

## **2014 OCCASIONAL PAPER #10**

### **HR Resilience: The future of Human Resource Management in the Australian Security Industry**

This is the first in a series of articles written for the Security Solutions Magazine on HR resilience and the implications it has for the security and related industries in Australia. The term finds its origins in the current shift in thinking around business resilience in Australia, and although it could be just another trendy catchphrase to grab attention, it is not. It is a serious solution to a serious issue in the security industry in Australia, which is the effective management of its people. People management in terms of; workforce planning; focus on business strategy, values and mission; recruitment and retention talented people who are actually capable of delivering on mission, strategy and value attainment; effective and real performance management and reward system; training and development that is focussed on business strategy; and effective human resource information systems (HRIS) and the competent and effective management of those systems.

In this the first article, the term HR resilience will be discussed as will the reason it is important to business in Australia. The discussion will then progress to the skill base an organisation's HR manager must possess if he or she is to progress their organisation to being truly HR resilient. It will be demonstrated what the HR manager needs to know, what they need to do, and how they need to be regarded.

#### **HR Resilience**

To ensure your company is resilient to adverse activity from; employees, competitors or hostile external parties, a review and where necessary a restructure of your HR systems and processes must be conducted. Adverse activity from employees could include anything that is either deliberate or done out of ignorance or willful disregard of company policy or strategy. An example of deliberate action could be an employee who is planning to leave for a competitor and is collecting policy and training programs to take with them. Or a disgruntled employee facing disciplinary action and acting unethically to supply an external body such as a union or a legal representative with information to counter an internal investigation. Or the actions of a rogue employee who has 'turned' and is determined to inflict as much damage on the employer as possible before they are detected and dismissed. Non-deliberate adverse activity could come from any level of the organisation, but mainly from middle and upper level management where they have access to the policies, processes and procedures at a level that are actually able to influence and interfere with the strategy and mission of the organisation. An example is a supervisor who refuses to let subordinates attend training or who rosters staff outside industrial guidelines exposing senior management to industrial action or civil litigation. However the greatest threat to HR systems comes from those who are closest to them, such as the HR manager and his or her direct reports. If those people are

not competent or don't have the interests of the company, the vulnerabilities of any company's HR systems are quickly and brutally exposed.

Threats by competitors are the norm for any business. In the most cases they are easily detected and quickly countenanced, either through quick tactical manoeuvring, rapid damage control, or through the guile of competent managers and tactically savvy employees and supervisors. But what if the attacks are not detected, and the managers and supervisors aren't competent or well trained, or what if the attacks were centred on your internal HR or business systems and they aren't resilient enough to manage the attack. A responsive and competent CEO and Board could manage such a situation, but they shouldn't have to. It must be recognised that most systems, process and strategies in any organisation are people based. That being the case, the HR manager must accept responsibility and should have recognised the vulnerabilities and done something about them. If managers and supervisors weren't capable or vigilant, they should have been trained, rotated or as a last resort dismissed. A competent HR manager should recognise a system or process that is failing or vulnerable and do something about it. This is to say the HR manager should have redesigned and implemented the new policy or made appropriate recommendations to the CFO and CEO and participated in remedial action.

Attacks by hostile external parties may sometimes not be as evident or readily detected. This is mainly because these influences are not interacted with as regularly and therefore the vigilance of them is not as astute. However, if the internal systems were resilient and staff adequately trained, then the organisation should manage this activity easily. If it created an environment where staff at all levels are committed to the mission and strategy, and loyalty to the aims of the board and CEO are complete then employees closest to the attack and who are the first to detect and respond to the adverse activity would do so effectively and ethically. They would also report up the hierarchical chain and well trained and committed CEO, CFO and HR manager would respond in appropriate and ethical ways ensuring that systems were reviewed and staff adequately rewarded. The development of this environment is the responsibility of the HR manager, who trains employees and develops systems that are resilient and reward good behaviour. A competent HR manager ensures that the right people are in the right place and the right time and when they are, interference with supply chains, operations, and cyber security are quickly detected and responded to.

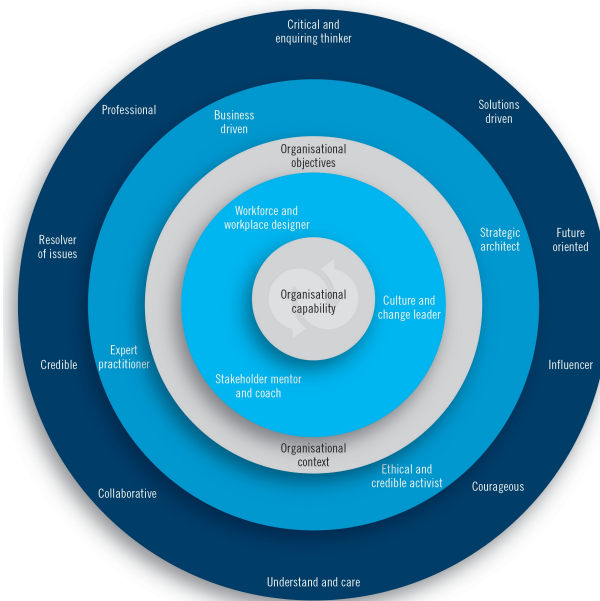
### **The competent Human Resource Manager.**

If the greatest threat to HR systems comes from the HR manager, then the skill base of that person must be exposed and if not up to standard they should be trained up, and if found not capable they must be moved or if not possible then perhaps removed from the organisation. The Australian Human Resource Institute's Model of Excellence (MOE) is the best tool to test the skill base and competence of a HR manager. The MOE was developed after consultation with industry and is graphic presentation what a competent HR manager should **know**, is expected **to do**, and what peers expect him or her to **be** or do in terms of behaviours and capabilities.

**The know;** a competent HR manager must be **business driven**; have strong knowledge of key business influences, of operations and key organisational drivers. The HR manager must understand and manage stakeholder needs and with the CEO and CFO to drive organisational performance. As a business driver, the HR manager must have a thorough understanding of legislative framework and effects social, technological, economic and demographic changes have on an organisation, and is able to anticipate the impact on their organisation. By being business driven the HR manager is able to respond appropriately to internal and external influences and their likely impact on workforce risk, governance, sustainability and organisational performance. The competent HR manager is also a **strategic architect** who is able to develop people strategy in line with organisational strategy that the HR manager has actively participated in. The human resource and business knowledge of the HR manager should be such that they are acknowledged as an expert **practitioner**, strategic **architect** and an ethical and credible **activist**.

**The do;** a competent HR manager should be part of the senior management team and be involved in the development of organisational culture that is goal and reward based and that drives the organisation to strategic success. The HR manager must create a competent, sustainable and capable workforce that has a culture of loyalty, performance recognition, and goal attainment. This is to say a culture that is focused on the organisational strategy and mission and is used to rewarding and being rewarded. As the HR manager drives the organisation into this culture, he or she must act as an important stakeholder, mentor and coach; capable of building and fostering relationships and partnerships with key stakeholders in order to ensure organisational capability.

**The expectations;** the reputation of the HR manager should be one of high competence and total recognition and commitment to the organisation and the organisational goals and strategies. Peers expect the HR manager to be a critical thinker who is capable of analysing data and situations in order to provide advice and make competent and strategic decisions that are focused on mission and goal attainment. The HR manager is also expected to be **solutions driven**, who focuses the organisation on business objectives, engages in continuous learning and improvement, who is expected to have the courage to negotiate outcomes as agreed to by the board and CEO and is focused on organisational strategy and mission. The HR manager's peers also expect the person to have the **capacity and competence** to develop positive and collaborative relationships with stakeholders, employees and all members of the senior management team. The HR manager should also be a member of a professional body preferably at a more senior level such which goes to credibility and demonstrates competence and commitment to continuous personal development. Finally the HR manager is expected to be totally **ethical** in terms of loyalty to the senior management team and organisation, and ethical in terms of organisational reputation and legislative and finance compliance.



## The AHRI Model of Excellence

In this article it was discussed what resilient HR is, and what the qualities and traits of a competent HR manager are. The next article in a series of four will propose a shift in thinking about the role of the HR manager and suggest that the position should be rebranded 'Chief Human Resource Officer' (CHRO) and sit with the CEO and CFO as a triumvirate at the top of organisation forming a solid link between finances and the "... people who produce them". This group of three, as discussed by Charan, Barton, and Carey (2015) In their article 'People before strategy: A new role for the CHRO' published in the July-August 2015 edition of the Harvard Business Review, is referred to as the **G3** and signals an intent by the CEO to move HR into the inner circle and contribute at the same level as the CFO. As Charan, Barton, and Carey (2015) state, "... the company stays on the rails by homing in on any problems in execution. It is the G3 that makes the connection between the organization and business results". A third article will discuss the various HR processes, policies and functions that are 1. Vital to the effective running of any organisation and 2. How they can be made resilient. The fourth and final article will then showcase small, medium and large security companies in Australia and demonstrate what resilient HR looks like in the security industry in Australia.

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