

Human Resources, Its Role in an Organization, and Case Studies In Support

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HRMG-3001: Human Resource Management

April 18, 2021

## HR and Decision Making

Many begin with the typical assumption that a company's human resources department *just* handles employee forms, benefits, and parts of the onboarding process, that the HR department does not hold any real or substantial value for the organization. They are mistaken; to the contrary, the Human Resources department staff bring tremendous value to organizations. The value of human resources department employees reaches far and beyond the perfunctory duty of merely helping employees fill out forms. I have highlighted seven key ways that they contribute tangible value to organizations. In synthesizing HR in Asia (2015) and US BLS (2020), I assert that Human Resources brings value to an organization, specifically including protections from risk, knowledge of applicable laws, ensuring appropriate relations with employees, promotion of fairness practices, recruiting, interviewing, and hiring new staff.

Ordinarily, it is either the board of directors or a company's executives that envision the future direction for the company and begin planning how they intend to get there. The executives will still need the workers to understand the vision and to be on board with it. Since the human resources department will typically be in position to handle recruiting, interviewing, and hiring, they are in a valuable position to hire people who have the skills which will be required to take the company in the desired direction. As a case study, take into consideration a computer services organization that specialized in on-site computer backups. It may be easy for HR staff to hire technicians with the skills required to take on these tasks with excellence, but suppose the board or executives wanted to move to cloud backups and off-site storage for their clients within the next several years. In this instance, had HR professionals shared in the decision making and the development meetings which centered on overall business strategy, then HR could have been more keen to bring new hires with skills in the areas the company desired to go. I think back to

my own life and I see how I was chosen out of the list of applicants for various positions based on my skill set which applied to not only the then-present needs of the company, but its future needs based on the company's intended direction for growth. For these reasons, HR needs to share in the responsibility for decision making with the rest of the organization's leadership.

### **Traditional and Contemporary Human Resources Functions**

Perhaps one of the greatest differences which exists between business leaders and human resource professionals is what captivates their focus and attention. Whilst business leaders seek growth and profits, the HR professional is focused on identifying, mitigating, and eliminating risk, the company's corporate culture, and compliance with regulatory agencies (Jacobs, 2016). Over the course of decades and generations, there have been some functions of HR which have stayed consistent to their traditional implementation and some which have changed and evolved to become more contemporary. The traditional functions include managing relations with laborers, solving employee's problems, interviewing, and hiring (Sherman, 2019). Over the course of decades, these essential functions seem to have not undergone much change.

There are however aspects which have changed and evolved from the traditional to the contemporary. HR departments are looking to be more strategic and that means keeping track of new and innovative ideas to better manage and motivate employees (Sherman, 2019). Once, the position which an HR professional held within an organization was equivalent to a director's rank in the corporate hierarchy (Gravett, 2017). These days, there has been a shift and HR professionals now have a seat at the table and are valued as executives within the corporation. Human resource workers need to build knowledge to ensure the organization grows and keeps its strong leadership and is as sustainable as it is competitive (Gravett, 2017). HR ensures an

organization's longevity through thoughtful planning as they oversee and protect key intellectual assets and keep the employees happy within a balanced corporate culture (Gravett, 2017).

Additionally, HR personnel have their eyes on regulatory policy and ensure the corporation is in compliance.

### **Skills for a Contemporary HR Role**

An HR professional needs a diverse number of skills to be effective in today's businesses. He or she needs communication skills, administrative expertise, resource management knowledge, advising skill, coaching ability, recruitment and selection intuition, to be proactive, to be analytical, to be driven, and to be a team player (Van Vulpen, 2020). At this juncture, I would highlight the top three, upon which the others rely. First a competent HR professional needs communication skills. A solid command of the written and spoken word is imperative since improper or inadequate communication or dissemination of information can lead to serious problems for the organization. The HR professional will be communicating with stakeholders and will need to be able to converse with all levels of professionals while leaving a, likewise, professional and positive impression (Van Vulpen, 2020).

HR professionals must have a competency and knack for all things administrative. Several administrative tasks are under the HR professional's purview, to wit; employees' leave, absences, payroll, benefits, IRS forms, and other regulatory measures (Van Vulpen, 2020). Human resources workers are no strangers to paperwork, documentation, and reporting requirements. Thirdly, human resources staff must have specific resource-management knowledge and expertise to be effective (Van Vulpen, 2020). Management is a large and encompassing field and resource-management is a specialized sub-category. Whereas managers

deal with project-level work concerning size and complexity requirements, resource-management deals at the organization level and overseeing the allocation of resources. Resource-management knowledge and expertise equips the human resource manager to handle recruitment, appropriately select and match employees for the tasks required, deal with absences, manage reporting requirements, and manage all personnel issues (Van Vulpen, 2020).

### **HR's Value and Competitive Advantage**

An HR professional needs a diverse number of skills to be effective in today's businesses; if he or she possesses these skills, as aforementioned, this will add tremendous value to the organization (Van Vulpen, 2020). In Lussier & Hendon (2017, p. 50), strategy-driven HR management is examined in the case study on Netflix. The case study attributes Netflix' wild success seventeen years after its launch to specific practices by its HR professionals. The specific practices which HR implemented are detailed within the case study. The practices include: A highly selective employment process, matching employees to specific projects and jobs, tying bonuses to company performance, and permitting all employees to evaluate each other through an informal process (Lussier & Hendon, 2017, p. 50). The aforementioned strategies permitted the organization to renew its competitive advantage by penetrating the market with winning ideas and staff that were vested in the process. I worked in an environment where my previous employer would match workers to projects, just like the process exemplified in the Netflix case study and it too revolutionized performance when staff who had legitimate interest in the project were paired. Additional consideration was given for those who had particular specialized skills which would be useful for a given project. Each case study attests to HR's added value to an organization.

## **The Evolution of HR**

A peculiarity can be observed in review of Lussier & Hendon (2017, p. 50) and has to do with the manner in which employees' performance evaluations are conducted. Ordinarily human-resources may conduct annual, bi-annual, or even quarterly employee reviews. The review process is usually formal and has to do with performance evaluations, write-ups, or lack thereof, by immediate work-supervisors. The review is then directly tied to employee salary, hourly wage, and bonus-structure. This is effective. In the strategy-driven HR management case study on Netflix, a novel and more informal method is disclosed. The performance evaluations are received through an informal means whereby employees are permitted to review themselves and others which places the emphasis less on personal achievement within the organization and rather upon what processes work, and which do not. The information evaluation process has worked for them and revealed processes which should be changed within the organization's operations (Lussier & Hendon, 2017, p. 50). A specific example was given in Lussier & Hendon (2017, p. 50) which revealed that Netflix' HR professionals learned an important lesson about staffing for supervisory positions: Supervisors needed to be experts in their field or subordinates' respect and trust went down in a measurable way.

## **HR Skills for Implementing Strategies**

An HR professional needs a diverse skill-set to thrive in today's market. Fortunately useful literature abounds in the form of case studies which take into account particular organizations' success and present the methods believed to be the cause of said success. In the Netflix case study presented by Lussier & Hendon (2017, p. 50), four specific methods and their

accompanying steps for implementation were outlined. First, Netflix HR staff were directly responsible for recruiting and onboarding. They learned the importance of seeking employees who understood their business model and were interested in the projects. HR looked for self-motivated individuals and traits such as perseverance as well as a strong internal drive. Rather than defining Netflix' corporate culture through observation, HR took this element into their hands directly and chose employees that would be a good fit for their ideal corporate culture. Second, HR professionals matched employees with specific jobs within the organization. They found that this had a direct effect on lowering turnover since less firings and layoffs were necessitated and HR was able to recruit talented individuals with the right skills for the particular job or project.

Third, Netflix HR set aside traditional annual parties and staff functions to decide upon a model that would be based on company performance with respect to pre-defined metrics. Netflix executives and professionals realized that a planned celebration which just happened to coincide with a week of poor market performance was really setting the wrong message (Lussier & Hendon, 2017, p. 50). Lastly, Netflix management restructured their method of recording and assessing performance evaluations, rather than following the traditional model which revolved around immediate work supervisors' formal evaluations of support staff, Netflix HR staff came up with an informal means of assessing; rather than focusing on employee reviews on performance, they completely redirected the attention to their organizational practices and procedures, seeking instead to determine what was – and was not – working. Following these four steps, Netflix found that their stock tripled in value in the two year period from 2012 to 2015 (Lussier & Hendon, 2017, p. 50). HR professionals need to have solid communication

skills, be expert administrators, know how to find talent, and be exceptionally analytical to begin to follow in Netflix' footsteps (Van Vulpen, 2020).

### **HR and Competitive Strategy**

In conclusion, Netflix took on a very competitive nature when they chose to challenge Blockbuster, the successful movie rental company. Their competitive strategy consisted of making their movie rental and subscription service affordable and highly convenient. They did something truly innovative when they chose to leverage the existing distribution method in place by the United States Postal Service. Their home delivery movie service focused on eliminating due dates and rental fees while promoting a previously unheard of concept, to wit; unlimited rentals for one fee. Their business model was a success, because in a short two year span of time from 2012 to 2014, the value of Netflix stock tripled.

After final review of the case study on Netflix and in synthesizing Lussier & Hendon (2017, p. 50), I assert that Netflix' HR staff used two highly effective strategies in developing their competitive edge, to wit; in recruiting, and in talent management. Rather than simply hiring warm-bodies or hiring based on the level of education an applicant had attained, Netflix' human resources staff took a proactive approach and hired based on the employees' compatibility with the company's mission and outlook for the apprehension of its short and long-term goals. Lastly, Netflix HR professionals matched individual staff members to specific tasks and objectives which the organization had in progress. This was key in developing their competitive strategy.

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