HR Quick wins for every Board

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Most Boards at this moment are seized with crafting survival strategies for their businesses. This is not an easy task considering how difficult it is for the Board to share the same vision. When people join Boards they join for various reasons. Others do it for prestige, political reasons, while others do so for good reasons; to help the business achieve its objectives.

While the Board of Directors is supposed to be furnished with information on how the business is operating in practice that is not normally the case. In some instances management decide what information to share and not to share. Most Board members only get to know about what is happening in the business when scandals are unearthed. It is not a bad idea to always have a forensic audit when a new Board takes over or when half of the Board members are new. There is serious filtering of information that goes to the Board by management in poorly run organisations that the Board members need to be curious and demand information on every facet of the business.

Below I list some of the non-regrettable actions the Board can take to save the business.

Clean up the payroll

There are so many hidden costs related to remuneration that are often abused. The use of motor vehicles, fuel allocations, per diums, school fees holiday etc. In the current circumstances some of the remuneration items do not make sense at all. Do a full remuneration (covering salaries and all benefits) audit and do away with things that are not supporting your business in the present circumstances. For managerial employees upwards put them on total cost and let them decide what they want to do with their earnings. You cannot stick to a policies that are bleeding the business of money simply because that is the way you have always done it in the past. Every human resources policies must be checked for alignment with where the business is going.

Remove unnecessary roles and reporting relationships

During good times many organisations create roles that after careful analysis may not be necessary. Below I outline roles that you may need to revaluate in the context of where your business is going.

Chief Operating Officer

This role is necessary when the business is growing and the current CEO cannot handle the large entity that is growing profitable. However in the majority cases you may find this role is created when the current CEO is not performing to the standard required by the Board. Instead of being blunt and tell the CEO that they are not up to the right standard Boars tend to hide behind this role. If this role is not clearly defined you may find that there is conflict between the CEO and the Chief Operating Officer. If the role of Chief Operating Officer is created as a succession strategy for the CEO role, which is noble, it should not last for more than three years. In some instances this role has a one on one reporting structure with CEO, making one of the two positions redundant from structural point of view. The trend globally has been that few organisations are holding on to this role and are deliberately eliminating this role.

Senior

Talking to those that have such structures the main reason for such titles is that they want to promote career growth. However such thinking is a luxury that should be reserved for good times. You must banish this notion that career growth only comes through titles. Sustainable career growth comes from broadening the job horizontally and vertically.

Assistant

The Question is assisting who? Why not give them a correct title and a full job description that goes with a full job. Some come up with such titles in order to avoid rewarding people for a job that they are doing that is at a higher level.

Special Projects

This s “useless title” for politically charged organisations. To balance the politics such titles are created to accommodate individuals who have fallen out of favour with the political establishment at that time. Clever people should know that when they are elevated to that title, they have been put on notice.

Reduce the number of acting positions

A trend that we have noticed in our human resources practices survey is that there are so many people in acting positions for too long especially in state enterprises. This a sign of a weak Board that cannot take decisive action on matters that seriously affect the performance of the organisation. The Board should work with a maximum 3 months acting period. At any given point you should never have more than three executives in an acting capacity. It affects decision making and creates serious anticipatory behaviour on the part of those acting.

Relook at the Executive Team

It’s not easy to entrust your turnaround with the same people who have brought the organisation to where it is; near collapse. You may need to bring in a new team of executives and let those who are responsible for the decline in performance of the business leave amicably. I have not heard of successful turnarounds that are led by the same people who engineered the failure in the first place. In pre-emptive restructuring where you are changing course but the business is still very sound and you believe the current team can do the job, it’s important to stay with the same team.

When you decide to restructure do it quickly to avoid creating unnecessary anxiety for your stakeholders. Restructuring is the norm now. If you are not restructuring now it means your business is doing well or you will not survive as a business. Implementing a restructuring program too late is a sign of a very weak Board.

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