

“RESOURCING” A NEW PARADIGM FOR SUCCESS

Despite the many geographic, economic and cultural differences in the business environments of the U.S. and Europe, the challenges of growing a successful enterprise are very much the same on both sides of the pond, says Dr. Colin Wall, the founder of Copley Wall & Associates, our associate company in London. In this Report to Clients, Dr. Wall shares his perspectives on the importance of the human resources function in crafting a new paradigm for business effectiveness and growth.

As they say in the popular song ... “Let’s start at the very beginning. It’s a very good place to start.”

Frequently, someone will say to me, “You know, one of the most important things in business is the people.” So easily does this cliché roll off the tongue that they are quite shocked when I say they are wrong -- quite wrong -- before going on to say that the *only* thing in business is the people. Without the people, there is nothing except some desks, chairs, computers, perhaps a manufacturing plant – and some accounts to record the trials and tribulations of former times.

Yet, as often as all this is said or written, few individuals really understand what this means in practice. If we truly believe that the only thing in business is the people, we have to discipline ourselves to think about business in a quite different way than most of us were trained to do. When we see an issue or an opportunity, for example, that margins are eroding, or that we need to take the business into new markets, we must shun the common wisdom. We must not ask *How?* or *Why?*, but *Who?*. And when we ask *Who?*, we also must ask whether they have the proven skills and experience to give us the correct level of confidence that they will be successful in the task we give them.

This is the essence of successful business, the essence of wealth creation, and so it must be that we think

only about business through the people. It is the very beginning – the very crux of the matter.

The Need for Human Resources

As always, it is not as simple as that because when we say *Who?*, we almost always mean ourselves with others. We realize that none of us can run a business or solve problems or make the most of the opportunities on our own. It follows that we must have the skills to work well with others, to manage them and be managed ourselves, to lead, to motivate, and sometimes to drive. But, in realizing that working effectively, creatively, successfully, and wherever possible, happily with others is not nearly as simple as it seems, we often recognize that we need help from specialists – human resources specialists – either from within our organization or from the outside.

Once again, it is not as easy as we might think. We said we would start at the very beginning – that business is the people, the people are the business. Yet surely this demands an understanding of *both* the people *and* the business, and that is the rub. This is the place where it all goes wrong, the place where doubt and uncertainty become bedfellows. This is

where making a business work sustainably and sublimely well becomes a rarity if not an impossibility.

It is always dangerous to generalize. By definition, there are exceptions to every generalization. But very often, the human resources function within a business

is best equipped to handle and confine itself to the day-to-day people issues, the broader, more long-term programs. The company then finds that, for certain types of consulting and for certain ad hoc projects, it needs to go outside.

Are Consultancies the Answer?

Managers and companies seeking or needing to use human resources consultancy services face two challenges. First, few of the available consultancies or consultants have knowledge of or senior operational experience in the commercial aspects of business. Immediately, the consulting thesis is flawed since human resources consulting can only be of value if it is inevitably and inextricably linked to the fundamental demands and needs of the commercial and business process.

Second, human resources consultancies invariably specialize in one specific aspect of the subject. While some are undeniably multinational, the vast majority of firms are either national or have surprisingly restricted geographic reach. Again, the arguments supporting such an approach are seriously limited. Even when the geographical aspect is not limiting, and increasingly, an international perspective is essential rather than preferred, consulting in one specialization in isolation often leads to imperfect or incomplete advice. At best, this usually results in chasing the problem around the organization until too much time and/or money has been spent to justify the value-added the consultant promised. At worst, the consultancy generates a greater problem than it solves.

In essence, the problems and opportunities that occur in any business will only be resolved by the people in it (or who are recruited to join it) and the way they bring their skills and experience to bear singly and as a team. As obvious as this may sound, the vast majority of thought, effort and consulting that occur in any business is applied to the production and analysis of financial data and the physical processes from which the data results. Every possible effort is made to evaluate coherent and comprehensive data from every aspect of the business and, where an international dimension exists, then comparison and consolidation is natural and mandatory. In contrast, a piecemeal, often unplanned, and uncoordinated approach is taken to the analysis of the people issues which are inevitably the precursor, as well as the inheritor, of these commercial issues.

The Business is the People

The business community often understands its problems, but there is much still to be done in helping many organizations and sectors understand the full range of human resources skills and knowledge that can be brought to bear on the solutions to these

problems. Human resources is consistently seen as some kind of superficial device or mechanism, a crutch or a prop to support the walking wounded or infirm in any organization. Only when businesses can be shown by sensible, practical, wholly commercially effective human resources practices that the business is the people – they are its essence, its soul, its success – will we see optimized commercial triumph on anything other than a very individual company basis. The rest will be doomed to single digit p/e's in perpetuity.

And so, we must conclude that, like so many things in life, it takes two to tango. Those in business must turn their thinking upside down and not think *How?* or *Why?*, but *Who?*. And, those involved in every aspect of human resources, and human resources consulting in particular, must ensure that they recruit and train people who can understand businesses at their most fundamental level, so that their advice is never prescriptive or compartmentalized, always realistic, and always, always, always directly relevant to the commercial issues at the heart of the business today and in the future.

Copley Wall & Associates was founded in 1991 specifically to carry out searches of the highest quality for a limited number of clients. The Directors have more than thirty years of search experience.

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