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Which Key Human Resource Function has the Greatest Influence on Management's opinion of HR?

If one could list the five major functions of a quality HR department, what would those five functions be and which of those have the greatest impact on management's opinion of HR?

This question was asked in a number of human resource groups on the professional networking site Linked In. There were approximately 41 individuals who responded to the question and provided a broad range of thoughtful, intelligent answers. This article is a summary of the thoughts and comments provided by human resource professionals and consultants. The purpose is to make the information available to all and allow additional comment and debate.

"I don't think it's about which HR function has the greatest influence but rather which HR person. That person most assuredly will be the one who builds credibility as being a business person first and an HR professional second."

In reviewing all of the comments and responses, a few general themes became clear. A major theme that seems to be important is the idea of human resources as a strategic, business-focused function. Many respondents used language that implied a strategic value to the functions and capabilities of HR. Clearly, respondents felt it was very important for HR to demonstrate commercial sense, knowledge of the business, the competitive landscape and a strategic understanding of how the business needs to develop.

"I think these are all great answers. But the one I have found to have the biggest impact of an HR professional on upper management is to have an understanding of the business. By truly understanding what the company does, who they are, what services they provide and where they want to go, upper management will be more likely to see HR as a business partner, and not an administrative function."

Therefore, it is perhaps reasonable to assume that there are HR functions that are clearly focused on the commercial and strategic aspects of the business. Additionally, it might follow that most HR professionals would include those in one of the top five or six functions of a quality human resource department.

As a follow up to this, many people made comments about human resource functions and the importance of those functions connecting together in support of the business.

"We have to connect the delivery of our activities with their business impact. We're delivering talent so that clients are served by smarter people. We're delivering motivation so that we generate better solutions for customers. We deliver employee relations so that we retain a stable and knowledgeable workforce our

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customer's value. We deliver all these things so that our company's people create superior value for stockholders."

These comments imply a relationship between the delivery of talent and the achievement of strategic objectives. This might mean that talent acquisition and recruitment would be very important.

"I would like to say that recruiting the right person for the right place, keeping in mind business requirements and retaining him as per organization requirement is so important that he or she should be kept by any mean, i.e. motivational or tools."

This would also imply that talent management is very important.

"I really believe talent management will have the biggest impact on the perception of HR."

Respondents also commented on the importance of being trusted by those managers they support. The issue of trust with respect to HR is one that Quorum has seen come up in a number of ways.

"HR is privy to information that is not to be shared. Managers need to know they can trust you. They also need to receive the customer service experience where they feel that you are there for them, that you are concerned with their efforts and that you are taking it seriously to partner with them to reach their goals."

Yet the negative perception of human resources by management continued to surface and some comments seem to express a deeply felt frustration.

"Unfortunately HR is yet widely considered as a support function and not an initiative (innovative) one. And the fact of the matter is that when HR tries to be initiative (innovative), the management would shoo them off by saying, "You don't understand the market. Please do what you are asked to." Unfortunately, this is the fact! But if we don't understand the market, then how do we provide them the best of the available human resource to do the business?"

SUMMARY OF RESPONDENT RANKING BY MAJOR CATEGORY

Given the breadth and range of responses, the individual functions that were listed by respondents, were organized in their order of importance. These were then grouped into nine major categories. Only those respondents who gave a list of important functions were included. Some respondents seemed to agree with a particular list, but did not provide their own. In this case, that particular list was not included twice.

As an example of how functions were categorized, functions like change/transformation management, leadership succession, organization design, organization development and succession planning were all grouped in the category organizational development. Functions like delivering HR information, HR metrics, HRIS (human resource information systems) and HR reports for decision making, were all put in the category of analytics.

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Below is a table that summarizes the ranking of important functions by major category. The number of functions per category indicates how many functions were mentioned that were reasonably grouped in to a specific category. The percentage of mentions by respondents is a measure of how many respondents mentioned a function that applied to each specific category. For example, 78% of respondents mentioned a function that applied to the category of talent management.

The ranking of importance is based on the indicated importance. Larger percentages imply respondents seemed to place a greater importance on the functions in the category. A category with most functions ranked fourth or fifth, would imply a lower importance to respondents than a category with functions ranked consistently one or two.

Categories	Number of Functions per Category	% of Mentions by Respondents	Ranking of Importance
Talent Management	28	78%	46%
Employee Relations	10	28%	52%
Organizational Development	8	22%	50%
Talent Acquisition	7	19%	83%
Business Knowledge and Strategy	6	17%	72%
Compensation and Benefits	6	17%	47%
Information and Reporting	5	14%	53%
Other	5	14%	13%
Policy and Procedures	3	8%	44%

What struck Quorum as interesting was the contradiction between the percentage of individuals mentioning functions within categories and how they ranked the category in terms of importance. For example, the category of talent acquisition ranked 83% on importance (mostly

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first in importance) yet only 19% of respondent's listed functions associated with this category. Alternatively, talent management ranked 46% on importance (mostly fourth and fifth in importance), yet a full 78% of respondents listed functions associated with talent management.

There may be a number of reasons for the seeming contradictions between which functions were listed and how they were ranked on importance. What is important is not the absolute numbers but the directional indication of the numbers. Business knowledge and strategy are very important to those who mentioned it; but not very many respondents mentioned it. The same is true of recruiting. Talent management was mentioned as a key function by a significant majority of respondents, but was noticeably lower in importance. The reasons for these answers needs further study.

COMMENTS AND CONCLUSION

This report is an attempt to share the comments and views of respondents to a question posed about key human resource functions and their influence on management's views of HR. The liveliness of the debate and the range of comments indicate that there are a number of issues that need to be better understood.

As some readers may be aware, Quorum Associates is engaged in a study of human resource professionals. The purpose of the project is to develop a better understanding of the challenges and issues human resource professionals face in today's environment. This project entails a series of short and simple digital surveys conducted by the independent national research firm Action Research Institute. A full and detailed analysis of the results of the first survey has been sent to participants and is available in PDF format to those who [join and complete the study](#).

We have completed the first survey and a few of the results are relevant to this discussion. In response to open-ended questions in the survey, many respondents indicated that how human resource executes its capabilities has a relationship to how human resource is viewed by management. Others indicated that effective HR capabilities begin with the support of senior management. A majority of respondents felt that issues of capabilities (talent management and talent acquisition) were most important, followed by the perception of the HR function as strategic. This seems to parallel many of the comments made by respondents in this case.

However, an important finding of the first survey is that the perception of the human resource function is independent of the perception of HR capabilities. Based on the answers of human resource professionals, who participated in the survey, there was little meaningful relationship between how the human resource function is perceived internally or externally and the perceived quality of processes to attract, hire and manage talent.

In addition, it was a basic assumption in the survey, that positively perceived talent management and talent acquisition processes would allow easier identification and recruitment of top talent. Regardless of how respondents viewed their talent management or their talent acquisition processes, the identification and recruitment of top talent is still a challenge. 93% of participants indicated that identifying and recruiting top talent is very difficult. Furthermore, this was true

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regardless of the internal or external perception of the HR function. Yet only 19% of respondents from Linked In mentioned functions associated with talent acquisition.

Lastly, 73% of our survey participants, ranked “the human resource function is perceived by the company as a strategic function and the professional within HR are viewed as proactive, helpful, constructive and engaged” as in the top two of importance. However, only 16% of respondents here listed functions associated with the category business knowledge and strategy.

The responses to the question at the beginning of this article are a helpful check on some of the assumptions Quorum is making in developing the surveys. Furthermore, we are trying to listen to some of the unspoken factors that influence the relationship between management and human resources.

We want to thank everyone for taking the time to share their thoughts, views and experience—and encourage continuation of this discussion. We invite all human resource professionals to participate in our [study](#).

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