

talent management

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5 SKILLS

Every HR Pro Needs

Today's talent managers need cutting-edge skills that drive innovation, develop talent and leadership, transform culture and enhance the bottom line.

BY RON LAWRENCE

In a global and competitive workplace, the skills of human resources professionals are more critical than ever. In fact, companies with highly skilled HR departments experience more than three times the revenue growth and more than twice the profit margins of lesser-skilled organizations, according to a 2012 Boston Consulting Group study.

It is no longer enough for talent managers simply to be effective administrators. Today, CEOs and executive committees expect their talent leaders to deliver cutting-edge skills that drive innovation, develop talent and leadership, transform the enterprise's culture and enhance the bottom line.

Human resources management has evolved dramatically over the past century in response to changes in the way companies work. When small owner-operator businesses were the standard, owners handled day-to-day management and labor issues. During the Industrial Revolution in the early 1800s, employees were viewed as interchangeably as the parts of the giant machines they operated. When disputes arose, managers mediated with involved parties, which introduced the concept of labor relations.

During the 1920s, industrial relations brought more formal processes, with employees demanding and receiving additional workers' rights. The middle of the 20th century witnessed an unprecedented era of civil rights progress, so HR adapted and grew into its role focusing on compliance. The 1980s brought technology to the workplace, and along with it theories of HR effectiveness grew.



ON THE WEB

Roberto Llamas, executive vice president and chief human resources officer of Univision, explains the core traits essential for all aspiring senior HR professionals.

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Yet the past two decades have brought the most significant change to the HR function. Economic challenges and an increasingly global marketplace demand creative recruitment, retention and compensation strategies. In addition, restructuring and downsizing have been common in the face of mergers and acquisitions.

Until now, HR's role in many organizations has been largely reactive, adjusting the workforce to the evolution of the business. But HR has advanced significantly in its sophistication and contributions to the organization.

Although many current HR practices still revolve around traditional responsibilities of recruiting, onboarding, training and assessment, the management of human resources creates tangible value by focusing on a company's most valuable resource: the undeveloped potential of its people. This commitment provides a unique competitive advantage because people and a company's way of conducting business are impossible to replicate.

As the role and effect of the HR profession has progressed from transactional to strategic, HR professionals have needed to develop skill sets that serve the needs of the employees while also addressing the long-term goals of the business.

Based on these broader and more strategic responsibilities, HR professionals need to develop five key skills.

1. Domain Knowledge

Knowledge is increasingly recognized and valued as a key organization asset. Talent leaders must be subject-matter experts in their domain. This involves a comprehensive and working knowledge of HR management issues such as organizational development and training, compensation and benefits, labor relations and laws, safety and health, performance, and employee evaluation.

Interestingly enough, experts in many fields are never challenged regarding their domain knowledge, yet it happens to HR professionals all the time. For instance, how often does someone say; "I could do the

chief financial officer's job" or "I know more about the legal system than my company's law department"? On the other hand, it is almost a routine occurrence to hear business leaders claim that they know more than enough to run the HR department. For that reason alone, HR professionals need to develop strong domain knowledge.

Without this demonstrated expertise, it is difficult for HR leaders to have that all-important seat at the executive table. Expert knowledge alone is not enough, however. Intellectual capital needs to be developed into a more dynamic approach that emphasizes the connections, feedback and flow of information to enable HR as a valued strategic partner. Beyond that, the best HR partners keep looking for new ways to continually add value to the organization.

2. Business Acumen

Domain knowledge is an essential core skill, but if the HR professional cannot put it in a language that resonates with strategic business partners, then expertise can be rendered useless. According to the Society for Human Resource Management, business acumen addresses "an HR professional's ability to understand business operations and functions, the organization's external environment, and how human resource management practices contribute to core business functions."

In simple terms, business acumen is a comprehensive understanding of how the company operates, how it makes money and what each person's role is in the process. SHRM cites business acumen as an essential skill for today's HR professional. In its "Content Validation Study of the Core Competency Model," more than 90 percent of respondents said business acumen is essential at the senior and executive level.

In addition to understanding the language and vernacular of the industry, it is important to speak in a way that resonates with key stakeholders. When HR professionals understand the language of the business, speak in financial terms and communicate the value of their work as it relates to the bottom line, they contribute to organiza-

Reader Reaction

What are some business skills HR must develop to drive business strategy?



@rucs

HR professionals must become comfortable with numbers and develop a capacity for analytics.



@SanyaSinclair

Solid understanding of the business and industry, project mgt, tech, & finance are critical. Never stop learning.



@adam_greenberg

Changing focus on diversity from counting to making it count.



Stephen B. Jeong

From my view, one way for HR pros to fit into that role is to better understand basic measurement concepts that are essential to ensuring the accurate use and interpretation of both qualitative and quantitative data related to human behavior. This is, in part, to ensure that numbers generated by the various employee-related SaaS tools are not applied blindly to high-stakes decision-making.



Farzan Ali

From my experiences in organizations, the HR professional must understand how the company makes money. This is fundamental. It will give them a clearer idea of value-add HR activities to pursue in the quest for business survival. They must also understand the 'business' of the industry in which they exist, what constitutes the competitive edge, global trends and how they can shape their HR programs to meet the business needs of the company.

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tional strategy at the highest level.

Business acumen may be intuitive for a select few, but most need to develop it. Topics to explore include return on investment, total shareholder return, organizational key performance indicators, and economic factors.

Additionally, it is important for HR professionals to have a functional understanding of the principles of finance, marketing, sales and technology, and how their roles affect the bottom line.

3. Communication

It cannot be overstated that effective communication is the foundation of successful HR management. Whether resolving challenges, communicating changes in policy, working with vendors or sharing the organization's values and mission, HR professionals need to be skilled in verbal and written communication.

Communication has benefits that reach beyond the sharing of information. According to a 2012 study conducted by Dale Carnegie Training and MSW-ARS Research, participants cited communication with their supervisor as a key driver of workplace engagement.

"The foundation for genuine employee engagement begins with extensive and effective communication both vertically and horizontally throughout the organization," said Mahan Tavakoli, regional vice president and chief diversity officer of Dale Carnegie Training.

Tavakoli suggests taking the concept of communication one step further. "When human resources thinks about dialogue rather than simply communication, they create a two-way exchange in a language that is understood by and related to by everyone in the organization," Tavakoli said.

Many organizations have a strategic communications plan that details external marketing efforts with customers and prospects. It is every bit as important to create an internal communications plan that outlines messaging efforts, vehicles

and opportunities for internal customers, or employees, as well.

Content should be tailored to specific audiences. For example, the message about a new company policy will be very different when presented to line staff than to the board of directors. Above all, remember that communication has two parts: talking and listening. Encourage frank feedback and use this information as a path to improvement.

4. Learning Mindset

As American author Louis L'Amour once said, "There will come a time when you believe everything is finished. That will be the beginning."

When professionals and companies become stagnant, they are left behind, eclipsed by forward-moving competitors who exhibit a passion for lifelong learning.

If the HR professional cannot put domain knowledge in a language that resonates with strategic business partners, expertise can be rendered useless.

These people constantly strive to learn more about their company, industry, profession, employees and the world.

Those with a learning mindset are flexible thinkers who are open to challenge, readily adapt to new pieces of information and continually find new ways to provide value to their companies.

HR professionals can adopt a learning mindset by constantly challenging themselves to learn new skills. Here are some ways to become a lifelong learner:

- Read trade publications, newspapers, industry websites, blogs, etc.

- Forge an interdisciplinary career path by working in different industries — or at the very least in different divisions of the company — that will allow you to bring new skills to the table.

- Travel widely to develop a more global understanding of the world's cultures and their influences.

- Enroll in independent or university-level continuing education courses.

- Participate in seminars, workshops and webinars.

- Join professional associations and network with other industry experts.

5. Courage

The final important attribute for today's HR professionals to have is the ability to demonstrate courage.

Courage helps HR professionals deliver bad news, listen openly to criticism, confront reality head-on and speak the truth to power. All leaders, especially HR professionals, must be willing to speak up and say what needs to be said, even if the message is unpopular — something that in practice can be very difficult to do.

Such courageous conversations, especially when rooted in conflict, help organizations and people move through struggles and into resolution. Christina Folz, strategic business associate for energy utility Southern California Edison, said domain knowledge and

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business acumen are essential to speaking truth to power. “If you know what the organization is trying to accomplish and the direction it is headed, they will listen to your truth,” Folz said. “Without this understanding, you can easily lose your seat at the table.”

Everyone is born with degrees of courage. Think of toddlers who repeatedly try to walk, fall and get up again. Courage is a learnable behavior, and the courage to speak and act can be honed into a practitioner skill.

Courageousness can transform a workforce. When all employees operate with less fear and more courage, they tackle more challenging projects, are more resilient to change and speak up confidently about important issues. When HR models courage, the effect on an organization’s success can be dramatic.

Bonus Skill: Evolve

To remain competitive and create a long-lasting effect on their companies, HR professionals need to shift from reactive,

transactional capabilities to strategic and forward-thinking skills. Like every organization, HR requires many different types of people with widely varied skill sets.

Nevertheless, those professionals who equip themselves with critical domain knowledge, business acumen, interpersonal communication skills, a learning mindset and courage will be poised to shape the future of their industries and the success of their companies.

HR professionals who embody these skills and continue to expand their capabilities will deliver immense and long-standing value to employees, organizations, customers, investors and key stakeholders.

Perhaps more important, they’ll derive greater satisfaction and pride from their contributions than ever before. **tm**

Ron Lawrence is the vice president of global talent management with clothing retailer VF Corp. To comment, email **editor@talentmgt.com**.

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