

# Toolkit

## Aligning Business and HR Strategy



## Toolkit for New or Emerging Markets

**RBL Institute**

**From the November 2011 Think Tank Session**

**Led by Dave Ulrich and Norm Smallwood**

For more information please go to the Institute Library for the complete Playbook titled: Globalization and Emerging Markets

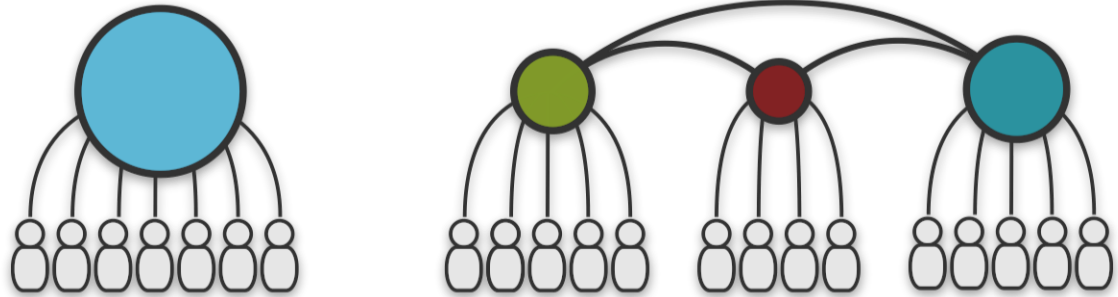
Understanding new markets is critical to success.

Do you understand the context?

# Overview

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- Understanding the business strategy is a critical piece of context when making decisions about HR strategy



- One of the most critical design elements is the decision about what level of centralization vs. decentralization is the business strategy dictating for your HR design choices
- As an HR Professional, your role is to help your business team understand the context of the business strategy as it relates to your HR strategy
- For example having a large corporate HR group would not make sense if your business was decentralized and decision making resided in the business units

# Corporate Strategy Defined

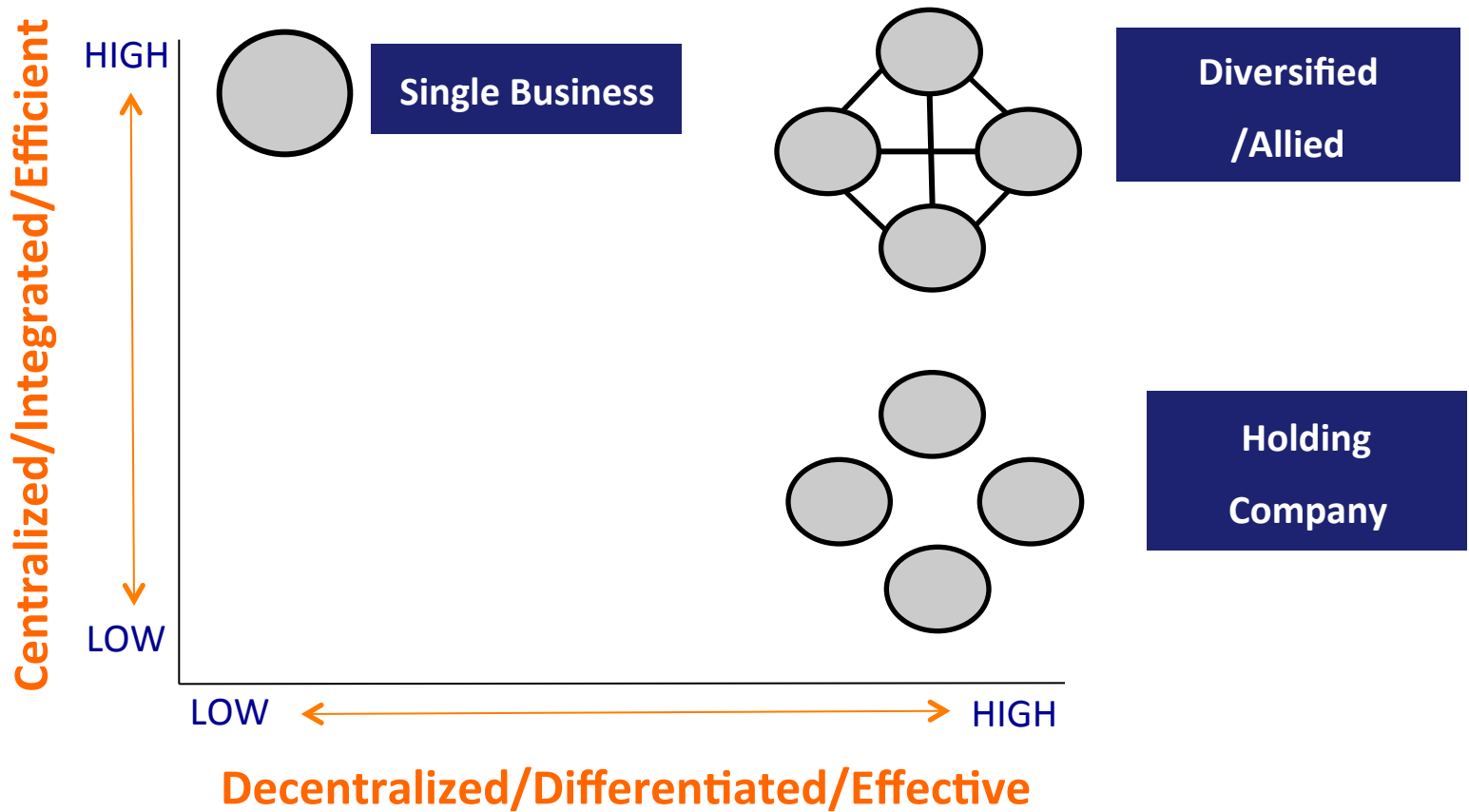
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- Defines the businesses in the portfolio
- Establishes clear business boundaries
- Provides perspective about the kinds of relationships required among businesses (to synergize or not to synergize)
- Implications for meeting customer demands (can be especially critical in emerging markets)
- Makes alignment across businesses achievable
- Implications for investment choices
- Four archetypes:
  - Holding company;
  - Unrelated Diversification;
  - Related Diversification
  - Single Business Unit



# Corporate Strategy

*How do you configure your portfolio*



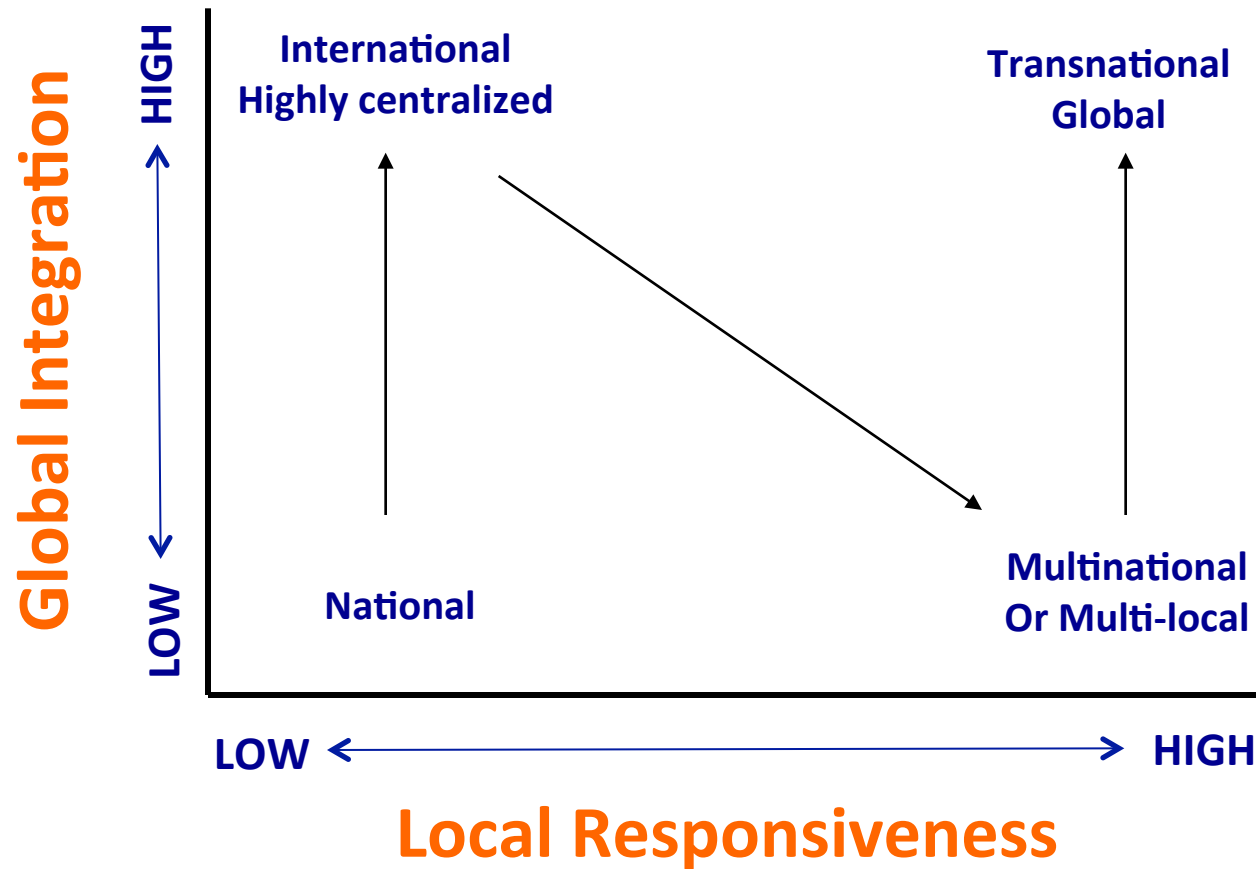
# ACTION

## WHAT IS OUR CORPORATE STRATEGY?

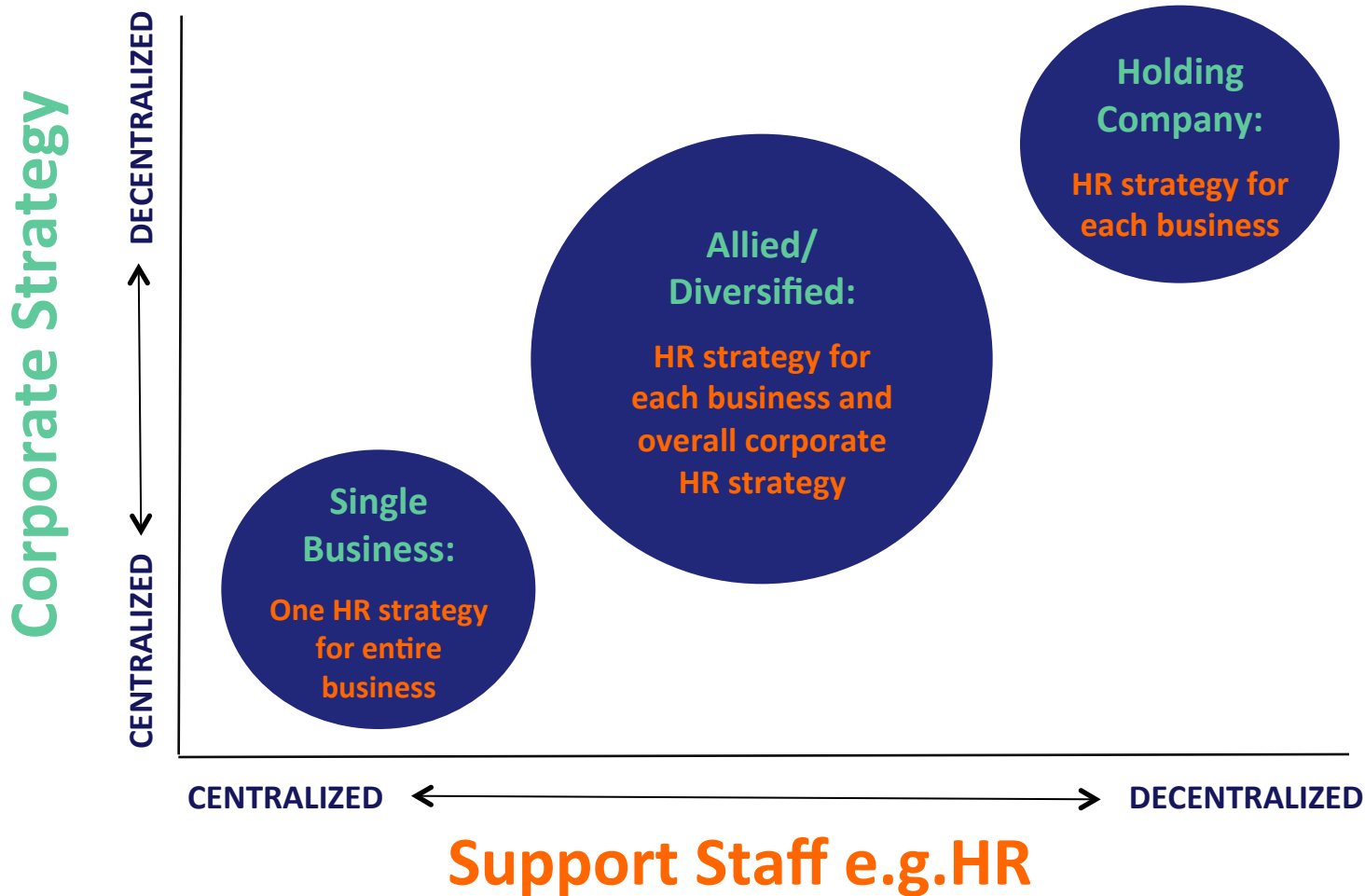
With your leadership team, plot on a whiteboard what type of business they believe you have. It will tell you how aligned your leaders are and what may be causing difficulties in defining an HR strategy. Then ask them what it will be in the future.

STRATEGY	Today	Future 2-3 years	How do we act in our Emerging Markets
Single Business			
Allied/ Diversified			
Holding			

# Implications for Emerging Markets



# Aligning Business and HR Strategy



# Then What.....

*Run the HR function as if it is a business within a business.*

## STRATEGY FOR HR

Have a **STRATEGY** that supports the business strategy:

What is our vision, mission, and value proposition?

## STRUCTURE FOR HR

Make **STRUCTURE** decisions in line with business strategy:

How do we organize resources to deliver our mission?

- **Transaction work**
  - Service centers/e-HR/outsourcing
- **Transformation work**
  - Centers of expertise
  - Embedded HR
  - Operational HR
  - Corporate HR