

TAKE A WALK IN THEIR SHOES

Business acumen in HR means different things to different people. At a recent HR seminar, senior HR professionals explained what ‘business acumen’ meant to them. In this month’s Instep we look at how HR professionals can elevate their level of business acumen.

What is business acumen?

According to Wikipedia, a simple explanation is that “business acumen is a concept pertaining to a person’s knowledge and ability to make profitable business decisions”. Wikipedia states that the term originated “within corporate learning and development circles.” However, there is no consensus about an exact definition within academic ranks, but most recognise the link between improved financial performance and leadership development.

Although there is no agreement about what ‘business acumen’ means, the term has been on the rise in most areas of professional work endeavor, and particularly in HR.

One definition that relates to HR emphasises an improvement in business acumen through an enhanced ability to interpret business data. This definition maintains that HR professionals can make strategic decisions by examining integrated data and therefore improving their “Business Intelligence”.⁽¹⁾

But this seems limited. The view from many experienced HR professionals is that business acumen is not only enhanced by understanding the business numbers, but also by combining this knowledge with time in the business to understand its issues – along with a number of other simple and easy strategies.

Walking in the businesses shoes ...

The Next Step’s early HR career specialist group, The Next Gen, held a seminar recently with a panel of senior HR professionals. These professionals represented brands such as AstraZeneca, Cannon, and Deloitte. The panel described a number of practical and worthwhile ways for HR professionals to build their business acumen and bridge any gaps that may exist. These included:

- **Spending time in the business** – Whilst it sounds like an obvious comment, but there aren’t many HR professionals that have truly taken this advice to the extent it is intended. The general approach taken by many HR professionals in relation to spending time in the business is just visiting sites or walking the

floor occasionally. While this is laudable, it doesn’t go far enough.

One of AstraZeneca’s senior HR leaders, Kimberly Elliot says there is nothing like “walking in the shoes” of the business by working with the people that are delivering services to the customers. An example of this in AstraZeneca’s environment involves spending a day working with a Sales Representative as they drive all day from one GP’s office to another. It’s a tough day. In Kimberly’s view, there is nothing like spending a day with employees to understand what the real business issues are.

In other environments, this may mean working a shift on a delivery run with an FMCG or distribution company; working on the floor in a retail or manufacturing environment; or working on a client site in a professional services business. Spending time working within the business, can at the very least, improve a HR professional’s empathy with line staff. It also provides credibility when discussing the business issues with line managers.

- **Be involved in business projects** – A clear way for HR professionals to be involved in the business is to play a role in business projects, not just HR related projects. This exposure will help the HR professional understand the business drivers.
- **Understand the businesses clients** – There are business-to-business relationships that can be assisted by the HR leaders’ networking between organisations. A good example of this was the head of HR for a business insurer networking with his counterpart in a major construction company. This contact has enhanced the business relationship. It is a powerful example of HR enhancing its business acumen and adding value.
- **Read the financial press** – There are many ways for a HR professional to be aware of what is happening in the business marketplace and therefore improving their business acumen. But few match the opportunity provided by reading *The Australian Financial Review* daily.

Simply understanding business metrics will not lead to a full understanding of the business environment. By undertaking a number of simple strategies, HR professionals can experience the business themselves.

The final word

HR professionals who have comprehensive experience of working in their business have a better grasp of the issues. This is also essential to persuade HR’s ‘customers’ to make the right decisions.

If business leaders make the right decisions with HR’s assistance, then obviously the reputation of HR is enhanced and better work opportunities will result. It’s a ‘spiral up’ that can build a HR professional’s career opportunities. While it is not easy taking time out of a busy day (with shrinking HR resources and increased challenges), HR professionals should demand time in the business – even if it is just to boost their career development!

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