

## Inside Track



JOHNNY QUIRIN

David Smith took the position of president and CEO of The Employers' Association in 1994.

## An operations-oriented approach to HR

Jake Himmelspach

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For some, human resources may not conjure up thoughts of a cutting-edge career. In fact, human resources is sometimes looked at as making sure everyone plays fair and keeping track of endless documentation.

However, if done well, said David Smith, president and CEO of The Employers' Association; human resources can be vital in the future strategy and overall operations of a business.

Smith began his college career in 1971 at Hope College, and it started on a very positive note: He met his future wife, Laura, on the very first day.

"I met her 10 feet away from the phys. ed. building. She asked where the gym was," said Smith. "I was dating a different gal and she was dating one of my roommates. We decided we enjoyed each others' company more than the people we were with."



JOHNNY QUIRIN

David Smith said his alma mater, Hope College, taught students how to think and analyze and then apply what they learned.

In 1975, he graduated with a dual major in chemistry and psychology.

"That was back when they (graduated) in four years," he joked.

He followed his undergraduate degree with a one-year advanced course in pharmaceutical chemistry at Purdue University. After finishing that study, Smith was still unsure of where his career would take him.

"With a double major, I wasn't really strong enough in either one to go off into the work world," he said. "I had gone for another year in chemistry, and my first job was actually in chemistry."

Smith took a job as production assistant and training coordinator at Burdick and Jackson Laboratories — now part of Honeywell — in Muskegon. He was with the company for a busy three years: He was hired in 1976, and in 1977, he and Laura were married.

In 1978, he left for a technical recruiter and department manager position at a now-defunct employment agency.

It was that transition that marked his departure from the field of chemistry and his introduction to human resources.

"Hope College taught us how to think regardless of what kind of degree you had. The college experience for us was really how do you apply what you know. Rather than memorizing, it was really teaching us analyzing and thinking," he said.

"It was taking that application of knowledge, of solutions, of problem solving and applying it to different fields."

After three years with the employment agency, Smith joined Amway in 1981 as a technical recruiter for chemists and IT workers. In 1984, he left Amway to become director of human resources at C&F Stamping Inc. His time there was short; Smith left to take what he considers his biggest career break.

Smith was hired as director of human resources at Rose-Johnson, a multi-plant manufacturer of wood office systems and seating in Grand Rapids.

He arrived at Rose-Johnson at a transitional moment.

"I replaced a gentleman who had been an HR clerk for roughly 50 years. It was a union shop but never had any union background. My first day on the job was the first night of negotiations," he said.

The negotiations were a result of merging a union plant into a nonunion plant, as the company had just been purchased by La-Z-Boy. "The organization had roughly 250 people and about 128 different pay rates, because every employee had their own rate as opposed to having them grouped. During that first negotiation, I cut those 128 pay rates down to 25, and then the next negotiations, we cut it down to 12 pay ranges."

The successful merger was the beginning of the sound strategy that Smith would deliver within the company. He also developed and maintained an affirmative action program and a supervisory training program. He reduced reportable accidents by two-thirds and lost-time due to accidents by 75 percent.

"It's a matter of treating people fairly and consistently," he said. "I had a steward

#### **DAVID J. SMITH**

**Company/Organization:** The Employers' Association  
**Position:** President and CEO

**Age:** 56

**Birthplace:** Plainwell

**Residence:** Middleville

**Family/Personal:** Wife, Laura, of 33 years; three adult sons.

**Community/Business**

**Involvement:** The National Association of Manufacturers, Kent/Allegan County Workforce Board, YMCA HR Policy Committee, General Synod of the Reformed Church in America's Personnel and Evaluation Committee, finance committee for Touchstone Innovare, among others.

**Biggest Career Break:** Being hired as human resources director for furniture manufacturer Rose-Johnson just before it was acquired by La-Z-Boy.

once tell me he absolutely hated me, but if he was going to start a company, I'd be the first one he'd hire because he knew where I was coming from."

In addition to being fair and consistent in dealing with employees, Smith said that a good working knowledge of how a company operates is essential.

"For HR to be worth anything, you really need to know the jobs you're working with," he said. "When you know the jobs, you know the operations — you understand what's going on. HR becomes a very strategic part of the job rather than recordkeeping.

"I guess that's how I view HR — very strategic. A good HR director needs to be very operations-oriented. It has to come from a technical background, not just a traditional administrative compliance background.

"While I was (at Rose-Johnson), I really took a lot of time learning the operation: knowing what made what tick, going out on the shop floor and finding out how people did the things they did and the training they needed to improve the flow. If you look at it from a perspective of why rather than what, I think it makes a big difference."

Smith believes that HR has a role in guiding the strategy of different operations, but few companies — or even HR employees — see it that way.

"In reality, I would say about 20 percent of HR people are really strategic. They may be doing more than recordkeeping, but they're doing more compliance activity in terms of 'don't do this, don't do that' — keeping an organization out of trouble but not really getting into the strategic areas of where they're going," he said.

"You're basically trying to identify why is it happening and what do we do to prevent it. There are a lot of HR people who are decent at identifying the issue ... but how many times can you tell somebody to put their safety glasses on? Every time you come by, they have their safety glasses on. Every time you leave, they take them off."

His five years at Rose-Johnson allowed Smith to develop a lot of his human resources' philosophy and methodology, he said.

"To be good in HR, you can't avoid the hard things. You have to really be able to answer the tough questions and be realistic with the answers," he said. "At Rose-Johnson, the boss I had always told me it's never wrong to change your mind if the conditions change. It's wrong to never make up your mind in the first place."

In 1989, he was offered two opportunities: One was to take an operations position at a office furniture manufacturing company; the other was to stay in human resources and work for The Employers' Association, a nonprofit human resources support organization.

Smith chose to join TEA as director of research and information services.

"What that allowed me to do was work in a corporate setting. ... I could go out and do some consulting work with members and work with companies, have some base pay and some commission," he said.

"When you're in a corporate setting, you have to identify the mistakes the owners have made and tell them how to correct it. Here, I didn't have to identify that they were making a mistake, because they already knew that. They would call you and ask how to fix it."

At this time, Smith had two children and another on the way. He had done some research on The Employers' Association and felt that it was stable, but once he took the job he found that membership was low and so were its finances. Still, Smith had faith in the organization, which was founded in 1939.

After a few years, the president of TEA retired, and Smith took on the task of turning the organization around, officially taking the position of president and CEO in 1994.

"We started to turn around from 210 members and hit 575 a couple years ago," he said, noting the number dropped to just above 500 more recently since the downturn in the economy.

"We changed the attitude a little bit. When I came, the president's attitude was, 'This is the way we have to do things.' He would go out and tell members what they had to do. I went out and told members and I told staff they can do whatever they want. It's our job to make sure they don't get in trouble.

"Rather than telling them this is the only way to do it, typically we will ask questions as to what do they want to do and figure out if that's feasible, or do we need to point them in a different direction.

"There's always two to three different ways to get there," he said, something he learned from his chemistry background. "You can either take a direct reaction, or of a chemical compound that has one or two steps, or you can ... have 50 steps in the process and get to the same answer."

When Smith was working for Rose-Johnson, his boss was on the board of directors for TEA, but ironically, Smith never used the organization because he didn't respect it. Now as president of TEA, he remembers those feelings and always asks the question, "If I were in business, what would I want?"

Now 14 years in as president and CEO of TEA, Smith finds satisfaction in what his organization is accomplishing.

"I enjoyed what I was doing," he said of his early years at TEA. "And I still enjoy what I'm doing."

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