

## The business of HR

Sue Eaglebarger

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I've been in human resources (HR) for many years, 26 years with Lawson Products to be exact. When I started my career, HR was about administration, payroll processing and compliance. Over the years, we became experts at running programs – benefits, new hire orientation, performance management, etc. However, it didn't seem to matter how many programs we were running successfully or how much risk we mitigated. We still longed for a seat at the table. I'm talking about the leadership decision-making table. We wanted the opportunity to weigh in on business decisions, demonstrate our value. And we weren't the only function with this desire. Those in IT and Communications were asking the same: "How do we get a seat at the table?" It made sense. All of us "shared services" functions wanted to help ensure that all aspects of the business were considered early in the decision-making process.

### Business people who specialize in human resources

Fast forward. Today, Lawson Products' HR is about business. We are business people who specialize in HR. We have a seat at the leadership decision-making table. Our HR strategy is aligned

with the business strategy. We are customer-focused. We deliver services. We provide real business solutions. And yes, we still mitigate risk – a challenging task given the extremely complex and constantly changing regulatory requirements.

So, how do you become fully integrated with the leadership team? How do you transform your HR function and get invited to the table, not just called in for the occasional HR decisions? How do you get your leadership peers to see you as a crucial participant in those organization-critical conversations?

### Today's human resources challenges

First, let's address today's HR challenges.

- *Competition for talent:* Research reports talent shortages at an all-time high. The qualified people recruiters want to hire have more options than before. The competition and now even, non-competition, are trying to poach your top talent because of the limited number of qualified candidates in the market.
- *Changing demographics:* Baby Boomers, many of whom have already retired, are heading into retirement in droves. This creates a knowledge transfer

challenge. As a result, organizations must put an even stronger focus on succession planning.

- *Reputation management:* Given Challenges 1 and 2, building trust between potential employees and your company is even more critical. HR must treat their employer brand with the same strategic focus and consistency that is applied to their corporate or consumer brands.

HR has its challenges. But, today's CEO's and C-suite leaders agree that people are a company's most important asset, a source of competitive advantage.

### **Earn a seat at the table**

Now, how do you transform your HR function and get a seat at that table given these challenges or any new challenges that may come along?

#### ***Operate as a business strategy function***

First and foremost, operate as a business strategy function, one that consists of business people who specialize in HR. You must understand the business, its strategic objectives including finance and culture, and what it takes to achieve them. You must understand the value proposition, operations and how your company goes to market. This knowledge enables you to speak the language of business with your peers and internal customers.

#### ***Align your human resources strategy***

Ensure your HR strategy is aligned with business strategy. Collaboration and consistent communication with all business functions guarantee that Lawson Products' HR strategy is integrated with overall business objectives and each functional team's set of objectives. It also

allows for stronger implementation, feedback, tracking and analysis essential to gauge effectiveness and improve.

#### ***Enable the business***

Lawson Products' HR mantra is "Enable the Business". We do so by providing people, talent and culture-related business solutions that support desired business outcomes, positively impacting the bottom line. That is without violating company ethics or culture or the law. We do so by being engaged in the business, participating in C-level and functional meetings. We are always up to speed on the business' capabilities, pain points and short- and long-term objectives. Unlike years ago, we are seen as a strategic business partner versus a policy enforcer or roadblock.

Most recent, we are "Enabling the Business" as a member of Lawson Products' acquisition team. As part of our growth strategy, Lawson seeks to combine with well-run, respected organizations, acknowledging their customer relationships and investment in their employees. Our acquisition strategy emphasizes a well-defined, efficient and collaborative process from which all parties benefit. At the center are the people who are guided by clear communications, agreed-upon timelines and pre- and post-acquisition plans centered on leveraging the best of two successful companies.

Lawson Products is not solely acquiring assets or books of business with acquisitions. We're acquiring talent – individuals with sales experience and the motivation to take advantage of additional product offerings, develop underserved territories and accelerate growth. New sales team members are welcomed into

the Lawson culture with the support of Lawson's people-first acquisition process. With three acquisitions in the last seven months, we have quickly gained acquisition ambassadors. The founder and CEO of West Coast Fasteners took the opportunity to retire from the business once he saw his employees and customers would be in good hands. He feels so strongly about Lawson's people-first acquisition process and post-acquisition integration that he insists on serving as a reference when other potential sellers want to know more.

#### ***Keep solutions simple***

Keep solutions simple, easy to implement and track. Overly complex solutions filled with unnecessary steps will be more difficult to implement and track for both you and your internal customers. Lawson Products practice Lean 6σ (Sigma) and HR has spearheaded and served on several projects. 6σ is an approach to problem-solving that's consistent and data driven with focus on improving customer service. In support of the company's sales force expansion goals, our Lean 6σ team sought to improve the company's sales representative hiring process. The result was a stronger understanding of what attracts sales reps, especially female sales reps, to the industry and what they need to be successful.

All business decisions have HR implications, as ultimately people make a business successful. Therefore, HR must understand the business and collaborate with all business functions. It's the way to ensure your HR strategy is aligned with business strategy.

Lawson Products' HR function is fully integrated with the senior

leadership team. Fully engaged in the business – listening, evaluating, providing input to business decisions and gathering feedback on our HR strategy and initiatives – with a seat at the table earned by enabling the business.

### **About the author**

Sue Eaglebarger is Vice President of Human Resources at Lawson Products (NASDAQ: LAWS), an industrial distributor of maintenance and repair products. A highly accomplished and results-oriented leader with a

proven track record of success, Sue has successfully created and aligned HR strategy with business objectives at both corporate and operating unit levels in union and non-union environments. Sue Eaglebarger can be contacted at: [Sue.Eaglebarger@LawsonProducts.com](mailto:Sue.Eaglebarger@LawsonProducts.com)