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Best Practices in Human Resources

Best practices in human resources (HR) involve a balancing act between retaining top talent while minimizing costs and risks for the company. HR must plan for both the short term and the long term, yet be prepared to adjust quickly when market conditions change.

Nearly every company has seen HR costs skyrocket over the past several years. The successful ones have learned to spend more in areas that help the company grow and achieve savings without doing harm. The broad scope of responsibilities requires HR executives who employ best practices in a three-pronged approach.

Employee management. Too often, the budget for recruiting and staffing, training and development, and labor relations is the first one to be cut during tight times. The most successful companies, however, dedicate significant resources to measuring activities that affect the recruitment and retention of the most talented employees. Surveys indicate that companies committed to training and development find they have a qualified pool of internal candidates for harder-to-fill, higher-level positions.

Administration. Companies that manage benefits, payroll and coordination of HR vendors strictly through a bidding process have watched costs spiral in recent years. Using market intelligence and state-of-the-art technology can turn HR administrative functions into a source of significant savings for the company.

Strategic planning. In successful organizations, HR programs do not merely respond to changing market conditions; they anticipate and help the company prepare for the future. Forward-looking programs of benefits, compensation and resource development elevate HR from a strictly functional department within the company to a strategic resource that becomes part of the company's decision-making process at the highest levels.