

## Bridging the gap between HR and business outcomes

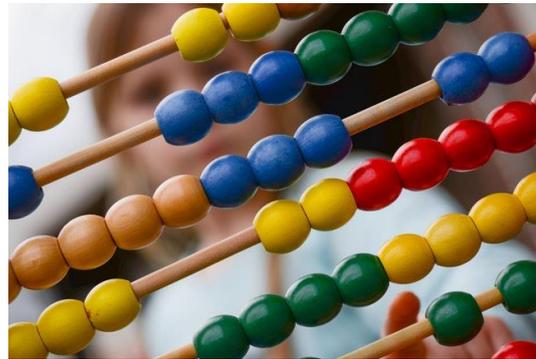
"Thousands of companies worldwide find themselves at odds when it comes to human resources (HR) policies and their business outcomes. This can be due to various reasons ranging from low hiring budgets to long payrolls or even insufficient customer reach. Invariably, the mismatch between HR policies and business objectives of a company can lead to low profits and sometimes, massive losses."

This may force a firm to shut parts of operations, retrench scores of employees or continue to operate with decreased profits. In an era where technology and speed of service define the success of a company, it is vital to bridge the gap between HR and business outcomes.

### The first step: physical count

The very first step towards bridging the gap between HR and your company's business outcomes starts with physical headcount. To do so, you will have to analyze the number of offices and service locations where your business operates.

Next, calculate the number of staff, including key personnel, customer service crew and support employees working at each location. Regardless, whether your company operates from single or multiple locations, getting an exact count of people engaged in driving the business is essential.



### Second step: location analysis

Now analyze the locations from where your company operates and its branches. Get near exact estimates of time your employees need to commute between home and work daily.

If your locations are inconvenient for all or some employees to access, consider the option of offering telecommutes or work-from-home jobs. The productivity of telecommuters is also higher that helps them save and earn more simultaneously, studies prove.

### Third step: employee analytics



Understandably, some departments of your company could be overstaffed while others may be facing acute shortage of skilled workers. Employee analytics means finding out how much the company is paying an employee and the productivity of that department. You can study payslips or salary slips of employees to find basic salary and various perks and allowances that are paid to each staff. This way, you get an average expenditure per employee. Divide this against profits.

The figure will indicate two main parameters: Whether you can reduce employees from a particular department and relocate to another or at a different location. Secondly, it will show whether any department or branch or location is underperforming due to staff shortage. Analyzing employee metrics also gives you an estimate of how much each staff member is contributing on average towards business outcomes of the company.

#### **Fourth step: keep employees informed**

A blunder most companies inadvertently commit is, they do not clearly define business outcomes desired by the employer within a specific span of time such as the calendar year or financial year.

Consequently, employees remain in dark about efforts they need to exert to help an employer achieve the desired business outcome. Setting targets is fine. Yet, as HR manager or analyst, you need to determine whether these targets are realistic.

Secondly, it is equally vital to know whether merely achieving targets is fetching the desired business outcome. In such scenarios, it is advisable for HR to keep employees informed very clearly about business outcomes that are expected. This can be done through meetings and emails.

#### **Fifth step: analyze performance**

Like every other organization in the world, a company will have underperformers and overachievers. Both are a cause for worry. If an employee's performance is lower than what could be expected from a person with those qualifications and skills, there could be several reasons.

For one, the employee could have been deployed at a wrong location or may not have been given adequate resources to perform well. With overachievers, the story could be different. They may be exerting lesser effort but performing higher since market conditions at a location could be friendly and sans much competition.

Hence, it is imperative for HR to bridge the gap with desired business outcomes by astute review of an employee's output including reasons behind a poor and excellent performance.



#### **Sixth step: review company performance**

This can often be tough. Once you have well-defined business outcomes, it is highly imperative to review a company's performance periodically. This means, assessing how near or far is the organization from achieving its desired outcomes and finding reasons for the lag. At this juncture, HR can take employees into confidence.

## More steps

Getting employee metrics can prove fairly tough. There are no foolproof or error-free methods that allow HR to gauge employee metrics to near perfection levels. Hence, HR needs to review employee analytics in the light of employer analytics too. As HR professional, you can develop a model to gauge employee and employer analytics that are simple to use. Proper analysis of cost per employee, productivity, expenses per location, staff strength per department and ease of achieving business outcomes at specific locations can immensely.

## In conclusion

Role of HR and business outcomes are intricately linked. Indeed, a bridge between the two is essential to help employees perform better and help the business achieve its desired goals. As HR professional, you can begin bridging the gap between employees and business outcomes right from the hiring process.

Other than merely looking for qualifications, experience, and psychometrics for hiring a person, you also need to scan a jobseeker for suitability to the work and expected contribution towards achieving the business objectives. An increasing number of companies are now focusing on employee and employer metrics with the sole objective of achieving the desired business outcomes. Hence, bridging this divide is essential for every HR professional and department.



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