



**Competencies for Mid-Career HR Professionals**  
**PPT—Session 6: Business Acumen**  
**Instructor Notes**

**Slide 1 - Competencies for Mid-Career HR Professionals**

This session on Business Acumen is a continuation of a series following four early-career-level sessions and one previous mid-career-level session on Consultation. This precedes three senior and executive career-level sessions.

**Materials for This Session:**

Reading Assignments

**The articles**

“Worker Confidence Propels Deluge of Quits.” <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/worker-confidence-quits.aspx>

“Business Acumen: Building a Better HR.” <https://www.shrm.org/hr-today/news/hr-magazine/pages/0116-competencies-business-acumen-cappelli.aspx>

**The report**

*Job Openings and Labor Turnover Survey Highlights December 2015.*  
[http://www.bls.gov/jlt/jlt\\_labstatgraphs\\_dec2015.pdf](http://www.bls.gov/jlt/jlt_labstatgraphs_dec2015.pdf)

**Slide 2 - Due This Session**

- Review what is due today.
- Ask students if they have any questions about the content covered in the Session 5.

**Slide 3 - Course Introduction and Business Acumen Competency**

- Tell students that by now they have covered four early-career-level competencies and one other mid-career-level competency.

- Students should be very familiar with the next slide (an overview of the SHRM Competency Model). However, require students who missed the early-career module to review the five prior competencies as external self-study.
- Ask students to share their impressions of the way the first five competencies fit together.
- Ask them what appears to still be missing.
- Ask students before covering today's content, "What do you think Business Acumen means?" (Revisit this during the wrap-up at the conclusion of the session.)
- Tell them their perspective will evolve even further by the time they finish this module.

#### Slide 4 - Session 6: Lessons

- Review the lessons covered in today's session.
- Note: SHRM subject-matter experts carefully chose the content and activities for the two sessions. We also fully appreciate that instructors enjoy bringing their own perspectives and content to the course. You are free to add in more mini-cases, articles or any other content you see fit to drive the learning outcomes. Please ensure that any additional materials have proper citations and do not infringe on copyright laws.
- Depending on how many optional activities you add, you may need to expand how much time is devoted to today's lesson.

#### Slide 5 - Learning Objectives

- Review the learning objectives.
- Be sure to emphasize that the course is intended to give students opportunities to apply the concepts they are studying, and to see what these concepts look like when practiced in the field of HR.
- Ask students, "What do you hope to get out of this final mid-career session?"

#### Slide 6 - Course Purpose

- Review the course purpose on the slide.
- Point out that this final session of the mid-career course is a continuation of SHRM's Competency Model.
- Stress that although the model includes nine competencies, we have already focused on five competencies and are now looking at the most essential competency for mid level HR practitioners—Business Acumen.
- Remind students that a senior and executive module will come soon.

- Mention that the course is geared toward graduate- and undergraduate-level students, because it is just an overview of the mid-level competencies.
- You may choose to also mention that the session we are about to cover was designed with an intent to be included in larger university programs (such as BBA programs).

#### Slide 7 - Overview of SHRM's Competency Model

- Ask students, “By a show of hands, how many of you completed the early-career module on the first four competencies of HR and the first mid-career module?”
  - The next slide will be an overview of the model for students who have not completed the early-career module and the first lesson of this module. Require students to review the five prior competencies as external self-study.
  - Ask the rest of the students to share some of the things they learned in the early-career module and in Session 5 and how their perspective of the field of HR has changed.
- Ask students before covering today’s content, “What do you think Business Acumen means?” (Revisit this during the wrap-up at the conclusion of the session.)
  - Tell them their perspective will evolve even further by the time they finish module.

#### Slide 8 – SHRM Competency Model

- Review the SHRM Competency Model (we will present the definitions, descriptions and more information in other slides).
- See if the students are clear about the distinctions between the nine HR Competencies.
- Point out again that from this point forward in the class, we will be focusing on the last competency relevant to mid-level HR professionals (Business Acumen).
- Remind them that this competency is considered a nontechnical, or behavioral, competency.
- Remind them that technical competencies represent what you know, whereas behavioral competencies represent how you convert your knowledge into observable behaviors. Success is not just about what you know, but also about how you *use* the knowledge you possess.

#### Slide 9 – Levels of Experience

- Students have seen this graphic multiple times: It depicts the career of HR professionals as they gain more experience.
- When explaining the graphic, tell students that the graphics with the number in them represent years of experience (e.g., Mid 3-7 denotes three to seven years of experience.)
- Also point out that most people in HR begin their career as a specialist in some function (e.g., a compensation specialist), and as they gain experience they learn about other specialties.

Ultimately, they may advance through their specialty, but typically executive-level HR professionals have to be knowledgeable about all HR functions.

#### Slide 10 - Course Structure

- Two sessions are outlined on this slide—students have completed the Consultation competency session.
- The mid-career level course is two 75- minute sessions. Time is limited, so we will focus the content on high-level descriptions of the competencies, and we will present a few practical exercises to help students understand what these competencies look like in practice.
- The course includes prereading, which students should have completed for Session 2.

#### Slide 11 - Importance of the Competency

- Understanding how the many thousands of SHRM members rated the importance of each competency will provide needed perspective to the students.
- Seeing the ratings is a useful career management tool, because it will help students understand what they need to master and the benefits of doing so, or the drawbacks of not doing so.

#### Slide 12 - Importance Rating Scale

- Taken from p. 138 of the book *Defining HR Success: 9 Critical Competencies for HR Professionals*.
- Review the slide.

#### Slide 13 - Required Upon Entry (RUE)

- The “Required Upon Entry” rating is also based on feedback from the surveyed SHRM members and tells students what they need to have mastered (mostly) by which stage of their career, again providing a roadmap for career advancement, a guide for future studies and perspective.

#### Slide 14 - RUE Rating Scale

- Taken from p. 138 of the book *Defining HR Success: 9 Critical Competencies for HR Professionals*.
- Stress as noted on the slide: You must already have this competency when you arrive at the respective level.

#### Slide 15 - Ratings

- Taken from p. 165 of the book *Defining HR Success: 9 Critical Competencies for HR Professionals*.
- Give students a few moments to observe the table.
- Ask them for their observations.
- If needed, point out the steady progression of the Importance and RUE scores from early to mid level and from mid level to senior and executive levels.

- Ask, “What do these findings mean?”
  - These findings indicate that HR professionals will need to begin developing this competency in the earliest stages in their careers, so they will be ready when they reach mid level.
- The findings also indicate that they cannot neglect the development of this general behavioral competency in the belief that focusing on developing their “HR skills” would be more important. Business acumen is a skill they *must* develop to be successful at progressively more senior levels.
- Ask, “What happens if HR professionals are not proficient in this competency?”
  - Potential answer: HR professionals seen as lacking in Business Acumen, or as appearing not to have it in a job interview, may not be promoted or hired into the roles they want.
- Tell students: The SHRM Competency Model can be a helpful roadmap for your career and future studies, because you now know what you need and when you need it.
- Consider: These scores are moderate at the mid-career level (right in the middle of the RUE range at 51%), but they continue to increase with the higher career levels.

#### Slide 16 - Definition and Components of the Business Acumen Competency

- Begin by asking students what they think of when they hear the words “business acumen”? Some typical responses may include:
  - Knowing your industry in and out.
    - Being an expert in the “numbers” of your business (e.g., income, revenues, profit margins).
    - Understanding your market, how you sell and how your product or service is priced.
    - Knowing objectives and strategic goals, and understanding the internal and external challenges and strengths.
- These may be reasonable conclusions based solely on the words “business acumen,” but the competency is much more.
- Ask students to describe a person they have worked with who demonstrated strong business acumen (the person does not have to work in HR).
- Have them describe the specific tasks that person did that led the students to believe the person had good business sense, industry awareness, or broad/agile thinking.
- How did the person share this business acumen with others *during situations both standard and difficult*?
- How did this person apply the knowledge he or she had?
- What kinds of benefits resulted from the person applying his or her knowledge?

### Slide 17 - Business Acumen Definition

- Review the definition provided.
- Elaborate on this information if you sense doing so is required for understanding.

### Slide 18 - Business Acumen Description

- Review the description provided.
- Elaborate on this information if you sense doing so is required for understanding.
- When reviewing the description, remind students that business acumen applies equally even if you are not working for a “business.” The goal of an organization can be making a profit, serving a community or governing a populace, and you still need good business acumen to be effective in your HR role.

### Slide 19 - Business Acumen Examples

- Remind students that they will have a duty to develop the next generation of HR professionals.
- Business acumen is like a muscle; it gets stronger with use.
- After the students look over the examples provided, ask them if they can think of other examples of how business acumen manifests itself in the workplace.
- Encourage them to think back to the article in their prereading (“Business Acumen: Building a Better HR”) for ideas.
- Do not spend a lot of time on the examples, since you are about to review the subcompetencies and the behaviors.
- Now that students have seen the formal definition, description and examples of the Business Acumen competency, ask them to share an example of someone they knew who *lacked* this competency and how it adversely affected their office, department, store, etc.

### Slide 20 - Business Acumen Subcompetencies

- Remind students that a subcompetency is related to the general competency and may be subsumed by the general competency.
- Choose a few of the subcompetencies on the slide that you think are particularly important to successfully using Business Acumen, and provide your perspective on why these are so important. For example:
  - For knowledge of labor markets, refer to the prereading assignments.
    - Ask, “How can organizations best prepare for and respond to changing labor markets?”
    - Ask, “What should HR professionals do to keep abreast of labor market developments, and how can they use the knowledge gained to benefit their organization?”

- For business knowledge, you might talk about the importance of following industry and competitor news as well as social media feeds.
- For knowledge of government and regulatory guidelines, you can talk about the importance of monitoring national, state and local political developments that would affect your field.
- For strategic agility, you can ask why it is important to be adaptable, and what the risk is of changing course too often.

### Slide 21 - Business Acumen Behaviors

- Discuss these Business Acumen behaviors with the students.
- Ask them to pick a few of the behaviors that they feel are critical to successfully implement the subcompetencies from the prior slide. For example:
  - For strategic agility, they might point out that “uses organizational metrics to make decisions” (#7) and “demonstrates a capacity for understanding the business operations and functions within the organization” (#2) are two key behaviors that allow you to be successful.
- *As an alternative (if time allows)*, you could turn this into a quick activity. Before class, print out the list of behaviors, and cut the paper into strips with one behavior on each strip. Place the strips into a bowl. There are nine behaviors, so ask for nine volunteers. Have each draw a behavior from the bowl. Have each volunteer read his or her behavior out loud and then match it to one of the subcompetencies (it would help if you flip back to the subcompetency slide for this part of the activity). Once students pair the behavior they chose with a subcompetency, ask the rest of the class if that behavior could also support other subcompetencies.
- Continue until all nine students have matched their behaviors to at least one subcompetency.
- *An accelerated version* of this is to just have four or five students pick a behavior from the bowl, not covering all the behaviors.

### Slide 22 - Ways to Develop Business Acumen Skills

- Have the students review the ideas on the slide for developing Business Acumen skills.
- Encourage them to provide additional ideas for how to develop skills to master this competency.
- In discussing some of the options on the slide, tell students:
  - You will understand your company’s strengths, weaknesses, opportunities and threats (SWOT).
  - You will gain a deep working knowledge of your organization’s strategic plan.
  - You will be able to identify the biggest challenges in the plan, and how HR can help overcome them.
- Point out that the SHRM Competency Model emphasizes the need for HR professionals to be perpetual, lifelong learners. Graduating with their degree is only the beginning of their education, not the end.

### Slide 23 - Application of the Business Acumen Competency

- As we said earlier, business acumen is like a muscle, and it gets stronger as you use it. Now it is time to “exercise.”

### Slide 24 - Activity

- Refer to the document “Applying the Business Acumen Competency.”
- Hand out copies to each student.
- Students should have completed the prereading: “Worker Confidence Propels Deluge of Quits and Job Openings” and *Labor Turnover Survey Highlights December 2015*.
- If students are not already assigned to small groups (approximately four to six each), assign them now.
- You could use one of both of the scenarios: 3H or ICIC.
- If assigning both, ideally have at least two groups try each option so you can compare and contrast student input during the debrief.
- If assigning both, after the groups discuss their scenario and recommendations, ask the groups that did *not* have the just-reviewed assignment to provide input. Ask those groups what information they would have wanted to know, and what they would have done differently.
- Circulate unobtrusively, and make observations to comment on during the wrap-up
- Do not get involved in the conversation. Let it happen. Everyone will share after.

Things you might observe are:

#### Option 1: 3H (Hotel Headquarters Hazard)

- Some students may not see this situation as a “hazard” or cause for much concern. If so, ask them to look at the different factors listed on the worksheet with the hope that segmenting the problem will bring greater awareness of the whole.
- Potential responses from students about what the situation may affect:
- **Talent acquisition and retention efforts:** HQ staff will now have other industry HQ employment opportunities available to them that do not require relocation to pursue. How may this change effect turnover at the hotel? What can be done? However, the hotel will also have a new pool for talent to recruit from for vacant or new positions. How can your employees now become brand ambassadors?
- **Total rewards offerings:** Employees will be comparing what “they get” and what “the other guy gets”—benchmarking to ensure that your hotel’s offerings are competitive will become more important than ever.
- **Learning and development initiatives:** Offering career growth opportunities improves your ability to attract and retain staff.
- **Corporate risk concerns:** Should you worry about information about your initiatives getting into the hands of the other hotel before you are ready to go public?

## Option 2: ICIC (Ice Cream In Crisis)

- **Staffing:** Should your company hire more quality assurance people and look at the credentials of your current QA staff?
- **Reward and recognition programs or compensation practices:** How can your company attract and retain the right people to prevent this from happening at its facility? How should the company reward employees who, through internal QA practices, find safety issues that prevent customer illnesses, lost revenue and damage to the company's standing in the market?
- **Culture:** How can the organization develop and maintain a "culture of safety"?
- **Learning and development:** What training should employees receive? How should your company deliver the training? Will training be provided internally or externally?

### Slide 25 – Activity: Debrief

- Discuss your observations. Ask the students how they would feel dealing with these scenarios in the real world.
- Mention the actual events that inspired these activities. These events are examples of the kinds of challenges HR professionals face every day.
- See the document "Applying the Business Acumen Competency" for complete guidance on this activity.

### Slide 26 - Rapid Recap

- Recap the key points about the Business Acumen competency as outlined on the slide.
- Ask, "Now that we've learned more about Business Acumen, what do you think it means?"
- Ask, "How has your perspective changed?"
- Ask, "What have you gained a new appreciation for?"
- Ask, "Did anything cause you to be skeptical?"

### Slide 27 - Rapid Recap (continued)

- Ask, "What do you think of the Importance and RUE ratings for Business Acumen now that know more about the competency and have completed the activity?"
- The value and usefulness of business acumen may be limited in the early-career stages, but the seeds of a larger perspective are planted in the early stages.
- Learning the skills and knowledge associated with a practitioner HR role may be critical in the early- and mid-career phases, but being able to gradually fit that knowledge and work into the big picture is what carries a practitioner along the path to senior- and executive-level roles.

### Slide 28 - Benefits, Challenges and Risks

- Review the benefits, challenges and risks outlined on the slide.

- As you cover these, address each in the context of the individual, the HR department and the organization as a whole. Students should attempt to look at each competency using these three perspectives as best they can at this point in their education/career.
- Doing this exercise helps students consider the following:
  - Their HR career roadmap.
  - How they would lead and develop an HR department/team.
  - How they would contribute to an organization as a true business partner.

#### **Slide 29 - Weaknesses**

- Review the impact that weakness in this competency can have, as outlined on the slide.

#### **Slide 30 - Due Next Session**

- Remind students of the assignments due for the next session on Critical Evaluation.
- Ask if they have any remaining questions from today's session.