



## High-Yield Methods

*for customer-aligning business strategies, process & technology*

# DELIVERING THE HUMAN CAPITAL GOODS

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**H**uman Capital Management—the end-product of the human resource (HR) function—receives far less corporate focus than it deserves. Particular areas of neglect include business process, supporting automation technology and even alignment with overall corporate strategies and process. But to many, these deficiencies only beg the question, “Why should we care?” And if you’re a CFO who views HR functions as pure cost, perhaps you don’t care.

Unfortunately for HR, the costs of managing human capital are direct and evident. Everyone can focus on them. And they’re easy prey for a sharp budget knife. On the flip side, the benefits of effectively managing human capital are indirect and almost hidden to the naked eye. Rarely do companies give even scant appreciation for what effective HR functions can and do provide. So they scrimp on HR resources and compromise HR performance.

If you’re among those that can’t see the benefits, and don’t understand why HR merits attention, try glasses. You can’t afford to miss this stuff.

Our monogram, [Profitability Through Alignment](#), calls out the high-level benefits human capital management delivers in well-aligned companies, so we won’t repeat them here. We want to focus instead on what it takes to “deliver the human capital



goods” and how to go about it—without benefit of major budget increases, which in most companies aren’t forthcoming, despite very favorable cost-benefit ratios.

### ***How can respond to increasing human capital management needs...without correspondingly increased budgets?***

Let’s start answering this question with another question. “What’s the best approach to optimizing human capital management?” Throwing more bodies at the problem? Throw more money? Not exactly. In fact, usually not at all.

Because HR operates in relative isolation for confidentiality and data security purposes, the “process police” folks don’t come visiting. Not unless they have a gripe or a benefits problem. Neither do technology folks who would recoil at how much manual work and how many trees it typically takes to perform HR functions. So most HR departments are prone to languishing in inefficiency, drowning in paper and manually working around bottlenecks—the victim of benign (or sometimes not so benign) neglect.

The solution to cost-effectively managing human capital without undermining its critical functions is quite simple: just open the department door and let some outside light to shine in. Illuminating one or more core operating issues such as paper form dependency, cumbersome and manual recruitment processes, inefficient employee life-cycle management and employee-aggravating benefits management procedures gets management attention, if nothing else will. And getting attention is the first step to getting things fixed.

### ***How and what we see...and help change***

Through our Visual Workflow (VW) process design approach, HYM works with HR management and staff to quickly dissect “as-is” workflow and information flow—allowing us collectively to see what’s working efficiently and effectively and what’s not. From there, as a team we design an optimized “to-be” environment—one that either fully leverages the support potential of in-place HRIS application software or factors in implementation of HRIS or related software affordable for your size company. Further, we drill down to the individual work process level where we



reengineer and map “to-be” work process and define software configuration requirements. Not only does this fully define desired work for training and control purposes, but this work also eliminates major technology consulting costs determining proper application software requirements for your work environment. And then, if desired, we also help implement the software, right down to connectivity with your payroll service as well as time-keeping and other HR-related applications. Having trouble getting management buy-in to upgrade operations? We’ll help here too by giving you the persuasive arguments you change minds—and change perspectives about HR.

### ***Outcomes of our work***

We work with HR functions across industries and across the company size range—and address each client’s needs uniquely. A brief sampling of recent outcomes includes:

- *For the employee services division of a global, Fortune100, high-tech company:* While initially engaged to determine the value of implementing ERM (employee relationship management) technology, we quickly recognized significant dysfunction in the relationship among employees, our client, and our client’s outsourced service providers. Rather than automate inherently bad functionality, we used VW to uncross crossed lines of communication, eliminate duplicate work and correct process defects (such as not being able to shut off corporate credit cards for up to a week after employee departure). Our work led to a radical reorganization of the division, including a refocusing of primary purpose from managing outsourcers to delivering value to employees and the company as a whole—including, as an extra touch, making a key outsourcer adopt our client’s ERM system and move onsite.
- *For a regional financial institution:* While working on a CRM implementation, client senior management asked us to apply our human capital experience to assess an HR management request to increase HR staff size from five to seven. Again using our VW tool, we identified so many manual operations, so much inefficiency and such poor HRIS support, that we were able to design a process/technology “to-be” that *reduced* staff requirements by 50%. While we normally focus on increasing HR throughput to support expanded services and cover more employees, in the rare instances where an HR department has become bloated, we address that as well.
- *For a batch manufacturer with highly uneven demand and a largely non-English speaking workforce:* Recruiting had become such a resource drain that HR couldn’t keep up. And this was a classic example of throwing more



people at the problem not being the answer. Fixing broken process and introducing automation tools was the solution. VW helped us assess the “as-is,” and we subsequently worked with both the client and the client’s HR consulting firm to streamline almost every HR activity—not just recruiting—and introduced them to a very effective automation tool, just right for them, provided by their own payroll service. The outcome? HR could now handle the workload—without increased staffing.

All these solutions respond to a common issue facing HR departments almost everywhere: “How do we increase HR throughput without adding staff?” Responding to this issue is a priority for two reasons:

- No matter how much value HR actually delivers, too many companies are blindly cutting or freezing HR staffs regardless, often in spite of growth. Somehow, HR departments have to get by (hopefully while fighting for fair recognition of value provided, or not provided because of resource limitations).
- Typically, the best way to get more staff is to fully utilize what you have and let your increased efficiency help make the case for adding more people when you really need them.

HYM can help you increase throughput without adding body count. We can also help you “make the case” for increased investment in HR commensurate with your unrecognized capability to deliver value. And we do both quickly and cost-effectively.

In addition to providing the core services described, HYM maintains active alliances with top notch, HR professionals who consult in a broad range of areas including management training, management/staff relations, management and employee compensation, dispute resolution, workplace safety, safety training, regulatory compliance and recruiting. We all work together seamlessly—with a “one company” feel but a range of expertise you won’t often find under one roof.

***For more information regarding Visual Workflow in a Human Capital Management environment, please link to the free download, [Visual Workflow - HR](#).***

*Consultant, author, educator Dick Lee, Principal of High-Yield Methods, ranks among the leading practitioners of CRM/CEM as well as business process design for non-manufacturing environments. While his influence is global, for travel and family reasons Dick works primarily in the U.S., with numerous clients in the upper Midwest, close to his home base of St. Paul, MN. To comment on this white paper or to contact Dick, e-mail [dlee@h-ym.com](mailto:dlee@h-ym.com).*