



Cornell University  
ILR School

Cornell University ILR School  
**DigitalCommons@ILR**

---

Student Works

ILR Collection

---

Spring 2016

# What Does Being a Strategic HR Business Partner Look Like in Practice?

Ikenna Njemanze  
*Cornell University*

Follow this and additional works at: <http://digitalcommons.ilr.cornell.edu/student>

**Thank you for downloading an article from DigitalCommons@ILR.**

**Support this valuable resource today!**

---

This Article is brought to you for free and open access by the ILR Collection at DigitalCommons@ILR. It has been accepted for inclusion in Student Works by an authorized administrator of DigitalCommons@ILR. For more information, please contact [hlmdigital@cornell.edu](mailto:hlmdigital@cornell.edu).

---

# What Does Being a Strategic HR Business Partner Look Like in Practice?

## **Abstract**

Dave Ulrich's 1997 book *Human Resource Champions* revolutionized the function by introducing the shared services HR model. The centralization of HR's administrative functions and creation of specialist Centers of Excellence (COEs) promised to allow a new type of HR professional, the HR Business Partner, to embed within a business unit and provide high level strategic consultations. Nearly 20 years later, while multiple industry surveys indicate that HR capabilities continue to improve, most companies and even HR departments themselves believe that the HRBP's role as a true strategic partner has yet to be fully realized. This executive summary surveys the findings of consulting firms, corporate executives, HR thought leaders, and academics on how HRBPs can more effectively provide strategic value for their clients.

## **Keywords**

HRBP, human resource business partner, business partner, strategy, strategic HR, HR, human resources

## **Comments**

### **Suggested Citation**

Njemanze, I. (2016). *What does being a strategic HR Business Partner look like in practice?* Retrieved [insert date] from Cornell University, ILR School site: <http://digitalcommons.ilr.cornell.edu/student/101>

### **Required Publisher Statement**

Copyright held by the authors.

### Key Question

What does being a strategic HR Business Partner look like in practice? How can an organization shift the behaviors of their HRBP teams?

### Introduction

Dave Ulrich's 1997 book *Human Resource Champions* revolutionized the function by introducing the shared services HR model.<sup>[1]</sup> The centralization of HR's administrative functions and creation of specialist Centers of Excellence (COEs) promised to allow a new type of HR professional, the HR Business Partner, to embed within a business unit and provide high level strategic consultations. Nearly 20 years later, while multiple industry surveys indicate that HR capabilities continue to improve, most companies and even HR departments themselves believe that the HRBP's role as a true strategic partner has yet to be fully realized. This executive summary surveys the findings of consulting firms, corporate executives, HR thought leaders, and academics on how HRBPs can more effectively provide strategic value for their clients.<sup>[2][3][4]</sup>

### Enhancing the Strategic Contributions of HRBPs

#### **I. How Can Companies Increase the Strategic Focus of Their HRBPs?**

Surprisingly, research has found that the beliefs held by HRBPs determine success as much as, if not more than, what business partners are actually asked to do. So first and foremost HRBPs have to truly believe that they should be more strategic, and that this is what the business wants from them. An HRBP's goal must be to become a credible activist, who is respected and listened to both because of their knowledge of the business and because they have the confidence to translate this knowledge into actions.<sup>[5]</sup> To become a credible activist, successful HRBPs need to broadly and deeply understand the businesses they support in everything from finance to operations.<sup>[6][7]</sup> Most critically, HRBPs must know the business's strategy and needs. Key questions HRBPs should be asking include: What drives and worries line managers? How does HR support its clients in theory and in practice? Is HR proving its value in ways the business recognizes?<sup>[8]</sup>

The next critical element is ensuring the HR organization is designed to effectively translate HR knowledge into business value. As many as 75% of large companies today use the shared services model, however, many HR thought leaders—including Ulrich himself—criticize them for dogmatically and uncritically applying it to their organizations.<sup>[9][10][11]</sup> Ideally, HR's structure should always mirror the company's structure (e.g. large holding companies should have separate HR orgs for their disparate businesses) and then adapt that design towards best placing HR's areas of expertise at the service of business leaders.<sup>[12][13][14]</sup> [See Graphics 1 and 2 in Appendix for Examples of HR Model Adaptations]

The most recent HR trends encourage evolving the shared services model towards the professional services design of consultancies such as PwC and Accenture. Just as these firms organize their businesses around knowledge areas such as "Tax" and "M&A", HR should be organized around its COEs. Business-embedded HRBPs should thus take on the role of dedicated client engagement managers consulting for individual business groups.<sup>[15]</sup> While COEs might still be centrally located, HRBPs can often better serve individuals in their business groups by assembling and leading teams of dedicated specialists.<sup>[16]</sup> The specialties represented on these teams will vary according to business need. In one study, HR functions with such dedicated teams received performance scores 65% higher than those without.<sup>[17]</sup>

#### **Recommended Actions**

1. **Define Expectations:** Survey business leaders for their wish list of HR capabilities and work with them to identify the best ways for HR to provide value. HRBPs should then take the lead in working with the HR org to deliver these resources or to build these capabilities if they are currently aspirational. Adjustments should be made to HR structures if they will benefit the business.<sup>[18][19]</sup>
2. **Implement an Action Plan to Improve Strategic Focus that Includes:**<sup>[20]</sup>
  - Exposing the entire HR org to core business concerns of the company (e.g. competitive environment, executive strategies).
  - Assigning HRBPs and business leaders joint accountability for achieving business goals.
  - Developing HR success metrics that advance business strategy (e.g. succession plan readiness) rather than cost efficiency measures (e.g. HR staff-to-employee headcount ratios) that rarely create value.

#### **II. What Does Being More Strategic Look Like in Practice for HRBPs?**

Value-added strategic HRBP services will vary by company and business group depending on individual business strategies and challenges. Still, all business leaders are generally responsible for three basic components of strategy: **1)** Formulation (e.g. SWOT analysis, determining competitive advantage, choosing optimal strategies); **2)** Implementation (e.g. ensuring culture supports strategy, stakeholder management, allocating resources); and **3)** Evaluation (e.g. determining strategic success, diagnosing failures, strategic adjustments).<sup>[21]</sup> At the most basic level HRBPs are responsible for understanding the strategy and ensuring the business has the people, capabilities, and processes in place to successfully execute its components.

#### **Key Strategic HRBP Contributions Often Include:**

- **Taking an Investment-based Service Approach:** Instead of spending an equal amount of time, attention and resources on everyone, focus on the roles and people — not just in terms of compensation, but in terms of development, opportunities, retention, engagement, and human capital planning — that have maximum impact on the economic value of the business. Review and adjust how much time the HR team and line leaders spend on solutions for acquiring, developing, engaging and retaining critical talent.<sup>[22][23]</sup>

- **Brokering Knowledge:** Delivering value by assigning and coordinating the right team of HR knowledge specialists to help business leaders reach their goals.<sup>[24]</sup>
- **Succession Planning & Talent Management:** Working regularly with line and senior leaders to ensure a deep leadership bench that has the skills to execute on strategy; also ensuring that that critical roles can be filled quickly and effectively in the event of a vacancy.<sup>[25]</sup>
- **Forecasting & Contingency Planning:** Business leaders create contingency plans for their strategy based on possible market developments. HRBPs should work with them to create alternate talent plans based on multiple scenarios.<sup>[26][27][28]</sup>

### **III. What are Specific Ways that an Organization Can Develop and Improve Strategic HRBP Skills and Capabilities?**

The most frequently cited reasons in HR and business research for HRBPs failing to reach their potential as true strategic partners include:<sup>[29][30][31]</sup>

- HRBP preferences for standard processes over developing new strategic capabilities
- HRBP unfamiliarity with the need to predict and adapt to changing business trends
- HR talent and capabilities not keeping pace with evolving business needs
- HRBP lack of business and financial savvy
- Poor communication between HRBPs and business leaders and the inability to link HR and business strategy

#### **Recommended Actions:**

- **Require HRBPs and Business Leaders to Partner and Work Closely Together:** Most HRBPs and other function leaders have come up through the HR pipeline. This might leave a gap in terms of predicting, diagnosing, and prescribing actions that will improve business performance. Frequent inclusion in broader business discussions and meetings will expand an HRBP's understanding of the business. Companies should give their HRBPs a chance to enhance their strategic business skills, and they should assess progress quarter by quarter.<sup>[32]</sup>
- **Job Rotations:** Many companies such as Google and Halliburton now move people between HRBP roles and other functions to develop a more analytical and business savvy mindset within HR. Commercial experience is seen as vital for all HR professionals and it is increasingly recommended that top HR or HRBP roles spend time outside the function. Making an HR rotation a requirement for all top company talent can also help position HR as a talent magnet.<sup>[33][34][35][36][37]</sup>
- **Skill Upgrading/Business Education:** Companies are increasingly requiring HRBPs and other HR staff to participate in business certification programs or receive MBAs; organizations are tailoring development programs (e.g. HR University) specifically designed to grow crucial business and consulting capabilities among HR professionals.<sup>[38][39]</sup>
- **Work to Develop World Class HR Functions: Companies** are asking themselves whether HR is an exciting place to work and whether turnover is declining relative to other functions in the business. Without HR pushing itself to develop innovative capabilities, it will not happen. HR's future success lies in its ability to evolve and build a new generation of leaders, engage its talent, and implement new mobile and digital solutions.<sup>[40]</sup>
- **Raise HR Job Requirements:** MBA education, quantitative skills, and financials metrics are increasingly becoming requirements for certain HR roles.
- **Attract Top Millennial Talent to HR:** Recruiting younger professionals into HR who intuitively understand the employee value propositions that engage their generation is seen as crucial.<sup>[41]</sup>

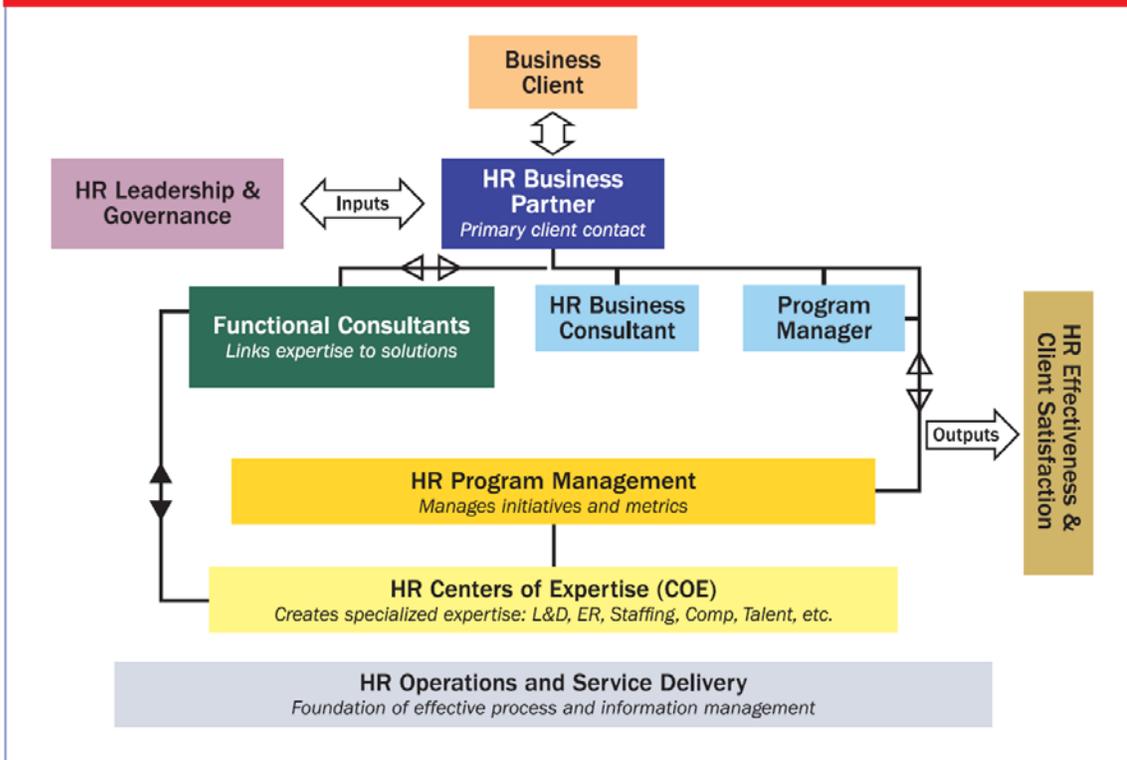
#### **Analytics**

The growing importance and potential of people analytics and data cannot be understated. However, figuring out what metrics to collect, separating correlation from causality, and arguing for or implementing changes based on people data requires an extremely high level of data science expertise. It is warranted to hire data experts and academics to aid this new function.<sup>[42]</sup> Still, even at a basic level, HRBPs will need to back up their recommendations with empirical evidence and at least a rough ROI analysis to gain the respect of business leaders. Also, the hardest part of people analytics is implementing the changes recommended by the models, which call for people analytics to be accompanied by sound change management practices which should be a critical HRBP competency.<sup>[43]</sup>

#### **Future Trends**

**Design Thinking As a Core HR Capability<sup>[44]</sup>:** Rather than merely building “programs” and “processes,” leading HR organizations including GE are studying people to help develop interventions, mobile apps, and tools that help make employees less stressed and more productive.<sup>[45]</sup> Design thinking provides a structured way to focus on the employee's personal experience to create processes centered upon the worker. The result: new solutions and tools that directly contribute to employee productivity, engagement, and enjoyment. Highly regarded HR teams are now actively building expertise in design thinking, new organizational structure and teams, and business-integrated HR. In this way HR can enhance the employee experience and build the talent leaders the organization needs.<sup>[46]</sup> Modern HRBPs should be trained in design thinking and serve as evangelists for the utility of this new tool as well as the key interface between HR design thinking teams the business.

**EXHIBIT 1: THE METLIFE HR OPERATING MODEL**



Graphic 1<sup>[47]</sup>

Figure 2: Aligning Business and HR Strategy



Graphic 2<sup>[48]</sup>

- <sup>1</sup> Ulrich, D. (1997). *Human resource champions: the next agenda for adding value and delivering results*. Boston: Harvard Business School Press.
- <sup>2</sup> Fersht, P., Filippone, D., Pennington, K., Youden, D. (2012). Human resources transformation: is it driving business performance. *PwC-HFS Research*, 6. <https://www.pwc.com/us/en/people-management/publications/assets/pwc-hfs-hr-transform.pdf>
- <sup>3</sup> Deloitte. (2016). Global human capital trends 2016: the new organization different by design. *Deloitte University Press*, 77. <http://www2.deloitte.com/us/en/pages/human-capital/articles/introduction-human-capital-trends.html>
- <sup>4</sup> Carrière, J. (2014). HR involvement in strategic decisions: Impact on organizational performance. *Journal of Strategic Human Resource Management*, 3(1), 30.
- <sup>5</sup> Hills, J., & Rawes, C. (2009). Creating credible activists. *Strategic HR Review*, 8(1), 10-15
- <sup>6</sup> Grachowski, J., Ulrich, D. (2012). From shared services to professional services. *Strategic HR Review*. Vol. 11 Iss 3, 136 – 142. <http://www.emeraldinsight.com/doi/full/10.1108/14754391211216850>
- <sup>7</sup> Pellet, L. (2015). How to Get Out of the World of Swirl and into Strategic Calm: Today's HR Imperative. *Workforce Solutions Review*, 6(5), 4-6.
- <sup>8</sup> Stephens, C. (2015). Are HRBPs a dying breed?. *People Management*, 36-37.
- <sup>9</sup> From shared services to professional services, 139.
- <sup>10</sup> Peacock, L. (2008). Ulrich's model defense. *Personnel Today*, 6.
- <sup>11</sup> Gerpott, F. H. (2015). The right strategy? Examining the business partner model's functionality for resolving Human Resource Management tensions and discussing alternative directions. *Zeitschrift Für Personalforschung*, 29(3/4), 214-234.
- <sup>12</sup> The right strategy.
- <sup>13</sup> Are HRBPs a dying breed.
- <sup>14</sup> Stríteský, M., & Quigley, M. J. D. (2014). Designing HR organizational structures in terms of the HR business partner model principles from the perspective of czech organizations. *Central European Business Review*, 3(1), 42-50.
- <sup>15</sup> From shared services to professional services.
- <sup>16</sup> Deloitte. (2015). Global human capital trends 2015: leading in the new world of work. *Deloitte University Press*, 66. <http://www2.deloitte.com/content/dam/Deloitte/at/Documents/human-capital/hc-trends-2015.pdf>
- <sup>17</sup> BCG. (2015). The future of HR in Europe: key challenges through 2015. <https://www.bcg.com/documents/file15033.pdf>
- <sup>18</sup> Global human capital trends 2015, 65.
- <sup>19</sup> From shared services to professional services.
- <sup>20</sup> Human resources transformation, 11.
- <sup>21</sup> Brauns, M. (2013). Aligning strategic human resource management to human resources, performance and reward. *The International Business & Economics Research Journal (Online)*, 12(11).
- <sup>22</sup> Handler, T., & Jasinski, T. (2010). MetLife learning and development: Redesigning an organization to enable business performance. *People and Strategy*, 33(3), 47.
- <sup>23</sup> Mundy, J. (2012). Why HR is still not a strategic HR partner. *Harvard Business Review*. <https://hbr.org/2012/07/why-hr-still-isnt-a-strategic-partner>
- <sup>24</sup> From shared services to professional services.
- <sup>25</sup> PwC. (2014). 17<sup>th</sup> annual CEO survey: adapting to growth. <https://www.pwc.com/gx/en/hr-management-services/publications/assets/ceosurvey-talent-challenge.pdf>
- <sup>26</sup> Designing HR organizational structures in terms of the HR business partner model principles from the perspective of czech organizations.
- <sup>27</sup> The future of HR in Europe.
- <sup>28</sup> Barton, D., Carey, D., Charan, R. (2015). People before strategy: a new role for the CHRO. *Harvard Business Review*. <https://hbr.org/2015/07/people-before-strategy-a-new-role-for-the-chro>
- <sup>29</sup> Human resources transformation: is it driving business performance, 8.
- <sup>30</sup> Designing HR organizational structures in terms of the HR business partner model principles from the perspective of czech organizations, 47.
- <sup>31</sup> McCord, P. (2014). How Netflix reinvented HR. *Harvard Business Review*. <https://hbr.org/2014/01/how-netflix-reinvented-hr>
- <sup>32</sup> People before strategy: a new role for the CHRO.
- <sup>33</sup> Global human capital trends 2016: the new organization different by design, 82.
- <sup>34</sup> Global human capital trends 2015, 65-66.
- <sup>35</sup> 17<sup>th</sup> annual CEO survey: adapting to growth.
- <sup>36</sup> Are HRBPs a dying breed?
- <sup>37</sup> People before strategy: a new role for the CHRO.
- <sup>38</sup> 17<sup>th</sup> annual CEO survey: adapting to growth.
- <sup>39</sup> Global human capital trends 2015, 67.
- <sup>40</sup> 17<sup>th</sup> annual CEO survey: adapting to growth.

- 
- <sup>41</sup> Global human capital trends 2016: the new organization different by design, 80.
- <sup>42</sup> Angrave, D., Charlwood, A., Kirkpatrick, I., Lawrence, M., & Stuart, M. (2016). HR and analytics: Why HR is set to fail the big data challenge. *Human Resource Management Journal*, 26(1), 1-11.
- <sup>43</sup> Global human capital trends 2016: the new organization different by design, 91.
- <sup>44</sup> Plattner, H. Introduction to Design Thinking Process Guide. *Institute of Design at Stanford*.  
<https://dschool.stanford.edu/sandbox/groups/dresources/wiki/welcome/attachments/8e447/d.school%27s%20Design%20Thinking%20Process%20Mode%20Guide.pdf?sessionID=74ecbad47f146d8ebcd58cff144431a9de797be>
- <sup>45</sup> Global human capital trends 2016: the new organization different by design, 67-68.
- <sup>46</sup> Global human capital trends 2016: the new organization different by design, 82.
- <sup>47</sup> MetLife learning and development: Redesigning an organization to enable business performance, 48.
- <sup>48</sup> From shared services to professional services, 139.