



# HOW FINANCE AND HR LEADERS PARTNER **TO STRENGTHEN THE WORKFORCE IN TIMES OF CRISIS**

**AGILE ORGANIZATIONS BUILD TEAMS  
WITH REVENUE-GENERATING SKILLS  
FOR THE LONG HAUL**

### SPEAKERS



**Max Caldwell**

Principal and Leader, People and HR  
Transformation Practice  
The Hackett Group



**Jeff Nourie**

Principal, Strategy and Business  
Transformation Practice  
The Hackett Group

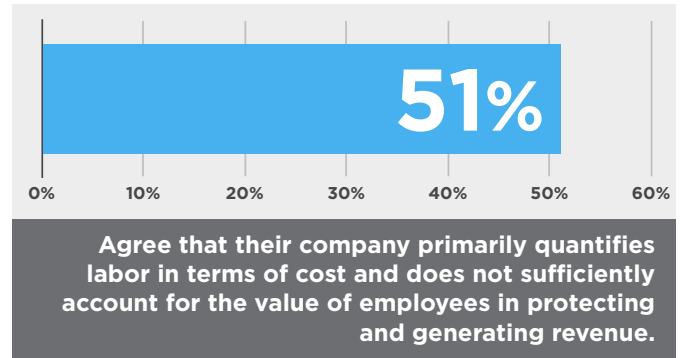
During times of crisis and prolonged uncertainty, finance and HR leaders may find it easiest to quantify labor in terms of costs without considering how employees' skills contribute to a company's ability to generate and sustain revenue. But the companies whose workforces emerge strongest from crises are those where both finance and HR leaders have the information needed to recognize the value of the skills and experience each employee has to offer.

“Even in unprecedented times, it is important to maintain a long-term view of labor and other costs,” said Max Caldwell, Principal and Leader, People and HR Transformation Practice, The Hackett Group, on a recent Workday-sponsored webcast.

Caldwell noted that organizations must consider a variety of ways to manage costs, such as furloughs over layoffs. “Companies must also look beyond salary as they weigh options for managing costs and reducing staff.”

“As horrible as any crisis is, it can be an opportunity to accelerate efforts to enhance productivity, embrace new ways of working, from automation to agile organization design,” Caldwell said. “You need to have people with multiple skills so that decisions we may make in the short-term aren’t going to inhibit growth as we come out of what may be a very difficult next few months.”

A poll of webcast attendees revealed that about half (51%) said that their company primarily quantifies labor in terms of cost and does not sufficiently account for the



Source: live webcast audience poll, 5/12/20

value of employees in protecting and generating revenue.

“There are obviously some clear and historical shortcomings of blanket cost-cutting initiatives, and that cost eventually creeps back into the organization,” said Jeff Nourie, Principal, Strategy and Business Transformation Practice, The Hackett Group.

That said, Nourie noted that many companies will experience fundamental change as a result of the current health crisis, “They’re probably looking at a permanent or at least long-term change in their revenue stream as a result of their underlying cost structure.”

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Principal, Strategy and Business Transformation Practice, The Hackett Group**

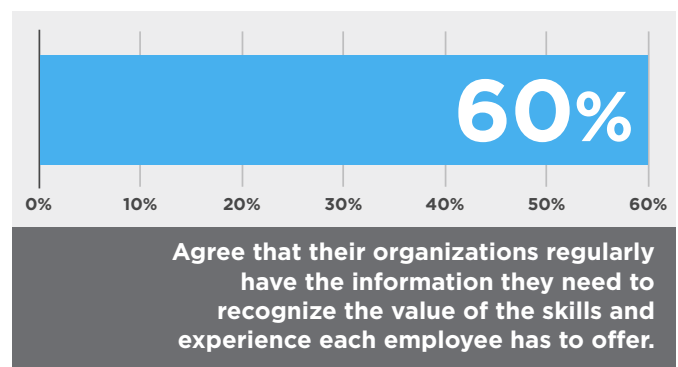


## LEARNING FROM ONE ANOTHER

“HR and finance can become better aligned to address an uncertain future when it comes to assessing scalability and agility,” Nourie said. “It really does come down to having the right skills at the right places in the organization.”

On a positive note, the majority of attendees (60%) said that their organizations regularly have the information they need to recognize the value of the skills and experience each employee has to offer.

Nourie suggested developing centers of excellence around skills that are critical to your organization, such as risk management or legal processes. “You



Source: live webcast audience poll, 5/12/20

have to look at which skills are critically important to getting the work done that perhaps in times like these lend themselves to economies of scale or provide some variability to your workforce.”

Caldwell added HR can complement finance in serving the broader organization, “It is a matter of having a more strategic view of all of the factors that drive organizational effectiveness.”

Leadership is essential for a high-performing organization, Caldwell noted. “HR can help finance broaden the way it looks at organizational effectiveness.”

HR can also benefit from the perspective of finance leaders. “HR can look at advancing talent through the organization with skills that will enhance customer satisfaction and retention, and ways to embed continuous

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improvement behaviors,” Caldwell said. “Finance leaders think about these things in ways that don’t necessarily come instinctively for HR leaders.”





## FINDING THE RIGHT TOOLS

The concept of skills-based talent management and recruiting are not new, but workforce management and planning systems can help in assessing the company's current skills and the capabilities needed for the future.

“One area I think that HR and finance could really add tremendous value to each function is current workforce analytics,” Caldwell said. “The ability to glean insights from the immense amount of data that we’re not able to collect through integrated HCM platforms, for example, to create a standardized methodology for measuring people in the organization in different roles.”

“Talent acquisition platforms, learning and development platforms, other kinds of deployment platforms provide open markets for talent and skills, even among networks of companies,” Caldwell said. “Transparency provides a much better line of sight across the organization. Individuals that have the requisite experience and skills to be suitable for certain assignments, let’s say, or certain

projects, or certain roles, even if they are coming from outside the traditional track into those roles, is really important.”

Assessment is another key attribute of the tools to help HR and finance collaborate, Caldwell noted. “I think an individual’s ability to self-assess and the organization’s ability to assess individuals—really get as good a grip as they can on someone’s competencies, their proficiencies—may be used for selection purposes, or it may be used for development purposes or some combination of the two.”

Workforce planning is another critical tool for HR and finance, Caldwell noted. “The ability to view workforce planning through a skills lens and not just a headcount lens, and not only from a technical skills lens, but the broader attributes that we’re really looking for from individuals, managers, and leaders in terms of things like empathy, collaboration, the ability to manage complexity, and the ability to adapt quickly to different environments and culture.”

## CONCLUSION

There are limitations of a cost-focused approach to workforce management, and that becomes especially apparent when dealing with a crisis and strategizing for the new reality of business as businesses emerge. A strong relationship between finance and HR can help organizations look at the skills.

### KEY TAKEAWAYS FROM THE WEBCAST:

- Finance can learn from their counterparts in HR about how to refine definitions of roles, and profiles of skills that correspond to these roles, to reflect limitations and opportunities that arise during a crisis.
- HR leaders can learn from their colleagues in finance about how to quantify the value of employees' skills not only in protecting revenue but also introducing new ways to generate revenue.
- Finance and HR leaders can combine their expertise while applying the latest advances in technology to implement a skills-based approach to workforce management that bolsters a company's immunity to subsequent crises.