The Evolution of the HR Business Partner

A Discussion of the Changing Role of the HR Business Partner in a Shared Services Model

June 2015
Agenda

- About ScottMadden
- The HR Business Partner’s Role
- Recognizing the Change
- Transforming the HR Business Partner
- Additional Considerations
Who We Are

ScottMadden is a management consulting firm with more than 30 years of deep, hands-on experience.

We deliver a broad array of consulting services—from strategic planning through implementation—across many industries, business units, and functions.

WHAT IT TAKES TO GET IT DONE RIGHT

- **Corporate & Shared Services**
  - More than 1,100 projects
  - Clients range from entertainment to energy to high tech
  - Unmatched experience with more clients and more solutions

- **Energy**
  - More than 2,400 projects
  - More than 300 clients including 20 of the top 20 energy utilities
  - Every business unit, every function

- **Clean Tech & Sustainability**
  - Unique perspective built on 30 years of energy experience
  - Solutions for clean and renewables sources of energy, smart energy management, and sustainability
Corporate & Shared Services: Unmatched Experience

**EXPERIENCE**

Our experienced team has been a pioneer in corporate and shared services since the practice began decades ago. We employ deep, cross-functional expertise to produce practical, measurable solutions.

**SCOPE**

We have completed more than 1,100 projects since the early 90s, including hundreds of large, multi-year implementations. Our clients range across a variety of industries from entertainment to energy to high tech. Our areas of expertise span the spectrum of middle and back office corporate and shared services.

**SERVICES**

We have helped our clients with business case development, shared services design, shared services build support, and implementation.

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Our corporate and shared services knowledge, expertise, and experience are unmatched—no other firm has helped more clients with more unique solutions.
Capabilities

ASSESS AND PLAN
- Strategic planning
- Feasibility analysis
- Benchmarking
- Leading practice assessment
- Performance evaluation
- Project planning
- Leadership education and buy-in
- Staff evaluation
- Change readiness assessment
- Site visits
- Project management
- Service and transaction center build
- Detailed organizational design
- Staffing
- Process redesign
- Technology design, selection, implementation, and support
- Education and training
- Facility design and setup
- Change management
- Sourcing implementation

DEVELOP
- Current state analysis
- Future state design
- Business case development
- Service delivery model design
- Work scope delineation
- Sourcing evaluation
- Organizational design
- Technology evaluation
- Transformation planning
- Implementation planning
- Change management

IMPROVE
- Analytics setup and deployment
- Operations improvement
- Governance
- Service expansion
- Cost reduction
- Process redesign
- Technology upgrade
- Merger and acquisition integration
- Field resource development
- Customer satisfaction measurement
- Metrics and performance management
What We Do – Human Capital

HR is a core specialty at ScottMadden and has been since our inception in 1983. As such, we have a dedicated human capital practice that consults across geographies and across industries, including aerospace, consumer products, defense, education, energy, entertainment, healthcare, manufacturing, pharmaceuticals, retail, technology, telecommunications, transportation, and others.

Whether we are improving talent management programs, revamping processes to ensure effectiveness and regulatory compliance, designing and implementing new service delivery models, expanding existing operations, or evaluating outsourcing opportunities, we ensure our clients achieve the business value desired.

Talent Transformation
- Talent management strategy
- Talent management
- Organization design and build
- Process redesign
- Competency development
- System requirements identification
- Implementation planning

HR Transformation
- HR transformation strategy
- Service delivery model design
- Business case development
- Implementation planning
- Implementation support/project management
- Operations expansion

Organization Transformation
- Strategic HR and business goal definition
- Work realignment
- Organization design
- Business case development
- Implementation planning

HR Analytics
- Organization launch
- Model development
- Dashboard creation
The HR Business Partner Role
The HR Business Partner Role

Leading Practice HR Service Delivery Model

Customers

- Vendors
- Employees
- Line Managers

Service Interface/Service Delivery

Self-Service (Tier 0)
- Portal/Knowledgebase
- Interactive Voice Response

Solutions Center (Tier 1 and Tier 2)
- Answer basic questions
- Perform transactions
- Provide administrative support
- Run and distribute reports
- Analyze routine data

Strategies, Programs, and Policies

Centers of Expertise (COE)
- Design programs
- Develop and govern policies
- Deliver specialty services to Groups
- Provide Tier 3 support for Solutions Center

Key Attributes:
- Structures and delivers services based on type of work performed
- Leverages centralized and decentralized components
- Heightens focus on the customer
- Increases service delivery at entry or lower service tiers
- Leverages technologies
- Focuses on proactive analysis and responses
- Defines services clearly and bases services on customer needs

HR Business Partners
- Advise and consult with Group leaders and managers
- Identify and address Group HR issues
- Assist in the design and implementation of COE programs
- Liaise with COEs
The service center generally handles a wide range of administrative and transactional activities, such as general employee inquiries and data updates:

- The service center is staffed with customer care-oriented employees that may or may not have HR experience.
- Employee inquiries and transactions may be handled via phone, chat, or online capabilities.
- Service center staffing varies based on service scope, deployed technologies, geographies served, and other similar service delivery design elements.
- The split between tier 1 and tier 2 staffing varies depending on service scope, but can approach 50–50.
- A continuous review of operations and data to identify and address issues proactively and expand scope based on business needs is the key to the service center’s sustained success.

**Tier 1**
- Administrative Support
- Data Entry
- Inquiry Management
- System Support
- Transaction Support

**Tier 2**
- Employee Relations
- Leaves Management
- TA Administration
- Workforce Administration

Support from Third-Party Providers
Service Delivery Model – Tier 3

Centers of Expertise (COE) own and direct the programmatic aspects of human resources, such as program design and deployment, policy development and interpretation, and enterprise-wide functional data collection and analysis.

- COEs usually exist for Benefits, Compensation, Employee Relations, Labor Relations, Talent Acquisition, and/or Talent Management
  - HRIS is frequently grouped with an HR Operations organization that includes the service center and continuous improvement
- Staffing levels vary greatly for individual COEs and are influenced by service scope, deployed technologies, geographies served, and other similar service delivery design elements
- For COEs to be most successful, it is important that they report centrally. However, we see a variety of staffing models with respect to where resources are located

**The HR Business Partner Role**

**Tier 3**
- Employee/Labor Relations
- Global Mobility
- Talent Acquisition
- Talent Management
- Total Rewards

**Functional Specialists**
Service Delivery Model – HR Business Partners

HR Business Partners work with leaders and managers to facilitate the success of human capital-related business goals

- Business partners are focused on advisement activities and strategic interventions
  - This work often shifts based on business goals, strengths, and weaknesses

- If possible, business partners are deployed locally. In organizations with wide geographic footprints or a large number of locations (e.g., retail), business partners may be organized regionally or in ‘pods’

- Business partner staffing generally ranges between one HR professional per 250 to 500 employees. Regional deployment models frequently fit this range, but required travel needs to be considered as staffing levels are set

- A key to the success of a leading practice service delivery model is a complement of well skilled business partners. Critical skills include analytical, business acumen, communication, organization, problem solving, and self-directedness
Recognizing the Change

Change in Roles and Responsibilities

HRBPs remain focused on the business and human capital strategies.

Traditional Model
- Administration (65%)
- Operations and Programs (30%)
- Strategy and Policies (5%)

Transformed Model
- Administration (20%)
- Operations and Programs (60%)
- Strategy and Policies (20%)

~45% of administrative workload shifts to the HR service center

- Manage Talent
- Develop Leaders
- Drive Performance
- Optimize Work Life
Unfortunately, the business often looks at the HRBP as an administrative support function versus a strategic partner, because typically the majority of the HRBP’s time is spent supporting people movement and changes within the organization prior to implementing the new service delivery model.

Knowing your current state activity breakdown for the HRBP and across the HR function will help you understand and quantify the degree of change required for the organization.
Recognizing the Change

Overlooking the Change Required

During an implementation of a new service delivery model, a lot is changing and the change management and training associated with new roles and responsibilities is critical.

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Change activities tend to focus on:
- Redesigned HR processes
- Start/stop/continue activities
- Customer impacts
- HR impacts
- Service center technologies
- Service center processes

What’s Missing??

HRBPs are assumed to have the skills and competencies required to perform in their new roles without being trained appropriately.
Recognizing the Change

Competency Shift

As a result of the HRBP’s change in responsibilities from a role more administrative in nature to a role more strategic in nature, there is a change in the competencies required for the position.

Old Competencies
- Knowledge of the Business
- Attention to Detail
- Time Management
- Process Management
- Customer Focus
- Communication
- Self-directedness
- Teamwork

New Competencies
- Knowledge of the Business
- Analytical
- Problem-solving
- Communication
- Systemic Thinking
- Ambiguity (ability to deal with)
- Adaptability
- Organization
- Teamwork
- Insightful

Strategic Shift
Transforming the HR Business Partner

Timing and Approach

Ideally, the role of the business partner is examined and transformed during the implementation of the shared services model. However, this process can also be done at a later point in time if it was not completed initially.

Timing considerations include:

- Integration with shared services implementation plan
  - Process redesign
  - Staffing
  - Training
- Integration with the organization’s performance management cycle

There are three main phases in transforming the role of the HR business partner:

- Define
- Assess
- Develop
In the Define phase, it is important for the organization to clearly identify and communicate to the business what constitutes a successful HR business partner in the new organization.

### Existing Competency Model
- Does a common competency model exist within the organization?
- Does it reflect the future needs for HR business partner role? If not, what else is needed?
- Do you have agreement to define new competencies if needed?

### Customer Input
- How will you gather customer input as you define the future needs?
- What process will you use to capture this information?
- Who needs to be involved?

### Competency Definitions
- Are there clear, easily understandable definitions for the competencies with examples?
- Have you defined “what good is”?
- How can you relate the competency descriptions and desired performance to the HR business partner job activities?
Assess

During the Assess phase, the organization will design and conduct the assessment of the HR business partners, which will result in a cross-company view of the strength of your HR business partner community and potential opportunities for improvement.

Methodology and Timing

- What methodology will be used to complete the assessment? Web-based survey, interviews, other?
- Will multiple raters be used? Who and how many?
- Will you use a self-assessment to supplement other raters?
- How much time will you allow for completing the assessment?

Review Process

- Will the approach be piloted with a test group?
- Will managers/supervisors have an opportunity to review results before they are final?
- Will a review panel be leveraged to compare results and ensure consistency across areas?
- What weighting will be given to inputs from different raters?

Communications

- How will you communicate the assessment to the participants and overall organization?
- What are the important messages?
- How can you minimize the perceived impact to those who are being assessed?
The Develop phase involves analyzing the results of the assessment and determining how gaps will be closed in skill levels. By readily communicating training plans as a result of the assessment, a message is delivered to your HR business partners that you are willing to invest in them as well as the new service delivery model.

### Sharing Results

- Who will communicate the results of the assessment with the HR business partner?
- Will the feedback be provided during the annual performance review?
- Will a separate discussion related to the transition of the HR business partner role be needed?

### Transition Needs

- What are the criteria for determining which employees to develop versus redeploy?
- What training will be needed to develop staff to meet future needs?
- What tools and process changes are needed to support the changes?

### Ongoing Measurement

- Will the assessment be repeated at regular intervals to measure success? (e.g., annually)
- How will you measure success?
**Additional Considerations**

**Potential Issues**

In addition, aspects of the new design may prove to make the transformation of the HR business partner difficult to achieve.

- **Ineffective process redesign**
  - Limited use of manager self-service
  - Required HR approvals

- **Indirect reporting relationship to HR**
  - Differing priorities for the business
  - Differing priority for the individual

- **Inability to appreciate HR’s strategic value**
  - Inability for the business to see HR in any other respect than an administrative support function
Ultimately, all three of these elements are needed to ensure a successful transition of the HRBP.