Human Capital Leadership: The Extent to Which County HR Directors Act as Partners and Sources of Leadership

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Introduction

Since the advent of public administration as a discipline, the question of how best to manage government workforces has been of central concern (Van Riper, 1958; Mosher, 1968; Ingraham, 1995). Human resource management (HRM) studies for the predominance of the twentieth century focused on such topics as the shifting locus of power in public personnel administration (centralization in a single personnel office versus decentralization to department level), the various competing values that needed to be balanced in selecting and evaluating the performance of public employees (e.g. political responsiveness versus neutral competence), the specific techniques associated with public personnel administration (e.g. recruiting, testing, compensation, pay for performance), and strategies for motivating and rewarding public employees (for comprehensive reviews of this research see Riccucci & Naff, 2008; Dresang, 2009). These studies viewed managing people as being process oriented, focusing more on how to administer the personnel function rather than examining and fostering the demonstrable impact that people have on the accomplishment of organizational goals.

Based on research in the private sector, there is growing empirical evidence supporting the fact that HRM practices have a direct impact on organizational performance (Ulrich, Brockbank, Johnson, Sandholtz, & Younger, 2008; Lawler & Boudreau, 2009). However, the recognition that the HRM function can impact the strategic direction of public organizations and the overall performance of these organizations has been a more recent shift (Daley, 2002; Selden, 2009). This approach to HRM, referred to as strategic human capital management (SHCM)\(^1\), is a

\(^1\)The terms strategic human capital management and strategic human resource management are often used interchangeably in the HRM research. Selden (2009) argues that SHCM arose from SHRM, with both sets of research integrating the concepts of strategic planning and human capital management into an overall process of managing people to direct them toward the accomplishment of organizational goals. For the
way of managing people that is built upon the idea that “people, or the human capital of an organization, can play a strategic role in the organization’s success” (Selden, 2009, p. 15). Studies of public employment at the federal, state, and local levels in the United States have begun to advocate for the adoption of this approach and have documented particular patterns of change (Crumpacker & Crumpacker, 2004; GPP 2009; Selden 2009). However, more research is required to understand the process by which human resource (HR) departments in government change the culture of how people are managed and how these departments exert a leadership role to connect human capital with organizational goals to improve the performance of government.

This research contributes to ongoing dialogue on the need for HR departments to adopt a strategic leadership role in the accomplishment of public purposes, examining the adoption of the principles and practices of SHCM at the county level. Drawing on qualitative data from 40 counties in New York and North Carolina, this research addresses the following question: to what extent and in what ways are local government HR professionals playing a strategic leadership role? This question focuses on the process by which HR professionals can move from a process oriented approach to a strategic approach, and in so doing take on a leadership role in relation to both the human capital of a government unit as well as the overall strategic direction of the government. In answering this question, this research also explores the implications of how local governments are embracing the principles and practices of SHCM for future HRM practice and research.

This study deepens understanding about both leadership and HRM in government by investigating the role that HRM managers are playing in the strategic direction of county government. Findings reveal that the adoption of SHCM is an on-going process for the county

sake of clarity, this research uses the phrase strategic human capital management, afterward referred to as SHCM.
governments examined. The extent to which HRM professionals play a strategic role depends on: the view of the HR function by top leadership, the organizational level capacity of the government entity to engage in strategic thinking, planning, and management, and the capacity of the HR director to engage in strategic thinking about the role of HR in the government. This research presents five models of implementation across these governments. In our discussion, we discuss the factors that can could facilitate or inhibit the implementation of SHCM. We also highlight future research questions that are important to answer in order to move SHCM at the local government level from an aspirational pursuit to common management practice.

**Strategic Human Capital Management**

In order to understand SHCM, it is important to understand how this approach to the HR function is a departure from previous methods of managing people in government. The traditional civil service system in government emphasizes routine and structure, creating a system of classified jobs where separation between positions is clear and positions are arranged in a strict hierarchy of authority (Van Riper, 1958; Mosher, 1968; Ingraham, 1995). In the traditional civil service, the focus is on matching people with the right jobs and having those individuals accomplish the specified job duties rather than exploring individuals’ particular competencies and capitalizing on these competencies. While the challenges associated with civil service have been well documented, this system has been preserved for many years because it possesses certain benefits that can help government accomplish its business. Having standard procedures in place for managing people promotes equity in how people are treated in the workforce, a value of great importance in government. In addition, the focus on regulation of the
personnel function did assist governments in promoting political neutrality, insulating public employees from partisan political pressure.

HR departments have evolved significantly since their inception in the late 19th century, yet have maintained the critical role of negotiating competing demands:

Historically, personnel departments were created in the late 19th and early 20th centuries to oversee maintenance and compliance. Because personnel departments were held responsible for ensuring that maintenance was carried out according to the principle of merit, stakeholders were buffered from elected officials who might wish to tamper with selection, compensation, and classification. (Straus, 1993, p. 387)

While the traditional approach to managing people in government had some benefits, the emphasis on administration of HR policies and regulation of the personnel function prevents this system from fully viewing public employees as valuable assets. Challenging conventional views, there is a growing movement toward viewing human resources as assets in which government should invest. Adopting the view of personnel as human capital is the first step in moving toward a strategic approach to HRM. Central to this approach is the recognition that people are central to the accomplishment of organizational goals.

Over the last two decades, there has been a call for a transition from traditional personnel administration to SHCM, recognizing that HRM should be a strategic partner with management because HRM can help organizations achieve their strategic and organizational goals (Daley, 2006; Pynes, 2009; Selden, 2009). HR scholars have argued that HR departments are undertaking a transformation of roles: first changing from a role that was focused primarily on administrative functions (such as payroll, compliance and record keeping), to a more operational role, and finally to a role which is largely strategic (Selden & Jacobson, 2003; Nigro, Nigro, & Kellough, 2007; Daley, 2006). Historically, the majority of an HR department’s time was spent on day-to-day operations. Over time, HR departments have expanded their functions in response
to both internal requests for program development and service needs as well as to customer
demands. In this transition, HR departments began to assume a greater operational role, in which
these departments began to offer an array of personnel services and began to have a greater focus
on short-term tactical goals. This transition has led more sophisticated HR departments to move
into taking on a leadership role in SHCM. As Selden and Jacobson note “[t]he role of HRM
departments us changing from a narrow focus policing the merit system and rules toward a
broader focus that emphasizes collaboration and partnership with leaders and managers to
achieve organizational goals.” (2007, p. 83).

In exploring HRM in a leadership partnership with other units in a government,
understanding both the functions associated with this role and the competencies required of
HRM managers to make this transition from compliance oriented HRM to strategic HRM is
essential. There may be variations depending on the needs of a particular government unit in
terms of the functional requirements associated with SHCM. However, this process generally
requires that agencies develop an overall strategic plan as well as a human capital plan that
integrates the workforce requirements with the goals identified in the strategic plan. According to
Tompkins (2002), the alignment of personnel policies and practices with an organization’s
strategic objectives is the core requirement of SHCM. As Bratton (2002) notes, “Strategic human
resource management is the process of linking the human resource function with the strategic
objectives of the organization in order to improve performance” (2002, p. 37). The general
operational steps of this approach include: 1) identifying the strategic direction of the
government unit, 2) analyzing the workforce requirements to achieve this strategic direction, and
3) developing action plans associated with the HR function that will help achieve the overall
strategic goals of the department.
SHCM requires a new way of thinking about the functional requirements of the HR department. As departments or agencies take on more strategic roles, they may need to relinquish other responsibilities and/or determine ways to balance traditional administrative functions with their new strategic role. HRM departments likely will still be involved with administrative functions such as payroll and record keeping, responding to problems and requests, and developing new programs. However, they may need to rethink how they manage these responsibilities when taking on new leadership roles in the government as a whole, including such strategies as decentralization or contracting with other internal and external entities to fulfill core functions. Under this model, the HR department focuses on examining what HRM brings to the government as a whole separate from the administrative functions of the department. SHCM therefore may require some education of the various leaders in the government unit in order to facilitate this transition from administration to operational and strategic assistance.

In addition to changes in the functions of the HR department, adopting a strategic approach to the HR function requires the development of new competencies on the part of HR managers. Ulrich and Brockbank (2005) assert that “for the last decade, HR professionals have aspired to be more complete players relative to the core issues of the business, as described in a number of phrases: business partners, strategic players, full contributors, players in the business, and so forth” (p. 4). Required competencies for a strategic HR function include: 1) assuming the role of strategic partner by collaborating with management, participating in the management team, and sharing accountability for the results of the organization, 2) acting as a leader by ensuring that the HR department upholds public values and by advocating for employees, and 3) being a change activist by showing the need for change, facilitating that change, and getting the government as a whole to recognize the need to build strategy and adaptability into the

A key question for scholars is how these changes in the functional role of HRM and the required competencies of HR managers in the strategic model of HRM have influenced the HR function at the local government level. Drawing on results from the evaluation of municipal, county and state government HR systems, Selden and Jacobson (2003) found that the shifts along the continuum in city and county governments have been slower than observed in states. This paper continues this examination by exploring how HR functions at the county government level. It specifically focuses on the role of HR directors in the strategic planning process of the county government and the degree to which these HR directors are exhibiting strategic leadership. While this study is exploratory, the findings demonstrate that change is occurring at the local government level in the HR function but that strategic leadership in HR is still not commonplace.

Methodology

To learn about the HR professionals’ strategic leadership in county government, county HR directors were interviewed in North Carolina and New York. North Carolina and New York represent useful states in which to explore HRM at the county level, as these states differ in terms of political culture, the civil service laws at the county level, and the role of collective bargaining and union activity in the public sector. A total of 40 semi-structured interviews with county HR directors were conducted from August 2010 to December 2010: 20 interviews in New York and 20 interviews in North Carolina. County HR directors were randomly selected and interviewed from counties with a workforce of 500 employees or greater. Counties located in
New York City were excluded from the sampling frame because the size and function of
government in these counties is on a different scale compared to the other counties in New York
and North Carolina. The sampling frame was also limited to counties with a workforce of greater
than 500 employees to ensure that the workforce would be of sufficient size to warrant a need for
a county-level HR director position with relevant HR functional responsibilities.

The HR directors described their department’s role in the strategic planning process in
their county as well as assessed the extent to which their county manager viewed HR as a
strategic rather than as a support function. In addition, the HR directors were queried regarding
their professional background including: their educational experience, their career history, their
professional licensures and certifications, their attendance of professional conferences and
trainings, and their affiliation with professional HR associations. Tables one through four
summarizes the backgrounds of the respondents.

<table>
<thead>
<tr>
<th>Table One: Respondent Years of Experience</th>
<th>Table Two: Respondent Title</th>
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<tr>
<td>n=37</td>
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<tr>
<td>Percent</td>
<td>Percent</td>
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<tr>
<td>Less than 5</td>
<td>Personnel Commissioner 2.5</td>
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<td>6 to 10</td>
<td>Personnel Director 22.5</td>
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<tr>
<td>11 to 15</td>
<td>Civil Service Director 7.5</td>
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<tr>
<td>16 to 20</td>
<td>HR Commissioner 5.0</td>
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<tr>
<td>21 to 25</td>
<td>HR Director 62.5</td>
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<td>26 to 30</td>
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<td>30 and more</td>
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<td>100.0</td>
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<tr>
<th>Table Three: Respondent Time in Position</th>
<th>Table Four: Respondent Private Sector Experience</th>
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<tr>
<td>n=39</td>
<td>n=40</td>
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<tr>
<td>Percent</td>
<td>Percent</td>
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<tr>
<td>Less than 5</td>
<td>No 55.0</td>
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<tr>
<td>6 to 10</td>
<td>Yes 45.0</td>
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<td>11 to 15</td>
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<td>16 to 20</td>
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<td>21 and greater</td>
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Data was also gathered on the number of county HR staff, county population, county workforce size, and whether there are HR staff housed in other county departments. In addition, descriptive information on each HR department was gathered, including the name of the department and the title of the supervisor or head of the department.

<table>
<thead>
<tr>
<th>Table Five: Population</th>
<th>Table Six: County Workforce Size</th>
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<tr>
<td>n=40</td>
<td>n=40</td>
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<tr>
<td>Percent</td>
<td>Percent</td>
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<td>Under 750</td>
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<tr>
<td>25.0</td>
<td>32.5</td>
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<tr>
<td>75K to 124,999</td>
<td>750 to 1249</td>
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<tr>
<td>30.0</td>
<td>32.5</td>
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<tr>
<td>125K to 174,999</td>
<td>1250 to 1749</td>
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<tr>
<td>15.0</td>
<td>7.5</td>
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<tr>
<td>175K to 224,999</td>
<td>1750 to 2249</td>
</tr>
<tr>
<td>10.0</td>
<td>7.5</td>
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<tr>
<td>225K and above</td>
<td>2250 and above</td>
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<tr>
<td>20.0</td>
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All interviews were recorded and transcribed, and data were analyzed using the qualitative data analysis software QSR NVivo (Version 8). The data analysis process included both deductive and inductive approaches and was conducted in several phases. Coding definitions were developed in order to ensure consistent usage. The transcripts of each interview were read by the research team and an initial deductive coding structure was developed, focusing on the questions relating to the role of the HR department in the strategic planning process and the degree to which the county manager viewed the HR department as being strategic. This coding structure was used to analyze each interview transcript, with the research team comparing initial coding of the documents and revising the coding structure based on the common understanding of the main research question and how this was reflected in the data. Both pattern-matching (Yin, 1994) and memoing (Miles & Huberman, 1994) were used as part of the data analysis. The following section presents the findings from this analysis, along with a discussion
of the descriptive data on the county HR departments. We use these data sets to assess the strategic HR leadership demonstrated in these counties as well as the characteristics associated with this leadership.

This study’s research design enabled the research team to collect rich qualitative data on the role of HR departments in the strategic planning process. Data was collected in two states with different political cultures, policies, and levels of union involvement which increases the external validity of our study findings. However, there are some limitations to the research design. As stated, this research is exploratory, relying on the perceptions of the HR managers interviewed to build these preliminary models of SHCM implementation. Therefore, these models need to be explored in future research, with more precise measures of functional and leadership concepts. In addition, the data is based on self-assessments, and the HR directors’ assessment of their role in the strategic planning process may be more positive than an outside observer’s assessment. To minimize the threat of social desirability bias, confidentiality was guaranteed to all interviewees. When appropriate, probes were used to explore whether the participation in the strategic planning process reported by HR directors was merely superficial or represented a deeper level of involvement.

Findings

Exploring the HR function across these 40 county governments, the analysis focused on the presence or absence of many aspects discussed in the research on SHCM. These aspects included: (1) whether the county government had an overall strategic planning process and (2) the role of the HR department in this planning process. Examining patterns across the forty
counties, five different models of the HR functional role in county government were identified, based on the following characteristics:

1. Is there a strategic plan at the county level? Scholars have maintained that a strategic plan is a necessary condition for SHCM, as organizations need to have clear goals in order to plan for and connect human resources to those goals and assist in their achievement (for a summary of the research see Selden, 2009). Therefore, if a county government does not have a strategic plan, it fundamentally has more work to do before it is possible to have true SHCM.

2. Does the HR director demonstrate recognition of the strategic role HR can play in county government? For a HR department to engage in SHCM, the director of the department must demonstrate strategic thinking; they must embrace the understanding that HR is integral to the accomplishment of county business and adopt a leadership role in furthering this understanding across the government. In order to facilitate HR being seen in a strategic leadership role, the HR director needs to communicate how HR planning and management is inherently interwoven into the functioning of the government as a whole to key county stakeholders. Therefore, the overall leadership of the HR department needs to be examined. Does it have a strategic leader? How does that leader convey their understanding of the HR function as strategic?

3. How do the leaders at the county level view or understand the HR function? While the HR director may be engaging in strategic thinking and management, even the strongest advocate is going to be unsuccessful if their message is not being heard. In order for the HR function to become strategic, there must be leadership outside of the department—the
county executive or manager must view the HR function as required in the broader strategic development and management of the government.

The following discussion presents the five models of SHCM implementation observed in county government. These models vary along these three dimensions, dimensions that can also be viewed as encompassing two underlying constructs: functional capacity and personal leadership attributes. These relationships are represented in Figure 1:

**Figure 1: Components of SHCM**

![Figure 1: Components of SHCM](image)

**Model One: Traditional Personnel Structure**

Across the forty counties, there were three counties that were characterized as having traditional personnel structures. The HR director and county leadership demonstrated little recognition of HR’s role in establishing the strategic direction of the county and little indication that changes to this method of operating were forthcoming or even possible. Across these three counties, the HR department was viewed purely as a support function. The county manager in these counties did not include the HR Department in the planning process (if there was one), and
these departments are solely used for the traditional administration of personnel policies. In addition, the HR director lacked the interest, capacity, or foresight to see this transition as a part of their role. In these cases, the traditional personnel administrator role with a focus on compliance and enforcement were strongly embedded in the HR department. The possibility of changing the role of the HR department appears unlikely under the current HR and executive level leadership.

**Model Two: Traditional Support Department but Growing Recognition of Strategy**

Five additional county HR departments were classified as having traditional personnel structures, but demonstrated some important differences from those classified in Model one. In these counties, the HR department is not involved in the strategic planning function, but the HR director has recognized that this is problematic; there is a growing recognition on the part of the HR directors in these counties that HR department should be involved in the strategic planning of the county and that HRM could contribute more the overall leadership of the county. While these HR directors understand that HRM can contribute to the accomplishment of the strategic goals of the county, they recognize that there are barriers to their department playing a strategic leadership role.

In all five of the counties classified as Model two, the HR directors indicated that key stakeholders did not fully appreciate how HRM could contribute to the broader strategic development and management of government. For example, one HR director indicated that HR’s historical function has prevented county leadership from recognizing what HR can contribute to the strategic planning process. The respondent stated:

I think HR has been neglected as its own organization and what is can bring to the larger organization. Because of the history, it was seen as paper pushers. I have been telling my staff that we are the example of what employees should be for the entire county. We are
what customer service should be for the entire county. We can have a strong leadership role.

Implementing SHCM requires cultural change in reference to how people understand this functional role—it requires changing people’s perceptions of HRM as simply payroll and benefits administration to an integral management function that is at the core of achieving the overall purposes government. This example demonstrates that it is not enough for the HR director to realize that HR can play a leadership role; county leadership’s views of the HR function must also change. Still, it is a promising step for the HR director to both recognize the value of SHCM and advocate for its adoption.

HR directors from two of the counties classified as Model two also indicated that politics limited their department’s ability to play a more strategic role. In these counties, politicians control the strategic planning process. One HR director commented:

I feel I have been involved in strategic planning only on specific topics or programs. In a general way, I am not involved in strategic planning. In an overall business sense, I am not involved in it. I think the legislature and county administrator, that’s what they do and that’s what they like to do.

Adoption of SHCM may be particularly challenging in these two counties. The transition would not just require changing the way the HR function is viewed by county leadership but also changing the balance of power between politicians and civil servants in the strategic planning process.

**Model Three: Governmental Strategy Deficit but Strategic Leader in HRM**

In another four counties, the HR directors demonstrated significant strategic thinking and action, but the county government as a whole lacked strategic planning capacity. Having a strategic plan is a necessary condition of being considered a government that is able to engage in SHCM, these four counties could not be classified as fully adopting SHCM. However, these
counties demonstrate changes in the HR department that could eventually influence the strategic direction of these governments. In these governments, the HR director works closely with the county leadership on key management decisions, and the county leadership views the HR department as having a role in setting and supporting strategy. However, these governments are not doing systematic strategic planning, therefore lessening the possibility that this strategic thinking and discussion is connected to concrete goals for the government as a whole. As illustrated in the following response, the HR director plays an active leadership role and the HR function is transitioning:

I’ve seen it both ways, and I would say in X County the County Manager looks at it as a strategic partner because I think he understands the importance of it’s the people that help make you successful. The HR Director is part of the management team... He and I speak on a daily basis as well. This is an organization where I felt a part of the management team, I’ve been in organizations where HR was just an area that kept paperwork flowing and kept employees happy but I see a bigger role for HR here in X County.

However, the county lacks a strategic plan which ultimately limits how strategic the HR department can be.

The promising aspect of these cases is that the HR directors are positioned to be able to quickly make a more complete transition when the county starts to undertake strategic planning efforts. These departments may not just participate in future planning efforts but may also actively promote the importance of adopting a county-wide strategic planning process. In terms of adopting broader strategic planning, respondents expressed interest in seeing their counties work on strategic planning, with one having arranged for training while the others indicated dismay in the lack of planning.

**Model Four: Expert Consultant in Strategic Planning Process**

Across the forty county governments, twelve governments demonstrated what could be described as nascent SHCM, where the HR department is involved in the strategic planning
process of the county but with clear boundaries on their inclusion. In these governments, the HR director is involved the strategic planning process, but in a role more accurately described as expert consultant rather than as a full partner. The HR director may be asked to provide advice concerning the impact of strategic goals on existing positions, to collect data to help justify strategic goals, and/or to talk about the associated HR requirements of particular goals. However, the HR director, rather than being a full partner in these discussions, is used more as a resource, similar to the use of a county attorney to approve new policies. As one New York director noted:

I sit on the executive staff and we talk about strategic planning and areas that affect employment. We have different strategic planning groups. But if it involves employees, then I am involved in development of those plans. Whether it’s retirement programs, change in benefits, health insurance, I sit in on those planning sessions.

Similarly, a North Carolina HR director highlighted:

We’re very involved, not at the top. This County Manager brings us in on a lot more than the prior manager. He doesn’t have a senior manager group. I’m not in the group that develops the comprehensive plan for the county. There may be something in there that is HR related, and I’m brought in on that. Anything that happens in the county where the manager believes it is an HR issue, he comes to me.

For many of the HR directors, they have witnessed the transition a more strategic role. Some of the HR directors classified in this model appear ready to make the move to being full partners while others still seem hesitant of taking on these additional responsibilities. In some cases, full implementation of SHCM may be still stymied because other key stakeholders do not view HR strategically or because the HR department lacks capacity to assume a more fully strategic role.

**Model Five: Strategic Human Capital Management**

Finally, sixteen of the forty counties examined demonstrated SHCM in terms of how they operated their HR function and how their HR function contributed to the broader strategic planning and direction setting of the government. In these governments, the HR director is a
central figure in the strategic planning process, and the input of the HR director is viewed as critical by county leadership. As part of the strategic planning process, the HR director is a key participant in conversations about HR needs for accomplishing strategic goals as well as in conversations about topics that are not solely within the purview of the HR department. Although the HR director is integral in the strategic planning process in these counties, these departments were still simultaneously delivering many of the traditional administrative functions of a HR department. In Model five compared to other four models, there is a greater balance between the strategic and support roles of the department rather than the department focusing primarily on the support function.

Respondents in this category all felt that they had a full “seat at the table” for management meetings. However, there is still considerable of variation among the counties that were classified as demonstrating SHCM. A small subset was completely integrated into the strategic process while others were still developing their role as a strategic partner and their relationships with the rest of the management team. For example, several of HR directors recognized that this more strategic role was still new to them and to others, and it requires work to develop the needed relationships. As one respondent notes:

We’re very involved. We definitely have a seat at the table. That is not something we had three, four years ago. We are there through the entire strategic planning process and budget planning process. They look to us to help support whatever strategy is being developed. We get to make comments and provide the board with suggested direction. We are fortunate because that’s not necessarily the norm. We have been fortunate to earn that respect and trust and hopefully we’ve made some impact.

In implementing SHCM, some HR directors recognized the need to advocate for the transition. Quinn, Faerman, Thompson, and McGrath (2003) highlight the importance of the broker role for leaders. In some counties it is clear that HR directors have undertaken such a role. For example, one HR director commented:
We are always at the table when top level managers in the county are together. We are always there. The commissioners call on us quite often. Several people have asked how I was able to swing that, and I said you have to let them know how valuable you are. I’ve attended SHRM [Society for Human Resource Management] conferences and told them things in my role and they want to know how we got to this point. You have to share your knowledge base and it becomes a natural thing for managers.

While in some counties the HR professionals have actively made the case for change and for an increased appreciation of their role, the impetus for change was the county manager in two counties. In one of these situations, the county manager had previously worked in the private sector and was a key proponent of SHCM. According to this HR director:

He [the county manager] very much uses us as a strategic function. One of the differences with this County Executive as opposed to the previous County Executive is he is a guy who was an extremely successful businessman from the area who came in and ran this place like a business. Much of that surrounds changes being made in HR.

Many respondents emphasized the critical impact that HR has on a county’s financial position and overall performance and believed this close relationship was the driving force for their inclusion and role with the management team. In the words of one HR director:

From a cost standpoint and operational, it comes down to bodies and we manage those bodies so I’m at the table for every major decision that’s made in the County Executive’s office.

Another respondent noted: “I’m relied on for almost all strategic matters because all decisions involve personnel in one way or another.”

In other cases, HR directors believed that the SHCM their county demonstrated was the result of relationships they had formed themselves. In these cases, the directors had long tenures within their county and had developed strong working relationships with key stakeholders. One HR director commented:

We are very much involved in everything. There isn’t much that goes on in the county that I’m not involved with first hand. My assistant does supportive type work, day to day stuff. I’m in meetings constantly. I’m on the budget committee so I’m involved with departments coming in and reviewing them before they are approved. Any HR personnel
policy I’m involved with proactively, ethics, corporate compliance. Before positions are approved by board resolution, I’m involved in that process. I’m involved with the new IT Director, testing new things he’s involved with. So those to me are all elements of moving forward strategic or otherwise so I’m involved and leaned on heavily by the board of supervisors.

In addition, two of the interviewees were serving dual roles as assistant county manager and HR director. Both credited this arrangement for the integral roles they have played in strategic planning in their respective counties.

The extent to which the HR directors are integrated into the strategic process and the impetus for the transition to SHCM varied in the counties classified in this final model. However, the key commonality across all of these counties is that they are, or are close to being, partners with the rest of the management team and play a crucial role in helping their counties to think and act strategically.

**The Association between Background Characteristics and Model Classification**

Results indicate that there is clear variation in the extent SHCM has been implemented in county government, ranging from no strategic role for the HR director to a full strategic partnership between the HR director and county leadership team. The manner in which these partnerships are structured, developed, and impact government operations varied across these cases. When these models are compared to other relevant factors, such as unionization, the directors’ previous experience, and length of service, some interesting patterns emerge.

Unions play a powerful role in the management of human capital in county government in New York. A consistent theme across the New York interviews was the importance of working with unions as a partner in HRM, regardless of a county’s classification in the five models. In contrast, unions have minimal influence in North Carolina due to statutory limitations which outlaw North Carolina counties from entering into contracts with unions. While unions...
can be the focus of criticism and viewed as barriers to innovations in management, this research found that the distribution of New York and North Carolina counties across the five model types was almost identical. This suggests that unions do not appear to inhibit the adoption of SHCM (see Figure 2).

We also examined whether there was an association between a HR director’s previous experience in the private sector and their county’s classification in our five models. The private sector has been the leader in the SHCM transition and has been at the forefront of making the case for HR departments playing a more strategic role (Ulrich et al., 2008; Lawler and Boudreau, 2009). Given that the private sector has been ahead of the public sector in the adoption of SHCM, previous private sector experience might facilitate higher levels of strategic integration. In examining the models, the opposite is seen for these cases (see Figure 3).
Directors without previous private sector experience are more represented in Model four and five, at almost twice the frequency. While more research would be needed to fully explore this relationship, it is clear that a presumption that private sector experience leads the HR director playing a more strategic role is not the case. Interestingly, one HR director noted that their county manager’s experience in the private sector was a driving force resulting in the HR department playing a more strategic role. It also may be that despite previous experience and capacity, HR director capacity alone may not be enough to change the functional structure of HR. In the words of one HR director:

I don’t think the county manager views HR as a strategic function. But here’s what I’m going to say. Because there’s no strategic planning process for the county, I’m not sure any department is thought of as a strategic planning partner in the process. I’m actually floored that we don’t have a process that says here’s where we are, what do you think the future’s going to look like, where are we going. Every budget season it’s kind of fly by the seat of your pants. Last year was my first experience with that, and it was amazing how one week it would be one thing, and the next week it would be another. I’m not used to that. I’m used to very intentionally saying here’s what our company looks like. We bring finances into play and then take everything into play, and here’s what our top five strategies are. Here’s where we’re going this year. We don’t do any of that.

Within this sample, respondents had many years of experience: 62 percent of the sample had over 16 years of experience and 45 percent had more than 20 years of experience. For several of the HR directors who had worked in private sector HR, it had been many years since their private
sector experience. Given the long length of service of many respondents and the significant gap in time between when respondents worked in the private sector and when this study was conducted, future research should further explore if and how cross sector learning is occurring.

While previous private sector experience was not a predictor of SHCM, having more experience may help HR directors build the trust, relationships and networks needed to position HR to be seen as a more strategic partner within county government. Results from this study provide partial support for this proposition. Counties with HR directors who have more than 20 years of experience in the HR field are more likely to be classified in Model four or five. However, two counties (out of the three) classified in Model one also have directors with more than 20 years of experience (see Figure 4). Taken together, these results suggest that the having a HR director with many years of experience does not necessarily mean that a county will be more likely to adopt SHCM. Instead, experience can be an asset that HR directors leverage but it also can result in the HR function being frozen in an outdated, non-strategic role.
The association between model classification and the following variables was also examined: title of the department, title of the director, the HR director’s level of education, county population size, and HR department size. But, there were no clear patterns resulting from this analysis. It was particularly surprising that no pattern emerged between county population size and model classification as it is often believed that the transition from traditional personnel functions to SHCM is more likely to occur when organizations are larger in size (Lawler, 2005). The reason for this unexpected result may be that the sample excluded the smallest counties and counties located in New York City.

Discussion

This research examines the adoption of the principles and practices of SHCM by 40 counties in New York and North Carolina. These counties were classified into five different models. While there is a clear progression from compliance and maintenance in Model one to SHCM in Model five, the path between the different models is not linear. The steps that are needed to transform counties from Models one, two, three and four into Model five counties were varied.

Model one demonstrates that changing the role of HR departments may not be easy for some government units. Transitioning HRM to a more strategic role is fundamentally a different way of doing things, requiring the introduction of new ideas, new voices in the strategic process, and new risks. Straus (1993) found that HR directors have correctly perceived that stakeholders regard maintenance, not development, as the most important function of a HR department. Adopting SHCM requires an emphasis on developing employees more (i.e. building your human capital) and thinking strategically about where and how to deploy this human capital. SHCM is a
significant change for some governments, a change that they may not feel comfortable with adopting. Basic personnel maintenance responsibilities, such as payroll and classification, have long been the primary focus of the HR function. Skills in these basic compliance areas are often the basis of hiring, are reinforced in evaluations and promotion, and are expected and demanded from other departments; continued focus on these topics is the most risk adverse strategy for the HR directors and department. While beyond the scope of this research, the relationship between risk acceptance and the adoption of SHCM would be an important avenue of future inquiry. For some governments, the traditional personnel approach may have not led to any significant problems, raising the question of why change should happen. If these governments are risk adverse, they may not want to gamble on the adoption of SHCM, no matter how well documented the personnel and performance gains.

While Model two counties still act as traditional support departments, there is a growing recognition among HR directors in these counties that their role could or should be more strategic in nature. In these jurisdictions, it may be helpful to train county administrators and other leadership on SHCM and the value that it brings to the accomplishment of government’s goals. Demonstrating that SHCM improves performance, not only on the part of the HR department, but in the government as whole may convince these leaders to change their county’s culture. If a culture shift is successfully achieved, the values and new practices associated with SHCM will still need to be reinforced over time to make this new approach a common practice in these governments. At the same time that top level leadership is being trained, it is likely that the HR director and their staff will also need to consider what training or leadership development will be needed to prepare them to manage this cultural and programmatic transition. Simply providing training may not be sufficient to help some of the counties classified in Model two
with the transition to SHCM. In counties where there is an entrenched belief that politicians should control the strategic planning process, SHCM implementation is likely to be much more complicated. Future research should investigate the role of politics in the transition to SHCM.

In Model three, the HR director is already demonstrating strategic leadership but the county government as a whole lacked strategic planning capacity. If county leadership does not engage in strategic discussions about county goals and the purpose of the government action, it is difficult to imagine how true SHCM could be adopted. The barrier to SHCM implementation in this model is primarily the leadership competencies of those at the executive level of government.

HR directors in Model four are best characterized as expert consultants rather than as full partners. They have greater influence in the strategic planning process compared to directors in Models one, two, and three but their influence does not extend to the establishment of strategic goals or directions. This is consistent with the issues related to complete integration of SHCM noted by Ban and Gossett (2010, p. 17):

Further, the strategic management role requires developing a relationship of trust and confidence on both sides, but the relationship between senior HR staff and the top management team is different in government than in the private sector. In government, top managers are usually political appointees. They may be hesitant to bring the HR director, traditionally a career civil servant with long service, into the inner circle of discussions regarding agency goals.

In Model four counties, the HR directors may not yet be playing a fully integrated strategic role, but they were in a position to start to demonstrate the value that HR participation can bring to strategic decision making. While not all respondents classified in Model four were ready to move to a full partnership, others were excited by the possibility of taking on a more significant role. These individuals will need to work to demonstrate the value of their HR department, create
support for SHCM, and gain the skills needed to be successful in SHCM if they are to move to a Model five arrangement.

While HR directors in Model five reported that they were all strategic actors within their governments and served as part of the top management team, there was still variation in these cases: the sophistication of SHCM, the integration of the HR director into the strategic planning process, and the approaches to HRM differed across Model five counties. When considering Model five, this model shows that the “implementation” of SHCM is not necessarily something that is ever completed. Continued development, coaching, and training will be needed to ensure SHCM’s success. Building support for SHCM will involve creating a new culture of thinking strategically about people. There will always need to be people who perform the functional processes of HR but these individuals also need to see where their work in payroll or job classification and design connects to a larger strategic approach.

Across the models, the capacity of the HR director was a critical aspect, either in limiting or facilitating SHCM implementation. Capacity related to both technical subject matter skills as well as leadership and management skills. For example, in model two participants were not in a strategic role but saw that they could make a greater strategic contribution. Directors recognized the need to start to make a case and influence decision makers if this transition is to occur. Those who successfully had made a transition toward SHCM emphasized the importance of having a working relationship with the management team and building a sense of confidence and contribution.

Ban and Gossett (2010) note that a challenge for the transitioning the role of HR relates to the preparation and capacity of the HR profession. With a focus on these issues within the federal government they note:
Past studies (US MSPB, 1993) found not only that managers felt the personnel specialists they dealt with were underprepared but that over half the personnel staff members themselves felt that they lacked the skills or training they needed. Unfortunately, in the intervening years, the situation does not seem to have improved. In response to a 2007 survey (Partnership for Public Service, 2007, p. 14), one-third of HR leaders reported that “their staffs do not have adequate skills.” In 2008 (Partnership for Public Service, 2008, p. 9), they reported that “[t]he federal HR talent pool is limited…[and] many of these workers have outdated skills…. The shift away from transactional skills to a more consultative role for HR staff that requires strategic thinking was noted by many participants.” (Ban and Gossett, 2010, p.13).

Ensuring that there is adequate capacity for SHCM is particularly challenging at the local government level because: (1) HR departments are often small; (2) training dollars are at a premium, and (3) developing the skills required to implement SHCM is not always prioritized. More research is needed on the competencies of HR professionals in order to determine if HR professionals have the technical and leadership competencies needed to implement SHCM. Future research should specifically focus on tracking the career and development paths of HR professionals in order to provide insight into how strategic HR leaders are cultivated.

In implementing SHCM, leadership is not just needed from the HR director but also from the executive level. Without this top-down acknowledgement of the strategic role HRM can play in the larger management of the government unit, it will be difficult, if not impossible, to initiate true SHCM. One factor that may influence county leadership’s willingness to advocate for SHCM is the trust that exists between county leadership and the HR director. Leadership research has highlighted the importance of trust in developing support and effective working relationships (Luke, 1998). While this research did not specifically explore the issue of trust, it was raised by select respondents. For them, trust was needed in order to shift the HR department into a more strategic direction. According to one respondent:

I think with me being here, I play a larger role in decisions than former commissioners because he knows me, he knows my skill set, I’ve worked with him. I think I am brought
in more on things as part of the inner circle. I think he realized my department, the data we collect in helping making decisions and defend decisions.

Future research should investigate in greater depth the role that trust may play in the development of HR leaders and the adoption of SHCM.

**Conclusion**

Ban and Gossett (2010) note that the role of the HR office includes the administrative role, the organization development/consulting role, the contract management and coordination role, as well as the strategic HRM role. Developing the acceptance, capacity, and leadership to successfully maintain these multiple roles offers unique challenges to the HR professional.

HR departments are changing to meet the needs of a continuously developing workforce. As the demands on these departments change, the working relationships, roles, span of responsibility and span of influence will also need to change. Local governments are experiencing significant challenges due to the current financial climate and the aging workforce. Personnel is one of the largest costs of local governments and therefore represents an area requiring more attention on the part of scholars and practitioners as these local governments adjust to the new economy. Local government is service-based and cannot respond to the demands without looking to its largest cost component, its personnel. Still changing personnel demands are more than costs: personnel are the critical components of what these governments do. Effective HRM is challenging but it also presents great opportunities. If an HR department adopts a strategic approach, it will hopefully position itself to better manage these challenges.

This research provides a greater understanding of SHCM’s implementation by county HR departments. Multiple models are identified ranging from traditional personnel systems to strategic partnerships. The paths to SHCM and the nature of the relationships between key
stakeholders vary but provide insight into the status of the HR function in local government and the roles that are being designed for HR professionals. Many additional questions are raised that warrant future research to help better describe, understand, and measure the impact of alternative arrangements of HR services within government.
References


