WILL THE HR MANAGER PLEASE STAND?

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The responsibility for the management of the "people resources" in an organization lies throughout all operations in an organization, just like the responsibility for the management of capital resources in an organization. Although the HR department may be held accountable for an organization's ability to attract, develop and retain its employees, the fact is that the real "managers" of an organization's HR processes and activities are the people who have the most daily contact with employees—an organization's line managers and supervisors. The HR department designs and develops people management processes; line and staff managers implement and use them.

Because of this symbiotic relationship, effective HR management requires a strong and strategic partnership between the HR professionals in an organization and first-line supervisors/managers. When these two groups do not communicate effectively, do not work well together, do not collaborate and do not respect the role each must play, the organization and its employees may fail to achieve optimum levels of performance and productivity.

How HR Responsibilities Are Typically Shared

Exhibit 1 illustrates a typical division of labor between HR and line managers/supervisors for key HR functions within an organization. As the chart shows, in most cases the responsibility of the HR department is to develop and design the processes that the line manager or supervisor must administer. Additionally, there are areas where responsibilities are shared in order for desired outcomes to be achieved.

Exhibit 1

Who Does What?

A Typical Division of Labor for Key HR Processes

HR Function	Responsibilities of Line Managers/Supervisors	Shared Responsibilities/Outcomes	Responsibilities of the HR Department
Workforce planning and staffing	Maintain adequate staffing levels: • Interview. • Select and sell the best qualified candidate.	Determine current and future hiring needs. Produce current job descriptions. Identify candidates to be interviewed. Interview. Administer job-related testing.	Design recruitment, employment and selection processes that produce a pool of qualified candidates for line managers/supervisors to use in order to fill open positions.

Learning and development	Ensure employees have the skills and abilities necessary to meet or exceed performance expectations: • On-the-job training/coaching.	Identify candidates for training. Schedule training. Conduct training. Follow up after training.	Design and/or identify training and development processes and tools that support the continued upgrading of employee skills and abilities.
Total compensation	Determine appropriate and equitable compensation for employees. Reward and recognize employees for meeting or exceeding performance standards.	Assure fairness and equity.	Design compensation processes that support the organization's compensation strategy. Design reward and recognition tools and processes. Coach managers on administration of behavior and performance feedback processes and tools.
Performance management	Provide behavior and performance feedback on an informal, daily basis as needed. Provide structured disciplinary feedback as needed to encourage appropriate employee behavior and performance. Provide structured performance feedback to encourage employees to meet or exceed performance standards.	Assure fairness and equity.	Design the processes and tools necessary to facilitate informal and formal performance and behavior feedback. Coach managers on administration of behavior and performance feedback processes and tools.
Employee relations	Use communication skills and positive listening skills and encourage communication from employees. Encourage employee retention.	Assure prompt follow up and responses.	Design the processes and tools necessary to facilitate informal and formal communication between employees and management. Coach managers on communication processes and tools. Serve as a role model for communication and positive listening skills.

Legal compliance	Identify and take appropriate actions to protect the organization from employment liability.	Understand employment laws affecting the workplace. Identify potential areas of employment liability. Take action to protect the organization.	Design and/or implement the training, processes and tools necessary to facilitate compliance with employment laws. Coach managers on legal compliance.

In order for any business function, including human resources, to produce the desired results, effective processes for that function must be both developed and used.

This means that 1) the process developers (HR) must have a good understanding of the needs of the user; 2) the process users (line managers and supervisors) must be able to accurately and effectively communicate those needs and effectively use the processes developed; and 3) both developer and user must be held accountable for process design and implementation. A well-defined and clear process that is easy to administer is more likely to lead to the desired outcomes for a specific functional area within an organization.

This division of labor for key HR functions will work most efficiently and effectively if there is a strong *partnership* between HR and line management characterized by the following behaviors:

• HR must solicit and clearly understand the needs of the end users.

• Line managers must be willing and able to communicate their needs and concerns clearly and specifically.

• HR must have the knowledge and skills, whether internally or through outsourcing, to develop the processes needed to manage the key HR functions.

• Line managers must have the knowledge and skills to administer the key HR functions.

• Both must have a commitment to the success of the key HR functions and accept accountability for that success.

Where the Manager-HR Partnership Can Fall Apart

The line manager-HR partnership can fail to develop or fall apart under a variety of circumstances.

The HR department may lack technical expertise and/or good business skills.

• Key HR processes that need to be implemented within the organization may be poorly developed or not developed at all.

• If process design is outsourced, vendor selection may be based more upon price than expertise, leading to process design that does not meet organizational needs.

• HR does not understand and deliver HR processes in a strategic manner; it does not act as a good businessperson and does not understanding the major components of any organization: finance, marketing, sales, operations and accounting.

• HR lacks the marketing expertise or political savvy necessary to "sell" its services within the organization. HR must be willing to be seen as a leader by speaking up and taking action.

• Without sufficient HR knowledge and business acumen, HR may have low credibility with first-line supervisors/managers. In its study *WorkUSA 2002: Weathering the Storm*, Watson Wyatt found that "companies

with HR functions that employees perceive as effective are more likely to have dramatically better trust levels, communication, commitment levels and lines of sight."

Supervisors/managers may lack the skills needed to effectively implement HR processes.

• Supervisors/managers may not have been effectively selected. According to a survey of 273 companies conducted by Right Management, "the most common mistake organizations make when hiring or promoting managers and executives is failing to define and assess those roles most crucial to successful performance. More than four out of 10 companies cite inadequate definition and evaluation of roles critical to successful performance as the number one mistake businesses make in hiring and promoting managers and executives."

• Without an adequate understanding of their role in administering HR processes, supervisors may expect all HR-related activities to be managed by HR. This results in under-management and a failure to lead by these first-line supervisors/managers.

• Poor supervisors may be more intent on protecting their turf and resent what they perceive as "control" by HR.

• Supervisors/managers may not have been effectively trained in how to effectively administer HR processes.

There may be poor or limited communication and information sharing between first-line supervisors/managers and the HR department.

• In many cases the HR department and first-line supervisors/managers do not work in close proximity to each other. This creates challenges for both HR and first-line supervisors/managers since information sharing and strong lines of communication are vital to the development and implementation of effective processes.

• Unless first-line supervisors/managers clearly and easily make their "people needs" known, it is not possible for HR to address these needs as effectively as expected.

• Likewise, HR may not take the time to "get out with the troops" in order to obtain firsthand knowledge of the kinds of issues and constraints first-line supervisors/managers face. Without this knowledge, HR may be challenged to effectively design HR processes to meet the needs of end users.

• Trust cannot be built unless there is a strong and continuing dialogue between HR and first-line supervisors/managers. Without strong trust, HR may make people decisions and design HR processes that exclude input from supervisors, and supervisors may make people decisions that exclude HR input.

• Without trust, credibility may suffer. First-line supervisors/managers may be regarded as overly protective of their "turf" and unwilling to take advantage of the knowledge and processes that HR has to offer. Likewise, HR may be viewed as a department that does not listen to its clients' needs.

• Both first-line supervisors/managers and HR must be open to listen and learn from each other, compromise when necessary and collaborate whenever possible.

There may be time or budget constraints imposed by the organization.

• First-line supervisors/managers and/or HR may not have the financial resources needed to implement HR processes; HR may not be adequately staffed—whether it is in the form of staff size or knowledge mix. There may be cost constraints on the use of outside resources to deliver HR services in those areas where HR is understaffed or lacks sufficient skills or knowledge. There also may be unrealistic timelines for goal achievement.

• Without a clear understanding of how HR processes affect an organization's bottom line, the organization may not value the strategic aspects of HR and therefore place too much emphasis on tactical activities. With excessive time devoted to completing tactical activities, HR may not have the time it takes to work as a strategic partner with first-line supervisors/managers.

• First-line supervisors/managers may be unwilling to commit the time it takes to effectively perform HR processes such as effective and timely interviewing, writing job descriptions, employee development, reward and recognition, and providing performance and behavior feedback on a timely basis.

Labor relations in the organization may have an impact on HR processes.

• Collective bargaining agreements may restrict the kinds of HR processes that an HR department is able to design and the ability of first-line supervisors/managers to fairly and equitably administer HR processes.

• An antagonistic relationship between labor and management may create hurdles to the development of an effective partnership between first-line supervisors/managers and HR.

There may be a lack of understanding about the division of labor between the HR department and first-line supervisors/managers.

• Without a clear understanding of their respective roles in relation to HR processes, HR and first-line supervisors/managers may constantly "step on each other's toes" in an attempt to address the HR needs of the workforce.

• First-line supervisors/managers need adequate training and coaching so that they have confidence in their abilities to manage HR processes. If they receive adequate training and coaching, they need to have the freedom and flexibility to make certain HR decisions on a timely basis.

• First-line supervisors/managers need tools to use so that they do not always need to obtain approval from HR for issues requiring immediate attention.

• HR must be willing and able to share its knowledge and empower supervisors/managers to make certain HR decisions. Otherwise, HR will be regarded as inflexible and overly controlling, and this will affect HR's credibility and prevent a partnership with first-line supervisors/managers.

The organization itself may have barriers or silos that prevent the establishment of a partnership between HR and first-line supervisors/managers.

• Organizational leadership may not have a high regard for HR, and this can undermine the credibility of the function and impede a partnership with first-line supervisors/managers.

• Without some sort of shared accountability and clear goals, even the best-designed HR processes may never be effectively implemented. Although they may hold HR accountable for the development of HR processes, many organizations do not hold first-line supervisors/managers accountable for the effective use of HR processes and resources. For example:

> - HR may be held accountable for poor hiring, even though first-line supervisors/managers make the final hiring decisions and provide the onboarding process for new hires in their departments.

> - Although HR is accountable for the development and delivery of training and development and reward and recognition processes, first-line supervisors/managers may not be held accountable for making sure that their employees are adequately trained and developed or motivated and recognized.

> - Despite the fact that first-line supervisors/managers have the greatest control over what goes on in their departments and work areas each day, HR may be held accountable for employment-related legal claims or litigation.

Making the Partnership Work

As discussed, true teamwork between the HR department and line managers is critical to an effective and successful HR function, which in turn is critical to maximizing worker performance and productivity. For this to occur, HR professionals and first-line supervisors/managers need to work closely and interdependently. However, such partnerships are unlikely to occur by happenstance. There are actions that individuals on both sides of the management-HR partnership should take to create a positive working relationship.

1. Develop a clear understanding of each other's roles and responsibilities in the HR arena. This will help create a seamless HR function and will minimize duplication of effort, turf conflicts or tasks falling between the cracks. An effective method for HR and first-line supervisors/managers to clarify their duties and involvement in various HR functions is to put them in writing after an open, realistic and thorough discussion occurs between key line managers and HR department representatives. Appendix A (at the end of this paper) contains document agreements and a planning tool that the two parties can use to focus conversation. Line managers and HR department members who are not present during such meetings should receive a copy of, and be briefed on, the purpose and specifics of the written HR roles and responsibilities "charter." This document can be periodically reviewed and updated, as circumstances require.

2. Respect each other's areas of expertise and authority. As previously mentioned, HR professionals are typically responsible for designing HR policies and processes and serving as a coach and advisor to managers on HR issues and challenges, while first-line supervisors/managers are usually charged with implementing HR activities, enforcing HR policies and handling day-to-day people management activities. In this framework, HR professionals should be careful not to get in the way of the manager-employee interactions and relationships, unless there is a good reason to do so, such as in response to employee complaints of harassment, discrimination or manager misconduct. Similarly, while first-line supervisors/managers should collaborate with HR as requested in the development of HR processes and policies, they should not undermine HR's effectiveness in these areas by bad-mouthing HR processes and policies that they do not fully support, refusing to implement or enforce these policies and processes, or expecting the HR staff to implement or enforce them.

3. Focus on common goals. This will foster a "we"—as opposed to an "us and them"—mentality. Although first-line supervisors/managers and HR staff members have different positions and perspectives, they will usually have mutual HR goals and objectives. These often include finding highly qualified workers in a timely fashion, reducing turnover of good employees, increasing employee engagement and productivity, and minimizing the company's exposure to employment lawsuits. When such goals are achieved, the company, its management, employees and the HR department are all winners. Consequently, these big goals should be reiterated frequently and should frame HR decision-making and interactions between line managers and HR staff.

4. Commit to solving problems without finger pointing. Playing the "blame game" when things go wrong leads to defensive, counterproductive behavior and will erode trust between first-line supervisors/managers and HR professionals. How can finger pointing about "HR mismanagement" situations be stopped? First, HR professionals and first-line supervisors/managers need to acknowledge that in spite of thoughtful planning and the most well-intentioned execution of HR tasks, problems will occur with HR processes and policies—and with employees. When this happens, HR and first-line supervisors/managers should make the satisfactory resolution of the problem their primary concern. Ask, "What should we do about this?" rather than "Whose fault was this?" If certain individuals on the HR/line manager team persist in trying to pin the blame, other team members should not support those attempts but instead remind those individuals that finding a solution is more productive and will reflect better on all involved.

5. Do their part to make the relationship work. Successful HR teamwork requires different knowledge, skills and behaviors by HR professionals and first-line supervisors/managers. The next section provides guidance on what HR professionals should do to gain credibility and work most effectively with line managers, as well as suggestions for managers on how to be successful in handling the HR component of their management role.

Tips for HR Professionals

1. Learn your "business ABCs." A key step in gaining the respect of company managers and supervisors is to understand the company's business. This includes a working knowledge of the industry, the company's products, services and operations and competitive strategy. HR professionals can expand their knowledge in these areas by asking questions of company managers, spending "shadow" time with managers and employees in different departments, and joining industry associations. In addition, they need to take time to review industry literature, the company's Web site and key company documents, including annual reports, strategic business plans, company financial statements, sales reports, marketing materials and press releases.

"Business ABCs" also refers to the ability to speak the language of business and think like a businessperson. HR professionals should have a basic understanding of general business concepts and terminology related to key business functions, including accounting, finance, marketing, sales, operations and information technology. While many HR professionals have business administration degrees or are knowledgeable about business issues due to previous professional experience, many other HR practitioners are not up to speed on business basics. If that is the case, they can increase their credibility and effectiveness at their company by taking business courses at local colleges or online, obtaining an MBA degree, attending SHRM Academy business seminars or other similar continuing education programs, or reading books such as those in the Business Literacy for HR Professionals series co-published by Harvard Business School Press and SHRM.

2. Understand the daily workforce management challenges faced by first-line supervisors/managers. HR policies, procedures and processes should not be developed in a vacuum but instead should be appropriate for organizational context and culture and should be designed to avoid real problems faced by managers or solve such problems. For example, if a company is in a high-turnover industry, managers will face the challenge of hiring and managing a constantly changing workforce. Consequently, HR's recruitment, selection and on-boarding activities in this context should be ongoing and streamlined so that there is a constant supply of qualified candidates who can be screened, hired and oriented on a just-in-time basis to meet the organization's high-demand staffing needs. If an organization has a relatively flat structure, with many employees reporting to each manager, in-depth performance appraisals of all direct reports at the same time is quite difficult. In such situations, HR can recommend and design a performance management process that allows employee appraisals to be conducted on a staggered basis on employees' anniversary dates instead of setting one annual deadline for performance appraisals of all employees. It would also be helpful to have performance appraisal forms and other performance documents that are easy to complete and not overly time-consuming. As a final example, first-line supervisors/managers may be dealing with issues related to widespread absenteeism. HR professionals can help the organization address this problem by developing and implementing clear-cut and uniformly enforced attendance policies, recommending attendance incentives and providing supervisory training on FMLA and state leave law requirements.

Awareness of the common issues and problems first-line supervisors/managers face does not happen without frequent communication. HR professionals can obtain information on these topics informally through conversations with supervisors in different departments and at different levels and formally through supervisor-level focus groups or surveys.

3. Speak to first-line supervisors/managers in their language; avoid "HR speak." Human resources is a field with a rich lexicon that is very useful in conversations among professionals in the field. However, when discussing HR policies, procedures and processes with managers, HR professionals should use understandable terminology. Avoid jargon (such as behaviorally anchored rating scales, compa-ratio, the four-fifths rule and the like) and acronyms (such as SWOT analysis, HIPAA, USERRA and CDHP) unless these terms are defined first. Additionally, HR professionals should increase the relevancy of discussions of HR issues by explaining how a particular issue affects areas that are of prime importance to managers, including productivity, money or time savings, safety, employee engagement, litigation avoidance and return on investment.

4. Be visible and accessible. HR professionals should not stay out of sight and out of mind. They should make it a habit to see and be seen in common areas such as the cafeteria, break rooms and the reception area and at company events. Make brief stops in managers' work areas just to say, "Hello, is there anything the HR department or I can do for you?" Request the opportunity to attend management meetings to provide updates on

HR activities and processes. Balance these high-visibility activities with practices that allow availability to supervisors and employees when needed. HR professionals can post the times they will be in their office on their office door/cubicle entrance and include this information on company voicemail messages. They can also make their schedules available on MS Outlook or other scheduling software so that first-line supervisors/managers who need to see them can set an appointment rather than play voicemail tag.

5. Share knowledge and provide HR tools that enable first-line supervisors/managers to do their jobs more effectively and more easily. Swap the role of critic for the role of coach. HR professionals can ask first-line supervisors/managers about the aspects of their people management duties that are most challenging, time-consuming or tedious and then determine how they can help make these tasks less frustrating. Perhaps this would involve the development of improved or simplified forms, step-by-step checklists, practical resource materials or clear written procedures to assist managers with HR tasks. Alternatively, this could entail a reduction of HR paperwork by combining forms or by capturing frequently needed information electronically so that it will not have to be provided to the HR department numerous times. In addition, the HR department can develop formal training or "on-demand HR coaching" for managers on topics of importance to them. By making such tools available, HR professionals send the message that their relationships with managers are as much or more about "What can HR do for you?" rather than "What can you do for HR?"

6. Stay in the background on day-to-day people management activities and in the forefront in handling difficult employee relations situations. When first-line supervisors/managers have sufficient information, education and tools to handle their front-line HR management duties, they should be allowed to handle their designated responsibilities in hiring, training, performance management, employee relations and other HR tasks on their own. Each will have his or her own personal style and varying methods of handling HR duties. As long as a first-line supervisor/manager is completing these HR duties in a legal, timely fashion, in accordance with company policy and procedures and there have been no complaints about ineffective or inappropriate supervision, the HR department should stay out of the manager's way.

However, when the going gets tough for the first-line supervisors/managers, HR staff members should take an active, visible role in resolving challenging situations. Such situations might include accommodating a disabled employee, dealing with serious employee misconduct, terminating employees, responding to harassment or discrimination complaints or workplace violence threats, or investigating other significant workplace incidents. In these instances, the HR professional should fully consider the first-line manager's observations, recommendations and requests when deciding how to handle the particular situation. HR also should keep the manager as informed and involved as possible in the resolution of the problem. When HR professionals know when to stand back and when to jump into the employee relations fray, first-line supervisors/managers will feel supported and not usurped or micromanaged.

Tips for First-Line Supervisors/Managers

1. Expand your knowledge of "HR 101." This will help first-line supervisors/managers become more effective and successful in handling front-line HR responsibilities, avoiding inadvertent legal missteps and working with the HR department. What is "HR 101?" It encompasses the basic concepts, terminology and skills required for effective implementation of key HR functions. Managers can gain knowledge of HR fundamentals by actively participating in mandatory training on HR topics, attending voluntary in-house HR training programs or obtaining permission to enroll in HR seminars, audiocasts, webcasts and other professional development activities. General information, practical guidance and toolkits on key HR management activities are available to SHRM members on the SHRM Web site (www.shrm.org). Online resources that first-line supervisors/managers can review to get up to speed on HR basics and employer legal compliance responsibilities are available through the Equal Employment Opportunity Commission (www.eeoc.gov), the U.S. Department of Labor (www.dol.gov), the Occupational Safety and Health Administration (www.osha.gov) and other governmental agency Web sites.

2. Know the content and intent of HR policies. In order to effectively communicate to employees about policy issues, first-line supervisors/managers need to have a full understanding of HR policies and what they require employees and supervisors to do or not to do. Moreover, these managers should be willing and able to show pertinent sections of the employee handbook or provide copies of pertinent policies to employees who violate policies. It is equally important that first-line supervisors/managers be able to explain the purpose of policies that

employees may question, such as policies that allow electronic monitoring of all employee e-mail and computer usage, or workplace solicitation and distribution restrictions designed to support a nonunion company's union avoidance position, or the company's compensation philosophy.

3. Be on the lookout for, and communicate about, potential HR problems. First-line supervisors/managers are the company's eyes and ears on problems percolating in the workforce or with individual employees. In fact, a company may be liable for violations of anti-discrimination or other employment laws if first-line supervisor/manager had actual or constructive knowledge of certain information or activities and failed to alert HR or senior management about a potential problem so that the company could respond appropriately to it. Even when legal liability is not the issue, first-line supervisors/managers can greatly assist the HR department by being alert to obvious and subtle indicators of employee dissatisfaction or disengagement. These warning signs, if ignored, can blossom into major HR problems that could result in negative consequences such as increased absenteeism, decreased worker productivity or increased turnover.

Being alert for potential HR problems is a necessary step for first-line supervisors/managers interested in building a strong partnership with members of the HR department. But these managers also need to know when and how to share their observations. Workplace problems that are ignored tend to continue or worsen. Consequently, it's better to contact the appropriate HR staff member about these problems sooner rather than later. When doing so, first-line supervisors/managers need to provide thorough details about the situation, including what the problem is, when and where it occurred, how it occurred, who was involved, why they think it occurred and what actions they took. Additionally, they need to share any relevant documentation or other evidence about the situation. This information will go a long way in helping their HR partners address the situation.

4. Don't be a "lone ranger" when handling tough situations or difficult employees. One of the things HR professionals dread most is having to deal with employee relations problems after the "horse is out of the barn" due to a first-line supervisors/managers going it alone. It can be tough, frustrating and costly for the HR department to undo the damage that can occur when a manager decides to do an impromptu termination, makes a promise to an employee about how an alleged harassment or discrimination complaint will be resolved even before an investigation has occurred or offers a job to an applicant who has not completed all of the required steps in the selection process. Just as HR staff should not micromanage first-line supervisors/managers in their daily people management activities, these managers should avoid acting alone, without previous discussion with HR, on complex or challenging tasks that are in the HR department's area of expertise and authority.

5. Help HR help you. First-line supervisors/managers have first-hand experience in relation to which HR processes, polices, activities and tools work in daily practice and which do not. They must be willing to share their reactions to company HR practices with their HR colleagues. And they shouldn't hesitate to ask the HR department to assist them in handling their HR duties effectively and easily. But they must remember to make requests, not demands. Rather than saying, "You have to find a qualified person for this vacant position by the end of the week," first-line supervisors/managers should explain the consequences of not filling the position quickly and ask the HR department what it can do to accelerate the recruiting and selection process.

6. Understand that HR serves many masters. Typically, the HR department supports many departments and first-line supervisors/managers while it simultaneously assists employees throughout the organization in many individual ways. Consequently, members of the HR department often face numerous competing demands on their time and resources. First-line supervisors/managers should be sensitive to the HR staff's multiple roles. When making requests of HR staff members, these managers should clarify the priority of their requests and propose a realistic time frame for HR action. If necessary, they need to be willing to compromise and consider alternatives as to when and how HR will assist them.

How Organizations Can Facilitate Productive Interactions Between First-Line Supervisors/Managers and HR Professionals

1. Involve both parties in policy and process design. Involving HR and first-line managers/supervisors can demonstrate that the organization values the input of both areas and has respect for the unique expertise that each brings to the table. First-line supervisors/managers are more likely to cooperate with HR when top management makes it clear that this is expected of them. It is especially important for organizations to involve HR in organizational strategic planning and make it clear that HR plays a strategic role in the organization. Organizations erode the credibility of HR each time that HR counsel is superseded by the need to meet business requirements. If an organization states that its employees are its most important asset, then the organization must demonstrate that by seeking and valuing HR counsel.

2. Provide the resources necessary for effective selection and training of first-line supervisors/managers. Organizations need to define the competencies needed for first-line supervisors/managers to be effective and successful in their roles within the organization and in their jobs. Organizations must be willing to commit resources to competency-based selection tools and processes to use when recruiting and/or promoting employees into first-line management/supervisory positions. In addition, the organization must commit the resources necessary to provide effective training and coaching in supervisory skills so that first-line supervisors/managers have the skills necessary to be successful.

3. Hold first-line supervisors/managers accountable for the HR processes they are responsible for administering. In many organizations, first-line supervisors/managers make final hiring decisions, facilitate departmental on-boarding activities, make pay, reward and recognition decisions or recommendations, and have an impact on how and when training and development occur. The ability of first-line supervisors/managers to effectively make these "HR-related" decisions should be incorporated into their performance appraisals, and their level of effectiveness at recruiting, developing and retaining employees should be reflected in their pay, rewards and incentives.

Benefits of a Strong Partnership

Results from Watson Wyatt's Human Capital Index study (illustrated in Appendix B) indicate that there is a clear relationship between shareholder value creation and the effectiveness of a company's human resources. The relationship was so clear that a significant improvement in 30 key HR practices was associated with a 30-percent increase in market value.

Most of the practices cited in the study are clearly areas where HR and first-line supervisors/managers must collaborate in order to achieve effectiveness and create increased shareholder value.

It takes strong partnerships throughout an organization to create greatness. Great companies are recognized, but in reality, great workplaces are built on the front line. HR assists in building greatness by providing line managers with HR services and processes in a strategic and business-oriented way. Line managers must be able to easily and knowledgeably apply these HR services and processes in the most effective way to support and meet the strategic goals and objectives of the organization.

APPENDIX A

**Building and Maintaining Strategic Human Resource Processes
Through Effective HR-Line Manager Partnerships**

A Planning Tool

HR Function: Workforce Planning and Staffing				
Key Tasks to Be Completed	**Who Is Responsible for Completing Tasks**			
	HR Department	**Line Managers**	**HR and Line Managers Share Responsibility**	**Vendor, Consultant or Other Party**
Determine current and future staffing needs.				
Develop employee recruitment and selection strategies and processes to meet staffing needs.				
Prepare and administer budget for staffing activities.				
Review and update job descriptions for open positions.				
Solicit internal applicants for open positions through job posting and/or other activities.				
Develop and place recruitment ads.				
Conduct recruiting activities.				
Evaluate applications and resumes.				
Develop interview questions.				
Develop and conduct interview skills training programs.				
Attend interview skills training programs.				
Select applicants for initial screening interviews.				
Conduct initial screening interviews.				

	HR Department	Line Managers	HR and Line Managers Share Responsibility	Vendor, Consultant or Other Party
Select candidates for in-depth interviews.				
Conduct in-depth interviews.				
Select job-related tests or assessments for appropriate positions.				
Administer job-related tests or assessments for appropriate positions.				
Conduct reference checks.				
Conduct background checks.				
Select candidates to whom contingent job offers will be extended.				
Make contingent job offers.				
Schedule any post-offer exams, testing or assessments.				
Document candidates' acceptance/rejection of job offers.				
Evaluate the effectiveness of recruiting and selection activities.				
Other (specify):				

HR Function: Total Compensation				
Key Tasks to Be Completed	**Who Is Responsible for Completing Tasks**			
	HR Department	**Line Managers**	**HR Department and Line Managers Share Responsibility**	**Vendor, Consultant or Other Party**
Develop total compensation system and benefits program.				
Conduct job analyses.				
Prepare job descriptions.				
Review salaries to assess internal equity and determine relative worth of different jobs.				
Conduct salary surveys or obtain salary survey information.				
Analyze salaries for external equity in the labor market.				
Establish job families and job grades.				
Determine salary ranges.				
Review salaries for "red circle" and "green circle" rates.				
Develop plan for bringing all individual employee pay rates into the appropriate salary ranges.				
Establish policies for pay increases and pay changes.				
Determine goals for incentive plans.				
Develop incentive pay plans.				
Respond to employee questions about pay policies and practices.				
Monitor benefits program costs.				
Evaluate suitability of specific benefits in attracting, retaining or motivating employees.				

	HR Department	Line Managers	HR Department and Line Managers Share Responsibility	Vendor, Consultant or Other Party
Evaluate feasibility of in-house versus external benefits administration.				
Prepare RFPs for benefits plan providers.				
Negotiate benefits plan terms and rates and choose benefits providers.				
Determine employer and employee contributions for benefits.				
Schedule and conduct benefits enrollment meetings.				
Answer employee questions about benefits.				
Provide information to employees about the value of benefits provided.				
Communicate with employees about the total compensation system.				
Other (specify):				

HR Function: Learning and Development				
Key Tasks to Be Completed	**Who Is Responsible for Completing Tasks**			
	HR Department	**Line Managers**	**HR Department and Line Managers Share Responsibility**	**Vendor, Consultant or Other Party**
Conduct workforce training and development needs analyses.				
Prepare workforce training and development plans.				
Prepare and administer training and development program budgets.				
Design learning objectives for training and development activities.				
Determine best methods for delivering orientation, training and development activities (on-the-job training versus classroom training versus Web-based training, etc.).				
Develop or purchase training program materials.				
Select participants for training and development activities.				
Select internal or external personnel to conduct orientation, training and development programs.				
Coordinate program logistics (scheduling, location, equipment, etc.).				
Evaluate effectiveness of orientation, training and development activities.				
Other (specify):				

HR Function: Performance Management				
Key Tasks to Be Completed	**Who Is Responsible for Completing Tasks**			
	HR Department	**Line Managers**	**HR Department and Line Managers Share Responsibility**	**Vendor, Consultant or Other Party**
Develop workforce performance management system.				
Evaluate performance appraisal methods (e.g., ranking, forced distribution, management by objectives, 360 feedback, etc.).				
Select performance appraisal method.				
Create performance appraisal forms.				
Determine timing of performance appraisals (e.g., anniversary date, year end, quarterly, etc.)				
Establish deadlines for completion of performance appraisals.				
Train workforce on performance appraisal process.				
Train performance evaluators on how to complete appraisal forms, give performance feedback and conduct performance appraisal meetings.				
Assess employees' performance during rating period.				
Provide ongoing informal performance feedback to employees.				
Complete performance appraisal forms.				
Review and approve performance appraisal documentation before it is given to employees.				
Conduct performance appraisal meetings.				
Monitor completion of performance appraisal documentation and appraisal meetings.				

	HR Department	Line Managers	HR Department and Line Managers Share Responsibility	Vendor, Consultant or Other Party
Develop a performance improvement system and relevant policies.				
Develop a progressive discipline system or structured behavioral feedback and disciplinary counseling process and policies.				
Create standard forms for performance improvement, behavior feedback and disciplinary counseling.				
Coach and counsel employees on performance issues and behavior and disciplinary matters.				
Decide on appropriate corrective actions for poor performance, inappropriate behavior or employee misconduct.				
Prepare disciplinary and/or counseling documentation.				
Review and approve disciplinary and/or counseling documentation.				
Conduct disciplinary and/or counseling meetings.				
Prepare termination documentation.				
Review and approve termination documentation.				
Conduct termination meetings.				
Other (specify):				

HR Function: Employee Relations				
Key Tasks to Be Completed	**Who Is Responsible for Completing Tasks**			
	HR Department	**Line Managers**	**HR Department and Line Managers Share Responsibility**	**Vendor, Consultant or Other Party**
Develop policies and procedures relating to employee and employer rights and obligations.				
Review and approve policies relating to employee and employer rights and obligations.				
Communicate with employees about HR policies, processes and practices.				
Develop employee complaint procedures and mechanisms.				
Respond to internal employee complaints.				
Conduct formal investigations of employee complaints as appropriate.				
Document investigations.				
Develop employee retention strategies and processes.				
Implement employee retention strategies and processes.				
Evaluate employee retention strategies and processes.				
Other (specify):				

HR Function: Legal Compliance				
Key Tasks to Be Completed	**Who Is Responsible for Completing Tasks**			
	HR Department	**Line Managers**	**HR Department and Line Managers Share Responsibility**	**Vendor, Consultant or Other Party**
Conduct periodic audits of HR activities to assess compliance with applicable federal and state employment laws.				
Work with legal counsel to ensure compliance with applicable employment laws.				
Stay current on applicable employment laws.				
Develop and implement workforce training on workplace harassment, discrimination, OSHA and other employment law topics.				
Complete documentation required by federal or state laws (I-9 forms, payroll records, leave requests, EEO-1 reports, OSHA forms 300, 301, affirmative action plans, COBRA, etc.).				
Maintain personnel files and other records required by applicable employment law.				
Ensure that all notices required by federal or state employment laws are posted in the workplace.				
Respond to charges of discrimination or other alleged violations of employment laws made to government enforcement agencies.				
Work with legal counsel to resolve employment disputes and employee lawsuits.				
Other (specify):				

Adapted from *The Fundamentals of Human Resource Management (Instructor's Resource Book),* Society for Human Resource Management, 2002.

APPENDIX B

Links Between HR Practices and Market Value Creation

Based on Watson Wyatt's Human Capital Index

Practice (expected change associated with a significant -1SD-improvement in practice)	Impact on Market Value (%)
RECRUITING & RETENTION EXCELLENCE	**7.9**
Company has low voluntary turnover of managers/professionals	1.7
Company has low voluntary turnover of employees in general	1.5
Company emphasizes job security	1.4
Formal recruiting strategy exists for critical-skill employees	0.6
Recruiting efforts are aligned with the business plan	0.5
Employees have input on hiring decisions	0.5
Company has established reputation as a desirable place to work	0.5
Systematic new-hire orientation exists	0.4
Hourly/clerical new hires are well equipped to perform duties	0.4
Professional new hires are well equipped to perform duties	0.4
TOTAL REWARDS & ACCOUNTABILITY	**16.5**
Health benefits are important for recruiting and retention	2.8
High percentage of stock owned by employees	1.3
Defined contribution and defined benefits plans, combined, are important for recruiting and retention	1.3
High percentage of stock owned by senior managers	1.2
Pay is linked to company's business strategy	1.0
High percentage of employees eligible for stock options	1.0
Company promotes most competent employees	0.9
High percentage of employees participate in incentive/profit-sharing plans	0.9
Defined benefits plan is important for recruiting and retention	0.9
Employees have a choice regarding benefits	0.8
Defined contribution plan is important for recruiting and retention	0.8
Top performers receive better pay than average performers	0.8
Company positions benefits above the market	0.7
Company helps poor performers improve	0.7
Company positions pay above the market	0.7
Company terminates employees who continue to perform poorly	0.6

COMMUNICATIONS INTEGRITY	7.1
Employees have easy access to technologies for communication	4.2
Employees at all levels give ideas and suggestions to senior management	0.7
Company shares business plans and goals with employees	0.6
High percentage of workforce participates in opinion surveys	0.6
Company shares financial information with employees	0.5
Company takes action on employee survey feedback	0.5
COLLEGIAL, FLEXIBLE WORKPLACE	**9.0**
Company shows flexibility in work arrangements	3.5
Company has high employee satisfaction	1.3
Trust in senior leadership is actively engendered	1.2
Managers demonstrate company's values	1.1
Company culture encourages teamwork/cooperation	0.5
Company avoids using titles to designate authority	0.5
Company avoids varying perquisites by position	0.5
Office space does not vary according to position	0.4
FOCUSED HR SERVICE TECHNOLOGIES	**6.5**
Improving service to employees/managers is a key goal in implementing service technology	2.3
Reducing cost is a key goal in implementing HR service technology	2.3
Increasing transaction accuracy/integrity is a key goal in implementing HR service technology	1.9