

The Best HR Department

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Abstract

This paper explores some of the components that make up the ideal human resources department for the company of tomorrow. While there is no one right answer when it comes to determining what constitutes the “ultimate HR department” there are several steps companies can take to ensure that they have a human resources department that will continue to serve the company as the needs of the future workplace continue to evolve. Some competencies of the ideal human resources department that will be discussed are the preferred competencies of human resources, what human resources can do to ensure that the company is a great one to work for and is attractive for prospective employees, what the human resources department can do to help with the change process, how human resources can ensure that the workplace stays fair and compliant, the preferred method for recruitment and selection of employees, how to keep members of Generation X and Generation Y working for the company, training and development programs within an organization, performance management systems, as well as the new trend of developing a wellness program for employees to participate in.

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Working for the banking industry certainly gives one a unique perspective on the future of innovation in the workplace and how technological advances can make the difference between having a workplace that will survive in the future and one that can't keep up with the times. Capital One is an excellent example of a company that is not only on the forefront of innovation and technology through their virtual workplace program but they also provide a good work life balance for employees, which will be essential for attracting and retaining top talent for the company.

The virtual workplace environment is one where employees do not have an assigned desk and are essentially free to work from wherever they wish to work from whenever they want to work. According to Bryan Berthold in an article from All Business on the 'Future of Work' environment at Capital One, knowledge base workers tend to be very mobile and tend to work somewhere in their respective office building but not always at their assigned desk (Pomeroy, 2007). Several studies have shown that employees tend to be much happier in their jobs and much more productive when they have an adequate work-life balance which is why implementing a virtual workplace environment can be advantageous in some companies (Pomeroy, 2007).

At Mascoma Savings Bank, there are many back office areas in which a virtual workplace environment could possibly be implemented, however I believe the Electronic Services department would be the ideal department to implement the virtual workplace concept initially. The Electronic Services department consists of two functional areas that are unofficially known as the ATM Department and the Wire and Fraud department. The ATM Department would be the most likely candidate for preliminary implementation as there are

many jobs in that area that could easily be adapted to a virtual work environment. The first thing that would need to take place when implementing this virtual work environment would be to eliminate the need for much of the paper that currently passes through the department on a daily basis. Documents such as internet banking and debit card applications could easily be scanned and e-mailed to a dedicated inbox for processing and by utilizing an outside company for large debit card production orders as well as setting up branches to print small batches of cards the bank would eliminate the need to have an dedicated in-house production facility that is not always convenient for employees or customers who need cards in a hurry.

Working in a virtual environment would also allow electronic services staff members to work from where it is convenient for them. Several employees in the department currently commute more than 35 miles each way to and from work on a daily basis and the commute can be a challenge when travelling from a distance during the winter months in New England. In circumstances such as this, allowing employees to work from home or from a remote branch location during inclement weather would not only allow for employees to arrive in the virtual workplace on time, but it would allow for the timely resolution of problems that may arise with the bank's fleet of ATMs or debit cards that may be needed in a short span of time. This would increase customer satisfaction for the company in the long run, which in turn would help make the Bank more profitable.

Part of having an effective virtual work environment would be to implement a comprehensive human resource information management system that could be accessed not only from anywhere within the company but from outside of the company as well. Currently at Mascoma Savings Bank, much of the information relating to topics such as performance expectations, job competencies, personal development plans, job openings, and benefits

information is separated into several different areas, none of which are available for review outside of the company. Some of the information is only available on a shared drive within the company, other information is available only through a website managed by ADP, but none of this information is available for review in one place at any given point in time. ADP would still be the preferred service provider for Mascoma Savings Bank, however more of the features offered by the company would be utilized in order to come up with a more fully integrated HRIS for the company. Information that would be available for current employees through ADP's portal for bank employees would be information regarding pay and benefits, internal job listings, job competency tracking, information regarding education and development, as well as general company news and policy information. This website would be available both within the company's office space as well as to current employees who want to research the information from home (ADP, 2011).

In addition to having a fully integrated HRIS program in place at Mascoma Savings Bank, making the bank a great place to work should also be a goal of the organization as well. As mentioned earlier, employees are seeking a company that not only provides them with an adequate work-life balance but a company that treats its employees with respect and recognizes that the needs of the individuals within the company should be just as important as the needs of the organization itself.

Management consultant Patrick Lencioni has observed that there are three general factors that come in to play when employees are unhappy with their jobs. These factors are anonymity, irrelevance, and immeasurement (Lencioni, 2007). Anonymity refers to the simple psychological fact that people wish to be recognized for their work (Lencioni, 2007). This also relates to the shift from treating all employees in the same way to treating employees as

individuals with unique needs and desires in the workplace. Irrelevance refers to the fact that all people wish to know that their work matters to somebody, even if there is only one person who truly appreciates the work that this person does (Lencioni, 2007). The last factor, immeasurement, relates to the fact that individuals need tangible ways in which to measure their progress and often employees will not be happy in their work role within the organization (Lencioni, 2007). Some of the benefits to creating a great workplace according to Lencioni (2007) would be increased productivity, greater employee retention at lower costs, and sustainable cultural differentiation.

Another way to make Mascoma Savings Bank a great place to work would be to implement a culture based on the Great Places to Work Institute's model for what characteristics a great place to work has. According to the Institute, a great place to work shows the following characteristics: they are credible, they respect their employees, they are fair to employees, and they exude pride and camaraderie (Great Places to Work Institute, 2007). The only way to implement a program that focuses heavily on ensuring that the Bank remains a great place to work from a cultural standpoint would be to provide training to all employees on both Lencioni's model for ensuring that the workplace doesn't become a "miserable" workplace as well as the model as given by the Great Places to Work Institute.

One of the unique aspects of the banking industry is the fact that new regulations are constantly being implemented and thus the bank has to be prepared to make changes at a moment's notice. As such, the Bank's best option when it comes to the implementation of change as it relates to regulation has to be by using a analyze/think/change approach. Two models for the analyze/think/change approach would have to be both the president of Mascoma Savings Bank, Steve Christy, as well as the Chief Operating Officer, Barry McCabe. Both

Christy and McCabe are constantly on the lookout for upcoming changes in the banking industry and are constantly analyzing how upcoming changes will affect the organization as a whole.

There are several emotions that can come from the change process according to William Bridges (2003). The emotions many people follow when going through the change process are complacency, anger, and fear (Bridges, 2003). Complacency comes about when an employee becomes too comfortable in their current situation and will end up relying too much on past experiences to predict future events. Anger happens when an employee realizes that they need to learn new skills and such a realization may lead to an erosion of the power that the employee thought they had. Fear occurs when an employee is not sure of their abilities and thus the employee does not think that he or she is capable of effectively dealing with the change (Bridges, 2003).

Recently a new employee was hired on to work in the electronic services department and it has been interesting to observe this person as he progresses through the phases of Bridges' (2003) Human Change Process. Currently this employee is in the development phase as he is now learning new skills and figuring out where he fits within the department as a whole. Five days ago when he started in the department, however, he was definitely in the transition phase as he was letting go of his habits as a bank teller and began his new life in the back office of the bank. The group as a whole is in a state of renewal with the new employee in the department and as such is embracing the situation of once again having a fully staffed workforce. Perhaps the single most important thing the HR team can do when it comes to managing the change process is to keep an open line of communication with employees at all times during the process. This will help mitigate misunderstandings and it will help assure that errors are resolved before they become an unmanageable problem.

Since human capital is perhaps the most important asset to a company, ensuring that the workplace stays a fair and compliant one will be key to the organization's success. One of the easiest ways to help ensure fairness in the workplace is to provide adequate training, both for employees and their supervisors on topics such as harassment in the workplace, diversity, discrimination, and workplace policies. Training in these subjects would be mandatory on an annual basis for all employees and would be available both as in person as well as online courses. In addition, mandatory annual training seminars in interview skills, workplace policies, and labor laws would be required of all employees in a supervisory position as well as those who are interested in moving to a supervisory position. Semi-annual workplace satisfaction surveys would also be used in order to ensure that managers are treating employees fairly and to address any concerns employees may have before they become a problem.

Moving beyond a fair workplace, mandatory training in security, suspicious transactions, customer privacy, ethics, and robbery prevention would also be required of all employees of Mascoma Savings Bank in order to ensure compliance with local and federal banking regulations. All employees will also be required to pass an annual exam on these topics to prove that they have reviewed the training materials and are comfortable with the subject presented.

Ensuring that the organization has the right talent for the work at hand will begin with competency modeling for all positions within the bank. Using a more standardized approach, expectations as to minimum educational requirements, previous work experience, as well as specific skills or certifications that are desired for a given job will be included in the general job description along with the specific tasks an employee may be expected to complete during an average day in a given position. Having a clear idea of what the job entails will provide a good

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baseline for analyzing other areas such as performance management and succession management.

As part of the performance management, individual accomplishments will be taken into consideration as well as formal training provided by the company. As more employees of Generation X and Generation Y continue to enter the workforce, having a more individualized approach to how employees are evaluated will be essential as members of the younger generations tend to expect individualized treatment as opposed to treatment that is the same as everybody else in the organization. When planning for succession, a reanalysis of current positions within a given department should be done in order to determine if job descriptions are up to date and to ensure that coverage in critical areas will be provided should the department have a vacancy for an extended period of time.

Having competency modeling done prior to interviewing for a key position within the company should make the process of finding the right candidate for a particular job a much easier process, both for the company as well as the candidates who may be interviewing for the position. Once the competencies are outlined for a position, it will be imperative for management to work with human resources in order to determine a recruiting strategy for the position. For example, if the bank was to be looking for a candidate to fill the position of internet banking support specialist, posting the job advertisement on an external job search website would be a good way to recruit employees who enjoy working on the internet.

The role of human resources in the selection process wouldn't stop after the advertisement for the position has been made public. Human resources will be responsible for facilitating the collection of applications and resumes submitted by candidates, forwarding the application materials to the hiring manager, performing preliminary interviews on external

candidates, as well as providing an overview of the administrative side of human resources such as salary, benefits, and facilitating any background checks that may be required before a formal job offer can be made.

Preliminary interviews that the hiring manager may do with a candidate for a position will be conducted on a one-on-one basis, however bringing other current employees in on the interview and selection process after the initial interview will be critical when ensuring that a candidate will be a good match for a position. Having current department employees come in on the interview process will help assist the manager in selection as those employees will have more knowledge about what competencies a candidate will need to succeed in a job and will also be more aware as to whether or not the personality of the new employee will fit in with the current culture of the department. Once all aspects of each candidate have been analyzed, the manager will make a decision on who he or she will hire and a formal job offer will be made.

Perhaps the single most important aspect of creating a retention program for the future is to fully understand that a one size fits all approach to providing training and benefits is not going to attract and keep employees of younger generations working for a particular company. According to Meister and Willyerd (2010), members of both Generation X as well as Generation Y place great importance on finding a company that will not only develop their career path but their life skills as well. In addition, members of Generation X and Generation Y prefer to be recognized as individuals, which is why designing programs that suit individual needs as opposed to what the company determines is best for the employee is imperative for the workplace of tomorrow to flourish.

One of the easiest ways to shift to a system that focuses on the employee as an individual is to be more flexible with benefits such as vacation time and health insurance. Rather than

dictating what employees must do with accrued time off, employees will be granted a pool of earned time that they can use however they see fit. Other ways to be flexible will be to allow employees to choose health benefits based on what they feel they need on an individual basis, allowing employees to direct their own training and development programs, and opening up the door up to allow more cross training between departments so that employees can gain as much knowledge about the company while still in its employ would be advantageous as it would allow individual employees to learn jobs that interest them without having to look outside of the company. Implementing a company-wide social network so that employees in all divisions and at all branch locations can communicate with one another in an open internal forum would also be key as younger employees will expect to work in an environment that allows them to collaborate in an online social forum rather than just via face to face or telephone conversation.

Allowing employees to be more self directed with training and development will not only help with company-wide retention efforts, but it will help with easing the burden that is usually caused when employees leave the company and choose to work elsewhere. Having employees who are cross trained in other areas will ensure that gaps in the production line will be filled in despite the department or organization being short an employee. If desired, employees would also be strongly encouraged to seek education outside of the Bank in order to further enhance what skills they may already have. Tuition reimbursement would be available to all employees so that they may seek out a program that suits their personal needs and desires rather than what the organization feels the individual should be seeking for outside education. Lastly, multiple avenues for training and development, including both online as well as in person classes would be offered so that employees may learn in a time and in a fashion that suits them personally.

Performance management systems should go beyond a system that essentially summarizes a supervisor's individual opinion of a particular employee, which is why a more comprehensive system that includes a 360° model of performance management will be essential for Mascoma Savings Bank's future human resource department. As defined by Jackson ET. All (2009) "performance management is a formal, structured process used to measure, evaluate, and influence employees' job related attitudes, behaviors, and performance results." Implementing a 360° performance appraisal process will allow for a more comprehensive analysis of how well an employee is doing within an organization and will allow managers to help employees better determine what they are good at as an individual so that the employee may develop their strengths rather than focusing on their weaknesses. 360° appraisals will also help identify serious problems within the organization and help mitigate those issues quickly and before they become a major problem.

The primary tool used in the performance management process will be an online system where employees, managers, and co-workers can all come together and document what an employee is doing and how well the employee is performing their job. Allowing all employees to have input on how an employee is doing will allow for constant and immediate feedback and will allow the employee to gauge how well they are doing in a more real time environment. The online forum will also be a place where employees can document their process and dictate individual goal he or she would like to accomplish over the course of the upcoming year with the organization.

Annual performance reviews will be carried out based on the hire date of the employee as this would balance the review process out over the course of the entire year so that it is not overwhelming for the supervisor conducting the review. At the beginning of every calendar

year, human resources staff will provide mandatory training to all employees regarding the upcoming year's appraisal process and what the expectations for the process will be.

Lastly, a comprehensive wellness program will be created for all individuals within the organization in order to help facilitate a healthy workplace based on employee needs and desires. In order to facilitate the implementation of such a program, employees would first be surveyed to find out what they would like to see included in a wellness program and the strategy for what programs to implement will be determined from that survey. Since all employee needs are different, a program that balances what employees want versus what individuals may want will be developed. In order to effectively communicate the program, a committee will be created that will facilitate the implementation of the wellness programs and provide information on what employees can do to join the program and what incentives will be available for employees should they choose to participate in the program. The main reason why a wellness program will be important is due to the skyrocketing costs of health care in today's modern age. Some programs that may be implemented will include a nutrition program, a smoking cessation program, a basic exercise program or discounted gym membership, as well as free annual health screenings so employees are aware of their current state of health. The main incentive program will be that employees can earn points that they may apply toward gift cards or bonus earned time days when certain point thresholds are reached.

The human resources department of the 21st century is one that is quickly evolving from being that of an administrative department that only handles things such as benefits and payroll to being that of a strategic partner within the business. More and more companies are coming to realize that the human resources department is an essential department to every organization and

should be involved in all aspects of the strategic planning process as human capital is the most important component of every successful organization.

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