

Creating a HR Value Proposition

The HR value proposition has many important implications for HR professionals.

First, human resources work does not begin with HR it begins with the business. For the last decade, HR professionals have aspired to be more complete players relative to the core issues of the business, as described in a number of phrases: business partners, strategic players, in the business.

These aspirations are the best course of action for HR, but the fact that HR professionals continue to frame aspirations in these terms communicates a continuing concern. Think, for example, of the key wealth creator in your business. In an investment banking firm, that would probably be an investment banker. In a software company, it could be a systems architect. For none of these job categories are you likely to find a professional titled "Being a Business Partner." All of them would think "We do not need to aspire to be partners in the business. We are the business."

These key wealth creators can readily show how their activities create substantial value for key stakeholders. Their line of business runs directly to the best interests of clients, investors, managers, and employees. To be real not declared-business partners, HR professionals need the same kind of sight between their activities and the best interests of key stakeholders. The HR value proposition offers this line of sight.

The line of sight of HR professionals to internal clients is important and generally well understood, but the one to external clients and shareholders typically receives less attention. Knowledge of external business issues matters because external realities ultimately determine the relevance and utility of virtually all internal operations. External clients ultimately vote with their dollars about virtually everything that occurs in the business. These realities determine whether HR is successful in creating human abilities and organizational capabilities that generate products, services, and results that clients and capital markets demand. HR professionals must be knowledge experts of external business realities before they can frame, execute, and create substantive value through even the basic of HR agendas

- What abilities do we need so that we can understand and respond to short-term and long-term market demands?
- How do we invest in HR practices that deliver business results?
- How do we organize HR activities to deliver maximum value?
- How do we create an HR strategy that sets an agenda for how HR will help our company succeed?

When HR professionals respond to these questions, they will know why others would benefit by listening to them, because they will be delivering real value-and they will know what that value is.

When HR professionals begin with the receiver in mind, they can more quickly emerge as full strategic contributors; add greater value for key stakeholders (clients, investors, line managers, and employees); enhance business productivity; achieve measurable and valuable results; create sustainable competitive advantage; and have more fun in their careers.

Premise of HR Value

Since value is defined by the receiver, not the giver, any value proposition begins with a focus on receivers, not givers. For HR professionals, the value premise means that rather than imposing their beliefs, goals, and actions on others, they first need to be open to what others want. This Fundamental principle is too often overlooked. Often, HR professionals have beliefs, goals, and actions that translate into things that they want to have happen in their organization so they go straight for their desired results, without paying enough attention to the perspectives of others.

Influence with impact occurs when HR professionals start with the beliefs and goals of the receivers.

- ◆ Who are your clients that you need to support?
- ◆ What are the goals and values of the receiving clients?
- ◆ What is important to them?
- ◆ What do they want?

When these requirements are fully understood, then the HR professional can show how an investment in HR practices will help the client gain value as defined by the Client.

HR professionals need to show how investment in HR work will help deliver business results. With clients, HR professionals need to remember that their interest in the client must create value in the products or services clients receive. For the client who is worried about shared returns and growth, HR must create organizations that deliver results today and intangibles that give owners confidence that results will be delivered in the future.

If you are interested in gaining more information, on creating the HR value proposition. please contact Emilia Gallo, Excel Global Consulting at: egallo@excelglobalconsulting.com