How to Build the HR Team of the Future

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From people analytics to employer branding, Human Resource departments are evolving at breakneck speed. No longer is HR about record keeping and rote rule enforcement. Today’s HR leaders play a critical role improving business performance through employer branding, strategic recruitment and retention, and talent optimization. As companies re-evaluate the scope of their HR departments, they must hire talent that looks beyond compliance and engages in true value creation, setting a new tone and vision for their organization’s future. But in the rush to modernize HR teams, organizations are hitting a familiar stumbling block: employee recruitment. The very group tasked with hiring visionary talent for the entire company is struggling to recruit the right people for its own team.

Across the country, a talent panic is starting to set in as companies struggle to recruit qualified candidates. This recruitment challenge is not limited to HR. The low professional unemployment rate means that new hires can be difficult to recruit for a variety of mid-level and senior positions. Unfortunately, this recruitment panic is causing some companies to put the cart before the horse. Companies know they need to adopt a human capital mindset to compete successfully in today’s tight talent market and fix their recruitment challenges. However, not all companies are sure what this mindset actually means for their organization. Yet, due to concerns that any delay in re-structuring the HR team will make recruitment an even greater challenge, companies rush ahead without first clarifying needs. The result: significant time and effort are lost trying to land a potential HR hire that is simply the wrong fit for the organization.

Investing time up front for careful, intentional reflection is vital to laying the groundwork for a seamless, efficient hiring process. This white paper provides a framework to guide an organization through essential considerations for hiring the forward-thinking HR leadership who will position the company for long-term success.
From Tactical Thinking to Strategic Leadership: How the Contemporary HR Department is Evolving

As you consider how your HR department should be structured, it’s helpful to keep in mind just how dramatically HR functions have evolved over the past few years. For decades, the HR department was the realm of tactical thinkers who applied a task-based mindset to operation and compliance concerns. These thinkers focused on linear, five- and ten-year plans based on assumptions about traditional career trajectories. But as the way we work has fundamentally shifted, so too must this linear approach to human capital planning.

Today’s forward-thinking companies focus on performance and results, not face-time. Organizations leverage contract and freelance talent to supplement in-house expertise, prioritizing collaboration, teamwork and innovation. Companies are bringing agile principles to their team-based operations, including HR. While many organizations continue to promote from within, professionals aren’t afraid to job hop to advance their careers, expand their skill sets and take the next step up the org chart. Exceptionally low unemployment rates mean that in some cities there are simply more job opportunities than qualified candidates. A company’s top talent may be wooed by competitor offers, underscoring the need for strong employee retention initiatives.

In a business environment marked by volatility and uncertainty, corporate survival requires the capacity for rapid change via strategic talent deployment— and ground zero for this transformation is the HR department. Strategic leadership is replacing tactical thinking. The focus is no longer on rote rule enforcement but unlocking human potential. And while talent acquisition is important given the competitive candidate marketplace, leading-edge companies know that the ability to recruit and retain top talent is just the starting point. How companies strategically deploy their talent is what truly matters. This is where the HR team of the future shines.

The Challenge: Why Companies Struggle to Hire Exceptional HR Talent

HR teams must hire forward-thinking talent, but what this means for every organization is different. The right VP of HR for a mid-sized business preparing for a market pivot may be very different than the Chief People Officer at a Fortune 100 company. Oftentimes, organizational leadership is not fully aligned on whom this right hire is, because they are not sure how they want their HR teams to function, or what needs must be addressed.

Compounding this challenge is the fact that HR departments have historically lacked the essential resources and leadership buy-in to take a vocal role in business performance improvement. Empowering HR departments to honestly describe what’s really going on within an organization and provide actionable change recommendations requires a shift in thinking. Company leadership must acknowledge that the challenges of today’s talent marketplace go beyond recruitment.

Restructuring HR from a division that exists primarily to monitor compliance to a division that is an independent value generator is a major shift. Deciding on the new leadership for this team requires careful, intentional reflection and internal stakeholder alignment. Rushing into the candidate search process without first having these
conversations is a recipe for conflict and dysfunction. A failure to engage all stakeholders from day one means candidate requirements may shift mid-search and the position itself evolves. Without an inclusive conversation upfront, it can be difficult to find candidates with the desired experience and skills. This leads to a lengthy search process and, in some cases, may result in a hire that is still not the right match for a company’s needs.

Failure to align internal stakeholders not only lengthens the search process but also can hurt a company’s employer brand. When organizations disagree internally on next steps, they often leave candidates hanging. This lack of communication and perceived mismanagement can alienate current candidates and hurt a company’s reputation throughout the marketplace, making its future recruitment more difficult. Resist the urge to press full steam ahead with a talent search. Assessing internal needs first minimizes the risk for missteps and lays the groundwork for a seamless, efficient hiring process.

The Solution: Assess Internal Needs and Align Search Objectives

Set the recruitment process up for success by conducting a full needs assessment to determine your organization’s HR leadership needs. These questions can help guide the assessment:

1. **What is the current state of our HR department?**
   
   Consider the current strengths and weaknesses of your HR department. What tasks are HR responsible for managing? Is the focus on rule enforcement and compliance or is HR empowered to consider human capital optimization? Are there tasks such as leadership development or associate training that are not currently under HR’s supervision but should be? Does the department have access to the necessary technology to measure and assess the effectiveness of different initiatives? Consider the broader role of the department within the company. Is executive leadership aligned to support HR taking on a more active role in company performance? Finally, begin to define the new roles and responsibilities for HR. Are all stakeholders aligned with this description?

2. **What is our company’s current place in the market?**

   As you consider how HR’s role in the company should evolve, keep in mind that this evolution is not just about addressing internal challenges, such as low employee productivity or engagement. Your HR department must also reflect the broader realities within your company’s industry. To truly understand company goals, your new hire will need context, and this starts with an industry audit. For example, is the market undergoing a major shift from product-oriented businesses to service-oriented businesses? How are customers’ needs evolving? What are competitors doing differently? What are the biggest opportunities for differentiation and what talent needs to be added to the company’s roster to capitalize on these opportunities?

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3. Who are our current HR leaders

In some cases, you may find that your future HR leaders are already part of the HR team— they’ve just been focused on tactical tasks, like compliance and operations, so their strategic leadership skills have not had an opportunity to shine. Tactical thinking and strategic leadership are not mutually exclusive skills. Formal mentorships and leadership training programs can help your tactical thinkers take the next step in their leadership journey. For example, mentors from other company divisions can help mentees better understand how their actions impact business goals. As tactical thinkers become more educated about market risks and opportunities, encourage these employees to ask the “why”, “when” and “what’s next” questions. Doing so will help tactical thinkers adopt a critical thinking mindset, moving from taking orders and executing operation tasks to offering strategic perspective and insight.

4. What are our biggest talent challenges?

The role of HR with a human capital mindset will be slightly different at every company since it must be tailored to that company’s needs. You may already have a good idea about the challenges facing your company, like low productivity or high turnover. However, it’s still a good idea to ensure company leadership is in agreement that these are the biggest issues they need to address and they’re willing to empower the new HR team to do so.

5. What is our vision for the future of HR?

Now that you understand where your HR team currently stands and what your company needs, define how the vision for HR will evolve to meet these needs. For example, if the big-picture vision is to be an independent value generator for your company, how will HR apply a human capital mindset each day to achieve these goals? What milestones need to be reached on a monthly, quarterly or annual basis to achieve this bigger goal? You don’t need to be overly detailed here, but stakeholders should spend some time considering HR’s new objectives, how HR will be held responsible for achieving these objectives, and how HR will interact with company leadership.

6. What skills or experience will the new hire need?

Consider the skills and expertise that are vital to addressing internal weaknesses and market opportunities but are currently missing from your HR talent roster. Confusion or internal disagreement over the new HR leader’s role can make it difficult to write an effective job description. Get everyone on the same page by asking these essential questions:

- What is the main problem this hire will solve?
- What skills will the hire need to solve this problem?

Generally, I find this is a combination of technical skills, such as familiarity with people analytics, and leadership skills, such as a proven record of successful change implementation. For example, your current HR department may benefit from a strong leader with a process-driven approach who has a history of inspiring confidence and unifying the team during transitional periods. Codify these technical and soft skills along with desired leadership experience. Finally, consider which skills or experience are required and which are desired but not essential. Refer back to this list throughout the hiring process.
Accelerating the Search: Benefits of a Consultative Approach

Now that you understand the current state of your HR department, along with internal and external talent challenges, your organization can align to next steps and begin the recruitment process. With a clear vision in place for the future of HR and the leadership required to make this vision a reality, it will be much easier to objectively evaluate prospective candidates. Of course, in today’s tight talent market, you may also run into the common hurdle of finding the right talent to meet your needs. This is where an executive recruiter can help.

An executive recruiter will first start by reviewing your needs assessment. The recruiter may also provide supplementary market knowledge through the lens of an objective outsider. I find this outsider perspective is especially valuable when refining the list of “required” versus “preferred” skills. A long skill list often backfires as it detered qualified candidates who worry they aren’t the perfect fit and may actually increase the number of unqualified candidates who apply. These unqualified candidates recognize one or two items and think, “I can do that!” A “required” skill is one that is vital to a new hire’s success in this role. A “preferred” skill is one that is nice to have, but not vital. These skills contribute to success but are not essential or can be taught. Based on the needs assessment, a recruiter can help you differentiate between required and preferred skills, and consider other experience or leadership credentials that may be beneficial to the role.

There’s no denying that a tight talent market can make recruitment more challenging. With a limited candidate list, it’s natural to worry you’ll end up selecting your next hire by default—they’ll be the only one left who still needs a job. It doesn’t have to be this way. Yes, top talent will be choosing between multiple offers but companies can have choices too. By partnering with an executive recruiter, you gain access to a passive network of candidates who respond to your need for visionary HR leadership. These candidates will feel honored to be part of the process and will be excited to join your company. This increases the likelihood of multiple qualified candidates, giving your organization a true choice for its new HR leader. Successful talent recruitment will lead to new hires that act as employer ambassadors, attracting more star performers to your company in HR and beyond.

Next Steps: Your HR Team of the Future

As Human Resource departments evolve to better serve company needs, the process you follow to hire your HR leaders must also change. To build the HR team of the future, you must understand where your organization currently stands and where it is headed. A comprehensive needs assessment will determine internal strengths and weaknesses as well as external opportunities and threats. Once this assessment is complete, use the findings to align stakeholders around the future hire’s roles and responsibilities, skills and leadership experience. While taking time up front may result in a delayed start to the candidate search, it is better to align expectations first rather than rush full steam ahead without determining need.

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Top talent is more open to joining an organization that has invested time up front to carefully consider its hiring needs. An upfront needs assessment will minimize or eliminate many of the missteps that can sideline the search process, such as stakeholder conflict over desired skills or confusion over role expectations. Beyond these practical considerations, the needs assessment also signals to prospective hires that your company is serious about evolving its HR department and is committed to making these changes a reality. No one wants to join a company under the pretense of being a change agent only to be frustrated by internal disagreement.

Building the HR team of the future will not happen overnight. Change can be difficult, even after achieving a general stakeholder consensus. Your organization must remain committed to enabling its HR leaders to not only identify human capital challenges but also to take action. While the challenges facing every business may vary, the ability to meet these challenges successfully comes down to a single factor: talent. This must start with the HR team. The team tasked to lead your company’s talent development cannot overlook its own talent needs. At the end of the day, HR has always been about people empowerment. By empowering your HR department to modernize and hiring forward-thinking talent, this team will, in turn, empower your organization towards success.

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