

**THE FUTURE OF HR:** Luca Solari, professor of human resources management at the University of Milan, spoke at a Strategic Capability Network (SCNetwork) event about how the HR function will be evolving through 2020 and beyond. For more information, visit [www.scnetwork.ca](http://www.scnetwork.ca).

## Ecology the better option

There is almost always merit to systematically rethinking past assumptions and practices in order to clarify a function's present and future value proposition.

According to Luca Solari, the time is now for HR to throw out old paradigms and figure out how it will adapt to the rapid changes taking place in society as a whole — the "context" in which it operates. Failing to do so will result in obsolescence.

To demonstrate the scope of the evolution required, Solari equated HR's current state to the field of geology, arguing persuasively that emulating the field of ecology would be more in keeping with where HR should be directing its energy.

Digging more deeply makes this connection clearer. Geology is about the study of what the earth is composed of and the processes by which it undergoes change, whereas ecology focuses on the study of the interaction of people with their environment.

In order to survive and thrive, Solari is suggesting HR go through a fundamental metamorphosis.

It should start by abandoning its long-time focus on organizational effectiveness through the application of traditional structural and change management practices, and moving to a more nimble role that embraces and leverages the dynamic nature of its relationship with the organization's current and prospective employees and the internal and external environments in which



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they operate.

There are companies already putting these kinds of changes into practice. Google, for example, has successfully challenged conventional HR policies and procedures in order to attract and retain the best by abandoning and completely rethinking accepted performance appraisals systems — a step Solari also counselled.

HR could also take a page out of the way wholesale transformations have taken place within other functions. A few decades ago, this kind of sweeping, rational change was applied to the way managers prepared their annual budgets.

It was called zero-base budgeting and, as championed by Peter Pyhrr at Texas Instruments, eschewed the widespread convention of basing the following year's budget on the

previous year's. Instead, managers were required to prepare their budgets without any point of reference, as if the last one didn't exist.

This provided an opportunity to look more strategically at the way business was being conducted, to rethink what had "always been done" and hone in on what truly was needed.

This made it simpler for senior leaders to decide on the best allocation of scarce resources among competing priorities. Additionally, it forced them to re-evaluate and justify the purpose of their function within the organization and identify alternative ways of contributing.

While this practice is no longer widely used, it presents HR with one option for how it might go about reconsidering its mission and relationship to organizational goals in order to play the more forward-thinking and valued role Solari envisions.

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