



Applying the Business Acumen Competency

This competency requires knowledge of the organization *and* the industry in which the HR practitioner works. As the instructor, choose between these two potential **industry**-related angles—Option 1 or Option 2. Both require students to consider HR challenges from beyond just the “four walls” of their organization; choose whichever application exercise you prefer.

“Industrial-Strength” Troubles

Option 1: 3H (Hotel Headquarters Hazard)

Read the following scenario to the students:

You are the vice president of HR for the headquarters office of a well-known national hotel chain. A major competitor has just relocated its headquarters to your local area. Discuss the implications for your organization and the related HR aspects.

Some students may not see this situation as a hazard or cause for much concern. If they do not, encourage them to look at the factors listed below with the goal of segmenting the problem to bring greater awareness of the whole issue.

Have students consider how this scenario might influence the following HR-related responsibilities at the company:

- a. **Talent acquisition and retention efforts:** HQ staff will now have other industry HQ employment opportunities that do not require relocation to pursue. How may this change effect turnover at your hotel? What can be done? Conversely, the hotel will also have a new pool of talent to recruit from for vacant or new positions. How can your employees now become brand ambassadors?
- b. **Total rewards offerings:** Does the other company offer more benefits? Better benefits? Different benefits? You may need to reevaluate your total rewards package.
- c. **Learning and development initiatives:** What internal development programs does the other company offer? How do yours compare? How does the other company support external training opportunities (professional development or higher education)? How does your company compare?

- d. **Corporate risk concerns:** Closer proximity offers you the opportunity to gather competitive intelligence more easily than perhaps in the past. But the same holds true for the company entering the market in your region.
- e. Note to instructors: Add any HR challenges you'd like to address.

Remind students that when a problem occurs, using a step-by-step process like this is often effective in analyzing potential areas of impact and in then determining the best responses or courses of action.

Two actual events inspired this challenge:

- In 2009, Hilton moved its headquarters to McLean, VA, from Beverly Hills, CA. Marriott already had its headquarters in nearby Bethesda, MD. *Source:* "Hilton to Move Headquarters to D.C. Area," <http://www.washingtonpost.com/wp-dyn/content/article/2009/01/21/AR2009012102464.html>.
- In 2010, Northrop Grumman moved its headquarters from Los Angeles, CA, to northern VA, which is the home of many major federal government contractors. *Source:* "Northrop Grumman decides to move headquarters to Northern Virginia," <http://www.washingtonpost.com/wp-dyn/content/article/2010/04/26/AR2010042604235.html>.

The two articles referenced above can be read for your own reference, but there is no expectation that the students will know any additional details beyond those provided in the brief scenario above. That said, the additional familiarity these articles will give you as an instructor may inspire you to ask different questions or pose different challenges.

Option 2: ICIC (Ice Cream in Crisis)

Read the following scenario to the students:

You are the plant HR manager for an ice cream manufacturer. A major competitor of your company has recently suffered a serious PR issue and economic losses as a result of safety issues with its product, resulting in many customers being sickened by eating it. Though your products have not been part of this issue, discuss the implications for your organization and the related HR aspects.

Have students consider how this situation might affect the company's:

- a. **Staffing:** The employer may need to hire more quality assurance people, for example.
- b. **Reward and recognition programs or compensation practices:** How can the employer attract and retain the right people to prevent similar safety problems from happening at its facility? How should the company reward employees who, through internal quality assurance practices, find safety issues that prevent customer illnesses, lost revenue and damage to the company's standing in the market?
- c. **Culture:** How do organizations develop and maintain a culture of safety?

- d. **Learning and development:** What training should employees receive? How should the organization deliver the training? Will the training be provided internally or externally?
- e. Note to instructors: Add any HR challenges you would like to address.

Two events inspired this challenge:

- Originally publicized en masse by Toyota in 2014, there were serious problems with airbags in their vehicles. *Source:* “Massive Takata Airbag Recall: Everything You Need to Know, Including Full List of Affected Vehicles,” <http://blog.caranddriver.com/massive-takata-airbag-recall-everything-you-need-to-know-including-full-list-of-affected-vehicles/>
- In 2015, Blue Bell recalled its ice cream after an outbreak of listeria. *Source:* “Blue Bell Resumes Ice Cream Production at Texas Plant,” <http://www.foodsafetynews.com/2015/11/blue-bell-resumes-ice-cream-production-at-texas-plant/#.VsT0p4-cFUE>

The two articles referenced above can be read for your own reference, but there is no expectation that the students will know any additional details beyond those provided in the brief scenario above. That said, the additional familiarity these articles will give you as an instructor may inspire you to ask different questions or pose different challenges.

Remember, the intent of this exercise is to reinforce to students that employees are part of not only a company but an *industry*. Each industry has its natural pros and cons. To a certain extent, HR skills are transferable across geographies, company types and industries, but to be true business partners, HR professionals must fully understand their business and all of its industry-related implications. HR professionals sometimes face industry-related problems that are beyond not only their control but also their company’s control.