



**From the Breakroom to the Boardroom**

AGC HR Conference  
Oct 09

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**DISCLAIMER**

- The material you about to see is largely quoted from survey responses and interviews. Some comments may be offensive and inflammatory. These are not the sentiments of the presenter. He is the messenger, and as such, he should NOT be shot during or after this presentation.

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**Ground Rules...**

- Regardless of format, the instructional methods used during the session should provide opportunities for students to be actively involved and interact with the material and presenters, as well as with other attendees where appropriate.

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### Program Objective

- Recognize the expectations of the HR function by senior executives
- Evaluate and analyze current level of acceptance in your organization
- Internalize and apply the behaviors that move HR into the boardroom
- Establish HR as a strategic partner in your organization

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### Getting a Seat at the Table

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### Getting a Seat at the Table

- What does that phrase mean to you?
  - Being in a position to influence business decisions; to have an opportunity for input

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## Getting a Seat at the Table

- What does that phrase mean to you?
  - Being in a position to influence business decisions; to have an opportunity for input
  - In fact, they don't make decisions without your input...

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## Agenda Today

- The data
- Examine the perception of HR effectiveness in the construction industry
- Review “barriers” to HR strategic effectiveness
- What do strategic HR people do that non-strategic HR people do not do?
- Discuss how to “get a seat at the table”

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## The Survey

- Surveyed 1200 construction firms in North America
  - Conducted June 2009
  - 290 Responses
  - Range of firm sizes - \$8 mm to \$6 billion
    - Average revenue \$335mm
    - Average headcount - 895
  - 65% were general contractors; 35% specialty contractors
  - 25% HR, 65% operations, 10% other

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### The Survey

- Respondents were asked -
  - Does HR play a strategic role in running the business?
  - Overall satisfaction with HR on a 10 pt scale
  - How can HR be of more value?

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### “Why Do I Need HR?”

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### “Why Do I Need HR?”

- How are you going to answer that?
  - I know employment laws and regulations
  - I supervise payroll, I help out with safety
  - I screen and process new hires
  - Who’s going to organize the company picnic?

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**“Why Do I Need HR?”**

- I do all of the above plus I know how to improve operational efficiencies and improve the bottom line and here's how...

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**Does HR Play a Strategic Role?**

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**Does HR Play a Strategic Role?**

- What do YOU think??

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**Does HR Play a Strategic Role?**

One in three respondents said...

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**Does HR Play a Strategic Role?**

One in three respondents said...

**No**

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**Overall Satisfaction With HR?**

On a 10 Point Scale ( 10 = Best)

	<u>Ratings</u>
• Overall average rating	6.91
• HR is <u>not</u> strategic	5.93
• HR is strategic	7.47

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**Overall Satisfaction With HR?**

On a 10 Point Scale ( 10 = Best)

	<u>Ratings</u>
• Overall average rating	6.91
• HR is <u>not</u> strategic	5.93
• HR is strategic	7.47

Are you surprised?

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**Overall Satisfaction With HR?**

On a 10 Point Scale ( 10 = Best)

	<u>Ratings</u>
• Overall average rating	6.91
• HR is <u>not</u> strategic	5.93
• HR is strategic	7.47

How do you feel about it?

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**Case Study**  
**Construction Manager vs. HR Manager**

CM says HR sends inferior candidates.  
HR Manager says Construction Manager's poor management skills runs them off.

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**Two initial conditions**

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**Two initial conditions**

1. Operations does not want HR as a partner

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**Two initial conditions**

1. Operations does not want HR as a partner
2. Operations wants them but HR does not step up

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**Why is HR Not Wanted?**

- How do you answer this question?

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**Why is HR Not Wanted?**

- Perceive HR competencies as limited
- Lacks understanding of the business
- Not an ally
- Value is not recognized by Operations
- What else?

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**Perceived competency**

- "Comp and benefits"
- "Good with parties, annual picnic"
- "Independent employee advocate"
- "Haven't demonstrated the ability..."

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**Lack of understanding of our business**

- "Must understand the unique challenges of the construction industry" "Don't give generic HR"
- "They do not know current trends, needs, etc."
- "They should get experience running a business unit"
- "Should learn to plan, budget, execute, recognize problems, formulate solutions . . ."

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**HR is not an ally**

- "HR is at odds with the goals of Operations"
- "Only see them when there is a problem"
- "HR should take a more supportive role"
- "Send the message that HR is with us, not against us"
- "Show some flexibility"
- "What they do best is annoy"

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**Value is not recognized by Operations**

- "Ops should think of HR as the '411' information call instead of the '911' emergency call"
- "We need to be *allowed* to work closely with Operations leaders"
- "They see us as cleaning up their messes instead of helping them prevent them"

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### Why Doesn't HR Step Up?

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### Why Doesn't HR Step Up?

- Lack of visibility
- Not solutions driven
- Not proactive
- Does not show leadership
- Your barriers?

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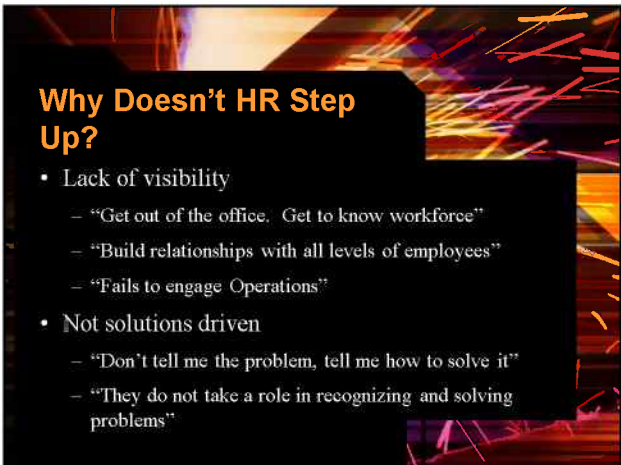
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### Why Doesn't HR Step Up?

- Lack of visibility
  - “Get out of the office. Get to know workforce”
  - “Build relationships with all levels of employees”
  - “Fails to engage Operations”
- Not solutions driven
  - “Don't tell me the problem, tell me how to solve it”
  - “They do not take a role in recognizing and solving problems”

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### Why Doesn't HR Step Up?

- Not proactive
  - "Waiting for things to happen"
  - "HR is severely lacking with no direction"
  - "HR is not very active"
  - "Need to look to change the status quo"

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### Why Doesn't HR Step Up?

- Needs to show leadership
  - "HR is expected to have an opinion and to understand how it impacts the business"
  - "The HR executive has to be able to look me in the eye and tell me the baby is ugly. . . give me the facts and move on. If you have a different opinion, I want to hear it."  
*- Stuart Levine, Gentiva Health Services*
  - "Be the expert!"

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### But I am PHR (SPHR)

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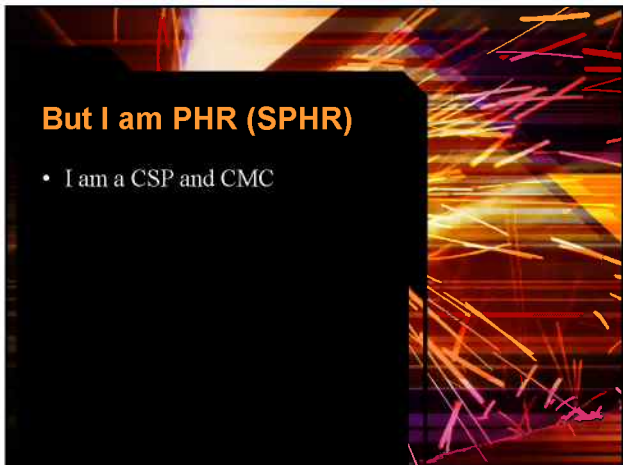
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**But I am PHR (SPHR)**

- I am a CSP and CMC

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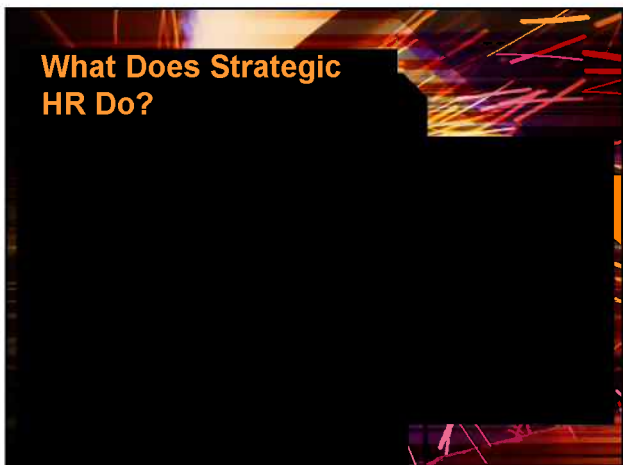
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**What Does Strategic HR Do?**

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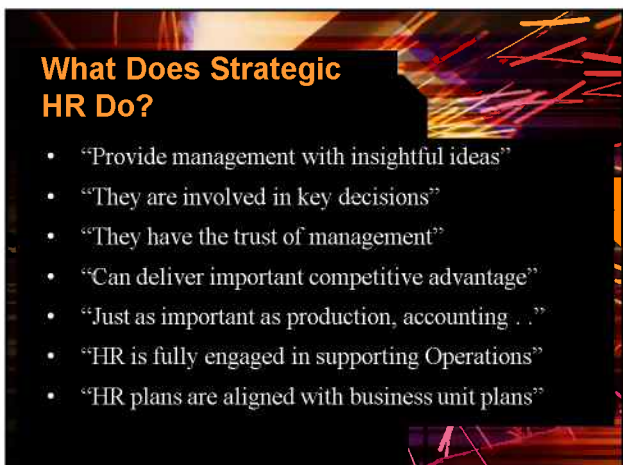
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**What Does Strategic HR Do?**

- “Provide management with insightful ideas”
- “They are involved in key decisions”
- “They have the trust of management”
- “Can deliver important competitive advantage”
- “Just as important as production, accounting . . .”
- “HR is fully engaged in supporting Operations”
- “HR plans are aligned with business unit plans”

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### What Do Strategic HR People Do?

- They understand their business
- They focus on business objectives
- They have opinions and they express them
- They build relationships; become user-friendly
- They translate operational goals into their goals and then implement them
- They overcome barriers; don't wait to be asked
- They lead

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### Final Thoughts?

**Wally Adamchik**  
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