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Abstract

In this paper, I argue that the quickest means for human resources (HR) and human resource development (HRD) functions to achieve strategic positions in their organizations is to foster their roles as change champions and as providers of people-oriented decision-support. HRD practitioners have been trapped in the midst of an identity crisis as they increasingly have had to relinquish their former roles as trainers. This paper outlines a new way forward for HR/HRD practitioners as they attempt to sort out their new organizational roles and function in contemporary organizations where the outsourcing of HR/HRD functions including employee relations, benefits, training, etc. is quickly becoming the norm.

Strategic HR and HRD as Change Champions and Decision-Support

A number of authors have called for a paradigmatic shift in the Human Resources (HR) and Human Resource Development (HRD) functions. This shift will require the HR function to operate in new and different ways that are more consistent with new business environments and the increasingly complex role HR is being called to play in terms of its ability to manage and develop the organizations' human capital investments. Part of this shift will require HR to align itself more fully with organizational strategy (Fottler, et al., 2005). Another aspect of this shift involves developing the capacity of organizations to sustain competitive advantage, and yet a third part of this shift will require the HR function to create ways to support decision-making around human resources that will also result in sustained competitive advantage (Fottler, et al., 2005). This is a tall order for HR functions that have traditionally focused on providing administrative and transactional HR services and HRD departments that have traditionally focused on providing training programs (Fottler, et al., 2005; Gilley & Gilley, 2003). Nevertheless, for the reasons mentioned above and detailed below, the shift is a necessary one. A number of means have been suggested to help HR/D functions make this shift but the typical HR department would find it very difficult to try to implement all of the tactics suggested in becoming a strategic HR function while simultaneously performing the functions they were initially brought into the organization to accomplish. I maintain that if HR/D professionals focus on reorienting themselves as change champions and decision-support specialists they will achieve the bulk of what is required to be strategically integrated into their respective organizations.

What It Means to be Strategic

Strategic Human Resource Development (HRD) is most commonly defined as an HRD function that is instrumental in the development and implementation of organizational or business strategy through the leadership role it plays in strategy implementation and change management (Gilley & Gilley, 2003; Lawler & Mohrman, 2003). Becker et. al. (2001) and number of authors have argued that HRD is increasingly being called upon to move into a strategic position because the primary source of production in the economy is increasingly moving away from physical inputs to intellectual inputs. This has put organizational HR functions in the position of having to more clearly demonstrate the value of the function that is

most closely linked with the organization's human capital (Becker, et al., 2001; Sheppeck & Militello, 2000). The most agreed upon means of demonstrating this value is a move toward a more strategic HR function. Research by Lawler and Mohrman (2003) found that firms that derive the greatest value from their HR functions are those with HR functions that are strategic (Gochman and Luss, 2002). Various authors have varying approaches for achieving this goal but the outcome is the same—an HR function that is integrally tied to organizational goals, strategy, and outcomes (Ulrich, 1997). This raises the question of what does a strategically integrated HR function look like? Gilley and Gilley (2003) argue that strategically integrated HRD functions are almost indistinguishable from the rest of the organization. The goal of strategically integrated HRD goes beyond putting together training programs or implementing performance improvements; strategically integrated HRD is involved in the achievement of strategic business goals and organizational effectiveness (Gilley & Gilley, 2003). In short, Gilley and Gilley (2003) are arguing that the scope of strategically integrated HRD has to expand beyond itself (e.g. implementing training programs), the individual (e.g. individual employee performance), and teams (e.g. departments or groups). Organization-wide efficacy is the goal of strategically integrated HRD such that when the organization is not performing effectively, the HRD function is "on the line" for putting together solutions that will increase the effectiveness of the organization through human resource-based solutions in the same way a firm's marketing department would be "on the line" if overall sales where diminishing. Central to this notion of organizational effectiveness are several core strategies Gilley and Gilley (2003) outline for strategically integrated HRD including, 1) establishment of a developmental culture, 2) assessing organizational effectiveness, 3) implementing performance management systems, 4) setting strategic direction, 5) leadership development, and 5) managing change. Effective implementation of this organizational effectiveness strategy does not however come to fruition in a vacuum. Gilley and Gilley (2003) also outline several key roles HRD practitioners will have to embody in order to become strategically integrated. These include relationship builder, organizational architect, strategist, performance engineer, change champion, and political navigator (Gilley & Gilley, 2003). Swanson and Holton (2001) have identified training and development, career development, and organization development as the three fundamental components of HRD. Organization development (OD) is primarily concerned with building the internal capacity of an organization to cope with change (Bradford & Burke, 2005). Interestingly,

Lawler and Mohrman (2003) found that organizations that improved the strategic ability of their functions did so by emphasizing planning, organizational design, and organizational development within the HR function. This means that many of the core OD skills many HRD practitioners already possess and presently employed in organizations are valuable in the strategically integrated HRD role of change champion. To become strategic, HRD functions must fully embrace the change champion role as it is aligned with expectations already set for a number of HRD functions and bears the most promise for HRD becoming strategically integrated.

Change Champion Defined

Gilley and Gilley (2003) define change champion as, "experts who understand the human and organizational aspects of change…along with procedures available to successfully plan for, communicate, implement, monitor, and evaluate change." The change champion is responsible for a variety of functions including development of long-range plans, organization-wide change initiatives, continuous improvement, identification of external threats and opportunities, procedures for implementation of long-term plans, and measurement of the impact of change (Gilley & Gilley, 2003 pp. 227). To perform these responsibilities, change champions must be able to 1) provide a vision of future possibilities and direction, 2) design a means or process for achieving that vision, and 3) communicate the vision and process effectively to key stakeholder groups (Gilley & Gilley, 2003).

In addition to the skills the change champion must possess, she must also be able to manage the change process. To the extent organizational change is about moving the organization from one state of existence to another, time, effort, and change dynamics are integral to that movement and change process. The change champion must master the ability to manage and instill in other the ability to manage everything that must occur between the organization's current and future state. Organizational change unfolds over the course of seven steps. These steps include 1) communicating the urgency for change, 2) providing leadership for change, 3) creating ownership and support for change, 4) creating shared vision for change, 5) implementing and managing change, 6) integrating change into the culture, 7) measuring and monitoring change (Gilley & Gilley, 2003; p. 239). The process over which organizational change occurs is what Gilley and Gilley (2003) refer to as the change management process. The change management process is broken down into ten phases including entry, establishing client

relationships, contracting, identifying problems, diagnosing problems, identifying root causes, providing feedback, planning change, implementing interventions, and evaluating results (Gilley & Gilley, 2003). It is here during the change management process that the value of the change champion begins to prominently emerge particularly in the areas of diagnosing problems and identifying root causes. These two areas of the change management process hold the most promise for initiating HRD's move from non-strategic to strategically integrated. The primary reason for this is that non-strategic HRD is not involved in diagnosing problems. If the organization deemed the solution to a problem to be training problem, the traditional HRD function would go to work putting together a training program to "solve" the problem. Often this would occur with little or no analysis as to whether training was the right solution. This phenomenon is what Gilley and Gilley (2003) refer to as results-driven HRD. Under the results-driven HRD paradigm HRD practitioners operate under the assumption that training alone improves organizational performance and effectiveness (Gilley & Gilley, 2003). This is a dangerous assumption for two reasons. First, on average, only 10 to 20 percent of training actually transfers to the job in a way that changes and enhances job performance (Broad & Newstrom, 1992). Secondly, this assumption places HRD functions in a tenuous position because under the results-driven paradigm, the value the HRD function brings to the organization is limited. HRD comes to equal training under this paradigm effectively placing internal HRD programs in a tenuous position because training can be outsourced. One author cogently captures the danger inherent in the assumptions of results-driven HRD:

> "Organizations do not ask us to deliver what they need; they ask us to deliver
> what the believe we can provide….And what we are asked to provide—training—
> is often ineffective, unnecessary, and expensive. Occasionally it is even harmful.
> We do just what we are asked to do—deliver training. We do not do what we are
> not asked to do—improve human performance in the workplace."
>
> (Regalbuto, 1991, p. 80)

HRD functions that can only provide training without the ability to identify or diagnose root causes of organizational problems do not offer significant or full value for their organization's investment in HR function resources. Becker et al. (2001) states that, "If the HR function can't show that it adds value, it risks being outsourced." A strategically integrated HRD function that can provide training, oversee the change management process, and diagnose organizational problems is an HRD function that is not at risk because it has no problem demonstrating its value because it is valued in the organization.

Other Means

  A core argument of this paper is that the change champion has comparatively more value to HRD's ability to become strategic than do the other strategically integrated roles outlined by Gilley and Gilley (2003). The purpose of this section is to briefly describe the other strategically integrated roles and identify why the change champion role is comparatively more valuable.

  According to Gilley and Gilley (2003), the relationship builder of strategically integrated HRD is defined as one who builds rapport with clients, establishes commonality and professional competences, uses effective communication techniques, identifies personal style and works to improve it in the course of interpersonal relationship, and is able to briefly and coherently describe his contribution to the organization. Though important, the relationship builder role closely mirrors phase 1 and 2 of the change management process that involves conducting exploratory discussions with organizational clients and establishing a working relationship and building trust based on previous experience and common goals (Gilley & Gilley, 2003, p. 238). Relationship building is important, but beyond the fact that the core elements of relationship building are built into the change champion role, relationships that are built through common purpose and work that needs to be accomplished (e.g. organizational change) are likely to provide greater value in organizational settings where time is limited but a great deal of work needs to be accomplished.

  Organizational architects have knowledge of critical organizational components and the ability to determine and restructure those components to optimize organizational efficiency and effectiveness (Gilley & Gilley, 2003). Interestingly, many of the core roles of the organizational architect mirror those of the change champion. For example, relationship mapping bears a close resemblance to stakeholder analysis that is integral to the project management competencies of the change champion. Ultimately, the organizational architect is a means, not an end. The value of having knowledge of the organizational structure, culture, and optimal organizational design is unquestionable, however, without a change or improvement context in which that knowledge can be brought to bear in the improvement of organizational effectiveness, it has little value. The change champion role places organizational design knowledge in context to improve organizational effectiveness.

  The HRD strategist is responsible for creating an attitude of continuous improvement and change within the organization (Gilley & Gilley, 2003). This is done by developing learning,

performance, and change partnerships that creates a mechanism for executing organizational effectiveness strategy, formulating long-term decision-making, and fostering change (Gilley & Gilley, 2003). Gilley and Gilley (2003) suggest that the strategist role is one of the most important transformational HRD roles and with good reason—the strategist is responsible for fostering a connection between the HRD function and the organizational strategy that is required for moving HRD into a truly strategic position. In addition, strategy is often established at a higher level in the organization than is project management that serves as the basis for the change champion role. In short, strategic planning is to the strategist as project management is to the change champion. Strategic planning and needs assessment are the techniques that most closely mirror one another when comparing the strategist roles and change champion roles but as Gilley and Gilley (2003) argue, they differ in important ways because the goal of needs assessment are to identify skill, knowledge, or attitudinal deficiencies, whereas the goal of strategic planning is to identify business results deficiencies. To suggest that one is more valuable than the other would be misleading particularly since there are clear examples of organizations that have used HR strategy to drive broader, organizational strategy as was done at the Mayo Clinic (Fottler et al., 2005). The most essential consideration in evaluating whether HRD should focus on building its capacity in the direction of strategist or a change champion is how the HRD function positioned in the organization at a particular moment in time. For instance, HRD functions with members who already play a key role in developing strategies that are aligned and integral to organizational strategy may want to focus on building the capacity of their strategists to perform that work even better. However, HRD functions with no capacity or precedence for strategic planning in their organization may be better served by focusing on a developing a change champion strategy. The value that can be created by taking HRD practitioners through a series of successful change management initiatives may be sufficient for establishing enough credibility in the organization for the HRD function to be considered and taken seriously during a strategic planning session. The ability of the HRD function to prove its value at more core levels will help position it for more strategic positions in the future.

Performance engineers use performance management systems and systems thinking to create organizational change (Gilley & Gilley, 2003). Because they focus on organizational, rather than individual performance, the performance engineer takes on a more macro level view of performance. The five outputs of the performance engineer are 1) forming and growing

partnerships with sustained clients, 2) identifying and qualifying opportunities for performance improvement, 3) Conducting performance assessment, including performance models, competences models, process models, gap analysis, cause analysis, and data reporting meetings, 4) managing multiple performance-change interventions, and 5) measuring the results of performance improvement interventions (Gilley & Gilley, 2003). Although the focus of the performance engineer is slightly more nuanced as compared to the change champion, most of the outputs of the performance engineer are identical to that of the change champion and are easily subsumed in the ten phases of the change management process, particularly when one compares forming and growing partnerships to the entry and establishing client relationships phases or the measurement of the results of performance improvement interventions to the evaluating results phase of the change management process. The performance engineer offers a valuable, macro-level perspective to the strategic HRD practitioner but without a focus on implementation, the performance engineering perspective does not appear to hold the greatest value for strategic HRD transformation when compared to the change champion perspective.

According to Gilley and Gilley (2003), the political navigator demonstrates business acumen and addresses clients' attitudes toward HRD in a way that boosts the credibility of the HRD function and enables HRD practitioners to make recommendations, provide suggestions, and share valuable ideas with the firm. Within the six critical transformational roles and levels of credibility diagram outlined by Gilley and Gilley (2003), the role of political navigator occupies the highest level along with the change champion role. Relationship and credibility building has been a central focus throughout each of the six roles the authors identified but fundamentally, the political navigator role is an enabling role, not a valued end within itself. For example, based on Gilley and Gilley's (2003) definition, the political navigator will have established the credibility and understanding of the business to be invited to have a seat at the strategic table, however, it is the ability to produce strategically oriented change in the organization that separates the political navigator from the change champion. The political navigator occupies a role similar to that of a trusted advisor and without question, that is an important position for HRD functions to occupy particularly given the histories of many HRD functions, but the trusted advisor role is not as valuable as occupying a role wherein the organization can call on its HRD function to produce results that will positively impact the organization in tangible ways. The change champion role of HRD holds greater promise in that regard than does the political navigator role.

The goal of describing and comparing the five strategically integrated roles to the change champion role is to make the case that for busy HRD practitioners wishing to move toward a more strategic role in their organizations, the change champion role offers the greatest return on their invest of time and effort. This is not to say the other roles do not have value or should not be pursued. Clearly this analysis found a great deal of overlap among each of the roles. Nevertheless, it has been demonstrated that the quickest path toward strategically integrated HRD is that of change champion since it offers the greatest potential for demonstrable organizational impact and encompasses sufficiently high portions of the other roles to facilitate a speedy transition.

HR/D as a Decision-Support

Much has been made about HR measurement and metrics. HR functions often consider it a success when managers or HR leaders are held accountable for HR measures such as turnover, performance, or talent readiness but the true test of any strategic organizational activity be it measurement or change management is whether or not it makes a strategic difference in the organization (Boudreau & Ramstad, 2006). Like training without improvements to performance or organizational effectiveness, HR measurements will suffer the same fate of non-strategic organizational activity unless it produces decisions that the organization values. Boudreau and Ramstad (2006) argue that the marketing and finance functions of organizations serve help enhance decision-making about customers and money that have implications both within and outside of those respective functions. In other words, organization's marketing and finance departments never have to question whether or not they have a "seat at the table"; their seats are always held open and waiting. Yet, because the HR function has typically operated (and been expected to operate) under a service or results-driven paradigm, it has not truly considered the value it can bring to the organization's decision-making capacity. As marketing is sales is, and finance is to accounting, HR has no decision-making counterpart that could elevate it to a decision-making function in the way marketing and finance exist as decision-making functions. Boudreau and Ramstad (2006) contend that once the HR function establishes itself as a decision-making support function, it will achieve the status of strategic partner.

Decision-making is more than mere numbers. Boudreau and Ramstad (2006) argue that the basis for decision-making is logic. The finance function is known for its ability to calculate return on investment (ROI), but ROI is nothing more than a logical framework for identifying

important elements of investments and integrating them in a way that enhances decisions (Boudreau & Ramstad, 2006). ROI is not always available for most HR decisions and it does not focus on the right questions for HR investments but there is a logical framework for HR that does. Efficiency, effectiveness, and impact offers three anchor points by which strategic HR decisions can be made. In this logic efficiency refers to the amount of HR programs and activities that can derived from HR investments, effectiveness refers to the extent to which HR impacts the capacity and actions of employees in each organizational talent pool, and impact refers to the extent to which strategic success will be improved by enhancing the capability or availability of a particular talent pool (Boudreau & Ramstad, 2006). In assessing this framework, two things become apparent. First, using this framework for HR decisions will improve the strategic value of the HR function because each of the anchor points are tied to the organization's ability to create and sustain value and/or competitive advantage. Secondly, this framework holds HR accountable for a stewardship role in the organization that is a key differentiator between strategic and non-strategic functions. For example, a results-driven HRD function will provide training to group of employees will minimal knowledge of the impact that training will have on the overall capability of target training group. Such was case at SimPak Computer described by Brinkerhoff (2005). Even though the training itself was highly effective for the participants, the training did not have the desired effect for the organization because those who most needed to take the training were being shut out by those who did not need the training (Brinkerhoff, 2005). By more closely measuring the training outcomes (a change champion characteristic), the HRD practitioners at SimPak were able to discover that they need to more closely monitor the training enrollment process. This example aligns to the effectiveness and impact anchors of the strategic decision-making HR framework. This example demonstrates that when HR functions as organizational-decision support, everyone wins. The organization as a whole is able to build the capacity it requires to deliver services and sales that drive bottom-line results and the HR/D function ensures its credibility and value to the organization by helping to make investment decisions that produce results. This is where the change champion and decision-support role connect. The ability of change champions to evaluate, measure, and drive organizational results by way of a training initiative, performance management system, improved work design, etc. enhances the ability of HRD function to put together programs that are valuable. Couple that

ability with decision-support expertise and it is almost guaranteed that no HRD initiative could be faulted for not adding value or not being strategic.

Conclusion

Authors writing about the move from non-strategic to strategic HRD have suggested that one of the reasons HRD practitioners have had a difficult time making the transition is that they fundamentally view themselves as trainers and feel that their role in that capacity will be compromised on diminished if they move into more strategically-oriented roles (Gilley & Gilley, 2003). The fact is business world is becoming more complex and competition is only going to increase. The roles HRD practitioners are being asked to perform are part of the milieu of change and evolution which with other organizational functions have had to contend (Becker et al., 2001). HR/D functions that ignore the pressures to transform into more strategic roles do so at the risk of being forced to compete with specialized training firms with resources and tools that are not always readily available within internal HRD functions. Strategically integrated HR/D offers the best means for avoiding outsourcing and budget cuts because the strategically integrated HRD function provides organization-specific solutions that are not readily available externally. For those HRD functions that have not achieved a strategically integrated status, the quickest way to reach point is by fostering change champions and HR decision-support expertise.

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