Building Capability

HR Strategic Partnering Skills

In the continuing effort to add more value to the business, no HR role is more critical than the strategic HR partner.

Strategic HR partners’ ability to rise above transactional demands and become full partners with their business leaders in setting and implementing strategy makes or breaks an HR organization’s strategic contribution. This happens in two ways. First, HR professionals build capability in their business units that enables the business strategy (improving efficiency, fostering innovation, etc.). Second, they ensure that centralized HR groups are focused on solving business problems, not generating solutions looking for a problem, by reporting what works, what doesn’t work, and what is missing in terms of HR’s overall support of the business.

In our work with organizations around the world, we have seen significant strides made in implementing what is commonly called the business partner model, but we also see many ongoing challenges. In implementing or refining a strategic HR role in any organization, it is critical to get three things right:

1. An organizational design that will enable the role to have maximum impact.
2. A selection process that accounts for the unique requirements of the role.
3. A suite of development offerings that help HR professionals in these roles hone critical skills.

Getting the context right will create greater impact.

If the strategic HR role is not well defined or operates in a poorly-designed organization, even the most skilled and strategic HR professional with access to world-class development resources will not be able to have strategic impact.

All support organizations, including HR, do two types of work: strategic work and foundational work. Strategic work is the HR work that directly supports key capabilities of the business—the ones that create competitive advantage externally. Foundational work is the HR work that must be done to keep the business running, but that does not directly drive competitive advantage. It includes but is broader than transactional work. Both are critical in any HR organization but they are performed differently. Foundational work needs to be done as efficiently as possible, while strategic work should deliver leverage and impact. Organizing the HR function so that foundational work is performed as efficiently as possible enables a strategic role that can create leverage for business leaders.

Many HR organizations have rushed to implement the strategic business partner role without paying careful attention to the business and HR systems in which the role operates. The generalist role is too often a catch-all that overlaps other roles and is defined by the needs of line leaders and what the individual is good at. They are told to be strategic but are inundated with other, more transactional work that must be accomplished to meet regulatory or basic business needs (employee relations, etc.).

In our experience, you cannot create an effective strategic partner role in isolation. In order for an HR role to do strategic work, other roles in HR need to change so that the transactional work gets done. There is also often a lack of clear accountability and process integration between HR groups (e.g., generalist vs COEs) that leads to confusion and time spent within the function negotiating roles and deliverables instead of adding value.

If your HR organization is not structured to allow a strategic HR role to succeed, developing business partnering skills in a population
that will not be able to use those skills is not a wise use of scarce resources.

**Getting the right people in the business partner role makes strategic contribution more likely.**

Similarly, developing professionals who are not a good fit for a strategic HR role (capability or proclivity) is unlikely to yield any change in results.

Strategic roles require very different skills than foundational HR roles. In the rush to implement the business partner model, many HR organizations took people who were outstanding at foundational work and transferred them to business partner roles. Some succeeded, but others have struggled. Identifying a profile for a strategic HR role and selecting candidates that fit that profile using data on current performance and personality attributes known to enable success can increase the impact of the strategic HR role.

**Providing development options focused on helping business partners build the right skills is the most impactful development investment HR organizations can make.**

In our experience working with and researching HR organizations around the world, we find that those that get the most value from their strategic HR roles fill them with HR professionals who have knowledge, skills, and abilities in key areas. The most successful organizations have developed HR professionals who know how to use HR practices to create value for the organization’s stakeholders. They use change management, consulting, and coaching skills to help their organizations adapt and improve. They engage talent to enable better performance, understand systemic organization diagnosis and design, and focus on data and metrics that matter. In short, these are HR professionals who are ready to have “a seat at the table” and use it to implement strategic vision.

The competencies and results required of HR continue to evolve. Over time, HR’s focus has changed from administrative work to the more strategic work of creating value for the organization from the outside-in. For the last 25 years, The RBL Group has worked with the University of Michigan to conduct the HR Competency Study (HRCS) every five years to gather information from HR professionals all over the world to know what competencies are required for them to succeed. Strategic HR professionals must be aware of their own competence. As they come to understand their strengths and weaknesses, they will be able to develop the most important skills that will enable them to deliver the required results.

Understanding how HR creates value is the foundation for strategic contribution. Dave Ulrich, RBL co-founder and professor at the University of Michigan, has consistently posited that HR’s place at the table is contingent on its ability to create value for the organization. Strategic HR professionals must have an outside-in value-creation mindset, understand the financial fundamentals that drive decision-making, and be in touch with the business’ current performance. They must be able to translate the business’ strategic direction into a set of organizational capabilities that are necessary to implement the strategy. They must then prioritize, integrate, and measure HR practices to build the required capabilities.

To help HR professionals play a strategic role, they must have access to development offerings that build financial and business acumen and teach them how to identify, build, and measure strategic organizational capabilities in partnership with business leaders. Once HR professionals master that foundation, additional skills are needed. Basic consulting skills are arguably the most critical skill set for a strategic role. HR professionals must be able to diagnose the needs of the business, clarify expectations from key stakeholders, effectively gather information, propose specific changes, and facilitate implementation of the recommended changes. Development offerings that build skills in these areas help strategic HR professionals see how they can have strategic impact and help the business succeed.

A technical and practical understanding of change management principles is essential for strategic HR. Business leaders are charged with positioning their organizations to succeed for the long-term. The only way to succeed and continue to deliver value to key stakeholders is to guide the organization through an evolution of services, markets, technologies, etc. that will enable continued and profitable growth. HR professionals who can help business leaders think strategically about the pace and progress of required changes is a key strategic partner. Development offerings that teach these skills with both a comprehensive framework and practical tools help HR provide more strategic value.

As trusted advisors to their business leaders, HR professionals are often called on to coach business leaders to improve performance, whether as a natural outgrowth of their regular interactions with senior business leaders or as an organized intervention with individuals throughout the organization. Development offerings that provide a coaching framework, tools for talking to leaders about contribution, and that build communication skills can help HR professionals become more effective change agents in their organizations.

As the primary steward of people and organizational capital for the organization, strategic HR professionals need to help their business leaders engage and build talent. Understanding how to attract, engage, develop, and position talent to meet strategic objectives and enable business performance is critical for those in strategic HR roles. Development offerings that offer best practices and strategies for getting the most from talent at all levels in the organization help HR professionals ensure the business has the human capital it needs to deliver on the business strategy today and in the future.

Finally, in a world of exponentially increasing sources of information and data, having the skills to analyze and measure HR and business performance is critical. Measuring is easy. Figuring out what to measure is hard. Strategic HR professionals must have the financial and business acumen to understand business performance, use that understanding to identify what to measure, and then analyze the results to make adjustments that improve overall business performance. Development initiatives that help HR professionals find meaningful patterns in data and then use that information to make better decisions is critical as HR helps business leaders drive improved results.

Strategic HR business partners are critical in driving HR’s contribution to the business, but they are only as effective as the organization and the individuals allow. Organizations that can get three pieces aligned—an organization structured to allow strategic contribution, individuals in strategic roles with strategic capability, and development options focused on skills and technical areas with the biggest strategic impact—are better able to offer strategic support to the business.
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