 Ideas to Reengineer Your
***Human Resource
Practices***

Innovative and Unique Ways to Do More with Less

4 Ideas to Reengineer Your Human Resource Practices

Got budget?

You're not alone. Corporate belts are cinching all across America. While a few unfortunate companies are struggling for survival itself (*including the once-invincible General Motors Corporation*), nearly all organizations are looking for ways to become leaner. The solution however, isn't as simple as cutting HR budgets by 15%. The challenges the HR professional faces today are more complex: maintaining productivity while reducing staff, for one. A company can be facing contraction and experiencing growing pains, at the same time.

Staffers at Orchard, Hiltz & McCliment, Inc. (OHM), a regional engineering and architectural firm are working twice as hard, just to maintain last year's revenue. At the same time, the company is growing geographically and adding new services to its offering. These conflicting challenges forced OHM's leadership to look beyond simple budget and staff reductions to reengineer its human resource practices. And OHM is not alone. Across the HR field, companies are finding creative ways to "*do more with less*".

Following are four simple ideas you can use to help you reengineer HR:

1. *Analyze Your HR Practices*
2. *Develop a Strategic HR Plan*
3. *Embrace Technology*
4. *Leverage Your Resources*

Analyze Your HR Practices

1

Everyone gets stuck in a rut. You are so busy putting out fires that you have little time to think about the big picture or the smaller details. Reach out for another pair of eyes to give you a fresh perspective. One valuable tool to help you gain insight is an HR audit. Find an HR expert to review and evaluate your company's HR operations, top to bottom. An audit is an extensive examination of a company's systems and practices.

What's on the list for an HR audit? These areas are likely suspects:

- Recordkeeping
- Compliance
- Salary and Compensation
- Benefits
- Professional Development and Training
- Performance and Recognition
- Recruiting and Retention
- Safety and Health
- Culture

With a successful audit, you'll uncover those compliance risks that can derail an organization, learn how your company's practices compare to industry leaders and get a host of new ideas to improve your results.

Don't overlook local, state and federal program resources either. Recently OHM used free safety consulting services, offered by the State of Michigan, to develop a comprehensive internal and external safety plan. The results? The company minimized risk and saved cold cash through reduced rates for workmen's compensation insurance.

Develop a Strategic HR Plan

2 You want senior leadership to understand that HR brings value beyond the basic hiring and firing functions. A strategic HR plan aligns the department's goals with those of the organization. Is your company's executive team planning to enter new markets? Sell off a low performing division? Any major corporate actions are sure to have an impact on HR.

When a regional service firm created a 5-year strategic plan to expand its single-state presence to the entire Midwest through a series of acquisitions, the firm's HR executive created a plan to support those goals. She focused on learning the employment laws in the new states, securing regional benefit brokers and creating step-by-step processes to integrate the acquired staff members.

Embrace Technology

3 Technology can streamline HR workflow, provide communication and accessibility to a non-centralized workforce and allow your staff greater flexibility. Some great technological time-savers: web-based payroll and HR Management System applications, employee intranets and electronic applicant tracking systems. The HR manager at an 160-person, five office company, partnered with the IT department to create a simple intranet-based tool for employees to make annual benefit selections.

Going electronic with this process saved the organization more than 50 hours annually by eliminating the production, collection and tabulation of paper benefit enrollment forms from multiple offices. The electronic entry system also reduced errors by 92%, resulting in additional time saved.

Leverage Your Resources

4

This concept is about accomplishing HR objectives, especially those strategic goals, more efficiently. Break free of traditional practices. Rather than hiring a new staff member to fill a long-term but ultimately temporary need, consider alternate forms of employment, such as payrolling. Payrolling is the practice of referring a contingent worker to a staffing vendor or payrolling provider. The vendor acts as the employer of record, responsible for employer taxes, payroll, and all legal matters pertaining to employing workers, thereby reducing contingent workforce costs.

Our company's employee's can be an invaluable resource, too. When Paul Levy, President and CEO of Beth Israel Deaconess Medical Center in Boston challenged the hospital's staff to volunteer creative cost saving ideas, he received hundreds of suggestions. Putting some of those ideas into practice, BIDMC was able to save enough expenses to reduce necessary layoffs from 600 to 150.

In another cost-savings example, Workforce Management Magazine (June 2009, Speizer) highlights the case of Florida Power & Light (FPL), which put its benefit plan out to bid, rather than just renewing with existing providers. FPL forced vision, dental and other benefit providers to openly compete using an auction-style process. Cost savings are estimated to be \$1.1 million annually.

Don't overlook the importance of employee morale during an uncertain economy. Enterprising HR departments can give employees valuable benefits, without blowing the budget. OHM offers its staffers bimonthly brown bag lunch-time enrichment events, led by local vendors, experts and service providers. These vendors deliver their programs at no or nominal charge to the company. Topics can be work-related subjects such as time management and presentation skills, or take a personal bent, such as choosing a workout program or creating a will.

Times are tough, all across America. Just as the bankruptcy of Chrysler and GM is forcing the Big Three to reinvent themselves, Human Resource leaders can use these four concepts to reengineer their service offering. Leaner, stronger, smarter and faster - no matter what business you're in, those are goals we all share.

About the Author

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Kelly's HR career experience spans the professional services, educational and non-profit sectors. She is an adjunct professor at a local college, an advisor to the American Council of Consulting Engineers and a diversity advocate for several non-profit and for-profit industries.

KJGroup specializes in establishing human resources programs, performance management, succession planning, legal compliance, management training, problem resolution, compensation plans and leadership coaching. For more information about effective Human Resource practices, please visit www.KJGroupHRconsulting.com

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