



100

**Things you
need to know:**

Best people practices for managers & HR

VOLUME ONE

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100 Things you need to know

Best people practices for managers & HR
Volume 1

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For the sake of linguistic simplicity in this product, only the masculine form is used. However, in each case, the feminine form should always be understood to be included.

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Who is this book for?

This book is intended for three populations:

- 1. Any manager or supervisor of people.** The findings in this book point to how to better manage people.
- 2. Any leader.** The findings in this book point to how organizational applications should be designed.
- 3. Any HR professional.** The findings in this book form the foundation for best practices in Human Resources.

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Introduction

Over the past 10 years or so, there has been an explosion of research and commentary concerning the return on investment in people. The general form of the inquiry is: What is the return on the money we spend on people (HR) initiatives? If people are really our most important asset, do we really get a payoff for the money we spend on them?

The answer is yes. If we do things right.

There are seven vectors of inquiry on this issue. This book has been created to help increase the chances of getting a return on investment from the money we spend on people and people programs.

Vector 1: Can enterprise HR systems impact the bottom line?

People to follow: Huselid, Becker, Delany, Brockbank, Ulrich, Fitzenz.

Many researchers are looking at whether the total collective HR system of policies, practices, and processes can impact the bottom line or impact achievement against goals in the case of nonprofits. They have studied whether the quality of the bundle of HR processes have an impact on revenue, profit, market values, and other financial indices. The answer is yes. And, the answer is, the impact can be big, particularly in the area of intangibles. There is much more to study, but the last 10 years have produced an impressive collection of findings.

Vector 2: Can smaller collections of HR practices and programs be traced all the way to the bottom line?

People to follow: Rucci, Kirn, Quinn, Spencer.

Many have studied less than full-enterprise-wide HR applications. Probably the best example of this line of research would be Tony Rucci's study of the retail sales outlet. Following the value chain of: If you create a compelling workplace for retail managers and employees, they in turn will create a compelling place for customers to shop, who in turn will come more often and spend more, which will increase financial results, which will create a more compelling place to invest. The study documented that value chain and showed conclusively that a well-designed bundle of HR initiatives and applications can work and be traced directly to financial results.

Vector 3: Can single applications be measured in terms of return on investment?

People to follow: Spencer, Pfeffer.

Lyle Spencer has done a number of studies of single HR applications. Applications like better selection systems, better training and development, better coaching, better performance management, better team building, and the like. Across all of those HR practice areas, Lyle has shown that they each return a healthy payoff when done right. Pfeffer has demonstrated that a collection of six pay practices enhances firm financial performance. A lot of work is yet to be done, but it already looks like almost any HR application can be traced to the bottom line. The value chain can be demonstrated.

Vector 4: Is there a set of best practices?

People to follow: Pfeffer, Huselid, Becker, Delany, Spencer.

An effort is underway to see whether there is a specific set of best practices which, taken together, can be used to impact the bottom line. There is an emerging list of four to eight practices that are getting attention and have research behind them. Many question whether there is such a thing as a best practice, instead arguing for practices that best match the situations the firm is in. That view says there are several best practices in each application area. The key is the alignment of the practices with the business proposition. There is much more to come, but already results are intriguing.

Vector 5: Can the outcomes and results be tracked and measured?

People to follow: Kaplan, Norton, Huselid, Becker, Ulrich, Schuler, Boudreau, Flamholtz, Fitz-enz, Cabrera, Ramlall.

Many people are working on the metrics. How can the soft stuff of people be measured? Significant work has been done with the Balanced Scorecard, a combination of hard and soft measures. This has been extended into the HR Scorecard to measure the accomplishment of all of the above. There are endless suggestions of measures and metrics to track and measure the results and outcomes of applications and interventions. The end product will probably be

a smaller demonstrated set of hard and soft measures that can be used to document the value chain.

Vector 6: What kind of an HR professional or community of HR professionals would it take to carry this off?

People to follow: Brockbank, Ulrich.

This line of inquiry asks whether we know what good HR people look like. What does it take to bring about the results alluded to above? The best series of studies done on that topic are from Wayne Brockbank, Dave Ulrich, and their colleagues at the University of Michigan. Over the years, they have studied thousands of HR professionals who were rated on effectiveness and personal characteristics by 27,000 customers of HR. When the best are contrasted to the least, what makes the difference? In the 2003 run of the study, they differentiated between HR competencies that affected business results and those that gained HR professionals' respect. They found:

Impact of HR Competencies on:

	Personal competence of HR professional	Business results
Strategic contribution Culture management Strategic decision making Fast change Infrastructure design	25%	43%
Personal credibility Effective relationships Gets results Personal communication	33%	23%
HR delivery Development Structure and HR measurement Staffing Performance management	22%	18%
Business knowledge Value chain Value proposition Labor	12%	11%
HR technology	8%	5%

They found that personal credibility had a large impact on the perceived personal competence of the HR professional, but strategic contribution had the largest impact on business results. This makes sense. Personal credibility helps HR professionals gain access to business meetings. But, the ability to contribute to the strategy (by shaping a culture, making change happen, focusing on strategic decisions, and building infrastructure) delivers strategic value. HR professionals need to be both credible and competent. Credibility gives them relationships of trust but competence ensures that they add value to the business. We will be hearing more on this as further studies confirm what we think is true about the best of the best HR professionals.

Vector 7: What kinds of leaders do you need to make all of this happen?

People to follow: McCall, Bennis, Kotter, Kouzes, Lombardo, Eichinger.

Under what kind of leadership would all of this happen? Visionary leadership. Empowering leadership. You would have to understand and appreciate the power of people. You have to trust your HR staff to deliver aligned best practices. You have to manage a team of performers. We think we know what these leaders look like, how you can find them and prepare them to lead.

Taken collectively, the seven vectors all come together at one point and show there is a lot of return on investment in people (ROIP) if you know what to do, have the leadership in place to sponsor it, and have the HR capability to execute it.

By consolidating what we know, we think this book will help nudge the needle forward. This book is about findings in the research relating generally to people and organizations. A best practice is one that's built on research and reality. It's doubtful a practice would work if it were not based upon good science. The content in this book addresses all of the vectors of ROIP.

89. Gender

Research has shown that women who have to play multiple roles, like mother, spouse, and management professional... :

SELECT ONE:

- A.** Have more trouble dealing with all of the cumulative stress.
- B.** Are able to only do well in one or maybe two of the three roles.
- C.** Actually cope better than those women who only play one role.
- D.** Tend to do poorly in all three roles.
- E.** Select one to excel in and marginally hold the other two together.

89. Research has shown that women who have to play multiple roles, like mother, spouse, and management professional... :

The correct answer is C: Actually cope better than those women who only play one role.

HOW SURE ARE WE AT THIS TIME?				
1 Hint	2 Suggestive	3 Trending	4 Substantial	5 Solid

Discussion

Much research has shown that women who have to play multiple roles simultaneously actually cope better than childless or single women managers. The studies show that the multiple-role women are able to derive emotional benefits from all of the roles they play. Studies have also indicated that they get better at multitasking, which helps them in their managerial careers. And they have more points of support they can rely on during tough times.

Selected research

- Where popular media and prior organizational studies address conflict between work and family in terms of dysfunction, Ruderman, Ohlott, Panzer, and King (2002) found the opposite to be true. Their study reports that the roles women play in their personal lives actually enhance their effectiveness in the management role. The researchers point specifically to the psychological benefits, emotional advice and support, and practice multitasking as helpful in building interpersonal and task-related managerial skills.
- Research by Barnett (1998) found similar results, suggesting the psychological and sociological benefits of multiple roles for women.
- According to research by Tharenou et al. (1994), women advance more slowly in corporations than married men with children.
- Along this same vein, research by Marks and MacDermid (1996) suggests a new method of looking at the concept of the benefits of multiple roles in determining management success. Their research looks at personal resources as generating more rather than less energy and that these resources can be shared among the various roles.

So what difference do these findings make?

- While much is written in the popular literature about the awful plight of women who have the seemingly impossible job of playing multiple roles and more roles than male counterparts or childless or single colleagues, the research says it's not all bad. We still need to support all of the various subgroups of employees, each with their special needs. In the case of multiple-role female professionals, day care support, time flexibility, and assignment timing seem called for. Supporting these female professionals during the child-raising and management years would seem to yield above average managers once they are empty nesting.
- One company focused hiring on post-child-rearing women. They found that these women who were competent in child rearing and active in social responsibilities (e.g., head of parent-teacher association or active in neighborhood groups) are a good source of managerial talent.

Some key sources

Barnett, R.C. (1998). Toward a review and reconceptualization of the work/family literature. *Genetic, Social, and General Psychology Monographs*, 124 (2), 125-182.

Marks, S.R., & MacDermid, S.M. (1996). Multiple roles and the self: A theory of role balance. *Journal of Marriage and the Family*, 58, 417-432.

Ruderman, M.N., Ohlott, P.J., Panzer, K., & King, S.N. (2002). Benefits of multiple roles for managerial women. *Academy of Management Journal*, 45 (2), 369-386.

Tharenou, P., Latimer, S., & Conroy, D. (1994). How do you make it to the top? An examination of influence on women's and men's managerial advancement. *Academy of Management Journal*, 37, 899-931.

100 Things you need to know:

best people practices for managers & HR is a compilation of research-based critical HR and people process related facts you need to know.

Structured like a multiple-choice quiz, this easy-to-read, easy-to-reference book will allow you to test your knowledge on people process issues and become more effective in designing HR initiatives.

Can you answer these questions?

- ▶ Are grades an indicator of performance as a manager?
- ▶ Why do previously successful managers fail in new assignments?
- ▶ What advantage do good-looking people have as candidates?
- ▶ Is iq or eq a better predictor of managerial success?
- ▶ How accurate are formal performance appraisal ratings?
- ▶ What's the best development path for high potentials?

Test your knowledge!

About Korn Ferry

Korn Ferry is the preeminent global people and organizational advisory firm. We help leaders, organizations, and societies succeed by releasing the full power and potential of people. Our nearly 7,000 colleagues deliver services through our Executive Search, Hay Group and Futurestep divisions.

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