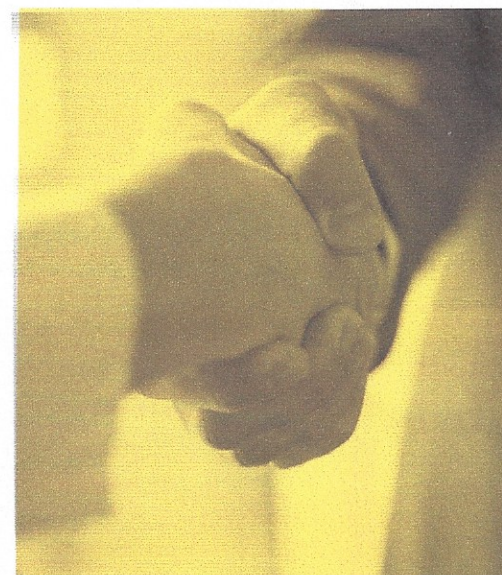
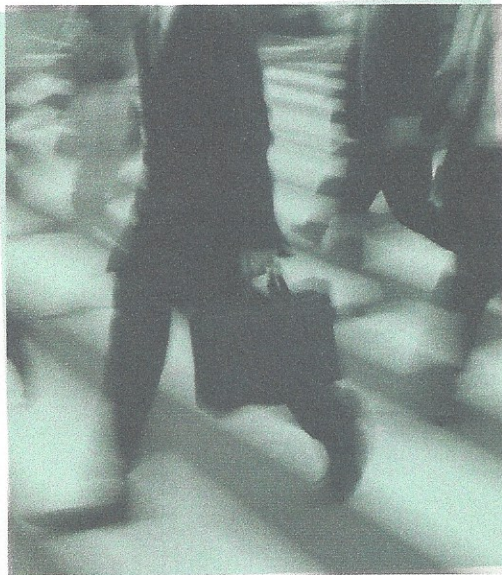


STAYING ON TRACK

Getting traction with your HR initiative means understanding where the line manager is coming from.

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by ADRIAN SMITH



It's a major frustration for HR professionals: for whatever reason, their important and valuable HR initiatives often don't get the traction they deserve within organisations. Unfortunately this often applies both to the initiative itself and to achieving something with the deliverables.

It is our observation that in many instances the groundwork required to create a foundation for success could be stronger and more impactful. Often communications don't explain the real and tangible outcomes that the initiative can drive for the business unit or organisation.

Here are some of the objections my colleagues and I have heard from line managers:

- How does this help me achieve my KPIs?
- You HR people are all theory, while we have to get the real job done.
- I've been doing my job for years. What gives you the right to tell me what to do?
- I'm too busy at the moment.
- This is a distraction to my main duties.
- I'm sorry, I don't have the resources to help right now.

As a result the initiatives receive at best shallow or hollow approvals, heralding difficulties in the execution of the initiative and in embedding the outcomes into the way the organisation does its business. If this resonates with you, then we share your frustration, however there is a way – with careful planning – to anticipate and deal with these objections and barriers.

Here is an example of a general benefits statement that was used to support a major initiative on career mapping and competency frameworks with one of our clients:

- Drive higher retention levels of high-potential and talented staff and managers.
- Ensure higher engagement from staff through recognition of their skills and improved career paths.
- Ensure they have the capability and skills (leadership, technical and functional) available to meet future needs.
- Allow development of more focused skills statements, leading to easier identification of skill gaps and the development of recruitment strategies.
- Allow for focused training courses on real, rather than perceived, development (leadership and functional) needs.

Fortunately, in this organisation the project got a very high uptake from the leadership cohort, but even then there were a number of managers who hung back from full involvement in the project.

In other environments, however, to the time-pressured, business-pressured,

resource-pressured or just plain cynical line manager, is this enough? And ultimately, as every business decision has financial implications, does it pass any sort of fiscal benefit test? To come to the conclusion there are a number of critical aspects, which must be addressed in your project planning.

“KNOW YOUR ENEMY”

This is a famous quote from Sun Tzu's *The Art of War*. While we don't see the relationship between HR professionals and line managers as adversarial, we do see it as essential to really know the people you are interacting with. Ideally you should be able to answer questions such as:

- What are the important issues to them?
- What are their personal and career goals?
- How do they make decisions?
- What are their blind spots?
- How do they like to receive information?
- What is their background, area of expertise and area of special interest?
- What are the key issues within their area of responsibility?

Answers to these questions will assist in framing individual communications for line managers that are more likely than not going to get a hearing and engagement in the project.

WHAT'S IN IT FOR ME?

While it is important to be able to articulate the organisational benefits of a HR initiative, too often we leave it to the individual line manager to interpret exactly what it means to them. No wonder they don't engage – we have not spelt out the real personal or departmental benefits for them, so why should they bother to be involved? What if we could say that the initiative will generate improvement to your bottom line of \$300,000 a year, or give you a specific and measurable edge over competitors when talking at universities as part of your graduate recruitment program. Or, that it could assist in dealing with issues from your latest employee-opinion survey results in relation to career and personal-development concerns. By now the line manager should be starting to prick up their ears.

QUANTIFIABLE BENEFITS

Each and every business decision has a financial impact, and as line managers have budgets to manage, KPIs to achieve, and often monetary and resource constraints, it would be silly to try to engage them without creating a benefits statement that dealt with these issues.

Take the example of a specific benefits statement and plug in some data to make it much more specific and real to the reader.

BREAKDOWN OF BENEFITS

GENERAL BENEFIT

QUANTIFIABLE BENEFIT

Drive higher retention levels of high-potential and talented staff and managers

20% reduction in annual turnover rates

Ensure higher engagement from staff through recognition of the value of their skills and improved career paths

A conservative 1% gain in productivity

Ensure they have the capability and skills (leadership, technical and functional) available to meet future needs

A conservative 1.2% gain in productivity

Allow development of more focused skills statements, leading to easier identification of skill gaps and consequently the development of recruitment strategies

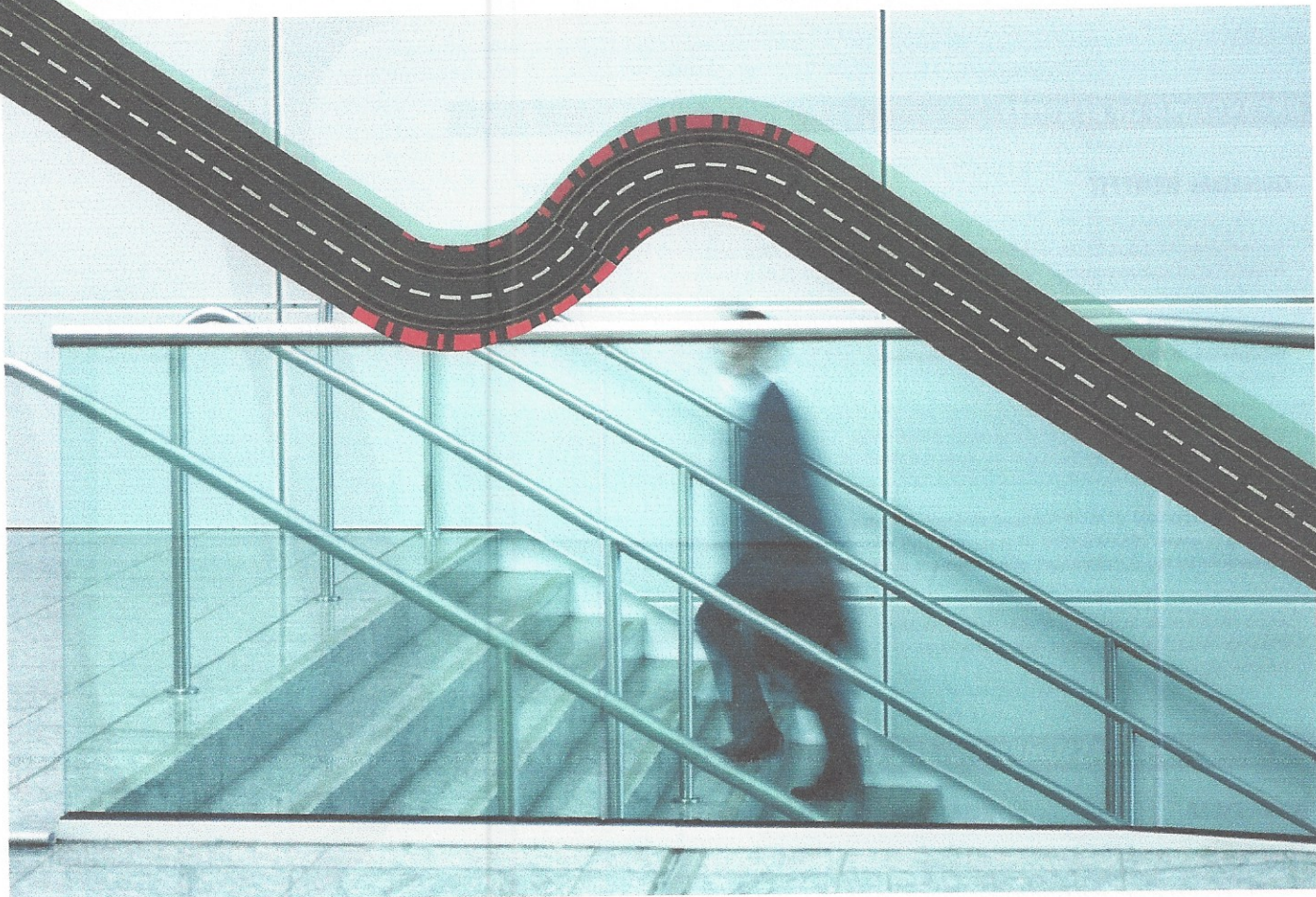
5% reduction in recruitment costs

Allow for focused training courses on real, rather than perceived, development (leadership and functional) needs

5% reduction in training costs (including time away from desk)

BASED ON THESE ASSUMPTIONS THE CALCULATIONS COME OUT LIKE THIS:

BASE DATA	ORGANISATION	DEPARTMENT	
Staff	1000	150	
Average salary	\$60,000	\$65,000	Including on costs
Annual turnover	8%	14%	Based on last 12 months (estimated) data
Training budget (per person)	\$1100	\$1200	Including time away from desk
Annual recruitment costs	\$800,000	\$210,000	Based on last 12 months' actual data
PROJECT COSTS			
Consulting costs	\$250,000		Internal and/or external costs
Internal costs	\$100,000	\$25,000	Including time away from desk
Administration costs	\$25,000		
Integration costs	\$125,000	\$30,000	Internal, external and time-away-from-desk costs
Total costs/investment	\$500,000	\$55,000	
PROGRAM BENEFITS			
Employment costs - savings from increased retention	\$288,000	\$81,900	Based on 20% reduction in annual turnover and replacement costs of 30% on annual salary
Improved performance from increased engagement	\$600,000	\$97,500	1% - Based on generally available statistical data for improved engagement measured in the organisation's EOS.
Improved performance from increased capability and skills	\$600,000	\$97,500	1% - Based on anticipated behaviour change measured from improved recruitment and from more targeted training programs
Improved recruitment capability	\$40,000	\$10,500	5% - Including operational efficiencies
More focused training courses	\$55,000	\$9000	Improved performance measured above, however also able to quantify a 5% reduction in training costs (including time away from desk)
Total program benefits	\$1,583,000	\$296,400	
Return on investment	317%	539%	



While this is a reasonably significant program, which means that project costs are amortised over a large cohort of staff numbers, the impact of the program is to show a very positive return on investment that easily meets the investment criteria of most organisations, particularly as the return takes place in months rather than years. Also, the ROI would be even higher if subsequent years' productivity improvements and cost savings were also accounted for in the calculation.

The very strong ROI at the organisational level reinforces the cumulative effect of smaller incremental gains across a number of areas and becomes a very strong validation of the worth of the project. It is based on reasonably conservative assumptions, which also tells us that well-designed and planned HR projects can have a huge impact on the organisation, but only if we can get them embedded into the business.

At divisional level we have included only the direct costs and direct benefits of the project, as these are what are really important to the line manager and their area of responsibility. In this instance the ROI is overwhelming, as is the case for them to engage in the program and to implement career maps and capabilities statements. The

question becomes how could they explain to their manager and the leadership group that they are not involved?

QUALITATIVE AND INTANGIBLE BENEFITS

In addition to the quantified benefits above, there is a range of other more personal qualitative and intangible benefits that can be used to gain engagement, both organisationally and with individual managers.

At an organisational level, these include being recognised as an employer of choice, creating a performance-orientated culture, and being seen as proactive, engaging leaders.

Benefits at an individual level include being seen as managers who are willing to advance employees' careers, have staff interests at heart and are leaders with broad business and people perspective.

COMMUNICATION IS KEY

While the major component of work is often in establishing these tools, HR leaders must ensure they don't shortcut the communication, education and integration process. The concept of the initiative must be actively sold into the organisation. To do this successfully, the concepts and tools must

resonate with end users, and have strong, clearly articulated benefits. Furthermore, they must pass the test of common sense with users, be simple and transparent while remaining aspirational and forward looking, and they must genuinely help people in running their business.

A WORD OF WARNING

The calculations in the model are simple. The very basis of the model and therefore its accuracy, usability and credibility is the inputs to the benefits section. It will be critical to work with key stakeholders, including HR leaders, organisational leaders and finance staff, to ensure that actual data is used wherever possible.

Also, if you undertake these calculations, you must accept that they become the benchmarks against which the project will be measured. A performance-based culture and appropriate accountability are important elements of the organisation and here is an opportunity to stand up and be counted. **HRm**

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