

Leading Practices in Global HR: Determining Your Own “Best” Path Forward

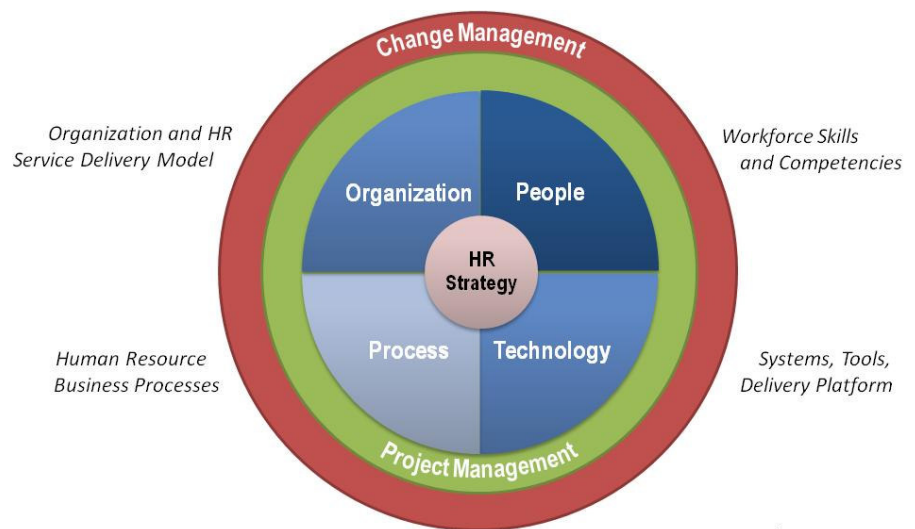
By Karen Beaman, *Jeitosa Group International*

Introduction

In today’s tumultuous business climate, organizations must be strategically superior and operationally efficient in order to survive. Dee Hock, founder of Visa Corporation and author of *Birth of the Chaordic Age* (1999), describes a “chaordic” (“chaos” + “order”) organizational model – one that seeks to leverage the best of innovation and collaboration along with the right amount of structure and order – which is the organization most likely to be successful and thrive in today’s face-paced, constantly changing business world. Building a chaordic HR organization requires deep understanding and careful implementation of certain practices that foster autonomy and innovation for competitive differentiation, while supporting standardization and efficiency of non-valued-added functions.

“HR Best practices” is an expression we hear regularly in the press, presentations, brochures, and white papers by vendors, consultants, and analysts who want to “sell” the world their point of view. But what is “best” in one person’s opinion may not necessarily be the “best” for everyone based on each organization’s unique history, culture, industry, vision, leadership, strategy, and business goals. Hence, it is more appropriate to talk about “leading practices” – that is, widely recognized business practices that, when implemented correctly, bring enhanced business value to the organization.

This article presents a number of leading practices, collected from numerous sources and personal experiences over many years, which organizations should consider to help them improve their global HR function. The goal of this article is to provide a broad list of leading practices that the HR organization can evaluate and choose from on a case-by-case basis based on their need and relevance.



Source: *Jeitosa 2009*

Figure 1. Global HR Business Model.

HR Business Model

The first place to begin in evaluating leading practices is to have a global HR business model in order to organize and evaluate the options. Figure 1 shows such a model which consists of five key business components – Strategy, Organization, People, Process, and Technology – and two overarching management processes – Project Management and Change Management.

Following this Global HR Business Model, the remainder of this article list 25 leading global HR practices that HR professionals should consider and evaluate in order to determine the relevance and applicability for their organization.

Strategy

"An organization's success has enormously more to do with clarity of a shared purpose, common principles and strength of belief in them than to assets, expertise, operating ability, or management competence, important as they may be" (Dee Hock).

The first step is to define an overarching strategy for the HR organization. Following are some leading practices to be considered in developing a global HR strategy:

1. **AAA Triangle** – Understand the organization's overall business strategy: *adaptation* (adjusting to differences), *aggregation* (overcoming differences), or *arbitrage* (exploiting differences).¹
2. **Strategic Vision** – Define the overall strategic vision for your HR organization and HR technology that is linked to the company's strategic vision and aligned with the company's goals.²
3. **Strategic Plan** – Develop a plan that describes the strategies for achieving your vision including objectives and metrics for gauging your progress along the way.³
4. **Strategic Roadmap** – Build a road map that lays out the phases and detailed steps required for moving from your current situation to toward your desired future vision.⁴
5. **Scenario Planning** – Consider alternative scenarios and develop options should different events occur to deter your best-laid plans, such as downsizing, acquisitions, global expansion, etc.⁵

Organization

"All organizations are merely conceptual embodiments of a very old, very basic idea -- the idea of community. They can be no more or less than the sum of the beliefs of the people drawn to them; of their character, judgments, acts, and effort" (Dee Hock).

Next, it is vital to understand the company's organizational model and to ensure your strategies fit with the company's culture, beliefs, and growth goals. Following are some leading practices to be considered:

6. **Global Model** – Understand the type of global business model you are operating within – *Multinational, Global, International, or Transnational* – and hence the appropriate HR strategies.⁶
7. **Governance Model** – Develop a clear and concise model for governing the HR organization that defines the roles, responsibilities and reporting structure for each group, leader, and stakeholder.⁷

8. **Shared Services** – Implement global and/or regional shared services centers to handle high-volume, repetitive, low-value transaction to improve efficiencies and lower costs.⁸
9. **Centers of Expertise** – Implement center(s) of expertise to provide specialized, high-value, but low usage services to the organization to better leverage knowledge across the organization.⁹
10. **Multi-Dimensional Sourcing** – Develop a multi-dimensional sourcing strategy that selects an effective approach for each HR business function: inhouse, shared service, outsource, offshore.¹⁰
11. **Offshoring** -- Give careful consideration to the practicality and effectiveness of offshoring certain non-core activities to realize cost-savings and allow greater focus on core strategic activities.¹¹

People

“Hire and promote first on the basis of integrity; second, motivation; third, capacity; fourth, understanding; fifth, knowledge; and last and least, experience.... Experience is easy to provide and quickly put to good use by people with all the other qualities” (Dee Hock)

Third, it is critical to define the skills and competencies needed by the organization and to develop the people and the leaders to be most effective. Following are some leading practices to be considered:

12. **HR Partner Model** – Deploy the Ulrich model for HR that organizes roles into strategic and tactical areas: administrative expert, employee champion, business partner, and change agent.¹²
13. **New HR Generalist** – Develop new skill sets required to be successful in the evolving digital, business-oriented HR world – a foundation of business, technical and financial acumen.¹³
14. **Global Mindset** – Cultivate a global mindset throughout all leaders in the organization by promoting international assignments, cross-functional/geographical project teams, and cultural exchanges.¹⁴
15. **Intercultural Competence** – Foster intercultural learning, tolerance, and appreciation for how people can react, respond and make decisions differently based on their cultural backgrounds.¹⁵
16. **Multi-Dimensional Workforce** – Implement strategies that support the many dimensions of modern, mobile, digital, global workforce, such multi-generations, multi-locality, multi-contractual, etc.¹⁶

Process

“If one is to properly understand events and to influence the future, it is essential to master four ways of looking at things: as they were, as they are, as they might become, and [most importantly] as they ought to be” (Dee Hock).

Next, the business processes and HR services to be offered to the organization must be clearly defined along with appropriate accountabilities. Following are some leading practices to be considered:

17. **Service Delivery Model** – Define business processes and the services that HR delivers to the organization at the global, regional, local, and business unit levels.¹⁷
18. **Think Local, Act Global** – Understand local needs thoroughly and create a holistic approach to business process design that is “as global as possible, as local as necessary.”¹⁸
19. **Self-Service and Workflow** – Develop a strategy for which processes are to be enabled through self-service and workflow and the required approval and notification processes.¹⁹

Technology

“Substance is enduring, form is ephemeral. Failure to distinguish clearly between the two is ruinous. Success follows those adept at preserving the substance of the past by clothing it in the forms of the future” (Dee Hock).

Finally, the underlying technology infrastructure and application platform provide the enabling tools for HR achieve to its goals. Following are some leading practices to be considered:

20. **Modern Technology Platform** – Evaluate your technology platform to ensure you are taking advantage of the most modern tools available to drive down costs and improve service delivery.²⁰
21. **Integrated Talent Management** – Integrate talent processes from workforce planning to talent acquisition, goal setting, performance management, development, and succession planning.²¹
22. **Competency Management** – Ensure that a solid competency management model and system is at the foundation of your people development strategy.²²
23. **Business Intelligence Applications** – Ensure the organization “manages with metrics” by deploying business intelligence as part of the “organizational fabric” at the core of every business process.²³

Management

24. **Project Management** – Ensure the organization follows the nine principles of the Project Management Institute (PMI) from scope control to costs and contract management.²⁴
25. **Change Management Plan** – Implement a comprehensive change management plan to ensure new strategies and approaches are easily understood and quickly adopted throughout the organization.²⁵

Conclusion

The leading practices that are most appropriate for an organization vary considerably based on the company’s historical background, business development and growth strategy, and current stage of evolution. The ability to understand and leverage the past in order to build the future is key to finding the right structure, processes, and technologies to gain wide-reaching acceptance in implementing “the very best practices” for your unique organization.

Author’s Biography

Karen V. Beaman is the founder and Chief Executive Officer of Jeitosa Group International, a worldwide strategic business consultancy focused on making global HR possible. Previously she was responsible for the sales and delivery of ADP’s global professional services across the Americas, Europe, and Asia/Pacific. Karen is an internationally recognized speaker and author on topics such as global human resources, information technology, transnational organizational design, strategic sourcing, cultural diversity, and global leadership. She has degrees from Old Dominion and Georgetown Universities, is co-founder and Editor-in-Chief of the *IHRIM Journal*, and editor of four books: *Boundaryless HR: Human Capital Management in the Global Economy* (2002), *Out of Site: An Inside Look at HR Outsourcing* (2004), *Common Cause: Shared Services for Human Resources* (2006), and *HR Frontiers: Shifting Borders and Changing Boundaries* (2008). In 2002, Karen received the Summit Award, IHRIM’s

highest award honoring her lifetime achievements in field of human resources. She is fluent in English, German, and French and conversational in Spanish and Portuguese. She can be reached at karen.beaman@jeitosa.com.

References for Further Reading

- ¹ See Pankaj Ghemawat, "Managing Differences: The Central Challenge of Global Strategy", *Harvard Business Review*, March. 2007.
- ² See Karen Beaman and Bob Stambaugh, "Strategy: Do You Know It When You See It?" *IHRIM Journal*, Vol. IX, No. 5, 2005.
- ³ See Karen Beaman, "The New Transnational HR Model: Building a Chaordic HR Organization," *Heads Count: An Anthology for the Competitive Enterprise*. Row Henson (editor). 2003.
- ⁴ See Karen Beaman, "Global by Design, Local by Implementation: HR and HRIT in the 21st Century," *IHRIM Journal*, Vol. XII, No. 1, 2008.
- ⁵ See Renée Dye, Olivier Sibony, and S. Patrick Viguerie, "Strategic Planning: Three Tips for 2009," *McKinsey Quarterly*, April 2009.
- ⁶ See Karen Beaman and Gregory Guy, "Transnational Development: The Efficiency-Innovation Model," *IHRIM Journal*, Vol. VII, No. 6, 2003.
- ⁷ See Jay Stright, "Focusing on the Customer," *IHRIM Journal*, Vol. IX, No. 6, 2005 and "Global Shared Services: Where has it Come from? Where is it Today? Where is it Going?" *IHRIM Journal*, Vol. VII, No. 5, 2003.
- ⁸ See Karen Beaman and Gregory Guy, "Shared Services Globalization: The Payoffs and Tradeoffs," *IHRIM Journal*, Vol. X, No. 1, 2006.
- ⁹ *Ibid.* Stright. 2005, 2003.
- ¹⁰ See Karen Beaman and Gregory Guy, "Sourcing Strategies for the Transnational Organization," *IHRIM Journal*, Vol. VIII, No. 4, 2004 and Al Walker, "Outsource and Offshore HR? A Practitioner's and Contrary View on the Future of HR," *IHRIM Journal*, Vol. VIII, No. 3, 2004.
- ¹¹ See Vinnie Mirchandani, "Offshoring and the HR Executive," *IHRIM Journal*, Vol. VII, No. 6, 2003.
- ¹² See Dave Ulrich, *Human Resource Champions The Next Agenda for Adding Value and Delivering Results*, Harvard Business Press, 1997, and "HR Dreams: Where HR is Headed to Deliver Value" in *HR Frontiers: Shifting Borders and Changing Boundaries*, Karen V. Beaman (Editor). Fortuna Publishing. 2007.
- ¹³ See Hal G. Gueutal, Janet H. Marler, and Cecilia M. Falbe, "Skill Sets for the eHR World," *IHRIM Journal*, Vol. XI, No. 2, 2007.
- ¹⁴ See Karen Beaman, "Myths, Mystiques, and Mistakes in Overseas Assignments: The Role of Global Mindset in International Work." *IHRIM Journal*, Vol. VII, No. 6, 2003.
- ¹⁵ See Ursula Brinkmann and Oscar van Weerdenburg. "A New Approach to Intercultural Management Training: Building Intercultural Competence." *IHRIM Journal*, Vol. VII, No. 5, 2003.
- ¹⁶ See Karen Beaman, "The New Multi-Dimensional Talent Force: Multi-Contractual Differences." *IHRIM Journal*, Vol. XII, No. 6, 2008, "The New Multi-Dimensional Talent Force: Multi-Locality Differences," *IHRIM Journal*, Vol. XII, No. 5, 2008, "The New Multi-Dimensional Talent Force: Multi-Cultural Differences," *IHRIM Journal*, Vol. XII, No. 3, and "The New Multi-Dimensional Talent Force: Multi-Generational Differences," *IHRIM Journal*, Vol. XII, No. 2, 2008.
- ¹⁷ See Karen Beaman and Al Walker, "Globalizing HRIS: The New Transnational Model," *IHRIM Journal*, Vol. 4, No. 4, 2000.

-
- ¹⁸ See Alexia Martin and Karen Beaman, "Leveraging HR Technology: From Global Savings to Transnational Value," *IHRIM Journal*, Vol. XIII, No. 3, 2009.
- ¹⁹ See Marcia Barkley, Bonnie Correll, Georgi Frye, and Alexia Martin, "Self-Service Evolution in Global Organizations," in *HR Frontiers: Shifting Borders and Changing Boundaries*, Karen Beaman (editor), Fortuna Publishing, 2008.
- ²⁰ See Karen Beaman and John Macy, "The Promise of Web Services: Why SOA Means Better HR Service," *IHRIM Journal*, Vol. X, No. 4, 2006 and John Macy, "Software-as-a-Service: The HCM Perspective", *IHRIM Journal*, Vol. XIII, No. 2. 2009.
- ²¹ See "CedarCrestone 2009–2010 HR Systems Survey: HR Technologies, Deployment Approaches, Value, and Metrics," 12th Annual Edition, 2009-2010.
- ²² See "CedarCrestone 2009–2010 HR Systems Survey: HR Technologies, Deployment Approaches, Value, and Metrics," 12th Annual Edition, 2009-2010.
- ²³ See "CedarCrestone 2009–2010 HR Systems Survey: HR Technologies, Deployment Approaches, Value, and Metrics," 12th Annual Edition, 2009-2010.
- ²⁴ See Jim Pettit, "Project Management" in *HR Insights*, Jeitosa Group International, 2009.
- ²⁵ See Karen Beaman and Gregory Guy, "Effecting Change in Business Enterprises: Current Trends in Change Management," *IHRIM Journal*, Vol. IX, No. 5. 2005.