

**15.660**

**Strategic Human Resource  
Management**

A thick, horizontal yellow brushstroke with a textured, painterly appearance, spanning most of the width of the slide.

**MIT Sloan School of Management**

# ***What value does HR add?***

***“Nothing is more dangerous than a group of people trained in the art of monitoring compliance with rules, fluent in a language that does not include a word for ‘customer,’ and who have time on their hands and are looking for something to do.”***

Thomas Stewart  
“Taking on the last bureaucracy”  
*Fortune*, June 15, 1996

# Lessons...



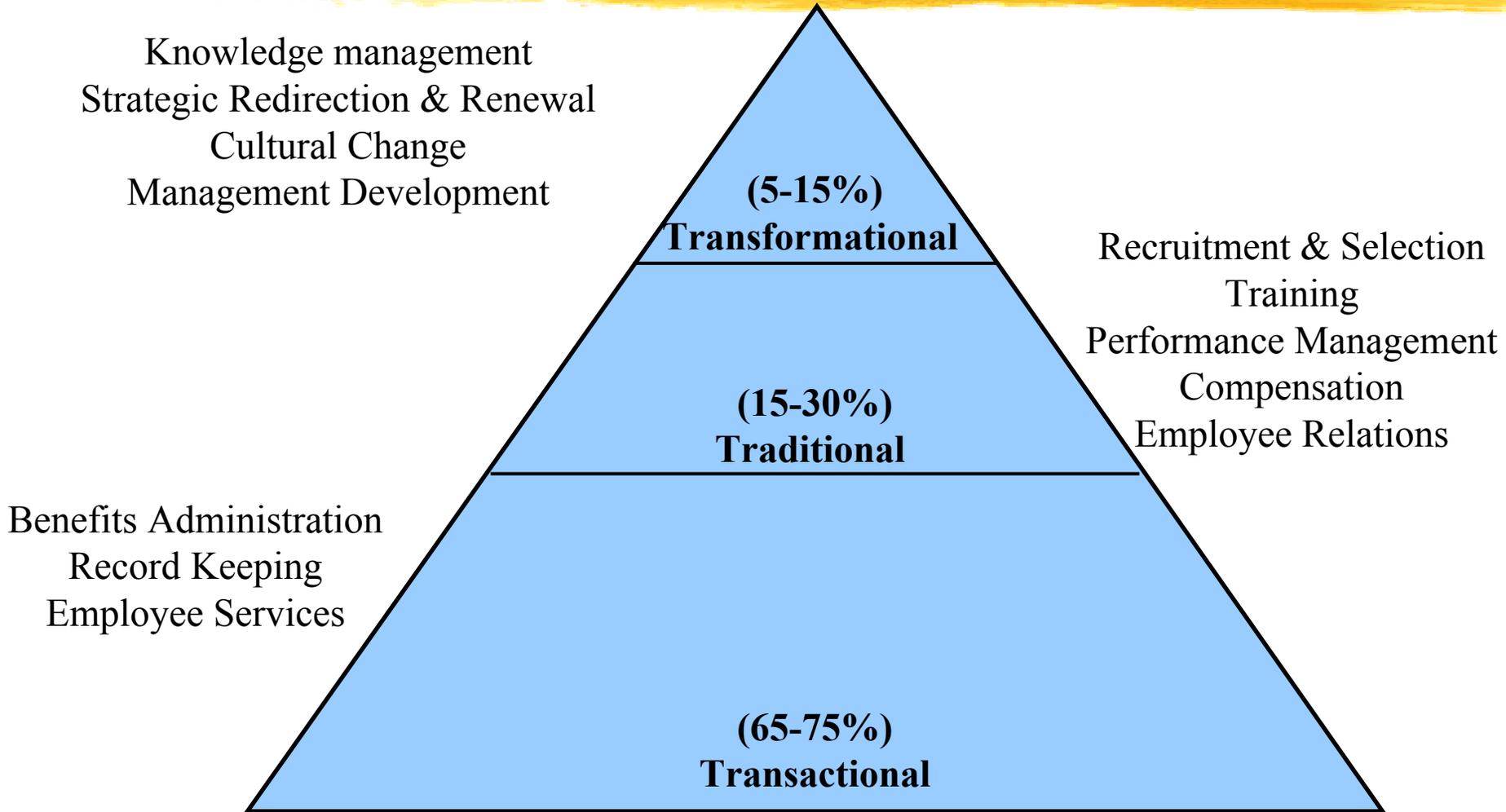
- ***Staff managers must think like operating managers; i.e., they must understand the business strategically and operationally.***
- ***To do this, they must be prepared to demonstrate their ability to add-value-- this requires measurement and analysis (e.g., balanced score card, financial analysis).***
- ***HR is a line management function; the only activities that should be centralized are those the line is willing to pay for.***



***Surveys have also shown that the typical HR function spends their time on the following activities:***

- ***68% on administration and risk management***
- ***10% assisting line management***
- ***22% developing employees***

# Typical Time Devoted to Various HR Activities



# HR Roles in Building Competitive Advantage

## Strategic Focus

<ul style="list-style-type: none"><li>• <u>Focus:</u> Strategy Alignment</li><li>• <u>Role:</u> Business Partner</li></ul>	<ul style="list-style-type: none"><li>• <u>Focus:</u> Managing Change</li><li>• <u>Role:</u> Change Agent</li></ul>
<ul style="list-style-type: none"><li>• <u>Focus:</u> Design of HR Systems</li><li>• <u>Role:</u> HR Expert</li></ul>	<ul style="list-style-type: none"><li>• <u>Focus:</u> Administer HR Programs</li><li>• <u>Role:</u> Employee Champion</li></ul>

**Processes**

**People**

## Operational Focus

Source: Ulrich

***What HR functions are strategic and should be retained? What should be outsourced?***



**Retain**

**Outsource**

# Conclusion



- ✦ Next Class:
  - ✦ The Slade Plating Department