

Flexible Human Resourcing

Whilst the fat bonuses of economic boom times may put a bulge in one's pocket and a smile on one's face, the feeling of well being soon fades when the economic pendulum swings. Then the erstwhile congratulatory "pat on the back" is followed not by a cheque, but a pink slip and a "I'm sorry it has come to this!" Redundancy hits and with it the disillusionment, the despair, the economic suffering of being unemployed.

Despite all our advances in management theory, corporations still rush to "hire and rush to fire". Little real thought goes into trying to manage human resources to minimize the impact on them and in so doing the company, through the inevitable cycle of economic boom and bust.

The cost of hiring, not only in direct dollar terms but in all its intangibles and the cost of firing in redundancy payouts, and all its intangibles is immense, and in many cases avoidable.

In themselves, there is nothing wrong with bonuses or hiring or firing, but when the linkage between them is related not to individual performance but to external factors, management ability should be questioned.

In recent years, "outsourcing" has been heralded as a tool to increase productivity, reduce costs, and indeed whilst not perfect, to a large extent as a model, it has delivered. Lately, in something of a spin on the original concept, we have seen the rise of Business Process Outsourcing espoused by

Surely most activities that a business undertakes can be broken down into projects. Why then cannot managers allocate resources on a project by project basis, keeping a core project team to manage the projects but otherwise staff up for each and every project in a highly flexible, and profitable way for all concerned? Think of it. Wouldn't it be better if the work force was very fluid, the appropriate skills designated to the appropriate tasks, bonuses delivered on project result, huge variety in work and environment, the sense of fulfillment when the job was done, the prospect of what the next one had to offer – employee and employer Nirvana!

Of course, as Thomas More found, Utopia is rather hard to find, and if found rather quick to disappear. Nevertheless, the time has truly come when companies need to smarten up about how they properly manage their people.

It is essential that they critically analyse what people they need, for what and for how long, so human acquisition and termination costs are minimized and people rewarded for getting what needs to be done successfully completed, not simply for being in the right place at the right time. This needs to be translated into how the company will contract with them to perform those duties. Models need to be developed that maximize the benefit to the company of management gurus and its subset Recruitment Process Outsourcing. Both emphasize the importance of Human Capital in the business equation, but in their pure forms still do not challenge the traditional employee / employer contract, nor truly strike at the inflexibility of how corporations contract and deploy the human resources upon which they are so reliant.

Times "they are a changing" as Bob Dylan once droned – so we should get with it!

Whereas 100 or even 50 years ago employees – often poorly educated – needed stiff legislation to protect them from exploitation, the need now for such protection is nowhere near as great. Indeed, in the developed economies, not only has the disposition of the employees changed but also their roles. To a great extent "Modern Times" production lines have disappeared to low labour cost countries (thereby giving people of these lands a chance of a better life?) and many "blue collar" families have become "white collar" without a noticeable change in their social ranking. In short, the metal worker of yesteryear has become the clerk of today.

So why do companies persist in hiring people on a permanent basis, and in so doing clog up the arteries of commerce? Is it legislation really the cause – or is it simply inertia to change?

obtaining that person's skill set without being detrimental to that person's prospects or to the company in the longer term. Third party providers need to be developed that act as a kind of "exchange" where skills can be hired or bought at rates bid up or down by the market forces of supply and demand.

It will take a brave CEO to embrace this New World, and pioneering CEOs in this area may very well suffer the fate of many pioneers. But those who do, and succeed, will take their business and business in general to another plane, and they – this time around – will truly deserve their bonuses.