



# Maximising the value of HR business partnering

Ed Griffin, Liz Finney, Jo Hennessy and Dilip Boury

A practical research based guide

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Towards the end of this research we were able to share some of our findings with Dave Ulrich and Wayne Brockbank, authors of some of the most influential writing on this subject. Our dialogue with them was both helpful and illuminating, and we are grateful to them for the attention they have given to our work.

Ed Griffin, Liz Finney, Jo Hennessy and Dilip Boury  
Roffey Park Institute, January 2009



## Foreword

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by Professor Paul Sparrow

This is a very timely piece of research by Roffey Park. Business partnering by HR professionals is a topic that has had a long pedigree, predating, but then given powerful voice by Ulrich and his colleagues. Many HR functions, if not currently operating with HR business partners, are considering whether, or how to do it. Moreover, now that we face a period of quite fundamental strategic challenge, as the Credit Crunch morphs itself in many sectors beyond a simple downturn in business towards a fundamental challenge of the basic business model, it is time to ask whether HR functions have done enough in establishing sound structures and business partner capability, or are they still refining their own operating model at a time when the expectation from their CEO, and line managers under pressure, is for the function to already be delivering on the promise of its value in these difficult times?

By bringing together a range of debates, ideas about segmenting and focusing strategic work, and initiatives that were occurring within the HR field at the time, Ulrich was able to articulate the now-famous 3-Box model, and go on to refine this successively in more recent derivatives. Although attractively clear and simple in its purpose and messages for the HR function – rightsize the function by getting a cadre of HR professionals working on the business processes and outcomes that are central to competitive success - in practice the model itself models very complex mechanisms. It seems that making these mechanisms operate together like clockwork has been something achieved by some, yet has proved challenging to others.

Why is this? At the heart of this model lies a set of HR professionals, embedded within line businesses, but supported by both efficient processes to handle the more transactional aspects of HR work, and more strategically-orientated expert HR knowledge handled by functional or centre of excellence structures. This way of segmenting work is based on a formula that can be, and has been, applied to several other service functions beyond HR at a macro level (IT and finance being obvious examples). Surely, we might ask, is there enough of an experience-base to know how to work such a model?

As is made clear by this report, the model has had its supporters and detractors. So it is timely to review this debate and contribute to it with some data. Has the model endured over time? When practitioners have to match the model to the more micro-level decisions associated with the peculiarities and idiosyncratic nature of their particular business (a 'the devil is in the detail' argument), do they apply the model with sufficient clarity and worked-through detail to still deliver its benefits? What is it about the model that they really need to understand? When such understanding has been developed, what can those who have worked the model to their satisfaction tell others? If implementation has been poor or problematic, is this because the design is wrong or needs refining, because the



architect's plans have simply been misread and misunderstood, because other motivations (such as cost cutting and work simplification) have hijacked or distorted otherwise well-intentioned HR-structure change projects, or because the quality of the materials at hand (HR professionals!) have been found wanting? Or is it more to do with the surrounding culture of the organisation that the model is being applied to? Does an HR business partner approach only work in certain receptive contexts? More to the point, does and should any of this matter to the line?

To help us judge what the answers to these questions might be, the researchers at Roffey Park have designed a probing test of the Ulrich model. They have drawn upon expert views to help establish important questions to ask, and having accessed the views of 171 HR practitioners – principally the HR business partners themselves - from over 30 organisations to these questions, they have used a panel of line managers through interview to interpret, challenge and validate their survey findings. They focus in particular on the extent to which the surrounding HR structures and organisational culture and the way in which the model has been implemented impact on success.

The baseline findings from the survey are not just left for the reader to draw their own conclusions from – the team question the messages that might be drawn and test and probe both positive and critical interpretations. This is a warts-and-all analysis – and exactly what is needed by many an HR function, who at the time of writing, we know are in the process of designing or refining their approach to business partnering.

This report will help HR practitioners understand the tasks that need to be addressed in working with, and extracting the best value from, business partnering. So in this preface, let me not tell you how the story ends. Read on, and let this research make a significant contribution to the debates that your HR teams must inevitably have.

*Paul Sparrow is Director of the Centre for Performance-Led HR and Professor of International Human Resource Management at Lancaster University Management School.*

## Executive Summary

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The HR business partner model came to the fore as a result of the work of Dave Ulrich, who synthesized what many companies were doing. In his 1997 book, “Human Resource Champions”<sup>1</sup>, Ulrich described how HR could be more thoroughly aligned to business processes and help the function contribute more to business outcomes.

When adopted by organisations, the HR business partner model often involves restructuring the HR function into what has since been referred to as the three legged stool. Ulrich suggested that all HR professionals are required to work as partners with the business, be they in the service centres, in centres of excellence, or embedded within the business, but it is most common for this last group to be referred to as HR business partners.

Ulrich and Brockbank have continued to evolve the basic model, emphasising the need for HR to deliver value to both external and internal stakeholders, adding a fourth leg to the stool (that of operational executor), and continuing to research competencies for effective HR professionals.

### Our research

Ten years on, we were interested to explore how organisations perceived HR business partnering in practice, how they had implemented the model and to what extent it was delivering the promised added value to the business. We conducted research surveying the real experiences of HR professionals in the implementation and development of business partnering, as well as holding in-depth interviews with line managers.

### The success of HR business partnering

In our survey of HR professionals (171 respondents from over 30 UK organisations) the majority reported that HR business partnering was quite successful in their organisation (55%), but about a third claimed they were unsure as to its success and a further ten per cent reported it to be not successful. Only three per cent reported that it was very successful.

From these findings we concluded that those closest to the model in practice, HR professionals, held varying views as to its current success. However, was this variability in reported success the fault of the model itself or was it down to the implementation?

As many organisations appeared to make the HR business partner model work for them, where it proved less effective we hypothesised that the Ulrich model may have been adopted with insufficient attention to the organisation’s unique requirements. Our research went on to test what factors contributed to success.

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<sup>1</sup> Ulrich D, (1997) *Human Resource Champions* Harvard Business, School Press,

## **Organisational characteristics**

### ***More prevalent in larger organisations***

Ulrich originally developed the concept of HR business partnering based on research in large firms, both in the US and globally<sup>2</sup> and when we asked for volunteers to participate in this study, the majority of respondents worked for larger organisations (over 1,000 employees) with only eight per cent working for small organisations (less than 1,000 employees). This suggests that the model may be more prevalent in, and perhaps therefore also more relevant to, larger organisations.

### ***Equally successful across the sectors***

With a good spread of respondents from across the different sectors (37% private sector, 54% public sector and 9% not-for-profit), we found no significant differences between sectors and the perceived success of HR business partnering. As a consequence, the model appears to be applicable across the sectors.

### ***Easier to embed in some cultures than others***

The business partner model has, at its core, the assumption that colleagues in the line will be prepared to partner with their HR colleagues to deliver shared organisational objectives. Whilst their willingness to do this may be dependent on a range of factors, it was our hypothesis that this would also be determined by the prevailing organisational culture.

Taking Goffee and Jones' well-recognised Double S model of corporate culture,<sup>3</sup> we predicted that organisations with more relational cultures would be most likely to support the HR business partnering model. Our findings support this hypothesis, with statistically significant relationships between the reported success of HR business partnering and the more relational cultural types described by Goffee and Jones.

It is clear that HR practitioners would be well advised to understand the corporate culture into which HR business partnering is being implemented. Where a more relational culture is missing, specific actions may need to be taken to engender and enhance relationships between HR and their line colleagues, and where working towards shared goals is not the norm, implementation plans may need to include interventions to create shared goals and objectives.

## **Implementation factors**

### ***Select HR business partnering for the right reasons***

The most common reasons for implementing HR business partnering were all performance-related: over two thirds of respondents reported that it was adopted to support business strategy and to improve either organisational or HR performance. However, about a third gave head count reductions and cost

<sup>2</sup> Ulrich, D (1997) *Human Resource Champions* Harvard Business School Press,

<sup>3</sup> Goffee R, Jones G, (2003) *The Character of a Corporation: How Your Company's Culture Can Make or Break Your Business*, Profile Books Ltd,

savings as reasons, which may mean that the model is not being implemented as it was intended. It may be that some are using the label “business partner” to try to do things not at all related to business partnering. It is no surprise that in these cases lower proportions of people reported success than when the model was implemented for the reasons Ulrich intended, namely raising the game of HR and delivering increased value to the organisation.

### ***Ensure role clarity for all players***

There are many players involved in the delivery of the HR business partner model, most importantly the different HR roles and line managers. In this research we asked HR respondents how clear they felt these groups were about their roles. HR business partners were seen as having most role clarity (84%), then other HR roles, for example those working in shared services centres or centres of excellence (around 50%) and line managers were seen as having least role clarity (44%). Taking an overall rating, the greater the role clarity, the higher the reported success of HR business partnering. So the message here is make sure everyone knows what is expected of them and of each other from the earliest stage.

### ***Develop line readiness***

A central tenet of Ulrich's model is that the line has primary accountability and responsibility for HR work. Indeed, our research found that HR respondents in this research who rated line managers as more bought in to this new way of working and as more equipped to play an active role reported a higher level of success of the overall model. However, potentially worrying findings show that a third view managers as not bought in and nearly half perceive buy in to be lacking from employees. This might be due to HR not informing line managers of how the model will help them reach their goals, again not using the model as intended. Further, proportions are higher still when rating how ill-equipped managers and employees are to play an active role. Developing line readiness to accept and work within the HR business partnering model is a vital and often neglected part of any implementation plan.

### ***Develop HR readiness***

Focusing on the readiness of HR business partners, getting the right people with the right competencies into these roles through rigorous selection procedures and training processes increases the chances of success in this respect. Simply transferring existing people into new roles runs the risk of achieving a change in job title only. Once the right people are selected, investing in developing the competencies of this population through tailored interventions delivers higher levels of success than relying purely on learning on the job.

### ***Validating the results of the survey***

As the “success” measure here is based on respondents' views rather than bottom line results, we made efforts to see if this measure related to other aspects of success. There was a positive relationship between the success of HR business

partnering and ratings of the organisation's financial performance, as well as with the perceived overall contribution of HR to business success. These findings give us additional confidence in this measure of success.

However, the research still relies in the main on the views of HR who may hold a more benign view of their own function than others. When compared to line managers' views on the success of HR business partnering, gathered from Roffey Park's *Management Agenda 2009*<sup>4</sup>, higher proportions of non-HR managers were either unsure as to its success or else held a more negative view of this model than our HR survey respondents.

In order to understand these differences, we conducted 26 interviews with line managers to explore their attitudes towards HR business partnering, which helped to explain why managers might hold more uncertain or more negative views of this model than HR. Their issues with the model centred on the implementation factors we have already reported, namely lack of clarity about their role and the potential benefits of the model, and lack of buy in due to their frustration at the time lost to increased HR-related activities.

### **Realising long term benefits from HR business partnering**

Through this research, we have examined some of the factors that inform HR business partnering and looked at their relationship with success. But success is determined not by one but by a combination of these factors. Looking forward, HR are optimistic that this model will deliver better alignment with the business, more effective delivery of core HR services and greater understanding of how the model works best in practice. For this to be realised, colleagues from the line need to be brought onside through active and ongoing communication and investment in their development so that they can share in HR's confidence that this model will deliver the much-heralded added value. In fact organisations who had had the model in place for over 4 years reported higher levels of success than those earlier in the implementation cycle, indicating that the longer you have it, the better it works.

To conclude, successful HR business partnering is not an immediate reality that is measurable the day after implementation, but the result of an iterative cycle of review and improvement.

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<sup>4</sup> Gifford, J, Hennessy, J, Boury, D and Sinclair, A (2009) *The Management Agenda 2009* Roffey Park Institute

## How we conducted the research

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This research used a combination of methodologies to investigate what enables truly effective HR business partnering.

### *Interviews with HR subject matter experts*

Initially, interviews were conducted with seven subject matter experts to map the field. These experts were senior HR professionals who had a key role in implementing HR business partnering in their organisation.

### *Survey of HR Professionals*

Drawing on the findings of initial interviews with subject matter experts, an online questionnaire was developed to investigate the views of HR professionals. Over 30 organisations were represented from a variety of sectors.

### *Line manager interviews*

In a third phase, line managers were interviewed about their views of HR business partnering. Participants from this phase were drawn from six organisations that had contributed to earlier phases of the research.

### *Management Agenda 2009*

Finally, to further validate the research findings, data from Roffey Park's annual Management Agenda survey was analysed to explore the views of managers about HR business partnering and HR in general.

### *The report structure*

The following chapters synthesise findings from all phases of our research. Our analysis aims to identify the messages they contain for organisations seeking to maximise the benefits of the HR business partnering model. The report presents a detailed and evidence-based view of the factors that enable effective HR business partnering in practice.



## I: Context and background

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It is now just over a decade since HR business partnering began to shake the foundations of the traditional HR delivery model, prompting us to investigate how successful this has proved and the factors that have contributed to success.

The concept of HR business partnering came to the fore as a result of the work of Dave Ulrich. In his 1997 book *Human Resource Champions*<sup>5</sup>, Ulrich described a model for HR and a way of working that could enable the function to make a more significant contribution to the organisation. He describes a model based on the challenges that he believed businesses would be facing in the future, and on his experiences of working with many HR functions and professionals in the USA and internationally. Interestingly, the business challenges outlined by Ulrich in 1997 heralded the decade of economic growth that we have all experienced.

In contrast, we have been reviewing the HR business partner model during the course of 2008/2009 as a significant economic downturn has unfolded, characterised by depressed share prices, increasing government intervention, uncertainty in job security and criticism of senior management action and reward. At the time of writing, the language has shifted from “downturn” to “recession” and there is talk of the worst economic conditions for a century.

In the last recession of the early ‘90s, many saw HR as having a limited role to play; that of the “executioner’s assistant”<sup>6</sup>. Of course HR has a necessary and important part in ensuring that organisations manage redundancies fairly, legally and efficiently; a role that they will no doubt play again with thousands of job losses already in 2008 and a quarter of UK employers planning redundancies.<sup>7</sup> The risk for both HR and the wider organisation is that this represents a small part of the contribution that can be made both operationally and strategically.

There is anecdotal evidence that short-term cost savings and headcount reductions do not necessarily have enduring benefit. Recovery from economic downturn in the past has been hampered by the lack of capacity and capability in organisations to respond as conditions improve. This impacts upon both organisational recovery as well as recovery in the wider economy. There may also be a lag in industrial unrest; employees may sit tight and keep quiet when times are tough, but resentment may surface when conditions improve.

This is the very time when organisations can get the greatest benefit and strategic contribution from HR. The question is how well has a decade of business partnering equipped HR professionals to both hold their nerve and take up the roles that truly add value.

<sup>5</sup> Ulrich, D (1997) *Human Resource Champions* (Harvard Business School Press)

<sup>6</sup> Quoted by Paul Street, CEO of PMETB at Roffey Park Institute, June 2008

<sup>7</sup> *Personnel Today*, <http://www.personneltoday.com/articles/2008/10/31/48180/redundancies-planned-by-a-quarter-of-uk-employers.html>



## The introduction of HR business partnering

As we explore the introduction and evolution of HR business partnering, there are two parallel streams for us to navigate. The first concerns the writing and thought leadership offered by Ulrich, Brockbank and other academics in the field. The second concerns the interpretation of HR business partnering by HR professionals in organisations and the way HR business partnering has developed in practice.

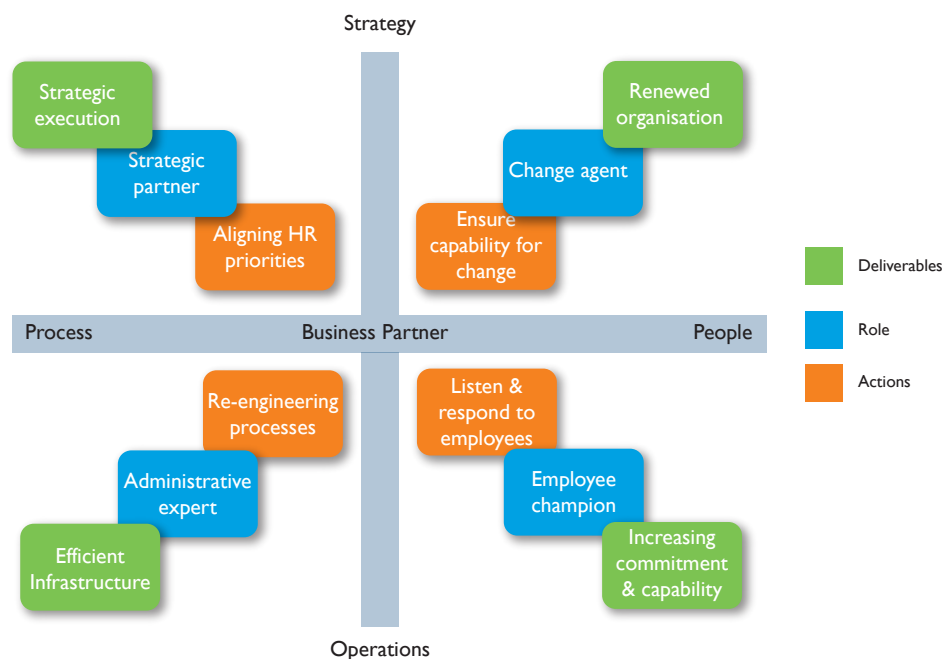
### *Initial thinking and practice*

Starting with the academics, Ulrich's original outline in 1997 suggested that HR needed to transform itself from a function lacking professionalism and relevance to one that worked to a professional code of conduct, focused on a set of key deliverables for the business. He went on to suggest that HR professionals could add value to their business in four ways:

- Management of strategic human resources
- Management of firm infrastructure
- Management of employee contribution
- Management of transformation and change

This, Ulrich argued, provided four key roles that HR could fulfil in the organisation. We have set them out in figure 1.1 showing the role, required action and the deliverable/outcome. He also described each role as a “business partner” working with the business to deliver business benefits in their given arena.

Figure 1.1: HR roles, required actions and deliverables

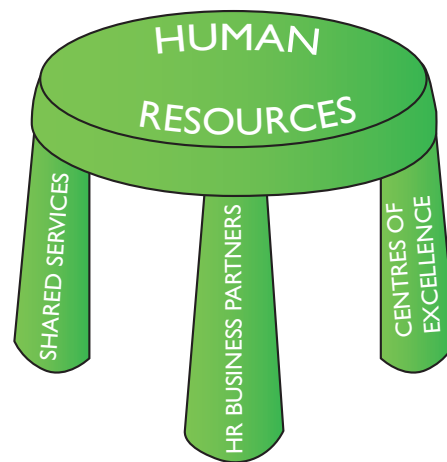


Adapted from source: Ulrich (1997)

Also in 1997, Ulrich captured how organisations were beginning to re-engineer the HR function in order to find more efficient ways to get the work done. Here he outlined ways in which HR might be restructured to include: shared service centres, centres of expertise, corporate staff, broker of services (more transactional HR services that could be outsourced) and business unit staff (HR professionals dedicated to different parts of the business).

As for HR practitioners, there was something about Ulrich's work that really captured their imagination and his thinking was picked up by many organisations as a new model for HR. It is this implementation that has come to be known as "the three-legged stool" (see figure 1.2).

Figure 1.2: The three-legged stool



It appears that there are three key ways in which UK organisations are adopting the idea of business partnering. These are:

- Implementation of the full business partner model, using all three elements of the so-called three-legged stool
- Introduction of a business partner role
- Using business partnering as a way of working with line managers without changing HR roles or job titles

The shared services leg of the stool has been picked up by larger organisations who need strong, effective and efficient delivery of transactional HR, typically including a call centre and web portal that can be accessed by both employees and line management. This is often the first point of contact for enquiries on HR-related matters. The centres of excellence have come to represent teams or individuals with specific HR expertise that can develop products and services to meet the needs of the organisation. Examples of this are compensation and benefits, training and development and employee relations.

So far, this is a fair reflection of Ulrich's writing. However, when we come to the third leg, HR business partners, here there is a small departure from the model as intended by its author. The HR business partners have become a group of HR

professionals who work closely with line managers to ensure that the operational and strategic HR needs of their given function or department are met. Reflecting on this development, Ulrich continues to assert that *all* HR professionals should partner with the business whatever their role and has commented, "... too often, however, the term *business partner* is narrowly defined as an HR professional working with general managers to implement strategy, that is, working as a *strategic partner*."<sup>8</sup>

### ***The emergence of a business partner role***

Looking in more detail at the emergence of business partnering in the UK, "the business partner label can cover anyone from a single individual providing strategic advice to an organisation's top leadership team, to a re-branded HR adviser."<sup>9</sup> The latter case reflects the tendency for some to implement the new job title of "HR business partner" without changing roles or people.

This is most evident when looking at job advertisements for HR business partner roles. An internet search of these UK roles<sup>10</sup> shows jobs with salaries ranging from £26k to £130k. For the lower salary role the responsibilities are described as "providing a full HR generalist service. In particular you will be required to advise and guide line managers, provide employment law advice, handle employee relations issues and manage disciplinary and grievances". For the higher salary role the focus is on the strategic alignment of HR and on managing the top-level relationships in the business.

Whilst many writers in the HR field make reference to the business partner role, the role is often left undefined because it has evolved from Ulrich's writing rather than originating in his books. As a result our research investigates the working definitions employed in organisations today and explores how clear HR business partners and others are as to their different roles in this model (see Chapter 4). To help the reader browse through this report, a useful working definition is: "someone who maintains a strong connection with employees and the operational side of the business, whilst focusing on strategic goals and influencing through others."<sup>11</sup>

### ***Using business partnering as a way of working***

Business partnering, as a mindset and collection of behaviours, has been with us for a long time, albeit by a different name. Over forty years ago Edgar Schein<sup>12</sup> identified the different ways in which consultants operate in organisations and here we can hear the echoes of business partnering today. He described three different ways of working which we have described with HR business partners in mind.

8 Ulrich, D. (1997) *Human Resource Champions*, Harvard Business School Press

9 Arkin, A. (2007) 'Street Smart' *People Management* 5 April 2007

10 People Management website: <http://www2.peoplemanagement.co.uk/pm/jobs>

11 Kenton B and Yarnall J (2006) *HR – The Business Partner, Shaping a New Direction*, Elsevier

12 Schein, E (1988) *Process Consultation: Its Role in Organization Development*, Vol 1 (Second edition) Addison Wesley Publishing Company, Reading MA

**The purchase–sale model:** The line manager identifies an issue and the solution that he or she wants implemented. In this model, the line manager instructs the HR professional what he or she wants done and uses the HR professional as the resource to deliver it. For example, a manager decides to restructure a department and then asks the HR professional to write the job descriptions. The name given here illustrates the transactional nature of the relationship and how the consultant operates more as a hired help or a spare pair of hands than as a partner.

**The doctor-patient:** As the name suggests the line manager in this scenario brings in their HR professional to “cure an ill” that they have perceived in their business area. For example, a line manager may notice that employee turnover has gone up and they ask their HR professional to solve the problem by using their specific HR expertise.

**Process consultation:** Schein defines this as “a set of activities on the part of the consultant that help the client to perceive, understand, and act upon the events that occur in the client’s environment in order to improve the situation as defined by the client.” So in its simplest sense this is the HR professional working collaboratively with a line manager, as a true partner, to help them define the work that is needed to deliver their operational and strategic goals.

Looking at how these ways of working may relate to HR business partners, the purchase-sale model is simply doing the work or applying the solution that the client requests. We have anecdotal evidence that HR will pick up the administrative tasks or traditional HR duties where line managers are unable or unwilling to use the shared services centre.<sup>13</sup> We also have anecdotal evidence of business partners who work in this way in the belief that this will earn them the right and the credibility to get involved more strategically with their clients. However, we have come across line managers who are very happy to have someone to pick up their administrative duties and then not involve them elsewhere.

Line managers have often - and still - relate to HR professionals as “doctors”, viewing them as someone who can “cure” the particular HR ailments or problems that they have. This can create a dependency on HR always to fix the problem and fails to develop HR-enabled line managers. It also only brings in HR business partners once the overall situation has been analysed by the line and a particular issue or problem isolated for HR attention.

Arguably, the process consultation approach is the one closest to Ulrich’s thinking on business partnering because it requires a more collaborative way of working. The key benefit from an HR perspective of adopting this style is that it allows HR business partners to join business colleagues in understanding the full picture of challenges and opportunities and the range of strategies considered.

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<sup>13</sup> Mayo, A (2006) ‘Business partnership – a fresh approach’ *Developing HR Strategy* September 2006

Whilst originally defined for internal consultants, these three roles show the ways in which an HR business partner may be operating in business today. It can be mapped along a continuum with purchase-sale more at the transactional end, process consultation at the strategic end and doctor-patient in the middle. Moreover, you will see this continuum replicated in Chapter 3 as we endeavour to map HR business partners in practice today.

## The evolution of HR business partnering

Again starting with the academics, Ulrich has progressively built on the 1997 work that brought the idea of business partnering into mainstream HR. Ulrich & Beatty<sup>14</sup> highlighted that due to the changing demands of organisations, the role of HR needed to shift from “partner to player”. They suggested that HR needed to develop in new ways to contribute as: coach, leader, conscience, facilitator, builder and architect. Developing these, they argued, will enable HR to deliver greater strategic value to the organisation through an improved ability to deliver change, enhanced innovation, accountable leadership, learning capability, closeness to customer and clearer strategic focus. Achieving these would enable the function and its professionals to be valued and involved in the organisation in a deeper way than before.

In their 2005 book, *The HR Value Proposition*, Ulrich and Brockbank identify a slightly revised view of the roles that HR needs to fulfil in the HR business partnering model (see figure 1.3).<sup>15</sup> The only entirely new role, that of “HR Leader”, is predominantly focused on senior HR roles, but also suggests the importance of everyone in HR demonstrating personal leadership in their work and interactions.

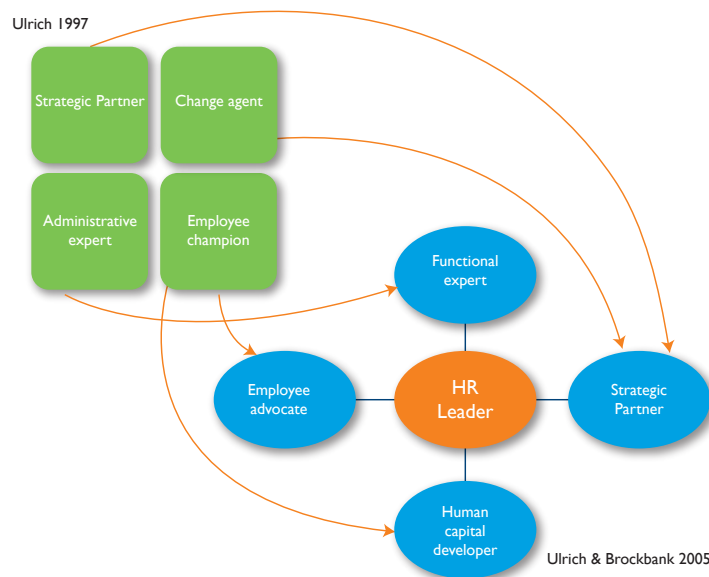
Underpinning these updated roles is the idea that if HR delivers value to the organisation then it will become credible, respected and influential. There is a virtuous circle here, as with credibility, respect and influence comes greater involvement that in turn brings HR the opportunity to add even greater value. The flip side of this is that with greater exposure also comes greater risk, and if HR fails to deliver then the opportunity to act more strategically is likely to be diminished.

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14 From Partners to Players: Extending the HR Playing Field *Human Resource Management* Winter 2001, Vol. 40, No. 4

15 Ulrich, D and Brockbank, W (2007) *The HR Value Proposition* Harvard Business School Press

Figure 1.3: Ulrich and Brockbank's five new roles for HR



Ulrich and Brockbank also highlight the importance of tailoring the HR model to the needs of the organisation. There is a clear focus on theirs not being a theoretical model, rather one that should be interpreted and applied based on the specific individual needs of a given organisation. This led us to explore in this research the extent to which HR professionals recognise the flexibility of the model and the importance of adapting this to the specifics of their organisation (see Chapter 3).

More recently still Ulrich has described a fourth leg to the stool in the form of a further group to focus on the delivery of operational HR.<sup>16</sup> This development in the model may follow the trend in organisations as they endeavour to make HR business partnering work in practice rather than setting the trend.

What is clear from following the development of Ulrich's ideas over the last ten years is that increased depth and thoroughness has been applied as a result of ongoing research. However, this raises the question that whilst Ulrich's work has developed dramatically beyond the early conceptions of business partnering, has the HR profession stuck rigidly to the original version of the model or simply gone off on its own tangent without cross reference to more recent publications? Our research gives some insights into this in Chapter 3.

## The current situation

### *Prevalence of HR business partnering*

In September 2007, CIPD research identified that 81 per cent of HR functions had restructured in the past 5 years. "Three out of ten respondents whose HR function has been restructured say that it now reflects the three-legged "Ulrich

<sup>16</sup> Arkin, A. 'Street Smart' *People Management* (5 April 2007)

model" and a further 28 per cent say that this is partially true."<sup>17</sup> The research found that HR business partners occurred in 38 per cent of organisations participating in the study.

Turning to the specifics of implementing the three-legged stool, the same CIPD research found that of the organisations they surveyed, 46 per cent had introduced HR business partners, 36 per cent had centres of excellence and 35 per cent had shared services. In smaller organisations HR professionals may have roles that range across the three-legged stool.

Further evidence of the spread of business partnering may come from HR recruitment data. Interestingly, however, only around ten per cent of jobs advertised on two of the main websites for HR recruitment<sup>18</sup> were described as an HR business partner.

The impact of the business partner as both a role and, more broadly, as a way of working with the organisation should not be underestimated. Our recent experience has shown that business partnering has also been adopted by finance, IT, marketing, communications and audit functions as a way of working more effectively and being able to deliver more strategically. The impact of this has been such that the Chartered Institute of Management Accountants<sup>19</sup> announced in 2007 that it was investing in a major programme of research to understand the impact of business partnering on finance careers.

### ***Latest thinking from Ulrich and Brockbank***

In 2008 Ulrich, Brockbank, Johnson and others published their third book, *HR Competencies*<sup>20</sup>, incorporating their 2007 research study into what makes HR professionals successful. They identified the following six competency domains as the best predictors of superior HR performance:

- Credible Activist
- Culture and Change Steward
- Talent Manager/Organisation Designer
- Strategy Architect
- Operational Executor
- Business Ally

When the detail behind these is explored it highlights a strong connection with the original and later developments of the business partner model. They go on to describe findings demonstrating that the competence level of HR professionals can definitely make an impact on business performance, with the top four having

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17 Reilly, P, Tamkin, P. and Broughton A. (2007) *The Changing HR Function – Transforming HR?* Chartered Institute of Personnel and Development

18 *Personnel Today* and *People Management* websites January 2009

19 *Personnel Today* (October 2007) [www.personneltoday.co.uk](http://www.personneltoday.co.uk)

20 Ulrich, D et al (2008) *HR Competencies: mastery at the intersection of people and business* Society for Human Resource Management

the highest impact. However, HR departments who have the most impact on the business demonstrate all competencies, both the transactional and the more transformational.

### HR departments who have the most impact on the business demonstrate all competencies, transactional and transformational

As they advise HR professionals to develop themselves explicitly against this competency framework, we were interested in our research to understand the kind of development offered to a specific group, HR business partners, in the organisations we surveyed (see Chapter 4). We also briefly explore how perceptions of HR competency relate to various success factors – both for HR and the business.

#### *Criticisms of HR business partnering*

In the last few years there has been an undercurrent of cynicism from outside HR that business partnering has represented a restructure of HR and some fancy new job titles, but that little else has changed.

Within HR, there has been more general support, although here too Ulrich has faced some questions and challenges. For example, some influential senior HR professionals were highly critical of the term business partner; in that it risks suggesting that HR is not a core part of the organisation.<sup>21</sup> The press have been quick to pick up on any hint of criticism. For example, the UK HR press reported that Coca-Cola was introducing the “next generation” of business partnering.<sup>22</sup> In fact, the change they were making was to align business partners with functions rather than locations. This was just one instance of businesses tailoring the model to meet their needs – something Ulrich had encouraged from the start.

More recent articles in the HR press, quoting both research and the views of selected HR directors, began to suggest that HR business partnering has failed to deliver what it was built up to do. Some of this press coverage reported Roffey Park’s Management Agenda 2008 findings based on the responses of 161 people to an open question on the success of HR business partnering in their organisations. Once categorised, this showed that whilst the model was well received by about half the respondents (47%), a quarter (26%) felt it was not effective and a quarter (27%) either were unsure or felt it was too early to tell.<sup>23</sup> From this we concluded in 2008 that the verdict was still out on HR business partnering; the press saw it as more of a “backlash”.<sup>24</sup>

Finally, the Centre for Performance–Led HR at Lancaster University Business School published a report in July 2008<sup>25</sup> in which one of its five key messages says:

21 ‘The Future of HR’ *People Management* October 2005

22 Coca Cola plans to hire HR business partners to provide shared-services centres, *Personnel Today*, May 2007

23 Sinclair, A, Robertson-Smith, G, Hennessy, J. (2008) *The Management Agenda 2008* Roffey Park Institute

24 <http://www.personneltoday.com/articles/2008/01/28/44126/backlash-against-human-resources-business-partner-model-as-managers-question-results.html>

25 Sparrow, P et al (2008) *Reversing the arrow: using business model change to tie HR into strategy* CPHR Lancaster University Business School



“HR added value derives from an intuitive relationship with the line, an understanding of the organization’s strategy and business model, and a creative business-led explanation of how HR process integrates with it (a process we call “reversing the arrow” counterbalancing a recent trend in HR to install certain processes and structures with little regard to business model)”.

Put another way, Sparrow *et al* suggest that there is a potential gulf between “the standardised prescriptions of widely disseminated models” and the actual HR structures that can meet the needs of very different specific sectors and organisations.<sup>26</sup>

### ***A defence of HR business partnering***

Ulrich has continued to argue that the business partner model is still relevant and has the potential to do more for organisations. He identified that poor implementation of the model may have negatively impacted on the success and reputation of the model.<sup>27</sup>

Most recently Ulrich and Brockbank have reflected on their learnings on business partnering.<sup>28</sup> They conclude that:

- All support functions have needed to look at how they, too, partner internally, driven by a need to prove their value and relevance
- The purpose of business partnering is to integrate and align HR work more closely to the organisation
- Business partnering can be used by HR staff working in corporate, embedded, specialist or service centre roles
- HR staff are involved in many of the “intangibles”, such as talent management, that are now more widely recognised to be critical to organisational success
- This in turn elevates the potential role and influence of “good” HR people
- Perhaps 20 per cent of HR staff will be unable to make the transition to working as a business partner
- HR staff that acquire the right competencies contribute more to organisational performance
- Partnering may fail for a number of reasons that include people unwilling to make the change or unable to, where an organisation’s success is less dependant on its human potential or there is little change, and where line managers are resistant
- There is no credible alternative

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<sup>26</sup> Sparrow, P *et al* (2008) *op cit*

<sup>27</sup> ‘Dave Ulrich’s Model Defence’ (15 April 2008) [www.personneltoday.com](http://www.personneltoday.com)

<sup>28</sup> Ulrich, D and Brockbank, W. (December 2008/January 2009) ‘The business partner model 10 years on: lessons learned’ *Human Resources* magazine

## Our motivation for the research

All too often HR has been at the back of the queue for investment in technology and development of the function, so having finally invested in a new model, has the function sometimes failed to maximise the benefits or have they picked the wrong model?

As we have already outlined, Ulrich and his colleagues' work has evolved over the years and has always highlighted the importance of tailoring the HR business partnering model to the needs of the organisation. However, we noticed that much of the other literature on the subject has painted a rather fixed view of business partnering and has then been critical of this fixed view.

In addition, our work with HR professionals and line managers (both with and without HR business partnering) over the past ten years has highlighted a number of themes:

- Many HR functions want to shift from transactional to collaborative working with the line
- HR professionals talk about their desire for the function to be more strategic and to have more impact
- Line managers are still ready to criticise poor HR
- Many HR professionals lack confidence and do not feel their function is leading edge

Against this backdrop, we were interested to explore how organisations could get the most benefit from the use of business partnering. We were particularly

**Business partnering can (but does not always) offer HR an effective way of helping organisations to deliver their strategy through their people.**

interested in discovering how the model needed to be tailored and what was required of both HR and line managers to make it work. At the heart of this was our experience that business partnering can (but does not always) offer HR an effective way of helping organisations to deliver their strategy through their people.

This report is designed to help organisations get the best from HR business partnering. In it we examine the real experiences of HR professionals and line managers in the implementation and development of business partnering. We have used this experience to identify the practical steps and factors within the control and influence of HR that can enable organisations to maximise the value delivered to the organisation by HR business partnering in practice.



## 2: The business case for HR business partnering

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*“Value is defined by the receiver more than the giver. But the giver has to know what value is and when and how to create it.”*

Ulrich and Brockbank (2005) *The HR Value Proposition*

We wanted to begin our analysis by understanding more about the business case for adopting the business partnering model. What benefits do organisations expect it to deliver? Are they doing it for the right reasons, and how can we establish what the right reasons are? How successful does HR consider the model in practice, and does the line agree? How do organisations measure the effectiveness of the model; is it delivering the benefits they predicted? And what further benefits do they expect to emerge as the model matures in their organisations?

Ulrich and Brockbank (2008)<sup>29</sup> summarise the aim of the business partner model; it is “to help HR professionals integrate more thoroughly into business processes and to align their day-to-day work with business outcomes.” In 2005<sup>30</sup> they wrote that, in order to deliver value HR professionals must understand the most fundamental external business realities that shape their organisations. Value, they argue, is defined by the receiver, not the giver, and HR professionals and their stakeholders have “too frequently operated in separate worlds”.

Sparrow *et al* (2008)<sup>31</sup> also describe how HR’s work at a strategic level, if it is to add value, should encompass a deep understanding of the organisation’s business model, and in particular its value web (an extended value chain concept comprising value delivery points to multiple stakeholders). HR strategy, they suggest, should cease to exist, becoming synonymous with the overall strategy of the organisation. A separate HR strategy exists, they reason, only when HR is not fully aligned with high level organisational strategy.

Sparrow, Ulrich and their colleagues capture the necessity, when building a business case for HR business partnering, to focus not on the needs and aspirations of the organisation’s HR function but on the external challenges facing the organisation and the organisation’s strategy for meeting these challenges; its business model.

29 Ulrich, D and Brockbank, W (December 2008/January 2009) ‘The business partner model 10 years on: Lessons learned’ *Human Resources* magazine December 2008

30 Ulrich, D and Brockbank, W (2005) *The HR Value Proposition* Harvard Business School Press

31 Sparrow, P *et al* (July 2008) *Reversing the arrow: using business model change to tie HR into strategy* CPHR Lancaster University Business School

## Reasons for implementation

Based on our conversations with organisations in the UK, we suspected that the HR business partnering model was sometimes being adopted for HR-focused reasons, rather than those related to organisational strategy or external drivers. This hypothesis was partially supported by the comments of the six subject experts, interviewed in the initial phase of our research, who gave a range of reasons for introducing the model in their organisations including:

- better support of business strategy
- improved HR performance
- improved organisational performance
- improved perception of HR
- HR headcount reductions
- cost savings
- it was driven by the HR director
- everyone is doing it – external influences
- other functions are doing it - internal influences
- demand from senior executives

We can see that these organisations had focused on a range of factors, some closer than others to external organisational realities and overall organisational strategy.

In our survey of 171 HR professionals from over 30 organisations, we tested the reasons for implementation given by our six subject experts. Figure 2.1 shows how many respondents gave each of these ten reasons for implementation.

Figure 2.1



The most common reasons given for implementation were performance related. The greatest number (73%) said that supporting business strategy was a factor; with 70 per cent mentioning improved organisational performance as a reason for implementing the model.

69 per cent of responses said improved HR performance was a factor. This finding, however, should be treated with a degree of caution. While it could reflect Ulrich's original aspirations for HR to add or create value for the organisation, we could also interpret it as an attempt to stop HR from detracting value through ineffective working.

Other responses appeared further from wider organisational strategy, or overall performance objectives. 56 per cent of respondents said that implementation was driven by the HR director; and 42 per cent said that that improved perception of HR was a driver. HR headcount reductions and cost savings were mentioned by 28 per cent and 26 per cent respectively. Least commonly mentioned was that other organisations are implementing the model (17%), demand from senior executives (10%) and that other functions within the organisation are doing it (5%).

This compares with findings in the CIPD's 2007 research<sup>32</sup> where 52 per cent of participants identified helping HR to become a more strategic contributor to the organisation's goals as the main reason for implementing business partnering.

<sup>32</sup> Reilly, P, Tamkin, P and Broughton, A (2007) *The Changing HR Function – Transforming HR?* Chartered Institute of Personnel and Development

It is perhaps worth noting that those who cited cost savings and headcount reductions as reasons for implementation were less likely to report successful HR business partnering than those whose organisations had implemented the model for the reasons for which it was originally intended: to raise the game of HR and deliver increased value to the organisation.

The fact that 56 per cent of respondents said that the decision of the HR director was a key factor informing implementation could be taken as another indication that implementation is often focused on HR, rather than the external challenges facing the organisation.

### Driven by HR

We asked our six subject experts where the impetus to adopt the model had come from. In every case but one the answer was that the drive came primarily from HR, with approval from executive management, but without consultation with the wider organisation and sometimes in the face of resistance from the line.



*"It was an HR/exec decision; the business didn't want to change."*

*"It was something I wanted to implement ... This was a blank sheet of paper for HR."*

*"It came from me; I've focused on giving them what they need, not what they want ... I was recruited on that ticket."*

*"Mainly from HR although there was a drive for change and support for that from the business."*



Subject experts

134 HR professionals responded to an open question in our survey asking who was responsible for introducing business partnering in their organisation. Almost all respondents stated that implementation was the responsibility of the HR director, confirming the findings of our subject expert interviews.

**Many line managers revealed a sense of "done-to" rather than "done with".**

When we asked the line managers we interviewed where the impetus to implement had come from, their responses were similar in content. Where they were able to answer the question, most said that the drive to adopt the model nearly always came from HR, supported by senior management. Their emphasis, however, differed somewhat from that of our subject experts, revealing in many cases a sense of "done-to" rather than "done with".



*"No, the rationale is not clear to me. No ideas. I guess it [came from] senior management in HR. I was informed about it. The decision had been made and it was being implemented."*

*"Centrally driven initiative that we had no control of...it was a fait accompli."*

*"I've no idea [why it was implemented]. It was sorted out before I joined. I doubt it was something the line were asking for because nobody likes the new system. I think it was a top level thing by the powers-that-be in London."*



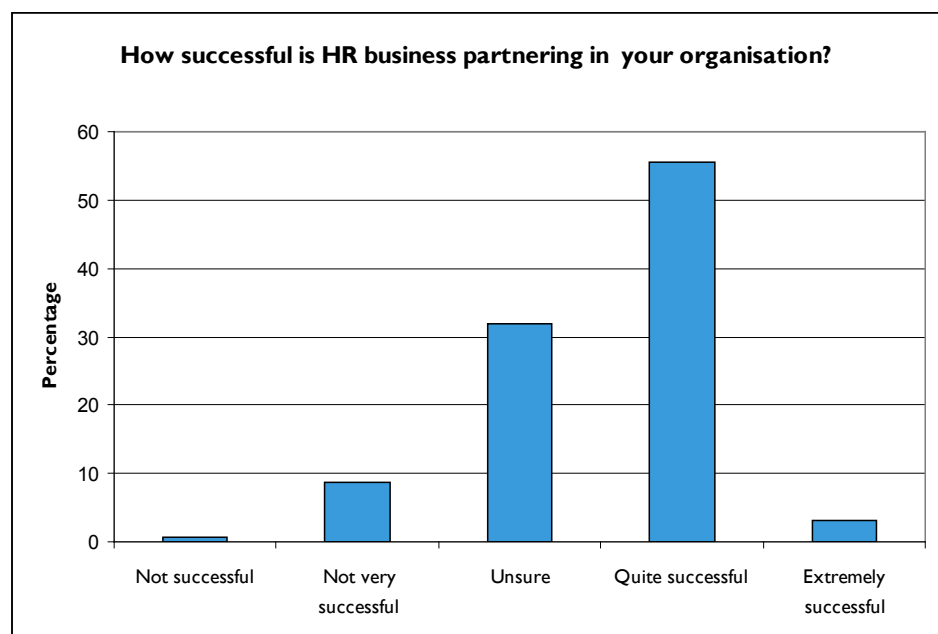
*Line managers*

## Success of HR business partnering

Having explored the rationale for implementation, we wanted to understand how participants rated the success of business partnering in their organisation and what benefits have been realised.

The HR professionals responding to our survey had a broadly positive view of the success of HR business partnering, (see figure 2.2) with 56 per cent reporting that the model was quite successful; only three per cent went as far as saying the model was extremely successful. Nine per cent said that it was not very successful and fewer than one of respondents felt that the model was not successful. A substantial 32 per cent could not say whether the HR business partnering was successful or not. Although our survey findings imply a generally positive view of the success of HR business partnering, we should remember that they reflect only the HR perspective.

Figure 2.2





The inability of 32 per cent of participants to form an opinion may reflect the extent to which the practice is yet to become fully embedded within some organisations. This uncertainty may also be linked to a lack of consistent measures of the effectiveness of the model. The assessment of the effectiveness and impact of business partnering varies widely from informal subjective indicators to more objective measurement of deliverables. Examples of measurement in our subject expert interviews included:

- Delivery of the strategic plan
- Feedback from chief clients
- Success stories
- HR metrics
- 360-degree feedback
- Awards for good performance
- Delivery of individual performance management objectives (SMART)
- Tasks and objectives with each division
- Anecdotal feedback through personal relationships
- People feel they cannot work without the partner
- Input into to strategy meetings

Few of the line managers we interviewed were formally measuring the effectiveness of their business partner; and their assessment was based largely on informal feedback and personal observation. The exception was one organisation, yet to implement the model fully, that was developing a performance framework with which to measure its success. One respondent from another organisation reported the existence of a service level agreement for transactional activity.



*"I have a service level agreement on day to day things. What they will deliver and when. We review this on a quarterly basis. This works very well for us."*

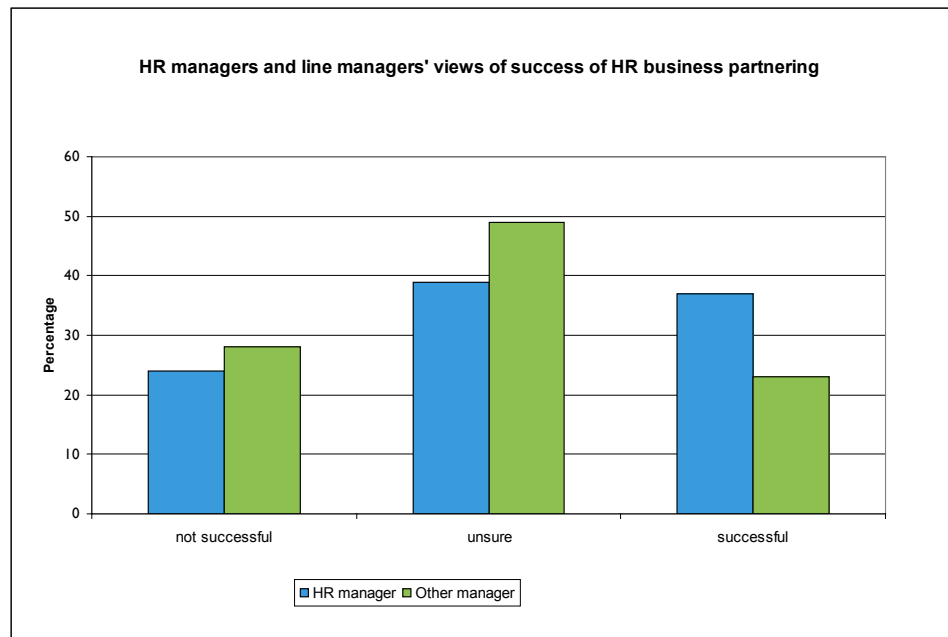
Line manager



In Roffey Park's *Management Agenda 2009* survey of over 850 managers (81% non-HR and 19% HR) 305 said they had HR business partnering in their organisations.

Figure 2.3 shows data from the *Management Agenda 2009* on views on the success of HR business partnering. Just under half (46%) of respondents to The *Management Agenda 2009* survey reported that they were unsure about how successful the model was. When these responses were divided into the views of HR and non-HR managers, non-HR managers were most unsure about the success of the model. These findings suggest that despite the fact most HR professionals feel positive about HR business partnering, managers are yet to be convinced.

Figure 2.3



### Contribution of HR to the success of the organisation

Whilst mindful that we were addressing a wholly HR audience, we asked participants in our survey to what extent HR in general contributes to the success of their organisations. 26 per cent felt that it made a significant contribution while a more substantial 60 per cent felt that it contributed somewhat. Only two per cent felt that HR made little or no contribution to overall success, with 13 per cent of respondents undecided.

**In organisations where HR is seen to make a greater contribution to the overall success of the organisation HR business partnering is rated as more successful**

In organisations where HR is seen to make a greater contribution to the overall success of the organisation HR business partnering is rated as more successful.<sup>1</sup> This finding may suggest that organisations in which HR has a good reputation in general may find it easier to implement the HR business partnering model successfully. Alternatively, we could be

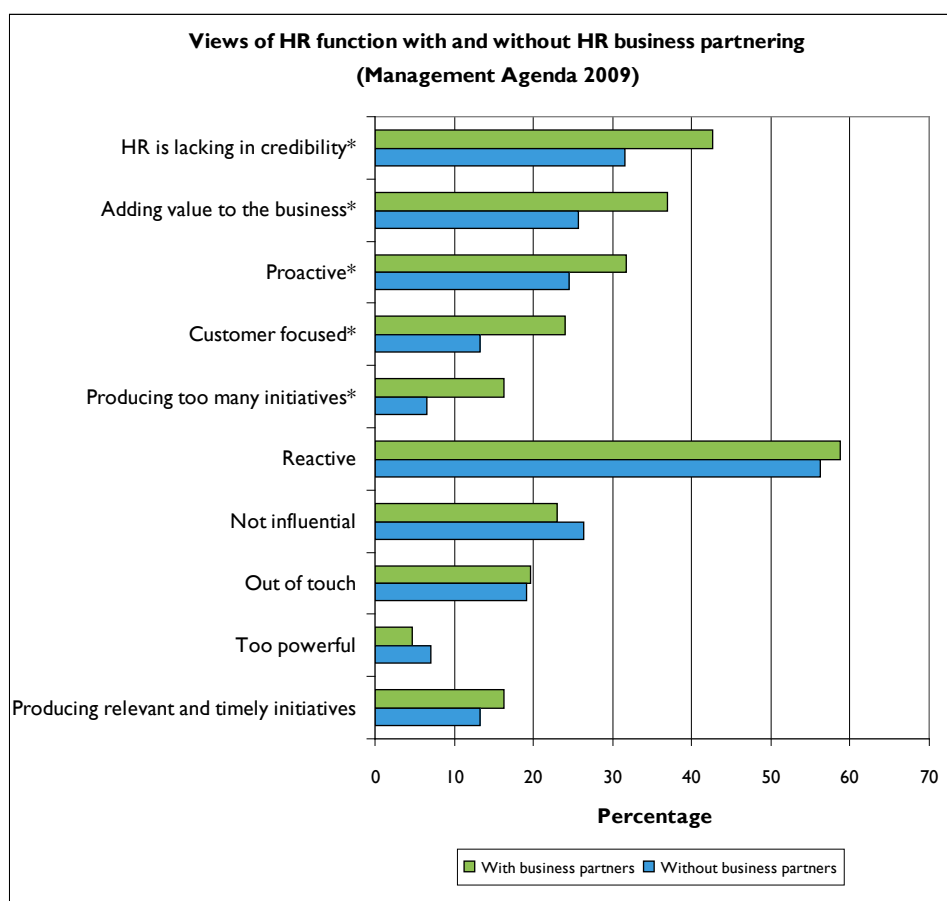
seeing how HR business partnering enhances the contribution of HR in general. Whatever the implication, it is worth noting that a connection appears to exist between HR business partnering and the success of HR in general.

## Perceptions of HR

In Roffey Park's *Management Agenda 2009*, participants were asked to describe the HR function in their organisations. Their descriptions of the HR department were compared in organisations with HR business partners and those without.

In organisations with HR business partners HR was significantly more likely to be seen as adding value to the business<sup>ii</sup>, proactive<sup>iii</sup> and to be customer focused<sup>iv</sup>. However, significantly more people also described HR as lacking credibility<sup>v</sup> and felt the function was producing too many initiatives<sup>vi</sup> in organisations with HR business partners. Roughly equal numbers of people in organisations with and without HR business partners described HR as reactive, not influential, out of touch and too powerful. Views of the HR function are shown in figure 2.4.

Figure 2.4



These differing views of HR suggest that that the implementation of business partnering has actually improved the alignment of HR with the rest of the organisation. This finding is in line with the fact HR professionals reported that better support of business strategy, improved HR performance and improved organisational performance were the motivation for implementing the HR business partnering model.

However, significantly lower credibility and the view that HR produces too many

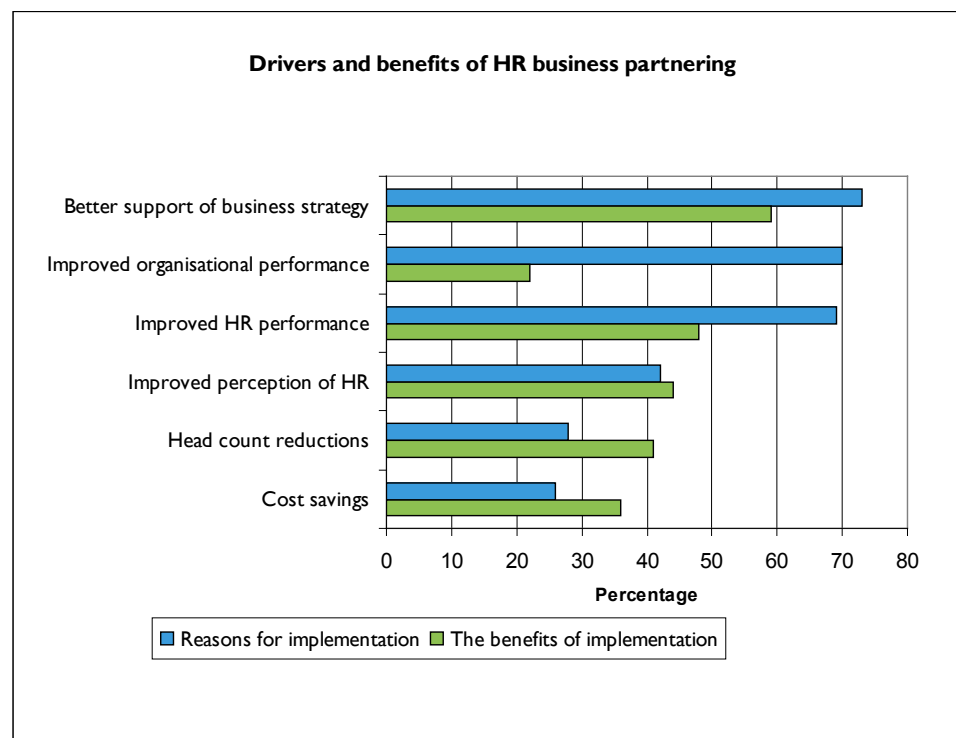
initiatives in organisations with HR business partners suggests that although the model is achieving its stated aims changing to the new model of HR has negatively affected HR's image. There seems to be a contradictory element in these findings. If HR is aligning itself with the rest of the organisation and improving performance, why does its credibility appear eroded? Perhaps we are seeing that not all HR professionals working within the wider HR business partnering model are credible with the business as yet.

## The business benefits of HR business partnering

Our survey of HR professionals shows that HR business partnering is perceived to be delivering on a number of the reasons given for implementing the model (see figure 2.5). Indeed, more respondents reported headcount reduction and cost saving as a benefit of introducing the model than those who had mentioned it as an objective.

On the key issues of improving organisational performance and better support of the business strategy, however, the model does not yet appear to be delivering as intended. Is this an indication of failure, or simply a reflection of the relative infancy of HR business partnering in the UK?

Figure 2.5



We asked line managers what business benefits have been realised as a result of the introduction of HR business partnering in their part of the organisation. Many felt that it was too early to identify specific benefits; others, where their overall evaluation of HR business partnering was poor, felt that there were few if any benefits. However, those whose experience was positive were able to identify specific benefits, some related to efficiency and cost savings and others indicating direct support of business strategy through strategic HR engagement.



*"There's a greater efficiency in the management of HR issues. They've automated the things that they can automate, but not at the expense of being able to talk to someone."*

*"Getting rid of the whole personnel team has saved a lot of money. In that sense it's great."*

*"We've developed the first succession planning and talent management system for this directorate. We know our potential talent pool and we know what we will need in the future. The business partners have contributed significantly here ... This is absolutely related to efficiency; if you know your talent you know how to grow it. This could be a massive cost if we had to go externally for this."*

*"We are seeing the benefits of a more robust appraisal /evaluation system."*

*"The team are happier, more motivated, feel valued."*

*"Better management of attendance, sickness absence and performance translates to the bottom line."*



Line managers

When we asked line managers to provide an overall evaluation of HR business partnering from their own perspective, we received a wide range of responses, from the warmly appreciative; "highly successful" and "perfect for me; very successful" to the hostile; "zero impact. I don't receive a good service from HR" and "I haven't seen anything that it has delivered whatsoever. As a line manager, I see it as a retrograde step;" or "I think the whole thing has had a detrimental impact on everybody across the board."

Where line managers reported a positive experience of the HR business partnering model they also spoke highly of the skills and personality of their HR business partner and of the quality of their relationship with them. Speaking of what they valued most about their HR business partner the themes of professional knowledge, personal integrity, objectivity and a willingness to challenge when appropriate were common.



*"The opportunity to sit with someone and talk openly and honestly about people issues and bounce ideas around. Good to have someone independent who has the knowledge and skills."*

*"I value business partner engagement because they help deliver substantive products and service. They roll their sleeves up and get involved. It works best when these people bring their skills and challenge you to do things better."*

*"I value most her knowledge, integrity and honesty. I need to be sure when I ask a question that I get a direct answer."*

*"Access to professionals. We know the business issues we're trying to solve and we need to know the best solution and the risks involved. It's getting access to an independent professional view that lets me make a decision."*



*Line managers*

**What line managers seem to value is having someone who understands their business**

What line managers seem to value is having someone who understands their business, with whom they can discuss it and who can provide professional support on people issues. Their evaluation of the model is inextricably linked with their appreciation of the personal qualities and professional expertise of the business partner.

## Potential downsides

We asked the HR professionals responding to our survey to tell us about the downsides of HR business partnering, and the responses we received make it clear that the model in practice today is not without its issues.

- **HR business partners lacking support** - Some HR business partners appeared to feel somewhat isolated and lacking in support out in the business, where they sometimes felt as though they were the people forcing line managers to make unpopular decisions and to carry them out
- **Resentment from the line** - They were also aware that line managers were taking on tasks previously the responsibility of HR, and that there was some resentment among the line of this fact
- **Some of HR cut off from clients** - Some of those not taking on HR business partnering roles felt cut off in their centralised HR roles, their personal contact with internal clients reduced in the new model
- **Lack of role clarity** - Some participants reported confusion and lack of clarity around roles and sources of information; this could lead to an assumption on the part of the line that the HR business partner would handle transactional HR work



*"The role can feel quite isolated while out there in the business – even though the support and camaraderie within the HR community is strong."*

*"A real downside is that the business perceives the HR business partnering group as an organisation that states what they can't do but is not very good at saying what they can do for the business."*

*"Business felt they were doing things themselves which previously someone else did for them."*

*"Administrative staff felt left behind and cut off from contact with their customers."*

*"Confusion during the changeover – people didn't know who to go to for advice."*

*"Difficulty in getting over the message that the role is intended to be strategic – and needing to deflect inappropriate transactional work."*



*HR professionals*

Comments from the line also revealed a number of concerns. These included role clarity, the impersonal and sometimes cumbersome process of obtaining advice from a call centre or intranet site, the failure of these systems to provide adequate support, the increased workload that some line managers have experienced and a perceived drop in the overall level of service from HR. One line manager described, with some frustration, a litany of perceived failings in the way her organisation had implemented the model.



*"What should have happened was more explanation. There should have been less selling, the system should have been running well before the launch. There should have been more help available. We haven't time to spend searching for the notes on the system, or to sit on the phone in the queue only not to get an answer. I don't have confidence in the people I speak to on the end of the phone. I'm happier sitting trawling through the online information so that I feel that I have covered myself if things were to go wrong. The whole thing needed to be thought out and planned better. I would have liked more engagement. The problems arise, not with the business partner, it's the rest of the system line managers are dealing with, and the fact they have got rid of functions in a half-cocked way."*



*Line Manager*

Another manager described concerns over the ability of the line to cope both with increased workload, tasks for which they feel unskilled and HR business partners whose time seems to be thinly spread over a number of partners and projects.



*“There are a lot of things that don't get done because line managers are not confident in doing it. This is a cost to the business as we're not managing performance properly. I've seen how other big companies do it and it's much better. Four or five business partners are responsible for an awful lot of people but they also have other projects to get on with ... Managers are having to find the time to go out to the Post Office and send a letter by recorded delivery as part of a disciplinary.”*



*Line Manager*

## Predicted benefits

Many of our findings in this research spoke of an evolving model, still in its infancy in many organisations. It may not yet have delivered on expectations, but our research revealed a remarkable level of optimism from HR for its future success. Figure 2.6 overleaf, compares reasons for implementation of the model with actual and predicted benefits. It appears that HR professionals are predicting, post-implementation, benefits that were not foreseen at the planning stage.

Key future benefits are seen to be:

- Improved HR performance
- A genuine partnership with the business
- Improved manager effectiveness
- Improved organisational performance
- Improved perception of HR

Participants were less optimistic that, in the longer term, cost and headcount reductions would be sustained. Neither were improved data integrity nor HR technology considered major long-term benefits.



Figure 2.6: Reasons for implementation with actual and predicted benefits of HR business partnering

	Reasons for implementation	The benefits of implementing HR business partnering	Further benefits expected
Cost savings	26%	36%	35%
Head count reductions	28%	41%	28%
Improved HR performance	69%	48%	80%
Improved perception of HR	42%	44%	74%
Improved organisational performance	70%	22%	77%
Better support of business strategy	73%	59%	-
Improved manager effectiveness	-	-	80%
Genuine partnership with the business	-	-	83%
Improved shared services	-	-	46%
Improved HR policies and procedures	-	-	65%
Improved data integrity	-	-	36%
Improved HR technology	-	-	39%
Outsourcing of appropriate services	-	-	11%

In the following chapters we examine some of the factors that may contribute to the success that many HR professionals feel confident will result eventually.

### Practical Implications

- Establish a robust business case for adopting the model, considering the benefits that can be expected. Ensure your focus is on outcome, not process – what is best for the organisation? What is the organisation's strategy and what will contribute most value to that strategy?
- Success may not come immediately. Be prepared for a phased implementation with benefits accruing over time.
- Recognise that not everybody is necessarily going to buy in to business partnering at once. Line managers may feel there is more work for them to do. HR business partners may feel stuck in the middle and other HR employees may feel cut off from their customers. Be prepared to address the issues of all stakeholders.
- Consider in advance of implementation how you will measure the effectiveness of business partnering. This is likely to require a combination of objective measures, anecdotal evidence and feedback from key clients.



## 3: Tailoring the model

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How far do organisations define, interpret, adapt and implement the HR business partnering model in the light of their own unique requirements? We wanted to understand how the demographics, structure and culture of organisations introducing new HR practices influence their success. How can they judge how well the model is suited to their organisation? And if the model is tailored to suit the organisation, which elements are critical to success?

### Organisational demographics

#### *More prevalent in larger organisations*

Dave Ulrich originally developed the concept of HR business partnering based on large firms, both those based in the US and on global organisations. Of those volunteering to participate in this study, the majority of respondents worked for larger organisations (over 1,000 employees) with only eight per cent working for smaller organisations (fewer than 1,000 employees). This suggests that the model may be more prevalent in, and perhaps therefore more relevant to larger organisations.

This finding is supported by managers surveyed in Roffey Park's Management Agenda 2009, which reports that 42 per cent of respondents who had HR business partners in their organisations were from organisations with more than 5,000 employees. 45 per cent were from organisations with 250-5,000 employees and only 13 per cent from those with fewer than 250 employees.

Over half (52%) of the HR professionals surveyed in our HR business partnering research worked for organisations with HR departments employing 250-1,000 people. This, similarly, reflects the prevalence of larger organisations within our sample.

However, neither the variation in size of these organisations nor the number of people employed by HR appeared to have a significant effect on perceptions of the success of the HR business partnering model.

#### *Equally successful across sectors*

In our survey of HR professionals we had a good spread of respondents from across the different sectors (37% private sector, 54% public sector and 9% not-for-profit). We found no significant differences between sectors and the perceived success of HR business partnering. As a consequence, the model appears to be applicable across the sectors.

**The model appears to be applicable across the sectors**

## Organisational culture

The business partner model has at its core the assumption that colleagues in the line will be prepared to partner with their HR colleagues to accomplish the delivery of shared organisational objectives. Whilst their willingness to do this may be dependent on a range of factors, it was our hypothesis that this would also be determined by the prevailing organisational culture.

In the first phase of our research we asked our seven subject experts to describe the culture of their organisation. In many cases they found this difficult. Some answers indicated that cultures were mixed or diverse; some had developed as a result of mergers and acquisitions, where culturally distinct businesses were functioning within a parent organisation. In others a mixed culture had emerged because of functional or geographical diversity. Other participants reported a more homogeneous culture across their organisations; although here they did not feel that their prevailing corporate culture naturally supported the HR business partnering model.

In order to elicit clear definitions of culture in our survey of HR professionals we used the questionnaire developed by Goffee and Jones (2003) to assess their Double-S model of corporate character.<sup>33</sup> This model is described in figure 3.1.

The Double-S model divides cultural characteristics into a two-by-two matrix identifying four organisational cultures, described as Networked, Communal, Fragmented and Mercenary. An organisation's position in the matrix is determined by the extent to which it demonstrates two characteristics, solidarity and sociability. Both of these characteristics are seen to have both positive and negative potential; the unseen side of the matrix cube contains the model's negative forms.

Solidarity indicates a focus on task. It describes the degree to which people think together in the same ways, sharing tasks, objectives and mutual interests. The main driving force in decisions is logic.

- Positive solidarity gets the job done efficiently and effectively
- Negative solidarity does not care for other people and can have high levels of internal conflict or inefficient self-interest

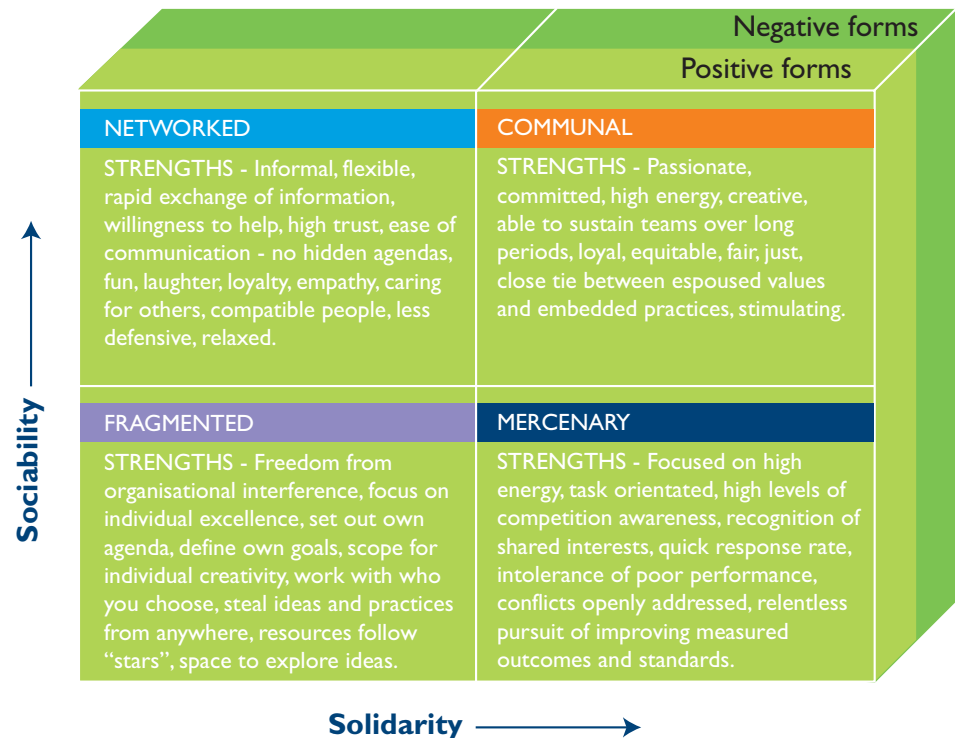
Sociability indicates a focus on people. It describes the extent of mutual esteem and concern for one's colleagues. The main driving force in decisions is emotion and social concern.

- Positive sociability is people helping one another to succeed
- Negative sociability is covering up for other people and tolerating poor performance in the name of friendship or 'saving face'

Source: Goffee and Jones (2003)

<sup>33</sup> With kind permission of Profile Books. Goffee, R and Jones, G (2003) *The Character of a Corporation: How Your Company's Culture can make or break your business*

Figure 3.1: Goffee and Jones' Double-S Model



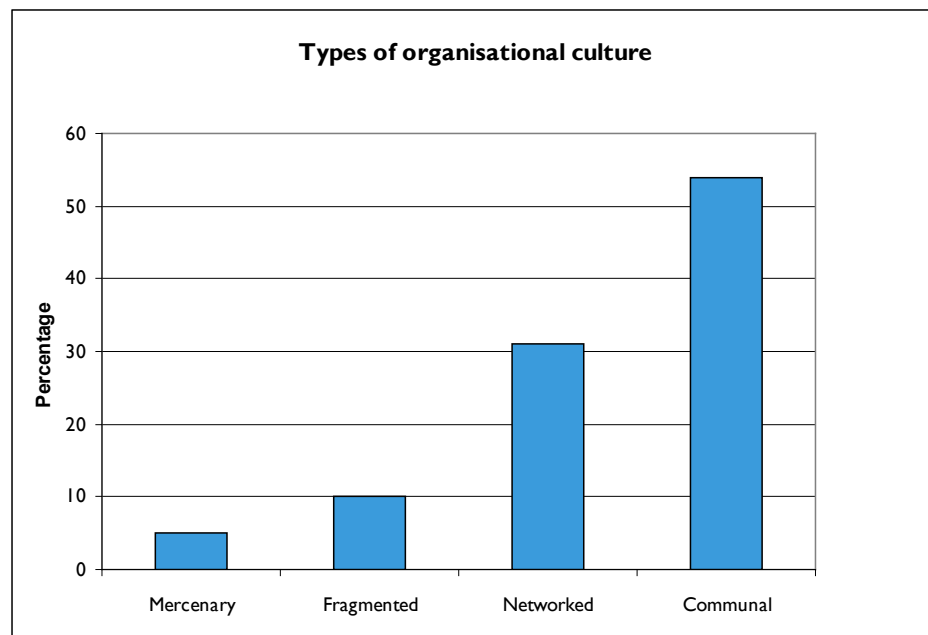
Goffee and Jones 2003

We had formed a number of hypotheses about how the four organisational cultures described by Goffee and Jones might support the HR business partnering model. We tested them by comparing the cultures represented within our sample with the reported success of the model in their organisations. Our findings supported all three hypotheses:

- That HR business partnering is likely to be more successful the more relational the culture. A high score on the sociability index indicates where this is the case, and we found a statistically significant and positive relationship with success in relational cultures
- That successful HR business partnering will be more likely where business goals are commonly shared across the organisation. A high score on the solidarity index points to this characteristic, and again we found a statistically significant and positive relationship with goal-sharing and the success of HR business partnering
- That the requirement of successful HR business partnering for high levels of both sociability and solidarity meant that the model would be most successful in communal cultures; this theory was also supported by our findings

Based on their answers to the Goffee and Jones questionnaire, figure 3.2 illustrates the range of different organisational cultures described by the HR professionals we surveyed.

Figure 3.2: Types of organisational culture



A significant majority of HR professionals scored highly on both the Sociability and Solidarity scales, classifying their organisation's culture as communal. Relatively high numbers scored low on Solidarity and high on Sociability; these are classified as a networked culture.

We found a significant relationship between the reported success of business partnering in organisations scoring highly on either Sociability<sup>vii</sup> or Solidarity<sup>viii</sup>. We also found that those whose corporate culture was communal were slightly more likely to report success than those working in a networked culture, although the numbers in the latter group were too small to be statistically significant.

### HR sub-culture

**The sub-culture of HR is often different to that of the wider business**

An additional level of cultural complexity was identified by a number of our HR subject experts, who suggested that the sub-culture of HR is often different to that of the wider business. A picture emerged of resistance from managers, especially in the early stages of implementation, where the existing culture of the line can conflict with that of HR.



*"Do as much as you can undercover before being overt; this is because of the culture. If we'd made a big thing of it they'd have killed it off in three months."*

*"The culture of operations is very black and white. A lot of HR decisions are shades of grey ... My business wants a fast and consistent answer and isn't really bothered what the answer actually is, they just need to get on with the next issue. Yet at the same time HR have real challenges around the answer."*



Subject experts

HR professionals in both our subject expert interviews and online survey suggested that, on the one hand, their thinking must be shaped by and closely aligned with corporate culture.



*"It's HR's responsibility to provide a model that fits the culture."*

Subject expert

*"Must fit with corporate culture; not off the shelf"*

HR professional



On the other hand, some feel that they must act as a bridge between HR and the line.



*"Being the person who explains to the business what HR wants to do, but also explains to HR what the business wants to do, which is not always the same thing."*

Subject expert



The views of all seven subject experts suggest that successful implementation of the HR business partnering model requires both HR and business cultures to change and develop in order to become more closely aligned.



*"HR culture tended to support processes and compliance but we are not strategic; very risk averse; won't take decisions."*

*"Having difficult conversations and making tough decisions wasn't something [the business was] good at. We have had to train people how to manage according to capability."*

Subject experts



## Organisational design

We expected to find that organisational structure was another key influence on the success of HR business partnering. We believed that a model that is dependent on the line's willingness to partner with HR would struggle to function effectively in strongly hierarchical organisations, where status is a key issue and upwards referral a default position. In hierarchical organisations the risk, we hypothesised, is that internal service providers may be expected to be deferential rather than allowed to work collaboratively. Our findings on the seniority of HR business partners suggested that many are working with managers in a more senior position to their own. If this is the case, can a truly collaborative relationship work in a status-driven organisation?

Among the organisations we surveyed in this research there proved to be little variation in organisational structure. However, in the *Management Agenda 2009*, we asked over 300 participants about organisational design. Analysis of these responses suggests that hierarchical structures and organisations with a range



of different structures are indeed significantly less likely to report successful implementation of the HR business partnering model than flatter structures.

### Conclusions on culture and structure

We are beginning to see that the HR business partnering model is a better fit with some cultures and structures than others. With these findings we can postulate that those most likely to implement the model successfully are organisations with a flat structure and a communal culture; one demonstrating high levels of both Sociability and Solidarity. Of course this makes sense if business partners are to develop close and collaborative relationships at a senior level within the organisation.

The clear lesson for organisations is that understanding their culture is critical as they endeavour to make HR business partnering work in practice. Organisational culture may be both varied and complex, and HR must adapt to it. The sub-cultures of HR and the line may differ or conflict to the extent that they create deficiencies of confidence and communication. In terms of tailoring the HR business partnering model to the prevailing culture, one size will certainly not fit all.

In tailoring the model it may be possible to capitalise on certain aspects of the organisation's existing cultures. Alternatively, there may be a need to compensate where the culture is more fragmented; to work actively to build a more relational culture and – or – agree common goals.

### Modification and phasing

Given the variation in size, sector, culture and structure of the organisations we surveyed, it would have been surprising if the model were considered suitable for wholesale adoption without some adaptation, and our findings supported this hypothesis.

Most respondents to our survey (47%) tailored the model to some extent to fit with their organisation. An additional 15 per cent went as far as making significant alterations, again largely in response to what they felt were their organisation's unique structural or cultural requirements. 11 per cent of respondents had completely tailored the model to their organisation and were using it in different ways in different parts of their organisation. 13 per cent were unable to say if or how the model had been altered.<sup>34</sup> Only 15 per cent of HR professionals surveyed reported that the HR business partnering model was implemented wholesale; with one respondent hinting that this had not worked well in practice:

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<sup>34</sup> Figures equal 101% due to rounding to no decimal places



*"In hindsight this was the wrong choice!"*



Both HR subject experts and HR professionals commented that an off-the-shelf solution is rarely a good choice, and had recognised that individual corporate cultures, structure and business needs must be considered and the model modified accordingly.



*"A highly complex organisation – one size does not fit all!"*

*"One size doesn't fit all; flexibility is required."*

*"The size and complexity of the organisation meant that different parts of the business implemented the model in stages, with some parts not implementing totally because of their needs."*



*HR professionals*

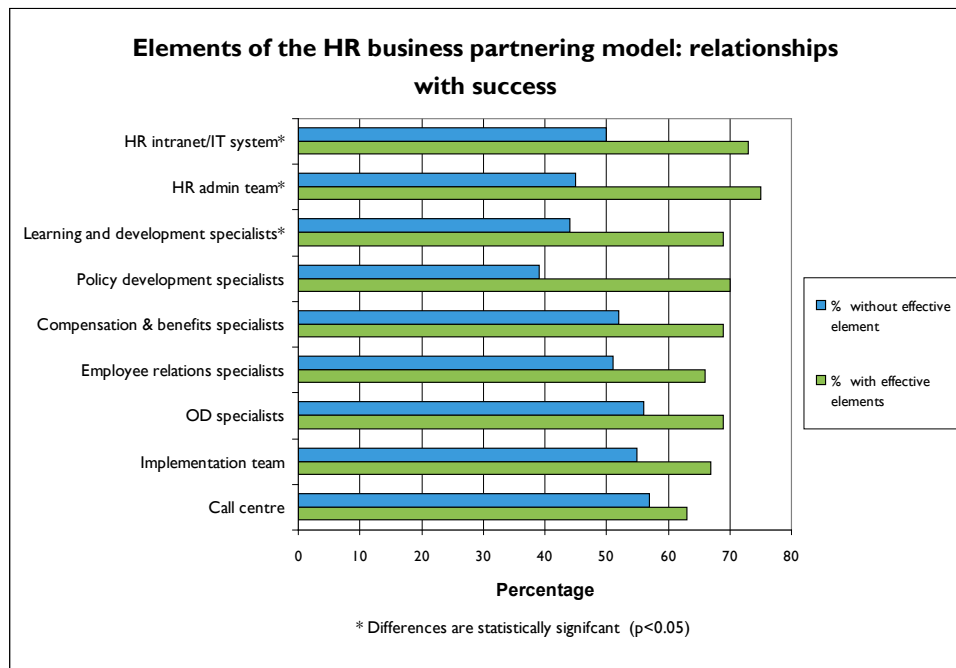
However, whatever the extent of the modification, we found no significant relationship between how far the model had been tailored to fit the organisation and its reported success in practice.

Respondents also indicated that the HR business partner model had been rolled out in a range of ways. 23 per cent stated that the model was implemented in one go, 23 per cent had a phased roll out, 45 per cent said implementation of the model was an ongoing process and five per cent said implementation was a gradual process but that there was never any explicit changeover. The additional four per cent said that another (undefined) method of rollout had taken place. Again, the type of rollout showed no significant relationship with the perceived success of HR business partnering.

### **Which elements of the model are included?**

Although the manner in which implementation is rolled out does not appear to be a significant factor in success, high proportions of the respondents who considered HR business partnering successful also reported the concurrent implementation of a number of other elements of the model. Where organisations had an effective Intranet/IT system<sup>ix</sup> effective HR administration teams<sup>x</sup> and effective learning and development specialists<sup>xi</sup> they were significantly more likely to report that HR business partnering was a success. We found no significant links with reported success and the existence of an HR call centre or other HR specialists such as OD or employee relations. These results are illustrated in figure 3.3.

Figure 3.3



These relationships suggest that getting these specific elements working effectively alongside HR business partners significantly increases the likelihood of success; where they are not, the HR business partner is first in the business's line of sight to take care of these functions. It is no surprise that being expected to act as a generalist will dilute the HR business partner's ability to make a genuine strategic contribution to the organisation.



*"If you are taking the transactional stuff out of HR you need to have technology in place to make managers able to do it themselves. Centres of excellence need to be what they say they are rather than something in title."*



*Subject expert*

## Conclusions

From our findings in this chapter a picture is beginning to emerge of some of elements which impact on the success of HR business partnering in practice. We have seen that the model is more prevalent, and therefore perhaps more relevant to larger organisations, but that it appears to be equally applicable across sectors. Unsurprisingly for a model based on close cross-functional collaboration it seems to work better in more relational cultures and less hierarchical structures.

As Ulrich intended, it appears that organisations are flexing the model to suit their unique requirements. However, they are sometimes omitting one or more of the legs of the stool he described; whether the earlier three-legged version or the more recent four-legged structure. Our findings show how the inclusion or omission of these supporting elements can have a direct effect on the success of HR business partnering in practice.

### Practical Implications

- Analyse and identify your organisation's culture and structure. Consider how this might support or undermine the HR business partnering model. Do you need to compensate for a fragmented culture; to work to build a more relational culture or to agree common goals within the organisation?
- Be prepared to modify and tailor the model to fit the unique requirements of your organisation but beware; omitting effective support systems may push the transactional requirements of the line, by default, onto the HR business partner; obliging them to adopt the role of service provider, not strategic partner.



## 4: The role and selection of the HR business partner

*“Roles define what work must be done; competencies define how work is done”*

*Ulrich and Brockbank (2005) The HR Value Proposition*

Throughout our search for the factors that influence the success of the HR business partnering model in practice, a recurring theme emerged. Whatever the structural strengths or weaknesses, however effective the communication surrounding implementation has been, the personal credibility of individual HR business partners in the organisation is central to success. We examined a range of factors that might inform the credibility of the HR business partner, and compared them to the levels of success that our participants reported.

### Definitions of the HR business partnering role

HR business partnering is often perceived by HR as being “more strategic” – but is this the case in practice? Do HR and the line share a common understanding of the model, and in particular the role of the business partner?

Our research shows that, while there is general agreement within HR on what the model means, in practice HR business partners are often intermediaries between HR and the business, drawn into transactional activities that may dilute their strategic impact.

**HR business partners are often intermediaries between HR and the business, drawn into transactional activities that may dilute their strategic impact**

Our seven subject experts, all senior HR professionals, many of whom had taken a key role in the implementation of the HR business partnering model, were consistent in their theoretical definitions of the HR business partner role. They agree that an HR business partner is a person who facilitates the alignment of HR activities with the organisation's strategic direction.

It is no surprise that these participants' definitions align closely with the reasons they gave for adopting the HR business partner model (see Chapter 2) especially given the frequency with which the motivation for implementation has come largely or wholly from the HR function. Most of these individuals were closely involved in the decision to implement the model.

Individual definitions from our subject experts included:



*"It's the person who supports you in delivering your strategy and tactics through your people. They won't do it for you but will coach, train, support and challenge according to your appetite and ability."*

*"To help build a high performance culture; to help the business build great people, encourage high levels of performance. Adding value to the business; operating in a commercially-focused framework."*

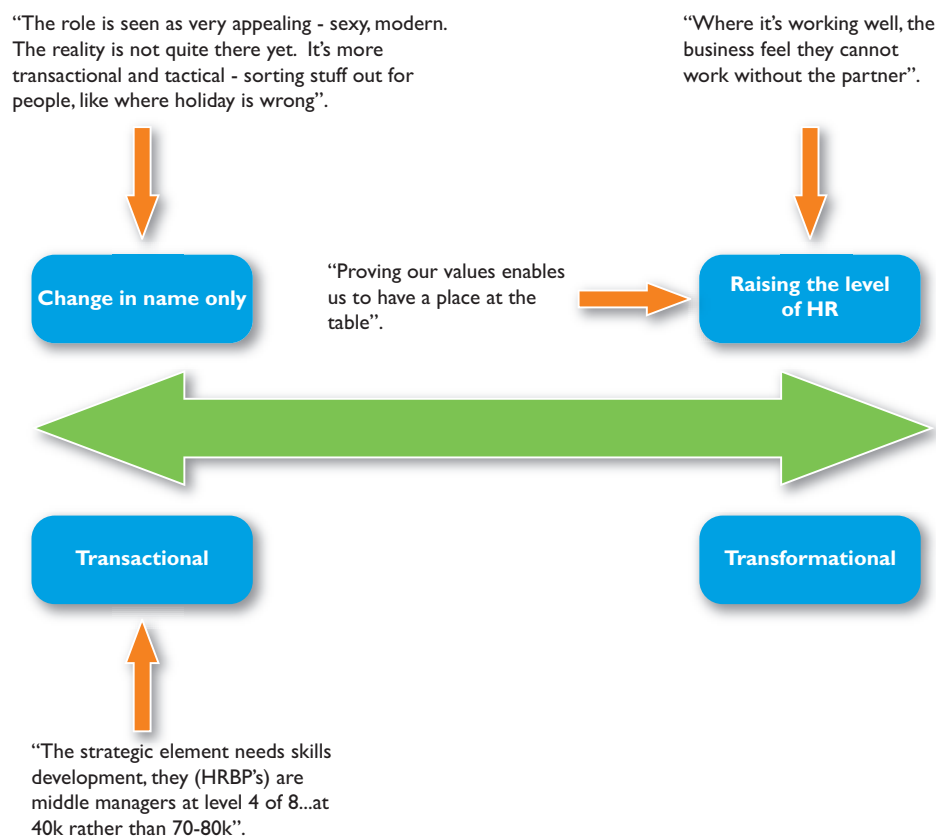
*"If you had a continuum from liaison to driving the people ... we work along that. Supporting improvements in leadership and management capability to improve performance management, talent management etc; it is not a transactional role."*



Subject experts

When we asked these subject experts about the role as it exists within their organisations today, however, we began to see a dichotomy at work; or perhaps a continuum. At one end the HR business partnering model seems to be a change in name only and certainly still delivering transactionally to the business. At the other end, HRBP is more transformational in nature and suggests that it is an explicit way of raising the bar of HR with some successes to report in this respect Figure 4.1 shows some of the comments that illustrate where our subject experts see their organisations on the continuum.

Figure 4.1: The role continuum



A similar spectrum of experience emerged when we surveyed a larger sample of HR professionals – 65 per cent of whom were HR business partners and the rest in other HR roles – asking them to describe the role within their organisations. Just under half (48%) felt it was largely or wholly strategic. A similar proportion (50%) of line managers also described the role as fully strategic.

40 per cent of HR professionals described a mixed role that combines both strategic and transactional functions. Many of these answers spoke of an evolutionary process, moving away from a transactional to a strategic function but still combining both elements.



*"We still get HRBPs getting stuck in transactional ... I'm not sure we run it as the model was intended."*



*HR professional*

**Those who consider the role wholly or largely strategic or else becoming more strategic were most likely to report success**

A smaller proportion (19%) of the line managers we interviewed felt that the role combined both transactional and strategic elements. Just six per cent of HR

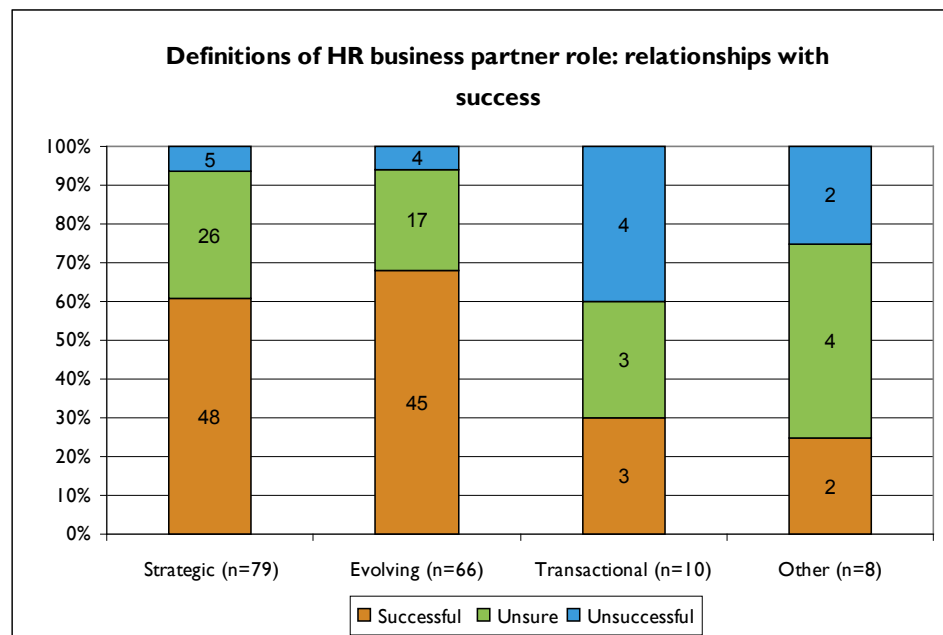
professionals defined the role as either largely or wholly transactional, with a higher proportion of line managers (27%) describing the HR partner's role as transactional in the main. A small number of respondents in each group provided answers that did not place them within any of these groups.

We compared these different working definitions of the role with the reported success of the model (see figure 4.2). Those who consider the role wholly or largely strategic or else becoming more strategic were most likely to report success.

Where roles are wholly or largely transactional the HR business partnering model was rated as less successful. Whilst the numbers of people in each category were too small to test for statistical significance, these results indicate the importance of focusing HR business partners on the delivery of strategic objectives.



Figure 4.2



## Role clarity: black and white or shades of grey?



*"People were feeling confused with the roles and not sure where one role ended and another started. People who need absolute clarity of roles don't sit well with business partnering. You need to be able to work with shades of grey."*



Subject expert

This respondent (see above interview excerpt) raises an interesting point about role clarity; we hypothesised that success would be affected by the clarity with which all the stakeholders understand their roles in the HR business partnering model. However, we also reasoned that perhaps this is a model in which it is important to understand that role clarity may be an overrated concept; that success is also dependent on stakeholders' ability to accept ambiguity, to work the system and to flex the model itself.



*"They need to be pragmatic and act in the spirit of policy and procedures. Bending the rules and taking risks is required of them."*



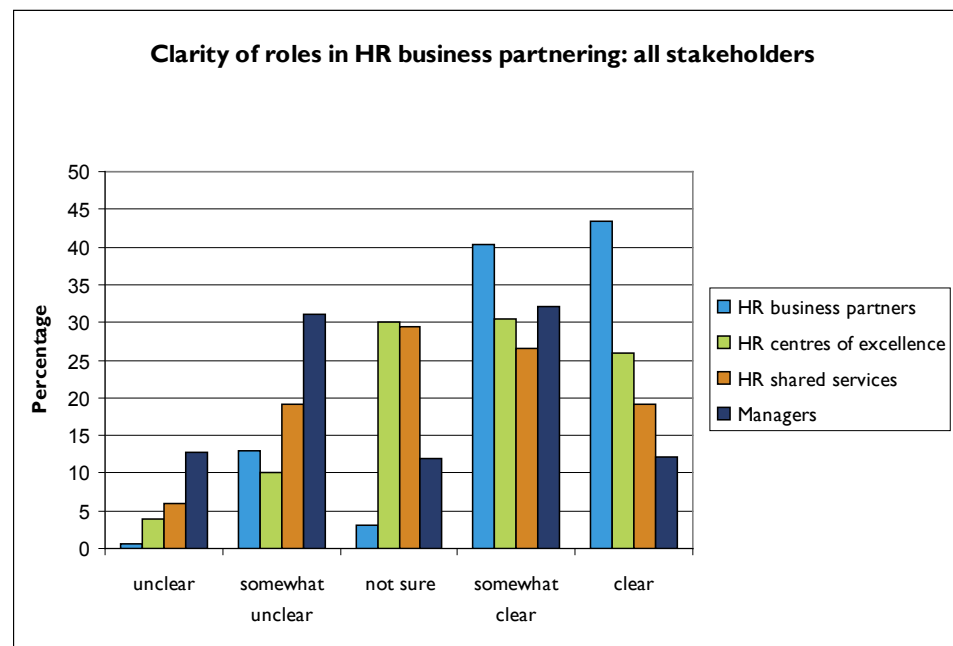
Subject expert

Ulrich and Brockbank's most recent work<sup>35</sup> emphasises that HR professionals can be categorised into four groups: corporate HR; embedded HR; HR specialists and service centres. Everyone who works in any of these categories can, they say, be called HR business partners, although it is to embedded HR that we tend to apply the title. Ulrich and Brockbank's message is clear, however: "each of these roles is a partner to the business as they work to create value for employees, customers, shareholders, communities and management." Thus, it is not only HR business partners but all those working in HR that must understand how they can play their part in success.

So how important is it that all stakeholders in the HR business partnering model understand what part they are expected to play in the new structure, and what they can expect from other functions? In our survey we asked HR professionals how clear they feel all the key players are about their roles within the HR business partnering model; HR business partners themselves, HR shared services, HR centres of excellence and line managers.

The majority (84%) of participants (and remember that 65 per cent of respondents in this survey were HR business partners themselves) thought business partners were clear or very clear about their role within the model. Respondents were slightly less confident that centres of excellence (57%) and HR shared services (46%) were clear about their roles. Managers were the group rated as the most unclear; 44 per cent rated them as unclear or somewhat unclear about their roles.

Figure 4.3



35 Ulrich, D and Brockbank, W (2008) 'The business partner model 10 years on: lessons learned' *Human Resources magazine* (December 2008/January 2009)

When we tested this perception in our interviews with line managers we received confirmation of the HR view. Only 35 per cent of managers (n=9) considered themselves clear or somewhat clear on their own roles in the partnership, whilst 62 per cent (n=16) felt that HR business partners in their organisations were clear or somewhat clear about their roles.

These findings support our previous hypothesis that, while HR has been thinking about the HR business partnering model for some time, and has a relatively strong conceptual understanding of how it might work in practice, this may not be the case for the line; they are further back than HR on the change curve. It cannot be assumed that they will be clear about their role in the new model.

Looking at an overall measure of role clarity for the different stakeholders involved, the greater the perceived role clarity, the higher the reported success of HR business partnering.<sup>xii</sup> Whilst we cannot say what causes what here, overall role clarity is also strongly related to getting value from HR in general, suggesting it has an important part to play here.<sup>xiii</sup>

Whilst some have argued that HR business partners and the managers with whom they work should expect and tolerate some role ambiguity or “shades of grey”, our findings somewhat contradict this by suggesting the importance and value of making sure that everyone knows what is expected of them and of each other from the off.

## **Seniority: are business partners sitting at the top table?**

In Chapter 3 we examined the impact of organisational culture and structure on the success of the HR business partnering model, and asked how far a hierarchical structure supports or weakens it. Can a relational model thrive where status is a key issue?

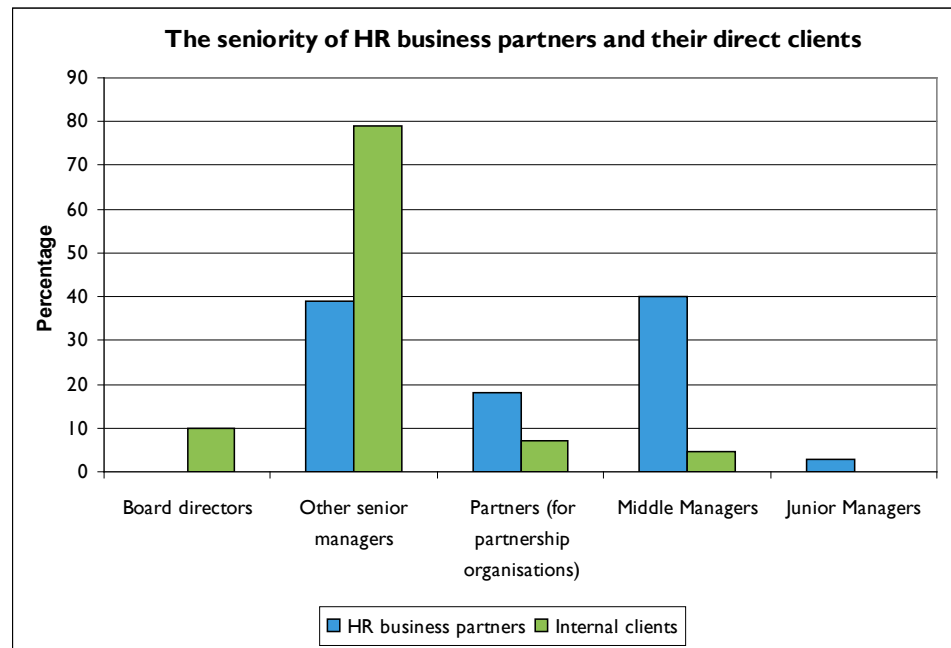
We wanted to find out the level at which HR business partners are operating within organisations. How senior are they, and how does this relate to the seniority of the managers they work with? How many managers do they partner? And does this data lead us to any conclusions about the relationship between relative levels of seniority and success?

In our HR survey the HR business partner role was described as either senior (57%) or middle (40%) management. There were no business partners at board director level and only 3 partners were from junior management roles. However, less than 12 per cent of those we surveyed earned more than £60,000, with 48 per cent earning £20,000 - £40,000 and 40 per cent earning £40,000 - £60,000. We found this surprising given respondents' descriptions of their level of seniority. However, we found no significant relationship between seniority and whether respondents reported HR business partnering a success.

### HR business partners have access to those working at a strategic level.

We went on to ask HR business partners about the seniority of the managers they are working with. HR business partners stated that they are most likely to have partnerships with either senior managers (79%) or directors (10%); it seems that they are often partnering managers who are senior to them in the organisation. This finding suggests that HR business partners have access to those working at a strategic level.

Figure 4.4



We hypothesised that if HR business partners and their clients' role levels were similar higher success would be reported. However, we found no significant relationship between role level similarity and success. This finding may indicate that HR business partners are not restricted by traditional hierarchies. However, we should be mindful in applying this interpretation that the majority of respondents came from organisations with a communal culture<sup>36</sup>. Further analysis would be required to understand whether hierarchy plays a more significant role in success when the culture is more mercenary or fragmented.

One of our subject experts commented on the effect of seniority on HR business partners' strategic focus:



*"We still get HR business partners getting stuck in transactional. They are ... middle managers. £40,000 rather than £70 – 80,000. I'm not sure we run it as model was intended."*



*Subject expert*

Another felt that an informal measure of the success of the model was her acceptance at the most senior level in the organisation, where she was able to

36 See figure 3.1

have a voice in its strategic direction.



*“Having a voice in the business – I now attend the Executive Committee meetings and that’s a huge change.”*



*Subject expert*

When asked an open question concerning the factors that maximise the effectiveness of HR business partners, our HR survey respondents echoed the view that they must have a presence when key decisions are being made in order to make a strategic contribution. Respondents confirmed that their acceptance and presence at such meetings has been an important factor in maximising the benefits of the HR business partners in practice.



*“Attendance at senior management team meetings and working directly with managers on ‘sticky’ issues.”*

*“HRD on Board ~ position of influence.”*

*“My business area being open to including me in management meetings to help with increasing knowledge of business.”*

*“The visibility of the HR business partner at strategic meetings.”*



*HR professionals*

Being granted access to key meetings was also identified as one of the informal measures of success by several of our subject experts; it seems that a place at the top table is both a measure of and a means to success.

### Number of line managers to each HR business partner

Nearly two thirds of the HR professionals we surveyed reported that HR business partners in their organisation partner with relatively low numbers of people (35% up to 10 people and 28% 11 to 20 people). However, 12 per cent of respondents reported that any given business partner worked with over 50 people. Relationships between the number of people served by an HR business partner and success of the model are inconclusive, but can a middle manager-level business partner working with more than 50 people be expected to make a strategic contribution to the organisation? It seems unlikely.

## Resistance to a more strategic role for HR business partners

Given the findings we have already described in this chapter, we hypothesised that lack of role clarity, disparity in levels of seniority and HR business partners who may be spreading themselves thinly among multiple line managers could all lead to a lack of engagement from the line in making the HR business partnering model work in practice.

This hypothesis seemed to be supported by HR professionals who reported that some managers are resistant to the development of a strategically focused

HR business partner role, blocking the partner's access to strategic business information and sometimes insisting that they provide transactional support. Some line managers seem reluctant – or appear insufficiently skilled – to take on tasks traditionally handled by HR. Many commented that the extent to which the HRBP model works at a strategic level within their organisations is directly related to the level of understanding and buy-in of individual business managers.



*“Still undertaking much transactional work due to an unskilled management who are still to be convinced that managing people is their responsibility.”*

*“We should be providing strategic advice, by using our HR expertise, on areas of the business requiring action in order to operate more effectively. In practice we are often not given access to ... the strategic issues and instead [we are] expected to sort out individual problems that get highlighted to senior managers ... We are battling to be strategic but overloaded by the volume of legacy work.”*



*HR professionals*

Even when the wider organisation has understood and accepted a strategic definition of HR business partnering, how the role develops is often down to the individual and the credibility they earn with the business.

## What competencies are needed in the role?

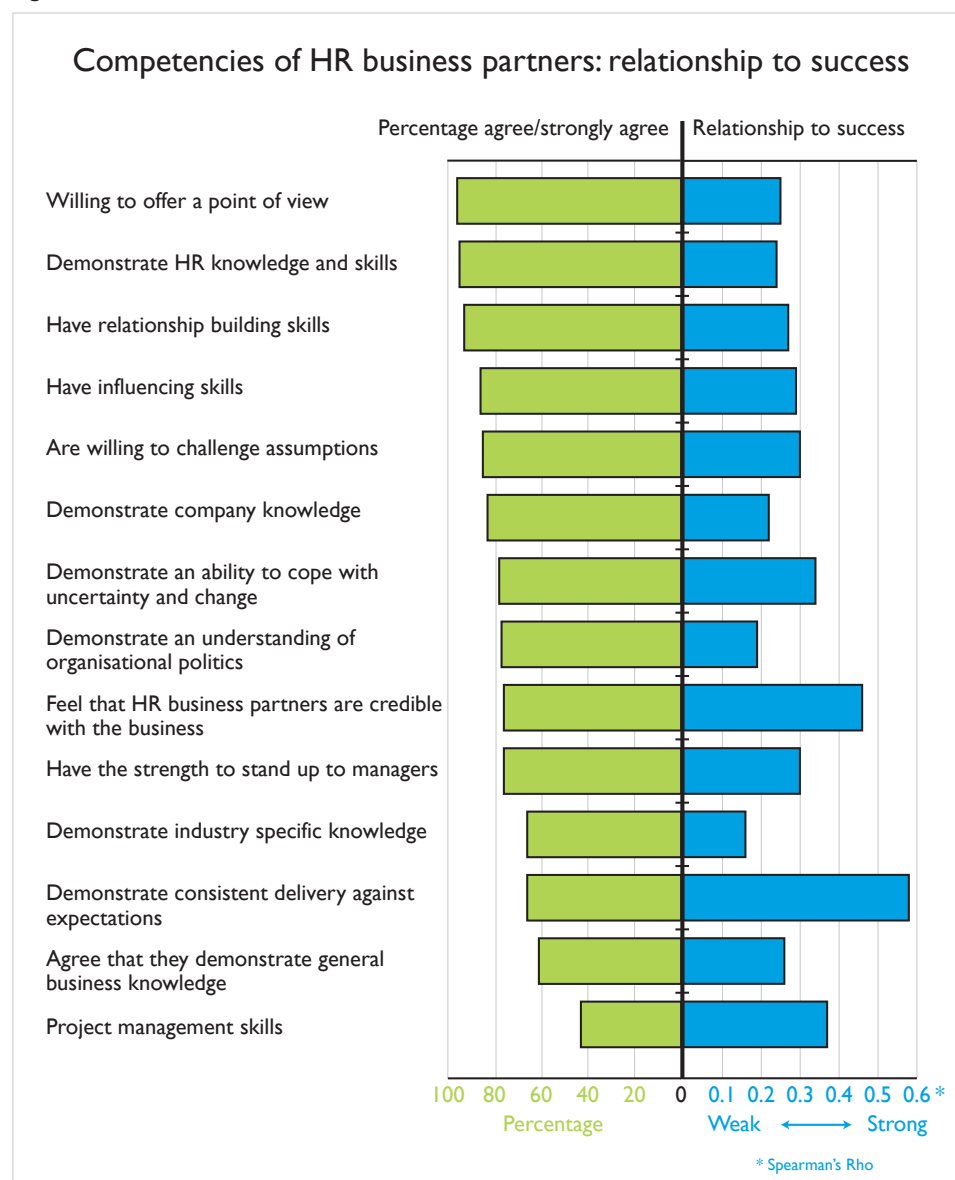
The range of learning and development opportunities mentioned by HR professionals and subject experts in our research gives us an indication of the competencies needed by HR professionals as business partners. Dave Ulrich (1997) proposed that business knowledge, HR expertise and change management contribute in different ways to the performance of the HR professional.<sup>37</sup> In later work (2008)<sup>38</sup> he and his collaborators revised and developed this framework, describing how HR professionals now need new competencies in order to play new roles. HR professionals, they argue, now need increased levels of technical expertise and the ability to apply that expertise to business performance.

We asked HR professionals in our survey to rate their HR business partners against a number of competencies. While we should bear in mind that their responses are self-assessments, representing only the views of HR and all correlating positively with reported success, we can see from figure 4.5 how some competencies have stronger relationships than others with perceived success.

<sup>37</sup> Ulrich, D (1997) *Human Resource Champions* Harvard Business School Press

<sup>38</sup> Ulrich, D et al (2008) *HR Competencies: mastery at the intersection of people and business* Society for Human Resource Management

Figure 4.5<sup>xiv</sup>



We can see here that credibility with the business and consistent delivery against expectations have the strongest relationship with the perceived success of the model. These two competencies are not, however, those that are most often mentioned as being demonstrated by HR business partners; two of the lowest success correlations are with willingness to offer a point of view and HR knowledge and skills, although 95 per cent (HR knowledge and skills) and 96 per cent (willingness to offer a point of view) of respondents feel they are demonstrated by HR business partners in their organisations.

We might argue that being credible with the business is the aggregate outcome of some or all of the other competencies in the table. Certainly Ulrich (1997) suggests that there are a number of behaviours that enhance credibility, including what he describes as “chemistry”; “being personally comfortable with peers,

subordinates and supervisors". In his later work (2008)<sup>39</sup> he and his collaborators develop the idea of personal credibility as the competency domain of the Credible Activist. In this domain the HR professional is credible: respected, admired and listened to. He or she is also active, offering a point of view, taking a position and challenging assumptions.

Several of our subject experts' comments suggested that credibility is indeed a key issue:



*"You need personal credibility; authenticity, decision making, personal leadership."*

*"The most fundamental change is around relationship management and credibility in the business."*



Subject experts

In our interviews with line managers we asked them what they value about their HR business partners. Responses seemed to divide into two categories; those that spoke of skills and knowledge and those that described personal attributes and relationships. Combined with their comments on specialist knowledge was an appreciation of tenacity, honesty and straight talking, objectivity, integrity and professionalism. Often what they valued as much as the specialist knowledge the business partner contributed was their personal qualities and the strength of the relationship they had formed.

### Interpersonal skills



*"I value most her knowledge, integrity and honesty. I need to be sure when I ask a question that I get a direct answer ... Satisfaction is down to the relationship we have."*

*"The opportunity to sit with someone and talk openly and honestly about people issues and bounce ideas around."*

*"What is valuable is that as individuals they are approachable, they are always fairly willing to engage."*



Line managers

### Business skills and knowledge



*"We know the business issues we're trying to solve and we need to know the best solution and the risks involved. It's getting access to an independent professional view that lets me make a decision."*

*"Professionalism. Objectivity. Steadying force."*

*"I value business partner engagement because they help deliver substantive products and service. They roll their sleeves up and get involved. It works best when these people bring their skills and challenge*

<sup>39</sup> Ulrich, D et al (2008) *HR Competencies: mastery at the intersection of people and business* Society for Human Resource Management



*you to do things better.”*

*“The ability to be objective, seeing other sides to a situation.”*



*Line managers*

## **The HR business partner: bought-in and equipped?**

We were not surprised to find that our survey respondents, all HR professionals, were broadly positive in their assessment of their level of buy-in to the model and their ability to play an active role in business partnering. 88 per cent of respondents felt HR was bought into the HR business partnering and 66 per cent felt they were equipped to play an active role. However, this still leaves a few who may be disenchanted with HR business partnering and, more worryingly, a third who do not feel able to take an active part.

## **Rigorous selection: worth the effort?**



*“To make the new structure work you need the right sort of people in the business partner role, as to some extent they’re the shop window for HR”*



*Subject expert*

We were seeing, from the findings in all three phases of our research, that much of the success of the HR business partnering model in practice rests on the personal credibility of the HR business partner with the line. The extent to which the line is bought in to the model is critical to success, and the credibility of the business partner is critical to achieving this buy in.



*“The business is receptive if the HR person has the right attributes for this role.”*



*HR professional*

If credibility is a key issue, we hypothesised, rigorous selection methods will be essential to ensure the recruitment of individuals capable of achieving the credibility they need to function successfully in the role.

A significant percentage of respondents (37%) reported that their organisations used rigorous selection and assessment methods to select their HR business partners. However, almost the same number of people (36%) simply transferred existing people into new roles.

When we compared these figures with reported success, we found a relationship that supported our hypothesis: 66 per cent of respondents who used rigorous selection methods reported that HR business partnering was successful compared to only 45 per cent of people who transferred existing people into new roles. Whilst the number of respondents was too small to test this difference

for statistical significance, comments from our subject experts supported these findings; it is clear that the HR business partner role is not for everyone. Selecting the right people for the job is critical to success.



*"It was hard for some of the team on the interpersonal skills ... one lady went into Policy and backed off from a business partner role."*

**It is clear that the HR business partner role is not for everyone.**

*"Some people felt deeply challenged and didn't want to do the new stuff. They struggle that saying no and challenging are better than complying. For others it was like taking off the shackles."*

*"One HR officer has realised that she doesn't want the deeper interaction with clients. She's quite happy to assess and analyse data. She now doesn't want to be a business partner."*

*"There's a high turnover of people ... that reflects the challenge and breadth of the role."*



Subject experts

Ulrich and Brockbank (2008)<sup>40</sup> also maintain that some HR professionals may never be able adequately to perform the role of HR business partner. In any change, they suggest, there will be a 20-60-20 grouping of those involved. The top 20 per cent will already be doing the work that the change requires. The lower 20 per cent will never be able to meet the new requirements. With training, coaching and support, the remaining 60 per cent will be able to adapt to new roles and acquire the skills necessary for success.

## Learning and development for HR business partners

A collaborative, relational model requires a shared language and understanding; from the line of people issues, and from the HR business partner of business issues. The HR business partner must be not only an HR expert but also have a sound understanding of the organisation's business. He or she must understand the key concerns and objectives of individual managers so that the advice they give is effectively aligned to the business. In order to create a dialogue in which knowledge can be shared and used to a common purpose, good interpersonal skills are essential. Every individual is likely to have unique development needs.

We wanted to learn more about how HR business partners' learning and development needs are being addressed, and how far this impacts on success.

<sup>40</sup> Ulrich, D, Brockbank, W (2008) 'The business partner model 10 years on: lessons learned' *Human Resources magazine* December 2008/January 2009

In our interviews with subject experts we asked about learning and development opportunities for HR business partners in these seven organisations. Their responses described a variety of activity, from structured training to informal interventions, coaching and online courses. The subjects covered were also very varied. Consultancy, coaching and interpersonal skills training were frequently mentioned, but respondents felt that HR business partners may also need to develop their written and financial skills, their understanding of metrics and law, project management and organisational politics.

We asked HR professionals responding to our survey about learning and development opportunities for business partners in their organisations. While they reported a range of development activities by far the most frequently mentioned was on the job learning (72%). Only a very few, however, stopped here; all but 13 respondents were also offered other training and development opportunities. Other development activity included HR business partner programmes (54%), interpersonal skills development (44%) and “other” specific HR development (54%) and business training (26%). Only two per cent of respondents reported no development opportunities for business partners.

Our findings revealed that those who had received a combination of training opportunities were more likely to report that HR business partnering was successful in their organisations than people who had undergone only one type of development. However, the different combinations of training types that HR business partners had received were broadly similar in their relationship to reported success. Perhaps we can assume that these organisations have successfully chosen learning and development opportunities appropriate for their unique requirements.

As mentioned earlier in this chapter, HR survey respondents were asked the following open question, “Overall, what factors helped you to maximise the benefits of HR business partnering in your organisation?” The skills and attributes of the people in the HR business partner role was the second category of responses to this question, indicating that it was the personal qualities and skills of the HR business partners themselves that increased buy in from the line and supported the success of the model.



*“Good people and the fact that we focused on meeting business rather than HR needs”*

*“The commitment and determination of the HR business partners.”*

*“We had a very good HR business partnership training programme which worked in parallel with the implementation of our management development.”*



*HR professionals*

These comments highlight the importance, discussed earlier in this chapter, of identifying the competencies that successful HR business partners will need, selecting the right people for the role, recruiting at an appropriate level of seniority and ensuring that they understand the role fully and have access to appropriate learning and development opportunities. And even when sufficient focus has been placed on all these issues, we should also be mindful of Ulrich and Brockbank's view that 20 per cent of HR professionals will never be able to live up to the new expectations.

### Practical Implications

- Making sure that all the key players are clear about what their respective roles involve is essential in ensuring buy-in and confidence.
- Use robust selection processes; not all HR professionals are suited to the HR business partnering role. Consider the key competencies required and appropriate levels of seniority. At what level will the candidate be partnering? Is the job at a level to attract the right people and allow the HR business partner to contribute strategically where this is expected?
- Enable HR business partners to have access to appropriate learning and development opportunities to give them the range of skills and knowledge necessary for the role.



## 5: Pathways to successful implementation

In this chapter we explore the practicalities of implementing business partnering, particularly focusing on those people outside the business partner role. However robust the business case, and however carefully tailored the model, it is only after go-live that organisations will experience the reality of HR business partnering. We wanted to understand what this experience is like for both HR and the line. What factors – outside the HR business partnering role itself – appeared to prevent the model from delivering benefits to the organisation? And how can the factors that prevent organisations from maximising the benefits of the model be addressed?

### Factors that limit the benefits of business partnering

We asked HR professionals in our survey what factors limit the successful implementation of HR business partnering. Responses to this open question indicated that two key areas were inhibiting success, with nearly half mentioning either problems with HR IT and shared services or a lack of buy-in and understanding from line management.

#### *Ineffective HR IT and shared services*

In Chapter 3 we describe findings indicating that HR business partnering is more successful when effective support systems, including HR IT, administration, learning and development and policy development are in place.

That our participants had found problems in these areas supports our earlier findings and hypotheses. If HR IT and shared services are failing to provide the appropriate support the effect is twofold; the HR business partner feels obliged to fill the gap in service, thus becoming diverted from a strategic focus, and the credibility of HR in general is also reduced.



*“HR shared service centre not functioning properly and a lack of HR information systems meant that the business partners were (and still are to an extent) undertaking transactional duties and are thus stretched.”*

*“Poor service from shared services.”*

*“Contact centre deployment – still experiencing problems with consistency of HR advice.”*



*HR professionals*

#### **Shared services**

Our findings on the readiness of those outside the HR business partner role, as well as those on role clarity, examined in the previous chapter, suggest that those working in shared services may be inadequately equipped to deliver appropriately

within the HR business partnering model. They are seen as less clear than HR business partners on their role within the model (see figure 4.3). As HR professionals working outside the HR business partner role they are also seen as less well bought-in and equipped to play an active part than their business partner colleagues (see figure 5.1).

Ulrich and Brockbank (2005)<sup>41</sup> outline two key pitfalls for service centre set-ups. One is ignorance. Organisations may neglect to ensure that employees know how to access a service centre. In the absence of this knowledge, queries that could easily and cheaply be addressed by the service centre are instead directed to line managers or other HR professionals, whose time might be more costly and better employed on other matters.

### Employees are the group least likely to be clear about their role

Findings from our survey of HR professionals on how bought-in and equipped each stakeholder group is, described later in this chapter, indicate that employees are the group least likely to be bought in and equipped to play their part in the HR business partnering model. Line managers' comments also suggest that employees are the group least likely to be clear about their role. In the light of both these findings we can surmise that, where shared service centres are in place, there is a risk that they are being under used, or used incorrectly. In the absence of a service centre the functions that it might undertake will also be channelled elsewhere, undermining the ability of HR business partners to focus on delivering strategically to the organisation.

The second pitfall outlined by Ulrich and Brockbank is a loss of personal touch and ancillary data. They argue that service centre employees do not pick up the type of supporting personal and cultural information routinely gathered by local HR professionals during face-to-face interaction. Clearly, service centres are unable to provide the personal touch that comes through regular contact with known individuals and this may create cultural resistance to their use.

### HR IT systems

Martin et al (2008)<sup>42</sup> and Reddington et al (2005)<sup>43</sup> examine in some detail the "piecemeal and problematic" progress many organisations have made in the form of transformational benefits and return on investment in HR IT systems. They describe a double challenge in the introduction of these systems. Clearly the detailed design and implementation of processes and technology must produce the right systems for the organisation's needs. But unless HR, employees and line managers understand how to use them and are willing to do so, their benefit

41 Ulrich, D and Brockbank, W (2005) *The HR Value Proposition* Harvard Business School Press

42 Martin, G, Reddington, M, Alexander, H, (2008) *Technology, Outsourcing and Transforming HR* Elsevier (Butterworth-Heinemann)

43 Reddington, M, Williamson, M, Withers, M (2005) *Transforming HR: Creating Value Through People* Elsevier (Butterworth-Heinemann)

becomes seriously eroded. They quote evidence pointing to widespread underuse of technology by HR professionals.

Our findings on role clarity and the extent to which different stakeholder groups are bought-in and equipped would, once again, appear to support Martin, Reddington *et al*'s observations.

Underuse may occur either because of a lack of confidence in the technical ability of shared services and IT to deliver results, because user education has not produced a sufficient level of understanding to facilitate efficient use, or perhaps due to a reluctance to use technology because face-to-face human contact is seen as a key aspect of HR transactions. A combination of technology design, training and cultural change management may be necessary to address all these challenges.

### ***Lack of buy in and understanding from the line***

Many of the responses from our survey of HR professionals on the factors that limit the benefits of HR business partnering described a lack of buy-in and understanding from the line.



*"Lack of support and understanding throughout the organisation"*

*"Resistance from some line managers"*

*"Customer clinging onto the concept of old style HR"*



*HR professionals*

### **Many are unclear about the reasons the model was implemented**

Responses support our findings, described in Chapter 4, on how clear HR professionals believe each stakeholder group is on their role within the model, and how far they are bought-in and equipped to play an active role in HR business partnering. We have seen how line managers, in the view of HR, form the stakeholder group least clear about its role in the HR business partnering model, with 44 per cent of responses describing the line as unclear or somewhat unclear about their roles.

Our interviews with line managers did much to illuminate the lack of buy in from the line noticed by HR respondents. Many are unclear about the reasons the model was implemented, their role in making it work and the benefits they might expect it to deliver. Often taking the place of this information, it seems, is frustration: at the imposition of a new way of working without consultation; at the extra workload the new model expects of them; at difficulties in accessing HR information through intranets or call centres; or at having to have difficult conversations that HR might once have had on their behalf.





*"I have had no communication that I can remember. There's been no training."*

*"The HR business partnering role was deemed to be a higher-level HR focused issue, therefore only the HR specialists ... really needed to understand what it was all about."*

*"I don't know how they have defined the role. I think this was some top level plan. A lot of the time it's just fed out from London."*

*"When it comes to the crunch whose side they are on? Will they represent our interests? This is an area of clarity we're all looking for."*



*Line managers*

Where training and communication is in place to bring the line to the same level of understanding enjoyed by HR, buy in from the line is, inevitably, greater. This is likely to require the up-front investment of time to engage with key stakeholders in both the design and planning stages, prior to implementation. In addition to this, there is likely to be the ongoing support and consistent communication post-implementation to ensure that users are able and willing to adopt new ways of working.

Lack of buy in and understanding from the line are clearly key inhibitors to the success of HR business partnering in a number of organisations. We decided to analyse in more detail the factors that may inform these issues.

### ***Line manager readiness***

As discussed in the previous chapter, a large proportion of the HR professionals we surveyed, and the line managers we interviewed said that line managers were unclear about their role in the HR business partnering model.

**Respondents who thought managers were equipped to be involved in HR business partnering were also more likely to rate business partnering as successful**

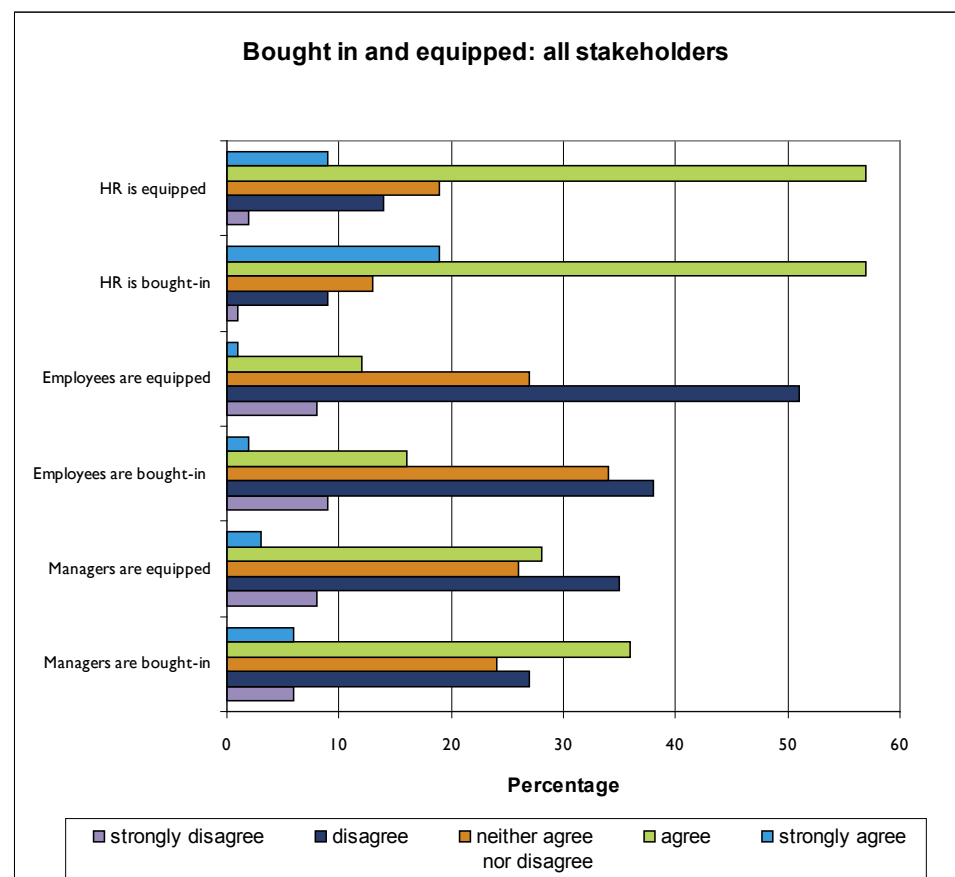
We went on to look for evidence of the effect of buy in from the line on the success of HR business partnering. We predicted that, in a model requiring close cooperation between HR and the line, there would be a connection between the two, and this prediction was supported by our findings. We asked participants in our online survey if they felt that line managers were bought into HR business partnering. The largest number of respondents (43%) agreed that they were. However, a significant proportion (24%) of respondents were unsure about managers' buy-in and 33 per cent of people felt that they were not bought in. Respondents who reported that managers in their organisation were bought-in to business partnering were more likely to report the overall success of HR business partnering.<sup>xv</sup>

We also asked HR professionals whether they felt that line managers were equipped to play an active role in HR business partnering. Although 31 per cent of respondents stated that this was the case, 26 per cent of people were unsure how equipped they were and a substantial 43 per cent felt they were not adequately equipped. As with buy-in, respondents who thought managers were

equipped to be involved in HR business partnering were also more likely to rate business partnering as successful.<sup>xvi</sup>

We hypothesised that a lack of buy in from the line may be related to its lack of role clarity, reported by both HR and line managers. In a further composite measure we looked at the relationships between how far all stakeholders are bought in and equipped and how clear they are about their roles. As we had expected, we found a strong relationship here; if all stakeholders are clear about their roles, both HR and the line are significantly more likely to be bought in and equipped to play an active role in the HR business partnering model.<sup>xvii</sup>

Figure 5.1



### *Employee readiness*

We were mindful not to neglect employees, the other major non-HR stakeholder group in the HR business partnering model, in our research. We asked HR professionals in our survey how far they felt employees were bought in and equipped to play their role in HR business partnering. The majority of respondents (48%) said that employees were not bought in to HR business partnering and a further 34 per cent of people could not comment on whether employees were bought in or not. Only 18 per cent of respondents felt that employees were bought in. The level of buy-in from employees was also positively related to the success of HR business partnering, although the relationship was

less strong than for line manager buy in.<sup>xviii</sup>

An even greater majority (60%) of respondents rated employees as not equipped to play a role in HR business partnering. A further 27 per cent were unsure about their ability to do so. Only 13 per cent felt that employees were equipped to play a role in HR business partnering. Again, we found a moderate relationship between those who said that employees were equipped to play an active role and those who reported successful HR business partnering.<sup>xix</sup>

### **HR readiness**

In Chapter 4 we examine differing levels of role clarity among the stakeholder groups within HR business partnering. Our findings indicate that other HR roles; specifically those working in centres of excellence or shared service centres, are less clear than their business partner colleagues about their roles. 57 per cent of responses indicated that centres of excellence were clear about their roles and 46 per cent that shared service centre employees had role clarity. In contrast, 84 per cent of responses indicated that HR business partners were clear about their roles.

The extent to which HR as a complete function is bought into HR business partnering and equipped to take an active role was very positive. 88 per cent of responses indicated that HR in general was bought into HR business partnering and 66 per cent that it was equipped to play an active role. HR being bought into the model was moderately related to success<sup>xx</sup>, as was being equipped to play an active role.<sup>xxi</sup>

### **Conclusions on readiness of stakeholder groups**

We found some revealing differences between the reported success of HR business partnering and whether different stakeholders were equipped and bought in. Whether line managers were bought-in and equipped was more

**Organisations need to pay most attention to managers' buy-in levels**

strongly associated with respondents' ratings of success than was the case for either HR or employees. So, whilst buy-in from HR and employees are no doubt important elements in the success of HR business partnering, organisations may need to pay most attention to managers' buy-in levels as this group emerges from these findings as a key stakeholder. Other findings in our research, particularly on line managers' role clarity compared to that of HR business partners, suggest that they may also form a group which has been somewhat neglected in this respect.

## Preparation and training for managers, employees and the wider HR community

If line managers, employees and the wider HR community appeared to be less well informed, less clear about their roles and less bought in and equipped than HR business partners to play an active role in the model, we wanted to understand what preparation and training they had been offered, and how closely this was related to success.

### Managers

In those cases where respondents said that managers were equipped to play an active role in business partnering, they reported that a mixture of briefings and regular, active communication was used to prepare and educate them for business partnering. A significant number of this group also said that their organisations had used training and coaching to equip managers.

#### What do you do to prepare and educate managers on HR business partnering?



*"Coach, inform, reflect, analyse data and feed back results."*

*"Repeated communications on the new HR model. Running skills events for managers to give them confidence to deal with HR matters."*

*"Organisation-wide briefings, intranet, launches."*

*"We held workshops/focus groups to explain the purpose of business partnering and this is continually reinforced through messages at senior management team meetings etc."*



*HR professionals*

### Employees

Where respondents identified employees as bought in to business partnering, they reported that a wide range of communication methods had been used to prepare and educate them. In some cases, information was cascaded through line managers. A number of responses also indicated that the intranet was a key communication tool for preparing employees for the new model, and particularly on how new HR roles and services would require different responses from them.

#### What do you do to prepare and educate employees on HR business partnering?



*"Engagement via a variety of communication media – doing what we say we will"*

*"Briefings and workshops"*

*"Introduction at induction and referral to the appropriate contact/source for support"*

*"Communications via the intranet on the role of HR, Centre of Excellence and service Centre, and department policy rule and guidance to cover all areas of HR policy"*



*HR professionals*

### **The wider HR community**

Again, where respondents reported that the wider HR community was bought into HR business partnering, a wide range of communication methods had been used to explain and prepare colleagues for the new way of working. These included workshops, focus groups and awareness sessions, in-house HR journals and team meetings. Some also mentioned training opportunities specific to the new roles within the HR business partnering model.

What do you do to prepare and educate the HR community in general on HR business partnering?



*"As each level of jobs is being advertised, there are workshops for potential applicants to learn about the model and how the new roles differ from the old/current ones."*

*"Delivered workshops to HR colleagues explaining a day in the life of an HR business partner. The message is continually reinforced via the HR director and other senior HR colleagues."*



*HR professionals*

### **Conclusions on implementation**

In this chapter we have seen how clear relationships with success emerge when attention is paid to preparing, informing and equipping all stakeholders to play their part in making the HR business partnering model work in practice. Key inhibitors to success are ineffective support systems and a lack of buy-in from the line; both issues appear related to a failure to include all stakeholders in the change process leading to implementation.

If all stakeholders are bought-in, equipped and clear about their roles, the potential for success is significantly increased. The line, in particular, is a critical stakeholder. If this highly relational model, designed to help HR align its work with business outcomes, is to be successful it is essential that the line understands its purpose and is prepared to include HR in its thinking.

#### **Practical Implications**

- Ensure that all stakeholders understand the model that you are implementing and what this means for them. Unless everyone is clear about the reasons for implementation, how to play their part in successful implementation and what benefits they can expect from the new way of working, they are unlikely to be bought in and equipped to work with the model.
- One-off communication will not be enough. Consider a range of communication and training options to introduce and consolidate new information, especially for the key stakeholder groups; line managers and HR colleagues in shared service centres.
- Manage expectations carefully and ensure to deliver what you promise.

## 6: Getting the long term benefits from HR business partnering

### The implementation of HR business partnering is an organisational change and needs to be managed as such

Successful change happens not just at the point of implementation, but is the result of preparation before the go-live date and review and consolidation afterwards. Change is not a mechanistic process, and to be successful it needs to be understood, accepted and embraced by all its stakeholders, not just those who drive it. The implementation of HR business partnering is an organisational change and needs to be managed as such.

Of those respondents to our survey whose organisations had been operating the HR business partnering model for up to four years 60 per cent felt that it was successful. In contrast, 78 per cent of those who had been operating over four years felt HR business partnering was successful.<sup>xxii</sup> So we appear to be seeing a clear pattern of cumulative success: the longer the model is in place, the better it works.

Our research has given us some valuable data on how the model might evolve, and what needs to be done to deliver long-term benefits. Where roles and relationships are changing, how do all stakeholders understand what success might look like and how to play their part in achieving it? What strengths and weaknesses do they see in current iterations of the model, and how do they intend to act as a result of these observations?

### The iterative cycle of HR business partnering



*"Be flexible – Rome wasn't built in a day."*

*HR professional*

*"You need to build the team and the vision and start to generate some quick wins and small steps."*

*Subject expert*



In previous chapters we have examined some of the factors that inform HR business partnering and looked at their relationships with success. But of course success is determined not by one but by a combination of all these factors. And successful HR business partnering is not an immediate reality, measurable the day after implementation, but the result of an iterative cycle of review and improvement.

Nearly half of our HR respondents are working with a model that has been adapted to some extent to the needs of their organisation. Thus we considered it very likely that the model as it existed on the launch date will have been reviewed and improved in the light of experience. In this way we can see implementation as an ongoing process, not a one-off event.

A number of the HR professionals we surveyed confirmed that they were using

an iterative approach to HR business partnering. Some, for example, asked how they planned to maximise the benefits of HR business partnering, said that their next step would be to review the model to identify examples of best practice and to build on them in developing and refining it.



*“Review our business partner models to identify best practice”*

*“Build on success stories of the HR business partnering model.”*

*“Continue with the model, adapting it to suit the needs of the organisation as required.”*

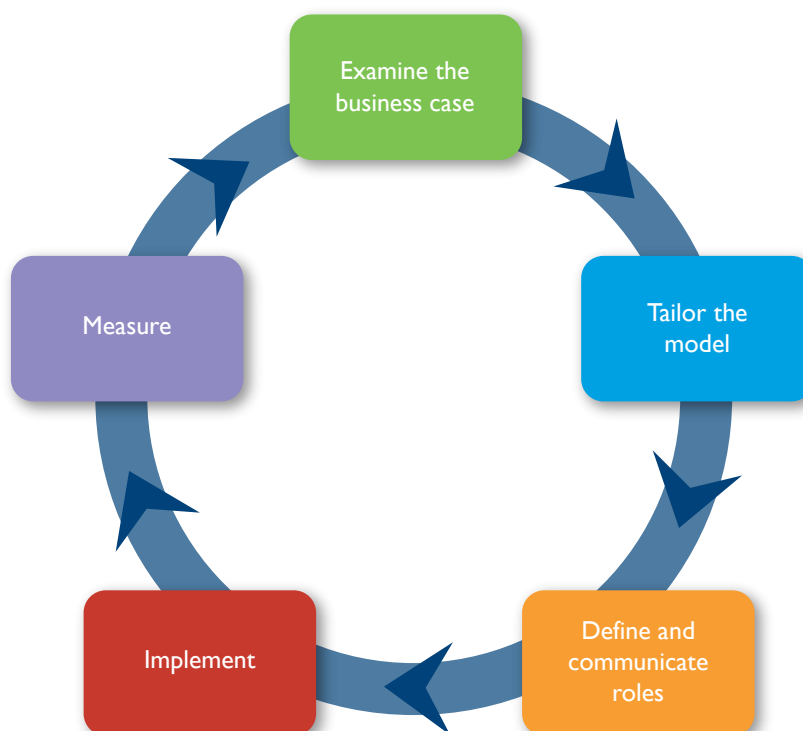
HR professionals



32 per cent of our HR professionals were unable to say whether or not HR business partnering was successful in their organisations. Perhaps this uncertainty is a result of the relative infancy of the model in many organisations; further iterations of the cycle may be needed to demonstrate and measure its benefits so that it can achieve its full potential.

Figure 6.1

### The iterative cycle for maximising the benefits of HR business partnering



### The first cycle of implementation

Following the cycle shown in figure 6.1, our research recommends the following actions on the first iteration of this cycle.

### **1. Examine the business case**

Working with senior line colleagues, establish a robust business case for adopting the model, considering the suitability of the organisation for this way of working and outlining the specific benefits that can be expected and more importantly delivered.

### **2. Tailor the model**

Adapt the model to fit the unique requirements of the organisation, paying attention to the prevailing culture, ensuring that resources and structures are in place to provide a full range of HR services and thus enabling the HR business partners to deliver a truly strategic input.

### **3. Define and communicate roles**

Ensure that all stakeholders understand the rationale for implementation and their role in making the model work. Working hand in hand with the line at the early stages of this organisational change will be vital to gain their early buy-in and ongoing commitment.

### **4. Implement the model**

Put the model into practice, paying particular attention to all components including selecting, recruiting and training to ensure appropriate competencies in each HR role and the detailed and rigorous development, testing and roll out of supporting HR IT systems.

### **5. Measure**

Use a combination of measures, both anecdotal and numerical, to assess success.

## **Ongoing cycles of implementation**

The second and subsequent iterative cycles should review each of the same areas using some of the following questions:

### **1. Examine the business case**

- Was the model introduced for the right reasons?
- How do actual benefits compare to those that were expected?
- What can we learn from this comparison?
- What changes need to be made to build on successes and avoid pitfalls?

### **2. Tailor the model**

- How far does the culture and structure of the organisation support the tailored model? Have there been any changes to culture or structure since, or as a result of implementation? Does the model need to be further adapted?

### **3. Define and communicate roles**

- Do all stakeholders understand their role in the changed model?



- What further training and communication is needed to ensure they are bought-in to the model and equipped to play their part in its success?

#### 4. Implement the model

- Does the refined model now work better?
- Can you identify examples of best practice?

#### 5. Measure

- What additional benefits have been achieved?
- How do they strengthen the business case for HR business partnering?
- Is the business case still valid or have circumstances changed?
- To take the model to the next level of benefit what else needs to be done?

Findings from Roffey Park's *Management Agenda 2009* suggest that many line managers see the HR function as lacking value and influence. Only 24 per cent of non-HR managers said that HR added value to the organisation. In order to gain credibility for the model, and for HR itself, HR needs to model good business practice and adopt a return on investment mindset when introducing HR business partnering.

## Evolving definitions of HR business partnering

We saw in Chapter 3 how definitions of the HR business partner's role appear to follow a continuum. At the less developed end of the spectrum, the HR business partnering model seems to be a change in name only and is still delivering transactionally to the business. At the other end, HR business partnering is more strategic and transformational in nature.

At the centre of this continuum is a substantial group of HR business partners who see their role as evolving; it contains a mixture of strategic and transactional elements. Transactional tasks, however, are seen by many to inhibit the development of strategic focus and influence. Line managers, they report, because they are unskilled, unfamiliar with or resistant to the model, look to the HR business partner to deliver a transactional service that the line is either unable or unwilling to access directly.



*"[The role is] strategic but still transactional in places which may be due to the fact that the HRBP concept is still quite embryonic and the business is not fully clear on the purpose of the function."*

HR professional

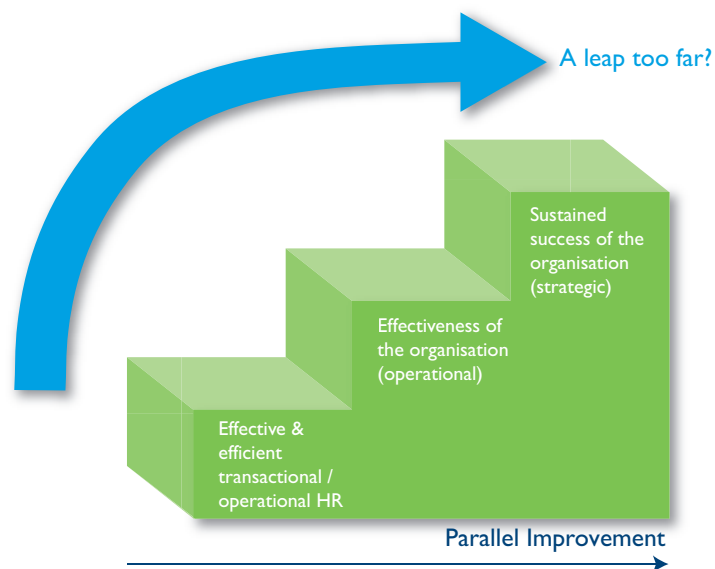


### Is HR unconsciously complicit with line managers in sabotaging the model?

We formed a number of hypotheses to explain why some HR business partners appear to be stuck at the lower end of our continuum. Is HR, for example, unconsciously complicit with line managers in sabotaging the model? If the HR business partner does not challenge the line manager to take responsibility for people issues – the “don’t worry I’ll sort it out” syndrome – line managers may be disabled from learning through working with the model. Perhaps HR professionals feel that if they aren’t delivering transactional work they are somehow under-performing? One HR business partner responding to our survey said that to “challenge non-strategic tasking” was a top priority in maximising the benefits of the HR business partnering model.

It seems possible that a lack of confidence from the line in the ability of HR to deliver value, seen in findings from Roffey Park’s Management Agenda 2009, is an underlying inhibitor to the development of the HR business partner role. If the line is unable to rely on effective and efficient delivery of transactional HR and to see its contribution to the overall effectiveness of the organisation, how are they to believe that a strategic HR contribution can contribute to sustained success? A step-by-step approach to demonstrating value and gaining confidence and buy-in from the line may allow HR access to the strategic end of the continuum (see figure 6.2).

Figure 6.2 HR transformation?



In previous chapters we looked at the importance of effective IT systems, administration teams and other specialists for the perceived success of the HR business partnering model and we saw how ineffective IT and shared service functions were seen as key inhibitors to maximising the success of the model. Moreover, when we asked HR professionals what they planned to do to maximise the benefits of HR business partnering, for many a priority was to improve and encourage the use of HR support systems. These findings seem to indicate that HR professionals are aware that the absence of effective systems to deliver

**The majority of business partners expressed an aspiration to move to the strategic and transformational end of the continuum**

transactional HR are having a direct effect on the ability of HR business partners to operate at a strategic level.

Wherever they sat on the spectrum of role definitions, the majority of business partners expressed an aspiration to move to the strategic and transformational end of the continuum. In order to do this, it seems clear that they must move away from the expectation that they will continue to deliver transactional HR. They must challenge the line to use support systems to deliver these services; but unless the support services exist and are robust they will not succeed. In the absence of effective support it is inevitable that the line will see the HR business partner as their default route to transactional HR delivery. And if HR business partners get bogged down in day-to-day transactions they will be unable to work towards longer-term benefits.

## **How to maximise the benefits of HR business partnering**

### *The HR perspective*

In our online survey of HR professionals we asked an open question about how they planned to maximise the benefits of HR business partnering. The question produced a wide range of answers, broadly in line with those that our findings suggested were needed.

### *Aligning with the business*

A key objective for a significant number of HR professionals was to understand, through active enquiry and direct experience, the needs of the line and to make sure that HR activity is aligned to these needs. Their responses seem to indicate that they have recognised that in order to become fully aligned with the business an active and long-term dialogue and hands-on experience will be required.



*“Understand the business further with “back-to-the-floor” visits.”*

*“Evolve our practices to ensure that we are delivering against the business strategically.”*

*“Link operational effectiveness to organisational targets and outcomes.”*

*HR professionals*



We should remember that most of these HR professionals had seen supporting business strategy as a key reason for implementing HR business partnering. It seems they started with the optimism to believe that this could be delivered in the future, but are realistic enough to understand that, in many cases, HR is yet to deliver fully to the organisation in this respect.

### **Learning and development for all**

A similar number of HR professionals recognised the importance of identifying and providing relevant learning and development opportunities to enable both HR and the line to use the model to its best effect.



*"Continue to work with business in terms of manager upskilling."*

*"Identify full training programme to upskill business partner team."*

*"Share further best practice, development and coaching programmes."*

HR professionals



These opportunities, some added, include sharing best practice amongst business partners in order to build on proven successes. Our findings, described in Chapter 4, that a significant relationship exists between training and success, suggest that participants are right to build additional learning and development opportunities into their planning. Some have also recognised the need to support the line in developing the additional skills they need to work with the model.

### **Increasing credibility and selling the model**

A number of HR professionals talked about how they planned to increase HR's general credibility with the line, and that of the HR business partnering model both with the line and within HR, breaking down cultural resistance and increasing levels of buy-in from the line and from the wider HR function.



*"Concentrate on hearts and minds of both HR and the wider organisation"*

HR professional



**Some described the need to deliver some quick benefits to the business to demonstrate how HR business partnering can add value at an early stage**

Responses indicated the intention to increase credibility by demonstrating and communicating the benefits of HR business partnering to the wider organisation. Some talked in terms of marketing; of selling the model within the organisation. Others described the need to deliver some quick benefits to the business to demonstrate how HR business partnering can add value at an early stage.



*"Improve our profile by marketing and promoting what we do."*

*"Deliver some quick win benefits to the business to build credibility and add value to the business."*

HR professionals



Several mentioned the need to develop measurements with which to demonstrate the value that HR business partnering is adding to the business. For example a number planned to use management information to quantify its contribution to the organisation's performance.

A small number indicated that their plans to address issues of seniority of HR business partners, ensuring that they have a voice at the most senior levels in the organisation, where their credibility and influence can be greatest.

### ***Increasing role clarity***

In Chapter 4 we discussed the relationships between role clarity, buy-in and the success of the model; comments on how maximising the benefits of HR business partnering further reinforced the need to create greater clarity; not just around the role of the HR business partner but of all stakeholders.



*"Continue to communicate the nature of the model, and of the roles of stakeholders, so that everyone involved is clear about their part."*

HR professional



### ***Improving and encouraging the use of support systems***

We have examined the importance of robust and effective support systems in increasing the confidence of the line in HR, so that HR business partners are less likely to dilute their strategic impact by taking on transactional activity that is not effectively provided elsewhere. In order to maximise the benefit of HR business partnering, HR spoke of working to improve these services so that the line could be confident that they would deliver effective transactional HR.

Some responses spoke of plans to use the knowledge of the business gained through the close contact of the HR business partner to understand and communicate how central functions can deliver business-focused products and services.



*"[I plan to] continue to feedback issues about the IT system and Service Centre in order to influence their improvement."*

*"[I plan to] review the parts of Shared Services that aren't working."*

HR professionals



### ***Selecting the right people for different HR roles***

Our findings have shown the importance of selecting the right people to be HR business partners, participants contributing a number of examples of how some HR professionals found themselves unsuited to the role, preferring to remain removed from day-to-day relationships with internal clients. We have also seen the significant extent to which the personal credibility of the HR business partner affects perceptions of success.

Comments from some HR professionals recognised the importance, in maximising ongoing benefits, of ensuring that individuals with the right skills

and attributes are appointed as HR business partners. As part of this process, several participants said that they would aim to recruit and develop a cadre of experienced business partners who could continue to increase their understanding of the business and maintain a professional approach to partnering at the most senior levels of the organisation.

Rigorous selection procedures, as well as appropriate training opportunities, are clearly essential in order to recruit and develop skilled and equipped HR business partners, able to deliver transformational HR at the highest level.

## What does the line need?

The HR function has now spent some considerable time conceptualising the HR business partnering model; HR may have had conversations at senior levels in organisations in which they have been able to inform and persuade decision-makers of the benefits of HR business partnering. But our findings in a number of areas within this research suggest that line managers, unless they have been part of the decision-making process on implementation, may be much further back along the change curve.

We have seen lower levels of role clarity and buy-in from the line than from within HR; HR participants have reported that they are unable to progress along the continuum between transactional and transformational HR because of an unskilled and poorly informed management, who drag them back into transactional tasks. Others have found that managers are resistant to the model, blocking the partner's access to strategic business information.

When we asked 26 line managers why the model had been implemented in their organisations, seven had little or no understanding of the reasons informing implementation. Another two had a partial or limited understanding. Of the fifteen who were clear on the reasons for implementation, six were managers from the same organisation, and some had been involved in the change management process leading to implementation.

Is the concept of HR business partnering so firmly embedded in the collective mind of HR that it has neglected to inform and persuade other stakeholders of the rationale for and potential benefits of the model? Has the line received adequate communication of the role they are expected to adopt within the model? Can HR, as one participant hoped, win "*hearts and minds*" and gain credibility within the organisation if it has failed to educate, persuade and communicate with the line?

In our interviews with these line managers who were working with HR business partners, we asked what else needed to be done to maximise the benefits of HR business partnering from their perspective. We wanted to know how far their requirements for the model were aligned with HR's plans for its development. Do HR and the line have the same vision of success? And where do the line want HR to concentrate its efforts to refine and improve the model?

### **Communication and change management**

The most frequently made suggestions from line managers for ways to maximise the benefits of HR business partnering concerned communication, both of the roles within the model and the benefits the line might expect to see. A clear sense emerged of a number of line managers working with a model without fully understanding the reasons it had been implemented, what they might expect to gain from it, or their role in making it a success.



*"Clearer communication and testing the clarity of that communication. A bit more explanation of the drivers for choosing a business partnering model, examples of its use and success. More clarity about what I would need to do to make this a success."*

*"If there are perceived benefits to line managers, communication of what these are."*

*"Decide on the key communication points and concentrate on these. Be clear about how people will need to think and do things differently."*

*"Once it's in place advertise the benefits of the model."*



Line managers

Other comments suggested that a process of persuasion and careful change management is needed to reduce resentment and resistance on the part of the line. Has HR fully understood, considered and addressed the downsides, from the line perspective, of the HR business partnering model? A number of non-HR respondents talked in our interviews about the additional workload they had experienced following the implementation of HR business partnering; some recognised that the model demanded new skills of them, but struggled to see the benefits. Their comments reinforce the need for communication, education and persuasion to achieve greater buy-in and support from the other side of the HR business partnership.



*"There's a hell of a lot change going on that's taking away the comfort blanket. How do you get people to see it as a force for good?"*

*"I suppose it's giving me a skill set that I didn't have. From a personal development point of view then it's good. I don't enjoy doing the new stuff but I just get on with it. If we don't the office doesn't run smoothly. I'd also get into huge amounts of trouble if my section fell down."*

*"To maximise the success of HR they're going to have to address line managers' concerns."*



Line managers

### **Training and skills development for line managers**

In line with the views expressed by HR, some line managers said that they needed training in order to maximise the benefits of the model.



*“Further support or training for line managers. There is a suite of courses for line managers but you may get them 6 months too late. The best thing is to have experience.”*

*“There’s been the offer of a workshop when someone in HR will talk to all our managers to give more confidence in dealing with the HR matters. Help us be more self-sufficient. This came from the Senior HR Consultant, may be they’re seeing too many queries coming through to the call centre.”*

*“There’s an initiative in our own area for our line managers to develop more coaching skills to be able to work more closely with their own people. From time to time there has been training on policies. It’s also learning to manage the grey areas sensitively.”*



*Line managers*

Another manager felt that it would be useful to share and consolidate knowledge and experience gained through implementation of the model. That more line managers did not mention training and skills development as an aspiration may reflect low levels of awareness and clarity on the different roles within HR business partnering. Until line managers understand how the model should work, they may be unable to identify their own learning and development needs. This may be an area where HR can provide advice and support in upskilling managers to support the model.

### **Alignment and credibility with the business**

In our interviews some managers suggested specific ways in which HR business partners could increase the alignment of HR with the business. For example, the question of visibility arose, suggesting that the physical presence of the HR partner can be powerful in raising awareness of a closer relationship with the business; something the HR professionals we surveyed were very much aware of.

Several line managers’ comments also focused on the need for a strong understanding of the business coupled with the ability to articulate strategic thinking and to deliver tangible outcomes.



*“To be able to articulate strategy, strongly and convincingly. To deliver.”*

*“To be successful the BP going to need a strong understanding of the business, build up good working relationships with key managers.”*



*Line Managers*

Comments on the need for HR business partners to be assertive and challenge their partners in the line raised further questions about the differing sub-cultures of HR and the line, discussed in Chapter 3. In order to increase their credibility



with the business, should HR business partners adapt their behaviour to match that of other parts of the organisation? And does the line also need to adapt its behaviours in order to be more effective in managing people issues?

Another comment points to the role of the HR business partner in influencing corporate HR; in bringing back their enhanced understanding of the needs of the wider organisation and acting as an advocate for them within the central HR function.



*"They need to be more business focused. They need to also be really visible and understand and connect with the business rather than just HR ... They also need to be way more assertive."*

*"For me the improvement would be around strategic advice on diversity and workforce planning. I think also project management skills will also be key".*

*"[We need a] shift within corporate HR to be more customer-focused and responsive to issues brought back by business partners and raised on behalf of the business."*



Line managers

### **Technology and other support systems**

Again, line managers agreed with HR participants that the improvement of shared services is essential in supporting the HR business partnering model. If HR business partners are to deliver transformational HR to the business, they and the line must be supported by systems equipped to deliver effective and reliable transactional HR.



*"Technology needs to do what it says on the tin."*

*"When efficiency requires the model to be streamlined ... HR [should] invest up front in developing the people skills to deliver the virtual/ shared service."*

*"The forthcoming Intranet will raise the status of HR and will take away some of the low level tasks from HR business partners and their teams."*

*"I believe we still leave ourselves very open as a company as we don't have enough HR resources. I've asked if we could have some sort of support services to produce the letters and ensure they're right. I feel I shouldn't have to send out offer letters, I'm an operator. Sometimes my managers send me letters to check and it's frightening, the things that are wrong. We need rigid and consistent systems."*



Line managers

### **Conclusions on what the line needs**

We are seeing a fair degree of consistency in what both HR and the line believe is needed to deliver long term success in HR business partnering. Strongly articulated by line managers, however, was a need for information; on the reasons for implementation, what benefits they could expect and what their role would

be in delivering those benefits. It seems that HR has in many cases neglected to ensure that line managers understand what HR already knows.

## Confidence in the future

We saw earlier in the report that, although the HR business partnering model has yet to deliver on many of the reasons for which it has been implemented, HR professionals in our research displayed considerable optimism for the future of the model. They predict future benefits including improved HR performance, a genuine partnership with the business, improved manager effectiveness, improved organisational performance and an improved perception of HR. Indeed, in these areas, participants' predictions for the future outstrip not only the benefits they are currently seeing, but also those they hoped for when building the business case for HR business partnering.

One of the line managers we interviewed echoed the confidence of HR, but issued a note of caution:



*"With most things it seems to go in circles. I'm hoping this isn't just the latest fad and that it will deliver some real solutions. HR can be too internally focused and we need it to become more outwardly focused. I'm more optimistic than I was. We are moving in the right direction but we need to have a real push from senior levels to get buy-in in the business."*



Line manager

### Practical Implications

- Consider using an iterative approach to implementation, and be prepared to flex the model as you see it in operation. How is the model evolving in your organisation? Is it delivering what you expected when you built the business case? What are the organisational benefits?
- You may enjoy a close dialogue with colleagues in HR but do you understand and have you considered the needs of line managers? Is the model delivering what they want and need? Do they need more support or information to help them get the most out of the model? Do they understand the benefits they might hope to gain?
- Make sure that HR transactions are being taken care of effectively by the support functions you have implemented. It is not enough that line managers have confidence in the HR business partner as an individual; they must be confident that HR in general is adding value before they accept or welcome a strategic contribution from the HR business partner.
- Ensure that, where necessary, HR business partners are challenging the line to take responsibility for people issues, and not succumbing to the "don't worry I'll sort it out" syndrome.



## 7: The HR horizon: shaping the future

### or “How to avoid jumping on the next HR bandwagon”

Now that the HR business partner has been formally with us for ten years, it seems very natural to ask the question, “what next for HR?” A simple question, but perhaps not such a simple answer. Much of the writing and research around HR in those ten years has concentrated on business partnering and a “new” model for HR has not emerged. Whilst many writers, including Ulrich and Brockbank, have built on business partnering in their work, no alternative model has been picked up and implemented by HR to anything like the same extent. Having completed this research we are convinced that business partnering remains relevant and, more importantly, can deliver value for the organisations that adopt and develop it.

### The problem with HR

**HR is still criticised for being internally focused, for often not having its finger on the pulse of the organisation, and for not adding value**

HR is still criticised for being internally focused, for often not having its finger on the pulse of the organisation, and for not adding value; the very things that Ulrich was seeking to address. Roffey Park’s *Management Agenda 2009*<sup>44</sup> found that only three out of ten respondents (30%) saw the HR function as “adding value to the organisation”. Only 11 per cent thought the function was “customer focused”. 57 per cent of non-HR managers described the HR function as “reactive”.

A scathing article in the Financial Times by the chairman of Channel 4, a prominent businessman,<sup>45</sup> went further, suggesting that HR was nothing more than a drain on resources:

“Typically an apparatus builds up around divisions such as HR to expand their role and cost more money. For example, compensation consultants are hired to come up with justifications for paying everyone more. Training advisers are employed to distract everyone from doing their job with pointless courses. Appraisal experts are contracted to critique staff relations. Experts are drafted in to devise an appropriate corporate social responsibility agenda – whatever that is. All this paraphernalia is accepted as essential good practice by modern-thinking corporate management. I think most of it is expensive, bureaucratic hogwash. But, clearly, it becomes a lucrative bandwagon for many to jump on – so they justify it all, come what may.”

Unsurprisingly the HR press leapt to the profession’s defence in a series of articles and blogs, but as one commentator observed, whether or not the writer’s views were correct, “when you have a respected businessman writing in a respected newspaper read by thousands of other respected business people, the stereotype

<sup>44</sup> Gifford, J, Hennessy, J, Boury, D and Sinclair, A (2009) *The Management Agenda 2009* Roffey Park Institute

<sup>45</sup> Luke Johnson (2008) ‘The truth about the HR department’ *Financial Times* 29 January 2008

is perpetuated.’<sup>46</sup>

To ensure that such criticisms are no longer made and, more importantly, not justified, HR professionals need to look again at the challenges facing their organisations. There is then the potential to ensure that the work of HR is directly focused on enabling the organisation to deal with those challenges and to deliver value to its stakeholders.

There are many organisations and consultancies offering HR professionals help with best practice. The risk with best practice can be that it provides a historic benchmark of what used to be an effective way of doing things, rather than looking ahead to how practice may need to change. The other challenge with benchmarking is that it can encourage an attitude of self-justification – being able to prove that what you are doing is comparable with your peer group. So whilst it is useful to be able to identify what is currently seen as good practice and to learn from others, the challenge may be to predict how things will need to be different in future.

## The solution for HR

In Chapter 6 we describe the iterative cycle we believe is essential to the long-term success of HR business partnering.

The first step in this cycle is to establish a robust business case for adopting the model, considering the suitability of the organisation for this way of working and the benefits that can be expected.

The model must be tailored to fit the unique requirements of the organisation, ensuring that resources are in place to provide a full range of HR services without compromising the HR business partner's ability to deliver strategic input at an appropriate level.

All stakeholders must understand the rationale for implementation and their role in making the model work, and robust selection, recruitment and training must be in place to ensure appropriate competencies in each HR role. Additional training for the line should be considered to enable all stakeholders to participate fully and gain maximum benefit from the model.

Having put the model into practice, a combination of measures, both anecdotal and numerical, should be used to assess success before returning to the first stage on the cycle, a revisitation of the business case. To neglect any element of this cycle, or to abandon it after one or two iterations is to risk weakening the model

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<sup>46</sup> Mike Berry (2008) 'Perception is nine-tenths of the law of reputation' *Personnel Today* 4 February 2008

in practice and lessening the benefits of implementation. It is important to treat the iterative cycle as an ongoing process to ensure that HR business partnering in practice remains relevant to the business, continuing to add value as the organisation and its environment change and evolve.

## What the future holds

Of course, many HR professionals endeavour to take a long term perspective in their work. They may be spending a proportion of their time networking outside their organisation and scanning the external environment to ensure that they help the organisation prepare for and cope with future change. But how accurately can we really predict the future?

From Nostradamus to McKinsey, there have always been individuals and organisations that have made it their business to try and foretell the future. A look at some of those made over the past 40 years shows the difficulty and, of course, we don't have more leisure time and we're not living on the moon!<sup>47</sup>

Nevertheless, Ulrich and Brockbank (2008/09)<sup>48</sup> have recently articulated five projections for the future. Firstly, they predict that HR will continue to align itself with overall organisational strategy by increasing its understanding of their organisations' business. They will continue to learn more about other internal operations such as finance, marketing, sales and distribution. HR practitioners will also increase their knowledge of external drivers such as customer requirements, competitive market structures and domestic and international regulatory issues. In line with this increasing knowledge they will also continue to innovate, developing HR practices that are symbiotic with the rest of the business, maximising their value to the business as a result.

Next, Ulrich and Brockbank predict that both the requirements of organisations and the emergence of more sophisticated technology will mean that fewer HR professionals will be undertaking transactional administrative work. Their forecast suggests that more HR functions will be centralised and some – those not considered essential – will disappear. The HR professionals that remain will be expected to make a significant contribution to the organisation's business, adding greater value – as defined by the business – than ever before.

The next prediction is that HR's increasingly external focus will be extended to include adding value for the benefit of external stakeholders. In particular HR will involve customers in the design of a range of HR practices. It will also seek to influence customers' buying decisions by conceptualising, developing and articulating the organisation's people capabilities in increasingly powerful and persuasive ways.

<sup>47</sup> The Future of Futurology Economist.com December 30th 2007

<sup>48</sup> Ulrich, Brockbank (2008) *The business partner model 10 years on: lessons learned* Human Resources magazine December 2008/January 2009

Ulrich and Brockbank go on to suggest that HR will also focus increasingly on its return on investment as an intangible asset to the business, thus attuning itself to the requirements of capital markets. It will also become increasingly attuned to its return on investment in relation to the activities of competitors; are its innovative practices an asset of competitive value to the business? Are they giving the organisation the edge over its competitors? Ulrich and Brockbank point out that HR must not only manage change well, but also quickly. "Internal measures of change must be viewed from the perspective of change relative to external competition".

The fourth prediction is that HR professionals will become more effective as business partners and more balanced in their approaches to work. They will take on the six roles we describe earlier in the report: Credible Activist, Strategy Architect, Culture and Change Steward, Talent Manager and Organisational Designer, Operational Executor and Business Ally.

The final prediction in this list is that HR professionals will be expected to base their activities on solid empirical evidence. In the future the HR profession will conduct research that focuses on HR issues that are associated with business results.

Building on Ulrich and Brockbank's projections we would add that:

- Survival is not enough – short-term actions may secure the liquidity of an organisation today, but they may not secure a long-term future. The risk for HR is that the function gets caught in a reactive cycle of quick fixes without ever being able to break out and take a more strategic view
- Local demographic changes and globalisation brings the challenge of needing to recruit from and manage a far more diverse workforce. A growing population in their forties and above means that there may be more people looking for meaning or purpose in their working life. Greater engagement and therefore greater discretionary effort may be secured where employees feel a connection with the purpose of the organisation they work for. There has also been an identification of new "generations" coming into the workforce or becoming customers and their potential impact for organisations. We already have Generation Y in the workforce and having the potential to mismatch the expectations of managers and leaders who are unable to see or understand a different perspective. These are all areas where HR expertise can add real value
- HR may not exist in the way we recognise it today – In the UK the Chartered Institute of Management Accountants have commissioned research into the impact of new ways of working on finance careers. One of the possibilities the research was exploring is the idea that business partnering could result in the end of a separate finance and other specialist functions within organisations. So management teams may have a generic strategic business partner who can then bring in appropriate services from finance, HR, IT and others.<sup>49</sup> The

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<sup>49</sup> Louisa Peacock 22 October 2007 11:44 Personnel Today

CIPD is due to introduce new qualifications for HR professionals.<sup>50</sup> All these changes will require new and different HR competencies

All these predictions illustrate how the future focus of HR must lie outside the HR department. It is critical, in building its future, that HR cannot leave itself open to accusations that its focus is internal, or that it is failing to keep its finger firmly on the pulse of not only the organisation, but also the external influences that inform its existence.

## Future-proofing HR

The key to unlocking this future lies in HR's relationship with key stakeholders inside their organisation, as it is through the acceptance and willing collaboration of line colleagues that true permission to innovate, to implement HR technology, to access external stakeholders and take the lead in CSR will be given.

As we have described in this report, in order to contribute to the sustained success of the organisation, HR must be equipped to work with the line, speaking its language and identifying closely with its thinking. For this to happen, the line must want it to happen. But unless the line understands the benefits to be gained from this way of working and is confident that basic HR procedures, processes and systems are in place and effective, and that HR is making a solid contribution to the operational effectiveness of the organisation, continued resistance to HR's strategic offering seems to be the most likely result.

**HR must remember that the line is behind the curve when it comes to business partnering**

Our research has uncovered a strong feeling among some line managers that they have been “done to” and not “done with” when it comes to the implementation of the HR business partnering model. If they feel that the model has been imposed from above on HR's advice, as was the case with a significant number of the line managers we interviewed, and if they are not fully clear on the reasons the model has been implemented, nor on their roles in making it work, it is no surprise that they may be reluctant to play ball.

Most crucially, HR must remember that the line is behind the curve when it comes to business partnering. Here is a model that HR has been thinking about for ten years; this is not the case for those outside the function. A dialogue is called for; where HR asks the line how they define value and explains how HR can deliver just that; value as defined by the business, not by HR.

The questions that HR should continue to ask, however structured, should be:

- How does the whole organisation define HR value?
- How do we deliver this value to the organisation?
- How can we further enhance the value of HR?
- How can we enable line managers to deliver more value?

<sup>50</sup> [http://www.cipd.co.uk/centres/\\_qualificationsstrategyreview.htm](http://www.cipd.co.uk/centres/_qualificationsstrategyreview.htm) December 2008



And here are some key areas for HR professionals to focus on:

**1. Don't change for the sake of it**

If business partnering looks like the best way for HR to deliver value to your organisation, don't go chasing HR fads.

**2. Be part of the value chain**

If you don't know what this is in your organisation, you're not even in the game! You have to understand what it is that drives the effectiveness and success of your organisation and ensure that HR is able to directly contribute to it.

**3. Be connected**

Relationships are vital to effectiveness, be they with customers, suppliers or employees. Being well connected with stakeholders means that HR professionals may be better placed to

**4. Buy in skills**

Where you don't have the necessary skills in-house you'll need to be able to bring them in or broker them.

**5. Stay fast and flexible**

Speed of response is likely to remain vital. Connectivity means that the impact of external factors can be quicker and greater. Technology means that we are all used to and expect rapid responses. This means you need to be fast and flexible, as do your systems, processes and structures.

**6. Delivery-focused**

As Ulrich recommended ensure that HR in your organisation is valued for what it delivers, rather than what it does.

**7. Learning-focused**

Ensure that you and your HR colleagues are interested in learning and are able to learn effectively. Learning is as much key for continuous improvement as it is for transforming the organisation. A learning-enabled HR team is likely to be able to cope much more effectively with the challenges that the organisation faces and to be flexible in structure and work.

To conclude, HR business partnering will only be successful in practice if it meets the needs of the whole organisation, as defined by the organisation. Buy-in from the line is essential, and a real dialogue is the only way to achieve this. If the implementation and evolution of the model is truly the result of such a dialogue, HR is in a position to deliver sustained and substantial value to organisations today and in the future.

## Endnotes

- i  $\rho=0.38, p<0.01, N=158$
- ii  $\phi=0.122, p<0.001, N=713$
- iii  $\phi=0.80, p<0.05, N=713$
- iv  $\phi=138, p<0.0001, N=713$
- v  $\phi=0.115, p<0.01, N=713$
- vi  $\phi=157, p<0.0001, N=713$
- vii  $\rho=0.32, p<0.01, N=152$
- viii  $\rho=0.38, p<0.01, N=144$
- ix  $\chi^2=9.55, df=3, p<0.05, N=158$
- x  $\chi^2=22.44, df=3, p<0.0001, N=155$
- xi  $\chi^2=11.11, df=3, p<0.01, N=157$
- xii  $r=0.41, p<0.01, N=128$ , Clarity measured using an composite clarity rating for all stakeholders
- xiii  $r=0.47, p<0.01, N=122$ , Value gained from HR measured using composite of respondent ratings of HR value

xiv Rating of business partners' competencies	Correlation with success
96% feel that they are willing to offer a point of view	$\rho=0.25, p<0.01, N=159$
95% say they demonstrate HR knowledge and skills	$\rho=0.24, p<0.01, N=159$
93% felt they have relationship building skills.	$\rho=0.27, p<0.01, N=159$
86% feel they have influencing skills.	$\rho=0.29, p<0.01, N=160$
85% feel they are willing to challenge assumptions.	$\rho=0.30, p<0.01, N=160$
83% say they demonstrate company knowledge	$\rho=0.22, p<0.01, N=158$
78% say they demonstrate an ability to cope with uncertainty and change.	$\rho=0.34, p<0.01, N=160$
77% say they demonstrate an understanding of organisational politics.	$\rho=0.19, p<0.01, N=160$
76% of respondents feel that HR business partners are credible with the business.	$\rho=0.46, p<0.01, N=160$
76% feel they have the strength to stand up to managers.	$\rho=0.30, p<0.01, N=159$
66% say they demonstrate industry specific knowledge.	$\rho=0.16, p<0.05, N=158$

66% say they demonstrate consistent delivery against expectations	$\rho=0.58, p<0.01, N=159$
61% agree that they demonstrate general business knowledge	$\rho=0.26, p<0.01, N=159$
43% project management skills	$\rho=0.37, p<0.01, N=159$

xv  $\rho=0.52, p<0.01, N=158$

xvi  $\rho=0.50, p<0.01, N=159$

xvii  $\rho=0.64, p<0.01, N=127$  A composite rating of managers, employees and HR being bought-in and being equipped to play an active role in business partnering was correlated with a composite rating of clarity for HR business partners, HR centres of excellence, HR shared services and managers.

xviii  $\rho=0.36, p<0.01, N=159$

xix  $\rho=0.33, p<0.01, N=157$

xx  $\rho=0.33, p<0.01, N=158$

xxi  $\rho=0.34, p<0.01, N=160$

xxii  $\chi^2 = 3.68 \text{ df}=1, p<0.05, N=95$

## Appendix I: Research methodology

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### Interviews with HR subject matter experts

Seven subject matter experts participated in a semi-structured interview to identify the issues that affect the success of HR business partnering. This format allowed a detailed picture of the factors that maximised the success of HR business partnering to emerge. The interviews also covered issues highlighted by Roffey Park consultants and by literature on the topic. The interviews lasted up to an hour and focused on the structural and cultural characteristics of respondents' organisations, the nature of the HR business partner role, the motivation for adopting the HR business partner model, lessons from implementation, the benefits of implementation and the future of HR.

Subject matter experts were chosen from senior HR professionals who had a key role in implementing HR business partnering in their organisation. The interviewees represented medium sized and large organisations with an average of 18,433 employees (with numbers ranging from 2,000 to 75,000). Both the public and the private sectors were represented, with four participants drawn from private sector organisations and two from the public sector.

The interviews were transcribed and statements about factors influencing the success of HR business partnering were organised into themes. Themes were then grouped into higher-level categories and labelled. The final categories were treated as broad areas of interest and used to generate hypotheses for further investigation.

### Survey of HR professionals

The survey of 171 HR professionals was based on hypotheses derived from the results of our subject expert interviews, input from Roffey Park consultants and HR business partnering literature. We predicted that a number of factors would impact on the success of HR business partnering. These included how HR was organised; how the change was initiated; the way the model was implemented; how the HR business partner role was defined; the organisation's structure and culture and the perceived overall value of HR.

Over 30 organisations were represented from a variety of sectors. Respondents to the survey were drawn from Roffey Park's senior HR clients, attendees on our HR business partnering development programme and HR business partnering conferences. Several other organisations also volunteered to complete the survey after being invited by affiliates of Roffey Park. Roffey is well established in the field of HR, and could draw on a diverse range of contacts.

The sample broadly represents views from both the public and private sector (37% and 54% respectively; 9% not-for-profit). The sample also predominantly represents the views of HR business partners, as the majority of respondents (65%) were in HR business partnering roles. 15 per cent were heads of HR, six

per cent were from centres of excellence, two per cent were from HR service centres and 12 per cent were from other HR functions.

The sample is mainly representative of HR in large organisations; with the majority (61%) of respondents from organisations with 20,001+ employees, two fifths (19%) from organisations with 5,000- 20,000 employees, an eighth (13%) from organisations with 1,000-5,000 employees and only seven per cent with up to 1,000 employees.

We used a range of techniques to analyse the questionnaire data. Open questions were content analysed; responses were grouped into themes and themes grouped together to form categories. Statistical techniques were employed to test research hypotheses and establish what factors were related to the success of HR business partnering in practice.

### **Line manager interviews**

We conducted semi-structured interviews with 26 line managers. Our aim was to understand what factors line managers considered important to the success of HR business partnering, whilst also covering issues raised by the two previous phases of the research. The areas covered by the interview included how HR is organised; the transition to HR business partnering; the clarity of stakeholders' roles; the skills needed by employees and line managers; the success of HR business partnering and the future of HR business partnering.

Participants from this phase were drawn from six organisations that had contributed to earlier phases of the research. Three organisations (14 respondents) were from the public sector and three (12 respondents) from the private sector. Individuals were selected on the basis that they worked closely with HR business partners and could provide an informed view of the factors that enabled truly effective partnering. Respondents were predominantly working at senior management level.

As with the subject expert interviews, the interviews were transcribed and statements about factors affecting the success of HR business partnering were organised into themes. Themes were then grouped into higher-level categories. The final categories were compared and contrasted with the findings from previous phases of the research in order to develop a more comprehensive representation of HR business partnering in practice.

### **The Management Agenda 2009**

The Management Agenda is Roffey Park's annual survey of managers' views and experiences at work. Now in its 12th year, this survey is widely recognised as a reliable indicator of workplace trends in the UK. The Management Agenda includes a section on views of the HR function including questions on HR business partnering. In order to understand HR business partnering in a wider context we reference findings on the prevalence of HR business partnering and its perceived success in this report.

### **Additional analysis**

We further analysed data from The Management Agenda 2009 relating to the perception of HR and HR business partnering in order to gain further insights from this rich dataset.

This analysis was based on 305 of the 852 respondents to the 2009 survey who had HR business partners in their organisation. Of these 305 respondents a third (30%) were HR staff. Respondents with HR business partners were predominantly middle and senior managers, with just under half (48%) being director/senior manager/partner level and a third (34%) middle managers. The sample was also drawn from both the public and private sectors (40% and 51% respectively; 9% were not-for-profit).



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Roffey Park Institute, Forest Road, Horsham, West Sussex, RH12 4TB, United Kingdom

Tel: +44 (0) 1293 851644 Fax: +44 (0) 1293 851565

email: [info@roffeypark.com](mailto:info@roffeypark.com) [www.roffeypark.com](http://www.roffeypark.com)

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