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# What are the Current and Emergent HR Capability Needs (Gaps) for Various HR Roles?

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# What are the Current and Emergent HR Capability Needs (Gaps) for Various HR Roles?

## **Abstract**

Due to the evolving role of HR in business, it is essential to stay updated on which capabilities HR is currently lacking, and which are going to be most needed in the future. In addition to the need for seamless delivery of traditional HR transactional capabilities, we propose four areas for improvement:

- Business Acumen
- Advanced Analytics
- Consulting skills
- Change Management

While we give special attention to the HR Business Partner (HRBP) role, these capabilities apply to all roles within HR.

## **Keywords**

human resources, generational differences, millennials, ageism, generation gap, age bias, workplace, age discrimination, generation X, gen X, work ethic, silent generation, baby boomer, employee engagement, engagement, flexible work environment, work life balance, mentorship, mentee, mentor

## **Comments**

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## Executive Summary

### Question & Introduction

#### *What are the current and emergent HR capability needs (gaps) for various HR roles?*

Due to the evolving role of HR in business, it is essential to stay updated on which capabilities HR is currently lacking, and which are going to be most needed in the future. In addition to the need for seamless delivery of traditional HR transactional capabilities,<sup>1</sup> we propose four areas for improvement:

**Business Acumen**  
**Consulting skills**

**Advanced Analytics**  
**Change Management**

While we give special attention to the HR Business Partner (HRBP) role, these capabilities apply to all roles within HR.

### Business Acumen

The literature overwhelmingly finds that business acumen—the knowledge of how the business operates and generates revenue—is the most important skill for HR professionals to develop.<sup>2</sup> Indeed, many now view business acumen as a *prerequisite* to becoming a HRBP.<sup>3</sup> The need for this principle is reflected in a survey that reveals that only 17% of HR teams believe they have a good understanding of the company's products and profit models.<sup>4</sup>

**Case Studies:** One company's HR function underwent intense financial training (general and company-specific), and despite some early resistance, nearly all participants noted its subsequent utility.<sup>5</sup> Additionally, rotational programs or cross-functional opportunities that bridge the gap between HR and other business units, including finance, can help develop business acumen. Another fortune 500 company is also seeing early success in hiring MBA graduates into HR roles,<sup>6</sup> though other opinions vary widely on the importance of an MBA within HR.<sup>7</sup>

### Advanced Analytics

A Deloitte study shows that while 75% of employers believe HR analytics are important, only 8% of companies are strong in this area.<sup>8</sup> As HR is moving away from transactional—due in part to outsourcing—the capabilities of mining, analyzing, interpreting, modeling and forecasting are critical to transforming HR into a strategic partner.<sup>9</sup> Not only does HR need to focus on reporting and reflect on the past performance for decision-making, but it also needs to look forward and predict future trends of people issues in the workplace.<sup>10</sup>

Adoption of advanced analytics should begin by defining workforce challenges and identifying data requirements to ensure consistency and accuracy in data collection. In designing a single analytics platform for integrating and analyzing data from all sources, organizations should make it accessible and intuitive to use for all HR stakeholders. Additional training and curriculum are helpful to develop a better understanding of the tools and analytical mindset.

**Case Studies:** McKesson, a Fortune 15 business in healthcare distribution and technology and CAHRS partner, introduced a new analytical tool, Visier, and aimed to implement an analytical culture within the organization to enhance HR analytical capabilities. Its workforce intelligence team developed a training and support portal, crafted learning curriculum and materials, and

established virtual office hours for further learning. In addition, they created certification programs and contests to encourage employee interest and engagement. With extensive training on Visier and people data, McKesson took on a series of analytical culture discussions through generating business questions, testing hypotheses, interpreting data, building metrics and storyboards and driving results. The training on Visier and an increased focus on analytical culture have shifted HR stakeholders away from metrics and report-building to more in-depth understanding of business and human capital insights through advanced analytics.<sup>11</sup>

### Consulting Skills

Consulting Skills primarily refer to accurately detecting and effectively solving problems—skills that HR is currently lacking.<sup>12</sup> HR professionals, especially those in the HRBP role, need to creatively analyze current issues and provide solutions that are in line with business strategy. Additionally, HR executives across industries noted a need for improvement in interpersonal skills essential to consulting such as relationship-building across the organization,<sup>13</sup> asking the right questions,<sup>14</sup> and knowing which battles to fight.<sup>15</sup>

**Case Studies:** Recently, the energy company, Statoil, introduced a training initiative focused on the consultative mindset that positively affected economic and qualitative outcomes.<sup>16</sup> Besides direct training, encourage younger talent to develop deep expertise in a given HR Management practice while they prepare for more consultative roles in the future.<sup>17</sup> Role-playing and HR forums can also be an effective way to build a consulting skill set in your organization.<sup>18</sup>

### Change Management

With the ability to quickly react and innovate, HR can help organizations stay competitive by employing the best talent, engaging a fluctuating workforce, and providing people-centric strategies. HR, serving as the change agent, must possess various competencies to push change efficiently and smoothly. Having effective relationship and conflict-management skills, a breadth of forward-thinking HR knowledge, and a sense of business acumen can help HR professionals be successful change agents in the process of assessment, design, and implementation.

**Case Studies:** IBM's HR function has helped the organization manage more than 125 domestic and international acquisitions since 2000, saving \$6 billion in costs since 2005.<sup>19</sup> HR was once an administrative and reactive function, but under its senior VP of HR's leadership, HR at IBM focused on identifying new skills needed at the front line, fostering global teamwork and creating a result-focused culture. HR led the organizational transformation and drove new strategies to accelerate and smooth the change process, further aligning HR strategies with business needs.<sup>20</sup>

### Conclusion

These skills can be developed internally through training and externally through talent acquisition. Companies can design cross-functional rotation programs to encourage employees acquire more business knowledge and obtain a consulting mindset. Online and in-person training can enhance a more in-depth understanding of analytical tools. After closely assessing capability needs and reviewing talents within the organization, this particular company will need to look for new talents to bridge the gap and continuously grow its talents according to market trends and industry needs.

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<sup>1</sup> Akingbola, Kunle. "Separating Transactional from Strategic HR Not Cut and Dry." *Canadian HR Reporter* 17.14 (2004): 18. *ProQuest*. Web. 7 Oct. 2016.

<sup>2</sup> Strobel, Kari R. *Defining Hr Success : 9 Critical Competencies for Hr Professionals*. Alexandria, Virginia: Society for Human Resource Management, 2015.

<sup>3</sup> CAHRS Working Group—HR Business Partner, p. 1. 10 April 2014. Web.  
<https://est05.esalestrack.com/eSalesTrack/Content/Content.ashx?file=54812fe0-4cc5-4279-a15c-e33282491abc.pdf>

<sup>4</sup> Human Capital Trends 2016 | Deloitte | Introduction. (n.d.). Retrieved September 24, 2016 from <http://www2.deloitte.com/global/en/pages/human-capital/articles/introduction-human-capital-trends.html>

<sup>5</sup> CAHRS Working Group—BUHR Leaders, p 5. 22 June 2012. Web.  
<<https://est05.esalestrack.com/eSalesTrack/Content/Content.ashx?file=60a13f12-f24e-4620-a59c-1dab528a853d.pdf>>

<sup>6</sup> CAHRS Working Group: HR for HR. 19 May 2015. Web.  
[https://est05.esalestrack.com/eSalesTrack/Content/Content.ashx?aid=2181&system\\_filename=5e7b3ae0-0287-4d85-9986-45cc622df218.pdf](https://est05.esalestrack.com/eSalesTrack/Content/Content.ashx?aid=2181&system_filename=5e7b3ae0-0287-4d85-9986-45cc622df218.pdf)

<sup>7</sup> Silliker, Amanda. "HR Split on Value of MBA." *Canadian HR Reporter* 25.19 (2012): 1,1,8. *ProQuest*. Web. 7 Oct. 2016.

<sup>8</sup> Human Capital Trends 2016 | Deloitte | Introduction. (n.d.). Retrieved September 24, 2016 from <http://www2.deloitte.com/global/en/pages/human-capital/articles/introduction-human-capital-trends.html>

<sup>9</sup> Bression, Nathalie, Tony DiRomualdo, and Harry Osle. "Minding the Gap - HRO Today." *HRO Today*. N.p., 01 Aug. 2016. Web. 07 Oct. 2016.  
<<http://www.hrotoday.com/uncategorized/minding-the-gap/>>.

<sup>10</sup> Chakrabarti, Madhura. "Demand for HR Analytics Roles Strong, but Slowing." *Bersin by Deloitte*. N.p., 17 May 2015. Web. 07 Oct. 2016. <<http://www.bersin.com/blog/post/Demand-for-HR-Analytics-Roles-Remains-Strong-but-Slowing.aspx>>.

<sup>11</sup> Aon. *Building Game-Changing Capabilities in Workforce Analytics* (n.d.): Aon Business Unit, Mar. 2016. Web. Oct. 2016.  
<[http://www.aon.com/unitedkingdom/attachments/trp/Building\\_Game\\_Changing\\_Capabilities\\_in\\_Workforce\\_Analytics\\_White\\_Paper\\_2016.pdf](http://www.aon.com/unitedkingdom/attachments/trp/Building_Game_Changing_Capabilities_in_Workforce_Analytics_White_Paper_2016.pdf)>.

<sup>12</sup> Younger, Jon, Aaron Younger, and Nate Thompson. "Developing the Skills of HR Business Partnership: Consulting and Change Management." *Strategic HR Review* 10.1 (2011): 6-14. *ProQuest*. Web. 7 Oct. 2016.

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<sup>13</sup> CAHRS Working Group—The Changing Role of the HRBP, p.2. 19 Nov 2014. Web. <<https://est05.esalestrack.com/eSalesTrack/Content/Content.ashx?file=e92e2566-b129-4964-bf26-7a75805af981.pdf>>

<sup>14</sup> CAHRS Working Group—The Changing Role of the HRBP, p.5. 19 Nov 2014. Web. <<https://est05.esalestrack.com/eSalesTrack/Content/Content.ashx?file=e92e2566-b129-4964-bf26-7a75805af981.pdf>>

<sup>15</sup> CAHRS Working Group—BUHR Leaders, p 2. 22 June 2012. Web. <<https://est05.esalestrack.com/eSalesTrack/Content/Content.ashx?file=60a13f12-f24e-4620-a59c-1dab528a853d.pdf>>

<sup>16</sup> Younger, Jon, Aaron Younger, and Nate Thompson. "Developing the Skills of HR Business Partnership: Consulting and Change Management." *Strategic HR Review* 10.1 (2011): 6-14. *ProQuest*. Web. 7 Oct. 2016.

<sup>17</sup> Strobel, Kari R. *Defining Hr Success : 9 Critical Competencies for Hr Professionals*. Alexandria, Virginia: Society for Human Resource Management, 2015.

<sup>18</sup> Strobel, Kari R. *Defining Hr Success : 9 Critical Competencies for Hr Professionals*. Alexandria, Virginia: Society for Human Resource Management, 2015.

<sup>19</sup> Power, Brad. "IBM Focuses HR on Change." *Harvard Business Review*. N.p., 23 July 2014. Web. 07 Oct. 2016. <<https://hbr.org/2012/01/ibm-focuses-hr-on-change>>.

<sup>20</sup> *Getting Smarter about Your Workforce: Why Analytics Matters* (n.d.): n. pag. *IBM.COM*. IBM Global Business Unit. Web. 7 Oct. 2016. <[http://www-935.ibm.com/services/us/gbs/bus/pdf/getting-smart-about-your-workforce\\_wp\\_final.pdf](http://www-935.ibm.com/services/us/gbs/bus/pdf/getting-smart-about-your-workforce_wp_final.pdf)>.