



Business driven HR
Unlock the value of HR
Business Partners



Reflect today

- Think critically about whether your HR Business Partner team has got the right attributes... Successful business partnering requires a special type of person
- Identify three big areas where a strong partnering relationship would add most value to the business.
- How can you enable your Business Partners to deliver direct quick win benefits to the business?
- Ask your team how they spend their time. How much is really spent on taking action to drive business performance?

This booklet provides our experiences and approach on how to make business partnering work in your organization. Deloitte has been recognized as the #1 firm for HR Transformation globally: *"Deloitte leads among the HR Transformation and Technology (HRT&T) practices overall"*¹. We specifically have significant experience in HR Business Partner design and development in a variety of organizations.

1 Source: Kennedy Consulting Research & Advisory; HR Technology and Transformation Consulting Marketplace 2010-2013;
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Do any of these views sound familiar?

HR business partnering can encounter a range of challenges, like these examples reported by current HR Business Partners:

"I really want to use my HR knowledge to make a real difference to the business"

"I would love more support around developing my skills, and it would be great to feel part of a HR Business Partner community"

"Since being given the title of HR Business Partner there has not really been much change to my day to day role"

"Unfortunately I am having to still focus on transactional work – I don't get time for much else"

"Sometimes it feels that HR and the business are coming from different perspectives and it is hard for me to align them"

"I already contribute to the business in many ways, but I feel that I could offer more value in certain areas"

"I would like more clarity around the handoffs between me and other areas of HR"

Turn to Page 14 for our response to these common challenges

How do you measure up?



Quick check

Many organizations have struggled with turning the theoretical concept of HR business partnering into reality. Deloitte research outlines some clear indicators of HR Business Partner maturity:

Lagging Business Partners

Do your Business Partners:

- Retain a large proportion of their operational duties?
- Struggle with making an impact in the business?
- Find it difficult to balance the business and HR agendas?
- Lack clearly defined responsibilities or handoffs with other HR areas?
- Require further support with developing critical business or HR skills?

Leading Business Partners

Do your Business Partners:

- Spend their time on strategic tasks that help to achieve the top business priorities?
- Clearly measure and articulate the value they bring?
- Effectively deliver against aligned HR and business agendas?
- Have a clear and transparent part to play in HR service delivery?
- Get seen as part of the top talent in the organization?

Source: Deloitte HR Maturity Diagnostic

You may not yet have a HR Business Partner model in your organization, or you may have introduced the label of 'HR Business Partner' but do not believe they have unlocked their full potential yet. **Read on to find out about Deloitte's point of view on creating valuable HR Business Partners.**

So what is valuable
business partnering?

Some characteristics of partnering relationships



Accomplice, Comradeship



Alignment, Harmony



Support, Trust



Trusted Advisor, Challenging



Creativity, Vision

*Partnership: A relationship between individuals or groups that is characterized by **mutual cooperation and responsibility**, as for the achievement of a **specified shared goal**.*

Valuable business partnering can take a range of forms and guises...

Each of these examples represent a different, but equally valuable, view of a partnering relationship. Valuable HR business partnering is about delivering tangible outputs that support achievement of shared business goals.

Our extensive work with HR Business Partners in a range of organizations has enabled us to identify some common characteristics of effective business partnering relationships and how they link to business value creation

We believe that an effective HR business partnering relationship is defined by the following characteristics:



Focusing on **strategic issues** that contribute to the growth and competitiveness of the business.



Taking a **big picture perspective** regarding the organizations priorities and goals.



Having the **personal impact and credibility** to influence key decision makers.



Being the **diplomat and negotiator** to align the agendas of the business and the HR function.



Having a proven set of **skills and a breadth of knowledge** that are of value to the client/customer/business.

It can be a difficult job...

What is the return
on HR business
partnering?

Building a business case for HR business partnering

HR Business Partners need to believe that they are not just partnering with the business – but are themselves a vital part of the business. This can be achieved by linking HR Business Partner targets directly to business results. Some examples are provided below.

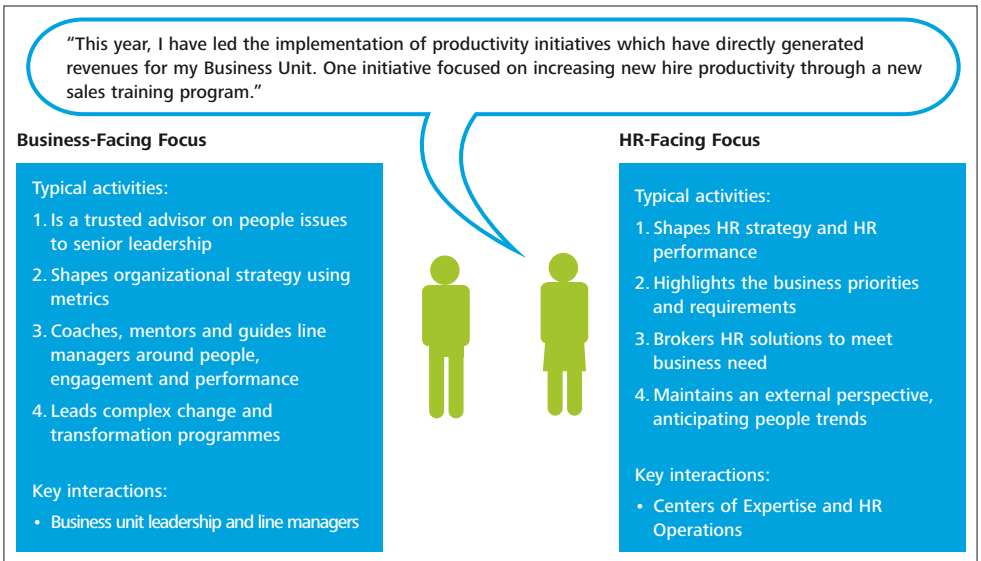
Business outcomes	HR business partner priorities	Example target
Sustained revenue growth	<ul style="list-style-type: none"> Identify talent strategies for entering new markets Predict requirements and source critical talent to grow Refocus the HR function on supporting high growth business units Help the business manage mergers and acquisitions 	Double size of senior workforce population in a new market next year
Profit growth and cost reduction	<ul style="list-style-type: none"> Manage the change process associated with cost reduction initiatives to minimize productivity impacts Help business evaluate and implement outsourcing and off-shoring strategies Focus on reducing HR's own operating costs 	Reduce organizational costs for business unit by 5%
Working smarter: speed, flexibility, adaptability	<ul style="list-style-type: none"> Align performance and rewards with speed, flexibility and adaptability Create communications and tools to reinforce culture Optimise HR processes and service delivery Source the right talent to perform 	Increase average product to market speed by 20%
Customer loyalty and retention	<ul style="list-style-type: none"> Assess employee loyalty and retention and potential impact on customer loyalty/retention Increase understanding of customer acquisition strategies and ensure HR programs are supporting (e.g. incentives, performance, learning) 	Increase customer satisfaction by 10%
Strategy execution capability	<ul style="list-style-type: none"> Anticipate potential leadership gaps and develop sources of top talent Build 'execution capability' into leadership development programs 	Improve leadership scorecard performance by 10%

Deloitte can assist you to build a case that is specific for your organization...

What does HR
business partnering
look like?

Day in the life of a HR Business Partner

The diagram below provides an overview of the key HR Business Partner focus areas, interactions and capabilities. HR Business Partners should play an account management role – consulting with their clients to understand needs and brokering solutions using the Centers of Expertise (CoE) and the HR Service Center (HRSC). They should be focused on managing client relationships, diagnosing issues, configuring specialist teams and co-ordinating projects.



Underlying Capability Requirements



What are other organizations doing?

A number of interesting trends have emerged that relate to the role of HR Business Partner.



Floating resources

This practice involves creating a pool of HR Business Partners (or internal 'HR Consultants') that can be reassigned on the fly, rather than being permanently assigned to a particular job. This allows HR to respond to changing business needs. Also, these resources are not aligned to a particular business unit, which helps them maintain their objectivity.

Taking talent management strategy beyond HR

Talent management strategy is high on the CEO agenda, and seems like a natural fit for the HR function. Yet some organizations have assigned this important responsibility to Corporate Strategy teams or external consultancy support. HR should view this as a warning sign that it has not yet established itself as a true Business Partner.

Sourcing 'stars' from outside HR

The Wall Street Journal reports that among large companies that hired new CHROs in the past five years, about one third selected a non-HR executive. That's up from about 10% in earlier periods. This shift may reflect a perception that some traditional HR professionals do not have a deep understanding of business.

Strategic HR in smaller organizations

Smaller companies are less likely to create Centers of Expertise or Shared Service Centers, and their HR functions are more likely to continue focusing on transaction processing and administration. Yet, even in these smaller organizations, there may be opportunities for the HR function to focus some of its energy and resources on serving the business as a partner.

So... How can you
achieve more
valuable business
partnering?

Tailoring a solution to suit your progress and needs ...

We have a bespoke solution to meet three common challenges typically encountered by HR Business Partner teams.

Challenge 1. Capability Gaps

“Unfortunately I am having to still focus on transactional work – I don’t get the opportunity to develop strategic skills”

“I would love more support around developing my skills, and it would be great to feel part of a HR Business Partner community”

Summary of our solution



Define the critical skills required for high performance



Assess existing competencies, either via individual or group self assessment or line manager assessment



Implement appropriate competency development initiatives which could incorporate coaching, communities and training courses



Consider redeployment or seeking of new skills from outside the organization

Challenge 2. Role Clarity

“I would like more clarity around the handoffs between me and other areas of HR”

“Since being given the title of HR Business Partner there has not really been much change in my day to day role”

Summary of our solution



Define service delivery model with clear responsibilities and handovers – including the relationship between the HR Business Partner and the Centers of Expertise (CoE)



Analyse and remove transactional work to other roles or a Shared Service Center



Clearly define and communicate HR Business Partner

Challenge 3. Business Impact

“I already contribute to the business in many ways, but I feel that I could offer more value in certain areas”

“Sometimes it feels that HR and the business are coming from different perspectives and it is hard for me to align them”

Summary of our solution



Understand the voice of the business and define business critical tasks and priorities, involving business stakeholders throughout the transformation



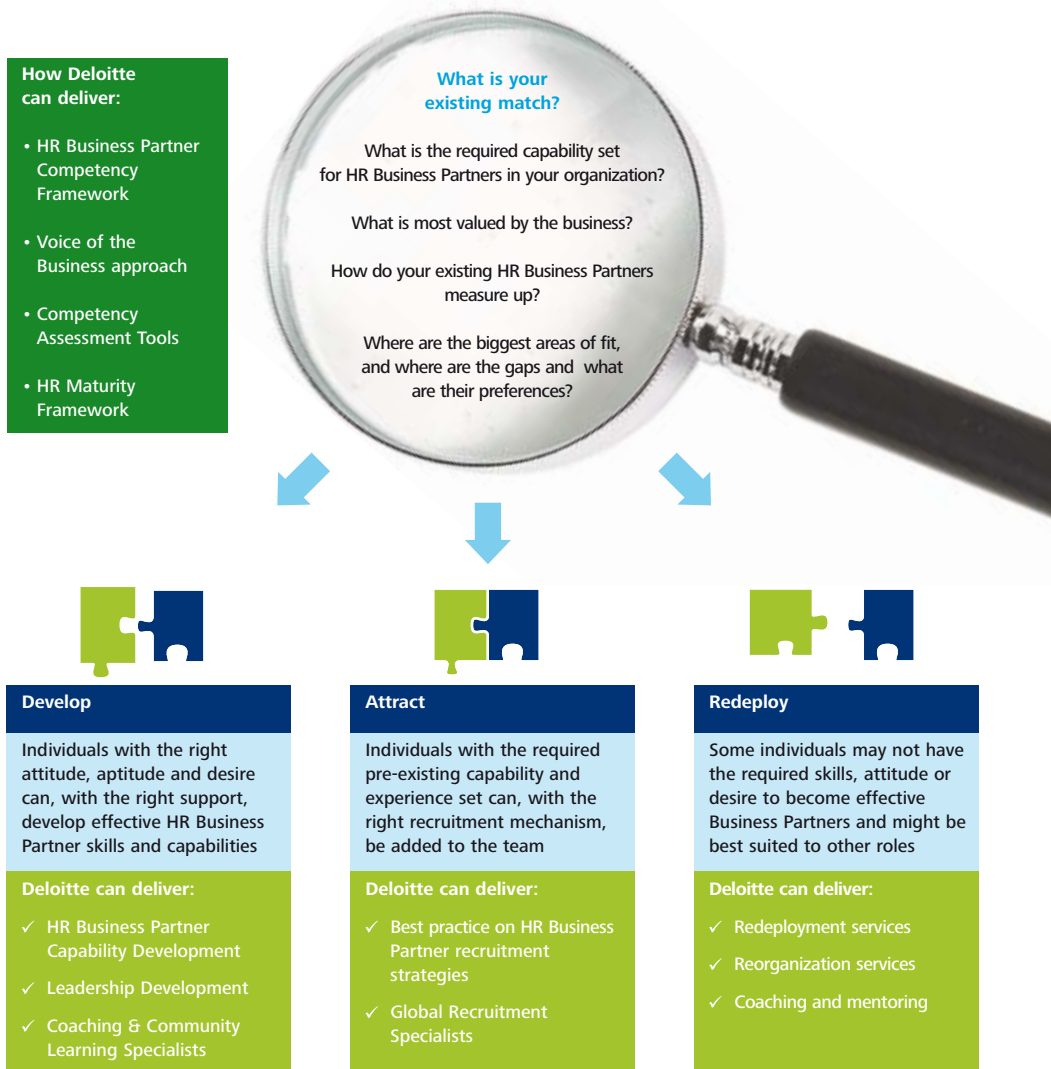
Define business relevant metrics that will track HR Business Partner contribution to what matters to the business. Turn early successes into case studies to demonstrate value



Build business understanding, confidence and personal brand of HR Business Partners

... underpinned by a set of tools and capabilities

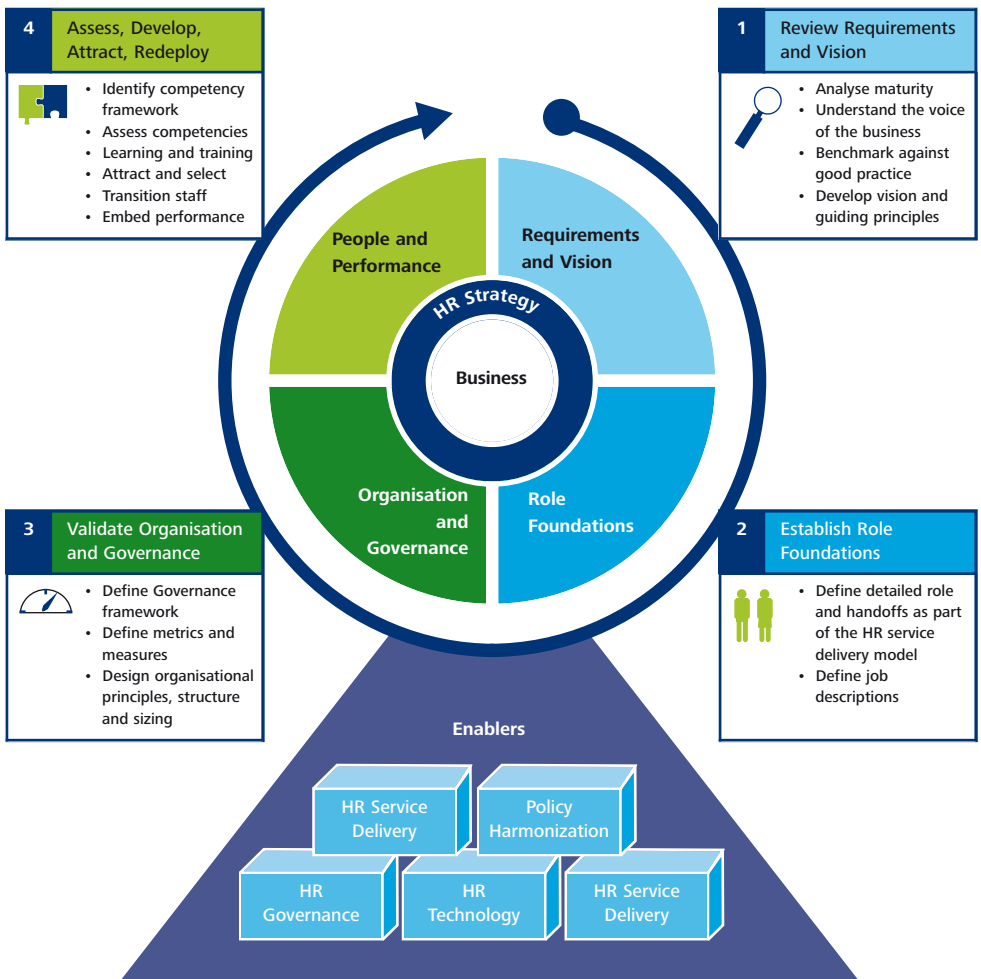
As each organization has a unique background and set of needs we can help you find the right match through the right combination of development, attraction and redeployment.



... and underpinned by a comprehensive framework

We understand the steps required to achieve a perfect HR Business Partner match. Depending on the needs of the organization, we can work with our clients across all, or a selection, of the activities described below.

Many clients find they have already done the first three steps but require further support with developing capabilities and embedding performance



Two case studies from our clients

Global consumer business organization: Role and capability definition

With 300 HR Business Partners serving a global employee population of 60,000, this organization needed to clarify, standardize and develop existing HR Business Partner teams to move them out of the traditional transactional role.

The organization completed the following steps:

- 1. Business interviews:** First step was to get a front line perspective on business partnering direct from business leaders and line managers.
- 2. Clarification of the role:** The expectations and responsibilities of the role were explained and 'brought to life' through the use of case studies
- 3. Community building:** Regional communities of HR Business Partners were established (with strong leadership) as a mechanism for communication, knowledge sharing and skill building.
- 4. Business focused capability framework:** A set of desired competencies was defined based on business need, benchmarking and HR strategy, and implemented via a competency management system. All HR Business Partners were required to complete a self assessment of their development needs, which was then validated and discussed by their line manager.
- 5. Learning approach:** A creative learning approach was developed which focused less on traditional classroom training and more on ongoing mentoring and structured self directed learning in order to profoundly embed new behaviors and culture.

Global beverages company: Assessment and selection

This organization was completing a HR transformation, which involved a shared service implementation and a new HR Business Partner model. As part of this, they needed to make sure they had on board the best HR Business Partner team available.

The organization completed the following steps:

- 1. Clear articulation of new roles:** Communicating the details of the new roles to existing job holders as early as possible using a variety of methods including early 'taster' training covering core skills, as well as scenarios and examples to bring the role to life.
- 2. Assessment and selection:** Running of an assessment and selection process to make sure the best HR Business Partners were recruited to step up into the new strategic roles.
- 3. Internal and external recruitment:** Employees were invited to apply for the new roles. To realize savings, there was a phased rollout of the future HR organization with the introduction of interim HR Business Partner structures first before transitioning to final end state structures later. A round of internal recruitment was followed by external recruitment for any remaining positions.

What are the
success factors?

Achieving success



There are some trends associated with organizations that have implemented successful HR Business Partner models.

Top success factors – Enablers to keep in mind

1. Get the basics in place first: The HR Business Partner role cannot be fully enabled, or credible, without the provision of reliable HR transactional delivery and underlying foundations such as standardized reporting, technology and policies.

2. Be clear about the role: Clearly describe the types of business outcomes the Business Partner should focus on delivering.

3. Prepare the line manager: Facilitate the mindset change of the line manager, who initially may not be willing or ready to accept the Business Partner in the new role.

4. Match the person to the role: Focus on the skills and experience that are required to be credible and trusted.

5. The power of information: Providing timely and meaningful management metrics/reports to guide people-related decisions and track results.

6. Focus on the business requirement: Keep the desired business outcome visible as you go.

7. It takes time: Focus on quick wins first but don't promise too much too soon.

How we can help you

We can provide:

- ✓ Specific support to key critical tasks (e.g. capability development).
- ✓ End-to-end support with full HR Business Partner transformation.
- ✓ Best practice, benchmarking, examples and case studies providing a view of what other organizations are doing.
- ✓ A set of good practice tools and approaches.
- ✓ A review to pinpoint the key Business Partner opportunity areas in your organization.
- ✓ A tailored program which will help to improve the impact and effectiveness of your Business Partner function for your specific organization
- ✓ An experienced team of HR Business Partner experts.



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