HR STRATEGY

HOW TO GUIDE

WHAT IS AN HR STRATEGY?

An HR strategy is a framework for helping the organisation achieves its goals through people. It can positively impact the organisation in the following ways:

- It ensures people initiatives are aligned to supporting business outcomes.
- Resources and investments are made in areas where it matters the most
- People are in the right place, with the right skills and they are supported to achieve their ambitions and thrive at work
- There is a healthy organisational culture where everyone feels valued and working relationships flourish
- It achieves operational efficiency and performance of HR practices

> It takes a capable workforce to meet the demands of an organisation's ambitions. When HR practices link employees to business goals, outcomes improve. An HR strategy centres HR efforts where they need to help the company thrive.
>
> *AIHR*

OVERVIEW: HOW TO CREATE A HR STRATEGY

There are three phases to creating a HR strategy:

PREPARING

There are a range of activities you need to undertake to ensure that you are aware of the wider organisation strategy, the external environment as well as future trends in the people profession. This will ensue you create a fit for purpose HR strategy.

CREATING

In partnership with the leadership team there are three steps to creating your strategy, visioning, gap analysis and action planning.

IMPLEMENTING

Once you have agreed your HR strategy, there are a range of activities you need to undertake to support implementation. You also need to be aware of how the wider HR operating model supports or hinders your strategic ambitions.

PREPARING TO CREATE A HR STRATEGY

There are range of activities you need to undertake, to ensure you have a full picture of the strategic and operational context and as well as the wider environment, before creating your HR strategy.

ORGANISATION & HR STRATEGY

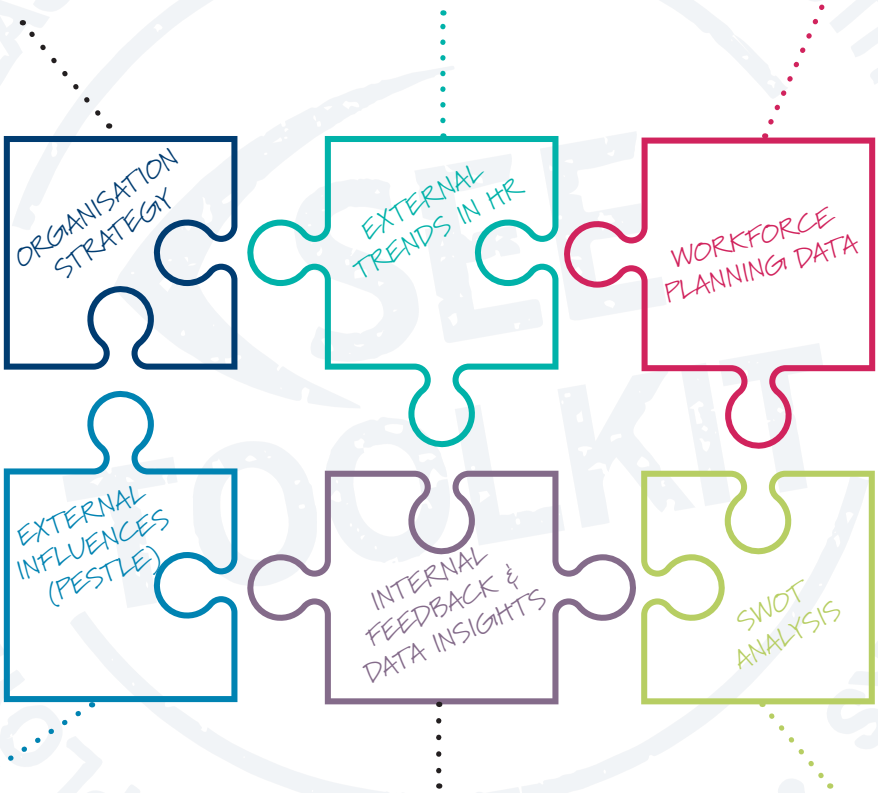
Your HR strategy needs to align to the organisation strategy, so it is critical that you understand and share the vision and goals of the organisation first.

EXTERNAL TRENDS IN EDI

What are the external views on the future of work, what wider workforce trends are happening that could impact your organisation?

WORKFORCE PLANNING DATA

What does your workforce planning data tell you about the capacity and capability within the organisation currently?



EXTERNAL INFLUENCES (PESTLE)

This may be covered through the organisation strategy, but make sure you are clear on the external influences in your organisation / sector.

INTERNAL FEEDBACK & DATA INSIGHTS

How does HR add value to the organisation? What stakeholder feedback have you received? What are your people analytics telling you?

SWOT ANALYSIS

Conduct a strengths, weaknesses, opportunities and threats activity on your current HR offering to identify areas for improvement / challenges.

A summary of these activities should be shared with stakeholders involved in the design of your HR strategy. A template PESTLE and SWOT has been provided on the following pages.

PREPARING TO CREATE A HR STRATEGY

POLITICAL

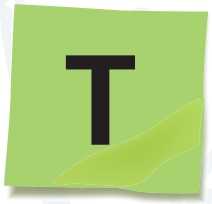
- Government agenda / budgets
- Taxation policy
- Current and future political support
- Grants, funding, initiatives
- Health service readiness
- Effect of wars
- Election campaigns
- Issues in the political agenda

ECONOMICAL

- National debt levels
- Consumer spending
- Government spending
- Economic recovery struggles
- Current and future interest rates
- Taxation policies
- Housing market
- Supply volatility
- Overall economic situation

SOCIAL

- Post Covid lifestyles
- Demographics
- Consumer attitudes
- Media views
- Laws affecting social factors
- Major events and influences
- Ethical issues
- Digital relationships
- Ethnic / religious factors



TECHNOLOGICAL

- Sector technology demand
- Relevant current and future technology
- The ways consumer's purchase
- Intellectual property rights and copyrights
- Global communication technology advances
- Internet connectivity

LEGAL

- Employment, health and safety laws
- Environmental law
- Future legal changes
- Impact of international laws
- Trading laws
- Sector regulations

ENVIRONMENTAL

- Global warming
- Sustainability
- Recycling
- Plastic usage
- Pollution
- Renewable energy
- Deforestation
- Attitudes to environment from government, media
- Global views on environment

SWOT ANALYSIS

STRENGTHS

What has been HR's main achievements?

What is great about HR in this organisation?

What wider activities have HR been a fundamental part of?

What is unique about HR in this organisation?

What things do HR do which are critical to organisation success?

In what ways does HR add value to the organisation?

WEAKNESSES

What areas are HR not performing in?

Why is HR not performing in these areas?

What resources are lacking in HR?

What gets in the way of HR being successful?

In what ways does HR not add value to the organisation?

SWOT ANALYSIS

THREATS

Who are your competitors and how do they compare?

What external factors are negatively impacting what HR can deliver?

How effectively are digital solutions enhancing the employee experience?

What organisation risks (could) impact the delivery of the HR function?

OPPORTUNITIES

What opportunities are there for HR to streamline / simplify its practices?

How can HR use digital more effectively?

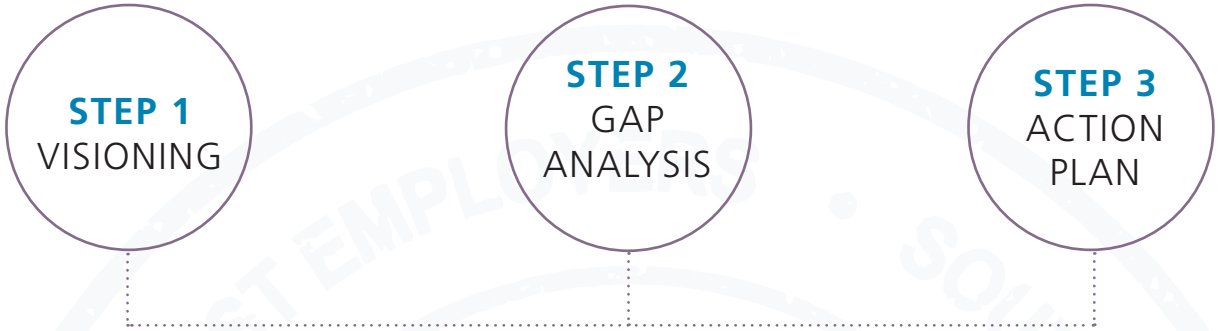
What can HR stop doing to create time for other value add tasks?

How can HR learn from what is going on in other organisations?

What existing practices can be leveraged to help in new areas?

CREATING

Typically, an HR strategy covers a 3-to-5-year timeframe, although, what is most critical is that it is aligned to the timeframe of the wider organisation strategy. There are three main steps to developing your HR strategy.



1 VISIONING

You need to hold a Visioning session with your SLT and include the following steps:

- Share a summary of your findings from your preparing phase, so every leader is aware of the external environment, strategic context and current state.
- Carry out a visioning exercise. Using the vision or mission statement for the wider organisation strategy as a basis, agree a simple vision statement for the people strategy (and HR function)
- Go through each of the goals / pillars of the organisation strategy, agree what needs to be delivered from a people perspective to support the achievement of these objectives (example pillars have been provided on the following page)
- Capture any views on measures of success for each of the goal (although this will be explored in more detail at the action planning stage)

EXAMPLE PEOPLE PILLARS

GETTING BASIC PEOPLE PRACTICES RIGHT

Ensuring the organisation and employee relationship is managed through fair and transparent people policies and processes, in line with employment law.

CULTURE & ENGAGEMENT

Creating the right organisational culture where people can thrive.

CHANGE

Supporting the organisation and employees to be flexible and adapt to the changing world of work.

CAREERS & TALENT

Ensuing everyone has the knowledge and skill to meet organisational need and individual ambitions.

ORGANISATION DEVELOPMENT & DESIGN

Creating organisation models and systems which enable the organisation to perform effectively.

WORKFORCE PLANNING & RESOURCING

Ensuring the right number of people are in the right roles at the right time.

REWARD

Creating reward and benefits which meet organisation need and are in line with market conditions.

WELLBEING

Creating an environment and offering that promotes workplace wellbeing.

PEOPLE TECHNOLOGY

Balancing the human / tech relationship to enhance the employee experience.

PEOPLE ANALYTICS

Using evidence and insight to make informed people decisions.

CREATING YOUR HR STRATEGY

Here is an example of a goal and how you can translate it into measures and activities.

GOAL

- Launch a new HR Information System

MEASURES

- 100% of employees migrated onto the system
- 100% of employees able to access system from their phone
- Employee satisfaction increases from 3.5 to 4.3

ACTIVITY

- Create cross functional team
- Identify suitable system provider
- Sign contracts in line with procurement
- Work with provider to deliver migration plan
- Etc...

The aim is for each goal is that you have clear, measurable criteria and have clarity on the high-level activities that will be undertaken. This enables you to socialise your strategy in an easy to understand format. As part of implementation, you will want to have more detailed plans for the delivery teams to use.

IMPLEMENTING YOUR HR STRATEGY

As part of implementation there are a range of activities you need to undertake.

COMMUNICATIONS PLAN

You need to write a clear and simple document which summarises the key elements of your strategy. You need to tailor communications to each stakeholder group:

- Executive board
- Business unit leaders
- Managers and employees
- HR community
- Trade unions

PROJECT TEAMS & PLANS

For each of your goals, you will need to decide what resource you need to deliver the action plan. This may include working cross functionally and with employees and managers to ensure activities meet customer needs.

To supplement your high-level activity plan, it is likely that you will need detailed project plans.

BUDGET MANAGEMENT

Once you have your project team and detailed project plan, you will need to work with Finance to refine and monitor your budget.

REVIEW & EVOLVE

You need to regularly review your HR strategy with your CEO and leadership team, to share progress against measures, but also to adapt and evolve your HR strategy to meet continuously changing organisation needs.

IMPLEMENTING YOUR HR STRATEGY

As part of implementation, you need to also understand whether current HR target operating model is aligned to meeting your newly developed HR strategy. The following highlights some of the key areas for consideration.

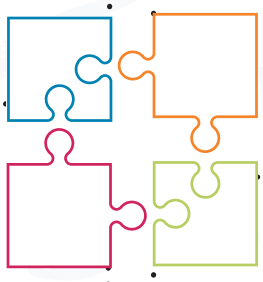
CAPABILITY

Are there any new capabilities you need to deliver your HR strategy that don't currently exist within HR and the wider organisation? If so, you need to put in place development interventions.

The CIPD Profession Map may help you here.

POLICIES & PROCEDURE

You need to review and adapt your existing policy framework to ensure it is aligned and integrated with your HR strategy. You also need to consider whether any new policies need to be put in place.



TECHNOLOGY & AI

You need to review how technology will be used to support delivery of your HR Strategy and where it can be used to streamline processes.

Make sure humans are involved in the delivery of 'moments that matter' in the employee lifecycle

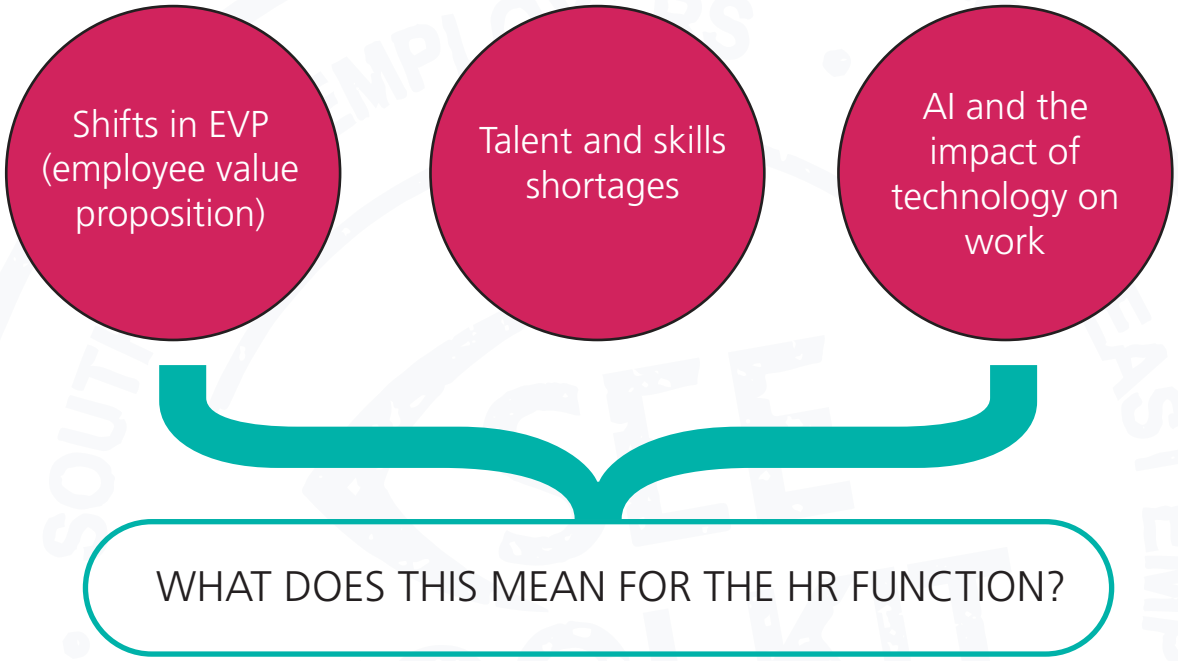
STRUCTURE

You need to assess what resources you need where to deliver your HR strategy.

Do you have an agile structure and culture where people move to support different deliverables to meet organisation and individual need?

SEE conducted a piece of research on the future of work in November 2024. The following slides provide a summary of this research, which can be used to support you with the 'prepare' phase of your HR strategy when looking at external trends in HR. Contact us at SEE if you need any more detail to this research.

FUTURE OF WORK RESEARCH



SHIFTS IN THE EMPLOYEE VALUE PROPOSITION

COST OF WORK

Cost of going into the office average £48 per day (commute, clothes, food, additional care). Plus additional time of commute.

When called to office, it's basic economics, 'what will this cost me in money and time?'

Pandemic taught employees that they don't need to bear this cost to be productive

Employee feel that mandates to return to office are based on what leaders want, not what is needed to be productive

Until cost of work addressed, will remain contentious issue

PERSONALISATION

Employees expect a more personalised employee experience to meet their needs around 3 areas: Social experience: Where they feel welcome

Work experience: Where they have control of their work which positively integrates into their life

Organisation experience: Where they feel aligned to the organisation's purpose and environment

Shape employee experience around the moments that matter in the employee lifecycle

Customer centric approach to designing the employee experience.

4-DAY WORKING WEEK

92% of participants decided to continue

Revenue increase of 35%

57% reduction in resignations

TALENT & SKILLS SHORTAGES

SKILLS MISMATCH

Many in workforce have skills to do more than their job demands

SKILLS VS DEGREES

Shift in focus to hirer for skills rather than degrees

UNDERINVESTMENT

Employers not providing sufficient quality and quantity of training opportunities

INTERNAL LABOUR MARKETS

Providing opportunities for retaining saves money and increased productivity

HIDDEN WORKERS

Hiring hidden workers to address talent shortage

(e.g. those not active in the recruitment market)

AREAS OF GROWTH

The need for more skilled roles in the future

DURABLE SKILLS & PERISHABLE SKILLS

Some skills need refreshing more frequently than others

POOLING TALENT

Be open to using talent in different areas

AI - KEY THEMES

HIGH ANXIETY ABOUT AI

Two things that employees most concerned about – technology changes and restructures

IMPACT TO JOBS

Biggest impact to lower wage workers – need to acquire new skills

More broadly technology more likely to enhance roles not eliminate them

Shifts the need for different skills – technological, analytical, creative thinking, emotional and social, teaching

HR'S ROLE

Support training and experimentation

Use to support onboarding

Governance – for ethical use and supports the EDI agenda

FUTURE FOCUS OF HR

Shift in focus to the strategic people agenda which will positively impact organisational productivity and outcomes

DRIVE ADAPTIVE / AGILE WAYS OF WORKING

Organisations need to be able to move at pace to meet rapidly changing demands

DEVELOP YOUR EVP

Focus on developing and EVP which achieves personalisation and uniqueness for a public sector organisation

DIGITAL EXPERTS

Develop digital expertise shape the organisation, HR and wider people practices

INTERNAL TALENT MARKETPLACE

Understand and mobilise your internal talent

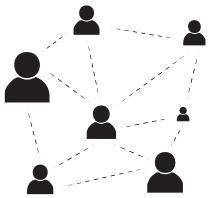
HOW SEE CAN HELP YOU

Local governments face unique HR challenges such as workforce retention, compliance with public sector policies. We deliver tailored solutions to approaching organisational HR strategy, with a focus on workforce planning and talent management, employee engagement and retention, data and analytics, and Equality, Diversity and Inclusion (EDI):

ACTION LEARNING / FOCUS GROUPS

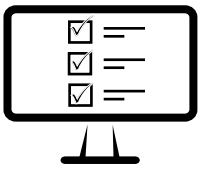
We work with senior leaders, HR teams and councillors to facilitate focus groups to promote the sharing of ideas within an organisation and work together to come up with innovative ideas to help focus on people strategy, promote thought leadership, foster a more inclusive and equitable workplace environment, and improve overall organisational performance and employee engagement.

EDI NETWORK



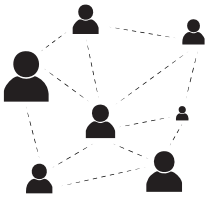
Meeting every other month, EDIN allows EDI leads from all member councils to collaborate across the region, learning from each other and sparking ideas to support a diverse and inclusive workforce. While primarily workforce focused, this group also looks at some issues related to residents. Recent topics have included: Work experience, placements and internships, Pre-emptive reasonable adjustments, and Staff Networks.

EMPLOYEE SURVEYS



Our customised employee surveys and culture reviews provide an assessment of employee engagement and organisational culture, identifying potential areas for concern and providing a comprehensive report with detailed recommendations for improvement to promote an inclusive workplace that promotes employee morale, and improves overall organisational performance. These findings and recommendations can be utilised to help form the overall people strategy.

COUNTY & UNITARY STRATEGIC HR NETWORK



Meeting every other month, CUSHRN is open to HR strategic leads in our County and Unitary councils. The network aims to support collaboration on strategic plans and objectives. Recent topics include: Children's and Adults Social Worker Recruitment and Retention, Wellbeing, Cost of Living Crisis.

To find out more about the services we offer get in touch by emailing info@seemp.co.uk

Or visit our website: seemp.co.uk