

# 1 Strategic Principles on Human Resources Management

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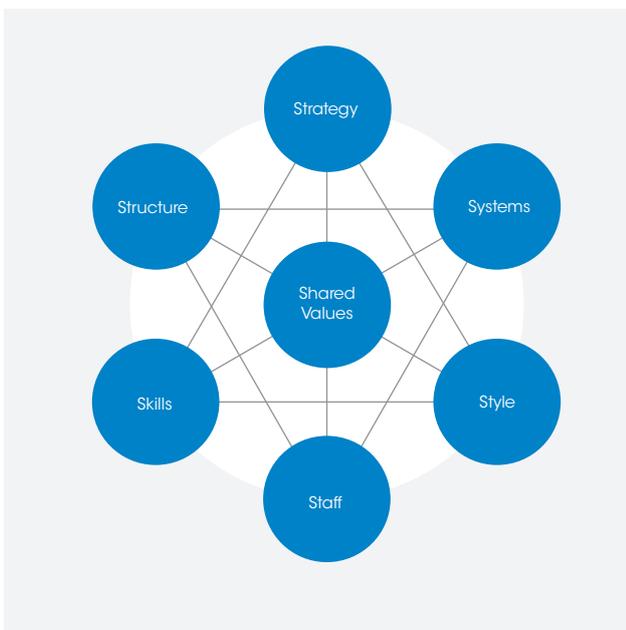
# 1 Strategic Principles on Human Resources Management

## 1. GENERAL INTRODUCTION

The soft elements of the 7's model (skills, style, staff and shared values) are very important aspects of an organization – as stated in the "Strategic Management" chapter of the WCO Capacity Building Development Compendium (in the section of Chapter 3 on the 7's Model). A growing sense of the importance of human factors led in the latter half of the past century to the development of Human Resource Management (HRM) as an explicit discipline. Nowadays, HRM is well developed and fully accepted worldwide as a standard management discipline in medium-sized and large organizations, such as Customs administrations.

The way HRM is implemented and used by Customs administrations can vary enormously, especially with regard to the importance of the role that HRM plays in the organization. Furthermore, there will be differences in the manner in which administrations use the various elements of HRM. Overall, it can be stated that the key to a successful and efficient organization is to create consistency and coherence between the soft and hard elements of the 7's Model.

### *The 7's model*



Many different perspectives and definitions of HRM can be found in the literature and are used by practitioners. In order to be able to work effectively on the topic of HRM, one needs the meaning to this 'HRM chaos'. The following HRM definition is adopted:

"Human Resource Management is about people. It is about guiding employees in such a way that they are willing and able to use and develop their knowledge, skills, abilities and focus in the best possible way to serve the goals of the Customs administration".

The Framework provides both theoretical models and descriptions, complemented by best practices from Customs administrations worldwide with a key focus on implementing strategic HR management efficiently supporting the organization's goals. It is essential to recognize the strategic role of the HR units and professionals within an organization and therefore to integrate closely HR planning and Business planning. It is vital to the successful implementation of the Administration's vision and strategy and to the promotion of healthy, strong organization that attract, develop, and retain competent, committed and engaged employees.

Integrating HR and Business is key:

- To align the administration's workforce with the government's priorities, and the organization's mission, strategic plan and budgetary resources;
- To support HR strategies (organization design and classification, training, career development) that are tailored the current and future needs of the administration;
- To assist managers meet their responsibilities and accountabilities and realign their workforce;
- To develop and sustain strong leadership across the administration; and
- To facilitate the performance improvement and reporting through the development of performance measures.

## 2. THE STRATEGIC ROLE OF HRM

HRM should be given a strategic role within Customs administrations, and therefore be an integral part of strategic management. This implies that:

1. In all strategic choices, the impact on human factors (the soft S's) is taken into account – and vice versa;
2. The global drivers of HRM in the organization are determined at the strategic level. This implies the existence of an HRM system with strategic as well as operational components.

Strategic HRM roughly defines the focus of the operational HRM policy and instruments. For example, if one of the goals of Strategic HRM is 'a more flexible deployment of personnel', the various HRM instruments must aim at that goal. This could result in aiming for flexible people when recruiting and selecting new staff, and in setting up job rotation systems. Another strategic focus for many Customs administrations nowadays is to move from a physical process to an administrative process. These developments require a change of culture. A change of culture starts with recruitment, selection and induction of staff; staff appraisal and development are important tools to use with current staff.

### The roles Human Resources Professionals need to play

Human Resources practitioners, depending on the size of the organization, may have overlapping responsibilities. In larger organizations, the Human Resources Manager, and the Director have clearly defined, separated roles in HR management with progressively more authority and responsibility in the hands of the HR manager. HR directors, and occasionally HR managers, may head up several different departments that are each led by functional or specialized HR staff, such as the training manager, the compensation manager, or the recruiting manager. Human Resources staff members are advocates for both the organization and the people who work in the organization. Consequently, a good HR professional performs a constant balancing act to meet both needs successfully.

## 2.1. The Changing Human Resources Role

The role of the HR professional is changing. In the past, HR managers were often viewed as the systematizing, policing arm of executive management. Their role was more closely aligned with personnel and administration functions that were viewed by the organization as paperwork. When it is considered that the initial HR function, in many organizations, comes out of the administration or finance department because hiring employees, paying employees, and dealing with benefits were the organization's first HR needs, this is not surprising. In this role, while serving well the executive agendas, the HR professional was frequently viewed as a road block by much of the rest of the organization. While some need for this role occasionally remains — one would not want every manager putting his own spin on a sexual harassment policy, as an example —, much of the HR role is transforming itself.

## 2.2. New HR Role

The role of the HR manager must parallel the needs of his or her changing organization. Successful organizations are becoming more adaptable, resilient, quick to change direction, and customer-centered. Depending on the size of the organization, the HR manager has responsibility for all of

the functions that deal with the needs and activities of the organization's people including these areas of responsibility.

- Recruiting;
- Hiring;
- Training;
- Organization Development;
- Communication;
- Performance Management;
- Coaching;
- Policy Recommendation;
- Salary and Benefits;
- Team Building;
- Employee Relations; and
- Leadership.

**It is then recommended to consider three additional roles for the HR manager.**

## 2.3. HR Role: A Strategic Partner

In today's organizations, to guarantee their viability and ability to contribute, HR managers need to think of themselves as strategic partners. In this role, the HR person contributes to the development and the accomplishment of the organization-wide strategic plan and objectives.

The HR strategic objectives are established to support the attainment of the overall strategic business plan and objectives. The tactical HR representative is deeply knowledgeable about the design of work systems in which people succeed and contribute. This strategic partnership impacts HR services such as the design of work positions; hiring; reward, recognition and strategic pay; performance development and appraisal systems; career and succession planning; and employee development.





To be successful strategic partners, the HR staff members have to think strategically, know finance and accounting, be accountable and responsible for cost reductions, and the measurement of all HR programs and processes.

#### 2.4. HR Role: Employee Advocate

As an employee sponsor or advocate, the HR professional plays an integral role in organizational success via his/her knowledge about and advocacy of people. This advocacy includes expertise in how to create a work environment in which people will choose to be motivated, contributing, and happy.

Fostering effective methods of goal setting, communication and empowerment through responsibility, builds employee ownership of the organization. The HR professional helps establishing the organizational culture and climate in which people have the competency, concern and commitment to serve customers well.

In this role, the HR manager provides employee development opportunities, employee assistance programs, organization development interventions, due process approaches to problem solving and regularly scheduled communication opportunities.

#### 2.5. HR Role: Change Champion

The constant evaluation of the effectiveness of the organization results in the need for the HR professional to frequently champion change. Both knowledge about and the ability to execute successful change strategies make the HR professional exceptionally valued.

Knowing how to link change to the strategic needs of the organization will minimize employee dissatisfaction and resistance to change.

The HR professional contributes to the organization by constantly assessing the effectiveness of the HR function. He/she also sponsors change in other departments and in work practices. To promote the overall success of his/her organization, he/she champions the identification of the organizational mission, vision, values, goals and action plans. Finally, he/she helps determine the measures that will tell his/her organization how well it is succeeding in all of this.

### 3. INTEGRATING HUMAN RESOURCES AND BUSINESS PLANNING

It is essential to adopt an integrated HR planning in order to efficiently reach the organization's priorities and objectives. It secures better functional linkages between the organization's goals and all the HR processes. The key of the HR planning is to make the organizational priorities fully operational, through the adoption of streamlined processes.

The internal process to be adopted by each organization shall follow an iterative and scalable cycle to identify current and future human resources needs to achieve an organization's goals and to establish this crucial link between the HR management and the overall strategic plan of an organization.

The effective integration of HR planning requires active collaboration between the HR professionals and the strategic management level, along with the adoption of adapted HR planning tools, and progressive implementation processes.

The integrated HR planning cycle integrates several components into a transparent and constantly monitored process. A systematic assessment of the current and future needs of the directorates/regions/branches and of the administration as a whole, supports the achievement of business excellence by promoting initiatives to attract,

develop and retain an engaged, sustainable and competent workforce. The process integrates the analysis and understanding of these elements:

- The environmental scanning: both external (e.g. Employer attractiveness from Public Service Employment survey, or job market analysis, etc.) and internal (e.g. demographics study for general characteristics, trends, future challenges, etc.) as well as the HR strategy specifics at the governmental level;
- The organization's strategic planning: government's priorities (legislative, financial), Public Service priorities, Customs Union strategy (if applicable), Customs multiannual strategic plan, etc;
- The operational planning of the organization: the annual action plan by directorates, sectors, operations with strategic priorities and performance criteria; and
- The HR planning: workforce components analysis, orientations and HR priorities, HR operational plans (job classification, staffing strategies, training and development, rotation planning, talents management, etc.) for each directorate and region.

In order to achieve the integration of these elements, an administration needs to build its HR planning capacity to achieve its organizational performance goals. A five-step approach to determining current and future HR needs shall be promoted at all management levels. A common methodology will align and integrate the HR planning exercises developed by all the line managers, region and directorate managers into a coherent tool.

All management levels shall be assisted by the HR professionals in participating in the HR planning following this process:

1. Determine the business goals (what are your key goals for the next years, any changes foreseen in direction, who are your key partners?);
2. Scan the environment (workforce analysis, team's internal scan, external scan);
3. Conduct a gap analysis (considering the environmental issues and the current workforce, what are the HR current and future needs to reach the business goals?);
4. Set HR priorities to achieve business goals (what are the main strategies? what strategies will achieve the desired outcomes? (recruitment/staffing, mobility/redeployment, Integrity/Diversity, Training/Development, Workplace well-being, etc.));
5. Measure, monitor and report on progress (what are the HR measurable goals, are they aligned with the organization's performance measurement tools, what mechanisms to track HR performance outcomes?).

In order to support their respective planning cycles, an integrated planning calendar with appropriate timelines can be adopted by administrations along the identified elements presented below.

One of the integrated HR planning's key success criteria is to ensure a constructive and continuous dialogue between the HR units, the directorates and regions' management. The management level then benefits from constant support to align their decisions regarding staff allocation, workload in accordance with the classification system, the proper implementation of competency-based job descriptions, and regarding employees' support throughout their career development.

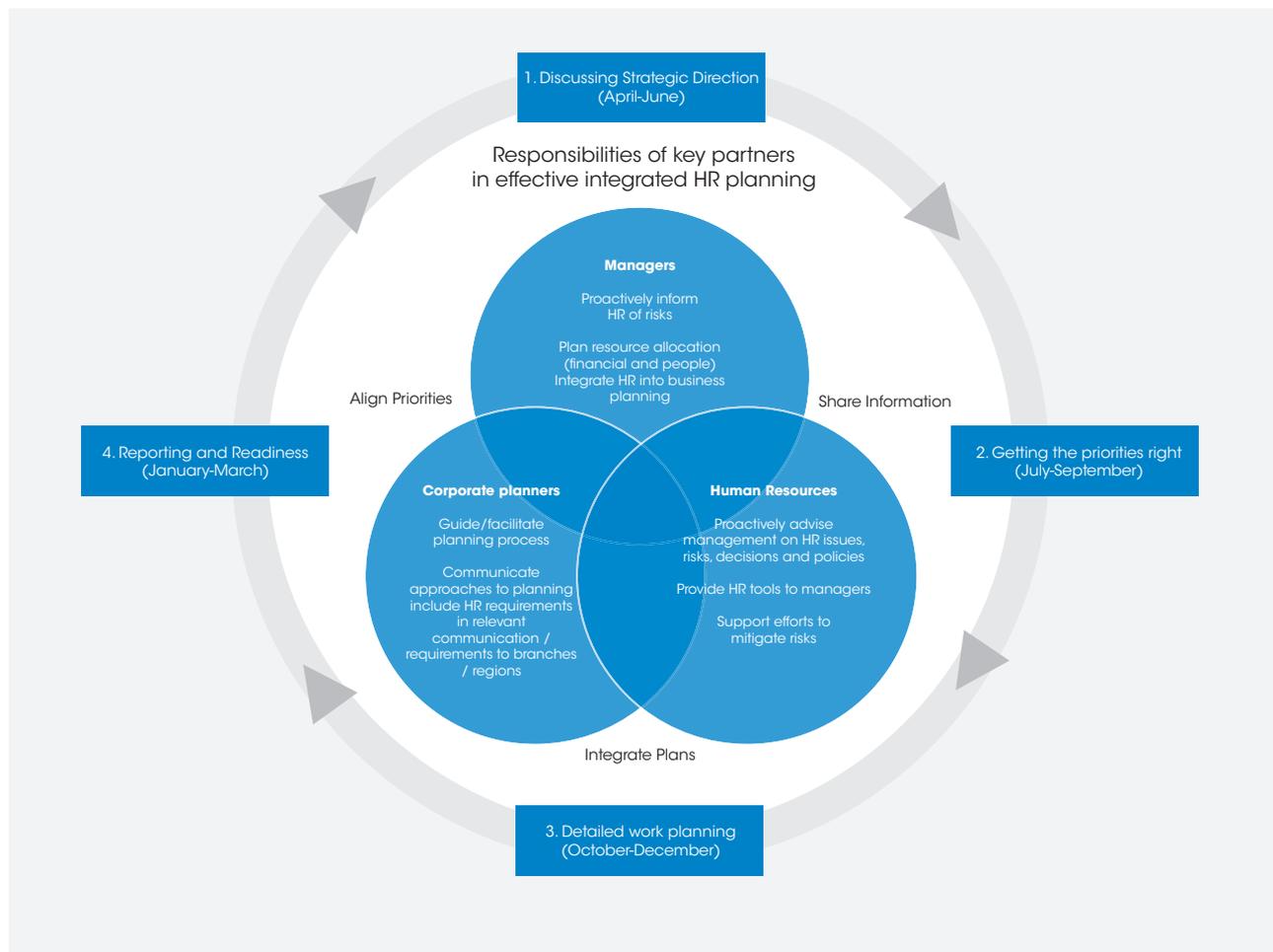
The HR priorities or strategic goals (e.g. Integrity, Diversity and Inclusiveness, Talents management) are then translated into functional advice and orientations to strengthen the operational strategies and plans. The collaborative approach equips each Directorate and region with its own HR operational plan offering strategic guidance regarding programs' feasibility, competence gaps adjustments or future priorities.

An integrated HR planning cycle enables the adoption of a systematic alignment of the operational management decisions to the HR business processes and vice versa.

The HR Value Chain presenting all the main HR processes could be identified as follows:

- Legal and Ethical Framework: set of legislation, administrative rules and policies within which the organization operates and which determines the workforce and workplace legal framework and identifies the legal imperatives for both managers and employees.
- Human Resources Staffing and Planning, Organization Design & Reporting: set of processes by which managers determine the impacts of the factors influencing the





Source: Canada Border Services Agency (CBSA)

delivery of their services, programs and business priorities on their workforce and workplace. These impacts are presented in the form of a workforce and workplace plan. Also includes any activity associated with aligning the organizational staffing structure to meet any change needed and with setting and reporting on the performance of the organization.

- **Jobs and Position Management:** set of processes and activities through which business/job requirements are “translated” into competency-based job descriptions (either through re-use of pre-classified job descriptions or new/amended job descriptions) where job is evaluated and classified, as required and where positions are established or maintained.
- **Compensation:** set of processes and activities through which information related to an employee’s work and personal circumstances are processed and transmitted to the pay service provider, as they relate to pay, benefits and insurances. Leave banks are also maintained and processed internally.
- **Staffing, Integration and Separation:** set of processes and activities through which current and future vacancies are

addressed, including attracting, assessing and selecting the candidates. Also includes activities associated with initiating the employee record, documenting and enrolling employees in pay and benefits, arranging for appropriate work tools and equipment and orienting employees to their new work and workplace. Also includes the set of processes associated with an employee’s temporary or permanent departure from either a department within a public service or the public service as a whole.

- **Performance and Development:** set of processes and activities associated with initiating and fulfilling the performance agreement of an employee, including setting performance expectations, periodic and planned reviews of performance, planning and undertaking learning and development events. Also includes activities associated with recognizing and rewarding employees.
- **Workplace Management:** set of processes initiated by either an employee or manager, as a result of events/decisions made in the workplace. This includes activities associated with initiating and approving leave and overtime, establishing work schedules, addressing health and safety events and issues in the workplace, addressing accommodation requirements, managing grievance

and complaints processes, managing discipline and managing continuous employment.

The integrated HR planning will enable to ensure that all those HR processes, as stated above, proactively answer to the business needs, objectives and orientations.

The main objective of the Framework on Customs Professionalism is to provide a conceptual and practical tool aiming at supporting Customs decision-makers and capacity builders, who are involved in the reform and modernization of their organization's human resources strategic management. It participates at adopting HR implementation processes with a key focus on change and performance development.

The different chapters and sections are articulated around some of the main HR components. The themes and topics developed in the Framework are all linked to the implementation of the Competency-based approach in Customs and provide a framework to tackle strategic decisions applied to workforce planning and development. Even though the topical clusters are presented in a logical order, the WCO Framework on Customs Professionalism does not aim at enforcing a methodological approach through a linear implementation thread. The HR systems and processes' complexity is more adapted to non-linear models.

Based on each Customs administrations' context, legal and administrative environment, the conceptual framework can be adapted and enriched. The collected practices presented in the Framework's annexes, as well as in the on-line repository available on CLiK!, aim at providing complementary implementation perspectives promoting the establishment of specific and customized national HR processes.

