

The Emerging Role of the HR Business Partner

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Here's what happened in history the day I was putting together this presentation. First of all: Will Ferrel's birthday. Irrelevant. *Catcher In The Rye* was published. So what? John F. Kennedy, Jr. was killed in the plane crash. Sad, but not relevant. First Disneyland was opened in Anaheim, CA. Doesn't apply to us, even though sometimes it feels like you're dealing with cartoon characters. But, someone important was born today. Ida Wells.

Ida B. Wells was born in 1862, the daughter of slaves freed after the Civil War. When she was 14, both her parents and a baby brother died in an epidemic and she was left an orphan. She dropped out of school and went to work as a schoolteacher to take care of her six younger siblings and keep the family together. One day when she was on a train, the conductor attempted to kick her out of the car and make her go back to the Smoking/Jim Crow car. She refused, and almost 100 years before Rosa Parks, ended up being forcibly removed from the train, and then sued the train company successfully. She also published on civil rights, and had a huge impact exposing lynchings.

As playwright Tazewell Thompson sums her up, "...A woman born in slavery, she would grow to become one of the great pioneer activists of the Civil Rights movement. A precursor of Rosa Parks, she was a suffragist, newspaper editor and publisher, investigative journalist, co-founder of the NAACP, political candidate, mother, wife, and the single most powerful leader in the anti-lynching campaign in America. A dynamic, controversial, temperamental, uncompromising race woman, she broke bread and crossed swords with some of the movers and shakers of her time: Frederick Douglass, Susan B. Anthony, Marcus Garvey, Booker T. Washington, W. E. B. Du Bois, Francis Willard, and President McKinley. By any fair assessment, she was a seminal figure in Post-Reconstruction America.

Why is this relevant to us in HR? Because Mrs. Wells made a huge strategic difference in the awareness of our entire culture. In our laws. In our mindsets. She was a change agent. She worked from within the system to change the system. She was a leader and a visionary. Ida Wells had very few resources except for strong desire and raw DNA, and yet was able to be hugely successful in identifying problems in our society and working within the establishment to change them. She is good role model for all of us who want to continue to grow our careers, making an increasing impact as strategic HR professionals. Mrs. Wells is an especially appropriate role model for those of us who don't have a lot of resources to work within our companies, and are working in extremely challenging environments. This includes working in corporations that are resistant to change.

When you hear "change", two things should come to mind. One is about how much the very nature of your jobs are changing; and also, how much corporations are having to change globally in order to continue to compete and survive. It's not as easy as people make it out to be and certainly not as easy as the business professors state in their articles. In fact, this new global, mobile, flexible workforce, for some, is like a Fake Employment Gold Rush. Oh yeah, you're

welcome to apply for any job your employer has advertised anywhere in the world, but you won't be able to get it because you won't be able to get the Green Card for that country, and no one will pay for your relocation. And you're welcome to have that nice, global HR job and work it from home, but you'll be on the phone at 6:00 am and again at midnight, working your normal 12 hour day in between.

Now, these disappointing “details” blocking you and me from taking those hot HR jobs in Paris, and I'm not talking Paris, Texas, lead us to what's really going on in corporations today, and how is this affecting careers in HR.

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As I was researching up-to-the-minute HR trends for today's presentation, I was struck by how global population and economic changes are forcing our corporations to change the way they do business even faster than ever before. What are these changes and how must HR support them?

Outsourcing programs: the large global outsourcers have all recently announced that as cost-cutting measures, they are stopping all customization of services. This will mean that employers will have to revisit what they can outsource and what they need to bring back in-house. The pendulum is swinging back the other way, but this time, I think there will be a focus on teaching managers how to handle more of their own HR—an enhanced self-service model.

How companies do business is getting increasingly complex, with multiple layers of sales forces working for different entities, many, many more components located inside a single product, and much more software needed to get anything done.

Providing any sort of service to employees, including assisting organizations to determine the type of employee experience they want their employees to have, is in flux. The Baby Boomers who were supposed to be all retiring right about now are staying put. They realized that their home prices are down and their retirement savings even lower, and they're going to live to be 100! Unless they want to be carrying trays at Denny's in their 90s, they need to stay employed and stay relevant. At the other end of the spectrum, you have the Millennials. And boy, are they causing headaches for us Generation Xers and Baby Boomers. We have to figure out how to work with a group of folks who have completely different sets of rules, including taking directives under “advisement.”

Layer on the above—cost cutting, outsourcing, etc. and you see scope of the challenges that every, one of you HR professionals in this room is facing.

All of these means that organizations are requiring more and more strategic assistance from their HR teams. This is shown in a recent survey.

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This shows how big the shortage of strategic HR professionals is perceived to be. And now more information about changes, but not necessarily good news...

They stated:

First, they don't have the right HR people

Second, their HR succession plan is off.

Then, they dissed their HR bench.

Then, they whined about their internal customers being unhappy.

Well, unfortunately, *this* was the *good* news that I had to share with you.

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This is really about catch up work—from the pain, but not to the gain. These companies are unhappy with the level of support they're getting from HR, but their goal is just to make HR more functional-- not to elevate the function. They're not trying to make it more strategic.

To me, this shows that many companies' executive teams are still not ready for strategic HR support: they just want us to do a better job with the blocking and tackling.

Now, you can do very well with administrative HR support, and this doesn't have to be low level. We're talking sophisticated compensation plans, employee communications, hiring and retention strategies, and compliance. You can be appreciated if you can nail the HR administrative support, even at very high levels. In fact, you've got to get that done. But, how satisfied you'll be with this *high functioning administrative role* depends on your skills and interests, and on your personal career motivators. Some people will be happy with this and some people won't.

One answer to finding increasing challenges on the job to keep you motivated can be found in the strategic HR Business Partner model. This is where you can really grow your career and impact our earnings.

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Of course, enjoying your HR job and feeling gratified and personally fulfilled is so nice!

But, getting paid for doing it is even nicer. Every HR person needs a CEO who can sign those paychecks and fund those HR programs. And the way to get the maximum bang for your efforts is to figure out exactly what your CEO wants and needs from an HR standpoint, and make sure that you are delivering. Smart CEOs these days, especially in high growth and turnaround modes, know that they can't achieve success without strong HR plans lining up to their strategic plan.

In fact, Trip Hawkins, who you all know co-founded and served as CEO of EA for 12 years, and is now CEO of Digital Chocolate, told me that all of his success was due to having the right HR

professionals, programs, and policies in place, and by drilling down his HR programs and desired culture throughout his companies.

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This is a roadmap to the hard and soft skills and experience of HR jobs. This is not a road map to happiness, per se. The happiness comes along the way. Let's look at this in some detail so that you can evaluate more accurately how you're doing.

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This is what employers look for in entry-level employees, but if you look at experienced HR professionals who always seem to be out of a job or looking for a new one, you'll find that some of them have lost control over the basics. They've broken down their feedback loops, and don't come across as professional, disciplined, or even cooperative. It's as if they shelved themselves years ago, and no longer let in or out any relevant data about their performance or their corporate impact.

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Employers look for potential VPHRs to have at least areas of expertise from this list, and HR generalists building their careers should plan on spending a number of years in each category if they want to grow their careers to the fullest extent.

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These are what separates solid performers from outstanding leaders—the ability to constantly be adding value and making a huge difference. HR Business Partners who can not only do their jobs with the high transactional load most of them still come with, but who are able to offer insights and suggestions to improve the business, can really grow their careers. And, those who have truly fabulous communication skills will gain respect and credibility much faster than their peers, and will maintain that edge through their startup mindset, passion for the business, and consulting skills.

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Whether you like or laugh at these new titles, the depth of the description really shows the huge amount of responsibility and opportunity HR Business Partners have these days. These titles also elevate the bar to an almost unachievable level. So, you need to pick a couple of areas where you can become truly an expert, and focus on those, and aim for having average or above average competency in the other areas.

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With a focus on constantly refining your skills in these four quadrants in order to meet the changing needs of the business, you'll be able to continue to grow your career, modifying it as necessary as market needs change.

Now, you might be one of those people who are happy in an HR Rep job, or happy as an HR Manager, or even a high level HR Business Partner. But some of you might be more ambitious.

Competitive. Not really happy unless you're in charge. Your goal may be to get that job CHRO job. Whether or not that's your goal, it's worthwhile to look at what goes on in those top HR jobs, the VPHR or SVPHR jobs at major corporations. What do these HR executives do all day to earn that up to \$1,000,000 a year cash compensation? What makes them successful?

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Being a top HR executive is about partnering with your CEO and your executive team, and serving as both an advisor and staff member to the board of directors. In these multiple-sided roles, you often focus on the discovery and diagnosis of organizational problems and recommend solutions for those problems. Usually, you utilize your staff or bring in other experts to enact the solutions. You lead a big team. You do a lot of consulting interventions. You give a lot of advice. You share ideas.

On your staff, you've got the generalists who handle high transactional roles and often focus heavily on recruiting, employee relations, and compensation. You've got your specialists, who may work in your Centers of Excellence. And, you've got a group of Business Partners: one of the most interesting HR jobs available today, and one that spans compensation ranges from as low as bases of \$90,000 up to \$190,000.

We know what the generalists and specialists do, and what their backgrounds are. But what do the HR Business Partners focus on? What are their responsibilities? What do they actually do on the job?

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We've looked at what's going on inside organizations today, and what the pressures are in the organizations that are driving the focus on HR. Then, we discussed the skills and experience requirements of successful HR professionals at different levels, including in the C-suite. Now let's look at what the HR Business Partner role looks like.

Usually, these jobs are in larger, more global organizations.

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What are the skills required?

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So even if you have the skills and can handle the requirements, let's look at the typical experience you have to have to get this job. This will also show you where this job fits into your HR career lifecycle.

This is a very senior job

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Funky mixed matrix reporting structures.

Jobs can have base of \$95,000 to \$220,000—a huge range. This shows where the HR BP jobs can fit into any HR career, and where and when it might make sense for you to take on this job. There are VPs of HR who say that they are HRBPs, and there are VPs of HR who have 50 HRBPs reporting into a VPHR over the worldwide BP function. Let's look at where these jobs can fit into your personal HR career path, and also some perceptions about traditional HR career paths that we may need to shatter.

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The most common issue in the Business Partner model is the tension between the front end—the Generalist staff tightly allied to their lines of business—and the back end, which includes the specialized Centers of Excellence focused on enterprise programs.

A second major issue is that a majority of the staff is dedicated to line of business work. Even if they do not report to the business, the alignment of a large proportion of available resources into the lines of business reduces the ability to move people quickly when opportunities and needs arise elsewhere.

International scope of the position requires a high level of flexibility in terms of hours worked and travel. Often, Business Partners start their days with 5:00 am phone calls and finish their days with 11:00 pm phone calls—and work a full day in between.

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HR Case Study

Background:

The company was just restructured along global business lines. Each business line has an HR Business Partner that must understand his/her specific line of business and translate the business needs into specific HR actions that will support and ensure the achievement of the business goals.

Situation:

The business line CEO is concerned that his sales team is not being compensated properly globally and are not, therefore, motivated to move his particular products. The CEO believes that his global team should all be compensated similarly (all having the same opportunity to make the same money if they hit their objectives). Being an American, he tends to see his global sales force through US eyes and wants his sales team in the Philippines to earn the same as his US team, thinking that this will motivate them to sell. The HR Business Partner is caught in the middle trying to support his CEO, but knowing that the information he has gained from the compensation Center of Excellence tells him that he should be looking at “purchasing power” equivalents rather than everyone making the same.

Solution:

What would you do?

We're seeing an increasing problem of highly strategic, ambitious, and talented HR professionals taking jobs, and then quitting months or even weeks later when they realize that the job isn't what they were told it was. Often senior executives will say that they want someone more *strategic*, but they really mean someone more *intelligent*. Since CEOs are, by the nature of their jobs, looking out three years, they need HR partners who can talk that language and convert what needs to be done into future-speak. It's really frustrating for HR professionals to quit their jobs and move to a new organization only to find that it's worse than the previous one. You show up Day One and are told to go handle some lay-offs, with no impact or view into the reason or the strategy. You find out none of their HR systems talk to each other, and so you spend hours each day creating spreadsheets. You're told you can do whatever you like, as long as it doesn't involve spending any money or take up anyone's time.

How can you tell in advance if your current or potential organization is ready for real HR Business Partners?

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Now, we've discussed how organizations are changing, and the "why" behind it. We've looked in depth at what the skills and responsibilities for strategic HR professionals are. You've seen what you can actually do on the job, and what the HR organization would typically look like to support that. And, we've done a case study and discussed the possible interventions in detail. So, you've seen what a strategic HR career can look like at different levels.

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Now, this is what a tactical HR career looks like. Which would you rather be?

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The most effective HR Leaders take a strategic, big picture approach, at all levels of career development:

- Know their stuff
- Lead
- Challenge authority and the status quo yet consult where the client is
- Clearly communicate
- Willing to take risks

Taken from Management Research Group: www.mrg.com